

CITY COUNCIL MEETING

Special Meeting

May 17, 2022

A Special Meeting of City Council of Charleston was held this date convening at 5:03 p.m. at City Hall and over video conference call (Zoom).

A notice of this meeting and an agenda were mailed to the news media May 12, 2022 and appeared in The Post and Courier May 16, 2022 and are made available on the City's website.

PRESENT (13)

The Honorable John J. Tecklenburg, Mayor

Councilmember Gregg (<i>Virtual</i>)	District 1	Councilmember Waring <i>arrived – 5:06 p.m.</i>	District 7
Councilmember Shealy	District 2	Councilmember Seekings <i>excused – 5:28 p.m.</i>	District 8
Councilmember Sakran (<i>Virtual</i>)	District 3	Councilmember Shahid	District 9
Councilmember Mitchell	District 4	Councilmember Bowden	District 10
Councilmember Brady	District 5	Councilmember Appel	District 11
Councilmember Gregorie (<i>Virtual</i>)	District 6	Councilmember Parker	District 12

Mayor Tecklenburg called the meeting to order at 5:03 p.m.

The Clerk called the roll.

Mayor Tecklenburg said, "Okay. Councilmember Shealy will lead us in an [invocation and the Pledge of Allegiance](#). Councilmember Shealy."

Councilmember Shealy said, "If everyone would please stand and bow please. Bow your heads. Let us pray."

Councilmember Shealy opened the meeting with an invocation.

Councilmember Shealy then led City Council in the Pledge of Allegiance.

Mayor Tecklenburg said, "Thank you. So, we're going to have a truncated version of a presentation from City staff. Of course, the purpose of our meeting tonight is regarding the [King Street Business Improvement District](#) and an opportunity for those who would have an objection or are in support of the Business Improvement District to be able to make comments and present themselves. But, first, we want to have a very brief presentation by Mr. Summerfield, our Planning Director. Robert."

Robert Summerfield said, "Thank you, Mr. Mayor. Good evening, Mayor, members of Council, and members of the public. So, I'm going to very quickly just do a little bit of table setting

here before we hear from the public that have come out this evening to participate in this Hearing of Objections. So, very quickly, City Council is required by statute to hear the objections as provided under the rules and the laws that allow for the Municipal Improvement. The City Council will make a ruling of objections at a future meeting. Tonight we are just hearing from the objectors. There is no action that's expected to be taken this evening.

All properties that are included in the Assessment Rolls would anticipate getting bills this fall with those revenues being available in 2023, so just real quick on that piece of it. So, again, just a reminder of what a Municipal Improvement District is, it's established by statute to allow a municipality to create a district where funds can be generated through the special assessment. Those funds are to be used for programs and improvements within that district. So, again, funds that are brought forward from, in this case, the BID can only be spent to provide those improvements to the district. This is a somewhat unique subset of the MID or Municipal Improvement District concept called a Business Improvement District. There are tons of these all over the Country. Here in South Carolina, there is a very successful one in Columbia. We're working on one here, obviously, and the City of Myrtle Beach is also working on one for their downtown district.

Again, one of the other things that's different about the BID versus a standard MID: MIDs often are used for infrastructure projects whereas BIDs are usually used for programming and services that are done in that Commercial Corridor, and often a BID is administered on behalf of the municipality by a non-profit association or organization. The non-profit organization that's been established to do the work of administering the BID is the Charleston Downtown Alliance. The Alliance is made up of property owners, business owners, as well as other interested groups. The City, through my office, with Meg Thompson actually serves as an exofficio member on that board. She doesn't get to vote, but she participates in those meetings. I mean, you can see real quick what their mission is.

So, this Council has adopted an ordinance that established an improvement plan. That improvement plan identified over a ten-year period the amount of money that's anticipated to be spent on these various elements and services. It's very important to note that the BID is providing additive or supplemental services. It does not replace or reduce the City's commitment or the City's expenditures within the district, so we will continue to do all of the things we do now on King Street and within the district. The BID would provide supplemental or additional services that the community has been asking for in that area.

Councilmember Waring arrived at 5:06 p.m.

