

**COMMITTEE ON WAYS AND MEANS**

March 22, 2022

A meeting of the Committee on Ways and Means was held this date beginning at 4:02 p.m.

**PRESENT (13)**

The Honorable John J. Tecklenburg, Mayor

Councilmember Gregg	District 1	Councilmember Waring <i>arrived @ 4:06 p.m.</i>	District 7
Councilmember Shealy	District 2	Councilmember Seekings	District 8
Councilmember Sakran	District 3	Councilmember Shahid	District 9
Councilmember Mitchell	District 4	Councilmember Bowden	District 10
Councilmember Brady	District 5	Councilmember Appel	District 11
Councilmember Gregorie	District 6	Councilmember Parker <i>arrived @ 4:11 p.m.</i>	District 12

**1. INVOCATION:**

The meeting opened with an invocation provided by Councilmember Shealy.

**2. APPROVAL OF MINUTES:**

On a motion of Councilmember Mitchell, seconded by Councilmember Shahid, the Committee on Ways and Means approved the minutes of the March 8, 2022 Committee on Ways and Means meeting.

**3. BIDS AND PURCHASES:**

On a motion of Councilmember Shealy, seconded by Councilmember Shahid, the Committee on Ways and Means voted unanimously to approve the following bids and purchases:

**a. INFORMATION TECHNOLOGY: ACCOUNT: 062021-58020 AMOUNT: \$108,489.45**

Approval to purchase fifteen (15) GETAC Mobile Data Terminals (MDT)/In-Car Camera combo units in the amount of \$108,489.45 from Newcom for new Police Department vehicles. TIPS Contract #200105. Funding will come from 2021 Lease Purchase.

**ACCOUNT: 940100-52206 AMOUNT: \$131,437.82**

**b. INFORMATION TECHNOLOGY: ACCOUNT: 940100-58020 AMOUNT: \$24,820**

Approval to purchase two (2) Cisco Nexus 9300 switches and two (2) Cisco Catalyst 9500 switches in the amounts of \$131,437.82 and \$24,820.00. State Contract #4400027242. The network infrastructure that supports the City's Data Center currently consists of two (2) Nexus 5k switches with a dozen (12) Nexus 2K fabric extenders. The 5K switches will reach their end of software maintenance release support (EoS) life-cycle in the second quarter of 2022. This

project will replace the 5K switches with new Cisco Nexus 9K series switches as well as the accompanying core switches, currently two Cisco Catalyst 4500X switches, which have reached End of Service (EoS) status, with two new Cisco Catalyst 9000 series switches. This is funded through ARPA.

c. **MUNICIPAL COURT: ACCOUNT: 940100-58005 AMOUNT: \$77,097.34**

Approval to purchase cubicle furniture and accessories for the Municipal Court in the amount of \$77,097.34 from Wulbern-Koval, 1111 Morrison Drive, Charleston, SC 29403. SC Contract #4400022600.

**4. BUDGET, FINANCE AND REVENUE COLLECTIONS: AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF CITY OF CHARLESTON, SOUTH CAROLINA HOSPITALITY TAX REVENUE BONDS, AND OTHER MATTERS PERTAINING THERETO; PRESCRIBING THE FORM OF BONDS ISSUED HEREUNDER; PLEDGING LOCAL HOSPITALITY TAXES TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.**

Councilmember Gregorie, Chairman of the Committee on Ways and Means, said it was important that the public understood the City business that took place and now was the time to discuss the millions of taxpayer dollars that the City allocated for specific activities. He asked Ms. Amy Wharton, CFO, to discuss items #4 and #5, and how the City accumulated those dollars in order to be able to fund the Low Battery Seawall.

Ms. Wharton said Item #4 was a General Ordinance, which was the overall bond that the City would issue for the Low Battery Seawall Project.

On a motion of Councilmember Mitchell, seconded by Councilmember Shahid, the Committee on Ways and Means voted unanimously to give first reading to the following bill:

*An ordinance authorizing and providing for the issuance of City of Charleston, South Carolina Hospitality Tax Revenue Bonds, and other matters pertaining thereto; prescribing the form of bonds issued hereunder; pledging local Hospitality Taxes to the payment of the principal of, premium, if any, and interest on the bonds; and making other covenants and agreements in connection with the foregoing.*

**5. BUDGET, FINANCE AND REVENUE COLLECTIONS: A FIRST SUPPLEMENTAL ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE BY THE CITY OF CHARLESTON, SOUTH CAROLINA OF NOT EXCEEDING \$38,000,000 HOSPITALITY TAX REVENUE BONDS, SERIES 2022, AND OTHER MATTERS RELATING THERETO. THE PROCEEDS OF THESE BONDS WILL BE USED FOR THE LOW BATTERY SEAWALL PROJECT.**

Ms. Wharton said the First Supplemental Ordinance was a specific ordinance that included all of the guidelines for how the City paid trustee agreements. The supplemental ordinance was up to \$38,000,000. Ms. Wharton added that it did not mean the City would borrow \$38,000,000, but it depended on the premium on the bond, which was how the remainder of the Low Battery Seawall project would be funded. The funds would come from Hospitality Revenues.

Councilmember Gregorie said as a follow-up, the \$21,000,000 used previously, the City accumulated dollars for the Seawall project for many years and asked Ms. Wharton to explain that process to the new Councilmembers.

Ms. Wharton said the City previously put roughly \$5,000,000 in Hospitality Revenue fees away every year and expected a 10-year project length for it. That would be continued, and there was an accumulation of funds to get through October of this year. The project moved along quicker than expected and that was the reason for the bond using the Hospitality funds that would have been put away to pay any debt.

On a motion of Councilmember Mitchell, seconded by Councilmember Shahid, the Committee on Ways and Means voted unanimously to give first reading to the following bill:

*A first supplemental ordinance providing for the issuance and sale by the City of Charleston, South Carolina of not exceeding \$38,000,000 Hospitality Tax Revenue Bonds, Series 2022, and other matters relating thereto. The proceeds of these bonds will be used for the Low Battery Seawall project.*

**6. PARKS DEPARTMENT: APPROVAL OF THE DEPOSIT OF PALMETTO PRIDE'S 2022 KEEP SOUTH CAROLINA BEAUTIFUL GRANT AWARD IN THE AMOUNT OF \$9,350, FOR KEEP CHARLESTON BEAUTIFUL TO UTILIZE FOR LITTER REDUCTION EVENTS, LITTER EDUCATION AND AWARENESS PROGRAMMING, AND BEAUTIFICATION EFFORTS WITHIN THE CITY OF CHARLESTON. THIS IS AN AFTER-THE-FACT REQUEST. DUE TO TIME CONSTRAINTS, THIS GRANT WAS ACCEPTED ON FEBRUARY 15, 2022. THERE IS NO CITY MATCH REQUIRED.**

On a motion of Councilmember Shahid, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve the deposit of Palmetto Pride's 2022 Keep South Carolina Beautiful grant award in the amount of \$9,350, for Keep Charleston Beautiful.

