



CITY OF COLUMBIA  
CITY COUNCIL MEETING  
MINUTES  
WEDNESDAY, JUNE 18, 2008  
9:00 A.M.  
COUNCIL CHAMBERS – 3<sup>RD</sup> FLOOR  
1737 MAIN STREET

The Columbia City Council conducted a Regular Meeting on Wednesday, June 18, 2008 at City Hall, 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Robert D. Coble called the meeting to order at 9:08 a.m. The following members of Council were present: The Honorable E. W. Cromartie, II, The Honorable Anne M. Sinclair, The Honorable Sam Davis, The Honorable Tameika Isaac Devine, The Honorable Daniel J. Rickenmann and The Honorable Kirkman Finlay III. Also present were Mr. Charles P. Austin, Sr., City Manager and Ms. Erika D. Salley, City Clerk.

## **PRESENTATIONS**

A. \*\*Special Presentation – The Honorable E.W. Cromartie, II

Councilor Cromartie announced that two weeks ago a delegation from the City of Columbia was allowed to visit China on an economic development trip. They connected with over 200 businesses that want to do business with the City of Columbia through the US / China Matchmaking Exchange. Chinese government officials have been to Columbia twice and as a result of their visits entered into an agreement between the University of Yibin and Benedict College to exchange students and faculty effective August or September 2008. This is the first time this has ever occurred. He added that they are so excited about the Sister City relationship that they would like to name a 5-star hotel after the City of Columbia. He presented a special gift to Mayor Coble on behalf of the Mayor of Yibin, China.

1. Introduction of the June 2008 Employee of the Month (*Ms. Joyce A. Gilmore, School Crossing Guard*) – Mr. Tandy P. Carter, Chief of Police

Mr. Tandy Carter, Police Chief introduced Ms. Joyce Gilmore, School Crossing Guard as the June 2008 Employee of the Month. She has been employed with the City of Columbia for 21-years and has done a great job for the Police Department.

Mayor Coble and Mr. Charles P. Austin, Sr., City Manager presented Ms. Gilmore with tokens of appreciation for being selected as the June 2008 Employee of the Month.

2. June 2008 Monthly Business Spotlight Proclamation (*Ms. Thomasena Reynolds, His & Hers Tailoring*) – Mr. Angelo McBride, Senior Business Executive of the Office of Business Opportunities

Mr. Angelo McBride, Senior Business Executive introduced His & Hers Tailoring as the June 2008 Business Spotlight Honoree.

Mayor Coble presented a proclamation declaring His & Hers Tailoring as the June 2008 Business Spotlight Program Honoree.

Mr. Charles P. Austin, Sr., City Manager presented Mrs. Thomasena Reynolds with a Certificate for the Business Fast Trac Program.

3. Fast Forward Update – Ms. Dee Albritton, Executive Director of Fast Forward

Ms. Dee Albritton, Director of Fast Forward announced that the City of Columbia has been selected as the first city to receive a Department of Labor Resource Directory and Access Point Program. They started this on a state level, because they felt that would make the biggest impact. We recognize that people who are looking for work very often have other needs such as food, clothing and unpaid bills. This program creates an on-line resource directory for services provided by all local non profit organizations. Fast Forward will handle the technological aspect of this grant. It is created by the U.S. Department of Labor and can be updated daily. It is a partnership with the Midlands Workforce Development Board, the One-Stop Shop, the City of Columbia and Fast Forward. The Human Resource students at Midlands Technical College will help pull all of the information together.

Councilor Sinclair stated that resource directories are the bang of existence for non-profits and with the on-line technology this can make a huge difference, because it can be updated daily. This is an exciting opportunity for the people that need the services of non-profits as well.

Upon motion by Ms. Sinclair, seconded by Ms. Devine, Council voted unanimously to endorse the partnership between the City of Columbia and Fast Forward for the creation of an electronic resource directory.

3a. \*\*Special Recognition of the Richland County Bar Association – The Honorable Tameika Isaac Devine

Councilor Devine introduced Mr. Roy Laney as the President of the Richland County Bar Association. She noted that three (3) members of Council are also members of the South Carolina Bar and so happy that they can always count on the Richland County Bar for anything they have needed within the city. She announced that the Richland County Bar Association has stepped up to the plate and provided funding for the purchase of a projector system in Municipal Court. This will help the Judges in reviewing tapes provided by Officers. The Richland County Bar provided the grant without any hesitation or fanfare and that is extraordinary.

Mr. Roy Laney, President of the Richland County Bar Association said that Judge Bogan approached them several months ago regarding this technology initiative and he emphasized that the city had an outstanding Information Technology Department, but there was no funding for this particular initiative. We were pleased to be able to donate the funds to install this technology in the court rooms. This can be used by the City Attorney's Office and the defense counsel, because the more information we can get to the jurors, the better decisions they will make.

The members of Council presented a Certificate of Appreciation to the Richland County Bar Association for their service and donation of funding to purchase a projector system for the City of Columbia Municipal Court.

3b. \*\*Introduction of Ms. Heather Weiss, Assistant Solicitor for Richland County – Mr. Ken E. Gaines, City Attorney

Mr. Ken Gaines, City Attorney introduced Ms. Heather Weiss as the City's Special Prosecutor.

Ms. Heather Weiss, Special City Prosecutor / Assistant Solicitor for Richland County said that she was appointed as the City's Special Prosecutor five (5) years ago and that it has been an honor. She prosecutes between 300-350 cases during a year. This year she has prosecuted and convicted over 160 city cases with 344 city cases pending. She has the unique ability to only prosecute City of Columbia cases, which lets her get intimately involved with the workings of the Columbia Police Department as well as the Investigators. She said that the City Council

has provided funding for the Solicitor's Office and one third of the funding goes toward Adult Drug Court and the remainder is focused towards the Special Prosecutor position. Beyond prosecuting, she is on call 24/7 for the City of Columbia; she relays messages and concerns involving general sessions cases; she receives 250 cell phone calls per month about complicated cases; acts as liaison with city officers; answer questions about legal opinions; she serves as the back-up for the Early Legal Assistance Phone; and represents the Columbia Police Department and the City of Columbia to the Solicitors Office. Her primary goal has been to make sure that all sides are heard in all complaints or concerns. She attends the bi-weekly COMPSTAT meetings conducted by the Columbia Police Department. She said that they generally get to know upper rank officers, but there is disconnect with the line officers because turnover is so great. They are working on a training program that will allow them to get face-to-face with the line officers. All investigative packets are not the same and pieces may be missing; therefore, they are working on a checklist to ensure we have all aspects needed to make cases as strong as possible. She attends preliminary hearings and that's where she ties in with the City Attorney's Office. She noted that victims need to be notified in a timely manner, because they have a constitutional right to be present at preliminary hearings. One Prosecutor handles all preliminary hearings for Richland County and the City of Columbia and she doesn't have the ability to come up to speed on complicated cases prior to the hearing; therefore, Ms. Weiss will handle the preliminary hearings for murder and other complicated cases. They work with nuisance letters and the Department of Revenue to revoke liquor licenses or to invoke restrictions. She noted that crime has significantly decreased at the Hot Spot on Farrow Road as a result of such efforts. She also handled nuisance letters for Club Rio, Sam Grocery, the Midlands Mart and the Forest Drive Open Air Market. In closing, she said that she is always at the beckon call of the City of Columbia and is willing to go to crime scenes on the city's behalf and to provide legal opinions and legal assistance.

3c. **\*\*Climate Protection Action Committee Update – The Honorable Anne M. Sinclair**

Councilor Sinclair announced that she has agreed to remain as Chair of the Climate Protection Action Committee (CPAC) until December 2008. She brought forward the recommendations of CPAC for Council's endorsement. These recommendations are a result of committee meetings wherein the committee spent time determining where they wanted to focus their efforts.

Mr. David Knoche, Superintendent of Fleet Services announced that the summary of the Energy Audit conducted by Ameresco is in and the Energy Audit Committee will meet to review the summary and to provide recommendations to the City Manager. This should occur within one (1) month.

Upon motion by Mr. Davis, seconded by Mr. Rickenmann, Council voted unanimously to endorse the Climate Protection Advisory Committee action steps for 2008/2009 as follows:

- 1)** Expand our efforts to partner with counties / cities / municipalities in the Midlands;
- 2)** Strengthen our relationship with Central Midlands Regional Planning Council and the Chamber of Commerce to avoid duplication and to maximize our efforts;
- 3)** Establish the City of Columbia's baseline emissions;
- 4)** Increase our role in the implementation of the Richland County Transportation Plan if requested by City Council;
- 5)** Educate the community through neighborhood associations;
- 6)** Ensure the "green" initiatives included in the City's Comprehensive Land Use Plan, as approved by City Council, are implemented;
- 7)** Review and evaluate city building codes to determine strategies to encourage "green" building practices;
- and 8)** Review Energy Audit and work with the city to implement the recommendations.

3d. \*\*Moments of Reflection - The Honorable Anne M. Sinclair

Councilor Sinclair reflected upon her 20-years of service on the Columbia City Council. She conveyed the following message, "I am grateful to serve with everyone that sits on the Council now and the people who previously served with me. While we have disagreed on issues, we have all been committed to making our city the best it can be; to serve our citizens with integrity; to focus on the greater good; and to build a sense of community.

The members of Council presented Ms. Sinclair with a cake.

Councilor Devine presented Ms. Sinclair with a framed gift in honor of the dedication shown by Anne Sinclair and her spouse Julian over the past 20-years.

Councilor Sinclair stated that it has been a wonderful journey with a lot of wonderful people along the way and she is very grateful for this Council and their support.

Councilor Cromartie asked Miss Crystal Garrett to serenade Ms. Sinclair.

Miss South Carolina Crystal Garrett announced that she placed 15<sup>th</sup> in the competition for Miss America in Las Vegas, Nevada. She said that it was an honor to represent everyone from the State of South Carolina. She thanked the Council for the constant support given since she was 15 years old. She urged the Council to always encourage the youth in South Carolina, because they will help to lead them up the ladder of success. She will relinquish her title as Miss South Carolina on July 5, 2008. She congratulated Ms. Sinclair and sang "God Bless America". Miss Garrett introduced Miss Danielle Wilson as the current Miss Whitmire who will be competing for Miss South Carolina.