The properties that are included in the BID, so everything in green is in the King Street District. Essentially, any property that has any frontage on King Street is included, and this includes properties with air rights above a ground parcel. To be very clear, we call it the King Street BID, but it encompasses properties that go along side streets and what have you, so everything in the green is a part of the district and will see service delivery from the Business Improvement District. Even if you have the majority of your frontage off of King Street, you will still see the same services that are delivered on that side portion of a street as what will be delivered on King Street, so it's important to note that. I don't think we've expressed that enough, that that is an important component of the BID. Again, if you are any existing owner-occupied residential unit or a zero-tax assessment, you are not being assessed. So, if you're a house of worship, a

government facility, or if you live in your condo unit or what have you, you do not get the assessment. Only non-owner occupied residential and commercial properties see the assessment, and the borders are, again, between Line and Broad Street.

Billing is essentially based on the assessed property value, so it's not your market rate value. It's the assessed value as calculated by the County. The calculation is then done. A very basic example. For instance, if your assessed value is \$1,000 then what you would pay annually is \$11.30 for your BID fee. If there is no adjustment in that taxable value over the course of the ten years of the BID, you will have paid \$113 towards the BID programming for the King Street BID."

Councilmember Seekings said, "It's 1.13% of your assessed value."

Mr. Summerfield said, "Yes, there you go. Thank you. Project History, this is not something new. This has been something that the City has talked about, to some degree worked on, since the 1970s. It's been called for through basically every plan that's involved downtown for the last 40-some years, and so we're finally getting to a place where there has been enough of a push. To be clear, the push came from the private sector. This was not the City going out and drumming up this idea. This was the private sector who came to the City saying, 'Hey, we're ready. We want to do this, and do this now, because we think the time is right.'

So, the Current Efforts, we began this process with a, what is it called? A TAP, a Technical Assistance Program, that was done with you, ULI, and with the College of Charleston. Through that process we got a lot of information. Officially, we began this process with a Memo of Understanding with the CDA to do the outreach because it was very clear that the Council wanted to see a demonstration of property owner support for this initiative before Council wanted to take up the ordinance, so we worked through all of these various processes. Again, Council has already adopted the ordinance. The Business Improvement District is created. It exists in the ordinance. At this point, we are in the statutory process to deal with the hearing of objections. Parallel to that, we are also working on the Memo of Understanding with the CDA for the administration of the BID. That item, actually, we'll see the draft of that for discussion purposes only at the next Council meeting, so next Tuesday. We have that draft, we've been working very closely with the CDA on preparing that. It's important to note that draft is the result of what we heard throughout the BID Ordinance adoption process. So, we've included within that Memo of Understanding requirements for a board membership that's more diverse than what the board is currently made up of. Transparency, we heard transparency, transparency, transparency. The CDA wants to be, and it plans to be transparent. The MOU spells out very clear language on how that transparency will work and be reported back to this body in public setting so that everybody knows how money is being spent, when it's being spent, and what have you. So, I just want to put that out there and make sure that that's very clear. We heard what Councilmembers said during the discussion, we heard what the community said, and we've integrated that into the Memo of Understanding.

Next Steps, so, again, today we're to hear if objectors have a concern or an issue with they believe that the calculation was in error, or if they believe that they've been included in the district by error. Again, meaning that they don't qualify for inclusion in the district because they're a 4% property owner or something like that. The MOU will come to Council next week for just a discussion item anticipating in June that that would go to Ways and Means and City Council for

action if the discussion goes well next week. Then, this summer, we will prepare, in working with the consultant and working with BFRRC, we will prepare that Assessment Roll to be submitted to Charleston County, and they will include that on the tax bills that will go out this fall to property owners with revenue coming in in the beginning of next year. So, that's it. With that, I turn it back over to you, Mayor, so that we can hear from the objectors."

Mayor Tecklenburg said, "Great. Thank you so much. So, we will proceed, without objection or questions from Council, with our public hearing session."

Councilmember Seekings said, "Councilmember Sakran has his hand up."

Mayor Tecklenburg said, "I'm sorry."

Councilmember Seekings said, "Councilmember Sakran."

Mayor Tecklenburg recognized Councilmember Sakran.

Councilmember Sakran said, "Yes. Thank you, Mayor. Mr. Summerfield, I'm not sure if the PowerPoint is still up, but can you go back to that first or second slide that has the calculation based on assessment? I just want to notate that so I can figure out what taxes would be or the BID would cost."

Mr. Summerfield said, "So, basically, it's \$11 per every \$1,000 of assessed value, \$11.30 or, as Councilmember Seekings said, it's 1.13% of your assessed value. Again, that's assessed value, which the County does their own calculation to determine assessed value, which is markedly less and different than what market value might be for a property."

Councilmember Sakran said, "Thank you."

