

**COMMITTEE ON WAYS AND MEANS**

April 24, 2018

A meeting of the Committee on Ways and Means was held this date at 4:50 p.m.

**PRESENT (13)**

The Honorable John J. Tecklenburg, Mayor

Councilmember White	District 1	Councilmember Waring	District 7
Councilmember Shealy	District 2	Councilmember Seekings	District 8
Councilmember Lewis	District 3	Councilmember Shahid	District 9
Councilmember Mitchell	District 4	Councilmember Griffin	District 10
Councilmember Wagner	District 5	Councilmember Moody	District 11
Councilmember Gregorie	District 6	Councilmember Jackson	District 12

**1. INVOCATION:**

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

**2. APPROVAL OF MINUTES:**

On a motion of Councilmember Moody, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve the minutes of the March 26, 2018 Committee on Ways and Means meeting.

The April 10, 2018 minutes were deferred on the agenda.

**3. BIDS AND PURCHASES:**

On a motion of Councilmember Moody, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve the bids and purchases as follows:

**POLICE DEPARTMENT: ACCOUNT:200000-52206 APPROPRIATION: \$52,500**

Approval to establish a contract for Lead Removal from the Police Dept. Firing Range from Metals Treatment Technologies, LLC (MT2). 14045 W. 66<sup>th</sup> Ave., Arvada, CO 80004; Sole Source

**4. FIRE DEPARTMENT: APPROVAL TO APPLY FOR A HMEP GRANT IN THE AMOUNT OF \$12,500 FOR THE CHARLESTON FD HAZ-MAT TEAM TO ATTEND SPECIALIZED TRAINING. A 20 % IN-KIND MATCH IS REQUIRED FOR THIS GRANT. SALARIES OF PERSONNEL ATTENDING CLASSES WILL BE USED.**

On a motion of Councilmember Griffin, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve to apply for a HMEP grant in the amount of \$12,500 for the Charleston FD Haz-Mat Team to attend specialized training.

**5. POLICE DEPARTMENT: APPROVAL TO SUBMIT THE 2018 PAUL COVERDELL FORENSIC SCIENCE IMPROVEMENT GRANT IN THE AMOUNT OF \$64,509 FOR A BALLISTICS SHOOTING TANK FOR TEST FIRING GUNS, ASSOCIATED SAFETY EQUIPMENT AND INSTALLATION. NO CASH MATCH IS REQUIRED.**

On a motion of Councilmember Lewis, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve to submit the 2018 Paul Coverdell Forensic Science Improvement Grant in the amount of \$64,509 for a Ballistics Shooting tank for test firing guns, associated safety equipment and installation.

**6. OFFICE OF CULTURAL AFFAIRS: APPROVAL TO APPLY FOR \$2,500 FROM SOUTH ARTS (LITERARY ARTS TOURING GRANT) IN SUPPORT OF LITERARY PROGRAMS OF THE 2018 FREE VERSE FESTIVAL. A 1:1 CITY MATCH IS REQUIRED. MATCHING FUNDS WILL COME FROM CORPORATE SPONSORSHIPS.**

On a motion of Councilmember Gregorie, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve to apply for \$2,500 from South Arts (Literary Arts Touring Grant) in support of literary programs of the 2018 Free Verse Festival.

**7. OFFICE OF CULTURAL AFFAIRS: APPROVAL TO APPLY FOR \$5,000 FROM SOUTH ARTS (SOUTHERN CREATIVE PLACES GRANT) IN SUPPORT OF CREATIVE PLACEMAKING EFFORTS IN THE UPPER PENINSULA. THE PROJECT PERIOD WILL BE 7/1/18 THROUGH 6/30/19. A 1:1 MATCH IS REQUIRED. MATCHING FUNDS WILL COME FROM FOUNDATION SUPPORT FOR THE MOJA ARTS FESTIVAL AND THE PICCOLO SPOLETO FESTIVAL.**

On a motion of Councilmember Mitchell, seconded by Councilmember Lewis, the Committee on Ways and Means voted to approve to apply for \$5,000 from South Arts (Southern Creative Places Grant) in support of creative placemaking efforts in the Upper Peninsula.

