

COMMITTEE ON REAL ESTATE

March 12, 2018

A meeting of the Committee on Real Estate was held this date beginning at 4:00 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 Waring, Councilmember White, Councilwoman Jackson, and Mayor Tecklenburg **Staff:** Colleen Carducci, Frances Cantwell, Chip McQueeney, Christopher Morgan, Rick Jerue, and Bethany Whitaker, Council Secretary

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

APPROVAL OF MINUTES

On the motion of Councilmember White, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the February 26, 2018 meeting.

AUTHORIZE THE MAYOR TO EXECUTE THE FIRST AMENDMENT TO PRELIMINARY SITE WORK AGREEMENT TO ALLOW THE 99 WESTEDGE DEVELOPER TO PERFORM THE WORK REQUIRED TO IMPROVE AND ENLARGE THE 180 LOCKWOOD MUNICIPAL PARKING LOT. (180 LOCKWOOD; TMS: 460-00-00-013)

Ms. Carducci handed out a drawing. When they got into the development for where the garage was going, as part of that project in the preliminary site agreement, they had the requirement for them to re-align an area. They had the obligation to make improvements there, to re-surface it, and they needed to do that to align with the police parking area. They also realized that with all of the apartments and new developments coming into the area, they needed to gate the lot. They would allow people who came to do business to get a QR code to swipe as they left, but others would pay. They needed to preserve the parking for the business that occurred there. As part of that, they thought that since they were having the whole area redone, and they oftentimes had standing water in the lot, they asked for site plans and development plans to be done to improve that side of the lot, add additional parking and drainage, and resurface. The First Amendment to the Preliminary Site Work Agreement would allow the developer to do that portion of the work for them. The cost to the City was just under \$700,000 and they had planned for it in the budget process for the previous year, so it was in the parking enterprise funds. They were asking approval to allow them to have this agreement signed by the Mayor, so they could have the developer do this work. They were currently finishing WestEdge Street and when they finished that, they would be in a position to start the work. The coordination of all the work was important so they could keep people knowing where to park.

Mayor Tecklenburg arrived at 4:05 p.m.

Chairman Moody stated that the money was already budgeted and that was confirmed. Councilmember Waring asked if Ms. Carducci said that some people would pay to park. Ms. Carducci said that there would be retail and apartments so if someone decided it was easier to go to the parking lot rather than the garage, they needed a way to control that. They wanted to encourage them to go in the garage. Councilmember Waring said that people that were coming to the Municipal Court and Police Department would be able to park free and that was confirmed. Ms. Carducci said that when they went in and did business they would be given a voucher validation, so that when they left it would scan into the machine and allow them to exit.

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

AUTHORIZE THE MAYOR TO EXECUTE THE PURCHASE AND SALE AGREEMENT FOR THE CITY TO ACQUIRE THE ARCHER SCHOOL SITE FROM CHARLESTON COUNTY SCHOOL DISTRICT FOR FUTURE DEVELOPMENT TO INCLUDE AFFORDABLE HOUSING. THE PROPERTY IS OWNED BY THE CHARLESTON COUNTY SCHOOL DISTRICT. (220 NASSAU STREET; TMS: 459-05-01-067)

Ms. Carducci stated that the Archer School Agreement accomplished different things and there were things that were ruled out in there. The agreement they had included the exchange agreement and the affordable housing exhibit. The terms of the agreement caused the City to purchase Archer for \$3.25 million and when the City closed, the closing would be contingent on the City receiving the LDC grant, which would be funds from the UDAG. The City had been back and forth on an agreement with the attorneys for the LDC to provide the City grant money and a portion of those grant funds would be used towards the \$3.25 million acquisition.

