

Committee on Real Estate

March 22, 2021

A meeting of the Committee on Real Estate was held this date beginning at 3:10 p.m. over video conference call.

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

Present: Councilmember Shahid, Chair, Councilmember Appel, Councilwoman Jackson, Councilmember Waring, and Mayor Tecklenburg **Also Present:** Chip McQueeney, Geona Shaw Johnson, Matt Fountain, Julia Copeland, Susan Herdina, Rick Jerue, Bethany Whitaker

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

Approval of Minutes

On the motion of Mayor Tecklenburg, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the March 8, 2021 meeting.

Request that the City Council authorize the Mayor to execute the necessary documents for the re-purchase of 52 Kennedy Street from Martay, LLC, a South Carolina Limited Liability Company, for \$100,000. The property will be utilized for its original purpose-affordable homeownership opportunities for persons whose income does not exceed 120 percent of the Area Median Income. The property is owned by Martay, LLC. TMS No. 460-07-04-106.

Ms. Johnson said that 52 Kennedy was purchased by the Department of Housing and Community Development approximately 10 years ago. They had paid about \$51,000 for it. It was eventually transferred to what was then the Charleston Bank Consortium, who served as one of the community housing development organization and a developer of affordable housing. The organization had hired HSH Development Company to develop a single-family detached home at that site. Those two companies ended up in litigation, and the property was lost to foreclosure. They had a 90-year restrictive covenant recorded on the property, and had not been able to out-bid private developers over the past couple years. The most recent owner had wanted to build affordable housing and had even presented to the Homeownership Initiative Commission, who wanted the City to release the covenant to allow for rental housing to be built, but Ms. Johnson said the department had not been in agreement with that. That was why they were bringing this proposal to Real Estate and Council. They were looking at options to build more than just a single-family detached home.

Councilmember Shahid asked how many units they would be able to put on the site. Ms. Johnson said the last architect had designed three 650-700 square foot units to go on the site. The architect had run into height issues with the Planning Commission and BAR, so they were hoping to amend the height on the units and still achieve the 3 units on site. She also added that the site appraised at \$105,000.

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

A Resolution authorizing the City of Charleston to accept a permanent drainage easement, temporary construction easements, and subsurface tunnel easements encumbering properties owned and controlled by the Medical University of South Carolina, designated as Charleston County TMS Nos.

4601104027, 4601501017, and 4601501027 upon approval of the final form of the easement by the City's Director of Stormwater Management and Corporation Counsel.

Mr. McQueeney said MUSC owned these properties and this would be part of the Ehrhardt shaft portion of the new tunnel system. MUSC had to get permission from the State for easements, and they had agreed to allow MUSC to give the City a 50-year subsurface tunnel easement on these properties. MUSC was going to ask for a permanent easement. He said they had been on the phone with MUSC and the State Fiscal Accountability Office to discuss it. He didn't want to do a 50-year lease because it created a mess and that nobody in 50 years would realize that the lease wasn't permanent and that it would expire. The State would meet on May 18th to determine if they would grant a permanent easement. Mr. Fountain said that the State and MUSC had both been supportive of making it permanent, but worst-case scenario, they could still move forward with the 50-year agreement. To clarify, Mr. McQueeney said that if the lease were to expire, they wouldn't be forced to close the pipes but they wouldn't have the ability to maintain the pipes or flow water through them. Councilmember Shahid confirmed that this would be using part of the \$10 million that they were recently awarded from the State. He also asked how many years it would take to build this. Mr. Fountain said it would be roughly an 18 month construction period.

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

Authorization for the Mayor to accept an easement on behalf of the City of Charleston for the purpose of a future multi-use path to be constructed by Charleston County TMS No. 313-00- 00-098, more specifically described by the attached plat. (2901 Maybank Highway, Johns Island). The property is owned by Chad C. Dennis.

