

Aiken City Council MinutesWORK SESSIONAugust 29, 2005

Present: Mayor Cavanaugh, Councilmembers Clyburn, Cuning, Price, Smith, Sprawls, and Vaughters.

Others Present: Roger LeDuc, Gary Smith, Bill Huggins, Ed Evans, Larry Morris, McDonald Law, Cameron Zurbruegg, Kay Brohl, Don Wells, Tad Barber, Sara Ridout, J. C. Lexow of the Aiken Standard, and about 3 citizens.

Mayor Cavanaugh called the meeting to order at 6:05 P.M. He stated Council had one item to discuss in the worksession regarding the Large Retail Project at Hitchcock Plaza.

HITCHCOCK PLAZALarge Retail ProjectWaiverShopping CenterSilver Bluff RoadPine Log Road

Mr. LeDuc stated that Council had received a package of information from Cameron Zurbruegg, representative from Herndon Properties, developer of Hitchcock Plaza on Silver Bluff and Pine Log Road, regarding redevelopment of the shopping center.

Mr. LeDuc stated that about a year and a half ago Council had expressed concern about the Hitchcock Plaza and were very interested in redevelopment of the shopping center. He said Mr. Zurbruegg is now appearing before Council to discuss the proposed redevelopment and to request some waivers from the Large Retail Ordinance so he can proceed with the redevelopment. He is present to discuss the requests and to get Council's feelings on the requests before proceeding with the development.

Mr. LeDuc pointed out that last fall City Council approved a Developer's Agreement for Hitchcock Plaza. In the agreement Herndon Properties is to give the city some land to build a roadway from Silver Bluff along Fabian to Pawnee. The developer is to pay for the construction of the road improvements, including trees and curb and gutter. The City felt this roadway was very important to provide access from Silver Bluff to Whiskey Road as a way of participating with the City to make this a better development for Herndon Properties as well as the City. He pointed out Mr. Zurbruegg is present to ask Council to make some waivers in the Large Retail Ordinance for the development. He pointed out that the ordinance does give Council the ability to grant waivers if they desire. He stated McDonald Law, a local architect, will be working with the developer on façade changes for the buildings in the shopping center.

Mr. Cameron Zurbruegg, of Hendon Properties, appeared before Council and reviewed the history of their involvement in the Hitchcock Plaza, which started about 18 months ago when the loan for the center was in default. He stated they looked at the real estate and felt it had a lot of potential and worked out a deal to buy the loan. He stated they also found out that the Pine Log Plaza, which is adjacent to Hitchcock Plaza, was going to become available. He said long term they felt purchase of that center would be an opportunity to blend the two shopping centers and to do something very attractive at the intersection.

Mr. Zurbruegg stated when they agreed to the Developer's Agreement it was felt that the road would be something that would be a benefit to the community. He said Hendon Properties would be giving up about 1 1/2 acres of their property for the road. He said they had agreed to build the road and to proceed with requesting signalization at Fabian and Silver Bluff. He said the City had agreed to several things and to date has done the items, including engineering for the road to connect Silver Bluff to Whiskey through Fabian Drive and Pawnee Drive. He said over the past year there has been constant

dialog between his firm and the City of Aiken, including the City Manager, Public Works Director, the Planning Office, and Chief Frommer.

Mr. Zurbruegg stated that over the past few months a number of new tenants have been considering the Aiken market that are not existing tenants, so there would not be a tenant moving out of a building and leaving an empty building. He said he describes them as quality national and regional tenants, ranging in square footage from about 15,000 square feet up to about 36,000 square feet. He pointed out there are a number of competing opportunities for these tenants, and his company's job had been to try to pull them into Hitchcock Plaza and they had had good luck with attracting tenants. He said they had been successful because the location is great and the traffic can be improved with road infrastructure, which they had agreed to do, with the city pursuing the Pawnee extension portion. There are existing buildings which can be redeveloped for their needs. He pointed out with the way they had purchased the shopping center and with the infrastructure already in place, then the issue is the economics of the tenant leases. He said they had made great progress in trying to get tenants, and they had a competitive advantage over ground up development. He said they had reached a point now where they had created a lot of tenant interest and a lot of momentum. He said at one time they were going to be satisfied with piecemealing the development, with a tenant at the time. He said, however, now the opportunity has presented itself where they can put about 125,000 to 150,000 square feet of brand new tenants in the center and basically use all of the property at the same time and do the road improvement simultaneously as they build the buildings. He said they attracted the tenants because they can provide a building more quickly than others. He said by the end of 2006 he foresees having road improvements in place and at least four to five brand new tenants in Hitchcock Plaza which will take the place of the old K-Mart and Kroger, which are two ugly empty boxes. He said they can then take the other spaces and make those work for other tenants who will be interested in following. He said they would then take the outparcels and really create a retail node that is a prominent retail node for the City of Aiken.