**7. PARKS – CAPITAL PROJECTS: APPROVAL OF A MUNICIPAL OPERATIONS COMPLEX PROFESSIONAL SERVICES CONTRACT WITH STUBBS, MULDROW, HERRIN ARCHITECTS IN THE AMOUNT OF \$255,178 FOR SERVICES INCLUDING A COMPLETE INVENTORY OF EXISTING FACILITIES, EQUIPMENT AND VEHICLES, A NEEDS ASSESSMENT SURVEY AND INTERVIEW WITH STAFF, A SITE ANALYSIS OF 1820 HARMON ST. (W.R. GRACE SITE) AND ADJOINING PROPERTIES AND A CONCEPTUAL MASTER PLAN INCLUDING THE PROGRAMMING OF SPACE AND BUILDING INTERIORS FOR THE REPLACEMENT OF THE CURRENT CITY OPERATIONAL FACILITIES LOCATED AT MILFORD ST. APPROVAL OF THE PROFESSIONAL SERVICES CONTRACT WILL OBLIGATE \$255,178.00 OF THE \$600,000.00 PROJECT BUDGET. FUNDING SOURCES FOR THIS PROJECT ARE 2019 GENERAL FUND RESERVES (\$600,000.00).**

Councilmember Seekings asked the exact services to be received on the front end to set the City up for success with buying property and then putting the City's services departments out there.

Mr. Edmund Most, Deputy Director of the Parks Department, said a selection committee, Councilmember Shahid served on it for professional services to complete a current inventory of all departments and divisions. Then, a needs assessment of what should be done moving forward in the future would be done, followed by a conceptual design. The program study would allow a

contractor to come in and give a square footage cost so the department could proceed with funding requests for the project. Mr. Most said there was no indication of what costs would be in the future, but what was current was not well organized. The needs assessment survey would be the first step in the process. Once approved by City Council, a contract manager and a risk contractor would be brought forth.

Councilmember Seekings asked if there were specific needs known and where would they go. Mr. Most said the needs would not go back to the same location.

Mayor Tecklenburg said the current Public Works facility at Milford Street was a leased facility, a real estate transaction that occurred 15 years ago. The City sold the Milford Street property to the Magnolia Development, leased it back, and acquired a property on Harmon and Herbert Street, part of which the City sold to the State Ports Authorities. He said there were 12 acres there, and the agreement with Magnolia would allow them at any time to give a three-year notice to leave the property. Mayor Tecklenburg said it was not anticipated that any day eviction would happen, but in the next year or so, the needs assessment was the first step for the City to analyze not just the current, but what the future needs were in terms of current transactions at Milford Street and plan for its relocation. He said there would not be enough real estate to do everything currently done at the Milford Street location, but it would be figured out as part of the needs assessment process. The contractors would come out with a list of needs and future allowance, with suggestions on what was needed to make things happen.

Councilmember Gregorie asked if the City would be able to use the land for anything since it was being rented. Mr. Most said the land was leased by the City. Councilmember Gregorie asked if the land could be bought for specific use other than public service. The location was good in terms of development and asked if that was something, the City would think about and use the land for affordable housing.

Mayor Tecklenburg said from his understanding of the previous deal was that the Milford Street property would be a part of the development, and he didn't image they would want to sell it. They sold it as part of the agreement to give the City 2 acres for affordable housing. He said it was still anticipated to retrieve the property, so there was a provision for the City to get some land in the development. It would not be at Milford Street, but nearby.

Councilmember Gregg asked how many acres existed at the Milford Street property. Mr. Most answered, 16.35 acres and the Herbert Street property, which was 16.46 acres. He said there was railroad land to take in the process of 2.5 acres that would be lost. The overall property would end up being 14 acres total.

Councilmember Waring asked Mr. Most to name the departments that would be located in the area. He asked if the Police Department would have a place to park their cars and was that a part of the calculation. Mr. Most said the study was to replace what was current at the location; Environmental Services, Streets and Sidewalks, Stormwater, Fleet Operations, Police/Radio, fire training, fire shop, and the sign shop. Mr. Most said there was a lot packed into the area. The police department also used the area to blow up explosives.

Councilmember Shahid asked what date was the lease set to expire. Mr. Most said to his understanding there was no expiration date. The current Memorandum of Understanding mentioned that a three-year notice would be given. A notice was not given yet, but there was a lengthy process with procurement and design, so it was in the City's best interest to get started

with the study as soon as possible. Councilmember Shahid urged other Councilmembers to visit the property because everything outlined by Mr. Most did not do justice explaining how complicated the process was going to be to relocate to another facility or how it would be broken up into different properties for the services to be included at different locations. Councilmember Shahid agreed that it was an important step in addressing the needs of the City.

Councilmember Waring said that although he had not seen it in person, he heard North Charleston built a good Public Service building and asked Mr. Most if he had a chance to visit. Mr. Most said he had not had a chance to visit the site, but as part of the design contract, the team would visit multiple facilities like North Charleston once the County finished their design. The City of Savannah also recently completed a \$43,000,000 project and the City planned to visit with staff to understand how they moved about their process. Mayor Tecklenburg added that when he visited Greenville, SC, Mayor White gave him a tour of their new facility and offered to share their design plan.

On a motion of Councilmember Mitchell, seconded by Councilmember Shahid, the Committee on Ways and Means voted unanimously to approve of a Municipal Operations Complex Professional Services contract with Stubbs, Muldrow, Herrin architects in the amount of \$255,178 for services including a complete inventory of existing facilities, equipment and vehicles, a needs assessment survey and interview with staff, a site analysis of 1820 Harmon St (W.R. Grace site) and adjoining properties and a conceptual master plan including the programming of space and building interiors for the replacement of the current City operational facilities located at Milford St.

**8. RESILIENCY & SUSTAINABILITY: APPROVAL TO SUBMIT THE 2023 SC DHEC SOLID WASTE REDUCTION & RECYCLING GRANT APPLICATION IN THE AMOUNT OF (\$15,000) TO SUPPORT A PILOT FOOD SCRAP COMPOSTING PROGRAM AT FARMERS MARKETS. THE GRANT APPLICATION IS DUE ON APRIL 1, 2022. THERE IS NO CITY MATCH REQUIRED.**

On a motion of Councilmember Shahid, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve submittal of the 2023 SC DHEC Solid Waste Reduction & Recycling grant application in the amount of (\$15,000) to support a pilot food scrap composting program at farmers markets.

**9. RESILIENCY & SUSTAINABILITY: APPROVAL TO SUBMIT THE 2023 SC DHEC SOLID WASTE REDUCTION & RECYCLING GRANT APPLICATION IN THE AMOUNT OF (\$110,000) TO SUPPORT FOOD SCRAP COMPOSTING AND ASSOCIATED INFRASTRUCTURE. THE GRANT APPLICATION IS DUE ON APRIL 1, 2022. THERE IS NO CITY MATCH REQUIRED.**

On a motion of Councilmember Shahid, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve submittal of the 2023 SC DHEC Solid Waste Reduction & Recycling grant application in the amount of (\$110,000) to support food scrap composting and associated infrastructure.