Chairman Moody said it was a grant and not a loan and that was confirmed. Mayor Tecklenburg said they were having to request in that was made almost a year ago, to get the original principle of \$10 million back. Chairman Moody said he was just curious if they had any leverage over these people. He had been kind of upset that they took the \$22 million. He thought that the City had loaned them \$10 million. Ms. Cantwell said that the way the UDAG grant was structured required the City, it was a \$14.5 million grant. \$4.5 million was an outright grant to the City to help with the parking garage and the \$10 million was to be directed to be loaned to the developer to assist it in bringing Charleston Center to fruition and the terms of the grant agreement that they signed with the Federal Government required the City to make the \$10 million available to the LDC, which was a non-profit whose purpose was for economic development. The LDC was the 'lender' of those funds to the developer. The City had to have the pass-through entity. The monies were repaid a little early, two years ago, and the interest with principle came to about \$23 million. The City had made an application for a grant from the LDC for \$10 million that the City had earmarked for uses for affordable housing. The City had been working too long on finalizing the details of that agreement, but the LDC rightfully controlled that money, so it was the way it worked out. The funding for the \$3.2 million for Archer was coming from the grant money they anticipated getting from the LDC and this would be credited against the \$10 million.

Councilmember White said it was only about \$1 million and some changed based on the amount due. Ms. Cantwell said that the school district owed the City money. Councilmember White said that was what he was referring to. Ms. Cantwell said that the closing statement would say that the City paid \$3.25 million. They would have that money in hand from the LDC, but the school district would credit back the \$2.274 and another \$1 million and they would credit the entire \$3.25 to renovations at Stoney, plus another \$1 million.

Ms. Carducci stated that to the question of what cash they needed at closing, they needed \$975,900 at closing, however, the next step of the agreement was the obligation to make the improvements at Stoney Field. So, the expectation was that the \$2.274 million that was a credit due to the City that the City would take those funds and apply it to Archer. So, they did need the full \$3.25 million that was discussed in the agreement from the LDC funds to pay for the Archer site. It was part of the purchase price, so they wanted the full \$3.25 million of the LDC funds to be applied to the Archer acquisition, and the City would then take \$2.274 million of that and apply it to Stoney Field. Chairman Moody said the school district would pay the City \$2.274 and asked what the purpose was for. Ms. Carducci said that was what the School district owed from the exchange agreement that was done. Chairman Moody asked what the exchange agreement was for. Ms. Carducci said that a few years ago, when the school district was doing the renovation of the Simmons Elementary and Buist, they needed additional land. In the case of Buist, the City owned the corner of Anson and Calhoun streets. The City gave Buist that corner, and two parcels near the James Simmons Elementary School, and the parking spaces along Menotti Street, and a portion of the right of way on Menotti Street, so they could do their expansion. The school district then gave them Corrine Jones Park, which they owned. The value gap was the \$2.274 million and in the exchange agreement it stated that they would give the City those funds towards the renovation of Stoney Field, or give the City another asset, if they could identify one that acceptable. So, in this case, Archer was being sold to the City with the expectation that Stoney Field would get renovated using the \$3.25 million price plus an additional \$1 million they would be giving to the City.

Chairman Moody said for Stoney Field they had \$2.274 million plus the \$1 million and Ms. Carducci said yes. Chairman Moody said he thought it was more than that and Ms. Carducci said it was. They had the purchase price for Archer which was \$3.25 million and then there was the exchange amount, so the cash due at closing was \$975,900. The \$975,900 cash that the City brought to the table, plus the exchange amount of \$2.274 million, plus \$1 million from the school district gave them a total of \$4.25 million for Stoney Field renovations. Councilwoman Jackson asked if that was the budget for Stoney Field and Chairman Moody said no and that it was about double that amount. Mayor Tecklenburg stated that about a year ago, City Council had designated \$1 million from hospitality funds for Stoney Field and this year had put another \$250,000 towards it. He wasn't sure if it would work out, but they were partnering with the College of Charleston to do a study to see if they could locate, as part of the renovation, a qualified NCAA track at Stoney Field. If they could do that, the College would like to participate in the renovation, and be able to use the property as well. The Citadel had said 'no thanks' when they were asked a year or so previous, but when the President retired and they had a new President, the view might change. They would cross that bridge when they got there. They were at \$5.5 million with the City's contributions, which got them at least as far as surcharging the property and doing what they

needed to with the retention wall along the marsh. It didn't give them all of it yet, but it was more than where they started.

