

## COMMITTEE ON REAL ESTATE

August 20, 2018

A meeting of the Committee on Real Estate was held this date beginning at 4:00 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 White, Councilmember Waring, Councilwoman Jackson, and Mayor Tecklenburg **Staff:** Chip McQueeney, Colleen Carducci, Susan Herdina, Christopher Morgan, Geona Shaw Johnson, and Bethany Whitaker, Council Secretary

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

### Approval of Minutes

On the motion of Councilmember White, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the July 17, 2018 meeting.

### REQUEST APPROVAL OF THE MEMORANDUM OF AGREEMENT BETWEEN THE CITY AND LOWCOUNTRY LOWLINE, ALSO KNOWN AS THE FRIENDS OF THE LOWCOUNTRY LOWLINE, WHEREBY THE PARTIES AGREE TO COOPERATE AND COLLABORATE TO IMPROVE, MANAGE, MAINTAIN, AND PROGRAM A PUBLICLY-ACCESSIBLE LINEAR PARK ON THE LOWLINE PROPERTY. THE PROPERTY IS OWNED BY THE CITY OF CHARLESTON.

Chip McQueeney stated that this was an agreement that would replace the 2017 MOA that they had entered into with the Friends of the Lowline. It fleshed everything out that was in the previous MOA and made things a little more definite and specific, but still protected the City as far as future appropriations or commitments to definite timeframes. It didn't include the parcel or any part of the parcel north of Mount Pleasant Street. It didn't include the affordable housing parcel. The agreement itself, was based on an amalgamation of a couple previous agreements between the City and the Charleston Parks Conservancy related to other parks in the area. The Friends of the Lowline had agreed to purchase the property for \$5.1 million in August 2017 and in October 2017, the City agreed to purchase it from them for \$2.55 million. In December 2017, both of the closings had occurred. The MOU would terminate 20 years from June 30<sup>th</sup>. They could get three 15-year extensions, but it was terminable at will by either party with 12 months' notice. It had language to protect the City's use of the property for drainage, stormwater, utilities, and emergency purposes. The parties agreed to develop a Master Plan, which had to be adopted by City Council. The target date for adoption was December 31<sup>st</sup>, 2020. Those were target dates, for planning purposes, and not binding. Appropriations would have to be approved by City Council and there was no commitment to a specific time frame or level of funding. Two years after the Master Plan was adopted, the parties would undertake initial improvements, which was to put in a permanent bike/ped path on the Lowline property. That was also a target date, not a commitment. The Friends of the Lowline were required to maintain liability insurance, they indemnify the City, and they were subject to environmental covenants. There was a limitation on the remedy against the City that

when it started, and they would be required to post a performance and payment bond in favor of the City or some other security acceptable to the City to make sure that the City could restore the easement area if something went wrong with the project. Temporary access would be provided, to the extent it interfered with the bike/ped path or access through there. The owner/developer would have to maintain liability insurance, had to indemnify the City to comply with environmental covenants. There were no damages remedied against the City.

Chairman Moody said he thought there had been a question as to whether they could use some of the extra lay-down area as parking. There was some objection from the City, but he didn't think that should be an objection from them. If they fixed everything and could use it for parking, as opposed to parking on both sides, he thought it would be fine. There was a question about venting the underground garage for the fumes that might accumulate and his understanding was that the venting would not be done in the Greenway; it would be done through the properties on either side. He read that the Greenway would be restored to exactly what it was. Mr. McQueeney said that was correct.

Councilmember White said he had met with some people about this. One of the concerns he had was specific to underground parking. It wasn't related just simply to this project, but they continued to allow for underground parking. He didn't understand the engineering behind it, however, he knew that when kids went to the beach and pushed a bucket into the water, water rose around it. It led him to believe that, he was fearful, at some point if they continued to allow underground parking, they would find that it was creating a worse flooding problem for them. He wasn't going to support this, but it wasn't only about this project. Until someone could convince him that that wouldn't be a problem, he couldn't support underground parking anymore. He had multiple conversations with developers who had done this and he kept getting the same answer of 'we've engineered it and figure it out'. He wasn't convinced.

Councilwoman Jackson asked if he was suggesting that they have a comprehensive engineering study projection that could look at it. She asked how they could even predict what underground parking would do. Councilmember White said he didn't know. They had done it only a few times. It kept coming back to the fact that he was getting emails from people that they needed to fix the flooding and that people who hadn't had problems with flooding ten years ago, were now having issues with it. People were asking what had changed and he didn't know what had changed, but he knew that when they started putting concrete under the ground, the water table had to be displaced somewhere. Water would find its own way. He didn't know what the answer was, but he wasn't willing to take on the risk of the community and add additional insult to injury when it came to flooding. He thought they would find that this caused more problems than they realized. He thought it would be good to have an independent third party, unrelated to any project, give them a firm understanding of how it worked and what happened.

