

## COMMITTEE ON REAL ESTATE

March 14, 2019

A meeting of the Committee on Real Estate was held this date beginning at 3:33 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, Councilwoman Jackson, Councilmember Waring and Mayor Tecklenburg **Also Present:** Frank Newham, Laurie Yarborough, Janie Borden, Susan Herdina, Frances Cantwell, Matt Frohlich, Rick Jerue, Ashley Anderson, Tracy McKee, Keith Benjamin, Amy Wharton, and Bethany Whitaker

The meeting was opened with a moment of silence provided by Councilmember White.

### Approval of Minutes

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Board voted unanimously to approve the minutes of the February 26, 2019 Real Estate Meeting.

**Request approval of the Memorandum of Understanding whereby the term of the City's leased space located in the MUSC Children's Hospital for police forensics is extended to May 31, 2020 in the amount of \$1,905.50 per month. The property is owned by The Medical University Hospital Authority (MUHA). (TMS: 460-15-01-043; 171 Ashley Avenue).**

Chairman Moody said this was just a repeat and they would keep doing this until the lab was done. Ms. Herdina said that was correct.

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

**Request approval of the Second Amendment to Lease Agreement whereby the term of the Lease for City Fire Station #20 is extended to December 31, 2021, with the option to renew for two additional terms of one year each. The property is owned by Hidden Cove Associates, Inc. The rent will be \$5,701.13 for the first year. (TMS: 271-00-01-084; 1006 Pinefield Drive).**

Councilmember White said this was #20 on Daniel Island. Ms. Herdina said that was correct. Councilmember White asked if they would break ground on the replacement by 2021. That wasn't a long period of time when it came to construction. Mr. Frohlich said there was the option to renew for two additional one year terms, so it could go to 2023. Ms. Anderson said that was at the request of the Fire Department. Councilmember White asked if they had closed on the other site yet. Ms. Cantwell said they had not closed on Enterprise Drive. They were in discussions with the developer. They would hopefully bring back a better package with a smaller purchase price and more definitive description about the road that would be built. The biggest hold-up was getting some reasonable assurances from the Highway Department that the warrants would justify the light. The developer was willing to pay for the light, but the Highway Department had been a little coy about it. There was a lot of people talking to them, so they

thought it would be resolved and then they would bring the package. Councilmember White said he had gotten a number of communications, particularly from the neighborhood, Beresford Hall. They had been wanting a light for a long time. Ms. Cantwell said that the DOT had warrants. There had to be certain numbers of cars per hour, wrecks, etc. If they hit those, it would warrant a light. The traffic studies that the developer had done, assuming what was there now and what was under contract, he hit either 2 out of 3 or 3 out of 4. Mr. Benjamin said he was in Columbia 2 weeks previous with the permit for SCDOT and they let him know that technically, District Offices were allowed to give conceptual design letters where they would cosign the conceptual design of any project and what their traffic patterns might be. It was at the digression of the District Office to release that letter, and they had requested that. They were waiting on the response. Councilmember White asked if they were comfortable that they would get a positive response back. Mr. Benjamin said the reason they went to Columbia was to put a little pressure on the District Office for it. They just had to wait for the letter.

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

**Request approval of Bus Stop License Agreement with the Charleston Area Regional Transportation Authority for CARTA Stop ID No. 567-201 President Street (TMS: 460-07-03-001; 201 President Street).**

Mr. Frohlich said this was a bus shelter at the intersection of Line and President Street near Harmon Field.