## **REPORTS AND UPDATES**

4. City Manager's Report – Mr. Charles P. Austin, Sr., City Manager

Mr. Charles P. Austin, Sr., City Manager thanked Councilwoman Sinclair for all she has done, noting that the parks will continue to get weekly haircuts and that the city will move to fully implement performance based budgeting. He acknowledged the many conversations they had and the times they disagreed noting that he respects the spirit in which she disagree and they have always found common ground. He wished her the best. He began with the June 18, 2008 City Manager's Report entitled "It's a New Day". On June 6, 2008 he met with Department Heads and the executive staff to discuss transparency, efficiency and accountability. Those are terms that you will hear resonating over and over again, because under the banner of a new day we will move forward with transparency, efficiency and accountability. He wants to ensure that each and every employee in the city understands what we expect. We've begun that through our orientation process, which has been expanded from one hour to three days. There is a testing process at the end of the orientation and we expect new employees to be able to tell us who the City Council members are; what the mission of this city is; what the vision of the city is; and importantly, who their department head is. There are some very basic things that we believe they should know. We are moving forward with COC University and as part of that employee development curriculum we will continue to invest time and effort in our employees so that no employee will leave the City of Columbia at the same level at which they came. We will provide opportunities for each person to advance as they are willing to commit themselves and to commit their energies. As part of this overall process we have restructured city employees. We now have three operating bureaus under Assistant City Managers: Operations, Neighborhood and Community Services and Administrative Services. The message again to all of our employees through their Assistant City Manager will be "One Mission, One Message and One Columbia". We expect employees to function at a maximum level of efficiency and utilize the resources that we have to accomplish those tasks that we have before us. We continue to work on the Disparity Study. The RFQ that has been developed for the centralized bidder

registration process is under review and I expect that within the next week or so we should have that ready to bring before you for your review. The Make Me a Match business forum is scheduled for June 25, 2008 from 8:30 a.m. to 12:30 p.m. at the Eau Claire Print Building. So far, we have signed up five (5) mentor protégé teams and we are looking forward to continuing that effort. Item 26 is on the agenda for first reading and that ordinance will authorize a special fee to be paid to the service provider of our online payment service. This is a follow up step and it's necessary to establish our online service access and payment. For city residents, the fee proposes a 1.83% plus \$1 online surcharge. The city doesn't get any of this; it goes directly to our service provider. Currently there is an IVR fee for \$4 that also goes to the service provider and not the city. We are looking forward to it. We believe this service is certainly going to assist us with providing an opportunity for our citizens to access payments without coming into an office. Also, we've asked city staff to provide us with timelines for when this process will be completed. We anticipate that given the other projects we have underway, the up and running date will probably be sometime in December 2008. The other steps that are included in the process are interface development, training, configuration, testing and installation. We recognize that this has been a challenging year for us, but I am thankful that as we look at the car as it was in the ditch, we can now see three wheels on the road and we can see the fourth wheel coming out. I reference that toward the situation as we have worked on our financial operations and procedures. I am happy to announce that we are still making progress and at the end of this process I believe we will all be able to say with confidence that the policies and procedures will be in place; the level of accountability and transparency will be in place; that we should never ever find ourselves in a situation similar to what we had to deal with over the past couple of years or so. One key component to that process will be the selection of a Chief Financial Officer. I am going to be working with local business leaders and members of Council toward developing a profile for the CFO candidate that we desire. During July, I will seek your input to assist me with identifying a citizen panel to assist with the various aspects of the CFO screening and interview process. We will post the position from July to October in professional journals and designated publications. During October, we will begin reviewing and screening applications and schedule the first round of interviews and would expect to conduct the first round of interviews during early November with the second round being conducted during late November or early December. The ultimate goal is to announce the selection of a CFO during January 2009 if not at an earlier time. In embracing and carrying out the concept of transparency, efficiency and accountability, it requires that each employee have a healthy mind, body and spirit and toward that end staff has made excellent progress with developing an Employee Wellness Program. We want to thank Councilwoman Devine for her efforts in bringing to our attention and motivating each of us to take a more active interest in our health and well being and we are looking forward to the ultimate development of that program. I want to commend Assistant City Manager Baker and his staff for all the work they have done and the other members of staff who have worked as part of the taskforce that was charged with the responsibility to go to Aiken and other places to look at model programs and then come back and adapt those programs toward what we are able to do in Columbia. The City of Columbia can be proud of our parks system, particularly when our parks get their regular haircuts and proper maintenance and we will continue to work on that. I especially want to highlight the inaugural Rocky Shoals Spider Lily Festival that was held on May 31<sup>st</sup> at Riverfront Park. This festival is an effort to restore our population of imperial flowers and represents the best partnership of all projects: our City of Columbia Department of Utilities and Engineering and Department of Parks and Recreation collaborated with South Carolina Electric and Gas, Riverbanks Zoo, the South Carolina Department of Natural Resources and the United States Fish and Wildlife Service to re-establish spider lilies in their native environment. It was an outstanding event. He commended all persons that worked hard to make the event happen and to bring it to a successful presentation. Finally, I would like for you to consider August 20-21, 2008 for your Retreat. We talked about the 21<sup>st</sup> and 22<sup>nd</sup>, but I believe some of you may be attending a national political convention, which might preclude you from being here to participate and I believe given the nature of items we will discuss at this particular Retreat, I would certainly urge that we set a time where we can have all of the members present.

Mayor Coble asked that the Council members go back and review their schedules.

Councilor Finlay asked if it would be two all day sessions.

Mr. Charles P. Austin, Sr., City Manager responded yes, because it is essential from his perspective that we have two all day sessions and that we have all of the members present for the full length of the Retreat.

Councilor Finlay thinks that he can make it, but pointed out that they have asked for the Manager's Report in writing and in their books several times. It is a very helpful document for him to reflect back on, because it gives him a set of documents to say here is what we are working on. He asked if they could please, going forward in July, always have that included or brought to the meeting as an addendum that day.

Mr. Charles P. Austin, Sr., City Manager said that he doesn't a problem with bringing it to the meeting, but the reason he doesn't send it to the members in advance is because it is a work in progress and he was still making notes a few minutes ago. He said that as soon as he finishes this report he will have staff clean it up so that we can make it available to Council.

Councilor Finlay suggested that a draft stamp be included on the report and then a final copy be given to the Council at the next meeting.

Mr. Charles P. Austin, Sr., City Manager asked if he could have Mr. Finlay's assurance that when giving his report he will give Mr. Austin his attention.

Councilor Rickenmann asked if arrangements are being made for a consultant to help the Council with healthcare issues during the Retreat.

Mr. Charles P. Austin, Sr., City Manager said yes and that he would be seeking Council's input in that regard.

## **ORDINANCES – SECOND READING**

5. Ordinance No.: 2008-042 – To Raise Revenue and Adopt the Budget for The City of Columbia, South Carolina for the Fiscal Year ending June 30, 2009 – *Approved on second reading.*

Councilor Devine said that in August during the Retreat, the Council will discuss Mr. Rickenmann's previous motion about looking at surplus funds to pay down debt. She doesn't want to lose sight of this goal.

Councilor Rickenmann added that the Council's priority was the TIF payback to the Water and Sewer Fund after the Risk Management Fund.

Councilor Sinclair asked if this approval included the approval of the Hospitality Tax Surplus Fund. She suggested that the Hospitality Tax Surplus Fund be amended to include \$125,000 for the National Hydrogen Conference.

Mayor Coble noted that the National Hydrogen Association Convention will be the largest convention to ever come to Columbia and it will be the most significant. We are involving Engenuity SC, the Cultural Council of Richland and Lexington Counties and doing a number of things to promote this. The State of South Carolina under Senators John Courson and Kay Patterson's leadership secured \$100,000 that will be used to market the event and Richland County has funded \$75,000. We have to support this convention. I view this as a major economic development effort that is a culmination of our conventions and tourism strategy as well as our economic development strategy in terms of the new economy.

Councilor Finlay said that the Council will have to be willing to clearly explain to other groups how this appeared at the end. We mentioned the Cultural Council in this discussion and as I understand it we did not give them any hospitality tax funding. The \$40,000 that is allocated to the Cultural Council is a flow through that doesn't end up in their pockets. They redistribute the money, so how do we move \$125,000 to a hydrogen conference at the same time we in essence fund the Cultural Council \$0 and ask them to help us work on this conference. We have had more problems with hospitality tax funds at the last moment. We are opening a can of worms and we are going to have a large number of people showing up saying this is not how the process is supposed to work.

Mayor Coble said that he intends to talk about the Cultural Council when we get to the hospitality tax fund. He said that this points out the weakness of the system. I should have said that the National Hydrogen Convention should be a line item budget, because the city has been the driving force to bring this to Columbia. If we don't fund it, then Senator Courson is going to say that the State won't fund it and then the County wouldn't fund it. The policy decision on that one should be at the City Council level. I don't think the Cultural Council should be a part of the competitive grant process.

Councilor Cromartie stated that you have to have flexibility when it comes to funding. The policy of the Council is just that, but at the same time things occur and we have always had the flexibility to respond to different situations as they occur. We are trying to become a hydrogen city and the economic impact will be tremendous for the City of Columbia and part of that process was to attract this hydrogen convention. As long as I have been on this Council, we've funded the Cultural Council, so they will be funded. He recalled that another Council member told him sometime ago that the policy of Council at any given time is what four members of City Council vote to approve.

Mayor Coble said that there are two different situations when we make changes in the appropriations out of hospitality, accommodations and community promotions and the changes have been good. Usually it comes up when somebody doesn't get as much as they want and they make the last appeal to City Council and we have been pretty good over the last few years at saying no, the committee makes the decision. There is a difference when the City Council says there is a policy decision to fund a group. The mistake that is made is that those groups need to be pulled out and just being a line item in the budget because they reflect a policy decision. He added the Black Expo to the list. To be fair to the committee we need to make a policy decision to make these line items.

Councilor Davis said that by way of policy and evaluation we have decided that there are and will continue to be some organizations that's worthy of funding through a specific designation in the budget. We should pay attention to the perception that the larger organizations get funded and the smaller organizations struggle with little to no funding. As we start to move forward there are some organizations that I don't have a problem giving an annual designation, such as the Five Points St. Patrick's Day Festival or the Eau Claire Renaissance Fair, noting that they did not get an appropriate level of funding this year.

Councilor Rickenmann suggested that they have a budget for the festivals mentioned and other special events. With that budget the Council would decide on what to fund based on what can be afforded. He thinks that in the future, it will be important to know what their total investment is and who the partners are for hydrogen. These things should be presented as formal requests with all of the back up materials for consideration during a work session. There should be some caveats placed on the one day events, because it is important for the conferences to distribute books and materials to all participants outlining our attractions and restaurants. It will lessen the frustration for the businesses that collect taxes and will help to gauge how these venues are filling our restaurants. We need to make sure these materials are available through the Conventions and Visitors Bureau and should include all venues regardless of location.

Councilor Devine explained that the motion is about hospitality surplus funds, which is money we may not have next year. We are trying not to use it for things that will be ongoing; it is one time funding. She admitted that she may be the person to blame for this going through the committee, because they asked her what to do and she suggested that they go through the committee, because she believes in the committee process. She noted that a formal request and back up materials were submitted to the committee. There are certain things that we have already committed to and we can't expect the committee to understand that. I am in favor of this amendment, but we need policies and procedures in place. In regards to community promotions, the committee goes through an arduous process and they interview people to ensure that these groups have a city function. She noted that two years ago the Council would approve funding without asking for back up and ensuring that groups were bringing in visitors. Those were political decisions and she cautioned the Council not to go back to that point.

Upon motion by Ms. Sinclair, seconded by Mayor Coble, Council voted six (6) to one (1) to allocate \$125,000 from the Hospitality Tax Surplus Fund to the National Hydrogen Conference. Voting aye were Mr. Rickenmann, Ms. Devine, Mr. Davis, Ms. Sinclair, Mr. Cromartie and Mayor Coble. Voting nay was Mr. Finlay.