**10. PLANNING, PRESERVATION AND SUSTAINABILITY/ BUSINESS AND NEIGHBORHOOD SERVICES: APPROVAL TO APPLY TO THE NATIONAL LEAGUE OF CITIES FOR THE CITY INCLUSIVE ENTREPRENEURSHIP (CIE) RESOURCE MAPPING GRANT OPPORTUNITY IN THE AMOUNT OF \$15,000. FUNDING WOULD GO TOWARDS AN ASSET MAPPING OF ENTREPRENEURIAL RESOURCES AND A REPORT OF**

**RECOMMENDATIONS FOR IMPROVING THE ECOSYSTEM OF ENTREPRENEURIAL SUPPORT. THERE IS NO CITY MATCH REQUIRED.**

On a motion of Councilmember Shahid, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve submittal of the National League of Cities for the City Inclusive Entrepreneurship (CIE) Resource Mapping Grant opportunity in the amount of \$15,000.

**11. HOUSING AND COMMUNITY DEVELOPMENT: REQUEST THE MAYOR AND CITY COUNCIL APPROVE A CONTRACT AMENDMENT IN THE AMOUNT OF \$50,000. THE AMENDMENT INCREASES THE AMOUNT OF THE AWARD TO \$53,825.75. PREVIOUSLY, THE CITY OF CHARLESTON AWARDED \$50K AND \$10K RESPECTIVELY TO ADDRESS THE NEEDS OF LOW AND MODERATE INCOME RESIDENTS IN THE CITY OF CHARLESTON. FROM THE PREVIOUS AWARD ALLOCATION \$3,825.75 REMAINS. THE AMENDMENT WOULD ALLOW CHARLESTON HABITAT FOR HUMANITY (CHF) TO CONTINUE PROVIDING ASSISTANCE TO RESIDENTS WHO OWN THEIR HOMES AND HAVE BEEN IDENTIFIED IN PARTNERSHIP WITH THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD). THE FUNDING FOR THIS CONTRACT IS DERIVED FROM PRIOR-YEAR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS.**

On a motion of Councilmember Mitchell, seconded by Councilmember Shahid, the Committee on Ways and Means voted unanimously to approve a contract amendment in the amount of \$50,000. The amendment increased the amount of the award to \$53,825.75 to address the needs of low and moderate income residents in the City of Charleston.

**12. POLICE DEPARTMENT: APPROVAL OF A CONTRACT BETWEEN THE CITY AND TURN90 (FORMERLY TURNING LEAF) IN THE AMOUNT OF \$85,000. TURN90 PROVIDES A POST RELEASE REENTRY PROGRAM FOR RECENTLY RELEASED INMATES.**

On a motion of Councilmember Shealy, seconded by Councilmember Shahid, the Committee on Ways and Means voted unanimously to approve a contract between the City and Turn90 (Formerly Turning Leaf) in the amount of \$85,000.

Councilmember Gregorie said it would be great to receive a report on the program's success of regarding the investments made and returns. Councilmember Bowden gave an update based on his position as a representing attorney for the clients who have participated in the Turning Leaf Program. He said the program made a tremendous difference in each investment, whether it was money from grants, or allocated funds that went to Turn90 (formerly Turning Leaf). He said programs like Turn90 served as an example of a resource that prevented crime. Turn90 was a viable re-entry program that did more than turn people back to the street. It provided participants with therapy, job training, and resume building tips so business owners did not feel they were taking a chance on the right person.

Councilmember Bowden said the other Police Department items on the agenda provided cutting edge technology and policing in forensics would lead to convictions at trials and solving crimes. The new initiatives were intended to take dangerous people off the streets. He was happy to see the items on the agenda as they displayed the direction the police department were headed.

Councilmember Shahid said Amy Barch, Director of Turn90, usually attended the Committee on Public Safety meetings, but the Committee had not met in a while. He said he would ask her to attend to receive a report because it was important to let the public know about the successes in fighting crime.

**13. POLICE DEPARTMENT: APPROVAL TO SUBMIT AN APPLICATION FOR THE 2023 JAG OHSJP GRANT FOR \$24,454 FOR ROW MULTISPECTRAL CAMERAS, A 360° CAMERA, SOFTWARE, A TRIPOD, AND RAIN KIT. THE APPLICATION IS DUE ON MARCH 25, 2022. THERE IS A 10% CITY MATCH REQUIRED FOR THIS GRANT (\$2,446).**

The Clerk reminded Mr. Chairman of the amendment offered from the Police Department.

Councilmember Gregorie said the Police Department submitted a request for City Council to consider amending Item #13 to reflect an updated budget request from the Justice Assistant Grant program. The grant application and the City match needed to be increased from \$24,454 with a City match of \$2,446 to \$30,508 with a City match of \$3,058. There was a difference of \$612. He said the exigent circumstance behind the amendment was at the deadline for the grant, which would provide the Police Department row Multispectral Cameras and related equipment, was due on March 25, 2022.

On a motion of Councilmember Shahid, seconded by Councilmember Shealy, the Committee on Ways and Means voted unanimously to approve submittal of an application for the 2023 JAG OHSJP Grant for \$30,058 for row Multispectral Cameras, a 360° Camera, software, a tripod, and rain kit as amended.

**14. POLICE DEPARTMENT: APPROVAL TO SUBMIT AN APPLICATION FOR THE 2023 SCDPS SAFE NEIGHBORHOODS GRANT FOR \$163,240 FOR TWO PORTABLE MASS SPECTROMETERS AND SUPPLIES (SAMPLING DEVICES). THE APPLICATION IS DUE APRIL 15, 2022. THERE IS NO CITY MATCH REQUIRED.**

On a motion of Councilmember Shahid, seconded by Councilmember Shealy, the Committee on Ways and Means voted unanimously to approve submittal of an application for the 2023 SCDPS Safe Neighborhoods Grant for \$163,240 for two portable mass spectrometers and supplies (sampling devices).

**15. REQUEST TO ALLOCATE FUNDING FOR THE LAKE DOTTERER OUTFALL PROJECT FROM THE CITY DRAINAGE FUND. (REQUESTED BY COUNCILMEMBER SHEALY)**

Councilmember Shealy said he wanted to take the recommendation made by the Committee on Public Works and Utilities, which was to allocate \$1.3 million, plus a 15 percent contingency from the Drainage Fund for Lake Dotterer Alternative Outfall Project. That amount was to match the request made to Charleston County, who would discuss the other \$1.3 million.

Councilmember Gregorie asked if the City was still responsible for allocating the \$2 million amount, originally close to \$2.6 million. Councilmember Shealy said some of the City Councilmembers spoke with County Councilmembers and County staff and agreed there was a possibility that the County would be voting on the match amount.

On a motion of Councilmember Shealy, seconded by Councilmember Brady, the Committee on Ways and Means voted unanimously to approve requested allocation of \$1.3 million, plus a 15 percent contingency for the Lake Dotterer Alternative Outfall Project from the City Drainage Fund.