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

**Request approval of Bus Stop License Agreement with the Charleston Area Regional Transportation Authority for CARTA Stop ID No. 589 – Savannah Highway at Wappoo Road (TMS: 350-05-00-073; Savannah Highway at Wappoo Road).**

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

**Request approval of the First Amendment to Lease whereby the City is extending its Lease with 160 St. Phillips St., LLC to allow for the Leased Premises to be used as a construction laydown area for the installation of the shaft of the Calhoun West Drainage Project. The property is owned by 160 St. Phillips St., LLC. (TMS: 460-12-02-052, 460-12-02-054, 460-12-02-055, 460-12-02-056; 16 Morris Street, 158-160 St. Philip Street, 162 St. Philip Street and 164 St. Philip Street).**

Ms. Cantwell stated that the City owned the piece of property at the corner of Morris and St. Philip. They had bought it last summer as a shaft site for the Calhoun West Drainage Project. Mr. Newham could bring them up to speed on the depth of the search they had done across the Peninsula to try to find a site where they could put a shaft in the ground. There wasn't many because the Peninsula was so built out and it had to be in the right location for it to drain. That piece of property was where they would put the future shaft for the project. The lease before them, the parcel labeled subject was owned by the LLC, but it was Michael Britton's family. It had been under lease by the City since the 70's. They had a long-term lease and it was used for surface parking. It was a lease where they guaranteed a certain amount of money and gave them a percentage of the take after the City paid taxes and insurance. It wasn't a big money maker for either

party, but it was valuable because they needed parking in the area. The purpose of the First Amendment they were proposing was to get control of the property for a period of time, so that they could use it as a lay-down area in order to build the shaft. If they didn't have a lay-down area, she didn't know how they would build the shaft. This was an ideal location to let the contractor come in, lay-down, put the shaft in, and then get out. The City's lease expired this October and this First Amendment would give the City until August of 2021 under the lease, plus the ability to extend for four 6-month options if needed. This was a valuable piece of property. The owner's intention was to build a parking garage on the site and they were ready to go. So, as long as the City had control of the property, it would delay their ability to get started. Once the City stopped using the property for surface parking, or once the current lease expired in October, the price of the rental went to \$54,000 per month. Thereafter, it would increase by 2% per year. If the City stayed beyond the August 2021 date, there was a penalty provision written into the rent and it would go up to \$70,000 per month. They wanted to incentivize the City to get in and get out. They wanted to work with the City, but also didn't want to be at its mercy or the mercy of the market if the City wasn't performing. She had cleaned up some other things in the lease. It was an old lease and had indemnity provisions, which they couldn't do. The idea was that this would be a commitment of the City. They could back out before July 31<sup>st</sup> of this year and they would turn it back over to the owner in August rather than October. If the City went forward with the lease, they could still back out on a year's notice and the reason for that was that the owner needed a year to put construction drawings together and get the final BAR approval and be ready to turn dirt when the City vacated the property.

Chairman Moody asked who was using the parking right now. Ms. Cantwell said she thought it was rented monthly by individuals. The City controlled it. She didn't know who the renters were. Chairman Moody asked if BAR would allow a parking garage there. Ms. Cantwell said they had conceptual and preliminary approval. Councilmember Waring asked what the total cost of the lease was. Ms. Cantwell said it was \$54,000 per month for two years. They didn't have the appraisal, but the City had paid \$270 per foot at the corner piece. That set the bar a little higher and in order to secure the cooperation, they did the best they could. It was a 9% cap rate on the value of his property and the appraisal would be a year old this summer. So, when the City started paying the higher rent, it would be on last year's value. Councilmember Waring asked where the money was coming from and Ms. Wharton said it was coming from the TIF. Councilmember Waring asked what the boundary of the TIF was and how close it got to Septima Clark. Ms. Wharton said it goes up to Septima Clark. Mayor Tecklenburg said they had already allocated funds from that TIF district to the Spring/Fishburne project. Councilmember Waring asked if they were using drainage funds for Spring/Fishburne and Ms. Wharton said they were using both drainage funds and TIF funds.

