

## Committee on Real Estate

January 9, 2023

A meeting of the Committee on Real Estate was held this date at 3:33 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 (arrived 3:37), and Councilmember Shahid.

**City Staff and Others:** Magalie Creech, Melissa Cruthirds, Mollie Jones, Christopher Morgan, Brittany Pinckney, Rick Jerue, Julia Copeland, Tracy McKee, Amy Wharton, Matt Frohlich, Robert Summerfield, and Wilbur Johnson.

Chairman Appel called the meeting to order.

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

### Approval of Minutes

#### - December 5, 2022

On a motion of Councilmember Shahid, seconded by Councilmember Boyd, the Committee voted unanimously to approve the minutes of the December 5, 2022, meeting.

#### **a. Authorization for the Mayor to execute Declaration of Covenants, Conditions and Restrictions encumbering Fort Pemberton in connection with acceptance of grant funds from National Park Service. The property is owned by the City of Charleston. (TMS# 343-05-00-107, 343-05-00-111, 343-05-00-114) [Ordinance]**

Ms. Creech said that the item was in connection with the grant funds. She said one of the requirements were to have deed restrictions on the property which provided the Secretary of the Interior to have any approval authority over any change in use from outdoor recreational use for the public. Which also included any transfer or future sale of the property. The language that was in the restrictive covenant was directly provided by them and that was the only covenants they were asking to impose upon the property.

Councilmember Shahid said that he presumed that there was no reverted clause.

Ms. Creech said that was correct.

Chairman Appel said in exchange for giving the City money the Federal Government wanted to make sure the City was using the property as a park.

Mayor Tecklenburg said that the City had a similar agreement with the county given the fact that they had used Greenbelt Funds to purchase the property.

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 a Quit Claim Deed conveying any interest the City may have in approximately 0.077 acres, representing a portion of the former Lot 136 in Maryville and being a portion of TMS# 418-00-00-006, to Bubsy, LLC. (822 5th Avenue, Charleston, SC 29407) [Ordinance]**

Ms. Copeland said the Councilmembers should have received a memo about the property. She showed a map of the property. When the rail line closed the rail, they deeded the property to the state. Then in turn deeded a portion of the property to the City to maintain as a bikeway. She said in the process of the deed transfers only a portion of the property was deeded to the City. There would need to be a quiet title action on the piece of property between the Mazyck family and the current owner. To quiet the title the owner had asked the City to quit claim any legal rights or interest in the property. She said the City retained

Kevin Everly to do a background title search and he verified that the City had no legal claim through the chain of title.

Councilmember Shahid asked if they were quit claiming something that they had no ownership in.

Ms. Copeland said yes.

Councilmember Shahid asked if they were just helping the property owners be able to get to the next step and get it cleared up in their interest.

Ms. Copeland said yes.

Mayor Tecklenburg asked if the property had a separate TMS number from 822.

Ms. Copeland said she believed it was one TMS number and somehow in the surveying it got cut out.

Councilmember Gregg asked if at one point there were two lots.

Ms. Copeland said it seemed to her that historically it was incorporated into 150 but the surveying marks on the property had never matched.

Mayor Tecklenburg said it looked like before the railroad came that there were separate lots. He said he just wanted to make sure the City didn't have a more definitive ownership in the property.

On a motion of Councilmember Shahid, seconded by Councilmember Gregg, the Committee voted to approve Item B. Councilmember Waring recused himself.

- c. Authorization for the Mayor to execute on behalf of the City a utility easement, approved as to form by the Office of Corporation Counsel, to Dominion Energy South Carolina, Inc., encumbering a portion of the City's real property designated as Charleston County TMS# 460-14-00-001, 460-14-00-010, 460-14-00-012, 460-14-00-013, 460-14-00-015 and 460-14-00-016, shown on reference drawing D-84545, to permit installation of electric service upgrades near Charleston Marina. [Ordinance]**

Ms. Copland showed a map of the property. She said Dominion Energy was upgrading all the hardware and transformers that were currently in the parking lot of the Marina and that was what the utility easement was for.