Ms. Wharton stated they had \$399,000 from an old 2005 bond, as well and they would be able to use those funds if they were able to do the NCAA track. Chairman Moody asked if the school district would give a check for \$4.25 million and Ms. Carducci said technically, they would be giving the City the \$975,900 and the \$1 million. It would be \$1.25 if they were given the check for \$3.25 million. Councilmember Waring asked where the \$2.274 million was coming from and Ms. Carducci said it was a credit. The City would pay the school district \$3.25 million for Archer. The school district would give that back to the City to use towards Stoney Field. Of the \$3.25 million, the City was only giving the school district \$975,900 in cash. Chairman Moody said the City gave them the \$975,900 in cash and the School would give the \$3.25 million for Stoney Field. Ms. Carducci said they wouldn't give the City back the \$2.274 million because they had already given the City the land. The School had given them Archer.

Councilmember Waring asked why the School didn't just sell Archer for \$975,900 and then give the City the \$2.274 million for Stoney Field. Chairman Moody said they wouldn't have the cash. Mayor Tecklenburg said they were satisfying a prior agreement. Ms. Carducci said they value of Archer was more. Councilmember Waring said that was a building that the City couldn't tear down. They didn't know how much of it they could tear down. He believed that the cost would be a lot to renovate it into apartments. They had land they could build on for much cheaper than renovating Archer. They didn't know what would happen when they opened those walls. The school district hadn't known what to do with Archer, so it was a good deal for them. It had been since 2011 that they owed the money. Ms. Carducci said she didn't know when the school district was funding it. Councilmember Waring said that when they created affordable housing, they had to be cost effective. They had to get off the trend of building affordable housing at such a high cost per square foot. With the Archer site, they would have to deal with the BAR. Councilwoman Jackson said it would be eligible for Historic Tax Credits. Chairman Moody asked why the \$2.274 million was due to Stoney Field. Ms. Carducci said that Burke High School used it for their football games and practices. The school had conversations in the past about doing regional football stadiums for uses, but the prior administration wasn't inclined to put the money towards Stoney Field. Now, they were looking to support Stoney Field. Mayor Tecklenburg said it was also a facility that the City used for recreation programs. It was a joint use field between the City and the School. Councilwoman Jackson asked if it was likely that the college would go in. Mayor Tecklenburg said they would if the track was confirmed. It was about a \$40,000-\$50,000 study that Davis & Floyd was doing. The College was splitting that cost. They would know in a few months.

Councilmember Waring said he thought renovating Stoney Field was great. It had a history there that went back decades. He learned how to run track there. He thought the Bridge Run should end there once Stoney was renovated. They could do a lap around the track at the end. They had all the parking lots around there. If there was a place to end the Bridge Run, it should be at Stoney Field. Stoney was the City's and they had let it grow dilapidated. They had let it continue to be in disrepair. They had talked about 101 Broad Street and he asked who was proud of the way that looked. Mayor Tecklenburg stated that they all shared the goal that Stoney Field needed a remake. He knew about the money that the school district 'owed' the City and he viewed this as an opportunity to make that happen and get the

payment from them so they could facilitate Stoney Field. At the same time, the appraisal was a couple of years old, and he believed that the purchase price was actually \$500,000 less than the appraisal, because the School District wanted to work with the City to make some units affordable for some of their teachers. Land prices on the Peninsula had been going up and not down. He believed that to buy a whole block in the City using grant money and facilitating the pay back from the school was a pretty good buy. He knew they would deal with challenges with the building, but there was room around the perimeter to build some new townhouses that could happen before they renovated the building. There was one building in the rear that was much newer; it wasn't a historical building, so they would be able to tear that down. They could look at options for the main building that may or may not include housing. The folks that had looked at it believed that on the two wings where it was just classrooms, that putting two small units per classroom would be doable. The center building, which included the big open space, would be the part that was most expensive to renovate. He would not plan, from the get-go to put housing units in that portion of the building. It could be some sort of combined work-space, or office space. That way, it wouldn't be quite as expensive to renovate. If not for the earthquake considerations, they could have been using the school further. They could end up building a perimeter of townhouses and renting out the main building for a school building for awhile. He believed that when they added all this together, it allowed money for Stoney and gave them a whole block of property and he believed it was a good deal.