Mr. Newham said he wanted to talk about the schedule and the need for this access shaft. This was the northern most portion of the project. The area around there flooded terribly, so they wanted to site an access shaft in that general location. They started looking at all of the possibilities for location. The tunnel would extend from the Coast Guard Station where the pump would be, all the way to Cannon Park and St. Philip/Morris to pick up the upper portion of the basin. They looked at 14 different properties in that area. This location was the most viable property in that area to put an access shaft in. The City owned the corner property which was about 2,600 square feet, and they were looking at having a lay-down area around the property to construct the access shaft. The shaft was important because the next one was at

Cannon Park. If they didn't have an access shaft up there, they would be tunneling the machine and burying it and it also could possibly lead to a safety issue where there was several thousand feet of tunnel with no exit. Design was underway right now and they were at 30% design on the shaft. They were pre-qualifying contractors and those statements would be in on April 8<sup>th</sup>. They hoped, if everything went according to plan, to start construction in October 2019. The probable start would be in December. There was a 16-month construction time, and they should end construction in March 2021. The lease ended in August of 2021, so they would be done before the lease was up. With the size of equipment they needed and to bring materials in and out, they would need a big lay-down area.

Councilmember White said they knew about the challenges with Spring/Fishburne and asked if they had identified funding for Calhoun West. Ms. Wharton said they had identified funding for the shaft, but not for the whole project. Councilmember White asked what the estimate on cost was. Mr. Newham said that the shaft construction was estimated around \$4 million. That was based on similar shafts they had built recently. Ms. Wharton said that was just for construction and didn't include engineering. Councilmember White said that the shaft wouldn't be tied to anything initially, so it would be a holding basin until the rest of the project was started. Mr. Newham said that was correct. Councilmember White said they had Phase Five of the Spring/Fishburne project in front of them which was \$15 million and not currently funded. But, they were getting ready to make commitments with this of almost \$6 million. He wondered if they were putting the cart before the horse. They would have the Ad-Hoc Committee shortly, and they needed to figure out if this is what they needed to do.

Councilwoman Jackson said that this was what they were earning their Council pay to do. They were hearing from the staff who had done all of the due diligence and it convinced her that they had looked at every site. If there was ever going to be a Calhoun West build-out, this was the best placeholder they could procure for themselves. The other element was where the rest of the money would come from to finish the Spring/Fishburne project. It was hard and delicate to balance the decision, but she would not want to see them turn away the best site and then have to pay more down the road. That would be a difficult explanation to make to the public. She wished they knew where the money to finish Phase Five was likely to come from, as that would help her feel more peaceful about committing to this in advance as a placeholder. Councilmember White said that was where he was going with this. The discussion at Ways and Means, they talked about Phase Four helping the drainage problem, but the pump house was what really made that project work the way it was supposed to. He agreed that the Peninsula was difficult to build on and they had to do what they needed to, but he felt they needed to finish one before they tried to start another. He wasn't saying that Calhoun West wasn't important, but they might need to come up with the solution for Spring/Fishburne and then come back to this. The Ad-Hoc Committee would be convening soon and he asked if the owner would be okay with waiting until they could convene that and figure out how they might solve the Phase Five problem. Ms. Cantwell said that the last conversation she had, the owner was curious and asked if the City was committed. She had given assurances that the City was behind the project, but the reason they had put the wording in the contract that they could walk away by July 31 with no penalty, was because they wanted to get a better grasp on what it would cost. That was different then what she was hearing here, which was where the money was coming from. She thought that the owner would get a little nervous if they kept dragging it out. Another meeting might be

okay. Councilmember White said they were committed to fixing drainage, but they needed to be mindful of how they paid for it.

Chairman Moody asked if the Dutch Dialogues or if the Corp of Engineers study would have any impact on the Calhoun West project as a whole. Mayor Tecklenburg said he believed it could. They were focused mostly on protection which included things like berms and walls, but the whole system had an outfall that was proposed to be at the Coast Guard Station. They had until July 31 to say they were or weren't moving forward. That was done intentionally because he knew about the conversation regarding priorities for projects and what had happened with Spring/Fishburne. He also didn't want to move forward with the lease if they weren't going to build the shaft. They would have the Ad-Hoc meeting soon, but he wasn't sure if they would resolved the issue in one meeting. They had made it known to the owner that this was dependent on engineering and funding and he thought they should move forward to give the owner some comfort. They could make up their mind on whether they were actually going to construct the shaft, or if the money needed to go towards something else.