Mayor Tecklenburg said, "Alright. Any other questions or comments from Council?"

Mr. Summerfield said, "Our attorney has just reminded me it's also multiplied against, state it again? I'm sorry, Jeremy."

Mayor Tecklenburg said, "Maybe we'll have Counsel, Jeremy Cook, further explain."

Jeremy Cook said, "Yes. So, it is the assessed value, but the assessed value multiplied by your assessment rate. So, if you think about a piece of property that Charleston County says on your tax bill is worth \$100,000, but it's a 6% property, this is applied against \$6,000, not \$100,000."

Councilmember Seekings said, "Right."

Mr. Cook said, "So, it's not just the assessed rate, but it's the assessed rate multiplied by the 6%, assuming that's what the property is, so it's far less than what Charleston County says the assessed value is."

Councilmember Sakran said, "Thank you."

Mayor Tecklenburg said, "Alright."

Mr. Summerfield said, "Councilmember, did that answer your question?"

Councilmember Sakran said, "Yes, sir. Thank you."

Mayor Tecklenburg said, "Any other questions or comments from Council before we proceed?"

No one else asked to speak.

Mayor Tecklenburg said, "I would like to repeat that the purpose is to hear objections from property owners and based on those requirements that are of the belief that you have an error in the calculation or an error just to be included in the district. We will take public comments for those who are supportive of the district or who have just other comments to make about the Central Business District, but I would like to make sure that we hear first from those who are here specifically to object. So, if you would come forward to the microphone, anyone who would like to object that their property be included in the Central Business District. Please come forward. Please come forward to the microphone, Ms. Prenner."

Ms. Prenner said, "Thank you."

Mayor Tecklenburg said, "And introduce yourself. We'll be happy to take you first after clarification."

Ms. Prenner said, "My question was whether you are restricting the objections to financial considerations or allocation of the funds, and if so, that's not the understanding I had. I specifically asked to speak as an objection to the program, and I want to do that."

Mayor Tecklenburg said, "Alright. I think we'll accept your comment for any reason."

Ms. Prenner said, "I mean, I'm very happy to concede to those who might have financial issues first or placement as to the applicability of the program, but I would like to speak to the program."

Mayor Tecklenburg said, "Well, let's please proceed. If you state your name and address and then state your objection, we'll be happy to hear from you."

The Clerk said, "Mr. Mayor."

Mayor Tecklenburg said, "Let's have a two-minute time limit, if we will, just so we'll have time to hear from everyone."

1. Sue Prenner said she and her husband owned the building at 149 King Street which was the location of the Ben Silver Corporation, and they had been there over 40 years. She said their objection was to the program, not to the monies or the determination as to what monies should be allocated. She said their building was

approximately \$1,500, which was not the issue they brought to Council's attention. She said they didn't believe that non-governmental agencies should do functions that were allocated through taxpayer funds to the City. There were exceptions to that. She said they thought there should be infrastructure exceptions. In 2009, they happily committed to the funds used for the BID to renovate, restore, and handle the infrastructure of King Street. It was a successful endeavor, and it made a great difference in the success of the street after the recession. All of the literature involved in this suggested that the purpose of this BID was for security, cleanliness, and maintenance. Those were functions they thought were appropriately handled by the government and not by additional funds coming from taxpayers. She thought they should, in discussion of this, be willing to look at City budgets that were allocated for those purposes. Perhaps some allocation had to be changed in order to satisfy those people who thought they were not getting sufficient services.

The Clerk said, "Time."

Mayor Tecklenburg said, "Can we ask you to do this? I want to make sure we hear from everybody who is objecting for their properties, and then could we come back to you to hear the rest of your comments?"

Ms. Prenner said, "Sure. That's fine."

Mayor Tecklenburg said, "Yes, ma'am."

The Clerk said, "Mr. Mayor, we actually do have a sign-up sheet. We had eight other people sign up to speak, if you would like for me to call their names."

Mayor Tecklenburg said, "Oh, great. Yes, I'm sorry about that, but if they're not coming forward to object, I'd like to hear the objections first."

The Clerk said, "So, this is only if you have an objection, Tom Stockdale."

Tom Stockdale said, "I have comments about the BID."

Mayor Tecklenburg said, "Okay."

The Clerk said, "Harris Cohen."

