

Committee on Real Estate

July 19, 2021

A meeting of the Committee on Real Estate was held this date beginning at 3:37 p.m. over video conference call.

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

Present: Councilmember Shahid, Chair, Councilmember Appel, Councilwoman Jackson, Councilmember Waring, and Mayor Tecklenburg **Also Present:** Mallary Scheer, Julia Copeland, Geona Shaw Johnson, Jason Kronsberg, Rick Jerue, Susan Herdina, Matt Frohlich, Leigh Bailey, Matt Fountain, Christopher Morgan, Chip McQueeney, and Wanda Stepp

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

Approval of Minutes

On the motion of Councilwoman Jackson, seconded by Mayor Tecklenburg, the Committee voted unanimously to approve the minutes of the June 14, 2021 meeting.

An ordinance to authorize the Mayor to execute an easement granting to Dominion the right to construct, extend, replace, relocate, perpetually maintain and operate an overhead or underground electric line or lines consisting of any or all of the following: conductors, lightning protective wires, municipal, public or private communication lines, cables, conduits, pad mounted transformers, and other accessory apparatus and equipment deemed by Grantee to be necessary or desirable, upon, over, across, through and under land described as follows: a lot of land containing 2.53 acres, more or less, and being the same lands conveyed to Grantor by deed of Mary Alice Detyens Yeager, Etal., dated or recorded 1/11/1988, and filed in the Register of Deeds Office for Charleston County in Deed Book S171 at Page 700 and in Plat Book L17 at Page 351. The property is owned by the City of Charleston. (TMS No. 459-00-00-242) (Concord St. & Inspection St.) (International African American Museum)

Ms. Copeland pointed out the International African American Museum on her screen share and stated that it would be two transformer boxes to provide power to the site and there would also be an underground line that ran into Concord Street. She stated this was a regular and standard type of easement for Dominion.

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

Request approval of Purchase and Sale Agreement between the City of Charleston and Shipyard Creek Associates, LLC for the purchase of 10.08 acres of property located at 2001 Sewanee Road, North Charleston, South Carolina (TMS No. 466-00-00-009) for a purchase price of \$6,180,000.00 and Assignment and Assumption of Lease Agreement between Shipyard Creek Associates, LLC and Boasso American Corporation. The property is owned by Shipyard Creek Associates, LLC. (To be sent under separate cover by the Legal Department)

DEFERRED.

Request authorization for the Mayor to accept a Proposal for Consulting and Additional Environmental Quality Assessment Services for the Lowcountry Lowline from S&ME, Inc, related to the Voluntary Cleanup Contract (VCC) for the Lowcountry Lowline in the amount of \$22,225. This additional work is being required by DHEC based on a letter received from the City on March 1, 2021 in response to the VCC Environmental Site Assessment (ESA) Report dated December 15, 2020. Funding will come from the contingencies line item in Non-Departmental and will be covered in a future budget amendment.

Mr. Frohlich said they had done a VCC Phase One Assessment on the Lowline and submitted the report to DHEC in December and DHEC sent a letter to the City in March requesting some additional sampling be done. This was a proposal with S&ME to do that sampling and submit it to DHEC for final results.

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

A Resolution to amend the Non-Exclusive Water Taxi Service Agreement with Charleston Water Taxi to reflect current City of Charleston insurance requirements and remove references to prior Exhibit D.

Ms. Copeland said in 2013, the City had an agreement with Charleston Water Taxi to provide service across the harbor. At the time, the Port owned the floating dock, so there was also an agreement with the Port. The original agreement called for a \$5 million General Liability Policy. That was the standard amount for the Port because they had to handle big tankers and things like that. The Port was no longer a part of this agreement and Charleston Water Taxi had asked for the City to lower the insurance requirements to its \$2 million limit which was generally what the City offered or required. This resolution removed all prior references of the Port in regards to the floating dock and lowered the insurance agreement.

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

An ordinance authorizing the Mayor to execute, on behalf of the City of Charleston, the Laurel Island Development Agreement, including the Public Infrastructure Improvements Agreement attached thereto and incorporated therein, by and among the City of Charleston County; LRA Promenade, LLC; LRA Promenade North, LLC; and LID Oz I, LLC, pertaining to lands bearing Charleston County TMS numbers 418-00-00-006, 450-00-00-013, 459-02-00-013, 461-13-03-024, 461-13-03-100, 461-13-03-101, 461-13-03-102, 464-00-00-002, 464-00-00-006, 464-00-00-023, and 464-00-00-038.