Councilmember Waring asked if they had talked to Morris Street Church about the use of their property for the lay-down area. Mr. Newham said they looked at some property in that area. Councilmember Waring said they needed to brainstorm for a lay-down site. It would almost be better if they would build the parking garage and they could use the church's parking lot for a lay-down area and lease parking spaces for the church in the garage once built. There might be some properties right around the site that they could use, if they were to build the shaft. They had a little less than \$6 million in the 2012 Drainage Bond and about \$1.5 million in the TIF money. That was almost \$7.5 million that could go towards the spending priority that they knew about. They didn't have the money identified at all for Calhoun West. He thought there may be other potential lay-down areas besides this property which was very expensive. There were areas outside the Peninsula that would not have any money until 2023. If they committed to this type of spending, they should go back to their districts and be able to tell them that they didn't have any more money for projects. He had discussions with people and it wasn't going over well. Councilwoman Jackson said they had time, because the current lease didn't expire until October, to explore the other areas that could be possible lay-down areas. She wasn't saying that by committing to this opportunity for the lay-down site, that they would commit to the \$6 million for the building of the shaft. She didn't have enough information to commit to build the shaft. Councilmember Waring asked why they would lease the space if they weren't going to build the shaft. Councilwoman Jackson said because they needed the options to do that. Ms. Cantwell said if they approved this, they could walk away by July 31, but if they didn't walk away then they would have to give a year notice to walk away.

Mayor Tecklenburg said there was no need to lease the site if they were planning on building the shaft in the next two years. This lease was designed to give them flexibility until the end of July to make that decision. The owners had been wanting to get control of their property back for a long time, so as soon as the City knew it wouldn't build a shaft, he would be in favor of terminating the lease and giving it back to them. Chairman Moody said if they approved the lease that night, they could walk away by July 31 and immediately give them their property back. Councilmember Waring said he had a solution that might help both parties. If the City decided they weren't going to do this, instead of terminating the lease and giving it to them, they could buy the City out of the lease. Ms. Cantwell said if City Council decided not to extend

the lease, if they signed this amendment, the City would give it back on August 15<sup>th</sup>. That was part of the negotiating process. But, if they didn't do anything, the City would have it until October. Mayor Tecklenburg said that the way he understood it during conversations with Ms. Carducci was that but for this lease extension, the owner would rather get building. They didn't want to wait until September 30<sup>th</sup> to find out that the City would walk away.

Chairman Moody said the owner wanted to know where the City was going and he was caught between saying they were going to sign it and do the due diligence, knowing that they would be looking for something else. He would rather defer it or wait until the Ad Hoc meeting to see what they could do with Spring/Fishburne. Councilmember White said he agreed, just from a good business standpoint. They needed to make sure that if they agreed to this, they needed to be transparent to the other side. If they went forward with it that night, it gave the impression that everything was solved, and they had just proven that it wasn't all solved. They would have a little information in the next week. They didn't need to defer it for a long period of time, but he wouldn't feel comfortable going into this knowing that they weren't sure about it. That wasn't fair to the other side. Hopefully, the other party would appreciate asking for a few more weeks, because the City was having a lot of discussion. Councilwoman Jackson asked if there was a time of the essence. Ms. Cantwell said there was not. Whatever the Committee decided, she would go back and tell the owner. Councilwoman Jackson said that on that basis, she agreed with the sentiment to defer until they had more information. Mayor Tecklenburg said they had not been leading anyone astray. They asked for the July date because they made it clear that the project would have to be approved to extend the lease. As soon as they made the decision, they would let the owner know right away. He thought the way they crafted it, it would be fine to approve, so he would vote against a deferral.

