

COMMITTEE ON REAL ESTATE

April 10, 2018

A meeting of the Committee on Real Estate was held this date beginning at 3:35 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, Rick Jerue, Geona Shaw-Johnson, Chip McQueeney, Christopher Morgan, Laura Cabiness, and Bethany Whitaker, Council Secretary

The meeting was opened with a moment of silence provided by Councilmember Moody.

APPROVAL OF MINUTES

On the motion of Councilmember White,, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the March 23, 2018 meeting.

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT ON BEHALF OF THE CITY WITH MILLBROOK, LLC PERTAINING TO PROPERTY LOCATED ADJACENT TO S.C. HIGHWAY 61 CONTAINING APPROXIMATELY 1355.2 ACRES AND BEARING CHARLESTON COUNTY TAX MAP NO. 301-00-00-002, A COPY OF THE DEVELOPMENT AGREEMENT BEING ATTACHED TO THIS ORDINANCE AS EXHIBIT A AND MADE A PART HEREOF. (AS AMENDED) (Refer to City Council Public hearing Item #E-6)

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT ON BEHALF OF THE CITY WITH ROGER PARKE HANAHAN, JR. PERTAINING TO PROPERTY LOCATED ADJACENT TO S.C. HIGHWAY 61 CONTAINING APPROXIMATELY 1359.2 ACRES AND BEARING CHARLESTON COUNTY TAX MAP NO. 301-00-00-003, A COPY OF THE DEVELOPMENT AGREEMENT BEING ATTACHED TO THIS ORDINANCE AS EXHIBIT A AND MADE A PART HEREOF. (AS AMENDED) (Refer to City Council Public hearing Item #E-7)

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT ON BEHALF OF THE CITY WITH 3453 ASHLEY RIVER RD, LLC PERTAINING TO PROPERTY LOCATED ADJACENT TO S.C. HIGHWAY 61 CONTAINING APPROXIMATELY 85.65 ACRES AND BEARING CHARLESTON COUNTY TAX MAP NO. 359-00-00-006, A COPY OF THE DEVELOPMENT AGREEMENT BEING ATTACHED TO THIS ORDINANCE AS EXHIBIT A AND MADE A PART HEREOF. (AS AMENDED) (Refer to City Council Public hearing Item #E-8)

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT ON BEHALF OF THE CITY WITH MARGARET HARTLEY CARTER, AND ELIZABETH A. HANAHAN AND T. HEYWARD CARTER, AS CO-TRUSTEES OF THE ARTICLE V SHELTER TRUST UNDER THE WILL OF GRAYSON A. HANAHAN, AND ELANOR W. CARTER, TRUSTEE UNDER SOUTH CAROLINA PERSONAL RESIDENCE TRUST OF ELEANOR W. CARTER, PERTAINING TO PROPERTY LOCATED ADJACENT TO S.C. HIGHWAY 61

CONTAINING APPROXIMATELY 34.75 ACRES AND BEARING CHARLESTON COUNTY TAX MAP NOS. 364-00-00-002, 364-00-00-002-1, 361-00-00-007, 361-00-00-007-1, 364-00-00-001, AND 364-00-00-001-1, A COPY OF THE DEVELOPMENT AGREEMENT BEING ATTACHED TO THIS ORDINANCE AS EXHIBIT A AND MADE A PART HEREOF. (AS AMENDED) (Refer to City Council Public hearing Item #E-9)

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to combine the first four items.

Ms. Cantwell stated that there were a series of public hearings at City Council dealing with the Ashley Plantation annexations. 4 of the public hearings dealt with development agreements. Back in December, the City had received two annexation petitions to annex properties on the east side of 61. The same night, they had annexations for properties on the west side of 61, which included 5 separate pieces of property. They were 75% annexations, so they accepted the petitions, advertised for the public hearings, and held a public hearing and gave the annexations first reading January 23rd. They told the petitioners that they would work to secure zoning that was consistent with what they had in the County. That was on the agenda at City Council as well. Some of the landowners had requested development agreements. There was one home that was owned by the Carter family, and some of the parcels were subject to a conservation easement. They liked being rural and where they were, and the thought of being in an urban city didn't sink well. The line-share of the properties, all of the properties that the Hanahan and Carter family owned were subject to conservation easements. The property owned by Millbrook LLC (TMS ending in 002) had a vast majority that was subject to a conservation easement, and the same with the Roger Parke Hanahan property (TMS ending in 003). There was a utility easement that came across all of the tracts of land and the two big parcels owned by Millbrook LLC and Roger Parke Hanahan were subject to conservation easements, with the exception of about 300-400 acres of the 3,000 acres. The recommendation from Staff, with the Planning Commission's approval, was to zone the properties an agricultural zoning category that they would create that night, with the exception of the portions that weren't subject to the conservation easement. For that acreage, they were recommending SR-7, which was 1 unit per acre, consistent with what the land use plan recommended for properties beyond the Urban Growth Boundary.