Upon motion by Mayor Coble, seconded by Ms. Sinclair, Council voted five (5) to two (2) to give second reading approval on a single motion to Ordinance No.: 2008-042 – To Raise Revenue and Adopt the Budget for The City of Columbia, South Carolina for the Fiscal Year ending June 30, 2009 (for the General Fund that includes a 3.8 mil increase). A lump sum allocation has been approved for the Economic Development budget, but not the specific projects that will be funded from this budget. When the 2007/2008 audit is complete, City Council will amend the budget with allocations of prior year unallocated surplus to the deficit within the Internal Services Fund. In August 2008 City Council will hold a Retreat to address the benefits provided under our healthcare program and GASB 45. Voting aye were Ms. Devine, Mr. Davis, Ms. Sinclair, Mr. Cromartie and Mayor Coble. Mr. Finlay and Mr. Rickenmann voted nay.

Councilor Finlay said that he is going to make a motion, which is based on his belief that the Council needs to protect benefits for existing employees in any way possible. He referred specifically to medical expenses that are running \$1 million per month over the budgeted amount. He thinks that City Council needs to demonstrate that they can pay for benefits for existing employees prior to hiring additional employees. He knows that the Mayor discussed amending the budget in August, but by that point we will spend an additional \$2 million on healthcare and no one knows what the expenses will be once we amend the healthcare program. He doesn't believe that the city will be able to save the quantity of money that will be needed to balance the budget; therefore, it is very important to demonstrate to existing employees that their healthcare costs are the first priority for us. We need to create any savings that we can.

Councilor Rickenmann noted that he has been talking about this for several weeks, but he hasn't been able to get any clarification on how many positions are open and where the positions are. He recommended an amendment to the motion to exempt the Finance Department from the hiring freeze. He thinks that all of the healthcare costs should be provided to the Council on a monthly basis until they are able to develop a plan on how to pay for the costs.

Councilor Davis stated that he won't require the City Manager to bring him every position that he wants to fill, because that is dipping into the day to day operations of city management. He doesn't have a problem with the overall expectation, but we have agreed to revisit the process in August and I am comfortable with that and with what we have done up to this point and the fact that we are on track to deal with the healthcare costs. It is not prudent to put an all out freeze on hiring.

Mr. Charles P. Austin, Sr., City Manager explained that he has already implemented a freeze of sorts that require all department heads to submit requests and justifications for staffing certain positions. This is being done across the board. He respectfully requested that the Council respect his actions in accordance with the Council-Manager form of government.

Councilor Cromartie concurs with Mr. Davis, noting that this is a violation of the Council's interference with the City Manager and his operations. We are very concerned about our employees and we have one of the best health programs. We want to make sure our retirees and long-term employees are protected. We will make the necessary changes to ensure that this occurs.

Councilor Devine stated that they did discuss this during the budget process and it is already in place. It is appropriate for the City Manager to make that decision, but it is not appropriate for the Council to do so. This is not within our discretion as Council members. We can't freeze hiring in all departments except Fire and Police when we also need positions in other places. From the healthcare standpoint, there is a lot of information that we have not received. She recommended that they schedule a work session so that they are all fully informed and able to make the decisions that fall within the Council's purview. She suggested that the City Manager look at the whole organizational structure and decide if there are still positions that are necessary or if we would be better served to use technology or other sources to get the job done.

Councilor Finlay said that he may be confused, but he thought that one of the true powers delineated to Council was budgeting. He thinks that we are leading people down a path that does not exist by saying that we will fill 200 new positions and maintain the same level of healthcare; one of the two if not both is going to suffer over the next three months.

Councilor Devine added that Mr. Finlay has valid points, but feels that he could have discussed his intent and ideas with the members of Council prior to bringing the motion forward. She said that she can't vote in favor of the motion, because she is hearing it for the first time and doesn't have enough information. She views it as a way for him to throw out a motion, let it be voted down and then say that he tried to save the city money and his colleagues didn't want to do that. She said that this is not about offering solutions or working together to come forward with something that helps the city. She admitted that it is frustrating to not be able to go through reality checks. She added that Mr. Finlay is not the only person who is concerned about the budget and he is not the only person offering solutions that allows the Council to fully analyze what's being done.

Councilor Finlay said that the Mayor had a \$125,000 proposal on the table this morning that had not been discussed with anyone ahead of time, so let's not act like this is unheard of. He said that if he had some facts he would disseminate a number based proposal to the Council. He is proposing a self evident policy change to freeze out positions, which they have discussed for 1 ½ months and to find the number of positions and the quantity of dollars to save, which they asked for, but have not received.

Mr. Charles P. Austin, Sr., City Manager disagreed with Mr. Finlay.

Councilor Finlay continued to explain that the purpose of the motion is to recalculate the budget so we understand the impact of the freeze and then move forward as a group. He said that the City Manager is put into a box by Council quite frequently, because they make policy and spending decisions and then direct him to do it. We did one today. Last year we were openly mopped while bringing motions forward. Other motions are brought forward virtually at every meeting and voted on without prior knowledge. I am fine if you don't vote with it, but don't act like I have done something out of the norm. This is about policy and is not driven by numbers. It is about us trying to save enough money in our operating budget to be able to fund healthcare for a couple of months without breaking our budget.

Councilor Davis pointed out that they all understand the challenges with the budget, but in getting to where we want to go I am not going to cross certain lines by telling the City Manager how to handle this from a management standpoint. Our position from this point should be that the City Manager brings us the savings as a result of either freezing positions or by trimming positions within the management structure. There are other essential services that we are obligated to keep in place.

Councilor Rickenmann said that he is confused on some of the reactions, because this is a short-term solution to ensure that we are covering costs. We have incurred deficits in the Risk Management Fund that this Council has not been aware of. He has an issue with the fact that we have been paying bills that we were unaware of.

Councilor Sinclair said that we are struggling with the substance of the motion, which is asking for a freeze, but she feels that there is a philosophical concern, which relates to us crossing the line into the City Manager's role. It was shared with us a couple weeks ago that the City Manager had already started the freeze and while we do the policy, the City Manager knows that he needs to work within that budget and make decisions that are financially responsible. We have all been concerned about the budget, healthcare costs and the Risk Management Fund.

Mayor Coble said that they all agree that they need to be as conservative as possible with implementing the budget that is being passed today. He is not in favor of the motion. It is important to deal with healthcare during the August retreat, because it is a real issue that we have to face.

Councilor Finlay agreed to hold the pending motion until July.

A motion by Mr. Finlay, seconded by Mr. Rickenmann, to direct the City Manager, as of July 1, 2008 to freeze all hiring except for the Police Department, Fire Department, the Planning Department and the Finance Department; to bring a complete list of all positions to be frozen; recalculate the budget with the savings from the frozen positions to be placed in a special savings account other than the Surplus Fund; to utilize that funding to pay for employee medical costs; and any hiring in the interim period defined as July 1, 2008 to December 31, 2008 that costs over \$10,000 must be approved by the City Council, was withdrawn.

6. Ordinance No.: 2008-039 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec.-23-143 Water service rates and Sec. 23-149 Sewer service rates, (a) Generally, (b) Consumers using water cooling towers for air conditioning and (f) Contaminated groundwater – *Approved on second reading.*

Upon motion by Mayor Coble, seconded by Ms. Sinclair, Council voted six (6) to one (1) to give second reading approval to Ordinance No.: 2008-039 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec.-23-143 Water service rates and Sec. 23-149 Sewer service rates, (a) Generally, (b) Consumers using water cooling towers for air conditioning and (f) Contaminated groundwater (with a 5% increase). Voting aye were Mr. Rickenmann, Ms. Devine, Mr. Davis, Ms. Sinclair, Mr. Cromartie and Mayor Coble. Mr. Finlay voted nay.

Councilor Rickenmann said that he supported this motion, because we can't go back into the past and fix things, the system is too important as the backbone to this community and we have a bonding that must be done this year to keep this system up. It must be continued and maintained at the top of its quality for the future of this community. We have to vote for this one. I also want to ensure that we don't have a 5% increase next year.

7. Ordinance No.: 2008-040 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, to add Sec. 23-147 Installation of water meters serving fire protection sprinkler systems – *Approved on second reading.*
  
8. Ordinance No.: 2008-044 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article VII, Stormwater Management, Sec. 23-208 Stormwater Service charge rates – *Approved on second reading.*

Upon motion by Mayor Coble, seconded by Mr. Cromartie, Council voted five (5) to two (2) to give second reading approval on a single motion to Ordinance No.: 2008-040 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, to add Sec. 23-147 Installation of water meters serving fire protection sprinkler systems **and** Ordinance No.: 2008-044 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article VII, Stormwater Management, Sec. 23-208 Stormwater Service charge rates. Voting aye were Ms. Devine, Mr. Davis, Ms. Sinclair, Mr. Cromartie and Mayor Coble. Mr. Finlay and Mr. Rickenmann voted nay.

- **Council recessed at 11:27 a.m.**
- **Council reconvened at 11:41 a.m.**

### **CITY COUNCIL DISCUSSION / ACTION**

9. Council is asked to approve the appointment of Ms. Dana D. Turner as the Chief Administrative Judge of Municipal Court effective July 1, 2008 through July 1, 2010. - *This item was withdrawn from the agenda and discussed in Executive Session. No action was taken.*
10. Council is asked to approve the Installation of a Three-Way Stop Control at the Intersection of Park Street and Aiken Street, as requested by the Elmwood Park Neighborhood Association.

Councilor Devine noted that people are running the stop sign that was installed a few weeks ago in Elmwood Park and suggested that there be some friendly enforcement in that area.

Councilor Sinclair noted that as the anti speed hump person, she read in the memo that motorists are picking up speed in between the speed humps on Park Street and now a stop sign is being requested. She said that there is a message.

Councilor Davis said that the speed hump on Park Street was lowered during a street resurfacing project.

Councilor Devine said that the original hump still works, but the two new ones are lower. She said that officers should give out warnings until people get use to the signs.

Mr. Charles P. Austin, Sr., City Manager said they will be sure to incorporate a public education process into this to include having an officer there for a week or two to notify people that it is there.

Councilor Rickenmann said that if we had photo cop we would not have these issues.

Councilor Devine inquired about the status of the request for Earlewood Drive.

Mr. Dave Brewer, Traffic Engineer said that he has spoken to the Highway Department and they said no to the request for a three-way stop at Earlewood and Catoe. He suggested that the city request ownership of the road, because the State has always been reluctant to approve four-way and three-way stops where the volume counts don't meet their requirements.

Councilor Davis said that a lot of things done by the Highway Department are not consistent with the way things are in neighborhoods. You cannot apply the same rules to streets in neighborhoods without sidewalks to major thoroughfares.

Councilor Sinclair said that they are getting the same response for a request in Sherwood Forest and suggested that the City Council members and neighborhood representatives meet with Mr. Taylor, the city's SCDOT representative to determine why urban neighborhoods should be treated differently. We were successful at doing this before and should do it again.

Upon motion by Mr. Rickenmann, seconded by Mr. Finlay, Council voted unanimously to approve the Installation of a Three-Way Stop Control at the Intersection of Park Street and Aiken Street, as requested by the Elmwood Park Neighborhood Association, subject to the City Manager incorporating a public education process due to the many traffic violations in this neighborhood.

11. Council is asked to approve a Memorandum of Understanding for a New Pilot Manufacturing Facility in Columbia, South Carolina to Produce Hydrogen Fuel Cartridges, as requested by Economic Development. Award the Memorandum of Understanding to Trulite, Inc. as part of the Columbia Fuel Cell Collaboration.