Councilmember White asked Ms. Cantwell to relay to the owners that the deferral shouldn't be seen in a negative way, but as a positive. The City wanted to take a little more time to be diligent around the matter. Councilmember Waring said they should also consider alternative areas for the lay-down if they were going to build the shaft. Chairman Moody said he would like to have some idea by the first meeting in April what else could be a consideration. Mr. Newham said they had their engineer look at sites in the proximity. They had to look at the size of the site, how close they were to the location of the shaft, and what the challenges would be with moving material back and forth. They tried to exclude properties that weren't viable. They could go back and look at other properties. Chairman Moody said they needed to have more understanding on what the properties were that they looked at already and what the downsides were to them. Mayor Tecklenburg said they had been studying this for years as to where the best shaft site would be. After a lot of deliberation and trying other properties, they made the decision to buy this parcel for the shaft itself. It took some years to buy the property they had bought. In terms of the lay-down area, this area was clearly the most convenient because it was immediately adjacent to the shaft site. They had to have a crane right next to the shaft. If they came to the decision not to build the shaft, then they could look somewhere else. But, if they would build the shaft here, then this was the right place to have a lay-down area. He wouldn't propose spending a lot of time or effort right now looking for other lay-down areas until they decided if they were going to build a shaft or not. Councilmember Waring said he agreed and the fundamental question was whether they would build the shaft or not.

On the motion of Councilwoman Jackson, seconded by Councilmember Waring, the Committee voted to defer the above item no later than the first meeting in April. The vote was not unanimous. Mayor Tecklenburg voted nay.

**Request authorization for Mayor to execute an Easement Agreement, together with appropriate easement drawing, under which the City will grant a permanent easement to Flyway, LLC, at property designated as Charleston County TMS Nos. 458-09-02-068, to install, maintain, replace and repair certain personal property servicing the grantee's property. The property is owned by the City of Charleston. (TMS: 458-09-02-068; adjacent to City Parking Structure and to 5 Cumberland Street).**

Ms. Herdina stated this was a request for a permanent easement for Flyway, LLC. It was a father who was going into business with his sons. They were going to put a restaurant on the property. The easement was on the other side of the smokehouse restaurant behind it. The City had a License Agreement with the smokehouse, which allowed them to put their HVAC equipment and some other things there. They had now sold the property to Flyway, and Flyway wanted a permanent easement. This was on Faber Street, which was a brick street that led into the parking garage. In exchange for the easement, they would do some landscaping and brick the area. This would have to go through Design Review, and the City had certain rights to see what it would look like. Staff thought this was a good proposal and recommended approval. The prior owner owed the City \$500 for the License Agreement, and Flyway had paid the City that money.

Chairman Moody said that HVAC units tended to drain and create mold and fungus and asked if they had to keep it clean. Ms. Herdina said they had to keep the easement area clean and neat. Chairman Moody said that they could make a mess, and that wasn't a particularly pretty site anyway. He asked if it could go on top of the building to get it out of the area, so the whole area could be beautified. Ms. Herdina said the plan wasn't to put it on top of the building, but they would landscape it and put some new brick in. If the HVAC system caused water to be dripping onto the City's sidewalk, they could do something about that. They issued violations for businesses on King Street who damaged the sidewalk or released grease. They would have that capability for enforcement. She would talk to the attorney and the company about the concerns. The other problem was that there was a big trash bin there, and it was on the garages property. That area could definitely use improvement. Councilmember Waring said maybe whoever was designing their space, could give the City some suggestions on its space. Chairman Moody said if that was the City's garage, they should clean it up. Ms. Borden said she believed the dumpster was used by the smokehouse and the restaurants on Broad Street. They all had their grease containers around there. Ms. Herdina said maybe they could get it removed or try to screen it.

Councilmember Waring said before they made the decision, they should figure out how to go about cleaning that area and if it was a joint problem. They had a problem and they needed to know the solution. Mayor Tecklenburg said that as bad as it was, it was much worse 1-2 years ago. Mr. Riccio had spent a lot of time working with the property owners to improve it. He wasn't saying it couldn't be further improved, but he would recommend getting Mr. Riccio involved.