Councilmember Waring said he just thought they had a lot of information, but they didn't have the cost per square foot. They would own it before they found that out. He asked who did a transaction like that. They had land right now that they already owned that they could build on. Mayor Tecklenburg said he would grant him that. Councilmember Waring asked how long the Mayor had been talking to the various people involved. They just had it that day and they didn't have enough information. They needed to get back to doing things on a cost-effective basis. Mayor Tecklenburg said they did have an inspection period. City staff and a contractor had looked at the building, and it was reasonable enough of a proposition to proceed to the inspection period and verify some of the estimates and costs. There was even a contingency on the grant. Chairman Moody asked when they would find out about the LDC and Mayor Tecklenburg said that was a good question. Ms. Cantwell said she spoke with their attorney the previous week, and he had acknowledged that the ball was in his court. He would send the latest iteration of the grant agreement, so they were getting to the finish line, but she couldn't give a definitive date. Chairman Moody said they didn't know exactly when they would get the money and asked if they were being premature on the whole thing. If they didn't get the grant, they wouldn't be able to do this anyway. The grant may be too small. If they had more definitive plans on what they would be doing with the Archer School, it might be easier. It seemed like they were going around their elbow to get Stoney Field fixed. They had too many moving parts, and not enough money to do the preliminary plan for Stoney.

Councilmember White said on the grant side, the closing date was typically 5 days, but that was a pretty small window. They had a 90 day inspection period, which would give them an opportunity to get the grant issue cleared up, but he thought Councilmember Waring was right and that the cost could be high to renovate. It may be that they could extend the inspection period a little longer to give them more

time to clear up some issues. It could be a way to help. Councilwoman Jackson said he wanted them to clarify the LDC grant and that they weren't asking LDC to fund specific projects, but to get \$10 million dedicated to affordable housing. The City would then decide how to use that money. Ms. Cantwell said sort of and that the premise of the ask for the grant was for affordable housing, which could include a number of things such as property acquisition, construction, loan funds, etc. She didn't think the LDC would make any judgements on whether something was a good idea, so long as it qualified.

Councilmember Waring asked how much they were asking for from the LDC and Ms. Cantwell said \$10 million. They were waiting to get the latest iteration of the grant. Councilmember Waring asked what the best estimate would be. Ms. Cantwell said that if the City had the money at the end of the inspection period, they would close then. If they did not have the money, but had done their due diligence and thought they still wanted to buy it, then they wouldn't have to close until they had the money. They had no less than the inspection period, unless they wanted to pull the trigger earlier. The idea of the short window once they received the grant assumed that the inspection period would be over. The deal would fall apart if they didn't get the money from the LDC. Councilmember Waring said they were looking at one deal and one deal only and asked what some of the other opportunities were. They might have a dozen opportunities to create affordable housing, and right now they were focusing a third of it on one deal. Mayor Tecklenburg said that Geona Shaw-Johnson had been working diligently looking for deals, and there weren't a lot out there that were at reasonable prices. They would have some others to bring to Council, but there wasn't a plethora of deals that they were aware of. They would have some resources. Councilmember Waring said he didn't think they had exhausted the bridge site. Councilmember White said there were a fair amount of deals and the big money would happen once they started building. They would go through the cash quickly. Chairman Moody said that \$3 million may be a good deal for the property, but if they had to spend another \$3 million for affordable housing to be added, it wouldn't be. Mayor Tecklenburg said they had the inspection period and they would all have the opportunity to go through the building and get some more specific pricing. They had contractors who thought it was viable to renovate, at least a portion of it. There was unused property, and even if they were land-banking the perimeter, they were running out of dirt. The Lee Street site had some challenges. They would have the Magnolia site, but there wasn't so many out there.

