

COMMITTEE ON REAL ESTATE

June 19, 2018

A meeting of the Committee on Real Estate was held this date beginning at 3:45 p.m. at City Hall, 80 Broad Street, First Floor Conference Room.

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

PRESENT

Chairman Moody, Councilmember Waring, Councilwoman Jackson, and Mayor Tecklenburg Staff: Frances Cantwell, Colleen Carducci, Chip McQueeney, Christopher Morgan, and Wanda Stepp, Council Secretary

The meeting was opened with an invocation provided by Chairman Moody.

APPROVAL OF MINUTES

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to approve the minutes of the May 24, 2018 meeting.

APPROVAL TO ENTER INTO A SPECIAL USE PERMIT WITH THE U.S. NATIONAL PARK SERVICE FOR THE FIRST DAY FESTIVAL AT LIBERTY SQUARE. THE PERMIT BEGINS AT 5:00 A.M. ON AUGUST 10, 2018 AND ENDS AT 7:00 P.M. ON AUGUST 12, 2018. THERE IS NO FEE ASSOCIATED WITH THE PERMIT. THE CITY MUST LEAVE THE AREA IN THE SAME CONDITION AS IT WAS FOUND.

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

REQUEST AUTHORIZATION TO EXECUTE THE AMENDMENT TO LEASE AGREEMENT WHEREBY THE LEASE TERM FOR THE MOBILE UNIT USED AS A POLICE TRAINING CLASSROOM IS EXTENDED TO MAY 31, 2021. (TMS:210-00-00-171; 277 VARNES ROAD)

REQUEST AUTHORIZATION TO EXECUTE THE AMENDMENT TO LEASE AGREEMENT WHEREBY THE LEASE TERM FOR THE MOBILE UNIT USED AS A FIRE TRAINING CLASSROOM IS EXTENDED TO MAY 31, 2021. (TMS: 466-00-00-001; 1950 MILFORD STREET)

Ms. Carducci stated that the City had been leasing these for a few years and the lease had expired and they had continued it month to month. They kept wanting to increase the rates, which was permitted under the existing agreement. These two agreements were to charge the \$950 per facility and it would be a fixed rate, otherwise they would pay \$1200 a month. Councilwoman Jackson asked if there was ever an upgrade to the equipment they were leasing. Ms. Carducci said it was a trailer. These were just temporary.

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

APPROVAL OF A TEMPORARY ACCESS AND SAND DISPOSAL AGREEMENT AND PERMANENT JETTY ACCESS AGREEMENT WITH SOUTH CAROLINA STATE PORTS AUTHORITY FOR STABILIZATION OF MORRIS ISLAND JETTY (TMS: 450-00-00-013)

Ms. Cantwell stated that they were asking for this to be deferred.

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

Update on acquisition related to the Clements Ferry Road Fire Station Location. Action may or may not be taken.

Ms. Carducci said they could start with discussion and if they got into the territory to discuss terms they could go into Executive Session. The day before, this item had gone before Public Safety and the Fire Department gave a presentation. There were two recommendations that came out of that that they voted on and approved. The first one was to proceed and recommend to the Real Estate Committee that they continue with the acquisition. The second recommendation was to make this first public safety priority, to move forward with Fire Station #20 construction, to replace the current leased facility that they had.

In 2007, it was identified that they needed to proceed with another Fire Station in the Cainhoy area, so they started looking at various sites. They came up with a couple of options. One, through site investigations, they realized there were graves on the site. They were working with the Cainhoy Development owner and they ran into challenges there, the development master plan hadn't been finished. Their preference for the City was to condemn the Callahan parcel, which was a small parcel owned by a couple. Mrs. Callahan had since passed. At that time, the City decided not to proceed with the condemnation and instead, try to facilitate a different acquisition. Through a lot of challenges trying to work on that site, and because of the timing, and the issue that the Fire Department was having in wanting to keep their ISO rating high, the City decided to proceed with the temporary Fire Station on Cainhoy Road. Once that one was leased, and the building was under construction, the Fire Department realized 'This is good. This gives us a book-end.' They now had a Fire Station that was brand new on Cainhoy Road and an old Fire Station at Marina Drive.

