

COMMITTEE ON WAYS AND MEANS

May 24, 2018

A meeting of the Committee on Ways and Means was held this date at 5:06 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 -- <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	District 6	Councilmember Jackson	District 12

1. INVOCATION:

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

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 24, 2018 and May 8, 2018 Committee on Ways and Means meetings.

3. BIDS AND PURCHASES:

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

POLICE DEPARTMENT: ACCOUNT:200000-58010 APPROPRIATION: \$64,932.00

Approval to purchase two (2) Ford F250 Trucks from Vic Bailey Ford, PO Box 3568, Spartanburg, SC 29304; SC Contract #4400014486. Funds will be provided from sales of assets and insurance proceeds (\$74,962). This will be reflected in a future budget amendment.

INFORMATION TECHNOLOGY: ACCOUNT:161000-52206 APPROPRIATION: \$140,492

Approval of Annual Maintenance Agreement with Cisco Systems from Internetwork Engineering to provide maintenance for all City network hardware; State Contract #4400016103. This provides hardware maintenance, replacement, and advanced problem resolution for all City network infrastructure components required to operate and maintain the City's network (switches, routers, firewalls, access control, wireless networking, email protection and content management) and the Voice over IP (VoIP) telecommunications system.

INFORMATION TECHNOLOGY: ACCOUNT:235000-52206 APPROPRIATION: \$212,682.46

Approval of renewal of Police Department's Dispatch Records Management System (RMS) Annual Maintenance and Support with Ramundsen Superior; Sole Source Vendor. This provides continued annual maintenance and support for the critical operations of the Police Department's Records Management System (Dispatch).

4. BUDGET FINANCE AND REVENUE COLLECTIONS: APPROVAL OF YEAR 2017 AMENDMENT TO GENERAL FUND EXPENDITURE BUDGET [ORDINANCE]

On a motion of Councilmember Moody, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to recommend giving first reading to the following bill:

An ordinance to make additional appropriations to meet the liabilities of the City of Charleston for the fiscal year ending December 31, 2017.

5. BUDGET FINANCE AND REVENUE COLLECTIONS: APPROVAL OF YEAR 2017 AMENDMENT TO GENERAL FUND REVENUE BUDGET [ORDINANCE]

On a motion of Councilmember Moody, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to recommend giving first reading to the following bill:

An ordinance to recognize the usage of additional funds to meet additional appropriations authorized by Ordinance 2018-_____ for the fiscal year ending December 31, 2017

6. BUDGET FINANCE AND REVENUE COLLECTIONS: APPROVAL OF AN INCREASE IN INSURANCE COVERAGE FOR ADDITIONAL TORT COVERAGE DUE TO A CHANGE IN LIQUOR LIABILITY MANDATED BY THE STATE. OUR CURRENT POLICY INCLUDES A PER OCCURRENCE LIMIT OF \$600,000. THE SC DEPARTMENT OF REVENUE IS NOW REQUIRING A PER OCCURRENCE LIMIT OF \$1,000,000 IF A LOCATION SERVES ALCOHOL AFTER 5:00 P.M. THE ADDITIONAL COST OF THIS INCREASE IN COVERAGE WILL BE \$217,115.00. THE ADDITIONAL COST WILL BE INCLUDED IN A FUTURE BUDGET AMENDMENT.

On a motion of Councilmember Gregorie, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve an increase in insurance coverage for additional tort coverage due to a change in liquor liability mandated by the State.

7. OFFICE OF CULTURAL AFFAIRS: APPROVAL TO APPLY FOR \$10,000 FROM THE

COASTAL COMMUNITY FOUNDATION TO SUPPORT PROGRAMS OF THE 2018 FREE VERSE FESTIVAL. FUNDS WILL BE USED FOR ARTISTIC FEES AND PRODUCTION COSTS. NO CITY MATCH IS REQUIRED.

On a motion of Councilmember Mitchell, seconded by Councilmember Gregorie, the Committee on Ways and Means voted to approve to apply for \$10,000 from the Coastal Community Foundation to support programs of the 2018 Free Verse Festival. Funds will be used for artistic fees and production costs.

8. OFFICE OF CULTURAL AFFAIRS: APPROVAL TO APPLY FOR \$3,000 FROM SC HUMANITIES TO SUPPORT PROGRAMS OF THE 2018 FREE VERSE FESTIVAL. A 1:1 CITY MATCH IS REQUIRED. MATCHING FUNDS WILL COME FROM PAID ADMISSIONS AND DONATIONS.