*Councilmember Mitchell motioned to move to the Committee on Real Estate report and come back to Item #16 for discussion. The motion was seconded by Councilmember Brady.*

**17. THE COMMITTEE ON REAL ESTATE (MEETING WAS HELD ON MONDAY, MARCH 21, 2022 AT 2:30 P.M., CONFERENCE CALL: 1-929-205-6099; ACCESS CODE: 835 678 884)**

- a. Request to authorize the Mayor to execute on behalf of the City of Charleston a Memorandum of Agreement regarding PEN 3A Water Transmission Main Project between City of Charleston and Charleston Water System.
- b. An ordinance to authorize the Mayor to execute on behalf of the City an Amended and Restated Lease between the City of Charleston and Charleston Water System regarding the use of the recreational Greenway.
- c. An ordinance to authorize the Mayor to execute a deed and any other necessary documents, approved as to form by the Office of Corporation Counsel, Quit-claiming to Children’s Museum of Charleston the City of Charleston’s right, title, interest, if any, to that certain portion of property bearing Tax Map Number: 460-16-02-010, and subject to certain exceptions and other matters to be approved by the Office of Corporation Counsel.
- d. Approval to authorize the Mayor to execute the necessary documents for the purchase of 11 Cunnington Avenue, a 0.08 acre property, which includes a recently renovated building of 3,316 total square feet, located in the Neck Area of the City, for \$1,300,000 subject to the conditions outlined in the attached Agreement of Purchase & Sale. (TMS No. 464-14-00-118) (11 Cunnington Avenue, Charleston, SC 29405) ***(Deferred to the Committee on Ways and Means)***

Councilmember Appel, Chairman of the Real Estate Committee, said Item ‘a’ was a Memorandum of Agreement with the Charleston Water Systems (CWS) regarding the Penn 3A Water Transmission Main Project. Essentially, a new water transmission line in the upper Neck portion of the peninsula. The Committee voted unanimously to approve the item after receiving a very informative, technical explanation from legal counsel and CWS staff. Item ‘b’ was a revised lease agreement with CWS regarding West Ashley Greenway to facilitate future cooperation with CWS as it pertained to things like wayfaring signage and other improvements along the Greenway that had not happened. He said the lease was the first step toward facilitating that arrangement. Councilmember Appel noted to those watching at home that Charleston Water System owned the West Ashley Greenway, and it was a major sewer utility corridor. The City leased it as a passive park but needed to ensure CWS’ role was balanced. He assured the community would be engaged in the coming months and years when implementing specific projects. He wanted to make sure everyone was on board, the neighborhoods, stakeholder groups, and CWS.

Councilmember Appel said Item ‘c’ was an extensive discussion with the Charleston Children’s Museum regarding their proposal to quit-claim the property to help them facilitate financing for

substantial up fits at the Museum. The City owned the current location, and there was recognition that there may be other options short of the City just conveying the property over to the group free. There was agreeance to help the Museum do want they wanted, but the City was also cognizant of signing away the asset for no value. Councilmember Appel said he and other members of the Committee on Real Estate would reach out to contacts for alternatives, and until then, the Committee voted to defer the item.

Councilmember Gregorie said he was glad the Committee agreed to defer the item because giving away assets could affect the total worth of the City and the borrowing capacity. Councilmember Appel said other things could happen if the City gave away the property. For example, if the Museum was unable to pay its bills, the bank would foreclose on the property, and the City would surely not let that happen. Councilmember Gregorie said it was a great facility and was necessary for the community.

Councilmember Shahid said if the mortgage defaults with the reverted clause, the property would return to the City with an unpaid mortgage balance. He said it was something that needed to be taken into consideration. The Museum representatives did a wonderful job presenting at the meeting, the City had a 'revert-itis' problem. He said one of the items taken up on the lease or deed was a reverted clause that dealt with property from 1921 when recipients of the property did not use the property as intended. In that case, the property should have reverted to the City. Councilmember Shahid said the City then was put in litigation with the Charleston School of Law. He said some kinks to be worked out, but everyone agreed to offer support for the Museum, as they wanted it to be successful.

Councilmember Sakran asked if the item would be brought at a later meeting. Councilmember Appel said to his understanding that it was more of the latter and was his expectation that once the City had more answers to some of the questions, the Museum was more than welcome to come back before the Real Estate Committee to discuss. Councilmember Sakran said from discussions he had with the Museum, that the term *museum* often confused people because it was not really a museum, but a place for active play. He said visitors often compared Charleston Children's Museum to other Museums, and they were not the same as other minority places in Greenville, Asheville. They supported the Museum because it did not just provide services to kids that play, but they also offered many benefits to Title 1 schools downtown. He said a relocation would be detrimental, but a potential City match and additional funding would go a long way because the Museum brought in revenue.

Councilmember Seekings said the Children's Museum did not want to go anywhere, and the City did not want them to leave either. He said they had utilized that building for a long time and the current lease allowed them to run the business for another 47 years. The presentation from the board members was that the Museum wanted to do about \$4,000,000 worth of up-fits. They had already received preliminary approvals. They did not have the money and did not want to come back to the City. The property needed to be owned, and the Museum needed to get a loan on the building, but the lease did not serve as the proper collateral. Councilmember Seekings said the City needed to figure out the best way to finance the deal. He said the solution might be to sell them the building with a simple reverb. Even with a lease, the mortgage would have as part of its collateral, among other things, not just the value of the lease, which was not really collateralized. It was the building. He said if they defaulted even as a leaseholder, the banks would get the building anyway. There was a divide on whether or not to support the Museum. The board members

presented numbers on how many people visited, where visitors came from and the schools they attended. He said it was more than a Museum, but an educational facility. The building would not be cheaper, but there was a sense of urgency to figure something out.

Councilmember Gregorie reminded the Councilmembers that the Committee on Real Estate voted to defer the following item:

*An ordinance to authorize the Mayor to execute a deed and any other necessary documents, approved as to form by the Office of Corporation Counsel, Quit-claiming to Children's Museum of Charleston the City of Charleston's right, title, interest, if any, to that certain portion of property bearing Tax Map Number: 460-16-02-010, and subject to certain exceptions and other matters to be approved by the Office of Corporation Counsel.*

Councilmember Waring suggested two City Councilmembers should be appointed to serve as board members for the Charleston Children's Museum. If the debt was secured directly or indirectly, the City would be involved, and someone needed to oversee the books to ensure the decisions made would have the City's best interests at heart. The worst example would be getting into foreclosure due to cash flow problems, and eyes and ears around the table would prevent cash flow problems.

On a motion of Councilmember Shahid, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve the Committee on Real Estate report as represented and considered giving first reading to the following bill:

*An ordinance to authorize the Mayor to execute on behalf of the City an Amended and Restated Lease between the City of Charleston and Charleston Water System regarding the use of the recreational Greenway.*

After voting for the Committee on Real Estate report, the Committee on Ways and Means went back to discuss item #16 on the Ways and Means agenda.

**16. HOUSING AND COMMUNITY DEVELOPMENT: APPROVAL TO AUTHORIZE THE MAYOR TO EXECUTE THE NECESSARY DOCUMENTS FOR THE PURCHASE OF 11 CUNNINGTON AVENUE, A 0.08 ACRE PROPERTY, WHICH INCLUDES A RECENTLY RENOVATED BUILDING OF 3,316 TOTAL SQUARE FEET, LOCATED IN THE NECK AREA OF THE CITY, FOR \$1,300,000 SUBJECT TO THE CONDITIONS OUTLINED IN THE ATTACHED AGREEMENT OF PURCHASE AND SALE. (TMS NO. 464-14-00-118) (11 CUNNINGTON AVENUE, CHARLESTON, SC 29405)**

Councilmember Gregorie opened the floor for discussion.