Mr. Charles P. Austin, Sr., City Manger noted that the City Attorney has reviewed and refined the Memorandum of Understanding.

Councilor Finlay asked if there are any issues with the Trulite MOU. We understand that we entered into an economic agreement that could be construed as illegal under State law. Do we have a City Attorney's opinion on this?

Mr. Jim Gambrell, Director of Economic Development explained that a previous City Attorney provided an opinion in 2006 that it was an illegal position for the city to take and City Council had that information and voted to approve the agreement with Trumball.

Councilor Finlay said that this is a clear example of what we have been going through today. This is the clearest example of the four vote policy he has ever seen.

Councilor Cromartie said that the contractual matter should be discussed in Executive Session.

Mayor Coble said that the issues related to Trumball do not involve Trulite.

Mr. Ken Gaines, City Attorney explained that the MOU with Trulite doesn't require any financial commitment from the City of Columbia. The sole obligation of the City of Columbia under this MOU is to support the market test project and host deployment sites within the City Emergency Operations and other offices when funded under the Greater Columbia Fuel Cell Challenge. There is no monetary requirement of the city under this MOU.

Councilor Finlay requested an Attorney's opinion before any other projects are brought forward so they will know what they are proceeding with. He asked that Trumball be added to Executive Session.

Upon motion by Mr. Rickenmann, seconded by Mayor Coble, Council voted unanimously to approve a Memorandum of Understanding for a New Pilot Manufacturing Facility in Columbia, South Carolina to Produce Hydrogen Fuel Cartridges, as requested by Economic Development. Award the Memorandum of Understanding to Trulite, Inc. as part of the Columbia Fuel Cell Collaboration. This MOU does not require the expenditure of funds by the City, rather a commitment to use portable power units purchased pursuant to a previously approved Fuel Cell Collaborative obligation.

12. Fiscal Year 2008 / 2009 Accommodations Tax, Community Promotions and Hospitality Tax Funds – Ms. Libby Gober, Ombudsman

**\*\*Mayor Coble recognized The Honorable Joan Brady as a member of the House of Representatives.**

Ms. Libby Gober, Ombudsman presented a spreadsheet of recommendations from the Accommodations Tax, Community Promotions and Hospitality Tax Advisory Committees. She noted that some of the figures from motions made by Council earlier today are incorporated in these spreadsheets under other.

Mayor Coble suggested that the Council thoughtfully sit down with the Cultural Council to ensure that we understand what they are doing and that they understand what we are committed to from a financial standpoint. We should handle the Cultural Council differently from the competitive grant process. He suggested that they take the \$40,000 that was allocated to the Cultural Council for the Festival of Arts, simply remove all of the restrictions and have that go to the Cultural Council. That doesn't solve the Festival of the Arts problem, but we don't need to leave here today with the Cultural Council being zeroed out. We can bring everybody together in the coming weeks and have a review of what the funding level should be and what the funding mechanism would be. He added that the former Mayor Kirk Finlay established this umbrella organization a long time ago and the mission and needs have changed over the years.

Councilor Finlay offered an amendment to designate the Cultural Council as the first recipient of surplus funding from the previous year.

Mayor Coble said that it would be best to hold that decision until we understand the level of funding needed.

Councilor Finlay withdrew the amendment to the motion.

Upon motion by Mayor Coble, seconded by Ms. Sinclair, Council voted unanimously to reallocate \$40,000 from the Cultural Council Festival of the Arts to the Cultural Council without restrictions. The members of City Council will meet with the Cultural Council to determine what the organization is doing, the level of required funding; and the mechanism of funding as either a line item or the competitive grants process.

Councilor Devine noted that this is a transition year for the committees and it is a tight year budget wise. She said that not every organization received funding at the level that they needed, but all of the committees did an excellent job at looking at the requests and taking a small pot of money and distributing it where it needed to go. She said that last year they had a lot of discussions about ad-hoc commitments; allocating money outside of budget; and not funding smaller groups and Libby made a commitment to work through the committee process. They now ask the groups to go through an orientation process and a lot of groups that did not get funded in the past fared better this year. This is a testament to the system that we have, while it may not be perfect, it is becoming less political and more about the merits of the projects. There are some first time groups being funded this year.

Ms. Libby Gober, Ombudsman said that the committee members gave up three full days of their lives and worked very hard to develop these recommendations. They went through the applications line by line and word by word at some levels. She said that the Hospitality Tax Committee had double duty due to the recent changes.

Councilor Sinclair said that the volunteers on the committees provide an extraordinary service for City Council and for the citizens of this city. She noted that this is not our money, it is public money and now the public makes the decision on funding.

Councilor Devine said that they have struggled over the past few years about how to publicize certain events and promote smaller groups. She requested that Ms. Utsey, Ms. Gober and others meet to consider what can be done to help promote these organizations whether it's Leisure Fun, the Cultural Council or another organization.

Councilor Rickenmann added that this publication system should be tied to future funding allocations so that we are cross promoting all entertainment options. This money is for marketing and we may need to look at funding a central system that would be available to everybody. He asked for timeframes on the various funding commitments such as the River Alliance. He said that someone called him and said that their group should always be funded first and foremost and he does not agree with that. He challenged the organizations that receive funding to help grow the pots. He said that organizations are not guaranteed anything.

Ms. Libby Gober, Ombudsman said that they will continue with the strength and unity meetings where they bring everyone together to share ideas and concerns. Mr. Rickenmann's concerns will also be addressed.

Upon motion by Ms. Sinclair, seconded by Mr. Davis, Council voted unanimously to approve the fiscal year 2008/2009 Accommodations Tax, Community Promotions and Hospitality Tax Funds as amended. (*See attached listings.*)

### **CONSENT AGENDA**

Upon motion by Mayor Coble, seconded by Ms. Sinclair, Council voted unanimously to approve the **Consent Agenda Items 14.** and **16.** through **22a.** as amended. **Items 13.** and **15.** were approved by a separate motion. The consideration of **Item 22b.** was deferred until July 9, 2008.

Upon motion by Mr. Davis, seconded by Ms. Sinclair, Council voted unanimously to approve **Items 13.** and **15.** on a single motion.

### **CONSIDERATION OF BIDS, AGREEMENTS and CHANGE ORDERS**

13. Council is asked to approve the Purchase of Two (2) Sets of Trench Boxes and Accessories, as requested by Wastewater Maintenance. Award to J & B Tool Inc. as the lowest bidder meeting specifications in the amount of \$11,717.57. This vendor is located in Dallas, GA. *Funding Source: 5516205-658400 - Approved*

Councilor Rickenmann asked for the specifications that had to be met by the lowest bidder.

Mr. Charles P. Austin, Sr., City Manager explained that **Item 13.** includes a memo to the Purchasing Department noting that the low bid from Blanchard Machinery Company was for a three by seven trench box, but the specifications called for a four by seven trench box. The next low bid from Hertz Equipment Rental did not meet the pounds per square foot rating and resulted in the city selecting the third lowest bidder, which meet all specifications.

14. Council is asked to approve the Purchase of One (1) Replacement Server, as requested by the Engineering Department. Award to Dell in the amount of \$16,706.01 using the SC State Contract. This vendor is located in Round Rock, TX. *Funding Source: 5516221-627510 - Approved*
15. Council is asked to approve the Purchase of Used Parking Meter Vaults, as requested by the Parking Services Department. Award to Login Locks as a Sole Source in the amount of \$17,744.05. This vendor is located in Southington, CT. *Funding Source: 5312501-625600 - Approved*

Councilor Rickenmann asked Mr. Gantt to explain this purchase.

Mr. Steve Gantt, Senior Assistant City Manager explained that the city had bought used vaults to go on the parking meters and 1 ½ years ago we had a major problem where persons in Chester, SC made keys to our vaults and were coming in and taking money out of the parking meters. We are now going to a more secure vault that goes on the bottom of the parking meter with a different kind of keying system that can't be duplicated. There are several municipalities in the northeast that used these vaults, but are now upgrading and selling them to us. We are paying twenty-five cents on the dollar for each parking meter vault.

Councilor Rickenmann commended the staff for saving money, but reminded them that he wants to see a single meter on each street with a solar panel on top that accepts credit cards.

Mr. Steve Gantt, Senior Assistant City Manager added that there has been a significant increase in the purchase of Smart Cards.

Councilor Cromartie inquired about **Item 22a**.

Mr. Steve Gantt, Senior Assistant City Manager explained that it is a server for the Engineering Department, because the existing server is eight years old and needs to be replaced.

16. Council is asked to approve the Purchase of 3,000 Gallons of Motor Oil, as requested by the Fleet Services Division. Award to Taylor Enterprises as the low bidder in the amount of \$18,472.80. This vendor is located in Columbia, SC. *Funding Source: 6308970-672200 - Approved*
17. Council is asked to approve the Purchase of One (1) Safe Connect Filter Appliance for the Dell Server, as requested by the Information Technology Department. Award to Dell, using the SC State Contract in the amount of \$23,540.00. This vendor is located in Round Rock, TX. *Funding Source: 1011120-658600 - Approved*
18. Council is asked to approve the Purchase of Five (5) Mini Service Line Video Inspection Systems, as requested by Wastewater Maintenance. Award to Ferguson Enterprises, Inc., as the low bidder in the amount of \$30,703.65. This vendor is located in Columbia, SC. *Funding Source: 5516205-658400 - Approved*
19. Council is asked to approve Change Order #1 for the Emerald Green Lake Pump Station for the Removal of the Existing 4' Wet Well and the Installation of a 5' Wet Well, as requested by Construction Management. Award to MB Kahn Construction Co., Inc. in the amount of \$51,263.00. This firm is located in Columbia, SC. *Funding Source: 5529999-SS698701-851600 - Approved*
20. Council is asked to approve the Purchase of Motorola Equipment for a Vehicle Tracking Project, as requested by the Fire Department. Award to Motorola in the amount of \$92,510.79 using the SC State Contract. This vendor is located in Sumter, SC. *Funding Source: 1012303-657600 \$57,951.89 and 1012303-627500 \$34,558.90 - Approved*
21. Council is asked to approve the Purchase of Eight (8) Oracle Cluster Licenses for IFAS and Banner, as requested by the Information Technology Department. Award to Mythics, Inc., using the SC State Contract, in the amount of \$134,102.40. This vendor is located in Virginia Beach, VA. *Funding Source: 6218950-627510 – Approved*
22. Council is asked to approve the Purchase of Three (3) Rescue Pumpers, as requested by the Fire Department. Award to the low bidder meeting specifications, Spartan Fire &

Emergency Apparatus in the amount of \$1,332,036.00. This vendor is located in Roebuck, SC. *Funding Source: 1012303-658500 \$888,024.00 and 2082306-658500 \$444,012.00 - Approved*

- 22a. **\*\*Council is asked to approve the Purchase of a Cisco 6509 Switch, as requested by the Information Technology Department. Award to Canvas Systems, LLC, using the SC State Contract in the amount of \$14,086.55. This firm is located in Norcross, GA. *Funding Source: 1011120-627500 - Approved***
- 22b. **\*\*Council is asked to approve a Contract Amendment for Professional Services, as requested by Economic Development. Award to Global Consulting & Associates of Columbia, SC in the amount of \$46,666.67 plus expenses in an amount not to exceed \$6,500.00. *Funding Source: Economic Development Special Projects Account - Consideration of this item is deferred to July 9, 2008.***

### **TEXT AMENDMENTS – SECOND READING**

23. **MX-1 (Mixed-Use) Zoning District**, create new and/or amend pertinent sections of Zoning Ordinance to establish the MX-1 (Mixed-Use) zoning district. *The Public Hearing was conducted and first reading approval was given on March 19, 2008.*

Councilor Sinclair explained that this Text Amendment will create the MX-1 zoning and was given first reading on March 19, 2008 and was being held until the other parts caught up in the process.