Mr. Zurbruegg stated the issue at this point is that when they reviewed the process with the City, it was felt that the development would take more time, as it was going to be done piecemeal and they would be able to live within the guidelines for the Large Retail project ordinance because the work each time would probably not exceed the 50% investment in the property over and above the existing tax valuation of the property. He said, however, now it has become very clear that his company will probably spend significantly more dollars redeveloping the center than they did buying the center. He said they felt it was important to address this issue up front, so the momentum for the center could continue. Mr. Zurbruegg stated he had written a letter addressing the primary issues. He pointed out his company was in no way trying to circumvent the ordinance. He said their goal was to meet every condition possible. He said as they progress through the redevelopment process, which will be very rapid from now through the middle of 2006, they wanted Council to understand their intent and get permission to waive certain requirements and then allow staff the authority to basically deal with the issues of redevelopment.

Mr. Zurbruegg then reviewed his letter of August 24, 2005, for Council. He pointed out the facades for the shopping center would be changed, and they would basically be breaking up the large buildings and making them available for multiple tenants. He pointed out the redevelopment would basically have the same front footprint of the whole center, and only the back footprint would be modified. He said the square footage would actually decrease. As far as design and architectural controls, he said they expect to have a first class shopping center. He said as far as architectural controls – materials, colors, rooflines, exterior walls, screening of rooftops- they expect to meet the requirements and would like for the staff to review this rather than coming back to Council for each.

He said they are trying to live within the existing footprint of the center, so they feel it is impractical to create a lot of new walkways and entrances. He said there are already existing curb cuts and walkways which are wide and very usable. He said they would like to avoid changing those if they do not change the footprint. He pointed out there will be some walkways associated with the new roadway, so from a pedestrian and vehicular standpoint the center will be improved. He said he was asking that walkways and

entrances be waived as a requirement because they are fine where they are as long as the building footprints remain basically the same.

He said the requirements for location and appearance of outdoor sales and storage areas will be met.

For outdoor lighting, he said they were asking for a waiver because it would be impractical to replace functional light systems and parking lot infrastructure that is in good working condition and is not a hazard to shopping center employees and patrons. However, any new construction will meet the ordinance requirement. He said they were trying to save the present lighting and infrastructure. He pointed out there would be some new lighting associated with the new road. He said if they have to modify parking lots they will modify the lights and not just change a few, but change all the parking lot lights. He said this is true also with the landscaping. He pointed out the shopping center is not heavily landscaped. He said if they have to remove a tree, the tree will be replaced. He said they did not want to be held to the requirement of the ordinance which is total replacement.

He asked that the requirement for types, heights and location of perimeter fences be waived for all existing chain link fencing. Any new outdoor sales or storage areas needing fencing will meet the ordinance requirements. He said the present fencing for the detention facility and for the junk yard is in good condition.

Mr. Zurbruegg stated as far as landscaping, the problem is that now they don't know exactly who the tenants will be, where they will be, and how their parking lot configurations will be. He said it was impractical for them to bring a landscape plan in for approval at this time. He pointed out there will be landscaping along the new road and on new development on the outparcels. He said if they have to bring landscape plans in now, they would have to be changed. He said they were asking for a waiver now so staff can monitor the development as they go forward. He said they would be glad to constantly update the staff on landscaping, potential changes and have agreed that they will replace green area, will replace trees lost because of parking lot changes or infrastructure changes. He said with the land they are losing for the road, it would be impractical to give up more area to create landscaping. He pointed out the road right of way would have a significant amount of landscaping.

Mr. Zurbruegg stated except as agreed upon in the Developers Agreement, it is impractical to impose the requirement of planting strips along a street right of way due to the visibility issues which can affect the safety of vehicular and pedestrian cross traffic flow. He asked that this requirement be waived. He said they feel that they are already putting in a significant amount of landscaping because of the right of way adjacent to the new road, as well as paying for the new road. He said for new parcels they would meet the ordinance for landscaping for large retail projects.

Mr. LeDuc pointed out that presently the shopping center has trees in the parking lot which have been there for about 15 to 20 years. The current standards call for a planting island every 10 parking spaces. Presently the planting islands are every 12 to 14 parking spaces. If he has to adhere to the standards he would have to take out all the park islands with the trees and move them a few spaces to meet the requirements. Mr. Zurbruegg has stated that the present parking islands will remain; he would not be adding additional ones in the current lot, but in the new area where parking is created he will meet the ordinance standards. He just doesn't want to tear out what is currently there. Mr. LeDuc stated there will be dozens of new trees planted along Fabian Drive. Along Pawnee, which will be built behind the shopping center, there will be landscaping and trees along the roadway.