On a motion of Councilmember Mitchell, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve to apply for \$3,000 from SC Humanities to support programs of the 2018 Free Verse Festival.

9. PARKS-CAPITAL PROJECTS: ACCEPTANCE OF THE 2018 PARKS AND RECREATION DEVELOPMENT (PARD) GRANT FUNDING FOR THE CONSTRUCTION OF A NEW PLAYGROUND AT MALL PLAYGROUND AT HAMPSTEAD SQUARE. THE SCOPE OF WORK INCLUDES THE REMOVAL OF EXISTING PLAY EQUIPMENT AND SITE PREPARATION, PURCHASE AND INSTALLATION OF NEW PLAYGROUND EQUIPMENT, PURCHASE AND INSTALLATION OF SAFETY SURFACING, AND RELATED SITE IMPROVEMENTS. THIS GRANT PROVIDES 80% OF THE COST OF A PROJECT, WITH THE REMAINING 20% TO BE PROVIDED AS MATCHING FUNDS. THE GRANT FUNDING AVAILABLE IS \$26,187.15 (PER CAPITA DISTRIBUTION ADMINISTERED BY CHARLESTON COUNTY PARK & RECREATION COMMISSION), REQUIRING A \$6,546.79 MATCH. TOTAL PROJECT FUNDING \$32,733.94. THE APPROVAL OF THE GRANT AWARD WILL INSTITUTE A \$32,733.94 PROJECT BUDGET. THE FUNDING SOURCE FOR THE PROJECT IS: 2018 PARD GRANT FUNDING (\$26,187.15) AND 2018 CONSTRUCTION-PLAYGROUND EQUIPMENT MAINTENANCE (\$6,546.79). GRANT ACCEPTANCE IS REQUIRED BY THE END OF MAY.

On a motion of Councilmember Mitchell, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to accept the 2018 Parks and Recreation Development (PARD) grant funding for the construction of a new playground at Mall Playground at Hampstead Square.

10. PARKS-CAPITAL PROJECTS: APPROVAL OF ASHLEY RIVER WALKS PHASE I PROFESSIONAL SERVICES CONTRACT WITH SOIL CONSULTANTS, INC. IN THE AMOUNT OF \$69,715 FOR GEOTECHNICAL ENGINEERING SERVICES FOR ALL PHASES OF THE ASHLEY RIVER WALK PROJECT. THE PROFESSIONAL SERVICES CONTRACT WILL OBLIGATE \$69,715 OF THE \$300,000 PROJECT BUDGET. THE FUNDING SOURCE FOR THIS PROJECT IS 2018 HOSPITALITY FUNDS (\$300,000).

On a motion of Councilwoman Jackson, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve Ashley River Walks Phase I Professional Services Contract with Soil Consultants, Inc. in the amount of \$69,715 for geotechnical engineering services for all phases of the Ashley River Walk Project.

11. PARKS-CAPITAL PROJECTS: APPROVAL OF THE CITY MARKET SHED REPOINTING CONSTRUCTION CONTRACT WITH MIDWEST MAINTENANCE, INC. IN THE AMOUNT OF \$178,080 FOR THE REPOINTING OF MASONRY MORTAR JOINTS ON SHEDS A & B AND AN AREA OF STUCCO DAMAGE ON MARKET HALL AT THE CITY MARKET. 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 \$178,080 OF THE \$253,500 PROJECT BUDGET. THE FUNDING SOURCE FOR THIS WORK IS THE CITY MARKET, GENERAL MAINTENANCE LINE ITEM (\$253,050).

On a motion of Councilmember Gregorie, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve the City Market Shed Repointing Construction Contract with Midwest Maintenance, Inc. in the amount of \$178,080 for the repointing of masonry mortar joints on sheds a & b and an area of stucco damage on Market Hall at the City Market.