Mayor Tecklenburg said this area had already approved a couple of underground parking areas. He asked if they could ask Justin to allow their project to be a 'test-case', and allow the City's engineers to follow every step, so that if they needed to make some future changes to what they were approving they could do that. Justin stated they would already be working with the City for TRC and Design, and they were happy to be as collaborative as they could be. He understood the general concerns about

that to him. The City would need an Ordinance as well, so it wouldn't be approved until the September meeting. He would put that in there. Chairman Moody stated that it seemed like, just because something wasn't in the City, it didn't mean they couldn't use it. It seemed like this should cover a much broader area. Mr. McQueeney stated that the City facilities were listed, that they could use. The CCSD facilities were that the City could use everything, unless it was listed. They didn't have any listed facility, to date. They could, on 90 days notice, take a facility off. Chairman Moody said that the operative word was 'within' the City. It should possibly say 'within the County'. Ms. Yarborough stated that they had some agreements that were already outstanding with St. Andrews Parks and Playgrounds, for several schools that were not in the City and they also had a separate agreement with the Town of Mount Pleasant for facilities in the County that were East of the Cooper. Except for the property that was just mentioned, there weren't many properties that weren't included. Chairman Moody asked if they needed to defer it and Mr. McQueeney stated that he thought the better way to proceed would be to amend it to clarify that all properties within Charleston County should be covered as well. He would negotiate what the wording would be. Councilmember Waring stated that the County was large and it may not need to be that large. Chairman Moody said that the agreement covered things in the City, but if there was a facility right outside the City, that was close, it may not. The wording may need to be put in there to include things around the City. Councilwoman Jackson stated that it could include unincorporated County, that was not already claimed by another municipality or jurisdiction. Councilmember Waring said that they could still share it with them. There were 14 acres at Gresham Meggett and it was under-utilized. The gym and recreation capability could be a great opportunity. Councilwoman Jackson said that that would be the unincorporated County.

On the motion of Councilmember White, seconded by Councilwoman Jackson, the Committee voted unanimously to approve the above item with the amendment to allow Council to the County and broaden the scope and use Gresham Meggett School as an example.

**REQUEST APPROVAL OF THE OPTION AGREEMENT WHEREBY HISTORIC MOTHER EMANUEL AMEC FOUNDATION MAY PURCHASE 113 CALHOUN STREET UPON EXPIRATION OF THE CURRENT LEASE WITH THE INTERNATIONAL AFRICAN AMERICAN MUSEUM AND THE PINCKNEY FOUNDATION (TMS: 458-01-01-086; 113 CALHOUN STREET). THE PROPERTY IS OWNED BY THE CITY OF CHARLESTON. [ORDINANCE]**

Mr. McQueeney stated that this was originally discussed to be a Lease Agreement subsequent to the current lease of 113 Calhoun Street by IAAM and the Pinckney Foundation. That current lease was schedule to terminate, assuming all extensions were exercised, in 2020. The Committee had talked about that and decided that an Option Agreement may be better, so this was an Option Agreement to give the Foundation the option to purchase the property upon termination, as extended to the IAAM Lease. The City could extend it, for instance, if the IAAM couldn't get a COO by a certain time. He had to pick a date, so he used December 31<sup>st</sup>, 2027 as a max date, which was much further out than they would need. Upon termination of the Lease, the Foundation would have the right to exercise the option, purchase the property, and use it to memorialize the Emanuel 9, as well as other historical events. He had tried to emphasize that it was historical events, related to the area. There was a reverter clause if it wasn't used for that purpose. It would revert back to the City. The price was \$100.