Mr. McQueeney stated this was the development agreement that followed the PUD they passed in October of 2020. This would create a 10-year vested right, essentially to develop according to the PUD that City Council had adopted. State law required 250 acres or more of highland to get a 10-year development agreement. He didn't like 5-year development agreements, not because people didn't deserve them, but because in most cases the vested rights act takes care of them. There had been a property, owned by the City, added within the development agreement, not in order to develop that property but because there was some linkage between the two. One was Morris Island, which his understanding was that a related entity donated Morris Island to a land trust that was then conveyed to the City. The second was the West Ashley Bikeway, which was owned by the City and the developer, in order to create a link there had agreed to donate \$100,000 towards the duck and turtle pond planned to be developed on the Bikeway. They would give the City a promissory note that would have \$20,000 due within 30 days of adoption of the agreement. If it proceeds according to plan, it would be adopted on

August 17th and then they would make an additional \$20,000 payment every year thereafter. Those were the two big off-site issues. He spent some time reading over the agreement and was very pleased and appreciated the developer working with them on this. The developer had agreed to provide a temporary location for a fire station just off Laurel Island itself, but on a property owned by the developer. The developers agreed to dedicate land, at least one acre, and any necessary drainage facilities to construct a permanent fire station on the site. There was a proposed location. Parks and other facilities would be dedicated to the City. They actually had trouble with past agreements, many years ago, with parks situations and dedications. The ordinance required any dedication to the City, and it was usually streets or drainage facilities, to include a two-year warranty bond and a general warranty deed. The developer had agreed to comply with that. Essentially, after it was completed, the City won't be responsible for maintenance for two years. The developers agreed to provide seven parks over time. Those would include ball fields. The permanent ball fields would come later in the development. This would be important as he understood from Ms. Yarbrough and Mr. Kronsberg that this was already an underserved area in terms of recreational facilities and programming. There would be a temporary area until they could get the permanent fields in. One of the engineers had explained it best that they would have to surcharge the land because much of it was used as a landfill formerly. Essentially, that would put phases on a pedestal. Ultimately, it costs a lot of money to build that pedestal and it makes the rest of the Island not unusable but difficult to use. The temporary activation of that first phase park for ball fields and recreational facilities was important. Primary access through Phase 1 would primarily be in the southern portion and would be pursuant to upgrades made to Romney Street. Phase 2 required a trigger of 30% of the developed area. Phase 2 would be served by a bridge extending Cool Blow Street and for other phases there would be a crossing over Brigade Street. These areas would be dedicated to the City with the same dedication requirements normally required. The ability to develop was not really changed by the development agreement. The development agreement locked in the PUD for a period of time of ten years. A big component to the development agreement was the improvements agreement, which Jeremy Cook did a fantastic job handling for the City. They were intended to be used and integrated as one document.

Mr. Cook said this really followed in sync with discussion at the last City Council meeting on Morrison Yard. They had talked about the Morrison Drive TIF District and City Council gave first reading to entering into a public infrastructure improvements agreement with Morrison Yard. At that meeting, they talked about the fact that there were really three buckets of revenues. There were revenues coming from Morrison Yard itself. That was handled at the last City Council meeting. Then, there were two other buckets of TIF revenues. The first, and the larger of the two, was from the development of Laurel Island itself with 990 Morrison Drive. The third bucket would be the rest of the TIF District mainly along Morrison Drive. This agreement dealt with the second and third bucket. It specifically identified public infrastructure improvements. Everything was required to be publically owned, to be funded with the increment once it did develop. The agreement mainly focused on Laurel Island and the improvements that would be there such as transportation, stormwater, and parks. From the third bucket, the non-Laurel Island monies identified transportation improvements within the TIF District to be undertaken and then specifically set aside the first \$650,000 from the third bucket for specific off-site improvements off Laurel Island. That included improvements to Singleton Park specifically, or other park and recreation improvements in that area, drainage improvements at the intersection of Cool Blow and Nassau and sidewalk improvements within the neighborhood surrounding Laurel Island. Those improvements were specifically identified as part of the third bucket with the remainder going towards transportation improvements within the TIF District. So, it was consistent with the plan that began with Magnolia.

Chairman Shahid said for clarification, Morrison Yard and Laurel Island were separate developments. Mr. Cook said they were but were within the same TIF District. Chairman Shahid asked how many housing units would be out there. Mr. McQueeney said he believed it was capped at 7,250. Ten percent would be permanent workforce housing at all times and another ten percent after a certificate of occupancy was pulled for a unit, ten percent had to be workforce housing for ten years. They were working to make some more permanent things happen with that.