She referred to a map. The current station (Fire Station 20) was on Marina Drive and the City had been there since about 2000. The property was far from ideal. She had site photos that showed the challenges of the site, that they had been aware of, but had never had the funding in the past, to buy land and build a new station. They had that station, and the new Station was on Cainhoy Road. What this would allow was if something was happening in the central area, they could respond from both directions. This seemed to be a good solution, right now, to keep the book-ends in place. Enterprise Drive was just to the north of the current station and Station #20 was a Class 1 building. The Fire Department vacated that building if they had a power outage or a bad storm, because it wasn't built to withstand those types of things. It worked initially when Daniel Island and Cainhoy were brand new, but now it would be a good thing to replace. The new facility there would be a Class 4 facility. The one on Cainhoy was a Class 3, but both of them would allow for the Fire Department to have all of the

apparatus and teams in place, that they need, to respond to emergencies and also to take in other apparatus if they needed to move more people into the area. That was the concept of the next Fire Station that the Fire Department, Capital Projects, Planning, and herself, they had all been working towards.

Foster Gaillard was there representing the owner, and they had been working with them for about a year, because their site had not been fully visualized, in terms of development. Christopher Morgan had identified that this might be a good location if they could get the owner to work with them. When they looked at this location, to the rear of the property there was already a residential development. So, it was a very good site. The Fire Department liked this site. They were hopeful that Enterprise Drive would be the next traffic signal location on Clements Ferry Road. It needed to meet the warrant for DOT to authorize that, but that was one of the reasons why this site was identified as a good location. The terms of the agreement that they had worked out, she knew Councilmember White had expressed concerns that they were overpaying for the site. The developers appraisal, when they appraised the site, was more for the entire site. They had given the City a letter that supported the evaluation that they placed on the City's parcel and it said that they had the property appraised in March of 2018, and they appraised a 1.5 acre site, and gave it an evaluation of \$675,000. Then, they looked at the fact that on this site, yes the City was paying for a portion of the road, which as they looked at the other sites, in those locations they would have had to build a road as well. In this case, the developer would be paying to make a 4-lane road. There was a connector road that ran towards Marina Drive and this was something that the Planning Department wanted, because it would be a good connection. The only purpose for the road otherwise, was so that they could circle the firetrucks and have the turn radius they needed. The City wasn't paying for it, it was outside of the land acquisition cost, and the developer was paying for half the cost of the construction of what would, otherwise, be the driveway into the facility. If they took the fact that the connector road would cost about \$180,000, the developer then would pay \$90,000 of that. They took the \$675,000, which was higher than the \$480,000 in the Purchase and Sale Agreement. If they took the \$480,000, the purchase price of \$185,000, plus them paying for \$90,000. It totaled \$765,000. The appraiser was saying that the valuation was really the \$675,000 plus the \$90,000.

Councilmember Waring asked if the road would be built before the transaction was completed and Ms. Carducci said yes. In the Purchase and Sale Agreement, there was a time period, that if they didn't start construction of the road prior to the City being ready to start the Fire Station, the City could use the money they would pay for the road, to build the portion of the road the City needed to get to the Fire Station. It was only in the event that market conditions would change; they had the option to do that, and it would be just what the City needed to access the Fire Station. Councilmember Waring said it would drive up the cost, if the City had to build to the road. Ms. Carducci said if they build the road it would be a 4-lane, but if the City built it, it would be 2 lanes, and they would have already completed the plans and specifications for construction. Councilmember Waring asked if the City would have to build a connector road as well and Ms. Carducci said that the City would build only the portion of the connector that it would need to access the property. It could just be an entrance drive coming in and it wouldn't have to be 2 lanes. It wouldn't have to be the entire length. The thought and expectation was

that the developer would build the road, but the City built in a 'what if' scenario to protect the City, to make sure the road would get built. Chairman Moody said they would build a driveway for the trucks to get in, and they would pay for the cost no matter what. If the developer didn't build it, the City would.