**8. PARKS-CAPITAL PROJECTS: APPROVAL OF A CONSTRUCTION CONTRACT WITH TARGET CONTRACTORS, LLC IN THE AMOUNT OF \$159,310 FOR THE DEMOLITION OF VERTICAL ELEMENTS OF THE STRUCTURE AT 43 SUMAR STREET AND ABATEMENT OF LEAD BASED PAINT AND ASBESTOS CONTAINING MATERIALS. WITH THE APPROVAL OF THE PROJECT BUDGET, STAFF IS AUTHORIZED TO AWARD AND/OR AMEND CONTRACTS LESS**

**THAN \$40,000, TO THE EXTENT CONTINGENCY FUNDS EXIST IN THE COUNCIL APPROVED BUDGET. THE CONSTRUCTION CONTRACT WILL OBLIGATE \$159,310 OF THE \$3,264,500 PROJECT BUDGET. THE FUNDING SOURCE FOR THIS WORK IS LAND SALES (\$3,264,500).**

Councilmember Seekings said that during the course of the demolition, some arrangements had been made by the demolition team to make sure they preserved the ability to have power without having to rewire. Edmund Most, Deputy Director of Parks, said they would have site lighting, and they were working with facilities to make these connections, and it would be a simple transition.

On a motion of Councilmember Shahid, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve a Construction Contract with Target Contractors, LLC in the amount of \$159,310 for the demolition of vertical elements of the structure at 43 Sumar Street and abatement of lead based paint and asbestos containing materials.

**9. PUBLIC SERVICE: APPROVAL OF SPRING-FISHBURNE US 17 PHASE 2 CHANGE ORDER #15 WITH CROWDER CONSTRUCTION IN THE AMOUNT OF \$154,698 FOR ADDITIONAL TRAFFIC CONTROL ON SIDE STREETS (ASHLEY, FISHBURNE, PRESIDENT, LINE & CANNON) DUE TO SUBSTANTIAL INCREASE IN WORK PERFORMED, REVISED UNIT PRICE FOR ADDITIONAL GRANITE CURBING AND PROFIT DUE FOR LUMP SUM ITEM PARTIALLY PAID UNDER OTHER UNIT RATES. THE APPROVAL OF CO#15 WILL RESULT IN AN INCREASE OF \$154,698 TO THE CONSTRUCTION CONTRACT (FROM \$25,612,674.77) TO \$25,767,372.77). THE FUNDS WILL COME FROM THE KING STREET GATEWAY TIF AND SCDOT (50/50 SPLIT WITH SCDOT & CITY).**

On a motion of Councilmember Mitchell, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve of Spring-Fishburne US 17 Phase 2 Change Order #15 with Crowder Construction in the amount of \$154,698 for additional traffic control on side streets (Ashley, Fishburne, President, Line & Cannon) due to substantial increase in work performed, revised unit price for additional granite curbing and profit due for lump sum item partially paid under other unit rates.

**10. PUBLIC SERVICE: APPROVAL OF LOW BATTERY SEAWALL REPAIR PROJECT CHANGE ORDER #1 WITH PALMETTO GUNITE IN THE AMOUNT OF \$109,232 FOR ADDITIONAL AREAS OF SEVERE DAMAGE ON THE LOW BATTERY SEAWALL DUE TO HURRICANE IRMA. MOST OF THESE SITES WERE DOCUMENTED BY FEMA ON A SITE VISIT ON 3/8/18 AND MARKED AS A SAFETY ISSUE. THE APPROVAL OF CHANGE ORDER #1 WILL RESULT IN AN INCREASE OF \$109,232 TO THE REPAIR CONTRACT (FROM \$57,528 TO \$165,760). WE WILL REQUEST REIMBURSEMENT FROM FEMA FOR THIS ADDITIONAL AMOUNT.**

On a motion of Councilmember Waring, seconded by Councilmember Seekings, the Committee on Ways and Means voted unanimously to approve of Low Battery Seawall Repair Project Change Order #1 with Palmetto Gunite in the amount of \$109,232 for additional areas of severe damage on the Low Battery Seawall due to Hurricane Irma.

**11. HOUSING AND COMMUNITY DEVELOPMENT: MAYOR AND CITY COUNCIL APPROVAL IS REQUESTED TO APPROVE A CONTRACT IN THE AMOUNT OF \$250,000 TO OAKSIDE APARTMENTS SC LLC FOR THE CONSTRUCTION OF THIRTY-EIGHT (38) RENTAL APARTMENTS FOR PERSONS EARNING SIXTY (60%) PERCENT AND BELOW THE AREA MEDIAN INCOME AT 1725 BROWNSWOOD ROAD. FUNDING FROM THE CITY OF CHARLESTON WILL BE DESIGNATED TO TEN (10) APARTMENTS WITHIN THE DEVELOPMENT, EIGHT OF WHICH WILL SERVICE PERSONS AT 50% AND BELOW THE AREA MEDIAN INCOME, THE REMAINING TWO WILL SERVICE PERSONS AT 60% AND BELOW. FUNDS TO SUPPORT THIS CONTRACT WILL BE DERIVED FROM PRIOR YEAR HOME FUNDS.**

Geona Shaw Johnson, Director of Housing and Community Development, stated the City would be investing money into what was a low-income housing credit deal, meaning the majority of funding received for this development was coming from the State Housing and Development and the Redevelopment Authority. In year 15, should a foreclosure happen, it could mean that the City's covenants were wiped out, which meant the affordability covenants went away. It still meant, for the City, that it had a Note and a Mortgage that covered the investment the City placed in this property, such that if the property were to go to market, ideally both the first mortgage and lender, as well as the City, would be paid in full. Mrs. Shaw Johnson added that they had not had a low-income tax credit deal ever go south, so they were fortunate. The State was very stringent in their underwriting criteria, but she wanted Council to be aware of this.