Councilwoman Jackson referred to the City Park Property definition on page 7 and asked if those were the pieces that the developer was required to add into the Laurel Park scope in order to satisfy whatever State legality there was. Someone had mentioned that Morris Island was still part of this but she didn't see that in the document. She asked if it was still part of this deal. Mr. McQueeney said it was. There was an initial plan to use the Dills Bluff tracts. That was taken out. He didn't know how the entity was related to the developer but the entity that donated Morris Island to whatever land trust it was at the time, that was the tie-in, but there was no planned development for Morris Island in this agreement. To the extent they developed it, it did lock in the zoning for Morris Island, but he didn't know of any plans and there were restrictions on its development. Councilwoman Jackson said she was reading under section 12 and reference to City park property. It only mentioned the bikeway. She asked where Morris Island be referenced in this document. Mr. McQueeney said it would be described in Exhibit A-3. The reason they called out the bikeway was that there would be a donation to the pond on that property for the development of that. Everything else said there was no planned development or it was active and passive uses in accordance with all agreements tied to those properties. Councilwoman Jackson said that the other value to this development was obtaining workforce housing. She was happy to hear him say they were trying to work out a more permanent arrangement. They had heard some rumors there would be a significant amount of housing built not on Laurel Island but somewhere on the main part of the Peninsula that would be trying to satisfy the original offer of workforce housing. She hoped they would put that to rest or hear about that in good timing so they knew all the information. Mr. McQueeney said he had not heard that rumor, but in the agreement and the PUD, there was a requirement for seamless design and that the units be located throughout the development.

Councilmember Appel said they knew how big of a supporter he was of Laurel Island. He thought this was great. They had spent a lot of time of subsequently enacted zoning regulations. That was the whole purpose of vested rights and development agreements. Given how lengthy the development horizon was and the City's ongoing work of stormwater regulations, he asked what if they had a new 2030 stormwater manual. He was looking at sections 9, 10, and 11 and he didn't see the stormwater issue pulled out. He always thought that stormwater regulations fit neatly into the exception to vested rights under the statute that provided for subsequently enacted code related requirements. He asked if that had been thought about because he would think as the development matriculated they would want to hold it to the prevailing stormwater regulations at the time and not be locked into the current manual on the books right now. Mr. McQueeney said they addressed that in the PUD. The stormwater regulations and flood control requirements in effect at the time of an approval of a specific plan for an area would control off-Laurel Island property. On Laurel Island, it was a little more complicated, but he incorporated language approved by Mr. Fountain as part of the PUD agreement. There were exceptions carved out, at least for off-site flood control and stormwater requirements. His general understanding was that the way Laurel Island was set up with the pedestal mechanism, there wouldn't be a lot of reason to change the stormwater standards applicable to it. It wasn't a situation like any other in the City.

Councilmember Waring left the meeting at 4:10 p.m.

Mr. Fountain said Mr. McQueeney summarized it pretty well. The areas off the island itself were very important and probably needed to be kept under future stormwater requirements because they were flood-challenged already. Within the core of the Island itself, it had a combination of benefits. One was that there was no downstream discharge to receive other than the river so they weren't at the same risk of a quantity perspective in other developments where they were risking flooding out someone else. Second, similar to Daniel Island, if they had a master plan development, the only people you could flood was your own development, but they required a master plan that would have to show how they were not causing flooding on their own development site and getting that discharge out. Water quality would be the biggest area which was regulated by the State and the current manual already. That was likely where they would see a lot of their stormwater work. There was potential to see very little water storage in this development. They would mostly be trying to get the water out into the river, but there would be a water quality component.

Councilwoman Jackson asked about the process. She thought she saw a notice in the newspaper that there would be a public hearing. Mr. McQueeney said this would be first reading and there was a 30-day notice requirement for City Council notice for the second public hearing notice and so that ad had already been sent out. That was the State law process as well as their internal process. There was some flexibility such as City Council could wait. They could do Planning Commission first and then City Council or vice versa. The Planning Commission public hearing had to be before final reading and before the public hearing. First reading at City Council without a public hearing could occur before or after the Planning Commission meeting.

On the motion of Mayor Tecklenburg, seconded by Councilmember Waring, the Committee voted unanimously to approve the above item.

Request approval of the Amendment to Memorandum of Understanding and Agreement between the City of Charleston, South Carolina, and TMP Epic Center, LLC. The property is owned by TMP Epic Center, LLC. (TMS Nos. 310-04-00-009, 351-10-90-015, 351-09-00-053, 351-05-00-044, 351-05-00-043) (2070 Sam Rittenberg Blvd. Charleston, SC 29407)

Mr. Cook said this was a follow-up to the agreement entered into last year with Epic. That agreement included a sunset provision that the public infrastructure agreement needed to be finalized by the one year anniversary which was coming up that week. The only change to this was to extend that window of time to August 1, 2022 for the City and developer to agree to a public infrastructure agreement or this agreement would terminate automatically.