2. Harris Cohen said he owned 370, King Street and he objected because they were already paying high taxes and not receiving adequate services. He had hundreds of photos to back up everything he was saying, if anybody wanted to see them. There was graffiti everywhere downtown. It stayed on the side of his building, which faced an open parking lot for nine months. It was 5 ft. x 3 ft., bright orange, and Livability had not issued a notice. It had been there between Meeting and King, near Hero Breakfast since June 28th of last year. Livability was not cleaning it up. At Burns Alley, bright paint had been on a doorway for five months, and it was still there. He asked why Livability wasn't doing their job and why the City was asking him to pay more taxes. There was trash every morning and day. They were

supposed to be brought in or taken back by 11:00 a.m., but every single day they were left out there. On Saturday, a rat walked from King Street into his front door. He asked why the ordinance wasn't being enforced. He said he had e-mailed the Mayor as well. Every single day it happened. There was vagrancy up and down the street. He had to call the police for the vagrancy all the time. He asked why the police weren't seeing it themselves and why he had to spend time walking out of his store to look and see what was going on to the call the police. There was bicycle riding up and down the sidewalks every single day. He said Lt. Byrne, head of Team 9, said it wasn't their priority. That was dangerous. He had a burglary in his building on November 19th at 4:30 a.m. He showed up at 8:00 a.m., and he had to call the police. For three-and-a-half hours, not one policeman went by. He was right on the street, and a \$10,000 guitar was stolen.

The Clerk said, "Time."

Mayor Tecklenburg said, "Thank you, sir."

The Clerk said, "Anthony, and the last name begins with an F, but the address is 229 King Street and 493 King."

Athan Fokas said, "Yes."

Mayor Tecklenburg said, "Yes, sir."

3. Athan Fokas said he owned 229 King, which many people probably knew as the Olde Towne Restaurant. They had been there for almost 50 years. It was currently a vacant building. His partner, who was his cousin and 50%, didn't want to keep the restaurant going after COVID. Unfortunately, they were feuding and who knew how long the building would be vacant, but, hopefully, he could open it up one day. He did not want to be included in the assessment because his building was vacant. He also owned 493 King Street. It was a second-story unit, which he thought wasn't as valuable as first-story units. A lot of second-story units were just storage. He asked if they should be paying the same assessment that the first-story units were. He didn't mind government agencies or side agencies that weren't part of government agencies helping out the City, but he didn't like increasing their taxes. He would rather take a percentage of their existing taxes to give to the agency to see if they did a good job for a year or two. To add money onto their taxes to see if it worked out the way they wanted it to work out and where the funds would go, he was not in agreement with that.

Mayor Tecklenburg said, "Thank you, sir. Appreciate your objection."

The Clerk said, "Doug Warner."

Doug Warner said, "Pass."

The Clerk said, "Whit McGreevy."

Whit McGreevy said, "Ours isn't an objection, so much as a comment."

Mayor Tecklenburg said, "Okay."

The Clerk said, "Morris Ellison."

4. Morris Ellison said he represented several of the property owners who would be impacted by this. He worked with BIDs and MIDs throughout the Country, and they had mixed records. Some worked, some didn't. He said basing this on assessed value rather than fair market value made a lot more sense. As he understood it, the original proposal was to be based on fair market value. If it were based on that, it would discourage actual improvements. He said technology offered a lot of solutions to the problems. One example was there were several municipalities around the Country dealing with a waste problem. They installed sensors in garbage cans and then billed the property owners and tenants who actually used the services by the use of the sensors. There were other technologies involved to address some of the problems Mr. Cohen raised. He said the tax was an occupancy cost, and it was one of the major occupancy costs that a brick and mortar retailer had to deal with. If the occupancy costs were increased on King Street disproportionately to other areas where businesses competed, those businesses would not be able to compete as effectively with other brick and mortar retailers around the area as well as the online businesses. He thought people needed to be very wary of occupancy costs, regardless of whether it was called a tax or something else.

Mayor Tecklenburg said, "Thank you, sir."

The Clerk said, "Mr. Ellison, can we get the addresses that you're representing?"

Mr. Ellison said, "I'm not at liberty to give those."

The Clerk said, "Okay, and I think that was all that we had."

Mayor Tecklenburg said, "Anyone else here to register an objection for their property?"

No one else asked to speak.

Mayor Tecklenburg said, "Okay. Hearing none, I'd like to proceed, and let's just hear from those who have other comments and then we'll come back--sir?"

A Councilmember asked if they could make a comment.

Mayor Tecklenburg said, "You can, but let's now hear from those who came to make other comments. Yes, sir. Mr. Stockdale."

