

COMMITTEE ON WAYS AND MEANS

May 8, 2018

A meeting of the Committee on Ways and Means was held this date at 4:48 p.m.

PRESENT (12)

The Honorable John J. Tecklenburg, Mayor

Councilmember White	District 1	Councilmember Waring	District 7
Councilmember Shealy	District 2	Councilmember Seekings	District 8
Councilmember Lewis -- <i>absent</i>	District 3	Councilmember Shahid	District 9
Councilmember Mitchell	District 4	Councilmember Griffin	District 10
Councilmember Wagner	District 5	Councilmember Moody	District 11
Councilmember Gregorie – <i>arrived at 4:51 p.m.</i>	District 6	Councilmember Jackson	District 12

1. INVOCATION:

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

2. APPROVAL OF MINUTES:

On a motion of Councilmember Mitchell, seconded by Councilmember Shealy, the Committee on Ways and Means voted unanimously to approve the minutes of the April 10, 2018 Committee on Ways and Means meeting.

The April 24, 2018 minutes were deferred.

3. BIDS AND PURCHASES:

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

INFORMATION TECHNOLOGY: ACCOUNT:161000-52206 APPROPRIATION: \$464,828.17

Approval to renew Microsoft Enterprise Agreement for City computers and servers through SHI; State Contract #4400017751. This agreement/licensing is required to license all Microsoft computer and server operating systems and applications software (Windows Desktop Operating Systems, Office

Applications, Network Active Directory, Database software, Exchange/Email, and Windows Sever OS) for current licensing and future upgrade requirements for 1,450 users and 65 servers. This is payment 2 of 3, with payment dropping to approximately \$225,000 in 2020 and subsequent years minus any necessary increases in licensing counts.

INFORMATION TECHNOLOGY: ACCOUNT:161000-52206 APPROPRIATION: \$104,747.15

Approval of Maintenance Agreement with Ramundsen Superior, the Sole Source Vendor, to provide maintenance and support services for the City's OneSolution ERP (Financial, HR and Payroll) software. This provides annual maintenance and support services, including software updates, for the City's Enterprise Resource Planning (ERP) system that provides all financial, payroll, budgeting, procurement and human resources functions.

INFORMATION TECHNOLOGY: ACCOUNT:235000-52206 APPROPRIATION: \$68,182

Approval of annual maintenance and support for Police Mobile Data Terminal (MDT) Service from Charleston County, Sole Source Vendor, for consolidated dispatch Mobile CAD operations.

4. PARKS-CAPITAL PROJECTS: APPROVAL OF AN AMENDMENT TO PARD (PARK AND RECREATION DEVELOPMENT) GRANT #2016061. THIS GRANT WAS ORIGINALLY INTENDED FOR MINOR PARKING LOT IMPROVEMENTS AT THE BAYVIEW SOCCER COMPLEX AS A PART OF LARGER IMPROVEMENTS RELATED TO AN AGREEMENT WITH ADJACENT DEVELOPMENT PROJECT. DELAYS IN THAT PROJECT HAVE CREATED AN ISSUE WITH THE GRANT DEADLINE. SCPT HAS APPROVED CHANGING THE GRANT SCOPE FROM PARKING LOT IMPROVEMENTS TO THE ACQUISITION OF PARK FURNISHINGS FOR USE AT THE BAYVIEW SOCCER COMPLEX. THIS GRANT WILL PROVIDE \$6,038.23 IN FUNDING, REQUIRING A \$1,509.56 MATCH (\$7,547.79 TOTAL). THE GRANT DEADLINE REMAINS THE SAME. THE APPROVAL OF THE AMENDMENT TO THE GRANT WILL INSTITUTE A \$7,547.79 PROJECT BUDGET. THE FUNDING SOURCE FOR THE PROJECT IS: 2016 PARD GRANT FUNDING (\$6,038.23) AND 2018 RECREATION YOUTH SPORTS, NON-CAPITAL RECREATION EQUIPMENT (\$1,509.56).

On a motion of Councilmember Shealy, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve of an amendment to PARD (Park and Recreation Development) Grant #2016061.

