

Aiken City Council MinutesOctober 28, 2019WORK SESSION

Present: Mayor Osbon, Councilmembers Dewar, Diggs, Girardeau, Gregory, Price, and Woltz.

Others Present: Stuart Bedenbaugh, Gary Smith, Sara Ridout, Kim Abney, Mike Przybylowicz, Tim O'Briant, Ryan Bland, Angela Hales, Charles Barranco, Ryan Bland, Colin Demarest of the Aiken Standard, and 19 citizens.

CALL TO ORDER

Mayor Osbon called the work session of October 28, 2019, to order at 5:02P.M. He stated there was one item on the agenda for the work session – Hotel Aiken.

HOTEL AIKENRichland Avenue W

City Manager Stuart Bedenbaugh stated there have been some discussions with the Shahs, and about six weeks ago, at the last meeting with them, they were invited to come to a future worksession to give Council an update. It is a highly anticipated project in the City, and it has been a subject of great interest for the residents and Council. He stated that Mr. Neel Shah and several others were present to update City Council on this project in the center of our downtown.

Mr. Neel Shah, with Hotel Aiken, stated they are moving along quite well. It is a very slow process, but things are progressing. They have been keeping the City and the Chamber of Commerce updated on the progress. They have selected a general contractor for the job. Mr. Shah introduced Project Manager Rick Alexander, of M.B. Kahn. They have the 30% drawings in process to be submitted to Marriott in the near future. They do not have a kick-off construction date yet because there is a lot of exploration that has been happening. He stated that Mr. Alexander will discuss that. They have been engaged with the project for about three months and working really hard. He stated there has been a lot of activity that people do not see because it is behind the scenes. He said a readaptive project is a lot more challenging than building a new hotel. Mr. Bedenbaugh asked Mr. Shah to explain the 30% plan process and what that means in terms of moving along to issuing a notice to proceed with a contractor. Mr. Shah stated the Marriott likes to review the 30% drawings, 60% drawings, and 90% drawings. It is usually the first 30% that Marriott looks at and questions. There have been a lot of revisions to the drawings that have delayed the project, which is natural when you have an existing hotel. A lot is engineering related. The 30% is the most critical aspect and when they move to 60% and 90% that is when the Marriott says the plans are in great shape and to continue.

Mr. Rick Alexander, of M.B. Kahn, stated there is a lot of activity happening, including the relocation of a transformer that is currently serving businesses downtown. Trying to coordinate that has been an exercise. They have gone through many exploratory efforts to define what the existing building is and how to deal with it. They met and reviewed the preliminary shoring drawings to plan how they will protect the hotel and its neighbors to make sure there is no building crack or something unplanned happen. He stated the 30% drawings is where the program is set and the brand is going to look at what the architects have envisioned to confirm that it complies with brand standards. Once they are past 30%, the next iteration of drawings will go a little faster. He stated he is in the background to get the stage set so when the permit and notice to proceed is issued they will be ready to work.

Councilwoman Gail Diggs asked what happens if the Marriott deal does not go through. What is the backup plan. Mr. Shah asked her to clarify her question. Councilwoman Diggs stated they are at 30% now, and they have to see if it meets brand standards. Mr. Shah stated they may come back and tell them they do not like part of the design. They

have a Marriott license to design and develop a Courtyard by Marriott. They have approved the concept of what they presented earlier. He stated this is more in relation to the initial design content that was presented to see if there are any more questions. Mr. Alexander stated it is a matter of them looking at it and making sure it complies with the brand standard. It is not a catastrophic instance of whether the deal will go through or not, but a matter of guiding the design to make sure it is in compliance with the brand. Councilwoman Diggs asked if there would be a hotel by 2021. Councilman Ed Woltz stated that was his question as well. Mr. Alexander stated it is too early to give an honest answer. Councilman Woltz asked what was the goal. Mr. Alexander stated getting to the drawings to see what they are looking at and once he sees the drawings as a whole package, other than just the concept, then he can start putting a schedule together. In terms of duration, it will be about 18 months on the historic piece. He said at this point he could not say give a start date.

Councilwoman Lessie Price stated there were some items she did not understand. She asked Mr. Shah if they acquired M.B. Kahn three months ago. Mr. Shah stated yes. She asked how long the architectural team has been on board. Mr. Shah stated about two years. Councilwoman Price asked if what they have in a design plan needs any refinement or changes at all for now. Mr. Shah stated he doesn't think so, but Marriott can come back and tell them to make a change. He stated if she is asking if they will give a complete design direction, then the answer is not something that will probably happen. He stated this is the normal protocol when drawings are submitted to Marriott. He said they are finally at a stage where they can submit the drawings. They would have submitted them six months ago, but at that time they made more changes. They have since stopped making changes to the drawings. Councilwoman Price asked if the motel is in the plans to be removed. Mr. Shah stated it is under lease at this time, and they have not made a decision of further notice of what they are doing. He stated they own the premises, but they do not run the motel. It has been leased out for the last three years.

