

COMMITTEE ON REAL ESTATE

February 12, 2019

A meeting of the Committee on Real Estate was held this date beginning at 3:08 p.m. at City Hall, 80 Broad Street, First Floor Conference Room.

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

PRESENT

Chairman Moody, Councilmember White, Councilwoman Jackson, Councilmember Waring and Mayor Tecklenburg **Also Present:** Councilmember Shealy, Ernest Andrade **Staff:** Susan Herdina, Rick Jerue, Amy Wharton, Christopher Morgan, Tracy McKee, Chip McQueeney, and Bethany Whitaker

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

Approval of Minutes

On the motion of Councilmember White, seconded by Councilwoman Jackson, the Board voted unanimously to approve the minutes of the January 22, 2019 Real Estate Meeting.

Request authorization for the Mayor to execute an easement agreement, together with the appropriate easement drawing, under which the City will grant an underground electric line easement to South Carolina Electric & Gas Company ("SCE&G"), together with the ability for SCE&G to install pad mounted transformers, switch gears, and other necessary apparatus and equipment on the City's property lying to the south of Savannah Highway (U.S. Highway 17), designated as Charleston County TMS Nos. 350-00-00-072 and 350-00-00-073, commonly known as the site for Fire Station No. 11. The Mayor will be authorized to execute the easement and drawing without further action by City Council upon approval of the final form of the agreement by Corporation Counsel.

Chairman Moody thanked the Mayor for getting this done. All of the power lines would be underground and it would be a real 'flag' for the rest of West Ashley. Mayor Tecklenburg thanked Councilmember Moody for bringing up the idea.

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

Update on Longborough Exchange Agreement between City and Longborough Homeowners' Association

Ms. Carducci she believed they finally reached an agreement with the Longborough HOA on acquiring a park and constructing a dock at Longborough. Next, the Longborough HOA was going to notice a meeting, which was 30 days out for them and they would approve the terms which were going to basically outline and assuming they approved the terms, it would come back to Council at the last meeting in March for formal approval of the agreements. The City lost, in 2014, the lawsuit that it had brought against the Beach Company to acquire the park. The court ruled that they did not have a contractual agreement with the Beach Company for that property and so the property stayed in the hands of the HOA. They were disappointed because it was a beautiful piece of property that gave the public access to the waterfront.

Council said they could consider using eminent domain, but they thought it would better to try to reach an agreement. The agreement was in two pieces. One, for the construction of the dock and the other piece was for the park. The City would be responsible for designing, constructing and maintaining the dock. There would be a main trunk out to the water, and then some sort of fingering out with two pieces. There would be a private and public portion of the dock. There would be a locked gate between the private part and public. The HOA would be required to insure the private piece.

They had to jointly apply to OCRM for the permit, because right now the HOA owned the property at the dock. They had met with the OCRM and they had given a very preliminary approval of the concept of having a joint dock. After the permits were granted, the HOA would transfer the property to the city. Then, park the City would become owner of the park. The idea was to keep it as a passive park. It'll be maintained consistent with other parks in the City, would be patrolled like our other parks in the City. There was no dedicated on-street parking for this park. So the public would have full access to any parking that's available there. There were six days per year in which the homeowners association could reserve the park for their activities which would be an advanced agreement with the City. The City had agreed that it would not hold any active events in the park. The preliminary cost of the dock was around \$450,000 to 500,000. The City would be responsible for demolishing the existing dock which would be around another \$100,000. There was some marshland adjacent to the park, which was still owned by Beach, and they were transferring that marshland property to the City at no cost. They hoped to bring that property transfer to them with this one. They were asking for a recommendation to go forth and continue negotiating the agreement. It had been a long time coming. At the Recreation Committee, Councilmember Gregorie requested that it be named Shoreview Park and thought that was a nice nod to the history of the area. If anyone else had suggestions, they could share them.

Councilmember Moody said he didn't think he needed to share all of the information because it might change. Ms. Herdina said her sense was it would not change much, if any. They were prepared to actually present the agreement to them, but the HOA wanted to make sure that Council was of the mind to approve these terms before it went through the process of notifying all of its members and getting a vote. Councilwoman Jackson asked if the six days would change every year and Ms. Herdina said it hadn't been finalized yet. Each year, it would probably change.

Councilmember Waring asked if they would apply to be a marina and Ms. Herdina said it was her understanding that they would not be because there was a whole slew of other set of rules that applied to a marina. This was going to be more like a private dock which would be restricted by the number of slips that could be there. It would be designed such that if there was some sort of an active disaster, and they didn't want to rebuild their part of it, they're entitled not to rebuild, but it wouldn't hamper the City from rebuilding its portion.