Ms. Copeland said this parcel was in the County and the owner, Chad Dennis, was going through the permitting process to build a restaurant. The County would be building a multi-use path on his side of Maybank Highway, and as part of the permitting process, Mr. Dennis needed to provide a permanent maintenance easement for the City. There was an agreement between the City and the County that the County would build the path and the City would maintain it. Councilmember Shahid clarified that it was a bike/ped path.

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

Consider the following annexations:

738 Saint Andrews Blvd. (0.26 acre) (TMS No. 418-15-00-081), West Ashley, Charleston County (District 3). The property is owned by Robert A. Limehouse, IV.

1908 2nd Drive (0.20 acre) (TMS No. 350-05-00-006), West Ashley, Charleston County (District 7). The property is owned by John H. and John J. Tecklenburg.

Mayor Tecklenburg said he needed to recuse himself on Item D(ii). Mr. Morgan said both of the annexations were in West Ashley. One was a commercial property and the other a residential. Councilwoman Jackson asked Mr. Morgan to explain, on the record, why there was a race category on the application annexations. Mr. Morgan said that in the past all annexations were evaluated by the

Justice Department because of the need to keep up with redistricting, making sure that districts had the appropriate number of minority/majority districts, and to get a sense if the City was growing in certain types of racial groups. Now, it was used to understand the composition of the population, but it wasn't necessary to include. Councilwoman Jackson said she appreciated the historical purpose of its inclusion, but said that in today's climate it could be jarring for some people to see that included in the application.

On a motion of Councilwoman Jackson, seconded by Councilmember Waring, the Committee voted to approve the above listed annexations. Mayor Tecklenburg recused.

Executive Session in accordance with Section 30-4-70(a)(2) of the South Carolina Code, to discuss the City's acquisition of temporary construction easements and permanent drainage easements necessary for the completion of Phase 2 of the Forest Acres drainage improvement project through Charleston County TMS Nos. 3500400002, 3500400032, 3500400035, and 4180100328, by negotiation and/or eminent domain. After returning from executive session, the committee may or may not take action recommending the City be authorized to acquire temporary construction easements and/or permanent drainage easements through TMS Nos. 3500400002, 3500400032, 3500400035, and/or 4180100328 by negotiation and/or eminent domain.

Executive Session in accordance with Section 30-4-70(a)(2) of the South Carolina Code to receive legal advice about pending contractual negotiations with respect to the proposed ordinance authorizing the Mayor to execute, on behalf of the City of Charleston, a memorandum of agreement with Palmetto Railways, the South Carolina Department of Commerce, and the South Carolina State Ports Authority regarding the Navy Base Intermodal Facility (NBIF) project in Charleston County, South Carolina, under which the City will accept \$11.5 million for (1) the City's conveyance of certain real property, being a portion of Charleston County TMS No. 464-02-00-051, commonly known as the WR Grace site, through separate purchase agreement; and (2) mitigation of existing and future impacts related to the construction and operation of the NBIF, including but not limited to freight rail movement in the vicinity of the southern access component of the NBIF. Upon returning from executive session, the Committee may vote on whether or not to recommend that City Council give final reading to the ordinance.

Mr. McQueeney stated that the Committee was entering into executive session on Item E for the acquisition because it involved contractual negotiations. Item F was to discuss the appraised value and to receive legal advice on the transaction.

On a motion of Councilmember Shahid, seconded by Councilwoman Jackson, the Committee voted unanimously to enter into executive session for Items E and F at 3:32 p.m.

On a motion of Councilmember Waring, seconded by Councilmember Appel, the Committee voted unanimously to come out of executive session at 4:09 p.m.

Councilmember Shahid said that no action was taken during the executive session.

On a motion of Councilmember Waring, seconded by Mayor Tecklenburg, the Committee voted unanimously to allow City staff to move forward with Item E with negotiations or any other means to acquire the necessary easements for Forest Acres Drainage.

Councilmember Shahid said they received information on Item F which was up for second and third reading at City Council the next day.

Having no further business, the Committee adjourned at 4:10 p.m.