5. Tom Stockdale said he represented the Beach Company, and they objected that the BID did not have floors and caps to all buildings assessed. Their position was that many of the lower valued properties stood the most to gain while many of the larger properties included in the BID already had the BID's primary goals addressed and in

place. They acknowledged the potential good the BID could do for King Street as a whole, but they objected on behalf of their tenants and owners until the minimums and maximums were further vetted.

Mayor Tecklenburg said, "Thank you, sir."

The Clerk said, "And Whit McGreevy."

6. Whit McGreevy, with Womble Bond Dickinson, said they represented the owners of the Warren Place property at the northwest and southwest corners of King and Warren. He said they weren't there so much with an objection as they thought it was a great initiative which they had been supportive of from the beginning. They were there because the assessment of their specific property was being unfairly applied as compared to the bulk of the properties included in the BID. If they took a look at their property, specifically the property located on the northwest corner of King and Warren, it ran the entirety of the City block from King Street all the way back to St. Philip. The majority of the properties located in the BID had frontage on King Street and ended about half-way through to the next City street. For this property, they ended up with a much larger portion of an assessment than the majority of the properties included in the BID. Their expectation when they were supportive of the BID was that the BID would be applied to frontage on King Street as opposed to the entirety of the parcel. He said what they were asking for, and they recognized they would have to come back to Council with the request because it was not properly before Council that night, was to potentially subdivide their property so that only the property that fronted on King Street would be subject to the BID as opposed to the entirety of the parcel. Charleston Place was a good example of how it should be applied. The portion of the property that fronted on King Street was subject to the BID, but the portion of the property that fronted off of King Street was not subject to the BID.

Mayor Tecklenburg said, "Thank you, sir."

Mr. McGreevy said, "Thank you very much."

Mayor Tecklenburg said, "Alright. Mr. Warner, did you want to make a comment?"

Councilmember Seekings was excused at 5:28 p.m.

7. Doug Warner said he was the owner of 371 King and had been working with both the CDA and the City to establish the BID. It was a perfect example of a public/private partnership. No one wanted to pay more fees, but also nobody felt comfortable sitting back and letting King Street stay where it was. This was an effort from the public and private sector to come together and enhance that experience and to help right the City, especially in the comments Mr. Cohen documented and addressed, which were real concerns. They all saw them, and he knew Council did, too. He also knew the challenges the City faced with limited employees and resources. As an owner, it was a prime example of what they would be willing to support.

Mayor Tecklenburg said, "Thank you, sir."

The Clerk said, "And those were all of the speakers that we have."

Mayor Tecklenburg said, "Alright. Did anyone else have an objection?"

No one else asked to speak.

Mayor Tecklenburg said, "I just want to make clear. So, Ms. Prenner, you want to come back up? We'll allot you a couple extra minutes to make the rest of your point."

Ms. Prenner said, "Yes."

Mayor Tecklenburg said, "Thank you so much for your patience."

Ms. Prenner said, "Thank you. I appreciate it."

Mayor Tecklenburg said, "I just wanted to make sure everybody got heard."

Ms. Prenner said, "I do, too."

Mayor Tecklenburg said, "Yes, ma'am."

Ms. Prenner said, "Thank you."

8. Sue Prenner said the article in the newspaper yesterday indicated that there were 467 properties solicited for their opinions, and that 101 of them expressed approval of the project, and recognized that number as 55%. Her math didn't work that way. Obviously, there had been some selection in the way that people had been asked to participate and offer their opinions. She thought it would be to the benefit of the street if people could vote as to their preference as opposed to being occasionally asked how they might feel about it. She was sure there were many people who did not have any sense that there was anything to be accomplished by a BID. The gentleman who spoke before said there would be transparency, but there didn't appear to be any sense of transparency. It was an extremely ambiguous and vague proposal. The idea that there was an ambassador who would be employed at \$350,000 a year to survey the street, walk the street, or encourage people on the street was terribly vague and ambiguous. She asked what the beautification for \$225,000 a year entailed and who was going to select the things that needed to be beautified. She asked why the destination management was needed. There were lots of people on the street. As for the marketing and promotion, she didn't know what she would do with more customers. The overhead of \$150,000 a year seemed incredible. She said the Committee that existed at that point had a property owner in the form of one store, and everyone else who was on that Committee was not a person who sold on the street or had an interest on the street. There was a real estate company, which obviously had different interests than they might have, for example, and there was no one of financial interest or someone who was really representing the aesthetics of the street. She really didn't understand what the purpose of the program was, and she didn't think it had been explained in a way that would make her support it at all.

