

COMMITTEE ON REAL ESTATE

March 14, 2017

A meeting of the Committee on Real Estate was held this date beginning at 4:02 p.m. at City Hall, First Floor Conference Room, 80 Broad Street.

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

PRESENT

Councilmember White, Chair, Councilmember Moody, Councilmember Waring and Mayor Tecklenburg
Staff: Councilmember Lewis, Collen Carducci, Frances Cantwell, Christopher Morgan, Rick Jerue, and Bethany Whitaker, Council Secretary

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

APPROVAL OF MINUTES

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the February 28, 2017 Committee on Real Estate Meeting.

REQUEST APPROVAL OF THE AGREEMENT WHEREBY CHARLESTON COUNTY SCHOOL DISTRICT AND THE CITY AGREE TO REESTABLISH THE SOUTHEAST QUADRANT OF HAMPSTEAD SQUARE FOR USE AS A PUBLIC PARK (TMS: 459-09-02-151). THE PROPERTY WAS ESTABLISHED AS A PUBLIC MALL IN 1871.

Colleen Carducci stated that this was the Hampstead Square Park. There were four quadrants there. Columbus Street ran east and west right through the middle of it, and the parcel they were referring to had the dashed lines around it on the handout. It was just to the south of Columbus Street. Fraser Elementary was just to the east of the parcel and this was one of the oldest platted parks in the City of Charleston. It went back to about 1871. They found no record in Council Records or the RMC Office relating to any transfer relating to the school district. The school district, however, had been using it with the expectation that they owned it. They had used it as a playground. There were records in some Council minutes that referred to the school district owning it, but they found no transfer. This agreement was a lease agreement with them. It said that there was no clear record, but they were going to agree for 99 years that the City had the right to use it as a park. The neighborhood would like to see it as a dog park, but they had left in general that it was a park. They would continue to use and maintain it until, and unless, the school district was to rebuild or reopen Fraser Elementary or another school there on that site. They could use it for outdoor green space in that event. This lease would terminate. It didn't establish who owned it, but it said that they would do this.

Councilmember Waring asked what happened if the school district sold Fraser. Ms. Carducci stated that the way it was worded was that it was until/unless Charleston county school district opened a school on the property. It didn't permit or contemplate anyone else. Councilmember Waring asked if the new owner would have rights under that lease. Ms. Carducci said that they were trying to protect it. An interesting comment was that the GIS mapping would lead you to believe that part of Hampstead Square was attached to Trident Tech's parcel. At some point the school district decided that to Trident Tech, but she hadn't gone back and figured out the chain of title. Trident Tech owned that and they

lease it back. That lease came to Council a few years ago, so the City leased it from Trident Tech to preserve it as a green space. It concerned her if they had abandoned property lines there. Frances Cantwell said that she remembered a reference to this back in the 1980's where that piece was incorporated into Trident Tech's property. She didn't realize that the City had subsequently leased it back.

Mayor Tecklenburg stated that he wanted to add that some neighborhood members had suggested that it become a dog park, and it was easily converted to that because there was already a fence around it. By no means had that decision been made yet, and they planned to go to the Neighborhood Association and get their input and see what the neighborhood would like before they programmed it.

Chairman White said that in this case the City was the lessee and the school district was the lessor. Ms. Carducci said that she wasn't sure if they were establishing one or the other. Chairman White said that was what he was going to ask. With a lease, someone had to be a lease and someone had to be the leaser. Ms. Carducci stated that they were calling it an agreement and that it wasn't a lease.

Councilmember Waring asked if this was the park that had a bench to Mr. Simmons. Councilmember Lewis said no and that was across the street.

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the agreement whereby Charleston County School District and the City agree to reestablish the southeast quadrant of Hampstead Square for use as a public park.

REQUEST APPROVAL OF THE SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE WHEREBY THE CITY AND SC STATE DESIRE TO REMOVE CERTAIN REVERSIONARY INTERESTS BENEFITTING THE CITY FROM THE DEED REQUIREMENTS SET FORTH THERIN, AND LANGUAGE IMPOSING A DEADLINE FOR THE CONSTRUCTION OF THE COMMUNITY CENTER. (CORNER OF LEE AND AMERICA STREET; TMS: 459-05-04-210.) THE PROPERTY IS OWNED BY THE CITY OF CHARLESTON. [ORDINANCE]