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

**Request approval of a Parking Lot Agreement between the City of Charleston and The United States Golf Association in the amount of \$5,000 for the rental and exclusive use of the Municipal Golf Course as a parking lot during the 2019 U.S. Women’s Open Championship. [Ordinance]**

Ms. Borden stated that this was an agreement that they were requesting approval of between the United States Golf Association and the City for the use of the Municipal Golf Course as a parking area for the 2019 U.S. Women’s Open Championship. There were two periods of use under this agreement. The first would be an exclusive use from May 27-June 2 during the actual tournament when they would be parking vehicles on the golf course. The second period was a non-exclusive use from May 20-June 14 to be used as a lay-down area for their equipment to prepare the course. They could use the golf course during the non-exclusive period. At the end of the period, they had agreed to return the property back to the City in substantially the same condition or better. If there was any damage to the property, they would be responsible for repairing it. They had agreed to offer the City \$5,000 for the use of the property for both the exclusive and the non-exclusive periods. The City and the USGA had walked the area and mapped it out.

Councilwoman Jackson asked if there was any analysis on revenue that would be lost in doing this. Chairman Moody said his understanding was something around \$50,000 for the week that the City would lose. That would be for that week. His understanding was that the \$50,000 loss was budgeted for, but his question was whether the citizens were okay with losing that money. Councilmember White said they were physically going to park cars on the golf course. Ms. Borden said that was correct. Councilmember White said he had played this course on a nice day and it was a mess. This would destroy the course. Ms. Borden said that they were hopeful that, if there was damage, they would restore it to better condition. Councilmember White said that with as much rain as they had, there was no place that was dry, even on a nice day. He asked how long they had anticipated the loss. Chairman Moody said they would use some space, but it wouldn’t shut down the course before and after the tournament. Councilmember White said it would probably be four weeks to fix the course. Chairman Moody said he had all these same questions. Councilmember White asked Ms. Yarborough if she was familiar with the course condition. Ms. Yarborough said she was familiar. She walked it with the USGA several months previous when they looked at this as a site plan. They weren’t parking all of their vehicles there. This would be parking for volunteers and media. They were also looking at other parking spots, so that if there was rain, they wouldn’t go to the golf course, because they didn’t want to spend the money to repair it. Councilmember White asked if they were comfortable with it. Ms. Yarborough said she understood it would shut it down, and they would return it back. She wasn’t sure what it would like after. Mr. Jerue said that the USGA and the Country Club would let them do a free outing at the Country Club in 2020 with the proceeds going to the Muni Renovation Project. That project would start in the fall, so it would be torn up anyway. But, the expectation was that the outing would get the City a significant amount of money to go towards that.

Mr. Benjamin said that most of the parking would be at the Citadel Mall for people visiting. They would also use the VA lot as a lay-down spot. So, the bulk of the parking wouldn’t be on the course. Chairman Moody said that the free use of the Country Club, they might, at best, get \$25,000. Frank Ford said it depended on how hard the City worked. Chairman Moody said he appreciated that, but it would take a



lot of work. Councilwoman Jackson asked why all the numbers were on the fairways and those numbers were scary. It sounded like a major location for parking. Councilmember White said if this was an option, people would go there. Mr. Jerue said it wouldn't be an option for the public. The reason this was attractive was that the Championship would bring in millions of dollars to the City. They thought it made sense because it was easier for security to control traffic from this location to the Country Club and vice versa. Councilmember Waring asked who negotiated the \$5,000 price. Mr. Jerue said there were a lot of people involved. That was what the USGA agreed to. Councilmember Waring said that the downside was that if they didn't agree on the determination of turning it back to how it was or better there would be litigation. Councilwoman Jackson said it was subjective.