Before them were the development agreements, and development agreements were one of the few times where a City Council could contract and bind a future City Council in certain areas. The property owners who agreed to come in were primarily interested in making sure they would be able to do on their property, in the future, what they were doing now. That wasn't much for the Hanahan interest, due to the fact of the easements being on the land. For the Truluck properties, there was an ongoing concrete crushing and recycling business, and they want the ability to keep that going and improve it if they wanted to. The agreements would give them the zoning she had outlined, and lock it in for the term of the development agreement. For the properties east of 61, because of the acreage requirements of State Law, they were eligible for a 5 year agreement. Truluck's property, because of its size, was only eligible for a term of 5 years and the two larger tracts, owned by Millbrook LLC, and Roger Parke were eligible for 20 year agreements. The agreements were pretty straightforward. There were some required provisions in State Law that they had to put in like estimated population densities. If the SR-7 developed, the combined population on the tracts would be something less than 500 people. That

was spelled out in the agreement and she wanted them to talk and ask questions. Since it would be scheduled for a public hearing at City Council, she asked that they reported it out as receiving information, and took no action pending the public hearing.

Councilwoman Jackson asked in terms of the length of time for the different properties, was there an option to renew the agreement. Ms. Cantwell said there would be no default and they would agree to negotiate in good faith. Every developer wanted an automatic agreement, but she thought that ran afoul of the law. She would feel confident that 5 years from now, they would request a renewal and she didn't see a City Council changing their minds, unless something drastically changed. The only one that might develop in that period of time was the Whitfield tract, which would be AG-8, 1 unit per 8 acres. The development would be light on the land.

Councilmember Waring asked if the Whitfield tract was trying to come into the City. Ms. Cantwell said he had reportedly annexed into North Charleston. The City had contested the annexation of the acre and this annexation. They had brought a law suit against North Charleston on that as well. There were other properties that Whitfield was looking to annex in that were down by the circle. Mayor Tecklenburg said that they had had no conversations with the 25% annexations. Ms. Cantwell said that was correct, so the fun would start after that night. Mayor Tecklenburg said there may be some push back if they came that night.

Councilwoman Jackson asked if they had similar cases. Ms. Cantwell said that North Charleston said 'we already annexed this, it's in our city, you need to move it along.' The City's outlook was that if a lawful process was started, they were entitled to finish it. The City received the petition for annexation for Mr. Whitfield and Mr. Miller, and called for a public hearing, before North Charleston ever acted on it. Chairman Moody asked if the Whitfield property and the others would be eligible for a development agreement if the City won the lawsuit. He asked if they would do that. Ms. Cantwell said she hadn't reached out to them, but if someone stretched a hand forward, they would talk to them.

Chairman Moody said they would report out to Ways and Means that they had discussed these and since there were public hearings, they didn't take a vote.

APPROVAL TO AUTHORIZE THE MAYOR TO EXECUTE THE FIRST AMENDMENT TO THE PURCHASE AND SALE AGREEMENT FOR THE PURCHASE OF 1555 JUNIPER STREET. THE AMENDMENT REFLECTS A REDUCTION IN THE SALES PRICE FROM \$168,000 TO \$140,000 AS SUPPORTED BY THE ATTACHED APPRAISALS. (TMS NOS: 350-03-00-185 AND 350-03-00-186)

Ms. Shaw-Johnson stated that this had come before them in November of 2017. It was subject to an appraisal. They had the appraisal back, \$120,000 and \$20,000 were the appraisals for each of the TMS numbers, so the amendment before them was the reflection of the reduction in the contract price that they had originally presented in 2017.

Chairman Moody stated that there must have been a clause. He asked who did the appraisal. Ms. Shaw-Johnson said the City ordered the appraisal and they accepted it. Councilmember Waring said this was part of creating a playground in the Ardmore area. The church owned property adjacent to a right of

way that the City had, that hopefully, once this property was owned by the City, they would put some affordable housing in. They would engage in an exchange with the three properties that the Church had, they would have to work that out. The church was James Chapel and this was out of the box thinking trying to create two things, a place for kids to play, and affordable housing. The Church had three separate houses and they didn't want to just sell and lose that mission. They would continue their mission. Ms. Shaw-Johnson said they hoped for 3-6 units in this location. Chairman Moody said that was a good purchase price for 6 lots.