Ms. Carducci said they had the team selected and were ready to contract the design team to start the design of the Station, but when they got the construction cost numbers from the developer, they asked if they were okay with the number, and they had said 'absolutely'. They thought it was a fair number to pay and it was a good thing, from a capital project standpoint. Chairman Moody asked what the total purchase price was for the lot and the street. Ms. Carducci said it was \$665,000. At closing, they would pay for all of that. Chairman Moody said that they passed a tax increase, the Public Safety millage, and if this was the Station they were going to fund with that. Ms. Carducci said that was correct and that this money was designated for the Clements Ferry Road Fire Station. So, the money that was set aside was sufficient for what Capital Projects was anticipating this Station to cost. This Station would be very similar to the size and type of Station that was just completed at Carolina Bay. Eventually, as the area built out, the Fire Department would plan to have another Station closer to Jack Primus Road, which would split the difference and fill that, so they would all back each other up. That was on their critical list of needs. That Station would be much larger and include an extra bay, an engine company, a ladder company, a meeting room, and a police substation. The funds that they had now, allocated to Clements Ferry Road, was not sufficient to build that entire station, so they would need to eventually work towards having those funds available, plus acquire the land that would work for that station.

Mayor Tecklenburg stated that that was a key difference in the Fire Department's recommendation and long term plan, that instead of replacing Fire Station #21, they were recommending that they kept #21 long-term, and that this middle station, in the midst of Clements Ferry would become #22. Instead of having two Stations, they would have three. He was saddened that Councilmember White couldn't be at the meetings, because Mayor Tecklenburg had expressed how strongly he felt they needed to proceed with Station #21, but what the Department was now proposing was different. They had asked the Department to meet with Councilmember White as soon as he got back into town, and hopefully they would get his support. The condition for Fire Station #20 weren't quite deplorable, but they were pretty close to it. It didn't meet the current requirements, whereas the new leased Station #21 met all of those things. When they listened to the whole presentation of the Fire Department, he thought it made sense to do #20 first and maybe they would have enough money from the existing bond to at least secure the property for #22. Matt Frohlich stated he would have to look. Councilmember Waring said they had brought up at the last meeting, that they might have to get some more money.

Chairman Moody asked what the recommendation was. Mayor Tecklenburg asked if they had a contingency period or inspection period and Ms. Carducci said they did. There were a couple of changes, as well. It was 120 days. Mayor Tecklenburg asked if they could back out for any reason. Mr. Frohlich stated it could be for any reason or no reason at all. Mayor Tecklenburg said that he would recommend, since they had 120 days, that they proceed, but add that they get their own appraisal done of the property.

Ms. Carducci stated that the other changes in the contract allowed for the City to take the funds to build the road at any time. They could also, if after 4 years, the City hadn't started construction, the developer could require buy-back.

On the motion of Mayor Tecklenburg, seconded by Councilmember Waring, the Committee voted unanimously to authorize staff to proceed with the purchase, subject to the appraisal, and to have Councilmember White's input before the 120 days expires.

Consider the following annexations:

- i. *1144 Crull Drive (TMS #: 351-16-00-086) 0.28 acre, West Ashley (District 7). The property is owned by Middleton Family Partnership.*
- ii. *347 Swift Avenue (TMS #: 350-12-00-047) 0.34 acre, West Ashley (District 5). The property is owned by Lee B. Blackman and Mary R. Blackman.*

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

Report on potential transfer of 113 Calhoun Street

Mr. McQueeney asked if they would go into Executive Session to discuss contractual matters.

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to go into Executive Session at 4:20 p.m.

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to come out of Executive Session at 4:29 p.m.

Chairman Moody said they went into Executive Session to have an update on 113 Calhoun Street. The report was received and no action was taken.

Executive Session: Discussion relating to the City's purchase of real properties (primary residences) damaged during the storms and flooding that led to a Federal Emergency Management Agency (FEMA) Major Disaster Declaration in October 2015 and subsequent Grant Program Funding. Action may or may not be taken.

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to go into Executive Session at 4:30 p.m. to discuss the above item, as well as Archer School.

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee voted unanimously to come out of Executive Session at 4:48 p.m.

Chairman Moody stated there was discussion on two items, the properties that flooded in Shadowmoss, and the Archer School. No decisions had been made for Archer.

On the motion of Councilwoman Jackson, seconded by Councilmember Waring, the Committee voted unanimously to approve the purchase of the property at the appraised value, unless the people wanted to appeal the appraised value and get their own appraisal. They were authorizing staff to negotiate the rates, as discussed.

Having no further business, the Committee on Real Estate adjourned at 4:50 p.m.

Bethany Whitaker
Council Secretary