5. PARKS-CAPITAL PROJECTS: APPROVAL OF LOUIS WARING JR. SENIOR CENTER FEE AMENDMENT #4 TO THE PROFESSIONAL SERVICES CONTRACT WITH LIOLLIO ARCHITECTURE IN THE AMOUNT OF \$42,507.20 FOR AN ADDITIONAL 163 DAYS OF CONSTRUCTION ADMINISTRATION DUE TO EXTENSIONS OF SUBSTANTIAL COMPLETION DATES AND OTHER DELAYS RESULTING IN APPROXIMATELY THREE ADDITIONAL MONTHS OF CONSTRUCTION PLUS CLOSEOUT. THIS IS FORMATTED AT A NOT-TO-EXCEED IN THE EVENT THE CONTRACTOR IS ABLE TO ACCELERATE THEIR SCHEDULE AND LIMIT THE AMOUNT OF ADDITIONAL CONSTRUCTION ADMINISTRATION WORK NEEDED. THIS APPROVAL WILL RESULT IN A BUDGET TRANSFER OF \$42,507.20 TO THE LIOLLIO ARCHITECTURE PROFESSIONAL SERVICES CONTRACT FROM THE PROJECT CONTINGENCY. THE TOTAL

PROJECT BUDGET REMAINS UNCHANGED. THE TOTAL CONTRACT TIME REMAINS INCREASED BY 163 DAYS. THE APPROVAL OF FEE AMENDMENT #4 WILL RESULT IN A \$42,507.20 INCREASE TO THE LIOLLIO ARCHITECTURE PROFESSIONAL SERVICES CONTRACT FROM \$666,537 TO \$709,044.20. THE FUNDING SOURCES FOR THIS PROJECT ARE: 2012 GENERAL FUND RESERVES, 2014 GO BOND, 2013 GENERAL FUND RESERVES, AND CAPITAL CONTRIBUTIONS FROM ROPER ST. FRANCIS.

Mayor Tecklenburg said he wanted to recognize that tomorrow would be former Councilmember Louis Waring's 90th birthday, and he asked City Council to send him a happy birthday greeting. Councilmember Keith Waring thanked Mayor Tecklenburg. Chairman White said he served with Councilmember Louis Waring for a number of years. He said that he did not speak a lot, but when he did, one could hear a pin drop because he commanded everyone's attention as he always had something very important to say.

On a motion of Councilmember Mitchell, seconded by Councilmember Shealy, the Committee on Ways and Means voted unanimously to approve of Louis Waring Jr. Senior Center Fee Amendment #4 to the Professional Services Contract with Liollio Architecture in the amount of \$42,507.20 for an additional 163 days of construction administration due to extensions of substantial completion dates and other delays resulting in approximately three additional months of construction plus closeout

6. PARKS-CAPITAL PROJECTS: APPROVAL OF CHANGE ORDER #5 TO THE CONSTRUCTION CONTRACT WITH AOS SPECIALTY CONTRACTORS, INC. IN THE AMOUNT OF \$294,194.29 FOR ADDITIONAL COSTS ASSOCIATED WITH THE RESURFACING OF SPRING STREET AND CANNON STREET. THESE COSTS ARE A RESULT OF THE POOR CONDITION OF THE EXISTING ROADWAY AND COORDINATION WITH OTHER INFRASTRUCTURE PROJECT, WHICH DELAYED THE EXECUTION AND REQUIRED ADDITIONAL EFFORTS AND MATERIALS. THE TOTAL PROJECT BUDGET WILL REMAIN UNCHANGED. THE CONTRACT TIME WILL INCREASE BY 135 DAYS. APPROVAL OF CHANGE ORDER #5 WILL INCREASE THE CONSTRUCTION CONTRACT WITH AOS SPECIALTY CONTRACTORS, INC. BY \$294,194.29 FROM \$4,820,401.85 TO \$5,114,596.14. THE FUNDING SOURCES FOR THIS PROJECT ARE: 2000 GENERAL FUND RESERVES (\$300,000), GATEWAY TIF (\$5,852,128) AND CHARLESTON COUNTY (\$500,000).

Councilmember Gregorie arrived to the meeting at 4:51 p.m.

On a motion of Councilmember Mitchell, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve of Change Order #5 to the Construction Contract with AOS Specialty Contractors, Inc. in the amount of \$294,194.29 for additional costs associated with the resurfacing of Spring Street and Cannon Street.

7. PARKS-CAPITAL PROJECTS: APPROVAL OF A CONSTRUCTION CONTRACT WITH NBM CONSTRUCTION COMPANY, INC. IN THE AMOUNT OF \$5,669,070 FOR THE CONSTRUCTION OF A NEW FIRE STATION #11 IN WEST ASHLEY ON SAVANNAH HIGHWAY. 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 \$5,669,070 OF THE \$9,505,131.64 PROJECT BUDGET. THE FUNDING SOURCES FOR THIS WORK ARE INSTALLMENT PURCHASE REVENUE BOND (\$7,989,524), PROCEEDS FROM THE SALE OF REAL ESTATE (\$1,135,607.64), SURPLUS SALES (\$1,130.02) AND HOSPITALITY FUNDS (\$380,000).