Councilmember Seekings was excused from the Chamber at 5:28 p.m.

Mayor Tecklenburg said, "Thank you, ma'am. Mr. Cohen."

9. Harris Cohen said he left off when he was broken into in November at 4:30 a.m. The glass was pushed in, and it was very visible from the street. Not one policeman went by or noticed. He had to call the police at 8:00 a.m., and there was no reason for that. There was little presence from Team 9 in the daytime or the nighttime, and that was inexcusable. He also had a hate crime committed against him, and the newly appointed judge suspended the sentence of the hate crime. The person was re-arrested right after that for trespassing and burglary which was, again, inexcusable. He said the palmetto rose children were not only in the Market place, but up and down King Street also. He said nothing was done ahead of time. He asked why the City wasn't working with the clergy and other people to prevent things from happening rather than trying to do something after the fact. It was a big risk for tourists, business owners, and the Market, and on King Street. Something was going to happen. He asked about the homeless in Marion Square. He copied the Mayor all the time for pictures he took in the morning in probably two years. He had not seen one of the homeless outreach team members in Marion Square in the morning in probably two years. He said he e-mailed them that he had free food, free bagels, for them to pick up and distribute. He said former Team 9 head Chris Jardon replied, 'Why don't you go hand it out?' He replied back to Mr. Jardon, 'Because I have payroll to meet, I've got to run a business, I've got to pay property taxes, hospitality taxes, sales taxes. This is your job, not my job.' He said they had high vagrancies, and people didn't feel safe downtown. He spoke to the former District #1 Councilperson in his store and as a woman walked by to buy cookies for a funeral she said, 'You know, I'm sorry, I didn't mean to easesdrop, but I heard you all talking. I don't let my kids come downtown, not only at night, but also in the daytime because I don't think they're safe there.' He said he had people from Summerville and West Ashley who drove to his Mt. Pleasant store. He asked them why didn't they go downtown. It was not parking, it was not the fees for parking, and it was not traffic. Invariably, they said they didn't feel safe downtown anymore, and that was a big problem. Until Council made it safe, added police presence, and cleaned it up with the taxes they already paid. There was no excuse that the graffiti was not cleaned up by Livability. Until that happened, he asked why the City was asking him for more tax money to beautify the place. He said the City had enough tax money from them already. He asked them to make the place safe as they were hurting.

Mayor Tecklenburg said, "Thank you, sir. Would anybody else like to be heard? Mr. Prenner."

10. Bob Prenner said his better half had said most of what they felt about it, but he wanted to make sure that the people involved recognized that many of the shop owners on King Street leased their properties from landlords. Most leases now-a-days were net, and he asked who would pay the tax. It didn't bother them, but somebody renting a shop somewhere may have a landlord that says they have to pay the assessment just like the insurance on the building. He thought that a lot of those people should be

listened to. They were not involved, and he didn't think there were any tenants there that night. It was all about owners of property, but the owners of the property were not the ones who would pay for it.

Mayor Tecklenburg said, "That is a valid point. Nice tie, by the way."

Mr. Prenner said, "Thank you."

Mayor Tecklenburg said, "Would anyone else like to be heard who hasn't been heard?"

No one else asked to speak.

Mayor Tecklenburg said, "Well, thank you all so much for coming and sharing that, registering your objections with us."

The Clerk said, "Mr. Mayor, we did receive some comments online if you want me to--"

Mayor Tecklenburg said, "Oh, we received some comments online."

The Clerk said, "One person said he was a resident at 4 Beaufain Street with no access to King Street. He received a letter notifying him that he would be taxed as if he were a King Street business. He said it was not proper or fair to the 16 residential units near him and requested that 4 Beaufain Street residential properties be removed from the taxable properties list. One person said they were opposed to a non-governmental organization without accountability to the public spending taxpayer revenue to purportedly serve the responsibilities of government for which taxes are paid namely safety, cleanliness, and maintenance. One person objected to the King Street BID assessment fee for his King Street property. He owned a condominium unit and did not feel the BID would be beneficial. It would decide for all businesses and property owners what needed to be done and the price to pay. He already paid property taxes and was satisfied with services received. One person said they opposed the King Street BID because it did not specify the improvements to be made and did not indicate how special benefits would be received by the properties proposed to be assessed. One person said they objected to the annual assessment fee of \$1,728.90 because they already paid enough. He was also a second floor tenant of his building and thought that first floor tenants were more valuable than second floor tenants were. His building was vacant currently, and those were all of the comments we received."