On the motion of Mayor Tecklenburg, seconded by Councilmember Appel, the Committee voted unanimously to approve the above item.

Request approval of the Bargain Sale Agreement between the City of Charleston and Clements Ferry Properties, LLC for the purchase of approximately 1.35 acres of property within the development to be known as "The Towne at Cooper River", on the Cainhoy peninsula, for the location of a fire station. (Portion of TMS No. 271-00-01-035) (The property is owned by Clements Ferry Properties, LLC.)

Ms. Bailey said this was a bargain sale agreement between the City and Clements Ferry Properties. This parcel would be the location of a new fire station. As they all knew, they needed coverage on the Cainhoy

Peninsula. They were purchasing the property for \$150,000 and would also cover 50% of the costs of the construction of the main road that would run through the development. There would be a new stop light put in and if anything was needed other than a standard traffic signal, the City agreed to cover the cost of the difference.

Councilwoman Jackson asked if anyone had given a ball park estimate on what the cost of the road would be. Ms. Bailey said they requested that the developer provide quotes so they could be a part of the process, but she didn't think they had received anything yet. Mayor Tecklenburg said the road was about a block and a half. Mr. Frohlich said in 2019, the estimated cost for the road was \$480,000. It was four lanes and the City would be responsible for half of that. It would probably be a little more than that now. Councilwoman Jackson asked what would pay for that. Mr. Frohlich said they already had funding built up in a few different areas.

Chairman Shahid said they needed this fire station. If he remembered, they actually needed two fire stations out there. Mayor Tecklenburg said that the bargain purchase price of \$150,000 and the cost of the road was still well below the market value of a parcel in that area these days. They still had a savings over what they would have paid for land for a station. Ms. Wharton said this was a replacement station for the rental they were in out there. So, they would still need two additional stations.

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

Request approval of the Purchase and Sale Agreement between the City of Charleston and Howle Avenue, LLC for the purchase of the property located on Howle Avenue on James Island, South Carolina (Charleston County TMS No. 343-07-00-055) for a purchase price of \$425,000, to be paid with Greenbelt grant funds.(To be sent under separate cover by the Real Estate Department)

Request approval of the Greenbelt Grant Agreement for the Howle Avenue tract between the City of Charleston and Charleston County for the issuance of \$469,000 in Greenbelt funds for the purchase of 3.67 acres, located on Howle Avenue, James Island, South Carolina (Charleston County TMS No. 343-07-00-055). (To be sent under separate cover by the Real Estate Department)

Ms. Bailey stated this was one of the Greenbelt Grant applications that they approved to submit earlier in the year. It was approved, so now they were formalizing the deal in this purchase and sale agreement. The second item was the Greenbelt Grant agreement they had seen previously for all of the other Greenbelt projects. The purchase price was \$425,000 and that amount was approved and would be paid from Greenbelt funds as well as the closing costs and due diligence items. The seller had requested that he be able to name the park so there was a provision there allowing him to do that. It would be the Roman M. Buck Park. Councilwoman Jackson asked if they had an initial appraisal. Ms. Bailey said that Charleston County had it appraised and that amount was \$536,000, so they were purchasing it below the appraised value. Mayor Tecklenburg said this was a collaboration between them and the County to purchase the property. They planned to have a stormwater feature with storage on the property and the County had agreed to do a substantial portion of the work that would be a stormwater feature. It would serve a dual function of being a park/recreation area but also helped with stormwater efforts.

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

Consider the following annexations:

- *109 Magnolia Road (0.13 acre) (TMS# 418-13-00-132), West Ashley, (District 3). The property is owned by Darren Finan.*
- *2710 Pine Log Lane (4.66 acres) (TMS# 312-00-00-251), Johns Island, (District 5). The property is owned by Carey Rivers.*
- *3255 Maybank Highway (1.64 acre) (TMS# 279-00-00-206), Johns Island, (District 5). The property is owned by GANB LLC.*

Mr. Morgan said that 109 Magnolia was a residential structure. 2710 Pine Log Lane was undeveloped at the back of Whitney Lake and would be an extension and 3255 Maybank Highway was a small narrow parcel that would come into the City as part of a PUD. Councilwoman Jackson said that knowing that Pine Log Lane was joining an existing subdivision, she asked if it would be single-family. Mr. Morgan said that they proposed DR-6 which was 6 units per acre. They would do single family type units on narrower lots but it was compatible with other units that had been built in the area.

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

Having no further business, the Committee adjourned at 4:34 p.m.

