

**ORDINANCE**

AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO THE PAYMENTS IN LIEU OF TAX AGREEMENT BY AND BETWEEN CHARLESTON COUNTY, SOUTH CAROLINA, FERRY WHARF COTTAGES, LLC, FERRY WHARF IV, LLC, AND PATRIOTS ANNEX, LLC, TO PROVIDE FOR ADDITIONAL PROPERTY TO BE SUBJECT THERETO; AND OTHER MATTERS

WHEREAS, Patriots Point Development Authority (hereinafter, the “PPDA”) is the owner of (i) certain real property located at Patriot’s Point in the Town of Mt. Pleasant, County of Charleston, State of South Carolina, designated by TMS No. 517-00-00-107, also known as Parcel A-1 and described in the PILOT Agreement defined below and attached as Exhibit B to the Second Amendment (being hereinafter referred to as “Parcel A-1”); (ii) certain real property located at Patriot’s Point in the Town of Mt. Pleasant, County of Charleston, State of South Carolina, designated by TMS No. 517-00-00-118, also known as Parcel E and described in the PILOT Agreement defined below and attached as Exhibit B to the Second Amendment (being hereinafter referred to as “Parcel E”); and (iii) certain real property located at Patriot’s Point in the Town of Mt. Pleasant, County of Charleston, State of South Carolina, designated as a portion of the parcel identified as TMS# 517-00-00-001, also known as Parcel 1 and described in Exhibit A to the Second Amendment, as hereinafter defined (being hereinafter referred to as “Parcel 1”); and

WHEREAS, the development on the Patriot’s Point parcels consists of a combination of hotel, office, retail and related uses; and

WHEREAS, Annex is currently tenant under that certain Amended and Restated Master Lease Agreement dated December 19, 2016 (said Lease Agreement, as amended, being hereinafter referred to as the “Parcel 1 Lease”) whereby the PPDA leases to Annex and Annex leases from the PPDA Parcel 1; and

WHEREAS, Ferry Wharf Cottages, LLC, a South Carolina limited liability company (“FW Cottages”), as assignee, and Charleston County, South Carolina (the “County”) are parties to that certain “Agreement,” as amended by that certain First Amendment to PILOT Agreement dated as of January 10, 2017, which added Ferry Wharf IV, LLC (“FW IV”) as party to the PILOT Agreement and made Parcel E, improvements made by FW IV thereon and related personal property of FW IV subject to the PILOT Agreement (the “First Amendment”) (as further amended, restated, supplemented and assigned from time to time, hereinafter, the “PILOT Agreement,” a copy of which agreement, together with the First Amendment, is attached to the Second Amendment as Exhibit B), with respect to (i) Parcel A-1, which Parcel A-1 is owned by the PPDA and leased to FW Cottages, as assignee, under that certain Lease Agreement dated July 2, 1996 (as assigned and amended, the “Parcel A-1 Lease”); and (ii) Parcel E, which Parcel E is owned by PPDA and leased to FW IV, as assignee, under that certain Lease Agreement dated January 1, 1998 (as assigned and amended, the “Parcel E Lease”); and

WHEREAS, by the County's Ordinance No. 1075, enacted October 20, 1998, the County authorized the execution and delivery of the PILOT Agreement; and

WHEREAS, by the County's Ordinance No. [\_\_\_\_], enacted January 10, 2017, the County authorized the execution and delivery of the First Amendment; and

WHEREAS, the PILOT Agreement provides, among other things, that: (A) the County would provide all customary County public services to FW Cottages and FW IV, as the tenant and occupant of the applicable parcels, at a level and in a manner that is consistent with other similarly situated developed areas adjacent to the PPDA property; and (B) despite the County's agreement to provide such services: (i) the County would not collect any ad valorem real property taxes for the applicable parcels for the years preceding the date of the PILOT Agreement, and (ii) in lieu of collecting ad valorem real property taxes on the applicable parcels for the year in which the PILOT Agreement was executed and the remaining years of the term of the Parcel A-1 Lease or the Parcel E Lease, as applicable, the tenant under the applicable lease would make an annual PILOT Payment, as defined and to be calculated as specifically set forth in the PILOT Agreement; and

WHEREAS, the First Amendment provides that additional parcels of land owned by PPDA may be added to the PILOT Agreement, and may become subject to the rights and obligations of the PILOT Agreement upon notice to and consent of the County; and

WHEREAS, the County, FW Cottages, FW IV and Annex agree that the PILOT Agreement and this Amendment do not in any manner limit the County's ability to impose any fees, assessments, licenses and taxes other than ad valorem real property taxes; and

WHEREAS, the County, FW Cottages, FW IV and Annex now desire to amend the PILOT Agreement to add Annex as a party thereto and to make Parcel 1, improvements made by Annex thereon and related personal property of Annex subject to the PILOT Agreement.

NOW THEREFORE, BE IT ORDAINED, by the County Council:

**Section 1. Authorization to Execute and Deliver Second Amendment to PILOT Agreement.** The Chair of County Council, or in the Chair's absence, the Vice-Chair, is authorized and directed to execute and deliver, and the Clerk to County Council is authorized and directed to attest the same, an amendment to the PILOT Agreement (the "*Second Amendment*"), which Second Amendment adds Annex as a party thereto and makes Parcel 1, improvements made by Annex thereon and related personal property of Annex subject to the PILOT Agreement. The Second Amendment is attached to this Ordinance as Exhibit A in substantially final form, with such changes as may be required or deemed appropriate by the Chair, or Vice-Chair in the Chair's absence, with the advice of counsel.

**Section 2. Further Acts.** The Chair, or the Vice-Chair in the Chair's absence, and the Clerk to County Council are authorized to execute and deliver such other closing and related instruments, documents, certificates and other papers as are necessary to effect the intent and delivery of the Second Amendment.