Mayor Tecklenburg said, "Thank you, Jennifer. Appreciate that. So, thanks again for everybody coming and your comments. We will be bringing up for discussion, not approval, this coming Tuesday night the agreement, the Memorandum of Understanding, between the City and the CDA that would specify some of the things that had been brought up this evening, but I'll open the floor if Council, at this point, has any questions or comments they would like to make, but we are not taking any action on this matter this evening."

Mayor Tecklenburg recognized Councilmember Shahid.

Councilmember Shahid said, "Thank you, Mr. Mayor. I appreciate everybody's comments and presence here tonight. I heard some really good questions, and complaints, and comments from all of you, and thank you for being present. I've got sort of a shotgun of a series of questions,

and I'm not sure who wants to handle this, but particularly with what Mr. Ellison said and what Mr. McGreevy said about the occupancy burden on this is something of a concern to me. I'm not sure if that sort of matches with Mr. McGreevy's question about applying a frontage versus the full assessment value. Can somebody talk about that a little bit from the City? Can somebody address that for me? We're obligated to collect this money based on the assessed value of the property. Is there an opportunity to think about this by the frontage of that particular building?"

Mr. Summerfield said, "So, again, that concept was looked at during the process for bringing forward the ordinance. The intent is for the district to receive those benefits. So, again, if your property is deep and it goes along, the expectation is that the services get delivered along that property. However, that being said, one of the things that can be a part of, after hearing the objections tonight, going back and having some conversations, it is within the purview of the Council to make some findings as to how to apply some of the elements that are in the ordinance. So, if that's a discussion topic that we want to have about creating some kind of limitation on the depth of a lot that, the math gets squirrely because the County doesn't differentiate the value of a lot based on where that lot is in terms of relationship to a street frontage or not. So, I'm not quite sure how that would work, but there is an opportunity to still have some discussion about that."

Councilmember Shahid said, "So, we have the flexibility to look at how we want to collect this money. We're not bound by the assessed value of the property?"

Mr. Summerfield said, "No, you are. The ordinance makes specification that the assessment is based on that assessed value calculation. What you have the ability to do is make a finding that you're only going to do some kind of proportional amount and not the whole property. So, the calculation would be still based off assessed, but if you all made a finding that you believe to King Street BIDs, Jeremy might want to jump up and help, but you have some opportunity to maybe put some limiters on how much of the property, and then we'd have to figure out what that means in terms of a reduction in that assessment, but the ordinance specifies how the calculation is made. You could put some additional, make an additional finding, if that is the pleasure of Council, that might put some additional, I guess, limitation on that in terms of how much of the property you want to be considered or something to that effect. I don't know quite how that would work."

Councilmember Shahid said, "Let me just sort of follow up before my colleagues jump into this. I am familiar with 493 King Street because that was my family's business for several years. So, we owned that property, and the second floor is not the same as the first floor on that property, so, to his point, we can take into account second floor or third floor. We're talking about total assessed value versus, I guess, another way of saying this is, the value of the building, and the value that the property owner is going to receive may vary from building to building and may vary from the character of the building, as well. I'm using 493 King because I'm intimately familiar with 493 King Street, but it seems that that's a valid question, as well. So, that could be part of our discussion on Tuesday into calculating the tax that we're receiving from that property."

Mayor Tecklenburg said, "Tuesday we're just going to be talking about the agreement."

Councilmember Shahid said, "The MOU."

Mayor Tecklenburg said, "But we'll have another probably in June which we could have further discussion about."

Mr. Summerfield said, "Right. I imagine we would go into Executive Session just like we did with the MID to kind of discuss some of that. Again, everything's based on the assessed value. Without knowing the intricacies of the South Carolina, and particularly the Charleston County Tax Code, I would have to assume that they assess property on the second floor differently than they do, so that should already be factored in, but I don't know that to be able to say that for fact. All of our calculations are based on the assessed value per parcel. So, if it's an air right parcel, that has a value that's different and separate from what the ground floor parcel would be."

Councilmember Shahid said, "So, I think the bottom line to the answer to these questions is that at some point and time we do have some flexibility to take into account the comments that I heard this afternoon to make some adjustments on the ultimate assessment, not the assessment, the tax of those properties."