Ms. Carducci stated that they had originally started working on parts of these agreements in 2015 when SCE&G needed to install the larger overhead electrical lines. They had an easement in that location to do that which was granted to them in 1955 by City Council. In 1990, there was a plat done and a subsequent agreement for the parking lot at Grove and Rutledge. SCE&G allowed the City to use that lot and the adjacent dog park under that annual year-to-year lease. The City approved the agreement with the Charleston Parks Conservancy in 2015. They had Danny Kassis to answer questions. When they started looking at that agreement, they recognized that there was a section of SCE&G's property coming off of 12<sup>th</sup> Avenue and the City had been using that section of property for years. SCE&G had a transmission pole there and it was also the access to their substation that was on Grove Street and 12<sup>th</sup> Avenue. The horticultural facility was there. On the corner of Rutledge and Grove was the parking lot parcel, and the dog park. As the Charleston Parks Conservancy got into their design, and recognizing that Mary Murray closed a couple of times during the week for recreational purposes, they needed access to where they were planning on putting their parking lot, which was just south of the substation. In working with the National Parks and City Staff, they realized that they would take down the horse barn, and put up a new community center. In order to access the interior parking, when otherwise the road was closed, and because they would be having events in the building, they needed a permanent access easement out onto Grove Street. SCE&G agreed to provide that and they came up with a site plan that showed the expansion of their substation, if they needed to do that. The City would have a license for the dog park that they could terminate if they needed to for the expansion. The City would have a permanent access easement in between the dog park and the parking lot, that they were granting to the City and there was a ten-year lease for the parking lot lease to the City. There was also the need for stormwater and sewer connections to go out to 12<sup>th</sup> and Grove, so those easements were being granted as well by SCE&G across their property, to allow those connections to be made. The City would be granting, to SCE&G, instead of a 50-foot easement that ran through the park, a 70-foot easement. It would give them an additional 10 feet on either side to protect their lines. Along the western edge of the park, by the Citadel, outside of Mary Murray, there was a gas line. It wasn't shown in an easement document, so they were correcting that and adding that document that showed where the gas line was. There was one additional electrical easement that would be running in the same area as the gas easement, and that would be for future underground lines that would run in that area. They had worked with the Parks Department on the location for the electrical line and they had worked with the Charleston Parks Conservancy to get everything put together. They were requesting approval of all of the various easements and leases that were in the package.

Councilmember Waring asked if they had talked to Mr. Kassis about the underground wiring where the bridge came down. Ms. Carducci said that was the next item on the agenda. Councilmember Waring said that they were potentially going to lose 15 feet off of the front of Nassau Street. If the wiring went underground, the right-of-way wouldn't have to be 15 feet and they could possibly put more affordable units there. He asked if that could be a part of the deal. Ms. Carducci stated that Mr. Kassis had given them the cost and the timeline and in order for it to be done within the construction timeline, there needed to be a relocation of the overhead lines. It needed to be engineered for them to really understand it, but from where it existed on Lee Street down to Cooper, to underground that was about \$500,000. To engineer and construct it would take about 12 months. Mr. Kassis stated that the first

vertical on construction. He said that staff had met, but he didn't think it was every resolved. It was a State road, so they needed permitting and precision on how they did the construction and the period of time that was necessary. Mayor Tecklenburg said that they had a request they were bringing to T&T the next day. The State was willing to pay them for certain streets, to take them back over. He asked if this block of Nassau would be a good place to request and Mr. Kassis said it would alleviate one hurdle. It may not compress the schedule too much, but it would help. Mayor Tecklenburg asked if, understanding that he couldn't make a commitment about future funding for the undergrounding, they could let them off the hook for the \$25,000 for the relocation of the overhead line. Mr. Kassis said that would run him into an issue of discriminatory pursuit against others. He wanted the project to move forward, but he couldn't make that commitment. They needed a site, physically, for assets to serve the existing site. That might lead them to some other resolution, but they hadn't looked at that. They were delving into it. Mayor Tecklenburg said that they would ask in the name of their friendship, and for the purpose of affordable housing, that they looked at that with staff.

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

**Consider the following annexations:**

1. *1904 Woodland Road (TMS #: 355-10-00-004) 0.49 acre, West Ashley (District 2) The property is owned by Eric Vogt and Stephanie Gray.*
2. *1716 Houghton Drive (TMS #: 424-09-00-059) 0.34 acre, James Island (District 11) The property is owned by Terri Aiken.*
3. *324 Woodland Shores (TMS #: 343-11-00-116) 0.52 acre, James Island (District 11) The property is owned by Evan Diament.*

Chairman Moody said on Item 2, what RR-1 was. Councilmember Waring said it was rural residential. Chairman Moody asked what the hang-up was. Mr. Morgan said that it was a request that was mistaken by the applicant, because the other properties in the area were SR-1, so it would make sense that it be SR-1.

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

**Executive Session (Action may or may not be taken):**

1. *Archer School Due Diligence Update*
2. *Letter from Fredda Benfield Culbreth relating to a proposed development of the City's Beaufain/Archdale/Market parking lot parcel*

On the motion of Councilmember White, seconded by Councilmember Waring, the Committee went into Executive Session at 5:08 p.m.

On the motion of Councilmember White, seconded by Councilwoman Jackson, the Committee voted unanimously to come out of Executive Session at 5:36 p.m.