Councilmember Waring asked about the property off of Savannah Highway and Chairman Moody said there were 3300 acres, but only a portion of it was usable. Councilmember Waring said there was also the park they could put affordable housing around. It would be great if they could bring some of the sites they already owned to fruition. Councilmember White said he hadn't heard any urgency in timing from anyone. There was nothing driving the City to rush it. Ms. Carducci said the School District has wanted to proceed. They were behind some of the push and they wanted to start surcharging Stoney Field this year. That was their objective, so they were the ones that had asked to proceed. Councilmember White said that they could find themselves in a money pit if they didn't take the time to make sure everything was sound and they were doing the right thing. With Stoney Field, nothing precluded the City from moving forward with getting some work done. Then, they could make sure they had something with Archer. Councilmember Waring said they could take the \$2.274 million and just add the \$400,000. Councilwoman Jackson said she thought they didn't have the \$2.274 million.

Councilmember Waring said they didn't want to give the City the \$2.274 million. They had the biggest budget in the County. The City's budget was roughly \$200 million and the School district was about three times that. They just didn't want to give the money and the City hadn't pressed them. Mayor Tecklenburg said he would suggest that they amend it to extend the inspection period a little longer to give the City time. He didn't want to spend a lot of money on engineering studies if Council wouldn't consider the property. That would give them time to do a more serious inspection and estimate on renovating the building and seeing how many units they could get in. Councilmember Waring said he was okay with that. Councilmember White said he wasn't sure if they had asked for deliverables from the seller, but he was sure that they had engineering studies that they did to determine that it wasn't appropriate. He asked if they had requested that from them. Ms. Carducci said they had their seismic reports and environmental reports from quite a few years ago when they decided to close. They hadn't provided estimates to the City for what it would cost to bring it up to seismic code. City staff looked at back then and it was quite a few million. She also wasn't sure if the same seismic requirements were in place for schools versus residential. Councilmember White said they needed to make sure that the deliverables from the seller were exhausted. They needed to give everything they had. The City could share with them that the more they were given, the faster they could move.

Councilmember Waring asked when they would press the school district to pay the \$2.274 million. He asked why they needed to buy something to get that money. Ms. Carducci said that in the agreement there was a specific saying that they were going to provide the money from their capital funds 2016-2021, and when the time came up to allocate the money, the Superintendent at the time said that they wanted to defer. They didn't allocate the funds then as per the agreement, and didn't offer an alternative site, but this was what had come back. Councilmember Waring said it was beginning to feel like what they were dealing with with the LDC. They worked it out, so the \$2.274 should come regardless, whether the deal worked out or not. Chairman Moody said what the School District was basically doing was trading Archer for their investment at Stoney Field, plus the additional \$1 million. Mayor Tecklenburg said they were giving everything back, and putting another \$1 million for a total of \$4.25 million, before the City's \$1.25, so that got them to almost \$6 million. Councilmember White said that the extra \$1 million would dissolve because it was part of the contract. Councilmember Waring asked what the net amount the school district was giving them was. Mayor Tecklenburg said the net amount was really \$4.25 million at the end of the day. They only owed the City \$2.274 million, so they were putting in almost another \$2 million for Stoney.

Chairman Moody said the question was if they took Archer off the table. Mayor Tecklenburg said they would then owe the \$2.274 million. Councilmember Moody said 'give us our money' and then they City could decide where to spend it and asked if that was right. Mayor Tecklenburg said he thought it was dedicated to Stoney. Ms. Carducci said there was specific language in the Exchange Agreement that said 'they would take the \$2.274 million and use it in one of the following ways: a financial contribution in the amount of the exchange differential within their next building phase towards Stoney Field, or at City's sole election by a transfer or transfers to City of assets.' Mayor Tecklenburg said that as long as it was cash, it had to go Stoney Field and that was confirmed. Another way of looking at it was that they had another \$2 million towards Stoney Field with this deal. Councilmember Waring said that the City