12. HOUSING AND COMMUNITY DEVELOPMENT: MAYOR AND CITY COUNCIL APPROVAL IS REQUESTED FOR THE SUBMISSION OF THE APPLICATION FOR FEDERAL ASSISTANCE (SF 424 FORMS) AND THE CORRESPONDING DOCUMENTS TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR THE 2018-2019 PROGRAM YEARS. ATTACHED ARE THE 424 FORMS, HUD CERTIFICATION FORMS AND THE BUDGET. THIS REQUEST HAS BEEN COORDINATED WITH THE COMMUNITY DEVELOPMENT ADVISORY COMMITTEE AND THE COMMUNITY DEVELOPMENT (CD) COMMITTEE OF CITY COUNCIL. THE CD COMMITTEE GAVE FINAL APPROVAL TO THE HOPWA, HOME AND CDBG BUDGETS THURSDAY, APRIL 26, 2018. HOWEVER, THE FINAL AWARD ALLOCATIONS WERE RELEASED BY THE DEPARTMENT OF HUD, THURSDAY, MAY 3, 2018. THE PROPOSED CHANGES TO THE BUDGET ARE EXPLAINED IN THE ATTACHED MEMORANDUM. APPROVAL IS ALSO REQUESTED FOR THE EXECUTION OF CONTRACTS FOR EACH ORGANIZATION BASED ON THE APPROVED BUDGETS/AWARDS. THE CONTRACTS WILL BE REVIEWED AND VETTED BY CITY OF CHARLESTON CORPORATION COUNSEL PRIOR TO THE DISSEMINATION OF THE CONTRACTS TO THE NONPROFIT AGENCIES. CONTRACT TEMPLATES ARE ALSO ATTACHED FOR YOUR INFORMATION.

On a motion of Councilmember Mitchell, seconded by Councilmember Lewis, the Committee on Ways and Means voted unanimously to approve the submission of the application for Federal Assistance (SF 424 Forms) and the corresponding documents to the Department of Housing and Urban Development (HUD) for the 2018-2019 Program Years.

13. LEGAL DEPARTMENT: APPROVAL OF CHANGE ORDER #1 TO THE CONSTRUCTION

CONTRACT WITH NBM CONSTRUCTION COMPANY, INC. IN THE AMOUNT OF \$22,102.72 FOR THE EMERGENCY SHORING AND PROTECTION OF THE READ BROTHERS BUILDING. APPROVAL OF CHANGE ORDER #1 TO THE CONSTRUCTION CONTRACT WITH NBM CONSTRUCTION CO., INC. WILL INCREASE THE CONSTRUCTION CONTRACT AMOUNT FROM \$41,736 TO \$63,838.72. THIS ADDITIONAL COST WILL BE COVERED FROM CONTINGENCIES IN THE NON-DEPARTMENTAL DIVISION. CORPORATION COUNSEL WILL WORK TO PLACE A LIEN ON THE PROPERTY IN AN ATTEMPT TO RECOVER ANY COSTS ASSOCIATED WITH THIS WORK.

Councilmember Seekings asked if they could get a report about what was happening with the building, if the City had it shored up, and how the owner was doing. Susan Herdina, Deputy Corporation Counsel, stated the City completed emergency shoring-up of the property a number of months ago because it was a threat to the public health and safety. NBM came in, and the cost was greater than the City originally expected because there were some difficulties getting NBM into the building with the Reads. The City finally got access to the interior of the building, which was necessary to do some additional shoring-up. The emergency work and protection effort by the City was complete. They were in the process of filing a lien on the property, so the City would recoup its costs eventually. She said she was not certain what Mr. Read was planning. There was a sign on the building which stated the property was available, and there were some plans, potentially, to demolish one or two of the buildings.

Josh Martin, Executive Assistant to the Mayor, said the construction was complete in terms of the shoring-up, and they were also monitoring as part of the process. The construction at Spring and King Streets on the northwest corner with the pilings was the major concern. Craig Bennett was the structural engineer that was on the team. He came back after the construction was complete, and there was no damage as a result of the building being shored-up. They monitored throughout the whole process. The delay of the entry caused the cost of the scaffolding rental to go beyond what had been projected, due to the inability to gain access to the building with the Reads.

Councilmember Seekings asked if a title search had been conducted to see where the City would stand with other possible lien holders. Ms. Herdina said the City had completed a title search, and there were one or two very minor liens on the property, so the City should be in good shape.

On a motion of Mayor Tecklenburg, seconded by Councilmember Seekings, the Committee on Ways and Means voted unanimously to approve Change Order #1 to the Construction Contract with NBM Construction Company, Inc. in the amount of \$22,102.72 for the emergency shoring and protection of the Read Brothers Building.

14. THE COMMITTEE ON REAL ESTATE: (MEETING WAS HELD MAY 24, 2018 AT 3:00 P.M. AT CITY HALL, 80 BROAD STREET, FIRST FLOOR CONFERENCE ROOM)

- a. Request authorization to execute the License Agreement whereby allowing We Are Family to provide support services for persons experiencing homelessness or those at risk of homelessness at 529 Meeting Street (TMS: 459-05-01-011). The property is owned by

KQC Investors, LLC.

