

Committee on Real Estate

April 27, 2020

A meeting of the Committee on Real Estate was held this date beginning at 3:35 p.m. over video conference call.

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

Present

Councilmember Shahid, Chair, Councilmember Appel, Councilmember Waring, Councilwoman Jackson, and Mayor Tecklenburg

Also Present: Matt Frohlich, Jennifer Cook, and Bethany Whitaker

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

Approval of Minutes

On the motion of Councilwoman Jackson, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the April 13, 2020 Real Estate Minutes.

Approval of Amendment #1 to the Management Agreement for 22 WestEdge with the Charleston Digital Corridor Foundation allowing for an increase in the approved tenant upfit amount. Approval of the amendment would allow for an additional \$105,000 in tenant upfit improvements. Additional cost is offset by savings in design, FFE and lease expenses making it a neutral budget.

Mr. Frohlich stated that this was a request for an amendment to the Management Agreement with the Charleston Digital Corridor Foundation for the management space of 22 WestEdge. When they did the governmental lease agreement for that space, it had a built in tenant upfit allowance of \$40 per square foot, and when they did the management agreement, it said there would be no upfit allowance outside of that without express written approval of the City. The upfit costs had come in a little higher for a variety of reasons, so they were requesting an amendment to allow the CDCF to incur that cost. The good news was that there had been savings in design, engineering costs, and lease expenses. They would see savings with that of about \$108,000, so it ended up being budget neutral.

Councilwoman Jackson asked when they would be able to get into the space and how it was going overall. Mr. Frohlich said the space was complete. They had a CO and 15 stations in the building, not including the touch down area. Of those 15 stations, eight were being occupied by five separate businesses. They weren't physically in there right now. Unfortunately, they had all of the spaces spoken for at one time, but they lost one company in January/February because of delays in the project, and then they had three that they had lost due to COVID. Two of them they hoped would come back. Councilwoman Jackson asked how long the terms were. Mr. Frohlich said they were all month to month. Mayor Tecklenburg said that the five companies they did have could go ahead and take occupancy. Mr. Frohlich said that was correct. Mayor Tecklenburg said he had the owners of the main tenant on the top

floor, and they did testing for medicinal and biomedical purposes and were working on the COVID situation. They were new to Charleston and reached out to the Mayor's office to become a good citizen and volunteered to provide testing for the homeless individuals in the community and help with some feeding for them as well. They were a wonderful company.

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

Miscellaneous Business

Mayor Tecklenburg said that they had a request from Rabbi Davis this year that Wednesday was the Independence Day for the State of Israel. He supplied a flag, and they would fly that over City Hall on Wednesday. Councilmember Appel said that was wonderful and he knew the Jewish community would be appreciative of that.

Having no further business, the Committee adjourned at 3:45 p.m.

Bethany Whitaker

Council Secretary