Mayor Tecklenburg asked if the map was showing new stuff or just upgrades.

Ms. Copeland said they were just replacing what was already in there. She did ask if they were doing any undergrounding and she believed the answer was no.

Councilmember Gregg said the PVC conduit was 48 inches deep.

Ms. Copeland said if there was something currently underground it would just be repaired, replaced, or not touched at all but her understanding there was no new undergrounding taking place.

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

- d. Authorization for the Mayor to execute a Memorandum of Understanding on behalf of the City of Charleston granting authority to SMH Charleston City Marina, LLC to appeal tax year 2022 valuations in its name. The property is owned by the City of Charleston. (TMS# 460-14-00-001)**

Ms. Copland said the current tenant of the marina parcel and dock parcel was SMH Charleston City Marina. They had a long-term lease with an extended period all the way to 2046, and the lease had been in place since 2016. In 2020 and 2021 the county reassessed the property from \$5 million to \$26 million. She said they asked for permission from the City who was currently the landowner and has the authority to appeal these to the county for permission through an MOU and power of attorney. In the MOU they would be responsible for all fees and costs associated with it.

Councilmember Shahid said the MOU did not state that the City advocated or took a position on the tenants appealability of the property.

Ms. Copeland said that was correct.

Councilmember Shahid asked if the lease required the City to cooperate with the tenant on those type of matters.

Mr. Freeman said the lease was done back in the 90's and there wasn't much about property taxes other than they had to pay them. He said historically they have appealed them over the years and the reason they were asking for permission was because the county had changed their policy. Since they were not the landowners, they had to get the landowners permission to do the appeal.

Chairman Appel said in every contract there was an implied covenant of good faith and fair dealing, and the tenant simply needed the City to sign and give them permission to appeal the valuation.

Mayor Tecklenburg asked Mr. Freeman if the reassessment had anything to do with a change of interest.

Mr. Freeman said when the lease was assigned to Safe Harbor that triggered the reassessment.

Mayor Tecklenburg asked if the dock parcel had a separate TMS number than the marina parcel.

Mr. Freeman said it was a separate TMS number and historically most of the stuff on the water goes under personal property as depreciable assets opposed to real property. He said that had been the basis of their previous appeals.

Mayor Tecklenburg asked if they were appealing the dock parcel even though the increase there was marginal.

Mr. Freeman said he wasn't sure if they'd appeal that one but just didn't want to have to come back to the City. He said he could also answer the questions that were raised about the previous item. Some of the utilities were currently underground and there were some new ones that were going underground. It was all driven by trying to get the power upgraded and more reliable.

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

**e. Approval of an Agreement to Buy and Sell Real Estate. The property is owned by John DeSteffano and Lynn S. DeSteffano IRA. (1819 Wallace Lane, Charleston, SC 29407) (TMS# 351-02-00-021) [Ordinance]**

Mr. Frohlich showed a map of the property. He said the item was for an acquisition to acquire 1819 Wallace Lane, it was 1.247 acres. The purpose of the acquisition was for the future replacement of Fire Station 16 on Ashley Hall Plantation and was about half a mile away of the current Fire Station. He said they were looking at a 90-day due diligence purchase price of \$415,000.00.

Councilmember Waring asked if he knew anything about where the infrastructure was.

Mr. Frohlich said he didn't know. He said they already had an overlay of the Bees Ferry Fire Station so he knew that it would fit there but as far as infrastructure he wasn't sure.

Councilmember Waring said he thought it was a good site for a Fire Station, but it came out to an intersection, and he wanted to know if part of the contingency was to find out whether the City could get signalization at that intersection of Richmond and Ashley River Road.

Mr. Frohlich said they have not approached that issue yet. He said there were discussions about there being developments across the street and suspected when that happened with SCDOT there's always a distance between traffic.

Councilmember Waring said St. Andrews had a Fire Station at Hwy. 61 and Sam Rittenberg and every time they come out of there, they had to wait for people to acknowledge the red lights so they could make a left turn. It would be something similar.