Mayor Tecklenburg thanked everyone for their attention to the matter. He said what was important to him was the City's efforts to assist those who experienced homelessness or were at risk of falling into homelessness. He said he believed when it was his time to be judged, it would be based on how he treated the least of brothers and sisters. The same could be extended to the City and be judged by how the City cared for those in need. He asked his colleagues not to let personal issues get in the way of the focus, which was helping the homeless. In that matter,

Mayor Tecklenburg abstained from voting on the item to disallow any confusion by his son's real estate company, who were tenants in the property.

Mayor Tecklenburg spoke on the City's efforts concerning homelessness over the past few years. He said from a public safety standpoint, then, from a Housing and Community Development view, both Chief Reynold and Ms. Geona Shaw Johnson would be asked to weigh in. Mayor Tecklenburg said his mother recruited him when she was a City Councilmember to volunteer at the YMCA on Cannon Street. There was a homeless shelter during cold weather. He and his mom, former Mayor Joe Riley, and other Councilmembers would staff the YMCA. In the 80s, he became the President of Crisis Ministries, which the City helped form, which was now 180 Place. Mayor Tecklenburg said the City would partner with 180 Place soon to build transitional housing for the clients of 180 Place. The only difference was the organization did not serve everyone who experienced homelessness in the community. There was no greater evidence than when he was sworn in to office as Mayor in January 2016. There were hundreds of tents underneath I-26. It was called Tent City. For whatever reason, those homeless individuals were not getting services from 180 Place, which impacted public safety. He said not everyone was cut out to be a client of 180 Place. After 6 months of trying to find housing for those who were homeless and living in Tent City, the City created what was now called the Navigation Center, located at 529 Meeting Street. The City did not own the property, but Mayor Tecklenburg highly encouraged his colleagues to stop by and visit the facility and observe the current operations to understand the plan to improve those wraparound services led by non-profits to minister to the homeless individuals. To focus more on those who were at risk of becoming homeless, City Council approved 2022's budget addition to staffing to take a more direct oversight role in the operation of the Navigation Center. Some of the nonprofit organizations came and went, and a steady presence was needed. He said the proposal was to call the Navigation Center the HOPE Center in the future.

Next, Mayor Tecklenburg mentioned the ties to public safety. He said he still received calls and photos from citizens who wanted to help the homeless but were also afraid, fearful and complained about those who experienced homelessness. He said it was not a crime to be homeless. Proactively, public safety was directed to issue tickets and arrest individuals, whether they were homeless or not, for breaking the law, but it was not a crime to be homeless.

Chief Reynolds said Amy Barch, Director of Turn90, did an amazing job. The organizations helped disrupt the pipeline to prison by conducting job training, resume writing, and employment tips to reduce recidivism. He said Ms. Bart cracked the code to reduce recidivism. There were others in Columbia; the Governor, Richland Police Department, and County Sheriffs had also embraced the program, which started in Charleston and had expanded to Columbia. The University of Chicago also shared an interest, which showed program's success. Chief Reynolds said he'd personally sat in on trainings and witnessed the program's accomplishments. He supported of making permanent the HOPE Center to continue supporting the homeless community. There was a need for capacity, and there was a need for alternative resources rather than making arrests. Acquisition of 11 Cunningham Avenue would be the more permanent solution that the City needed, which address the quality of life. The Chief said police nationally looked for alternative resources to help the community. Police presence was not the answer to everything. Instead, community partners should be involved to help aid intervention, provide counseling, support schools and hospitals with mental health issues, and more. Full community efforts helped make the City safer for all citizens.

Mrs. Geona Shaw Johnson said often times people thought of homeless persons as those that lived on the street, under bridges, out of garages, and those that were literally seen on the street. She said homelessness did not always look like that. The Department of Housing and Urban Development defined homelessness in a different context than commonly known. For example, a mom with children who slept on couches at grandma's house, or lived with an aunt, was considered homeless by HUD's definition. Mrs. Shaw-Johnson said homelessness was also among City employees and other working people who had no place to live. Mrs. Shaw-Johnson received a call from a woman needing assistance as she slept in her car with her two children and dog. The woman shared that the temperature that night would be too cold for her family to sleep in their car, and she did not want to go to any shelters. Mrs. Shaw Johnson reached out to a non-profit organization that was able to pay for a hotel for the family for a weekend. The following Monday, the family was instructed to go to the Navigation Center to ensure they would not live in their car for another night. The Navigation Center was successful in finding safe and affordable housing for the family. Mrs. Shaw-Johnson said as City Council thought about the acquisition of 11 Cunningham, she wanted them to consider those dynamics. The Navigation Center needed a location where staff could be relocated to enhance engaged services to ensure the City of Charleston met functional zero, which meant that anyone who became homeless would be quickly rehoused. It was the goal of the department and COVID-19 had exacerbated the issue. Requests for rental assistance increased and were through the roof. Through CARES Funding Act, funding went to seven different organizations. Of those seven, half turned around and asked for more funding soon after the City gave them the allocation of approximately \$50,000. The latest episode of 60 Minutes, Lesley Rene Stahl, host, talked about the millions of housing needs in the United States. Mrs. Shaw-Johnson said homelessness was directly correlated to the lack of housing, but housing alone did not solve the homeless crisis if the appropriate wraparound services to ensure the long-term success for those individuals were not available. The community would continue to see homeless individuals living under bridges and on the streets.

Mrs. Shaw Johnson said as it related to 11 Cunningham, the property acquisition was a methodology that would address homelessness concerns for the long term. When she visited the property, she envisioned the space for the Navigation Center to be able to expand on services to offer the community. She asked that City Council give thought on their decision to consider the second appraisal packet that was requested. \$1,650,000 was the new value that came in under a different appraisal organization, which was higher than the previous appraisal. Beyond the price, the location met the needs without a delay in services to the population. In addition, almost 80 percent of funding that went towards the acquisition was non-City funding. The Mayor's Commission on Homelessness and Affordable Housing, which was comprised of City of Charleston, City of North Charleston, the Town of Mount Pleasant, and the Town of Summerville, had actively been engaged in a donating campaign toward getting the HOPE Center up and running because they recognized the need and supported the Center's goals.