Chairman Moody said they would redo the whole course in the late fall. Ms. Yarborough said it depended on the private fundraising, but that was what they were working towards. Chairman Moody said that if they did damage, they would fix it back up, and then the City was going to tear it back up again. He asked how long it would take them to fix and how long it would be down after the turn-out. Ms. Yarborough said she couldn't answer that until they saw if they had damage. That was the time of year that they also killed the rye and brought the Bermuda back in and also would aerate. They were going to plan the entire spring-summer crossover around the event. Councilmember White asked if the Country Club would let cars park on their fairway. Mr. Ford said they would in certain situations. It was stated that parking at the Muni Course would make it a lot easier to manage traffic, and the original plan was for the renovation to start at the end of the Championship. This was not an ask. It was offered, because they had been working with the City. The plan for renovation had been moved back, so there was a gap. USGA said this was not exactly what they were looking at because they didn't want to tear up the course. They were in the business of making the game of golf better, so they didn't want to leave behind a mess. The new plan was to give them an opportunity to park there, and the USGA would make the decision on the parkability of the course. He understood the concerns, but they needed to look at all of it. He was confident that the USGA would make a good decision and wouldn't tear up the course. They would love to use it, if the City saw fit to allow them. Councilmember White said he wasn't sure how many days that the course had been cart-path only in the last eight months, but he suspected it was a lot. They had a good course, but it wasn't at the caliber of the Country Club. The money loss was important, but he feared that even if they tried hard to protect the course, it would still be damaged. They allocated for a certain amount of loss, but that was only associated with one week, not 2-4 for repairs. He wasn't saying that the USGA wouldn't do a good job at trying to take care of it. Mr. Ford said that in the management of parking, USGA used professional services. They would do it right, if allowed.

Councilmember Waring asked when they discussed this in the budgeting process, that they would lose \$50,000 from this. Chairman Moody said he didn't think it was discussed. They presented the budget. Councilmember Waring said that was part of the rationale they could use to make the decision. They could have known about it in the budgeting process months ago. Mr. Frohlich said they budgeted for what they knew for sure, not for the repairs which would be an estimate. Councilmember Waring asked how the City was protected if they got in a dispute over the course afterwards. Ms. Borden said that they were responsible to restore the property to the same or better condition. The Recreation Department would photograph the areas where they would park vehicles, so there would be baseline of what the property

looked like before use. Mayor Tecklenburg asked if the City had the right in the lease to say it couldn't be parked on. Ms. Borden said she didn't think so. However, she didn't think they would have an issue with adding that in. Councilmember Waring said he wouldn't be voting for it. He thought that it was too much of a risk for the City. Chairman Moody said that they had an asset, and they needed to protect it. He was excited for the Championship coming to the City, but to risk a jewel of the City was not a good idea. The USGA was looking at other places, but the City set it up. Mayor Tecklenburg said he would vote for the motion. They needed to show support for the Championship and provide exposure. They were reasonable and fair-minded and if the conditions would hurt the course, they could come to the mutual decision to not park there. Councilwoman Jackson said she would reluctantly vote for it, as well. She knew the course needed a lot of work and she trusted the expertise of the USGA. She was taking part on the Friends of the Muni fundraising campaign. \$25,000 was probably accurate, but there was a large number of donors who thought that playing at the Country Club would be icing on the cake and she wouldn't want to jeopardize that opportunity. Councilmember Waring said there had been a number of tournaments and competitions come to the City and he had never seen them park on the golf courses. Transparency had not been great in this process. Had they known this months ago, this application wouldn't be here. Mayor Tecklenburg said this matter had come before the Golf Commission. He had been working on raising money for the renovation and they had commitments already for hundreds of thousands of dollars. Chairman Moody said he was under the impression that construction was going to be right after this, which would have made sense. But, when he found out it wouldn't be starting until the Fall, the question came about the revenue stream and repairs.

On the motion of Councilwoman Jackson, seconded by Councilmember Waring, the Committee considered approval of the above item with an amendment for the City to have a right of refusal. The motion failed. Councilwoman Jackson and Mayor Tecklenburg voted in favor.

Having no further business, the Committee adjourned at 4:56 p.m.

Bethany Whitaker  
Council Secretary