Councilmember Shahid asked if there was any opportunity to purchase the corner lot next to the property.

Mr. Frohlich said there was currently an encroachment of that home on the property. He said no one was living in the home and it was in poor condition. A two-bay Fire Station would still fit on the property with the encroachment if they adjusted the property line but would like to acquire the property.

Councilmember Shahid said it would be an advantage with the City mainly to get access to Richmond Street for ingress and egress.

Councilmember Waring asked if the property was zoned commercial.

Mr. Frohlich said he was not certain what the zoning was.

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

**f. Authorization for the Mayor to execute on behalf of the City a Permanent Right-of-Way and Utility Easement, which grants to the College of Charleston the authority to connect its property located at 176 Lockwood to the City-owned sewer on the adjacent parcel. The property is owned by the City of Charleston. (99 West Edge) (TMS# 460-00-00-013)**

Ms. Copeland showed a map of the property. She said at 176 Lockwood, there was a College of Charleston building that had sewers running into the cistern and they were having problems with the structural integrity of that particular setup. They would like to run a pipe under and connect to the City's existing sewer line. She said in the Public Works meeting the Mayor had the question that if the easement was going to prohibit or hinder any future build in case the City ever wanted to put a new Police Department building on 180 Lockwood.

Mr. Webb said the proposed easement was a 15-foot-wide easement that would occupy some of the same space as an existing easement, so you wouldn't be able to build to that line already. He said it would only preclude if you were going to build all the way to the existing structure at 99 West Edge. The back of the garage building would be the encumbrance. He said it was a small area that was close to that existing building.

Ms. Copeland said it should not hinder the ability to put any future building on the footprint but for safe measures she inserted into the current easement document a provision that if it ever comes up and the lines had to be moved to accommodate a footprint, that the college will accommodate and cover the cost of moving their own line.

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

**g. Please consider the following annexations:**

- (i) 222 Island Drive (.9 acre) (TMS# 349-14-00-021), West Ashley, (District 11). The property is owned by Peter Green.**
- (ii) 1888 Raoul Wallenberg Boulevard (.35 acre) (TMS# 353-13-00-031), West Ashley, (District 7). The property is owned by Debbie Floyd.**
- (iii) 3111 Maybank Highway (26.53 acres) (TMS# 313-00-00-063 and 313-00-00-064), Johns Island, (District 3). The property is owned by the City of Charleston.**

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

**h. Authorization for the Mayor to execute a Deed of Modification and Release of Prior Deed Restrictions enacted by Ordinance 2001-066 in 2001 against 334 Calhoun St. The property is owned by Charleston County. (TMS# 460-14-00-019) [Ordinance] Executive Session pursuant to S.C. Code Ann. Sec. 30-4-70(a)(2) to receive legal advice regarding the item, if needed. Council may or may not take action following executive session. (Exhibit to be distributed under separate cover by the Legal Department)**

Ms. Copeland showed a map of the property. She said the county asked for the City to sign a deed modification. Prior to 1967 the state deeded the property to the City and under portions of the property there were certain restrictions. She said the property could only be used for medical purposes. In 1967 the City transferred that particular piece to the county without those restrictions on the deed. In 2001 the City unilaterally adopted a modified deed placing the restrictions back on the property. The county thought that it should have been done jointly so they were asking for the deed modification to be reverted to the 1967 deed.

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

**i. Executive session for discussion of negotiations incident to proposed sales of property pursuant to S.C. Code Ann. 30-4-70(a)(2).**

On a motion of Councilmember Waring, seconded by Councilmember Shahid, the Committee voted unanimously to go into executive session at 4:20.

On a motion of Mayor Tecklenburg, seconded by Councilmember Gregg, the Committee voted unanimously to come out of executive session at 4:34.

No action was taken, and no votes were taken in executive session.

There being no further business to discuss, the meeting was adjourned at 4:35 p.m.

Brittany Pinckney  
Assistant Clerk of Council