- b. Request authorization to execute the Bargain Sale Agreement whereby the City will purchase 1.31 acres for the purpose of constructing a fire station to serve areas of the City located within the Cainhoy peninsula. The seller will construct the roads and provide Temporary Access Easements until such roads are dedicated to the City (Portion of 2620 Clements Ferry Road, Charleston, Berkeley County; TMS: Portion of 2620 Clements Ferry Road, Charleston, Berkeley County) The property is owned by Clements Ferry Properties, LLC **(To be sent under separate cover by the Real Estate Department)**
- c. Request authorization to execute the Amendment to Purchase and Sale Agreement for 101 Broad Street whereby extending the closing date to July 20, 2018. The property is owned by the City of Charleston. (101 Broad Street; TMS: 457-12-04-016) [Ordinance]
- d. (i) Request authorization to execute the License Agreement between the South Carolina State Ports Authority, the City and the Citadel authorizing the use of space at the Port's North Charleston Terminal to unload and store oysters, pending their replanting.

(ii) Request authorization to execute the Cost Sharing Agreement between the City and the Citadel Foundation, relating to the Ashley River Oyster Bed Enhancement Project, whereby the City agrees to serve as the project manager for the City project and The Citadel's project, if The Citadel opts to do its project in tandem with the City.

(iii) Request authorization to execute the Agreement between the South Carolina Department of Natural Resources, the City and the Citadel retaining SCDNR to monitor the oyster bank construction for compliance with environmental regulations.

The property is owned by the South Carolina State Ports Authority.
- e. Request approval for the Mayor to execute the attached First Amendment to the Memorandum of Agreement whereby the City of Charleston and the Charleston Parks Conservancy agree to work jointly on improving, managing, maintaining, and programming City Parks for the benefit of the citizens, to clarify the required insurance coverages and 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.
- f. Request authorization for the Mayor to execute the Purchase and Sale Agreement for the City to acquire the Archer School site from Charleston County School District for future development to include affordable housing **(To be sent under separate cover by the Real Estate Department)**
- g. Consider the following annexations:
 - (i) 1758 Jervey Avenue (TMS# 351-10-00-068) 0.09 acre, West Ashley (District 9). The property is owned by Sarah Boiter Bunting.

(ii) 534 Savannah Highway (TMS# 421-03-00-167) 0.24 acre, West Ashley (District 11). The property is owned by Big Pine Acres LLC.

(iii) Property known as three properties on Habakkuk Lane (TMS# 267-00-00-015, 267-00-00-016 and 017) 1.50 acres, Cainhoy (District 1). The property is owned by MSR Clements Ferry Land LLC.

h. Executive Sessions Regarding Contractual Matters:

(i) Forest Acres Drainage Phase 2A

(ii) Calhoun West Drainage Project

(iii) Update on CSOL property sale

Action may or may not be taken on any of the above matters.

Councilmember Moody, Chair of the Committee on Real Estate, reported that Item 'a' authorized the lease with We Are Family to provide a facility at 529 Meeting Street. This was approved unanimously.

Item 'b' was a bargain sell of property on Clements Ferry Road for a fire station, and this was approved unanimously. After much discussion, this was deferred. They deferred it because they had a requirement for two and half years. They thought this was too quick, and they wanted to talk to the seller. They wanted further negotiations on the price, and there was also discussion as to what the order of the building would be. The City would have a need for several stations in this area, and they only had money for one right now, which was needed for that particular station.

Item 'c' was approved unanimously and the date extended. Item 'd' was approved unanimously. Item 'e' adjusted the insurance requirements on the Parks Conservancy, and that item was also approved. Item 'f,' was the purchase of the Archer School site. They agreed to enter into the agreement with a 120 day due diligence period. At the same time, they were going to be looking at demolishing the building. There was a lot of earthquake mitigation and probably some lead and asbestos, so they had to figure out whether or not the property was suitable and affordable for affordable housing. He said it might be too expensive to have affordable housing. They had to look at some alternatives, but they were going to enter into an agreement for the 120 day due diligence, so they could start the process. Councilmember Waring said with regards to the 120 day due diligence, the City could walk away from the deal at any time. Councilmember Moody said this was a good point. The City was just going to look at it, and that was all they were really committed to do at that point. Item 'g' consisted of three annexations, and all were approved. The Committee went into executive session for Item 'h' and heard an update on three contractual matters on three properties. This was just for information, and no votes were taken. The last item was to authorize a license agreement for the water taxi, which was approved.