Councilmember Gregorie asked if the property went into foreclosure and the covenants were gone, if that meant the units would sell at market rate. Mrs. Shaw Johnson confirmed and said these properties were rental, so they would most likely rent at market rate, but that also meant the City still had the Note and Mortgage attached to it, so ideally there would be payouts to represent the City and get any funding back that it was owed.

On a motion of Councilmember Mitchell, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve a contract in the amount of \$250,000 to Oakside Apartments SC LLC for the construction of thirty-eight (38) rental apartments for persons earning sixty (60%) percent and below the Area Median Income at 1725 Brownswood Road.

**12. HOUSING AND COMMUNITY DEVELOPMENT: MAYOR AND CITY COUNCIL ARE REQUESTED TO APPROVE A CONTRACT BETWEEN BORDON CONSTRUCTION, LLC AND THE CITY OF CHARLESTON FOR THE CONSTRUCTION OF SEVEN HOMES IN THE ASHLEYVILLE COMMUNITY FOR \$1,300,000 FOR A VERTICAL CONSTRUCTION PRICE OF \$185,714 PER HOUSE. THESE HOMES WILL BE SOLD TO FIRST TIME HOMEBUYERS EARNING EIGHTY (80%) PERCENT AND BELOW THE AREA MEDIAN INCOME. FUNDING TO PAY FOR THE CONSTRUCTION OF THESE HOMES WILL BE DERIVED FROM THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM INCOME FUND IN THE AMOUNT OF \$273,000 AND THE AFFORDABLE HOUSING FUND (DERIVED FROM FEES PAID BY MU II DEVELOPERS) IN THE AMOUNT OF \$1,027,000. UPON THE SALE OF THESE HOMES, THE**

**FUNDING WILL REVOLVE BACK INTO THE AFFORDABLE HOUSING FUND AND THEN THE PROGRAM INCOME FUND. A BID FOR CONSTRUCTION SERVICES WAS RELEASED IN JANUARY 2018. A COPY OF THE REQUEST FOR BIDS IS ATTACHED FOR YOUR INFORMATION. THE HOUSES WERE DESIGNED BY MEADORS ARCHITECTS.**

Mayor Tecklenburg stated that the funds, which were being used to construct the seven affordable homes in West Ashley in Ashleyville, came from one of the City's fee-in-lieu payments that Council put into effect last year. They received over \$1,000,000 for the fee-in-lieu from the apartments across from the baseball stadium. When the City built the homes, which were beautifully designed by Meadors Construction, and the homes were sold to an affordable user, the City would use the money again, so it would become like a revolving fund to be able to create more affordable housing. Unlike the requirement that Mixed-Use used to have that only prescribed a certain number of units for a certain number of years, the City really created affordability for the long-term. He commended everyone because he thought this was the direction in which the City wanted to go.

Councilmember Lewis said he was very happy because the project was in his district, District 3. Mrs. Shaw Johnson and her staff had worked well with the neighborhood association, and Councilmember Waring had worked very hard to acquire some of the lots for the homes that would be built there. He said he was much more pleased with the fight they had to get some of the developers to use the fee-in-lieu, knowing that it would be used to start the first big project, which was in District 3. He thanked Mayor Tecklenburg for working hard on this idea, and he was happy that District 3 would be benefiting first.

Councilmember Waring echoed the remarks of Councilmember Lewis and Mayor Tecklenburg. He said some of the properties were grown over and were in a blighted area. Two lots, in particular, were an attractive nuisance to the whole neighborhood. The lots needed to be cleaned up, and former Chief Mullen came to the Councilmembers and asked them if something could be done. That communication led to the owner who sold it to the City and led to the City's legal department cleaning up the title. Now, the City was going to have homes that families could afford that would be watchmen for the community, and in effect, would be rebuilding part of the community. Children would be going to school, parents would be a part of the PTA, the Church, the Scout groups, and this would reinvigorate a whole community. He commended everyone on this project.

