

Committee on Real Estate

February 13, 2023

A meeting of the Committee on Real Estate was held this date at 3:34 p.m. via Zoom.

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

PRESENT

Committee members: Councilmember Appel, Chair, Mayor Tecklenburg, Councilmember Gregg, Councilmember Waring, and Councilmember Shahid.

City Staff and Others: Magalie Creech, Melissa Cruthirds, Mollie Conner, Christopher Morgan, Brittany Pinckney, Rick Jerue, Julia Copeland, Amy Wharton, Matt Frohlich, Robert Summerfield, Geona Shaw-Johnson, Mallary Scheer, Matt Frohlich, Amy Wharton, Rick Jerue, Ernest Andrade, and Harry Waikart.

Chairman Appel called the meeting to order.

The meeting was opened with an invocation provided by Councilmember Gregg

Approval of Minutes

- January 23, 2023

On a motion of Councilmember Gregg, seconded by Mayor Tecklenburg, the Committee voted unanimously to approve the minutes of the January 23, 2023, meeting.

a. Approval of the Third Amendment to the Lease Agreement between the City of Charleston and the Charleston Digital Corridor Foundation. The property is owned by the City of Charleston. (997/999 Morrison Drive) (TMS# 461-13-01-056/057) [Ordinance]

Mr. Frohlich said the item was a request from Charleston Digital Corridor to extend their option to lease building pad 2 which would be the land for the second building. The original lease was for three years, and they asked for an additional two years because of market conditions.

Mayor Tecklenburg asked how long he thought it would be for them to break ground.

Mr. Frohlich said he was not sure, but they had a schematic design.

Mayor Tecklenburg said the undeveloped site looked out of place and suggested that they try to beautify the space if it would be vacant for another year.

Mr. Andrade said they had completed the schematic design and were currently working with Mack Reese who developed West Edge. The economic uncertainty has been challenging with no bank willing to underwrite a large-scale office building. He said two things were needed, concrete and steel and the pricing hasn't come down on either.

Councilmember Gregg asked if pad 2 was the site adjacent to pad 1 or the existing building north on Morrison Drive.

Mr. Andrade said that was correct.

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

b. Authorization for the Mayor to execute an Emergency Access Easement across an easement owned by the City of Charleston to Sher Brothers, LLC (owner of Silver Dollar) to facilitate a required emergency exit for its patrons. [Ordinance]

Ms. Copeland showed a map of the property. She said the establishment pulled a permit to put a cover over their existing patio. The Fire Marshals discovered as they were walking through that in order to exit the patio and get to either Mary or Ann Street there was a 15-foot easement owned by the City that ran across the entire back.

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

- c. Authorization for the Mayor to execute on behalf of the City of Charleston the First Amendment to the Option to Lease between the City of Charleston and the Grove on Johns Island, LP, a South Carolina Limited Partnership for the period ending, May 31, 2023. Except as modified by this Amendment, all terms and conditions of the Option to Lease shall remain in full force and effect. The property is owned by the City of Charleston. (Fenwick Site/Johns Island) (TMS# 346-00-00-004)**

Ms. Shaw-Johnson said the item was an option to extend the lease to the developers Grove on Johns Island, LP. They were the successful bidder to construct affordable housing on the Fenwick Site. She said it would allow them to continue and finalize their due diligence so that they can begin construction. They were slightly delayed, and the agreement expired in January 2023. She said they were hesitant about moving forward because they were uncertain what State Housing would do with the tax credits, but they had received their funding letter.

On a motion of Councilmember Shahid, seconded by Mayor Tecklenburg, the Committee voted unanimously to approve Item C.

- d. Approval of an Amendment to the Lease Agreement extending the Lease between the City of Charleston and Traverse Point, LLC (landlord), for use of the building for the Police Department for an additional year until March 31, 2024. Base rent will increase by a rate of 3%. (2093 Executive Hall Road, Charleston, SC 29407) (TMS# 351-01-00-049) [Ordinance]**

Mr. Frohlich said the item was for a one-year extension of the existing lease at Executive Hall for the Police Department's Traffic Team, which included a 3% increase.

On a motion of Councilmember Shahid, seconded by Councilmember Gregg, the Committee voted unanimously to approve Item D.

- e. Please consider the following annexations:**

- (i) 635 Magnolia Road (0.34 acre) (TMS# 353-13-00-031), West Ashley, (District 9). The property is owned by Michael Dysart and Laurie Griese.**
- (ii) 9 Apollo Road (0.20 acre) (TMS# 418-13-00-229), West Ashley, (District 9). The property is owned by Sue B. Chanson.**

Ms. Conner said both properties were family residences located in Carolina Terrace. She said they were in existing service areas with no foreseen issues.

On a motion of Councilmember Shahid, seconded by Mayor Tecklenburg, the Committee voted unanimously to approve Item E.

There being no further business to discuss, the meeting was adjourned at 3:55 p.m.

Brittany Pinckney
Assistant Clerk of Council