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

APPROVAL OF AN AGREEMENT WITH SOUTH CAROLINA ELECTRIC AND GAS COMPANY TO RELOCATE A GAS PIPELINE EASEMENT LOCATED ON THE CITY OF CHARLESTON'S PROPERTY AT 1901 SAVANNAH HIGHWAY (TMS NO: 350-05-00-072)

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

Miscellaneous Business

Councilmember Waring said he had asked at the last meeting to get some sort of update or report on the lease agreement with The Market. He wasn't sure if anyone was prepared to speak on it. Ms. Cantwell said that Ms. Carducci had sent the contract and she couldn't remember why she had asked for it. They would be ready at the next meeting.

Councilwoman Jackson asked when the sale of parking lot was scheduled to close and Ms. Carducci said she didn't remember the exact date, but it was within 30 days of the day it was executed, so they were within several weeks now.

Councilmember Waring asked if, as they went about doing some of the transactions, like 101 Broad, they should have an account where those dollars went that would be properly identified for affordable housing. He guessed it just went into the general fund. Ms. Carducci said it was a land sale account. Ms. Wharton could better speak to that, but when the land was acquired, it was used for acquisitions and things of that nature. She thought that money was going to be used to pay Don Cameron the \$2 million. Ms. Shaw-Johnson said that specific to the MU-2 developments, they had set up, and it was outlined in the Ordinance, that they had established an affordable housing account to further develop. It dictated that that money was to be used for the development and enhancement of affordable and work-force housing. All of the MU-2 fees were to go into that fund. Councilmember Waring asked about the 3% they had added to the business licenses. There was a 3% addition, franchise fees, and he asked where that went. Ms. Shaw-Johnson said that came to them as well, and in 2017 it was \$300,000. The property they had just approved on Juniper, the acquisition of that would be paid for from the franchise fees. Councilmember Waring said he thought they needed to have an easy way to account for the money and they used to have something called Parcel B. It had about \$4.4 million or so, and they had borrowed \$400,000 to help pay for the last agreement to buy the property around the Angel Oak tree. It was

supposed to be put back and the last \$3.9 million was to purchase the current site for the International African American Museum. When that property next to the garage was disposed of, those dollars were to be replaced to Parcel B, to recoup the \$4.4 million that they had at one time for affordable housing. He asked where those dollars would go when they began to come back in. That was why they needed to have one depository. Chairman Moody said he suspected that if they asked Ms. Wharton that question, she would know exactly where it was.

Update on the Archer School Site

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to add the update to agenda.

Ms. Carducci said that the School Board had met the same day it had come before Real Estate, and they had voted to accept their version of the contract, which didn't include the amendments that the City had made. They did not want to remove the 'time is of the essence'. She had been in discussion with them and told them that the City wanted to pursue a new appraisal of the property to determine the value without the buildings in place. They were looking to see what portions of the building could be demolished, and they would have an appraisal in a few weeks that would give them some indication. They would need to circle back and figure out if there was a way to come to a meeting of the minds between the City and the School District for that site and how they could move forward.

Mayor Tecklenburg said the City had amended to make sure there was a separation of the issues of Archer and Stoney Field, and they didn't accept that portion either. In the meantime, Davis & Floyd was proceeding with a study to determine if a NCAA track could fit on the property. That would take about 4 months and then they could line up who the partners might be. In his view, it had worked out just as well, because it might be premature to come to a discreet agreement on Stoney Field until that study was back. He proposed that they continue in thought to separate the two matters and ask the school board to give them some forbearing until they got the study back. At the same time, they could do some light inspection on Archer. In essence, even though they weren't under contract, they could go ahead and look at some details. Ms. Carducci stated that the School believed that they did have an environmental assessment done and they thought they had done the asbestos abatement. They were going to confirm that. They couldn't do the Stoney Field separation because the funding from the sale from Archer, whether from the City or another buyer, was critical for them to be able to contribute as much money as was being called for in the purchase and sale agreement. They had the \$1 million over the purchase price that would be paid for the Archer site, and some additional fund, but they did need to use land sales in order to fund improvements at Stoney to the level they would like to see. Mayor Tecklenburg said if the City decided not to buy Archer, the School was in a position to sell it to someone else, and they could get the \$2.274 million they owed from whoever they would sell to.

Councilmember Waring said for the study for the track, it would be great if they could also discern the difference between a good high school track, and the NCAA track cost, so that they would know the difference when they sat down with the potential partners. That could be the contribution, the additional cost for the NCAA track. Chairman Moody said if they had a number they could go to whoever

was interested in it. Councilmember Waring asked that as they went about finding out if they could tear down Archer, if they were creating potential liability from a legal standpoint. He asked if it would damage the school district. Ms. Cantwell said that if the City got the permission to go on the property, and the school wanted the results they could give them, but the City would go in and do its due diligence. If the City couldn't tear it down, nobody else could either.

Having no further business, the Committee adjourned at 4:05 p.m.

Bethany Whitaker
Council Secretary