Councilmember Gregorie said, for him, more importantly, was that it was an example of wealth creation by providing home ownership opportunities for people who normally would not be able to afford to buy a home. He thought the wealth creation should always be one of the City's criteria, and he thought this project was definitely a display of how that could happen. He thanked the Mayor and Council for moving forward with the fee-in-lieu because it was working.

Mayor Tecklenburg said he thought it was ironic and fitting that the first money be spent in Councilmember Lewis's district because it came from WestEdge, so something good came out of WestEdge.

There was laughter in the Chamber.

On a motion of Councilmember Mitchell, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve a contract between Bordon Construction, LLC and the City of Charleston for the construction of seven homes in the Ashleyville community for \$1,300,000 for a vertical construction price of \$185,714 per house.

**13. THE COMMITTEE ON REAL ESTATE: (MEETING WAS HELD APRIL 24, 2018 AT 3:30 P.M. AT CITY HALL, 80 BROAD STREET, FIRST FLOOR CONFERENCE ROOM)**

- a. Update on City Market Management Agreement (*Councilmember Waring*) (**No action taken.**)
- b. Request authorization for the Mayor to execute the Agreement with Charleston Digital Corridor Foundation whereby the City will reimburse an amount up to \$450,000 for the parking deck design engineering fees related to the parking garage development contemplated in the Lease Agreement between the City and the Charleston Digital Corridor Foundation. The \$450,000 shall be applicable to the City's reimbursement of the garage development and construction costs. (TMS: 461-13-01-038; 999 Morrison Drive)
- c. Approve facilities use of the French Protestant (Huguenot) Church for the Piccolo Spoleto Festival (L'Organo Series) in the amount of \$250.00 (136 Church Street)
- d. Approve facilities use of the Second Presbyterian Church for the Piccolo Spoleto Festival (Youth Music Series) in the amount of \$500.00 (342 Meeting Street)
- e. Approve facilities use of the Trinity United Methodist Church for the Piccolo Spoleto Festival in the amount of \$300.00 (273 Meeting Street)
- f. Approve facilities use of Bethel United Methodist Church for the Piccolo Spoleto Festival (57 Pitt Street). There is no cost to the City.
- g. Approve facilities use of First (Scots) Presbyterian Church for the Piccolo Spoleto Festival (L'Organo Series) (53 Meeting Street). There is no cost to the City.
- h. Approve use of the U.S. Custom House property for Piccolo Spoleto 5/25/18 – 5/27/18 (200 East Bay Street). There is no cost to the City.
- i. Consider the following annexations:
  - (a) Property known as 5<sup>th</sup> Avenue and Diana Street (TMS# 418-05-00-201) 0.115 acre, West Ashley (District 7). The property is owned by Atlantic Management LLC.

(b) 1357 S. Edgewater Drive (TMS# 349-13-00-017) 0.58 acre, West Ashley (District 11).  
The property is owned by William D. Wolf and Mary W. Wolf.

- j. Executive Session: Discuss purchase of 1.85 acres bounded to the south by Mount Pleasant Street, the east by Meeting Street Road, the west by King Street Extension, and the north by a line extending from Courtland Avenue from Norfolk Southern Railway Company. Action may or may not be taken regarding the purchase. **(No action taken.)**

Councilmember Moody, Chair of the Real Estate Committee, said the Committee had met that afternoon at 3:30 p.m. The first item was an update on the City Market Management Agreement, and no action was taken. The Committee received information, and there would be further discussion. Item 'b' was a request to authorize the Mayor to execute an Agreement with the Charleston Digital Corridor, which was basically a previous agreement with a couple of changes. They added the developer of the property to the agreement, and there was also an addition to the agreement that if something were to happen to the project, the City would own the plans, and the City wouldn't lose its funds. The next items 'c' through 'h' were facility use agreements for Piccolo Spoleto, and they were approved. Item 'i' consisted of two annexations, and both were approved. The Committee went into executive session regarding Item 'j' to discuss a 1.85 acre purchase, and they also discussed the Charleston Digital Corridor. No action was taken.

On a motion of Councilmember Moody, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve the Committee on Real Estate Report as presented.

The Committee on Ways and Means recommended giving first reading to the following bills:

*An ordinance to provide for the annexation of property known as 5th Avenue and Diana Street (0.115 acre) (TMS# 418-05-00-201), West Ashley, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 7. The property is owned by Atlantic Management LLC.*

*An ordinance to provide for the annexation of property known as 1357 S Edgewater Drive (0.58 acre) (TMS# 349-13-00-017), West Ashley, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 11. The property is owned by William D. Wolf and Mary W. Wolf.*

There being no further business presented, the Committee on Ways and Means adjourned at 5:02 p.m.

Jennifer Cook  
Assistant Clerk of Council