Upon motion by Ms. Sinclair, seconded by Mr. Rickenmann, Council voted unanimously to give second reading approval to MX-1 (Mixed-Use) Zoning District, create new and/or amend pertinent sections of Zoning Ordinance to establish the MX-1 (Mixed-Use) zoning district.

24. **5P (Five Points) Zoning Overlay District**, create new and/or amend pertinent sections of Zoning Ordinance to establish the 5P (Five Points) zoning overlay district. *The Public Hearing was conducted on March 19, 2008. No action was taken. First reading approval was given on June 4, 2008.*

Ordinance No.: 2008-025 - Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 17, Planning, Land Development and Zoning, Article III, Zoning, Division 1, Generally, Sec. 17-54 Rules of construction; interpretation of types of districts; Division 8, District Descriptions; Use and Dimensional Regulations, Sec. 17-231 Districts enumerated (c); Sec. 17-258 Table of permitted uses (1) to add (h); Sec. 17-260 Warehousing (SIC 4227 and 424)(a)(3); Sec. 17-263 Retail trade (SIC 52-59) (b); Sec. 17-275 Lot size, setback and height requirements to add (k); Sec. 17-282 Antennas (b); Sec. 17-283 Wireless communication facilities TABLE 3; and to add Sec. 17-284-5P five points district; Sec. 17-285 MX-1 mixed-use district corridor/neighborhood; Sec. 17-286 Motor vehicle, boat and recreation vehicle dealers; Sec. 17-287 Used merchandise stores; Sec. 17-288 Offices and clinics of other health practitioners including therapeutic massage; Division 9, Supplementary District Regulations to add Sec. 17-321 -5P five points overlay district; Division 12, Signs, Sec. 17-407 Signs permitted in commercial and industrial districts (2)(a), (3)(a)(1) and (5)(a)(4); Article V, Historic Preservation and Architectural Review, Division I, Generally, Sec. 17-653 Design and development review commission (b)(9); Sec. 17-655 Administration to add (c) Administration of -5P design guidelines and re-letter Certificate conditions to (d) - *The Public Hearing was conducted on March 19, 2008. No action was taken. First reading approval was given on June 4, 2008. – Approved on second reading.*

Mr. Marc Mylott, Director of Planning and Development Services explained that the amendments dealt with the threshold at which the staff would conduct reviews and approvals versus the Design Development Review Commission (DDRC).

Councilor Sinclair explained that there was an amendment to revisit this in five years. We agreed to do this when we gave the ordinance first reading approval. Councilor Cromartie asked about the height limitation.

Councilor Sinclair said that the height limitation is already in there.

Councilor Cromartie asked for the height limitation for the area of Gervais Street to College Street.

Mr. Marc Mylott, Director of Planning and Development Services stated that there is a buffer adjacent to the residential which caps it at 35 feet. Beyond that you are allowed to rise to 50 feet and then when you setback from the street you may rise up to 75 feet.

Councilor Cromartie said that he is more concerned about the buffer on Walnut Street and how it affects the residents.

Mr. Marc Mylott, Director of Planning and Development Services said that within 200 feet of those districts you would have a 35 feet height limit.

Ms. Lucinda Statler, Planner said that there is a 200' buffer from residential districts and within that 200' zone the maximum height is 50'. Buildings adjacent to residential property lines must step down to 35'. Currently the C-3 zoning allows for 50' height limitations or it can go up to 75' if the building is setback from the street adequately. All the properties in question would fall within the 200' buffer for residential under this proposal for the MX-1 5P overlay. They would be limited to 50' on that side of the street and then next to the residential property line those buildings would need to step down to 35'.

Upon motion by Ms. Sinclair, seconded by Mr. Cromartie, Council voted five (5) to one (1) to give second reading approval to Ordinance No.: 2008-025 for the text that creates the 5P Overlay, provided that the threshold for review by staff versus the Design Development Review Commission (DDRC) (as described on page 33, new section 17-655 (c)(2) (a) and (b)) is increased from \$500,000 to \$660,000 and that the threshold changes monthly based upon the non-preliminary Producer Price Index (PPI) for "materials and components for construction" as published by the U.S. Department of Labor, Bureau of Labor Statistics. The base figure for this change is \$660,000 as of December 2007. Voting aye were Ms. Devine, Mr. Davis, Ms. Sinclair, Mr. Cromartie and Mayor Coble. Mr. Finlay voted nay. Mr. Rickenmann was not present for the vote.

On June 4, 2008, Council voted unanimously to direct staff to present a report to City Council regarding the positives and negatives of efforts to implement the Five Points Master Plan, especially regarding the MX and 5P overlay districts within 5 years of the effective date of the rezoning of Five Points. The actual review / discussions should begin after four (4) years and four (4) months to provide an eight (8) month timeframe for review.

## **MAP AMENDMENT / REZONING – SECOND READING**

25. **Five Points**, rezone from C-1, C-2, C-3, C-3 –DP, M-1, RG-3, PUD-C to MX-1-5P, MX-1 –DP, PUD-C –5P, M-1-5P, RG-3 –5P (see associated text amendments above). Generally, the area starts at the intersection of Gervais Street and the Southern Railroad, continues southerly along the Southern Railroad to the south lot line of the second parcel south of the southeast corner of the Southern Railroad and Blossom Street, continues easterly along the rear of the parcels fronting the south side of

Blossom Street to Hilton Street, continues northerly along Hilton Street and across parcels to Lee Street, continues northwesterly along Pavillion Avenue to Pine Street, continues easterly then northerly along Pine Street to College Street, continues westerly approximately 85 feet along College Street then northerly to Stark Street, continues westerly along Stark Street to Walnut Street, continues northerly along Walnut Street to Senate Street and the behind parcels fronting Harden Street to Gervais Street, and continues westerly along Gervais Street to the point of beginning. More specifically, -5P (FIVE POINTS) OVERLAY, LOWER FIVE POINTS includes: 11308 - 05-01, -02; 11308-06-All; 11308-07-All; 11308-08-All; 11308-10-01; 11308-11-03, -04, -05, -06, -07; 11312-01-All; 11312-02-01, -10 through -15; 11312-12-01; 11312-13-01, -02; 11312-14-All; 11312-15-All; 11405-09-09 through -13; 11487 - 208' measured from Greene Street ROW; 11409-19-All. -5P (FIVE POINTS) OVERLAY, UPPER FIVE POINTS includes: 11405-04-All; 11405-05-01, -19, -21, -23; 11405-07-All; 11405-08-All; 11405-09-04 through -08; 11405-10-All; 11487 - 209' measured from College Street ROW; 11406-09-01, -22, -24, -25; 11406-12-01 through -07; 11409-18 -01 through 4, -10, -12 through -14; 11409-20-All; 11409-21-01, -09. MX-1 (NEIGHBORHOOD MIXED-USE) includes: 11308-05-01, -02; 11308-06-All; 11308-07-All; 11308-08-04 through 06, -10; 11308-10-01; 11308-11-04 through -06; 11312-01-All; 11312-02-01, -10 through 15; 11312-13-01, -02; 11312-14-All; 11312-15-All; 11405-04-All; 11405-05-01 and -19 measured 100' from Harden Street ROW, -21, -23; 11405-07-01, -03, -13 through -22, -24, -25; 11405-08-All; 11405-09-04 through -13; 11405-10-All; 11487-All; 11406-09-01, -22, -24, -25; 11406-12-01 through -07; 11409-18-01 through -04, -09, -10, -12 through -14; 11409-19-All; 11409-20-All; 11409-21-01, -09.

Mr. Marc Mylott, Director of Planning and Development Services explained that this Map Amendment and Rezoning are to apply the MX and the 5P overlay to the geography of Five Points. The description has been corrected to eliminate the word jogging as requested by Councilor Rickenmann.

Upon motion by Ms. Sinclair, seconded by Mr. Cromartie, Council voted six (6) to one (1) to give second reading approval to the Map Amendment / Rezoning of Five Points, rezone from C-1, C-2, C-3, C-3 -DP, M-1, RG-3, PUD-C to MX-1-5P, MX-1 -DP, PUD-C -5P, M-1-5P, RG-3 -5P (see associated text amendments above). Generally, the area starts at the intersection of Gervais Street and the Southern Railroad, continues southerly along the Southern Railroad to the south lot line of the second parcel south of the southeast corner of the Southern Railroad and Blossom Street, continues easterly along the rear of the parcels fronting the south side of Blossom Street to Hilton Street, continues northerly along Hilton Street and across parcels to Lee Street, continues northwesterly along Pavillion Avenue to Pine Street, continues easterly then northerly along Pine Street to College Street, continues westerly approximately 85 feet along College Street then northerly to Stark Street, continues westerly along Stark Street to Walnut Street, continues northerly along Walnut Street to Senate Street and the behind parcels fronting Harden Street to Gervais Street, and continues westerly along Gervais Street to the point of beginning. More specifically, -5P (FIVE POINTS) OVERLAY, LOWER FIVE POINTS includes: 11308 - 05-01, -02; 11308-06-All; 11308-07-All; 11308-08-All; 11308-10-01; 11308-11-03, -04, -05, -06, -07; 11312-01-All; 11312-02-01, -10 through -15; 11312-12-01; 11312-13-01, -02; 11312-14-All; 11312-15-All; 11405-09-09 through -13; 11487 - 208' measured from Greene Street ROW; 11409-19-All. -5P (FIVE POINTS) OVERLAY, UPPER FIVE POINTS includes: 11405-04-All; 11405-05-01, -19, -21, -23; 11405-07-All; 11405-08-All; 11405-09-04 through -08; 11405-10-All; 11487 - 209' measured from College Street ROW; 11406-09-01, -22, -24, -25; 11406-12-01 through -07; 11409-18 -01 through 4, -10, -12 through -14; 11409-20-All; 11409-21-01, -09. MX-1 (NEIGHBORHOOD MIXED-USE) includes: 11308-05-01, -02; 11308-06-All; 11308-07-All; 11308-08-04 through 06, -10; 11308-10-01; 11308-11-04 through -06; 11312-01-All; 11312-02-01, -10 through 15; 11312-13-01, -02; 11312-14-All; 11312-15-All; 11405-04-All; 11405-05-01 and -19 measured 100' from Harden Street ROW, -21, -23; 11405-07-01, -03, -13 through -22, -24, -25; 11405-08-All; 11405-09-04 through -13; 11405-10-All; 11487-All; 11406-09-01, -22, -24, -25; 11406-12-01 through -07; 11409-18-01 through -04, -09, -10, -12 through

-14; 11409-19-All; 11409-20-All; 11409-21-01, -09. Voting aye were Mr. Rickenmann, Ms. Devine, Mr. Davis, Ms. Sinclair, Mr. Cromartie and Mayor Coble. Mr. Finlay voted nay.