Councilwoman Andrea Gregory stated that then the motel area is not part of the concept plan for the whole hotel. Mr. Shah stated no, it is not. Councilwoman Gregory asked what Mr. Shah envisions to be the length of this project as an investor. Mr. Shah stated once they kick it off the ground, it will take 18 months. He does not want to give a timeline because they could run into another issue. Councilwoman Gregory asked for a potential start date. Mr. Shah stated it is hard to estimate now. He stated that Mr. Alexander will continue to be in town. As Mr. Alexander stated, they have to be careful about how to bound against Aiken Antique Mall and make sure that any building that it affects, that everything is found and done. He stated they are working with the City on Bee Lane and making sure everything is done. There is something new every day.

Councilman Dick Dewar asked what the time period is between the 30% and 90%. Mr. Alexander stated about six months. Councilman Dewar asked what the actual plan is as far as rooms and rooftop bar, etc. Mr. Shah stated there would be 85 rooms, and there is not a rooftop bar. There is a speak easy bar in the basement. Councilman Dewar asked Mr. Shah if he could address parking. Mr. Shah stated there will be parking in front of the motel, and they will use the city-wide parking as well. Councilwoman Price asked where the city-wide parking is located. Mr. Bedenbaugh stated he is referring to free parking downtown. Mr. Bedenbaugh stated the City has been in discussions with Mr. Shah and SCDOT as they would want to have a 'bump out' where you pull in right by the main entrance to the hotel to unload luggage and go inside and check in. They have been working with SCDOT about that, and the discussions have gone pretty well. He stated the big issue SCDOT mentioned is if the bump out is allowed, the City would take over the half block of sidewalk from Bee Lane, back to the west, to Laurens Street. He stated those discussions are very preliminary, and they do not know how it will be configured so it has not come to Council yet for consideration.

Councilwoman Price asked if the building was fully gutted. Mr. Shah said the building is gutted. She told Mr. Alexander that M.B. Kahn has an incredible reputation. She asked him, if as far as he knows, is this structurally sound, or if it is still under evaluation. Mr. Alexander stated they are still evaluating because there are some fire rating issues they need to work through. That is not unexpected in a building that old.

Councilman Woltz asked how many parking places they would need between employees and guests. Mr. Shah stated there are 85 rooms, but he does not know the answer to that. Councilman Woltz stated they will probably need 250 parking spaces. Mr. Shah stated he doesn't know where 250 would come from, but normally you do not have that amount of parking unless you have a conference center/big banquet facility.

Councilwoman Diggs asked what the capacity would be for the speak easy bar. Mr. Shah stated it is about a 1,500 square foot room. Councilman Diggs asked what the hours of operation would be. Mr. Shah stated he did not know but he feels it will be late night hours. There will be a bistro in the hotel which will serve breakfast and dinner and sometimes lunch.

Councilwoman Price stated all of this is good news. She stated they will have to work out the parking problems. Parking problems are a good thing to have. She stated the only question she has is how long because they have been waiting for a number of years. She knows Mr. Shah cannot tell them how long it will take because the building is still being assessed. Mr. Shah stated he did not want to give a timeline. They are at a stage right now where they can break ground pretty quickly. They are hoping there will not be anything that will prevent that. Everything is pretty streamlined. Councilwoman Price asked if there is something the City could have done to accelerate this project. Mr. Shah stated it is just a slow process in general. He stated when doing a project like this, it is not doing it from the ground up. It is an adaptive reuse. It is a lot of work. They did the gutting on their own, and these things take time. Mr. Alexander stated he wanted to be clear on the statement about gutting the building. He stated the building has been demolished to a certain point, but has not been completely gutted because there are certain historical elements that they want to maintain.

Councilwoman Gregory stated the City receives a lot of feedback from the community. A lot of the questions Council is asking is because they have to relay this to the community. She stated she appreciates the investment and the fact that Mr. Shah is pursuing this. She is excited that it is going to be a Marriott Courtyard and have that branding. It will be unique to Aiken, through the adaptive reuse. She stated the time frame is an issue. It has been a long time. She stated another issue is the façade. The façade of the building is something she hears about daily. She asked if Mr. Shah could address the façade and the safety of it and the building itself.

Mr. Alexander stated the façade will need to stay significantly as it is to maintain the historical aspect of it. There are cracks in the plaster, but overall, when he took pictures of the building, he was fairly impressed with the shape of the building. It is in pretty good shape, but there are some things that would be anticipated. There is some trimming up and cleaning up that needs to be done. He stated there are some historical elements in the façade now that in history have been closed up, such as some of the windows at ground level. They hope to reopen those windows. He does not know if that is part of the design or not, but that is something he feels, having done historical work, would be good to put back. He stated on the courtyard side most of that will be covered up with the new building so it will not be seen. They are trying to build that new part in the courtyard in such a way that respects the neighbors, the product, and the building itself. They have to tie the buildings together in such a way so they look like they grew there. He wants the new building to have the same character as the historic building, otherwise it doesn't look like it belongs.

