

SOURCE: Charleston (SC) Post & Courier
AUDIENCE: 138,228 [provided by Nielsen//NetRatings]
DATE: 12-07-2008
HEADLINE: Development of research hub to take years, partners say

Source Website

City Council to vote on financing plan

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The Post and Courier

Sunday, December 7, 2008

Read the proposed ordinance to establish the biotech area:

Media.charleston.net

'Innovation center' outlined; 'Incubator' for fledgling entrepreneurs, published 09/24/08

Incubator plan moves ahead, published 07/14/08

A neglected section of Charleston's West Side is about to become the focus of a sweeping redevelopment plan aimed at creating a biomedical research hub, public amenities, new homes and stores.

The partners in the \$155 million initiative " the city, Medical University of *South Carolina* and *South Carolina Research Authority* " all say redevelopment won't happen right away, but the city will take the first step Tuesday when City Council holds a preliminary vote on a financing plan.

"Whether we're able to break ground next year or the year after next, the economy and the state's finances will determine that," Mayor Joe Riley said. "It will be a matter of when, but not if."

Dr. Ray Greenberg, president of MUSC, said the development "will unfold over years, if not decades."

"Obviously, we're trying to deal with unprecedented cuts in our state funding," he said. "We, as an institution, don't have resources to build new facilities right now."

Last month, MUSC announced it would furlough 1,200 of its 5,000 employees for four days and lay off 10 employees to help absorb nearly \$17 million in state budget cuts.

"While it may seem ironic, in a time of economic downturn, to be thinking about growth, we want to position ourselves for the future," Greenberg said Friday.

Officials hope the redevelopment plan, in addition to improving a city neighborhood, will attract new companies that commercialize medical discoveries at MUSC. Typically, research universities license their discoveries and profit from their successful commercialization.

What's happening Tuesday is a step toward laying the groundwork for the redevelopment, with a plan to finance things such as new roads, utilities, parking garages and sidewalks. The city's concept for the area calls for extending Horizon Street between Hagood Avenue and Lockwood Drive, essentially creating a new road running from Fishburne to Spring streets.

Much of the targeted area is publicly-owned vacant lots and surface parking lots that sit atop former landfill

on the west side of Hagood between Fishburne and the Crosstown Expressway.

"The redevelopment would really focus on the areas that are underutilized," said Michael Maher, director of the city's Civic Design Center. "We're trying to make it a place, and hopefully a vibrant place, with a lot of creative energy."

The large expanse of open land near the Ashley River is an easy walk from MUSC, Riley Park, Brittlebank Park, Burke High School and The Citadel. Adjacent properties include several hotels and government buildings, a public housing complex and a few streets lined with private homes. There is no plan to take privately-owned property for the redevelopment.

The city, MUSC and the **South Carolina Research Authority** all own land along the west side of Hagood Avenue, including a large city-owned parking lot at Hagood and Fishburne. Redevelopment plans would include parking garages to replace the surface parking that's heavily used for sporting events and other purposes.

The initial financing mechanism would be a tax increment financing district. In a TIF district, the city declares that an area is blighted and needs public assistance to encourage redevelopment. Then the city can issue bonds for infrastructure work such as new roads and utilities and later pay off the bonds with property tax income generated by the redevelopment that follows.

Charleston County, the Charleston County School District and other local entities that collect property taxes would have to agree to create the TIF. The city has created TIF districts previously to develop Waterfront Park and to help redevelop the Neck Area and the land where the old Cooper River bridges used to stand in the East Side neighborhood.

Much of the redevelopment area would have to become privately owned in order to help fund the TIF bonds because publicly owned property is tax-exempt.

In other city redevelopment projects, Charleston has decided what sort of development it would like to see, then essentially auctioned off the right to build it. At Concord Park, for example, developers paid \$16 million for the right to buy the land and build the sort of mixed-use development favored by the city.

In this case, the city doesn't own all of the property involved, and Riley said there's been talk of creating a redevelopment authority to oversee the initiative.

Bill Mahoney, chief executive officer of the **South Carolina Research Authority**, said the roles and responsibilities of the different partners have not been defined, but the authority likely will contribute assets and be involved in planning and perhaps project management.

"We share the vision," he said. "The challenge is, it looks like a longer-term horizon on when we will have things happening. We're all in a different financial position than we were when we conceived it."

The redevelopment builds on an initiative announced earlier this year in which the city, **SCRA** and MUSC teamed up to create a biotech business "incubator" building, where fledgling businesses could get lab space and affordable rent while trying to market new technologies developed at MUSC.

In that deal, the city agreed to lease a decrepit factory building at 645 Meeting St. to **SCRA**, which agreed to spend \$5 million to transform it into research and laboratory space that would be available for limited periods of time to start-up companies.

"I think what really gave this (redevelopment plan) momentum is the impetus of the Mattress Factory as an incubator," Maher said.

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Highlights: SC, SOUTH CAROLINA, South Carolina, Research Authority, Bill Mahoney, ResearchAuthority, SCRA