## **ORDINANCES – FIRST READING**

26. Ordinance No.: 2008-036 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 20, Special Fees and taxes to add Article IV, Electronic Payment Fees - *Denied*

Councilor Sinclair doesn't think the city should be charging a fee, because it makes our lives easier when people pay electronically. We reduce time spent opening envelopes, depositing checks and we want to encourage people to pay electronically. Why can't we just offer this as a service to our citizens without having to charge a fee?

Councilor Devine agreed with Ms. Sinclair. She said that we shouldn't charge, but we have talked about electronic payments for years and she doesn't want to hold up the capability to make electronic payments. She asked if we are still looking at the option of the city building the infrastructure to be able to have this ability ourselves instead of going through the State system to make payments.

Mr. Vincent Simonowicz, Director of Information Technology explained that staff went this way so that there would not be a charge to the city. There is no money coming into the city and it is only to pay the vendor for administering the credit card receipt. It is 1.8% plus \$1, which is lower than competing agencies. He noted that Richland County charges \$2. This is the tenth payment vehicle and the city leads the area in different payment options. The city is not paying any development costs. If the fee was not passed on to the end user, then the city would have to pay \$30,000 to \$40,000 for upfront costs and a reoccurring cost based on utilization of the service. He said that we can already accept bills through the city's bank online and we do the Interactive Voice Response (IVR), which costs \$4. The payments would be posted immediately and it includes the merchant fees. He added that the vendor would be the liable party and not the city.

Mayor Coble said that this is another payment option and people can choose not to utilize the service. If the motion fails, then he suggests that the city move on to assume the charges.

Upon motion by Ms. Devine, seconded by Mayor Coble, Council voted one (1) to six (6) to deny Ordinance No.: 2008-036 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 20, Special Fees and taxes to add Article IV, Electronic Payment Fees as presented. Mayor Coble voted in favor of the Ordinance. Voting nay were Mr. Finlay, Mr. Rickenmann, Ms. Devine, Mr. Davis, Ms. Sinclair and Mr. Cromartie.

27. Ordinance No.: 2008-055 – Authorizing the City Manager to execute an Agreement of Sale for the transfer of 0.96 acres (41,635.67 square feet) of an unopened portion of Wheat Street and 0.62 acres (26,891.50 square feet) of an unopened portion of Rice Street to South Carolina Electric and Gas Company – *Approved on first reading.*

Upon motion by Mr. Rickenmann, seconded by Ms. Devine, Council voted unanimously to give first reading approval to Ordinance No.: 2008-055 – Authorizing the City Manager to execute an Agreement of Sale for the transfer of 0.96 acres (41,635.67 square feet) of an unopened portion of Wheat Street and 0.62 acres (26,891.50 square feet) of an unopened portion of Rice Street to South Carolina Electric and Gas Company.

## **RESOLUTIONS**

28. Resolution No.: R-2008-031 – Authorizing acceptance of a deed from the Historic Columbia Foundation and execution of a First Amendment to Property Management

Agreement for management and maintenance of the Modjeska Simkins House at 2025 Marion Street, Richland County TMS# 09016-10-09 - *Approved*

Upon motion by Ms. Sinclair, seconded by Ms. Devine, Council voted unanimously to approve Resolution No.: R-2008-031 – Authorizing acceptance of a deed from the Historic Columbia Foundation and execution of a First Amendment to Property Management Agreement for management and maintenance of the Modjeska Simkins House at 2025 Marion Street, Richland County TMS# 09016-10-09.

**OTHER MATTERS**

29. Council is asked to approve a Request for a Certificate of Convenience and Necessity, as requested by the Business License Division. Award to Johnny Pichardo doing business as Applejack Taxi, 1149 Brookwood Circle, West Columbia, South Carolina 29169. - *Approved*

Upon motion by Mr. Rickenmann, seconded by Ms. Sinclair, Council voted unanimously to approve a Request for a Certificate of Convenience and Necessity, as requested by the Business License Division. Award to Johnny Pichardo doing business as Applejack Taxi, 1149 Brookwood Circle, West Columbia, South Carolina 29169.

- 29a. \*\*Funding Request for City Year – The Honorable Mayor Robert D. Coble

Mayor Coble explained that this funding is for the sponsorship given to City Year. He said that City Year recognized Dr. Sorenson and the City of Columbia was the presenting sponsor. He added that City Year raised \$70,000 during the event.

Upon motion by Mayor Coble, seconded by Ms. Sinclair, Council voted unanimously to allocate \$25,000 to City Year from the Council Contingency Account.

- 29b. \*\*Appointment of the Mayor Pro-Tempore for Fiscal Year 2008/2009 (*The Honorable Daniel J. Rickenmann*) - The Honorable Mayor Robert D. Coble

Upon motion by Mayor Coble, seconded by Mr. Davis, Council voted unanimously to appoint Mr. Daniel J. Rickenmann as the fiscal year 2008/2009 Mayor Pro-Tempore for the Columbia City Council.

- 29c. \*\*Appointments to the Richland Lexington Airport District Commission – The Honorable Mayor Robert D. Coble

Upon motion by Mayor Coble, seconded by Ms. Devine, Council voted unanimously to approve the appointment of Ms. Anne M. Sinclair to the Richland Lexington Airport District Commission effective February 1, 2009 through February 1, 2012.

Upon motion by Ms. Devine, seconded by Mr. Cromartie, Council voted unanimously to approve the appointment of Mr. Xavier Starkes to the Richland Lexington Airport District Commission effective February 1, 2008 through February 1, 2010.

\*\*Chief Bradley Anderson of the Columbia Fire Department stated that the city has a dozen off-duty firefighters in Charleston, South Carolina who are participating in a memorial service and providing support to the Charleston Firefighters. As a city, we are providing a ladder company to staff one of the Charleston Fire Stations in West Ashley so that all of the personnel can attend the memorial ceremony.

Mayor Coble asked everyone to stand in a moment of silence in remembrance of the fallen Charleston Firefighters.

## **APPEARANCE OF PUBLIC HAVING BUSINESS WITH CITY COUNCIL**

Dr. Marie Faltas appeared before the members of Council to request time to discuss two (2) subjects. She said that the first subject is an Ordinance telling people what to do in their own front yards. She said that not only is the Ordinance extremely unconstitutional, she believes that it totally violates the first amendment of the right of the people to be secure in their own homes against unreasonable searches and seizures. It also violates the first amendment to the U.S. Constitution that provides for freedom of conduct and expression that doesn't involve anyone else. Additionally, at times when it's over one hundred degrees Fahrenheit, when it would be criminal to leave a dog in a car without shade, in that heat you have your agents all over harassing people who are doing nothing but the sensible thing of putting their cars in the shade of a tree. If you are going to have such an intrusive Ordinance, at the very least you should instruct people to take into account human life and human safety. She asked if anyone wanted to engage her in a discussion about the Ordinance. Incidentally, the only other city in the United States that has such an Ordinance is Massillon, Ohio and it is also a question of constitutionality there. She asked if anyone wanted to respond to what she was saying. She asked if anyone listened to her. Do you even know what I am talking about?

Mayor Coble said that they certainly listened, but in this case they like to hear from the public.

Councilor Devine said that the Council conducted public hearings on the Ordinance before it was passed and that they will take note of Dr. Faltas' objection.

Mr. Hubbard Forrester appeared before the members of Council to give honor to Yahweh our God and Lord; our God that created the heaven and the earth. He gave honor to Jesus Christ, his Lord and savior and honor to the Holy Spirit that is within him. He reminded the members of Council about the monument that needed to be built in front of the capitol where the statue is and the confederate flag is hanging. He said that the monument must go there; it must be one body; it must have three heads; a column; the middle column must be Yahweh; the right side is Jesus Christ; and the left side the Holy Spirit; and in the center it must be the Ten Commandments. This must be done by the Passover in April 2009. He cited the following verse from Romans 9:17 – For the scripture says unto Pharaoh even for this time and purpose I have raised thee, that I might show my power in thee, that my name might be declared throughout all earth. God wants His name to be known and the reason I say Yahweh is because I am over 50 years old and it took me 50 years to learn that our God's first name known to men was Yahweh and the Holy Spirit has revealed these things to me. If you put this monument up every person that looks at this monument can call on the name of Yahweh and it would be a treasure for you in heaven. I ask you to please do this, because it will prevent disaster from coming to South Carolina.

Ms. Beverly Armstrong Washington appeared before the members of Council to ask for their help. She is a news reporter and has been in the media for more than 33 years. As of last year, in March while working at the University of South Carolina as an interviewer, she left 1600 Hampton Street on a sunny day, walked towards her car and a driver darted over three lanes and ran her over in a Ford Explorer. The young Police Officer that came to the scene asked what happened and the woman who ran her over admitted that it was her fault. She quoted that woman as saying that she didn't look. The Officer took witness statements and a witness said that unit one was legally parked and was not moving when unit two walked across the street unit one made a u-turn heading south bound and struck unit two. She almost killed me with the front end of her car. I went to the emergency room and I am still disabled as a result of those injuries. I thank God that I am here. I asked for the police report at the scene and was told that I would have to go to Washington Street to get one. I asked for the name of her insurance company and I was told that I could get it at Washington Street. I was treated so inhumanely, like road kill. I am not road kill. The scene was cleared and I asked the officer if he needed anything else from me and he said no. Several minutes later he goes to my employer at USC and tells him that he is looking for me. He then called me on my personal cell phone and said that he had something for

me. He fined me \$239 for being in the roadway unlawfully. I was two feet away from my car and because it says that she did not contribute to the collision, I can't get medical care or legal representation. My career is over. My life is over. I am in pain everyday. A new officer was called into Traffic Court and was told to give me a new ticket, so the officer said that he had never seen me before in his life, but he still gave me a new ticket for failing to cross at the crosswalk. Then Overture Walker suggested that they drop the charges against me, but the woman who hit me said that she would not agree to that. I was fined. I did not cause that accident. The witnesses contact me weekly for updates. I called the Police Department 12 times and asked for the investigation to be reopened, because I want to go to the doctor, but I never get a response.

Mayor Coble asked the City Manager to meet with Ms. Washington immediately after the meeting.

### **EXECUTIVE SESSION**

Upon motion by Mayor Coble, seconded by Mr. Rickenmann, Council voted unanimously to go into Executive Session at 1:02 p.m. for the discussion of **Items 30.** through **B1.** as amended.

30. Receipt of legal advice, which relates to pending, threatened or potential claims
    - Hotel Litigation

*This matter was discussed in Executive Session. No action was taken.*
  31. Discussion of negotiations incident to the proposed sale of property
    - This matter was discussed in Executive Session. No action was taken.*
  - A. Receipt of legal advice, which relates to matters covered by attorney-client privilege
    - Governors Hill
    - \*\*Saluda Riverwalk
    - \*\*Lower Richland Sewer
    - \*\*Trumball Insurance

*These matters were discussed in Executive Session. No action was taken.*
  - B. Discussion of the appointment / promotion of an employee
    - This matter was discussed in Executive Session. No action was taken.*
  - B1. \*\*Discussion of the employment of an employee
    - Matters were discussed in Executive Session. No action was taken.*
- **Mr. Finlay left the meeting at 2:25 p.m.**
  - **Ms. Devine left the meeting at 2:30 p.m.**
  - **Council adjourned the Executive Session discussion at 2:37 p.m.**

### **WORK SESSION**

Mayor Pro-Tempore Tameika Isaac Devine called the meeting to order at 3:30 p.m. The following members of Council were present: The Honorable E.W. Cromartie, II, The Honorable Sam Davis and The Honorable Daniel J. Rickenmann. The Honorable Kirkman Finlay III joined the meeting at 3:39 p.m. The Honorable Mayor Robert D. Coble and The Honorable Anne M. Sinclair were absent. Also present were Mr. Charles P. Austin, Sr., City Manager and Ms. Erika D. Salley, City Clerk.