Councilmember Gregorie asked if the City was the only party who provided wraparound services since 180 Place did not provide them. Mrs. Shaw Johnson said yes. 180 Place provided wraparound services, but did not meet the needs of all of the homeless persons that were seen on the streets and under bridges. The City worked in concert with 180 Place's outreach team to go out on the street and build rapport with those individuals in the likelihood the chance they would receive services was higher. Councilmember Gregorie said in due diligence how many more properties were considered, the prices, and the benefits that might be available for City Council to determine that 11 Cunningham was the best property. Mrs. Shaw Johnson said the

Navigation Center was at 259 Meeting Street since 2017. After speaking with multiple realtors and have looked at two other sites in the Neck area. She looked for buildings that owners would be able to give to the City, rather than paying for them because there was no capital or funding to facilitate the acquisition. A member of the Mayor's Commission said their church had available property at 591 Rutledge Avenue, but it could not be pursued for a number of reasons. One being the church had other matters that needed to be cleared first. Even though the land was vacant at the time, it was not appropriate to pursue. There were two parcels in the Neck area referred by a non-profit partner. The location seemed too far up, and those who needed services the most would not be able to access them. Those properties were in the \$700,000 - \$800,000 price range. Most recently, the department had been in conversations with the Executive Director on Margaret Street at Florence Crittenton, who was looking to do something different with their property and anticipated it would be an excess of \$1,000,000 for acquisition. They advised that it required \$2,000,000 for building repairs to facilitate and accommodate what they City thought would be necessary. Other factors related primarily to money did not allow the City to go after other properties and, more importantly, make sure that the properties would meet the needs of the City's clientele and blend well into the community because not everyone embraced homelessness. Mrs. Shaw Johnson said most citizens did not want to be bothered with homeless people. It was important to be cognizant of location so those persons could feel comfortable. Councilmember Gregorie asked Mrs. Shaw Johnson if she had thought of any alternative locations or ideas in case the item was not approved.

Mrs. Shaw Johnson said if City Council voted to disapprove the acquisition of 11 Cunnington Avenue, the Navigation Center would remain at 529 Meeting Street. Currently, the HVAC system upstairs did not work and had two larger systems, both inoperable. The City made small repairs over the years to help maintain the building. She said they would continue to make repairs, stay in the same location, but still look for alternative locations. She reminded the Councilmembers that nothing in the City of Charleston was inexpensive. The City had purchased 3, 5, 7, and 9 Cunnington valued at \$1,625,000. They looked at the property over seven years ago before it was purchased. Part of what the department did in seeking to enhance affordable housing was to make an attempt to find land. She said land was extremely expensive in the City of Charleston. Even building on the land was at very high costs, especially to renovate and bring a building to standard.

Councilmember Gregorie asked if Mrs. Shaw Johnson and her staff thought about including the HOPE Center with the new construction already being considered instead of having a separate Center. Mrs. Shaw Johnson said they thought of the idea initially when they looked at a number of units that could be built at 3, 5, 7, 9 Cunnington. It was thought that the property could be maximized for the number of affordable units on that site. The ground floor could be used as office space that would be rented out because the HOPE Center was not be a profit producing Center. In order to ensure the organization would be sustained for long term, units would be rented out. To all of the reasons mentioned, it was important because of the efforts of the Mayor's Commission that the HOPE Center had its own identity. Councilmember Gregorie said if City Council voted to not purchase the property and construction began on housing for people 80 percent and below the area median income, if the building stood out because of the nature of what was going down in value considerably. She said she was not an appraiser, but 180 Place was about to build 70 new units of affordable housing around the same market rate housing. The multiple rental apartments on Meeting Street that the City owned, at market rate value, were doing really well without the devalue of the properties.

Councilmember Shahid thanked Mrs. Shaw Johnson for her time and the presentation. He said he visited what was now called 180 Place and was recruited as a young volunteer at the YMCA Shelter, where he spent the night. It was a frightening experience at first, but then he walked out with a sense of understanding for the plight of people who lived on the street. He said he appreciated Mrs. Shaw Johnson for her definition of what homeless meant and that more people should be willing to participate in serving the homeless community. He mentioned Councilmember Waring's ideas made at the Public Works and Utilities Committee regarding the two biggest challenges of the City were flooding issues and housing. It was not just housing for the homeless and affordable housing, but also attainable housing. Councilmember Shahid said he, too, watched the 60 Minutes episode as it referred to how rental rates increased in Jacksonville, FL by 30 percent. He had children at the home buying age who were looking for affordable housing in the City, which was more and more difficult by the minute. Councilmember Shahid said part of the problem he had with approving the property acquisition was the price. He read the appraisal report and the minutes from the February meeting when Councilmember Bowden asked what the purpose of the motion to defer was. He read from the February 22 minutes, "Is it for the purpose of an appraisal, or is it for airing out of grievances we're talking about" and Councilmember Waring responded, "No. The purpose initially in real estate and now here, is to negotiate a better price."

Councilmember Shahid said he read the second appraisal report and was unsure how the appraiser reached the \$1.6 million value. He asked if attempts were made to negotiate a better price below the \$1.3 million value. Mrs. Shaw Johnson said they had not negotiated a better price. When she walked into the offices of Clement Crawford and Thornhill and spoke with Stuart, she said the building was great and asked if the City could purchase it for the HOPE Center. Mr. Stuart told her he would have to look into it and came back to Mrs. Shaw Johnson with the value of \$1,415,000. Mrs. Shaw Johnson said to Councilmember Shahid that she thought she had gotten a better deal by the \$1.3 million based on her conversations and the information Stuart sent attempting to validate the initial price that he quoted. She said there was no further conversation relative to the price decrease. Councilmember Shahid asked what the immediate concern was regarding being removed from the existing facility. She said funds would be needed to do necessary repair work. Councilmember Shahid asked Mrs. Shaw Johnson how much longer, realistically, the City had at the existing facility. Mrs. Shaw Johnson said she did not know and needed to contact Mr. Kaplan's representative to find out. Mr. Kaplan owned the property next door, the old cleaners building, and had looked at strategies for a number of years, including a possible grocery store in that area. She said someone contacted with her asking how far she had gotten at locating a place. She requested a 90 day notice before being asked to leave the facility but had to check with the property owner to see when they wanted the City to leave their building. Councilmember Shahid said he thought the City should get at least a year at a minimum of notice to leave the property. He said he still had his reservations about purchasing the property. He had some real estate experience. When his father passed, he took care of his father's real estate, dealt with the costs and other expenses like appraisals, and understood the mechanisms of it all. He knew the property in Charleston was out of whack, but he still wrestled with the idea of spending \$1.3 million for 11 Cunningham Avenue. The property was previously part of an industrial area and used as a crematorium. He knew the family who owned the property beforehand. The son-in-law worked in Councilmember Shahid's law office, so he knew the property's history.

When the homes were built in that area, they were surrounded by cemeteries that existed since the 19<sup>th</sup> century. The Neck area was considered cheap land back then, but the family paid for the property and made the necessary improvements. Councilmember Shahid shared he was not convinced the appraised value given to the City was the right price for what he hoped it be.

Councilmember Gregg asked Mrs. Shaw Johnson to clarify whether the ground floor would be leased out when the Hope Center was built. She said, "No." What Councilmember Gregorie asked her was why they weren't locating the HOPE Center into the newly constructed apartment complex. She said it was considered, but during conversations and evaluations, the intent was to have some level of rental space in the apartment complex that could be rented out to help support the HOPE Center, which would be a separate building. Councilmember Gregg asked if the new construction planned at 3, 5, 7, and 9 Cunnington Avenue was funded and the status of those projects. Mrs. Shaw Johnson said that in totality, there was some federal government funding planned for allocation towards construction. She said the Housing Department worked with the Planning Department on zoning to maximize the density of the site. Within the next 60 days, an RFP would get development partners involved to help build the units there. Councilmember Gregg asked if adding the HOPE Center in one of the units being built at 3, 5, 7, 9 Cunnington Avenue was considered, and if so, what were the incremental costs. Mrs. Shaw Johnson said it was considered several months ago when the Housing Department submitted a proposal to the Community Development Committee. It was an option. Naturally, when the multi-family units were built, there could be two to three years before it went vertical, and if it did, the current Navigation Center would have no place to go.

