

Committee on Real Estate

June 8, 2020

A meeting of the Committee on Real Estate was held this date beginning at 3:05 p.m. over video conference call.

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

Present

Councilmember Shahid, Chair, Councilmember Appel, Councilmember Waring (arrived at 3:08 p.m.), Councilwoman Jackson, and Mayor Tecklenburg

Also Present: Tracy McKee, Jeremy Collins, Leigh Bailey, Susan Herdina, Peter Rascoe, Geona Shaw Johnson, Rick Jerue, Mallary Scheer, Chip McQueeney, Philip Overcash, Janie Borden, and Bethany Whitaker

The meeting was opened with an invocation provided by Councilwoman Jackson.

Approval of Minutes

On the motion of Councilwoman Jackson, seconded by Councilmember Appel, the Committee voted unanimously to approve the minutes of the May 26, 2020 Real Estate Minutes.

Approval of Valet Parking services Agreement with owner of Lodge Alley Inn for inclusion in City's automated valet parking system at Cumberland/Concord Parking Garage – for term of 5 years with automatic renewals subject to City's 90-day notice not to renew (1 Cumberland Street; TMS: 458-09-02-068)

Peter Rascoe, Parking Contract Manager, stated that this was an agreement with Lodge Alley Inn on East Bay Street. The purpose was to access the automated valet parking system. Lodge Alley Inn was one of two hotels that hadn't converted to the automated system. Typically, the agreements were month to month, but for business purposes, the owner had requested a five year term for access with automatic renewals subject to the City's 90-day notice clause. He recommended that proposal. The Lodge Alley Inn had been excited about getting into the system. They felt like they wanted a longer term for their planning.

Councilwoman Jackson stated that she assumed that the 90-day notice couldn't take place in the first five years. Mr. Rascoe said that was correct and the way it was drafted. Mayor Tecklenburg stated that as a historical reference, he believed the partnership with the Lodge Alley Inn was a part of what allowed the City to build that garage years ago.

On a motion of Councilwoman Jackson, seconded by Mayor Tecklenburg, the Committee voted unanimously to approve the above item.

Approval of the Memorandum of Understanding whereby the term of the City's leased spaced located in the MUSC Children's Hospital for police forensics is extended to May 31, 2021. (171 Ashley Avenue: TMS: 460-15-01-043). The property is owned by The Medical University Hospital Authority (MUHA).

Ms. Bailey stated that this was a lease extension of the space that the Forensics team was already leasing. They needed to extend it a little longer to get the construction time completed. They did have a 30 day notice where they could terminate early. The rent was remaining the same.

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

Approval to authorize the Mayor to execute, on behalf of the City, the Development Agreement for the development of 2321 Birdie Garrett Street by the Charleston Redevelopment Corporation (CRC). The CRC will contract one single family house for sale to an individual or family earning up to 80% of the Area Median Income and will be subject to the Land Trust affordability covenants of 99 years. The Transfer Agreement conveying the property to the organization was approved by Council, November 12, 2019. (2321 Birdie Garrett Street; TMS: 464-01-00-109)

Approval to modify the Original Transfer Agreement with the Charleston Redevelopment Corporation re: 2321 Birdie Garrett Street to, among other things, (i) allow the City to waive redevelopment contingencies if the City so wishes, and (ii) allow the Developer to transfer and convey the Project to a land trust entity which is (or will be) organized under the laws of the State of South Carolina as a nonprofit corporation, and which entity shall be solely owned and controlled by Developer. The Original Transfer Agreement conveying the property to the organization was approved by Council on November 12, 2019. (2321 Birdie Garrett Street; TMS: 464-01-00-109)

Ms. Shaw Johnson stated that this was an opportunity for the City to have a single-family detached home built in the Rosemont community by the CRC. The second item was a transfer agreement, which had been approved last year, which if the authorities began work on it, this development agreement helped them put pen and pencil in place and look at the various due diligence matters related to the home. The home would be constructed for an individual or family earning 80% of the area median income. The buyer would spent approximately \$180,000 or secure a mortgage for that amount. The overall development costs were \$338,125. There may be other opportunities for down payment assistance, but it did allow the CRC to have another affordable housing opportunity in the City.

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to approve the above two items related to 2321 Birdie Garrett Street.

