

Committee on Real Estate

January 10, 2022

A meeting of the Committee on Real Estate was held this date beginning at 3:34 p.m. over video conference call.

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

Present: Councilmember Shahid, Councilwoman Jackson, Councilmember Waring, Councilmember Appel, and Mayor Tecklenburg. **Also Present:** Andrea Derungs, Philip Clapper, Chip McQueeney, Geona Shaw Johnson, Christopher Morgan, Rick Jerue, Julie Copeland, Stirling Halversen, Tracy Mckee

Chairman Shahid called the meeting to order.

The meeting was opened with an invocation provided by Councilwoman Jackson.

Approval of Minutes

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to approve the minutes of the December 20, 2021 meeting.

- a. Request approval of an ordinance authorizing the Mayor to execute a First Amendment to Option to Lease by and between the City of Charleston and The Lowline Housing, L.P.

Ms. Copeland said that Item A concerned a lease agreement from February 2021 that the City of Charleston entered into with the Lowline Housing, L.P. in order to allow this organization to do their due diligence, perform all necessary tests, and determine if they wanted to enter into a long-term ground lease with the City of Charleston for the construction project. Per the current lease, Lowline Housing, L.P. had the option to extend the due diligence to June 30, 2022, and they sent a request to that effect. In addition, they asked if the City of Charleston could amend the option to lease and move that extension to December 2022.

Councilwoman Jackson asked Ms. Shaw Johnson if there were any concerns surrounding the request to extend the current due diligence period.

Ms. Shaw Johnson said she didn't have concerns, but the project team was addressing infrastructure and processing challenges that they were attempting to overcome at the site. She said the City of Charleston was currently working with the Charleston Housing Authority to amend the back portion of the location's parking lot at 670-676 King St. On the northern side of the same property there was an access street that was also being added. She said that the memorandum of understanding concerning parking under the bridge between the City of Charleston, SCDOT, and the developer was successful in determining the parking lot's layout and usage.

Ms. Shaw Johnson also mentioned that there needed to be a final look at the verbal agreement between the Charleston Housing Authority and the City of Charleston concerning the project. In addition, the BAR had asked the project's team to revisit the exterior design of the building one final time. All of those factors had led the developer to request the extension as they continued finalizing the aspects of the agreement.

Chairman Shahid and Councilwoman Jackson thanked Ms. Shaw Johnson for her input.

Chairman Shahid asked Ms. Shaw Johnson if the committee was getting ahead of itself by approving the extension request before it expired on June 30, 2022, in case it was unnecessary.

Ms. Shaw Johnson said that it was appropriate to extend the period until December 2022, because it gave the lenders and development teams involved in the project a level of comfort that the City of Charleston was still behind the proposal, because the project team was committed to making the project happen. If everything was done before the end of the year, the project could naturally move to the next step.

Mayor Tecklenburg said that in addition to the administrative delays, the site also required environmental remediation.

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

b. Please consider the following annexations:

- (i) **2216 S. Dallerton Circle (0.26 acre) (TMS# 310-07-00-044), West Ashley, (District 11). The property is owned by Danielle D. Cerasi.**
- (ii) **1506 N. Edgewater Drive (1.59) (TMS# 349-09-00-026), West Ashley, (District 11). The property is owned by Ellison C. and Jeanne R. Livingston.**
- (iii) **30, 32, and 34 Wedgepark Road, 43 and 49 Lolandra Avenue (0.99 acre) (TMS# 418-13-00-254 through 256, 260, and 262), West Ashley, (District 3). The properties are owned by Glory Holdings, LLC.**
- (iv) **2319 Lazy River Drive (0.62 acre) (TMS# 310-14-00-014), West Ashley, (District 11). The property is owned by Carl E. Seel, Sr. and Jean B. Seel.**

Mr. Morgan said out of the four residential annexations outlined in Item B, most were occupied residential units, and all of them would receive residential zoning designations based on the size of their lot and the locations within their neighborhoods.

Councilwoman Jackson asked Mr. Morgan why the properties outlined in Item B (iii) at Wedgepark Road and Lolandra Ave were being presented on the Planning Commission agenda with two different residential zoning designations and to explain the difference between SR-1 and SR-2.

Mr. Morgan said there were lots in that area of town that sometimes didn't meet the SR-1 designation minimum lot size, which was 9,000 square feet. So, to prevent a non-conforming situation, they recommended an SR-2 designation, which was a 6,000 square foot minimum.

Councilwoman Jackson thanked Mr. Morgan for his explanation.

Councilmember Waring asked Councilmember Appel if he had performed a comparative tax analysis for the current homeowners to show what they would receive by joining the City versus staying as they were. Councilmember Appel said he did not, because the current homeowners sought annexation and recognized both the community and monetary value of incorporation.

Councilmember Waring said that Philip Overcash in the Planning Department could help process an excellent annexation analysis with an address.

Chairman Shahid said that Mr. Morgan provided him with a breakdown of different property examples on a \$300,000 residence and a \$500,000 residence, and the taxation difference between incorporating into the City and remaining outside of the City's systems was stark, and the people who lived in the PSD are losing out.

Councilmember Waring said he was raised in the PSD and that initially the property tax was lower by remaining outside of the City of Charleston. However, when the local property sales tax was introduced, it gave back the difference as a credit. Today, local property, water, and sewer taxation rates were lower within the City of Charleston system.

On the motion of Councilwoman Jackson, seconded by Councilmember Waring, the Committee voted unanimously to approve items B(i)-B(iv).

Having no further business, the Committee adjourned at 3:50 p.m.

Patrick Carlson
Clerk of Council's Office