would write them a check for \$975,900 for Archer and they would write a check for \$4.25 million for Stoney Field. Ms. Cantwell said that the City would write the check and then the School would endorse that back and give the City another \$1 million. So that was \$1.9 million and then there was the \$2.274 that they owed the City and the City would put that into renovating Stoney Field. Councilmember Waring asked where that was coming from and Ms. Cantwell said it would come from the City's funds. Councilmember Waring said they weren't writing a check for \$4.25 million. Mayor Tecklenburg said they were giving the City a credit to the deed. The City was getting a value of \$4.25 million. Councilmember Waring said they needed money. Mayor Tecklenburg said they were getting the grant from the LDC. Councilmember White said he thought what they were really going to closing with was \$3.25 million. Part of that was coming from the cash injection the City would have to make and the other part would come back out and be guaranteed to go to Stoney Field. Councilmember Waring said the \$2.274 million was City funds exchanged and asked who was cutting the check for that. Councilmember White said it would be real cash and if they followed the money train, it came from the LDC. Councilmember Waring said it looked like it was coming from the school district, but it wasn't. Councilwoman Jackson said the LDC wouldn't approve paying for Stoney Field. Councilmember Waring said the LDC should be giving the City a grant and then they could decide where it was spent. Councilwoman Jackson said that it was basically a two-part transaction. LDC granted to the City for affordable housing, and that criterion was met when the City bought Archer. Then, when the City bought Archer, they would have them do the housing, and then they would have the money for Stoney. Chairman Moody said his worry was what they were going to do with Archer.

Rick Jerue said that the problem was that the \$1.25 million from hospitality could only be used if they were able to do a NCAA track. They couldn't just put it into Stoney. Ms. Wharton said they could use that money if they were able to do the track. Councilmember Waring asked when that was told to them. He asked if they were saying that the hospitality money they appropriated only had one purpose and Ms. Wharton said if they did the NCAA track, because it would bring people in. Councilmember Waring said that Stoney Field could be used for a lot of things. Mr. McQueeney said there were a lot of opinions and that the Attorney General said they couldn't just spend it on school services if it wasn't tourism related. That was why the NCAA track was important, because then it would bring people in to see a track meet. Ms. Wharton said if they didn't do the track, they would have to find other funding for it. Councilmember Waring said he didn't understand why they couldn't use it on Stoney Field for other tourism things, like the Bridge Run. Ms. Wharton said there were different rules for it.

Councilmember White asked if they were moving forward with the changes or deferring and then adjusting. Chairman Moody said they could say it was just information now and there were some adjustments they wanted to make. Mayor Tecklenburg said it had to come back if they didn't agree to the 120 days. They could bring it back prior to the end of the inspection period to move forward with the closing. Chairman Moody asked what they needed to report to Council other than saying that they received a contract, made a few adjustments, and asked staff to do some research and bring it back. Councilmember White said they weren't asking for a lot and they could just amend the motion to include those items they just discuss, but it needed to come back, so they knew how much they would be talking about to turn it into affordable housing. That gave Ms. Carducci the ability to move forward

without it being delayed. Councilmember Waring asked why it needed to go to City Council to be amended. Councilmember White said that the Real Estate Committee would amend it and send forward their recommendation based on the amended contract. Chairman Moody said they weren't asking Council to approve the amended contract, because they didn't know if they had the contract. Councilmember Waring said they had a contract that the Committee had some problems with and they needed to make the adjustments and then it could go to Council. Ms. Cantwell said it depended on what they wanted to do. If they wanted to instruct the approval of the agreement conditioned on the school district agreeing to an extended inspection period and the deliverables, then that was the motion and they could take it to Ways and Means. If it was adopted in Ways and Means, and then the School District agreed to the inspection period and deliverables that would be the contract and it would start the 120 days ticking to do what they needed to do. Staff would come back with a report on what they found out. The other thing they could do was to tell staff to ask the school district if they would agree and if they did, then it would come back in two weeks. Basically, it would delay it by two weeks. Ms. Carducci said the school district had their finance meeting that night, and then in two weeks they would have their full board meeting. They had this on that night's agenda, and so the requested change would go back in between the two meetings. Rick Jerue said that he just found out that the Finance Committee of the School District approved the contract and it would go forward to the full board.

On the motion of Councilmember White, seconded by Councilwoman Jackson, the Committee voted to defer the above item and allow staff to ask the school district if they agreed to the extended inspection period of 120 days and the deliverables.