- C. Richland County Transportation Study - *This item was withdrawn from the agenda.*

#### D. Municipal Improvement District

Councilor Devine explained that the purpose of this meeting is to figure out where we are. In May the Council approved a motion to explore the option of doing a Municipal Improvement District. She knows that it is a Tax Increment Financing District, but didn't want to enter into another TIF with Richland County and Richland School District One.

Councilor Rickenmann requested a listing of all of the catalyst projects.

Mr. Tony Lawton, Director of Community Development explained that on June 4, 2008 the Council asked staff to bring back the following information about the proposed plan: a timeline for implementation; a list of the proposed projects; the associated costs; a larger map of the redevelopment area; and a framework for financing the redevelopment project area. He presented a preliminary timetable for the steps that must be taken in order to implement the redevelopment plan. He noted that the map includes commercial catalyst projects that were a part of two (2) previous master plans the city invested in.

##### ▪ **Mr. Finlay arrived at 3:39 p.m.**

Mr. Calvin Grigsby, Grigsby & Associates said that we are looking at an extremely distressed area that is conterminous with an empowerment zone area, which was established approximately six (6) years ago. There needs to be additional incentives to the development community to shake this project a loose and to get it going. It is an opportunity to build excitement in an area that has been overlooked from a development standpoint. One of the best ways to build excitement is to have some money that can be used to complete a project and to make sure there are enough strings on that money that the project has to be completed. The approach here is to take advantage of state law and the overall credit worthiness of the City of Columbia. Under Sec. 31-6-110 of the state law, the city has the ability to pledge water and sewer revenues to support redevelopment financing. We have an opportunity to take advantage of the excess coverage. He explained that every water and sewer revenue bond has excess coverage. If you have \$10 million in debt service for water and sewer bonds, you have a rate covenant that requires that you set rates at \$13 million, giving you \$3 million in excess coverage. That \$3 million can be pledged on a subordinate basis under state law to guarantee the issuance of tax increment financing bonds. The Tax Increment Financing bonds however, are secured by the actual revenues coming off each particular development. In other words, if we have \$3 million going into infrastructure for a mixed use project, that project will have to throw off at least \$300,000 in property tax, sales tax, business license tax and other revenues of the city; that \$300,000 will amortize \$3 million in principal. Every project that gets final approval for this redevelopment plan will pay for itself. We will do an internal rate of return analysis to ensure this. The combined projects that have been identified could well exceed the \$30 million in net proceeds we are looking at from the water and sewer bonds, but we are sizing the issue based upon having at least a 1/10 coverage from the excess coverage on the senior lien debt. We have \$10 million in annual debt service for the water and sewer bonds; \$13 million in total revenue collected; that extra \$3 million will be pledged to guarantee the TIF bonds, which will be guaranteed on a first lien basis from the revenues of the project area. Those revenues will have to be demonstrated to be sufficient to pay the bonds by themselves without ever touching the water and sewer money. If the projects don't pencil out and a developer loses his bank line of credit or a developer doesn't have equity for his project and the money is still sitting there two or three years out, that money will go to the next installment of the water and sewer CIP. It's never subject to being used to redeem bonds and there are no down side risks. Looking at some sample numbers, if we do \$123 million, 30 year fixed rate bond issue, comprised of \$88 million of senior lien water and sewer bonds and \$35 million of tax increment bonds; we will be able to produce roughly \$30 million of infrastructure finance money for projects within the redevelopment project area. We will integrate the creation of the redevelopment project area and the selection of the developers and the issuance of the bonds in the one overall financing. The first step in the whole process is for the City Council to decide if they are going to do the

financing; appoint the financing team; and authorize the preparation of the redevelopment plan. If this is done on July 2, 2008, we will have scheduled some community meetings with community groups in the redevelopment project area between July 3 – 14, 2008 and prepared the redevelopment plan and public hearing presentation to describe to the public why we are doing this, what the need is, why we know it is going to work and how we are going to make sure it works. At the same time we will distribute the redevelopment plan and the Resolution to the Council for review. By July 30, 2008 we could have the Resolution which notifies every one of the public hearing and the tax districts approved by City Council. By August 8, 2008 we can notice the public hearing in the newspaper for September 17, 2008 thus meeting the 45-day notice requirement. At the same time the bond documents, the bond indenture, the POS, ratings and credit packages will be prepared. Concurrently, we would solicit developer interest for each project through a Request for Proposals (RFP) process to the development community.

Councilor Finlay asked if the expectation is for Council to approve a bond issue before knowing what's going to be in it.

Mr. Calvin Grigsby, Grigsby & Associates responded no. The City is preparing to do a bond issue for the water and sewer and we are proposing a subordinated issue be coupled with that issue to do redevelopment and we are also saying that the bond issue will be for dual purposes; redevelopment projects or the next installment of the Capital Improvements Program (CIP). You have to look at it as an area wide campaign to redevelop this area. You will never know which project is going to actually close or not close and the developers will constantly change their project by expanding or shortening the scope. The project isn't done until you have a performance in completion bond, a guaranteed maximum price contract or a stipulated price contract, all of the equity financing, all of the mezzanine debt; and all of the permanent financing. There will be projects that are reasonably foreseeable to be completed, but we will not have projects completed; that's the whole reason for using the water and sewer as a guarantee for the bonds. If you wait until a developer completes a project, we will never get this particular redevelopment area kicked off.

Councilor Finlay stated that if a project is built, but doesn't perform, the revenue sources are never developed. Theoretically, some of the sources that we are looking for to repay this may never come on line and we will look at increment financing to pay the TIF off.

Mr. Calvin Grigsby, Grigsby & Associates said that is absolutely true. In the internal rate of return analysis that we've done, we are relying on one to one coverage just on the tax increment. We are looking at sales tax and other taxes as excess coverage on the bonds. Until feasible, a project cannot get any money from the proceeds of the bonds. Feasibility means that the tax increment generated by the project after we establish that the project is funded, the contractor is bonded; and completion risks are eliminated to the extent possible. It's the same type of risk taken by banks and insurance companies. This will be structured so that the money from the city is the last money to go into the project.

Councilor Devine said that the projects have been identified as highly feasible projects through other master planning processes; they are not abstract projects.

Mr. Calvin Grigsby, Grigsby & Associates explained that once developers come back through the RFP process they have demonstrated that they meet certain minimum requirements; they have a certain amount of financial wherewithal; and they have a track record. The RFP process helps to carve out those developers that are less likely to perform. You should always have back up projects. Your job is not to know exactly what project, but as a government you should say that we are going to put money into projects in this area, because the best developer can have his budget fall out of bed.

Councilor Finlay said that is what he is concerned about. We have to be very cognizant of understanding where our money goes, because the risk profile of real estate right now is very

different than it was even a year ago.

Councilor Devine said that the worse case scenario for failed projects is that the city's money will go towards the CIP.

Mr. Calvin Grigsby, Grigsby & Associates urged them to keep in mind that the city is not like a bank, because you have the property tax on every project. If a project goes down the first person to lose is the equity guy, then the mezzanine guy and then the bank takes over the property, pays the property taxes after it forecloses and that's the security for these bonds; the property taxes. He said that the city's position on the deal would be fifty times covered with the bank loan. Unless the property goes fallow and nobody buys it for any price then the city would be out.

Councilor Davis said that the city has always put up its money and resources to plant the seed for projects, but under this scenario that doesn't happen.

Mr. Calvin Grigsby, Grigsby & Associates reminded them about the remaining \$112 million in Empowerment Zone money. We can double up with the developer as part of the process. We can also offer very low class first lien financing.

Mr. Tony Lawton, Director of Community Development said that the monies that will be going first are the EZ facility bonds, which can be injected first to help with the cash flow of a deal. The developer needs a letter of credit from the bank and there is a job creation component to it as well. We want to be in a position to take full advantage of the \$112 million that's available for the empowerment zone and to grow and expand our tax base.

Councilor Rickenmann hopes that there will be an opportunity for them to discuss catalyst projects and decide on what the priorities are. He is a little concerned that things have been laid out, but the Council has not talked about them.

Councilor Devine said that staff put the projects out there that have been suggested to them and further discussion will take place in Executive Session once all open session items are discussed.

Mr. Tony Lawton, Director of Community Development further explained that the catalytic projects are those that either the Empowerment Zone was looking at doing or one of the Development Corporations. There are no hidden agendas.

Councilor Rickenmann asked Mr. Grigsby about the assessment that was mentioned in a previous memo. He said that we are trying to offer incentives and then we are going to turn around and assess them.

Mr. Calvin Grigsby, Grigsby & Associates explained that if a project doesn't produce enough tax increment the developer will be required to establish a municipal improvement district for his project where he would tax himself an additional \$100,000 and that would go into the special fund just like the tax increment to pay the bonds. It is not a grant program.

Councilor Rickenmann asked how the use of business license revenue would affect the rest of the General Fund. We need to know every scenario. How will this affect our water and sewer? He wants to ensure that we can cover this and everything else if this moves forward.

Mr. Calvin Grigsby, Grigsby & Associates explained that a lot of property is not on the tax roll. He said that the Council would have to approve every project before it gets funded. If we put an assessment on a project and it is no longer feasible, but if you attribute the sales tax revenue to the project you now have enough to pay back the bonds. The concept here is not to ever touch any revenue from the water and sewer enterprise fund. This retail project doesn't exist, so every

dime of sales tax is also tax increment. It is the property taxes generated by new development and it's also the sales taxes generated by new development and if there is a business component then an occupational tax is generated.

Councilor Rickenmann said that we have to cover the services too, because we can't afford to provide the services for free. We need to know what the assessment is.

Mr. Calvin Grigsby, Grigsby & Associates said that is a theory against tax increment all the way. Whenever you are using a tax increment, that project is not paying its fair share of taxes, because it's going back to that project.

Councilor Finlay said that he is very favorable of a Municipal Improvement District as an assessment on property taxes, but he is concerned about a TIF and the need for the school district and Richland County's support. He said that we will lose so much leverage if they don't participate.

Councilor Devine said that both entities must be noticed and given the opportunity to opt out or not. We are not counting their numbers now, because they may choose to opt out and that's the whole point of going through this process to see what's feasible.

Mr. Calvin Grigsby, Grigsby & Associates agreed and added that we haven't looked at any money coming from the two-thirds in any of our numbers. If we get this money put out in 24 to 30 months and the projects are in the ground and turning tax increment and other revenues back to the city then you will get more cooperation from the school board and Richland County with the next bond series we do. We looked at not signing any disposition or developer agreements until the bonds are sold.