On a motion of Councilmember Mitchell, seconded by Councilmember Waring, the Committee on Ways and Means voted to approve of a Construction Contract with NBM Construction Company, Inc. in the amount of \$5,669,070 for the construction of a new Fire Station #11 in West Ashley on Savannah Highway.

8. PUBLIC SERVICE: APPROVAL OF MARKET STREET DIVISION III: COLLECTION SYSTEM AND STREETScape AMENDMENT #13 WITH DAVIS & FLOYD IN THE AMOUNT OF \$131,433 FOR THE DESIGNS AND PROJECT MANAGEMENT TO RELOCATE WATER AND SEWER UTILITIES ALONG MARKET STREET THAT CONFLICT WITH THE NEW STORMWATER COLLECTION SYSTEM. THE APPROVAL OF AMENDMENT #13 WILL RESULT IN AN INCREASE OF \$131,433 TO THE DESIGN CONTRACT (FROM \$4,781,647 TO \$4,913,080.) FUNDING FOR THIS IS FROM THE 2012 STORMWATER REVENUE BOND.

On a motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve of Market Street Division III: Collection System and Streetscape Amendment #13 with Davis & Floyd in the amount of \$131,433 for the designs and project management to relocate water and sewer utilities along Market Street that conflict with the new stormwater collection system.

9. RECREATION: REQUEST AUTHORITY FOR MAYOR TO EXECUTE A MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF CHARLESTON AND IMPACT MELANOMA TO PROVIDE SUNSCREEN DISPENSERS AT CITY PARKS AS A PILOT PROJECT TO ALLOW RESIDENTS AND VISITORS TO USE SUNSCREEN, AT NO COST TO THE CITY.

On a motion of Councilmember Mitchell, seconded by Councilmember Shealy, the Committee on Ways and Means voted unanimously to approve for the Mayor to execute a Memorandum of Agreement between the City of Charleston and IMPACT Melanoma to provide sunscreen dispensers at city parks as a pilot project to allow residents and visitors to use sunscreen, at no cost to the City.

10. THE COMMITTEE ON COMMUNITY DEVELOPMENT: (MEETING WAS HELD APRIL 26, 2018 AT 4:30 P.M. AT CITY HALL, 80 BROAD STREET, COUNCIL CHAMBER)

- a. Review and approval of the 2018-2019 Federal Housing and Community Development Budgets

On a motion of Councilmember Mitchell, seconded by Councilmember Gregorie, the Committee

on Ways and Means voted unanimously to approve the report of the Committee on Community Development as presented.

11. THE COMMITTEE ON TRAFFIC AND TRANSPORTATION: (MEETING WAS HELD MAY 8, 2018 AT 2:30 P.M. AT CITY HALL, 80 BROAD STREET, FIRST FLOOR CONFERENCE ROOM)

- a. Approval of 2018-2019 Vendor Spaces
- b. Approval of 2018-2019 Bid Specifications for Street Vendor Spaces
- c. Approval of 2018-2019 Franchise Agreement for Vendor Spaces

On a motion of Councilmember Mitchell, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve the report of the Committee on Traffic and Transportation as presented.

12. THE COMMITTEE ON REAL ESTATE: (MEETING WAS HELD MAY 8, 2018 AT 3:30 P.M. AT CITY HALL, 80 BROAD STREET, FIRST FLOOR CONFERENCE ROOM)

- a. Approval of a Facilities Use Agreement with St. Matthew's Lutheran Church for Piccolo Spoleto Festival in the amount of \$350.00 (405 King Street)
- b. Approval of a Facilities Use Agreement with John Wesley United Methodist Church for Piccolo Spoleto Festival in the amount of \$400.00 (626 Savannah Highway)
- c. Request authorization for the Mayor to execute the Commercial Lease with KQC Investors, LLC for use of the property as a Community Resource Day Center to include providing services for people experiencing homelessness. The property is owned by KQC Investors, LLC. (529 Meeting Street; TMS; 459-05-01-011)
- d. Request authorization for the Mayor to execute a License Agreement with We Are Family to allow them to operate and manage a Community Resource Day Center, which will include services provided to people experiencing homelessness. (529 Meeting Street; TMS: 459-05-01-011) (**DEFERRED**)
- e. Request approval for the Mayor to execute the Governmental Real Estate Lease for the lease of office space within 22 WestEdge, the new office building being developed as part of the City's and Medical University Foundation's efforts to create the WestEdge District as Charleston's "Discovery District" (a hub for groundbreaking biotechnology research, collaboration and innovation adjacent to MUSC, Citadel, and Burke High School), a district designed to attract and retain jobs and spur continued economic growth]. The property owner is HP1B Devco, LLC. (22 WestEdge Street; TMS: 460-00-00-021)
- f. Approval to authorize the Mayor to execute the Agreement of Purchase and Sale between the City of Charleston and Jake S. Thomas for the sale of 1904 Doscher Avenue for