Ms. Cantwell stated this matter had been before Council before her re-entry in 2010 or 2011, and the City had agreed to give this parcel of land that it got from the Highway Department to SC State for the purpose of establishing a Community Center under a program called the 1890 Program. As the City often did when it gave property away, the City usually had a reverter, because they want to make sure the property was being used the way they said it would be used. They did that, and since the Federal Government has the 1890 Program, they raised an objection to having a reversionary interest in the property, since their money was going into it. SC State requested that the City release the reverter, and she was tasked with running it through to see if there was a way to protect some interest that the City would have. When you have property that was used in this program, in the event that it ever was not, the Federal regulations say what would happen with the property. You could give it to the Federal Government to use for something else, or SC State repays the Federal Government, or the property would be sold and the money would be divided between SC State and the Federal Government. Her question to the Federal Government was if they could have an agreement that in the event the 1890 Program went away, that they would dispose of the property and the City would get the value of the land and the value of the building could get split between SC State and the Federal Government. They

said no. SC State was moving in baby steps, but it seemed like they had gotten momentum. They had an architect that was 30% done with the design. They were recommending that the reverter be released so that the project could move forward. They would have a restriction in the deed that required it to be used under the program as a Community Center, and in the event it wasn't, they would enforce the restriction through a court proceeding. This didn't necessarily mean that the City would get the land back, but it would have some remedy to protect the use of the property for the community. All of this was very hypothetical, because they didn't anticipate that happening. They knew from SC State that they had a time frame, but to avoid having to come back, they were saying that they didn't need the 18 months. The program had a plan of action to implement a number of Community Center's around the state and Charleston was in the top 3. They said that Charleston was further in design than the other two. They felt like this project was closer to fruition than the others.

Councilmember Moody asked what the likelihood was of this failing with the problems that SC State was having. Ms. Cantwell said that was a good question and when they had the first meeting, they sat down and discussed how they had done a 180 and were much better off than before. Their accreditation was on firmer ground and the 1890 Program was different. It was money that came to the school specifically for activities of that program. It had nothing to do with professors or classes.

Councilmember Moody asked how the 1890 Program tied in with SC State's mission and what they were trying to do. Ms. Cantwell stated that she had learned a lot and that this was the second Borrow Act of 1890. It went back to Congress chartering land grant schools throughout the country. The agriculturally based schools would get federal funds to assist in their development. Over the years, the 1890 Program had evolved to not only agriculture, but community based activities as well. The scope of the program had changed. Her question was how did they know what would get funded and the answer was if they wouldn't fund the 1890 Program, then many schools would lose their funding as well. This was a pretty embedded federal program. Councilmember Moody asked how this would integrate with SC State's programs. Ms. Cantwell said that it would introduce to the neighborhood the mission of SC State such as health classes, social outreach, agriculture, and community based outreach. Councilmember Moody asked if SC State would program it and Ms. Cantwell said that they would program the building. Mr. Foster was the director of the program and it would be enforced with federal guidelines. Mr. Foster had reported that he had the money for the construction, and had consistently gotten the operational money each year. They should be ready to go.

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to approve the Second Amendment to Agreement of Purchase and Sale whereby the City and SC State desire to remove certain reversionary interests benefitting the City from the Deed requirements set forth therein, and language imposing a deadline for the construction of the Community Center.

CONSIDER THE FOLLOWING ANNEXATIONS:

- i. 1522 Grimball Road (TMS #: 427-00-00-008) 0.41 acre, James Island (District 6); This property is owned by Francina Backman.
- ii. 2205 Ramsay Street (TMS #: 343-05-00-125) 0.25 acre, James Island (District 11); This property is owned by Edward Mungo.

- iii. 1524 Grimball Road (TMS #: 427-00-00-085) 0.58 acre, James Island (District 6); This property is owned by Clyde J. Smalls and Carol J. Smalls.
- iv. Grimball Road Extension and Cooper Judge Lane (TMS #'s: 427-00-00-081 and 427-00-00-113) 1.19 acres, James Island (District 6); This property is owned by JJR Development LLC.
- v. Vacant Property off of Folly Road (TMS #: 427-00-00-114) 0.99 acre, James Island (District 6); This property is owned by Clyde J. Smalls and Carol J. Smalls.

Christopher Morgan stated that several of the properties were undeveloped, and several were residencies. They were all SR-1.

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the above annexations.

DISCUSSION

Councilmember Waring said that Ms. Cantwell had done a great job at getting up to speed on the 1890 Program.

Mayor Tecklenburg said that he hoped to bring a contract within two meetings. The Sunoco application had never been approved by DRB, and he had heard that they had terminated their right to lease the property. The owners had put the property back out as available and so they had an appraisal done on the property. He had made an offer to the owners at the appraisal value, and if they would agree to it, he hoped to bring the contract soon. It would be a wise purchase for the City long-term to have the public space there. Councilmember Moody said that he hoped they would get a good price for and asked what that looked like. Mayor Tecklenburg said that the appraisal was for \$2,679,000. Councilmember Moody said that wasn't much more than they had paid for it and that was good. They wanted 5 or 6 million at what point. Mayor Tecklenburg said that they thought the value of the lease indicated the value of the property. He had met with them twice and hoped they would be agreeable. It wasn't a done deal, but he wanted to let the Committee know that they were working on that. He didn't want it to be a surprise when he brought it to them.

Having no further business, the meeting adjourned at 4:22 p.m.

Bethany Whitaker
Council Secretary