Update on the Charleston Technology Center

Ernest Andrade said they had three equity providers who were competing for the project and two debt providers who were competing for the project. It's very time sensitive. They had to keep an eye on the time clock to make sure it moved along. He worked pretty diligently with Mark and Colleen. The financing was in place. They had gone to BAR and were currently at TRC who had some minor comments. They were working closely with Jason Kronsberg and Edmund Most. It was just a matter of releasing the permit,

because there were four permits behind it. With the relocation of the poles, they had gotten the feedback originally that they would move them in November, but he developed a relationship with some of the people at Dominion and now it would be in April. It was no small feat, they were shutting down the substation. There had been staff changes, and it was hard to give it to someone new. Fortunately, Rick Jerue had been very helpful, Matt's running the garage and the park with Jason and then Jacob's going to run process. This was not a typical process, but he had been very clear that they were not going to make the same mistakes. They would have absolute transparency. The only cost that they could not control was BAR.

They wanted to follow the letter of the law, but were entirely dependent on the City to get the permits. So if they breached that day, that would not be something of their doing. They made some lease commitments for the fall of 2020. And they didn't really want to be at 385 longer than they had to. The last time he was there was for the 385 lease and they were now fully tenanted, with 20 companies and 74 employees. 12 employees had been added since they moved in January and they had a backlog of 12 companies wanting to get in, which was very validating. The Harbor Entrepreneur Center had closed so that put more pressure on the City. He had always seen this as a private-public partnership. They were very close and he appreciated the support from Council. They needed to be aware of the June 1 date and if they needed to do something they would.

Councilwoman Jackson asked what needed to happen. Mr. Andrade said that the previous Corporation Counsel said he was to follow the letter of the law. He didn't want to reach the point where they were ready and the gates were closed. Councilmember White said that historically, Mr. Andrade had the support of Real Estate and Council, so he didn't think it would reach the point where they were ready to go and the gates were closed. However, the permitting process could be lengthy, so maybe the Mayor and Jacob could help move the process along, knowing the urgency of the timing. He would have no issue extending the timeframe though, personally.

Councilmember Waring asked about the timeframe and Mr. Andrade said about two weeks. They would go to final TRC the next week. The park was major and would take about another year. He had told the City that if they provided everything asked, they could expedite the process.

Consider the following annexation:

i. A vacant lot on Stinson Drive (TMS #: 350-05-00-095) 0.99 acre, West Ashley (District 11). The property is owned by Rale MGMT LLC.

Mr. Morgan stated that this would be a lot that would be developed in a multi-family fashion. The potential purchaser would be working with the housing development team, but there would be a couple of portable units match the zoning that surrounded on three sides which was DR-1F.

On the motion of Councilmember Waring, seconded by Councilmember White, the Board voted unanimously to approve the above annexation.

Executive Session in accordance with Section 30-4-70(a)(2) of the South Carolina Code for the receipt of legal advice concerning potential claims related to the Middleborough Development. The Committee may or may not take action after returning to open session.

On the motion of Councilmember White, seconded by Councilmember Waring, the Committee voted unanimously to go into executive session at 3:40 p.m.

On the motion of Councilmember Waring, seconded by Councilmember White, the Committee voted unanimously to come out of executive session at 3:59 p.m.

Chairman Moody said that no action had been taken in executive session.

Miscellaneous Business

Councilwoman Jackson stated that it wouldn't come until it was part of the Greenbelt funding, but they had struck a deal with the Town of James Island to share 50/50 rights to a piece of property off of Folly Road. It would be a passive park and would fit in with the Rethink Folly Road configuration. The Town had been leading the submission of the application of the funding to the Greenbelt and also negotiating with the seller. They would have a permanent long-term use agreement, and the Town would maintain it. Chairman Moody said it sounded like a good deal for the City and if he was on the other side, he would be voting it down. Mayor Tecklenburg said the appraisal was \$466,000, so it would be \$233,000 apiece.

Councilmember Waring said he had talked to David Bennett. There was a piece of property that the Richardson family owned across from Bishop Gadsden. They used to own a landscaping company, but the property led back to the marsh. They wanted to turn it into a passive park. During the days of segregation, there was an old schoolhouse, so they wanted that to be preserved. Mr. Bennett said it was too small for them. It was in Councilmember Gregorie's district. It was a beautiful piece of property. So, he wanted to pass that referral on.

Mayor Tecklenburg stated that one property they considered including in the Greenbelt Application, next to the Ferguson Playground, they didn't need to now. Bishop Gadsden had purchased it. They were wide open for any proposal from the City. That could add to the public realm. No one in Ferguson Village knew they had done that until afterwards. Councilwoman Jackson said the Brown family was excited that the ground was purchased and were interested in making it a private clubhouse of some sort.

Having no further business, the Committee adjourned at 4:09 p.m.

Bethany Whitaker
Council Secretary