Update on purchase of property located on River Road and Maybank Highway (the Village at Fenwick PUD – Johns Island)

Ms. Shaw Johnson stated that they had gone through several nuances with this project to understand the opportunities and challenges that existed. They had done a title examination. One of the major concerns that they encountered and was of particular importance to the Mayor was establishing what

the stormwater management would look like on the site. It would have helped if they had asked for a longer due diligence period, so that was something they had learned from, to make sure they had plenty of time in place going forward. As they learned more about the site, they understood that they needed to make sure there was comprehensive stormwater management in place. They had conversations with the internal team such as Mr. Fountain. They also had a brief conference call with Seamon & Whiteside. They found that they would need a drainage system that allowed run off for the site and ensured the proper infrastructure was there for future build. They felt like they could achieve that, but it would come with some level of cost. They hadn't determined that cost fully yet. In addition, they also realized after reviewing title that there was a design review board on the property. Fortunately, they were able to get the owners and their attorney to agree to allow any design on future buildings deferred to the City's DRB and TRC. There were also some limitations relative to what could be built there. There was an understanding that Mayor and City Council had some unilateral authority that allowed them to change the zoning as necessary in order to ensure that they were able to maximize density on the site.

Chairman Shahid asked if they would be losing any project from the number of units they thought they could get because of the hurdles. Ms. Shaw Johnson said they might lose some based on the design of the stormwater management system. They would have to be strategic and savvy about the systems they utilized in order to ensure they maintained the level of density they were anticipating. Mayor Tecklenburg said that the property was entitled for 104 units. There had been concern about the stormwater, although it was in a good area of Johns Island. The way Mr. Fountain described it was that they may have to use more real estate for the retention to meet all the requirements. But, they had the authority to change the product type. They would have to make a change to the PUD. Right now, it was zoned only for single family and/or townhouses. They could change some of the units to be multi-family and the goal was to maintain that density of 104 units. The conversation with the owners/sellers about their concerns did lead to about a \$200,000 reduction in the price of the property in consideration for any adjustments. He was thankful to the seller for working with them.

Councilwoman Jackson stated that there had been some conversation at some point that the northern pitchfork could help with capacity for the stormwater drainage. She had heard that might not be true. It might be a premature question, but knew there was something about the northern pitchfork that wasn't clear at this point. Mayor Tecklenburg said that the County had resubmitted their stormwater plans for the northern pitchfork. That was moving along. He thought the reference she was referring to from the sellers was there was a part of the pitchfork property they had dedicated for extra stormwater retention. Mr. Fountain had advised that that portion was probably the highest ground. Water didn't flow to it. It would have to be engineered, but that was why there was some uncertainty with the statement that they could use part of the pitchfork property for water retention. Councilmember Waring said his question was along the lines of building roads. He asked if they had to build a road and put in water/sewer. That was what he understood they had to do before they went vertical. Chairman Shahid said it was his understanding that the site didn't have that infrastructure. Ms. Shaw Johnson said that was correct. There was access to sewer line where they could access for the site. Councilmember Waring said he understood that. However, he had built roads. He asked if they had ever had to develop raw land before going vertical. Ms. Shaw Johnson said they had not. When that had been needed in land

transfers with non-profits, they had worked with the developers to pull that in. They required the developer entity to bring that either in concert with the city or themselves. Councilmember Waring asked if they would have an estimate on what it would cost regarding all the infrastructure before they bought. Mayor Tecklenburg said that they were working with the developer and the seller. They felt like it was reliable. He was going to share that their thoughts going forward were to partner with the developer to get to the next step. Then, they would be in the position to put an RFP to affordable housing developers and know exactly what they needed. Councilmember Waring said they also needed to talk to the water system now. He wasn't sure what the impact fees would be, but they needed to get that information. He was hopeful they could work something out. He had never had conversations with Johns Island water system, but he wanted to get that information up front. Building that infrastructure was tough and expensive. Chairman Shahid said that was a good question. They were improving on raw land and it would be a great project. Mr. McQueeney said this was a development parcel, not a building site. He thought it was a good opportunity because it could benefit the City in other ways as well. That was the due diligence issue was they had a development agreement. They needed to work out what was in that agreement and in the PUD. If they wanted multi-family, they would want to have that discussion. He thought CPW would provide sewer and St. Johns would provide water. Chairman Shahid said he wanted to thank everyone for their hard work on this project.

Consider the following annexations:

- i. 416 Riverland Drive (TMS: 343-10-00-002) 0.26 acre, James Island (District 11). The property is owned by W. Coleman and Christina M. Lawrimore.*
- ii. 450 Riverland Drive (TMS: 343-10-00-019) 0.5 acre, James Island (District 11). The property is owned by Whitney and Alexander Pasquini.*
- iii. 334 Folly Road (TMS: 424-05-00-030) 0.40 acre, James Island (District 11). The property is owned by John Clair and Ellen S. Clair.*

Mr. Overcash stated that the first and second items were single-family residences. They anticipated SR-1 zoning. The third item currently had a gas station and the buyer was proposing a new gas station. The most appropriate zoning would be GB, and would be necessary for a continued gas station use and would be placed under the Folly Road Overlay zone which would have more restrictions. It would also go to DRB.

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

Having no further business, the Committee adjourned at 3:37 p.m.

Bethany Whitaker
Council Secretary