Mr. Zurbruegg stated screening of garbage and trash collection areas will meet the requirements. He said, however, he was asking for a waiver for setbacks and buffers and trucks. He pointed out that changing existing delivery and loading practices and locations is impractical due to the fact that building footprints will not substantially change. He stated the requirements are based on concerns for residential properties in close proximity to redevelopment which does not apply to Hitchcock Plaza. He said they

could screen them as required by the ordinance, but they did not want to have to come back if a location is slightly changed. He said the changes would not affect residential areas.

Mr. Zurbruegg stated signage modifications will comply with existing Signage Code unless a variance has been obtained. He said if a variance is needed he will be asking for a variance. He stated on Pine Log Road next to the new restaurant it would be nice to keep the existing sign. He said if it is not changed by a certain percentage the ordinance allows it to remain.

Mr. Zurbruegg stated as far as traffic the city has done an extensive traffic study for the area. The study referenced the extension of Fabian Drive to Silver Bluff and the extension of Pawnee to Dougherty Road. The City and the Developer have agreed on a location and plan for Fabian Drive extension, and the square footage of the shopping center will remain substantially the same. He said it is impractical to require an additional traffic impact study for the proposed project. He asked for a waiver for an additional traffic impact study for the project. He said, however, the only benefit to a traffic study in the future would be to substantiate the necessity for a traffic signal at Silver Bluff and Fabian. He said the Developer will agree to be responsible for cooperating with the City and the SCDOT regarding requirements for future signalization at Silver Bluff Road and Fabian Drive. He said if DOT approves a signal at Silver Bluff and Fabian, they would also require the Developer to do certain improvements to the right of way, including acceleration and deceleration lanes. He felt a traffic study would be impractical at this time because one has already been done and the square footage is not changing.

Councilman Cunning stated he felt as a fairness issue with the competition that Hendon should be required to do a traffic study. He said if there is a new development on Whiskey Road, the city would require a traffic impact study on the shopping center and the outparcels. He said because there are new outparcels, he felt in fairness there should be a traffic study. He pointed out, however, a traffic study could not be done until they know what will be built.

Mr. Zurbruegg stated his point is not that they will not do a traffic impact study, but they can't do one right now.

Mr. LeDuc stated to do a traffic study at the time the two outparcels are created would be doing a traffic study on the outparcel square footage only. He pointed out the existing center will not be creating any more traffic based on the square footage size of the center, so a traffic study is not needed for the existing center. He said, however, with creating two new outparcels a traffic study would have to be done when approval is submitted to Council for the new outparcels. He said a traffic study does not have to be done now, but a study will have to be done at a later date that will reflect the additional property that will be added at a later date.

Mr. Zurbruegg stated a traffic study will be necessary in order to apply for a traffic signal. He said they were prepared to do a warranty study immediately after they are able to announce the tenants. He said they would basically do the whole shopping center and the various components of the shopping center and lump them together. He said his opinion is that when they do the warrant study for a signal his feeling is that it would be sufficient. He said it is especially to their advantage to have a signal at Silver Bluff Road for their tenants and citizens who use the center.

Mr. Zurbruegg stated what he was really trying to explain is that his company is trying to be proactive and going from talking to staff, to acknowledging where they are with tenants, to acknowledging the fact that the investment is going to be greater than 50% of the appraised value. He said Stein Mart is ready to take over a space about January, 2006, which would allow them to open about spring, 2006. He said if they can be open by spring they want to have the road completed by spring. He said with Stein Mart and the road completed a number of other tenants will follow.

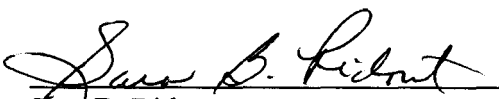
Councilman Cunning stated his understanding is that the improvements of 50% of appraised value is not because of more square footage on the existing shopping center but for renovations on the existing square footage. He said if a building is to be added and he was asking for a waiver he felt it would be handled in a different manner. He said the improvements cover the interior renovations, facades, parking lot improvements, landscaping and lighting improvements.

Mayor Cavanaugh stated Council needed to consider the request for waivers and decide whether they agree with the requests. He pointed out the request would be placed on the next agenda for formal action by City Council.

After discussion it was the general consensus of Council that granting the waivers requested would be fair. Council was very pleased that Herndon is planning to use an existing center which is almost empty and redeveloping it. It was pointed out that any new buildings in the center would come under the existing Large Retail Ordinance.

ADJOURNMENT

There being no further business, the meeting adjourned at 7:07 P.M.

  
Sara B. Ridout  
City Clerk