Councilor Finlay asked if the developer agreements would be personally guaranteed.

Mr. Calvin Grigsby, Grigsby & Associates said yes, because the developer has to say this is my lender, here is their commitment, this is my equity, this is my contractor and he's bonded; all of that is in the development agreement. Then the city would agree on how much infrastructure to put into the development.

Councilor Finlay asked if the developer has to personally kiss the loan or not.

Mr. Calvin Grigsby, Grigsby & Associates said that is the one thing that's hard to get a developer to do. They will give you the personal guarantee of the bank; but they won't sign on the bottom line.

Councilor Rickenmann said that we must get a surety bond.

Councilor Finlay said that he is all about trying to help as long as we don't end up as the bank that took all the bad loans.

Mr. Dan McLeod, Esquire, McNair Law Firm explained that in 1986 the city did the first Tax Increment Bond in the state for \$10 million for what was then known as Seaboard Park, but is now known as Finlay Park. Those bonds were marketed publicly, got bond insurance; they had a back up pledge of water and sewer revenues. When the bonds were originally issued, the coverage from the tax increment itself was projected to be 110% of debt service and that was based on the fact that the first block of Main Street was the major tax source that provided the payment of the increment and those bonds went through 2021 and they were extended per an agreement with the school district and the county, other bonds were issued and those were retired last year. That bond issue was never paid from water and sewer revenues, although those revenues were needed to be pledged in order to get the bond insurance. That turned out to be a good story until last year. In addition, several years ago, the City also did a small tax

increment bond for the parking garage that is adjacent to the Carolina First building. That bond was about \$2 ½ million and the debt service was \$260,000 per year. There was a shortfall on that bond for the first several years of \$30,000 to \$40,000 and it was paid from water and sewer revenues. That bond was also paid off in December 2007 when the county and city reached an agreement. Other cities around the state have issued tax increment bonds and all of those bonds have had some source of additional security. You are doing a plan to eradicate that blight and you are going to put in some improvements that will stimulate development, thus generating an increment to pay the bonds. The first step in any TIF plan is the drafting and preparation of the redevelopment plan, which is basically to outline the area, the factors of blight and what the city plans on doing.

Councilor Devine asked if there had to be specific projects or could they be general.

Mr. Dan McLeod, Esquire, McNair Law Firm said that the 1986 Congaree Vista Plan was primarily parks and streetscaping and an amendment to the plan in the late 1990's added the Three Rivers Greenway Project, EdVenture Children's Museum and land for the arena.

Councilor Cromartie said that you make it general enough so that if a project comes under that design area it can also satisfy the process as long as it is a blighted area.

Mr. Dan McLeod, Esquire, McNair Law Firm said no doubt.

Mr. Steve Gantt, Senior Assistant City Manager for Operations said that on the other TIF projects the city used all of the money for public infrastructure. He asked if the TIF would have a taxable component as well if they acquired a piece of property and sold it to a private developer.

Mr. Dan McLeod, Esquire, McNair Law Firm said that state tax increment law requires that any tax increment bond proceeds be used for publicly owned projects and before an amendment ten years ago the statute said municipally owned projects, but it was changed and that's why the City of Columbia could issue a tax increment bond for EdVenture Museum that was really on lease from the state, so it was publicly owned, but not municipally owned. Under state law, tax increment bonds can only be used for publicly owned projects.

Councilor Devine said that it is not our desire to own a grocery store so if we are trying to recruit somebody to develop a grocery store we need to find out how we use this as a mechanism to do that.

Mr. Michael Seezen, Esquire, McNair Law Firm explained that for a grocery store the city would be doing the streets in front of it, the sidewalks and the public parking area, the sewer, the utility connections and anything that connects to the public utility. The money would go towards those things that were public investments.

Mr. Dan McLeod, Esquire, McNair Law Firm explained that in 1994, the city did a tax increment bond for the plaza by the State Museum. The way you might want to approach this is the area in yellow would be the TIF District and you would develop a redevelopment plan and you would bring in a planner that has more vision than the attorneys to say what will happen over the duration of the plan and what the tax increment monies would be spent on. This plan needs to be long-term for 30 or 35 years. The Congaree Plan went for 15 years because at that point the school district and the county didn't have to give consent as long as bonds were less than 15 years. The catalyst areas could be part of the TIF, but they could also overlap with a MID. Typically a MID is a parcel of land that is owned by one person and a developer comes in and says I want to do the grocery store and you say fine we will put in the public infrastructure for you and make it prime for your development and he says that he needs more so he can then do a MID bond that would be payable from some form of an assessment, which is typically done on a square footage basis that is passed along as part of the rent.

Councilor Davis said that under the MID concept you can do a combination of the public infrastructure and if it is a private owner that needs more you can work with that person in terms of other incentives, because part of it is to not only plant the seed but to do what it takes to enhance that business and make it a lot easier for them to come in.

Mr. Dan McLeod, Esquire, McNair Law Firm said that Micheal Seezen has worked on a tax increment district and a municipal improvement district for the City of Myrtle Beach for the redevelopment of the old air force base two years ago.

Mr. Michael Seezen, Esquire, McNair Law Firm said that it was the Market Common Development, which is a 600 acre tract for all residential, multi and single family housing and then the MID part of it is mixed use retail.

Councilor Rickenmann asked if the City of Myrtle Beach is doing the infrastructure and then allowing the developer to do a MID on top of that. He said that it doesn't make a lot of sense from a business standpoint.

Mr. Michael Seezen, Esquire, McNair Law Firm said that when Myrtle Beach set up the MID on the air force base they also did a TIF at the same time. There was not a pool of cash available for projects, but at the time the city issued its bonds to fund the public infrastructure, the developer had bank loans, guarantees and letter of credits in hand. The projects were committed at that time. The City of Columbia wants to issue bonds for funding to become available for projects that would come online.

Councilor Rickenmann suggested that it would be best to identify the projects, issue the Requests for Proposals and then move forward.

Mr. Calvin Grigsby, Grigsby & Associates reminded the group about the Empowerment Zone funding that is tax exempt. A particular developer can take advantage of the tax increment which will allow him to get the infrastructure done on a tax exempt basis and he can put a MID around his property for those things that cannot be financed tax-exempt through the TIF funds. This area will require the city to exploit the PR advantages and state that you are committing the money in advance, because developers won't overextend themselves on the area without a lot of incentives.

Councilor Rickenmann agrees, but realizes that we have been sitting on EZ money for quite a while, but were unable to use it. He thinks that EZ funds should be the first line of funding since it is already sitting there and ready to go.

Mr. Michael Seezen, Esquire, McNair Law Firm elaborated on the Myrtle Beach plan and explained that the TIF covered the entire air force base, but the MID was only the Market Common Development. The Redevelopment Authority owned the air force base. The air force base had zero tax bases so any improvement in property value was increment. The bonds were first secured by the TIF revenues and the assessment was only collected if it was needed to pay bond proceeds.

Mr. Brent Robertson, Financial Advisor / Merchant Capital LLC, asked if the transaction was matched off with anything other than the MID.

Mr. Michael Seezen, Esquire, McNair Law Firm responded that there were no other revenues.

Mr. Brent Robertson, Financial Advisor / Merchant Capital LLC asked if there is any limitation on how high the assessment can be. He asked how much experience the Myrtle Beach developer had with a project of this sort. Were there any personal guarantees from the developer?

Mr. Michael Seezen, Esquire, McNair Law Firm said that the annual assessment roll that is prepared when setting up the MID, has a schedule of assessments that would be imposed each year. This roughly corresponds with the debt service on the bonds. He said that same firm developed the Town Centre in Annapolis, Maryland. There were completion guarantees on the projects, which were imposed by Morgan, the construction lender. There were a double series of bonds; the senior bonds were plain vanilla TIF bonds with an assessment back stop, the subordinate series of bonds were purchased by the developer to fund projects over time and then the developer would be entitled to the repayment.

Councilor Devine asked if the city would accomplish its goals by doing a TIF and coupling it with the EZ facility bonds instead of the MID.

Councilor Finlay said that the point would be to put the burden of the note on the property owner. It is more secure to get the MID money back than your rent money. He said that MID financing puts the burden of repayment of the note on the securer.

Mr. Dan McLeod, Bond Counsel / McNair Law Firm stated that if the city does a MID or several MIDs, what you would have to rely on is an assessment consultant that comes in and says that under these assumptions and based on an assessment of "x" amount usually on a square foot bases, this will cash flow.

Mr. Michael Seezen, Esquire, McNair Law Firm explained that a MID works especially where you have undeveloped property. In relation to the development of a subdivision, the assessment is built into the sales price of the house like a regime fee. If it is an existing piece of property, you have to get the owners consent.

Mr. Calvin Grigsby, Grigsby & Associates stated that the Myrtle Beach single developer format for closing the TIF bonds is not what we are proposing. We have a dozen developers and a mix of proposals that will be evaluated on its own merits based on an internal rate of return calculation to show that the project will pay back any money that comes out of the pool of cash that goes into that project. That can include assessments from a MID that is superimposed around that particular project, but that doesn't mean that each project will have a MID and that doesn't mean that we will start a project with a MID. The concept is to look at a MID on a case by case basis where needed. He added that it is more complicated when you have 12 different developers with different financing structures.

Councilor Finlay asked what would happen if the city's property tax rolls began to shrink and assessments began to fall. Would you still collect an increment on the TIF?

Mr. Dan McLeod, Bond Counsel / McNair Law Firm explained that the increment is based on the level of assessed value of all the properties when the redevelopment plan is approved and anything above that is the increment. If property values decline below that base level then there isn't any increment. Historically, that hasn't been the case, particularly if you start out in a blighted area.

Councilor Devine said that the plan includes commercial corridors with abandoned buildings or no structures at all.

Mr. Dan McLeod, Bond Counsel / McNair Law Firm suggested that the value of these properties would start at zero.

Mr. Steve Gantt, Senior Assistant City Manager for Operations asked if the value of the mil on assessments would also affect the growth of the increment of the TIF.

Councilor Devine said that she discussed this with the Mayor and the two issues are different.

Mr. Dan McLeod, Bond Counsel / McNair Law Firm explained that property tax reform, which passed two years ago said that a municipality can only increase its operational millage by CPI plus population growth. This limits the amount of taxes that can be imposed on the property and on the increment.

Mr. Steve Gantt, Senior Assistant City Manager for Operations said that it will take 4 to 6 weeks to bring in consultants and draft the redevelopment plan.

Mr. Calvin Grigsby, Grigsby & Associates said that the Empowerment Zone has already collected a lot of information regarding the blighted condition and two studies relating to two different master plans. He questioned the need for an additional consultant when all of the information has been compiled.

Councilor Rickenmann said that the existing plans do not cover the entire area. He suggested that a consultant look at the catalyst areas and those surroundings.

Councilor Devine suggested that they figure out where they are going and determine what information we already have and then determine the need for supplemental information that may be needed to move forward.

Upon motion by Mr. Davis, seconded by Mr. Cromartie, Council voted unanimously to go into Executive Session at 4:55 p.m. for the receipt of legal advice as it relates to matters covered by attorney-client privilege.

- **Council adjourned the meeting at 6:05 p.m. No action was taken.**

Respectfully submitted by:

Erika D. Salley  
City Clerk