



JOHN J. TECKLENBURG  
MAYOR

*City of Charleston*  
*South Carolina*  
*Clerk of Council Department*

VANESSA TURNER MAYBANK  
CLERK OF COUNCIL

**NOTICE OF MEETING**

A meeting of the Committee on Real Estate will be held beginning at 3:30 p.m. Monday, April 27, 2020, **Conference Call: 1-929-205-6099; Access Code: 835678884**. The agenda will be as follows:

**AGENDA**

Invocation – Councilmember Appel

**Approval of Minutes:**

April 13, 2020

- a. Approval of Amendment #1 to the Management Agreement for 22 West Edge with the Charleston Digital Corridor Foundation allowing for an increase in the approved tenant upfit amount. Approval of the amendment would allow for an additional \$105,000 in tenant upfit improvements. Additional cost is offset by savings in design, FFE and lease expenses making it budget neutral.

In accordance with the Americans with Disabilities Act, people who need alternative formats, ASL (American Sign Language) Interpretation or other accommodation please contact Janet Schumacher at (843) 577-1389 or email to [schumacherj@charleston-sc.gov](mailto:schumacherj@charleston-sc.gov) three business days prior to the meeting.

**REAL ESTATE COMMITTEE AGENDA**

a.)

TO: **John J. Tecklenburg, Mayor**

FROM: **Matthew Frohlich** DEPT. **BFRC**

SUBJECT: **AMENDMENT #1 TO MANAGEMENT AGREEMENT WITH CHARLESTON DIGITAL CORRIDOR FOR 22 WEST EDGE**

REQUEST: **Approval of Amendment #1 to the Management Agreement for 22 West Edge with the Charleston Digital Corridor Foundation allowing For an increase in the approved tenant upfit amount.**

COMMITTEE OF COUNCIL: **Real Estate** DATE: **April 27, 2020**

**COORDINATION:** This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
Corporate Counsel	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>
CFO / Deputy CFO	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>

**FUNDING:** Was funding previously approved? Yes  No  N/A

If yes, provide the following: Dept./Div.: \_\_\_\_\_ Account #: \_\_\_\_\_

Balance in Account \_\_\_\_\_ Amount needed for this item \_\_\_\_\_

**Does this document need to be recorded at the RMC's Office?** Yes  No

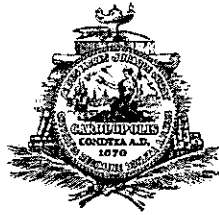
**NEED:** Identify any critical time constraint(s).

CFO's Signature: \_\_\_\_\_

**FISCAL IMPACT:** Approval of amendment would allow for an additional \$105,000 in tenant upfit improvements. Additional cost is offset by savings in design, FFE and lease expenses making it budget neutral.

Mayor's Signature: \_\_\_\_\_  
**John J. Tecklenburg, Mayor**

**ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.**



JOHN J.  
TECKLENBURG  
Mayor

*City of Charleston*  
*South Carolina*  
*Department of Budget, Finance*  
*and Revenue Collections*

AMY K. WHARTON  
Chief Financial Officer

## MEMORANDUM

**TO:** Mayor John J. Tecklenburg & City Council

**FROM:** Matt Frohlich, Deputy Chief Financial Officer

**DATE:** April 27, 2020

**SUBJECT:** Amendment to 22 West Edge Management Agreement with Charleston Digital Corridor Foundation

The City entered into a Governmental Real Estate Lease with 22 West Edge Owner, LLC in May 2018 which included a tenant upfit allowance of \$320,000. The Management Agreement with the Charleston Digital Corridor Foundation (CDC) for the space included the management of the renovations and office upfit and limited the CDC to the tenant upfit allowance without additional approval from the City.

Over the course of the renovation, there have been a variety of items that have led to the development costs exceeding the allowance provided by the developer in the amount of \$105,000. Some of those items have included, but are not limited, to project construction delays, HVAC changes, electrical relocation, additional seismic bracing and fire alarm probes.

The CDC has been able achieve savings in Design and FFE costs as well as negotiate reimbursement from the developer for a portion of the HVAC costs along with a waiver of the monthly lease payment for March due to delays.

These savings will offset the additional costs above making this amendment budget neutral. Therefore, we request your approval of this amendment to the Management Agreement to allow for these additional upfit expenses to be covered by the CDC.

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

**FIRST AMENDMENT  
TO MANAGEMENT AGREEMENT**

THIS FIRST AMENDMENT TO MANAGEMENT AGREEMENT is made and entered into as of the \_\_\_ day of April 2020, by and between the City of Charleston (the "City") and the Charleston Digital Corridor Foundation, a 501( c)(3) corporation organized and existing pursuant to the laws of the State of South Carolina ("the CDC").

WHEREAS, the parties on June 18, 2019 entered into a Management Agreement which sets forth the parties' respective rights and obligations regarding the CDC overseeing the renovations and management of the City's leased premises at 22 West Edge ("Premises"), a copy of the Agreement is attached hereto; and,

WHEREAS, the parties desire to amend the Agreement in order to increase the amount to be paid by the City to reimburse the CDC for certain tenant upfits at the Premises.

NOW, THEREFORE, for and consideration of the sum of One and 00/100 (\$1.00) Dollar and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Agreement is hereby amended by amending Paragraph 4 (d) by adding the underlined language:

"(d) CDC shall not approve any increases in the Tenant Improvement Allowance without the advance written approval of the City. The City will reimburse CDC for all reasonable costs expended on tenant upfits not included in the Tenant Improvement Allowance in an amount not to exceed \$105,000.00.

2. In all other respects, the Agreement heretofore entered into by and between the parties remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties caused their authorized representatives to execute this First Amendment to Management Agreement as of the date first above written.

**WITNESS**

**CITY OF CHARLESTON**

\_\_\_\_\_

By: \_\_\_\_\_

**WITNESS**

\_\_\_\_\_

Date: \_\_\_\_\_

**CHARLESTON DIGITAL  
CORRIDOR FOUNDATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_