**Section 3. General Repealer.** The County Council repeals any part of any ordinance or resolution that conflicts with any part of this Ordinance.

**Section 4. Severability.** Should any part, provision, or term of this Ordinance be deemed unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such finding or determination shall not affect the rest and remainder of the Ordinance or any part, provision or term thereof, all of which is deemed separable.

This Ordinance takes effect and is in full force only after the County Council has approved it following three readings and a public hearing.

APPROVED, as of this 10th day of December, 2019.

CHARLESTON COUNTY, SOUTH CAROLINA

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J. Elliott Summey, Chair of County Council

ATTEST:

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Kristen Salisbury, Clerk to County Council

READINGS:

First Reading: November 12, 2019  
Second Reading: November 21, 2019  
Public Hearing: December 10, 2019  
Third Reading: December 10, 2019

## **EXHIBIT A**

### **SECOND AMENDMENT TO THE PILOT AGREEMENT**

#### **PATRIOTS ANNEX**

#### **MOUNT PLEASANT, SOUTH CAROLINA**

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### **I. GENERAL DESCRIPTION OF THE PROPOSED PROJECT**

#### **A. Introduction**

The Patriots Annex development is approximately 30.32 acres of land (all highground) leased by Patriots Annex, LLC from the Patriots Point Development Authority (PPDA). Patriots Annex, LLC intends to construct a mixed use development on the property. The development is located on a portion of TMS No. 517-00-00-001 (refer to the Tax Map and Parcel Map included in Appendix Nos. 1 and 2 respectively) west of the Yorktown ship and east of Patriots Point Road.

There will be 4 access points to the mixed use development from Patriots Point Road. The site will contain a combination of parking garages, surface parking spaces, and on street parallel parking spaces as shown on the Conceptual Plan included as Appendix No. 4. The development will contain a mix of uses that may include office, retail, restaurant, hotel, conference, amphitheater, museums, and public plazas. Along the harbor side of the development will be a waterfront path or boardwalk. This path or boardwalk will connect to those on adjacent parcels as they develop with the ultimate goal of a waterfront path system throughout Patriots Point. As shown on the attached Conceptual Plan, the site will contain a network of roads and plazas for ease of navigating the development for pedestrians and vehicles. Detailed plans for this infrastructure network area will be finalized as the project progresses through the Design Review Board Process for the master plan.

The development is located within the Zones VE 15, AE 12, and Flood Zone X; the buildings' FFE will be elevated at least 1 ft above the base flood elevation. The buildings and site plans will be submitted through the Town's Design Review Board (DRB) process. As such, revisions to the infrastructure, building locations, and uses shown on the Conceptual Plan are anticipated as it progresses through the process, which revisions may be approved by DRB (without amending this Development Impact Assessment) so long as the revised plans do not exceed the A.M. and P.M. peak period trip generation limits defined in the traffic study and satisfy the mixing requirements under the WG-C zoning. For avoidance of doubt, the attached Conceptual Plan is not intended as, and shall not be deemed to be, a zoning map that requires the approval of Town Council to revise as part of the DRB process.





PATRIOTS ANNEX

| GROUP              | USE              | SQ FOOTAGE | SPACES | ROOMS   | TOTAL   | %    |
|--------------------|------------------|------------|--------|---------|---------|------|
| GROUP 1            | RESTAURANT       |            |        |         |         |      |
|                    | RESTAURANT 1     | 18,000     |        |         | 18,000  |      |
|                    | TOTAL RESTAURANT |            |        |         | 18,000  | 2%   |
|                    | CONFERENCE       |            |        |         |         |      |
|                    | CONFERENCE       | 90,000     |        |         | 90,000  |      |
|                    | TOTAL CONFERENCE |            |        |         | 90,000  | 9%   |
|                    | EVENT            |            |        |         |         |      |
|                    | MUSEUM           | 20,000     |        |         | 20,000  |      |
|                    | TOTAL EVENT      |            |        |         | 20,000  | 2%   |
|                    | AMPHITHEATER     |            |        |         |         |      |
| AMPHITHEATER       | 70,567           |            |        | 70,567  |         |      |
| TOTAL AMPHITHEATER |                  |            |        | 70,567  | 7%      |      |
|                    |                  |            |        |         |         | 21%  |
| GROUP 2            | RETAIL           |            |        |         |         |      |
|                    | RETAIL 1         | 60,000     |        |         | 60,000  |      |
|                    | TOTAL RETAIL     |            |        |         | 60,000  | 6%   |
|                    |                  |            |        |         |         | 6%   |
| GROUP 3            | HOTEL            |            |        |         |         |      |
|                    | HOTEL 1          | 212,500    |        | 250     | 212,500 |      |
|                    | HOTEL 2          | 212,500    |        | 250     | 212,500 |      |
|                    | TOTAL HOTEL      |            |        |         | 425,000 | 44%  |
|                    | OFFICE           |            |        |         |         |      |
|                    | OFFICE 1         | 170,000    |        |         | 170,000 |      |
| TOTAL OFFICE       |                  |            |        | 170,000 | 18%     |      |
|                    |                  |            |        |         |         | 62%  |
| Group 4            | APARTMENTS       |            |        |         |         |      |
|                    | APARTMENT        | 110,500    |        | 130     | 110,500 |      |
|                    | TOTAL APARTMENTS |            |        |         | 110,500 | 11%  |
|                    |                  |            |        |         |         | 11%  |
|                    |                  |            |        |         |         |      |
|                    |                  |            |        |         |         |      |
|                    | SUB TOTAL        |            |        |         | 964,067 | 100% |