Councilmember Moody moved for approval, and Councilmember Waring seconded the motion.

Councilmember Seekings asked as the City went through the 120 day due diligence period, and

they tried to figure out what the cost was, not just of acquisition, but of either demolition or repair, would they at some point have a guideline of costs of capital investment into affordable housing? This way they would not put themselves in a place where they weren't building things that weren't affordable. He said he worried about that, and this was the perfect project to talk about what the City's capital investment guidelines were going to be for affordable housing going forward. Councilmember Moody said they were looking at all of these properties, and they had not really scratched the surface. They were trying to gather as much as they could. For this particular piece of property, the City would receive a \$20 million+ property, which all of a sudden would not be very affordable. They could not just use it all for affordable housing.

Councilmember Lewis said he was glad the Committee was looking at the property. He said he went to the school when he was a little boy, so he knew there were problems with the building. He said they needed to make sure if the City purchased the property, that they could build affordable housing there. He said if they could not tear that building down, there would be no use in purchasing the property.

Councilmember Mitchell said the property was in the district he represented. The property would need a lot of work and money to clean-up the building if it could not be torn down. He thought if this was the scenario, affordable housing wouldn't be placed there if the City could lower the price. He said the school board was asking for a lot of money, and they worked with them on a lot of different issues. The building had been sitting there for many years. He said he was not going to support it at all because he knew that there would not be affordable housing there if they were going to pay that price for it and it had to be renovated and cleaned. It would be too much money for the City. If the City were putting in a bid to purchase it, he said he would vote against it.

Councilwoman Jackson said it would be different if they were going out into rural land, and they were taking their pick of properties that were unoccupied and much more fundable. She thought knowing where this property was and knowing the demand for having the potential of affordable and workforce housing in the heart of the City's working districts, that this was worth pursuing for 120 days, and the City would get its money back if it walked away during that time. She thought in this circumstance, knowledge was power. What they knew would really help them. If they continued to not know, then it would always be a mystery. She said she supported this item at the Real Estate Committee, and she thought they would have a lot of decisions to make before they could come to vote on the purchase.

Councilmember Mitchell said he had to answer to his constituents. This was the area he represented, and they would be using taxpayers' money to purchase this. If this happened and they had to renovate and find more money to do it, he did not want to do that. He was a big proponent of affordable housing. That's what he did all of his life, but this would not be affordable if the City had to spend that kind of money purchasing it and cleaning it out. He said if anyone went by and looked inside the building, they would know what he was talking about. If they were just going to do an assessment before the City did anything, then he would vote for that part of it, and then it should be brought back before the City committed to do anything else.

Councilmember Seekings asked about the executive session items on the agenda. Frances Cantwell, Corporation Counsel, said she would be happy to talk to any Councilmembers individually, or they could discuss as a group.

Mayor Tecklenburg said he wanted to recognize two ladies who had joined them in the Chamber. The first item on the Real Estate Agenda was a license agreement with We Are Family, which was an organization that cared passionately about helping citizens who were experiencing homelessness. Melissa Moore was present representing We Are Family, as well as Ms. LaVanda Brown, who was present from the YWCA. They planned to be a sub-licensee of We Are Family. He said he was so grateful to them and the other organizations that were willing to step forward and help operate the facility.

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 Amendment to the Purchase and Sale Agreement pertaining City-owned property located at 101 Broad Street, TMS. No. 457-12-04-016, between the City and EEMO, LLC, a South Carolina Limited Liability Company, so as to extend the date by which closing must occur.

An ordinance to provide for the annexation of property known as 1758 Jervey Avenue (0.09 acre) (TMS# 352-10-00-068), 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 Sarah Boiter Bunting.

An ordinance to provide for the annexation of property known as 534 Savannah Highway (0.24 acre) (TMS# 421-03-00-167), 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 Big Pine Acres LLC.

An ordinance to provide for the annexation of property known as three properties on Habakkuk Lane (1.50 acres) (TMS# 267-00-00-015, 267-00-00-016 and 017), Cainhoy, Berkeley County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 1. The property is owned by MSR Clements Ferry Land LLC.

Councilmember Gregorie asked the Real Estate Committee, as they approached the third anniversary of the Mother Emanuel tragedy, to include clarification on 113 Calhoun Street on their June agenda. It had been a while, and he wanted to see this on the agenda if possible, so that they could move forward.

There being no further business presented, the Committee on Ways and Means adjourned at 5:25 p.m.

Jennifer Cook
Assistant Clerk of Council