Councilmember Gregorie said it would be better if there was a way for the City to have a mixture of income, which was healthier than a concentration of lower income persons as long as it didn't reach the tilting point at 40 percent. Once it went beyond 40 percent, the whole thing could go. He presented the idea that if the Planning Department could help with the zoning, since there were ten 12-story buildings next door, and come up with a plan to provide the resources to pay for it. Mrs. Shaw Johnson said typically, when they looked for financing structures for affordable and workforce housing, it was slightly different from the market rate housing to pursue low income tax credits and federal funds. Separate funding would be pursued either from investment partners or from private financiers in order to capitalize on market rate housing as a part of that structure. She said Don Cameron of the Housing Authority, went up to 150 percent of the area median income under Art Milligan's management. Their financing was private and it was a rarity. Now, low-income housing tax credits were under RAD, but most of the financing was from Bank of America and Wells Fargo. They tended not to go to the federal or state funding because it allowed them the flexibility to go to a higher AMI, which would have to be considered. Councilmember Gregorie asked was FHA 221(d)(3). Mrs. Shaw Johnson said it was looked at, not extensively for the deal, but it was considered.

Councilmember Parker asked Mrs. Shaw Johnson if she'd looked at existing City property and buildings that could be rehabbed for use. Mr. Shaw Johnson said the City did not have any vacant or run down properties available. Councilmember Parker said if the City spent the \$1.3 million for the actual housing units rather than office space. Mrs. Shaw Johnson said \$1 million of the \$1.3 million was from private donations, and those donations were garnered around the idea that a new HOPE Center would be built. They gave their money because a part of the Mayor's Commission's goal was to build a Center. The \$1 million was slated specifically to the HOPE Center for offices. \$1million had to be used on the HOPE Center since the HOPE Center offered

offices for non-profit organizations to use to provide services to unsheltered residents who came to the Center to access services. Councilmember Gregorie asked if there would be showers at the Center. Mrs. Shaw Johnson said showers would be available eventually, but for now, Coastal Catholic Charities provided mobile showers at the Navigation Center. There were currently showers upstairs at the Navigation Center, but due to the HVAC system not properly working, it was hot and humid in that part of the building.

Councilmember Mitchell said he had been involved with the development and planning of building a new HOPE Center. With the conditions of the existing Navigation Center, he said staff could not stay in the building much longer. The current owners were gracious enough to let the City use the building for the time they have operated it, but the lease would soon expire because the owners had other plans for the use of their property. He said he visited the building at 11 Cunnington Avenue and agreed that the building could be used to continue the services for the homeless community and provide resources to those in need. Nowhere in the City of Charleston, if one owned a building and wanted to sell it, would they sell it for the amount in which they purchased it. He said he had lived on King Street for years and was offered \$850,000 for his property, and had surely not paid that amount for it. There were prices and deals like that all throughout the Neck area, which he represented. "Times have changed, and the area has changed," he said. The 12-story building under construction next to the property changed the dynamics of the area, and it could become more expensive. "So what if there's a graveyard nearby. Those people are resting. They aren't coming out of their graves and walking around." Properties on the peninsula were null and void. The hotel under construction on the corner of Meeting Street and Morrison Drive was projected to change the dynamic of that area, as well as the Long Shoreman Union Hall coming to Broad Street. The cost to purchase and renovate would be at high costs. The money that was funded for the Center did not come from the City. Councilmember Mitchell said if the City vowed to help the issue of homelessness and had programs for those persons, there needed to be firm action. He said there were apartments located at Baker Hospital Drive. His daughter lived there two years ago when the rent was \$900 for three bedrooms. It then increased to \$1,000 and was now at \$1,500 to rent. He said that was a good example of the fast moving rate of changes throughout the City. Councilmember Mitchell said he supported the purchase of 11 Cunnington Avenue.

Councilmember Waring said the discussion had been more like an evolving business plan. Nothing was written in front of the voting body about what the Navigation Center would cost and what services it would offer once it reached fruition. He said there was no way to ad-lib their way through the plan. He thanked Mayor Tecklenburg for abstaining himself from voting on the matter to allow the Councilmembers to concentrate on the item in totality. He said the item to purchase the office building, in his opinion, was grossly overpriced. When it was brought up a month ago, Councilmember Sakran provided a great suggestion to get another appraisal. The second appraisal was received, and the value came back at a 26 percent increase from the original value in one month. He said if one would extrapolate that amount forward, it was an excess of 300 percent in 12 months. That was one of the most valuable sites in appreciating property on this side of the Mississippi. One of his issues with the purchase was that not all of the information was provided to Council, and they were entitled as a Council to have the exact same information when it came to appropriating tax dollars. He wrote in his notes, "If you are going to help, don't over spend," because that was not how to get the most of it. He called it cost-effectiveness of a dollar. He said being stewards of other people's money was a privilege. When it came to representing donated dollars that was an even higher threshold. When they reviewed the appraisal facts, 75

percent of the property in the block where the property was located had been very active and sold at affordable rates. There was at least nine or ten comparable where the two appraisers sought comparable buildings to compare. In each case, they went south. They passed the property next to it that the City bought, which was originally listed on February 21, 2017, for \$1,900,000. It was 1.1 acres with four homes at almost 6,800 square feet of buildings. He said those buildings have since been torn down, and the property sold for \$1,425,000, which was a discount in one of the hottest real estate markets in America. Then the City moved to the corner of Meeting Street and Cunnington Avenue. Both of the appraisers saw fit not to include that it was a commercial piece of property, which sold in October for \$675,000. Still, a very affordable price, and the site was three times larger than 11 Cunnington Avenue. From a property standpoint, 11 Cunnington Avenue was .08 of an acre. The corner of Meeting Street and Cunnington Avenue was 0.23 of an acre, almost three times the size. There was a site on the corner of Meeting Street and Pershing Street sold in December 2021 for \$667,000.

The appraisers did not use those values; they instead went south to get comparable. Councilmember Waring said one did not have to be an expert in real estate to know that if one started north on the peninsula, and drove south, the property values increased and were more expensive the closer to the Battery they were. He said in no way did the appraisers say they would take the values from the northern side of the peninsula. If so, they would get lower values, which would calculate a lower value for the building in question. He said the appraised value was not a believable amount, and it was certainly not okay to use other people's monies to purchase that property. "There's something called a 'Golden Rule,' do unto others as we would want them to do unto us," he said. There was also a 'Platinum Rule,' "As you do unto others, you also do better for them than you would do for yourself", and that was the role he submitted to. He said he wanted to help the homeless, but there was a way to get the most bang for bucks.