\$182,000. This property is being sold subject to the HOME Investment Partnerships Program Resale Restrictive Covenants with an affordability period of 30 years. (1904 Doscher Avenue; TMS: 464-01-00-189) [Ordinance]

- g. An ordinance authorizing the Mayor to execute on behalf of the City an Amendment to the Lease Agreement with Charleston Parks Conservancy pertaining to land being a portion of Hampton Park, located in the City of Charleston, Charleston County, South Carolina, with improvements thereon known as the café, horse barn, paddock, superintendant's house, and parking area, to reduce the liability limits of the umbrella policy required to be maintained by the Charleston Parks Conservancy from \$10,000,000 to \$5,000,000.
- h. Consider the following annexations:
 - (i) 1791 Wilshire Drive (TMS# 352-09-00-035) 0.35 acre, West Ashley (District 9). The property is owned by David Kaufman and Dee Ann Kaufman.
 - (ii) 2947 Foxhall Road (TMS# 358-10-00-065) 0.31 acre, West Ashley (District 10). The property is owned by Alex L. Wetherell and Jessica Wetherell.
 - (iii) Property on Central Park Road (TMS# 340-00-00-046) 0.213 acre, James Island (District 6). The property is owned by Marion Green.

Councilmember Moody, Chair of the Committee on Real Estate, reported that the Committee had a lengthy meeting. Items 'a' and 'b' were both approved. Councilmember Moody reported that he would be recusing himself from Item 'b.' He completed a Conflict of Interest Form which is on file in the Office of the Clerk of Council. Item 'c' was also approved, and Item 'd' was deferred. The Committee had a very informative discussion on Item 'e' and the renting of the square footage at 22 WestEdge. The City would be embarking on somewhat of a leap of faith to approve it. The vote was four in favor and one against. The City would be renting 8,000 square feet of space, and there would be a two percent increase in rent over five years. The City had some opportunity to get out if the building was 70 percent rented. There would be an increase in the operating expenses after three years. Items 'f' and 'g' were also approved, as well as the annexations under Item 'h.'

Councilmember Shahid asked about the discussion on Item 'e.' Councilmember Moody said the City was signing a lease for the property which was \$42 a square foot. The City would be using the space as an incubator similar to Flagship, at least temporarily. The discussion was whether or not a start-up of any kind could afford to pay it. He said the City's lease of the space was required to bring the whole building out of the ground, which was a huge boost for the project.

Councilmember Seekings asked if the City leasing the space was the trigger point for getting the project moving forward and without it, the building around the space would not be built? Councilmember Moody said the financing needed to be in place to get started. Chairman White said the prelease requirement had not been met. The City's 8,000 square feet met the prelease requirement and the debt service coverage for the building to come out of the ground. Councilmember Seekings asked what the City would do with the space. Councilwoman Jackson said the City would at least look for incubator start-ups which were within the life sciences industry that the City was trying to

attract through WestEdge. They would be doing a very similar function as they did with the Digital Corridor incubation. She said they might have to subsidize the rents if they could not find a start-up that could pay full rent.

Mayor Tecklenburg said that the WestEdge Development was all about economic development and biomedical life science within the City in collaboration with MUSC and leveraging the fact that MUSC conducted over \$200,000,000 a year of medical research in the City. This really gave them a platform to make biomedical and life science a focus of economic development for the community long-term, which brought higher paying jobs, and this was the chief benefit. He said this was the first building of the whole endeavor that actually accomplished this mission. That is why it was so important for the City to help get it off of the ground. The City was taking a lesser role than its partner, MUSC, which had agreed to lease 16,000 feet, in addition to other space, and the South Carolina Research Authority. Similar to what the City did almost 20 years ago with Flagship and its support of the technology business in Charleston, which had blossomed, this was the same concept.

Councilmember Seekings said he understood, but it seemed like a fairly expensive endeavor to him. Chairman White said he was the lone 'nay' vote, and he was hopeful that the mission of WestEdge would be successful, but hope was not a plan. When they were using taxpayers' money, he felt that they really had to have a plan, and he was not confident that they had one. This created a \$1.5 million tax liability for the taxpayers over five years. This did not include parking, which was an additional \$42,000. At the current rate they would be leasing the property, the start-ups would not be able to afford this rent. If they could, they would have already leased the space on their own. He did not feel they had a good enough plan in place for him to feel comfortable moving forward.