Councilwoman Gregory asked if there were any concerns on safety between now and when the project is started. Mr. Shah stated that Mr. Alexander and M.B. Kahn are working very diligently with Mike Jordan and the fire inspectors to make sure that there is not going to be any harm to the public.

Mr. Alexander stated several weeks ago when they met, they presented their initial logistics plan of what their initial ask would be. They went through a list of parameters to make sure the downtown as a whole remains functional. They still have more meetings with the City. He said there are a lot of challenges.

Councilwoman Diggs stated since Mr. Shah is the owner of the motel, once the hotel is finished, does he intend to keep the motel or tear it down. Mr. Shah stated they have not made a decision yet. Councilwoman Price stated the hotel is a central anchor for the downtown area. The public has been patiently waiting to see what is going to happen to this historic showpiece. They look at the motel and wonder how it will contrast with this showpiece that M.B. Kahn is going to display as a Marriott in our community next to the motel, if it remains as is. She stated as they look at making changes and improving the downtown area, the question is what is going to happen to the rest of the corner. She thought initially it was going to be torn down and part of the larger scheme of the hotel. Mr. Shah stated they have not met a full decision yet.

Councilman Dewar asked the Planning Director if this project has to go through the Design Review Board and the Planning Commission. Planning Director Ryan Bland stated just the Design Review Board. Councilman Dewar asked if they would lay on parking requirements. Typically when Council gets a building, there is a manual that states what type of parking is needed. Mr. Bland stated parking places are tied to zoning, and Downtown Business is exempt. There are no parking requirements for any business in the downtown. Mayor Osbon stated Marriott does. Mr. Bland stated depending on corporation, sometimes there are requirements. Councilman Dewar stated there is not a lot of flexibility for designated parking spots. He asked how many Marriott requires. Mr. Shah stated he did not know.

Councilman Woltz stated Mr. Shah has a lot of time and money tied up in this project, and it sounds like it will be another three years before there is a hotel. He asked if they can expect the entire corner to stay as it is for another three years and nothing happen to it. He stated he was speaking of the corner at Richland Avenue and Newberry Street as well as Laurens Street. He pointed out Mr. Shah has one block tied up. He said he was wondering what was going to happen to the area.

Mr. Shah stated they are working with people trying to rent out the corner. He feels they have already improved the asset. There is a nicer restaurant on the corner of the motel. They have tried to improve the façade. He stated they are working really hard. Councilman Woltz stated he wanted to know if there was a grand master plan. He stated he cannot see how a nice new courtyard will work with the motel. He said he would not want to check into a nice place, if that other place was next door. He stated Mr. Shah will need to answer those questions at some point. He told Mr. Shah to let Council know when they pass the 60% point and are making progress so they can pass this on to the constituents. Mr. Shah stated he is working diligently, and they have meetings with the City to keep people informed. They are not trying to hide anything. Council agreed that this was the first they have heard of any progress. Mr. Shah stated he appreciates the support Council has given him. Councilwoman Diggs stated the last few phone calls she has received since the Aiken Standard put the notice in the paper regarding the update for the hotel was from people saying they could not wait to hear what was happening and they are waiting for a call back. Mr. Shah stated the project is happening, and they keep working at it and are doing the best they can as fast as possible.

There was a question asked as to what company was used to gut the inside of the building. It was stated that B&B Commercial did the work.

Mayor Osbon asked Mr. Alexander regarding the exterior of the existing building, if there were any plans to start the process of cleaning the front exterior of the building and cleaning it up. He stated he felt that is something they can do to show good will to the neighbors. Councilman Woltz asked if the trailer belonged to Mr. Shah and if it was going to stay there for the next four years. Mr. Shah stated it was his and he doubted it would stay that long.

Mayor Osbon thanked Mr. Shah and his group for the update.

#### EXECUTIVE SESSION

Mayor Osbon stated Council needs to go into executive session pursuant to Section 30-4-70(a)(2) to discuss negotiations incident to proposed contractual arrangements and

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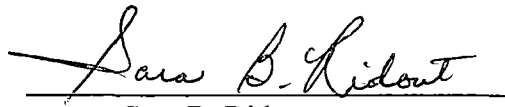
proposed sale or purchase of real property and to receive legal advice where the legal advice relates to a pending, threatened, or potential claim or other matters covered by the attorney-client privilege, settlement of legal claims, or the position of the public agency in other adversary situations involving the assertion against the agency of a claim. Specifically, City Council will discuss a possible contractual arrangement with the Aiken Steeplechase Association and the proposed sale of real estate owned by the City of Aiken.

Councilman Dewar moved, seconded by Councilwoman Price, that Council go into executive session to discuss the items noted by Mayor Osbon. The motion was unanimously approved.

Council went into executive session at 5:40 p.m.

After discussion Councilman Dewar moved, seconded by Councilwoman Diggs, that Council come out of executive session to hold the regular Council meeting session.

The work session ended at 6:50 p.m.

  
Sara B. Ridout  
City Clerk