AUTHORIZE THE MAYOR TO EXECUTE ON BEHALF OF THE CITY A REAL ESTATE NOTE AND MORTGAGE MODIFICATION AGREEMENT, CLARIFYING THAT THE ORIGINAL NOTE GIVEN TO THE CITY BY LATRICE R. EVANS, SECURED BY A MORTGAGE ON PROPERTY LOCATED AT 1825 AUSTIN AVENUE, IS SUBJECT TO A BALANCE REDUCTION SCHEDULE AND DEBT FORGIVENESS PROVISION (1825 AUSTIN AVENUE; TMS: 464-01-00-132) [ORDINANCE]

Mayor Tecklenburg left at 5:19 p.m.

Chairman Moody said they had to go back and amend the mortgage. Mr. McQueeney said they didn't want her to get in trouble in 30 years.

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

REQUEST AUTHORIZATION FOR THE MAYOR TO EXECUTE THE PURCHASE AND SALE AGREEMENT FOR 101 BROAD STREET. THE PROPERTY IS OWNED BY THE CITY OF CHARLESTON. (TMS: 457-12-04-016) [ORDINANCE]

Ms. Carducci stated that at the last meeting they were directed to change a few things like requesting the personal guarantee on the mortgage and to adjust the term for the parking and commencement of building on the site to 6 years. This was coming back with the 6 year provision, but there was no personal guarantee. The note did provide the security and the City would have the first mortgage, so

they would have the protection of that. They would have the initial payment from the purchaser, so the value would be there if they were in that position, but there wouldn't be a personal guarantee. Councilmember White asked if there would be a first mortgage in front of the City and Ms. Carducci said no, so the City would be the first in position. They would have to clean up the parking. Councilmember Waring asked what the purchase price was again for the record. Ms. Carducci said it would be \$1.7 million. There would be \$500,000 as the initial downpayment and then 5 payments after that of \$240,000. Councilmember Waring said he wanted to thank the staff, because they had done a good job.

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

Consider the following annexation:

-Property on Zelasko Road (TMS #: 313-00-00-335) 1.19 acres, Johns Island (District 5). The property is owned by Larry McCutchen.

Councilwoman Jackson asked what the use for the property was. Chairman Moody said they would vote to annex and would have to zone it. At that point, they would know what type of zoning it was. They wouldn't really know what they were using it for. Mr. Morgan said they had requested business zoning, which was similar to a lot of other annexations on Zelasko Road.

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

Executive Session:

- i. Discuss property acquisitions and easements required for the Calhoun West Drainage project. Action may or may not be taken.*
- ii. Discuss property acquisition and easements required for the Forest Acres Phase 2a storm water drainage project. Action may or may not be taken.*
- iii. Request authorization to acquire a new 10 foot storm water easement on property located at 815 Colony Drive. (TMS: 418-15-00-017) Action may or may not be taken.*
- iv. Discussion regarding potential contractual arrangements in connection to 113 Calhoun Street and Emanuel A.M.E. Church. Action may or may not be taken. (Councilmember Waring)*

On the motion of Councilmember Waring, seconded by Councilmember White, the Committee voted unanimously to go into Executive Session at 5:29 p.m.

On the motion of Councilwoman Jackson, seconded by Councilmember Waring, the Committee voted unanimously to come out of Executive Session at 6:15 p.m.

Chairman Moody stated that they took up four items and no action was taken on any items.

- i. On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to give Staff the ability to negotiate and acquire the property as discussed in Executive Session or condemn, if necessary.
- ii. On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to give Staff the ability to negotiate and acquire the property as discussed in Executive Session or condemn, if necessary.
- iii. On the motion of Councilwoman Jackson, seconded by Councilmember Waring, the Committee voted unanimously to approve the authorization to acquire a new 10 foot storm water easement on property located at 815 Colony Drive.
- iv. On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to allow Staff to prepare an option for the Church to acquire the property from the City at a designated time in the future for nominal consideration with use restrictions and a reverter clause.

Having no further business, the Committee adjourned at 6:20 p.m.

Bethany Whitaker
Council Secretary