Councilmember Waring said the City supplemented a lot of things. They supplemented the arts, and they recently leased a space on Cannon Street that would be converted to an arts venue. The arts created a lot of economic engines in the City, but now the City had the opportunity to create an investment into future industry on the Peninsula. He said that so often, people read where the industry was going west of the Peninsula into Berkeley County. He said this economic engine had been growing for a decade or more, and the City had been supplementing it from its General Fund. When the building came out of the ground, it would not be owned by government. It would be owned by the private sector. One of the things they looked at was MUSC's contributions, the City's municipal contribution, but one that was left silent was the private sector investment. Part of the lease cost, including parking of \$325,000 to \$330,000 a year, would be offset by the property taxes that would be collected on a 155,000 square foot building. This would also open a gateway from Lockwood Boulevard coming towards the Marriott Hotel. It would also enhance the tower that MUSC owned, which he believed was under contract. Now, they saw the growth coming, and the City was hesitant in putting a little more fertilization on it. He said it was time to fertilize the grass. The private sector was coming with their dollars, and the government was coming with their dollars. While there was risk involved, the benefits had paid off from the investment on Lockwood Boulevard from Spring Street all the way to the Joe Riley Ballpark, of which, the City had been a long term investor. He asked how many people spoke against even putting the Joe Riley Ballpark where it was. They all remembered when Trident Technical College was going to put a building there, and it didn't work out with the contractor. Now, the City had a baseball field that had an economic impact, and in particular, added to the quality of life of the citizens from the region. He thought Council would find that this project fell into the same category. There was risk involved, but he disagreed with the idea that the City should not invest in it because he thought this was an exciting opportunity.

On a motion of Councilmember Moody, seconded by Councilwoman Jackson, the Committee on Ways and Means voted 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 authorizing the Mayor to execute on behalf of the City an Agreement of Purchase and Sale, in which the City agrees to sell to Jake S. Thomas the City's property located at 1904 Doscher Avenue (Charleston County TMS No. 464-01-00-189) for \$182,000, subject to the Home Investment Partnership Program Resale Restrictive Covenants, and further authorizing the City to accept a Promissory Note, secured by a Second Priority Mortgage on the property, for \$40,000.00 towards the purchase price.

An ordinance authorizing the Mayor to execute on behalf of the City an Amendment to the Lease Agreement with Charleston Parks Conservancy pertaining to land being a portion of Hampton Park, located in the City of Charleston, Charleston County, South Carolina, with improvements thereon known as the café, horse barn, paddock, superintendant's house, and parking area, to reduce the liability limits of the umbrella policy required to be maintained by the Charleston Parks Conservancy from \$10,000,000 to \$5,000,000.

An ordinance to provide for the annexation of property known as 1791 Wilshire Drive (0.35 acre) (TMS# 352-09-00-035), 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 9. The property is owned by David Kaufman and Dee Ann Kaufman.

An ordinance to provide for the annexation of property known as 2947 Foxhall Road (0.31 acre) (TMS# 358-10-00-065), 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 10. The property is owned by Alex L. Wetherell and Jessica Wetherell.

An ordinance to provide for the annexation of property known as property on Central Park Road (0.213 acre) (TMS# 340-00-00-046), James Island, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 6. The property is owned by Marion Green.

The vote was not unanimous. Chairman White voted nay on Item 'e' of the report. Councilmember Moody abstained from voting on Item 'b' of the report and completed a Conflict of Interest Form which is on file in the Office of the Clerk of Council.

Mayor Tecklenburg said he wanted to take a moment to thank City staff for their fine work on numerous projects. He said that for the public, when the Committee went through these matters, it looked like it went very quickly, and most of the time, the Committee was all in agreement. However, in just the last few minutes, they had approved the completion for the Louis Waring Senior Center, which was going to be an incredible facility for the City. They approved the contract to build Fire Station #11, which would be on Savannah Highway next to the Sofa Super Store site. It would be a signature, beautiful building for the City and West Ashley, and it would provide support for the City's firefighters. They moved forward the economic mission of WestEdge, and they furthered a Market Streetscape Plan that would help connect to the drainage tunnel. When all of those things were added

up, even though they were approved in a matter of minutes, he could not tell the citizens the hours of dedicated work from staff in Capital Projects, Housing and Community Development, Real Estate, Finance, and Public Service that went into bringing these matters before Council. He said they really did a fine job, and he just wanted to offer his thanks.

There being no further business presented, the Committee on Ways and Means adjourned at 5:06 p.m.

Jennifer Cook
Assistant Clerk of Council