Mr. Summerfield said, "Correct. There can be some findings made, and we'll discuss that more in a future Executive Session to refine that, is my understanding."

Mr. Cook said, "And, Councilmember Shahid, I think I would answer by saying it's going to depend on what we're looking to do. So, we have an ordinance that already establishes this Business Improvement District, so there are actions the Council can take to give further clarification to what the ordinance already provides for and some of the questions that have been raised, the concerns, maybe some of those things, then I think we have that ability. If we're looking to kind of structure the BID differently, for example, on a frontage perspective, which is not how this BID is set up, then I think you would be looking at starting the process over because we're looking for a different formula as opposed to giving clarity to how the current formula is going to be applied."

Councilmember Shahid said, "I'll make one more comment, and then I'll quit hogging the microphone, colleagues. When we re-did the sidewalks on King Street, and I don't know who may have not been around, I'm not sure when we did that, but that was based on, someone correct me, that was based on the linear part of what faced King Street, and that's sort of what's ringing in my mind as a past experience that we paid, based on if we had 100 ft., 200 ft., or whatever, it was your footprint on King Street, so it wasn't based on the assessed value, but the benefit of getting that sidewalk repaired and putting that breakdown was universal for everyone. I mean, it was the benefit of the whole as opposed to the benefit based upon, you had 5,000 sq.ft. or 1,000 sq.ft. It was based upon your footprint on King Street at the time. So, there is some history with this that makes sense to some of the comments I heard on that, so thanks for those clarifications."

Mayor Tecklenburg said, "So, Councilmember Shahid, I was around during that Upper King Street assessment, and I think it was a formula that included a little bit of both. It was like a portion of the fee was based on assessment and then another portion was based on the linear footage, your front footage on the street. There was a linear component, but I think it was a formula base."

Mayor Tecklenburg recognized Councilmember Shealy.

Councilmember Shealy said, "Thank you, Mr. Mayor. I just wanted to ask, I think Mr. McGreevy said something about Charleston Place Hotel. Did we treat Charleston Place differently than we did other businesses?"

Mr. Summerfield said, "So, no. There are properties that already have parcelization that have segmented out their King Street parcel from maybe back parcels, so what I thought I heard was maybe a request to allow parcelization. In the ordinance that was adopted, future parcelization doesn't negate the current assessment because, again, you don't want everybody to take basically their first 10 ft. and everything behind that they create a new parcel so that that value no longer is captured. That would defund the process, but for existing properties that already had that parcelization, like Charleston Place, where they're pretty block size, they have a back portion, if you would, of that overall development that has its own TMS number, its own valuation, and doesn't have King Street frontage for that parcel."

Mayor Tecklenburg said, "Anybody else?"

Mayor Tecklenburg recognized Councilmember Waring.

Councilmember Waring said, "I do have two questions. The gentleman on Beaufain Street, I read his objection. Now, I'm not familiar with the property, but if they don't have access to King Street, I wonder why they would be paying. I'm sure that's something we can look into later on, and then the second thing, I read about the King Street patrolman, for lack of a term. Some of this money is going to come from the assessment, and some is going to come from private dollars. I don't know if we have input on this, but I think that person's salary should come out of the private dollars and not the assessment salary. I don't think we're going to have the ability to hire and fire. So, one way to gauge that salary and keep it in check is let it come out of the private sector's portion and not come out of tax revenue. Thanks."

Mayor Tecklenburg said, "Good comment."

The Clerk said, "Councilmember Sakran has his hand up."

Mayor Tecklenburg said, "Yes."

Mayor Tecklenburg recognized Councilmember Sakran.

Councilmember Sakran said, "Thank you, Mayor. Just a suggestion for next meeting, whether it's our Council meeting or an Executive Session or another public meeting, but I would request an actual tax bill. Obviously, we can get rid of the TMS number and the address, but I would like to see real numbers. The slide that we have is a little more abstract, and there are no properties that are assessed at \$1,000. I would like to see an actual property and how that affects the landlord and then how that potentially could get passed on to the tenant. Thank you."

Mayor Tecklenburg said, "I think we have some examples of that. We certainly can come up with some. Yes, sir. Alright. Anybody else?"

No one else asked to speak.

Mayor Tecklenburg said, "Any further business to come before us other than to announce that our next regular meeting will be next Tuesday at 5:00 p.m. right here? Hearing none, we stand adjourned. Thank you."

There being no further business, the meeting was adjourned at 5:53 p.m.

Jennifer B. Cook
Clerk of Council