The HOPE Center that Mrs. Shaw Johnson described could host showers, laundry, and be used as a warming space. Councilmember Waring said why would the City take the funds and start building, if the City told the owner of the Navigation Center that there were plans to build a building designed, more energy efficient, handicapped accessible for the employees and the homeless. Why not take the \$1.3million and put it to the building the City already used as the Navigation Center. He said he noticed on the floor, even during discussion, as suggestions came forward, pushback was part of the rationale. It seemed like it was the property at 11 Cunnington and 11 Cunnington only, and Councilmember Waring believed the City could do better. There had to be better options. When he spoke to Councilmember Appel on Sunday, he brought up the term 'transition'. Councilmember Waring said, by not having a plan, the plan may be mental and verbalized, but there was no proposal. Mrs. Shaw Johnson said there was no plan. Councilmember Waring said it was amazing that when it came to not buying the building, the information that was received. He asked how do practices get better if there were no plans. Pointing at a map where the red dot was marked as 11 Cunnington Avenue, to the left was 9 Cunnington, an old house that was torn down. That property could be used to build showers and laundry buildings, and the same could be done at 3 Cunnington Avenue.

Councilmember Waring said City Council acted expediently to purchase 3, 5, 7, and 9 Cunnington Avenue because it was a great price and staff did a great job at negotiating. He said he did not know of any office building in America surrounded by graveyards that would cost one million dollars. Pointing at the map, to the left of 11 Cunnington, the property sold in October 2019 for \$675,000. One block over, on the corner of Pershing and Meeting Street, that property sold on

December 13 for \$667,000 and was twice the size of 11 Cunnington. It faced Meeting Street, and was high profile location. Getting closer to Meeting Street, if the City or the non-profits needed an exit strategy, there was a chance of recouping the investment. If the City paid \$1.3 million for 11 Cunnington, it would be difficult to have an exit strategy. If they decided to move to another location, programmatic funding would be withdrawn, and it would be difficult to get that price. He suggested taking the funds and building a standalone facility with showers, laundry, and warming shelter instead of opposed to buying an overpriced building and spending, more money to build the building that would actually service the homeless people.

Councilmember Waring made a motion to deny purchasing 11 Cunnington Avenue for \$1.3 million. The motion was seconded by Councilmember Shealy. Mrs. Shaw Johnson added that, since Councilmember Waring indicated a plan, she said that when the Navigation Center moved into 529 Meeting Street, there was a plan. The Mayor's Commission worked extensively with a number of non-profit organizations to facilitate a plan because they understood the goals were to serve and facilitate a program long-term that was sustained by ownership. She said there was planning. They looked at an annual budget and worked closely with the non-profit partners to help minimize costs outlaid to the City as they moved forward. To fortify and sustain for the long term they believed it was important to support funding and hire staff because the homelessness issue of unsheltered individuals in the community was not getting any easier. Councilmember Gregorie said the current Navigation Center at least had showers, and the HOPE Center would require those additions to be mobile.

Zoomed in on the map, Councilmember Seekings asked where the mobile services would be placed. Councilmember Gregorie said the home at 9 Cunnington was gone. Councilmember Seekings asked if the zoning would allow the City to build the standalone buildings for services. Councilmember Gregorie said he wanted to make sure Councilmembers knew that the HOPE Center would not have the services that the current Navigation Center had. Mrs. Shaw Johnson said there was parking on side of the building and the mobile showers could be parked there.

Councilmember Waring motioned to amend his original motion, given the information, which was very pertinent, to not buy 11 Cunnington Avenue because there were limited services than what was already offered at the Navigation Center, and too many adjustments had to be made. The motion was seconded by Councilmember Sakran.

Councilmember Brady said as a point of order, a Councilmember could ask that a motion be withdrawn as long as there was no objection, the motion was considered withdrawn. Then, the voting body would be able to vote as presented.

The Clerk said there was a motion on the floor by Councilmember Waring, seconded by Councilmember Shealy to not buy 11 Cunnington Avenue. She asked Councilmember Waring if he withdrew the motion. Councilmember Waring said to keep the motion on the floor. Councilmember Shahid asked if anyone made a motion to approve item #16. Councilmember Gregorie said no and asked the Clerk to read the motion again.

The Clerk said the motion made by Councilmember Waring, seconded by Councilmember Shealy was to not purchase 11 Cunnington Avenue.

Councilmember Gregorie asked if there was any discussion and recognized Councilmember Appel.

Councilmember Appel said many points were made on all sides and perspectives, and he wanted to throw out another for consideration. He said he did a lot of zoning and land use representation. Certain types of development were not always warmly received in certain neighborhoods. Even regular, affordable housing was controversial. In some areas, the NIMBY (not in my back yard) effect, where people lit up their Councilmembers, showed up at the BZA meetings worried about traffic and other pre-textual issues. He said if the City tried to put the Navigation Center in District 11, Wagener Terrace, or on Daniel Island, there were some people who would not like that. His point was he knew there was a better plan out there. The universe of potential properties in the City of Charleston was not as broad and as wide as other developments because of the politics. Councilmember Appel said he and Councilmember Waring spoke in depth about the item, and he understood that Councilmember Waring's heart was in a good place and he wanted the taxpayers' money to stretch as far as it could go. He said he was very torn on the argument because he understood both perspectives. Not many areas in the City would willingly accept the Center and placing the Center next to graveyards, where people could not complain should not be the only option.

Councilmember Shahid said Councilmember Appel addressed the elephant in the room. He shared that when he served on the Stormwater Taskforce, someone on the Committee, when they considered the Stormwater Manual, suggested that the City come up with substandard standards when it came to affordable housing. He said homeless persons had to be viewed in another light. For example, they shouldn't be put on property that flooded or next to a cemetery because no one else wanted to live there. They were not second-class citizens who should be treated any less than someone who was not homeless. It was not the mindset to have. Councilmember Shahid reminded Council that when Daniel Island was developed, and affordable housing was put on Seven Farms Road, the community gave stink. There was affordable housing on Daniel Island because the mandate at the time instructed there to be affordable housing there. He said the vote should not be necessary to buy the land because there was no other place to buy since no one wanted homeless persons to live in their backyards. Instead, it was a business decision and should be focused on if it was a good business venture for the City.

The Clerk conducted a roll call vote.

Councilmember Gregg said, "Aye"

Councilmember Shealy said, "Aye"

Councilmember Sakran said, "Nay"

Councilmember Mitchell said, "Nay"

Councilmember Brady said, "Nay"

Councilmember Gregorie said, "Aye"

Councilmember Waring said, "Aye"

Councilmember Seekings said, "Aye"

Councilmember Shahid said, "Aye"

Councilmember Bowden said, "Nay"

Councilmember Appel said, "Nay"

Councilmember Parker said, "Aye"

On a motion of Councilmember Waring, seconded by Councilmember Shealy, the Committee on Ways and Means voted to not purchase 11 Cunnington Avenue. The vote was not unanimous. The motion passed 7 to 5, and Mayor Tecklenburg abstained from voting on this matter.

There being no further business presented, the Committee on Ways and Means adjourned at 5:47 p.m.

Velvett Simmons  
Assistant Clerk of Council