

**CITY OF COLUMBIA
WORK SESSION MINUTES
OCTOBER 22, 2008 – 9:00 AM – 1:00 PM
CITY HALL - 1737 MAIN STREET**



The Columbia City Council met for a Work Session on Wednesday, October 22, 2008 at City Hall, 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Robert D. Coble called the meeting to order at 9:14 a.m. The following members of Council were present: The Honorable Sam Davis, The Honorable Tameika Isaac Devine, The Honorable Daniel J. Rickenmann, The Honorable Kirkman Finlay III and The Honorable Belinda F. Gergel. The Honorable E.W. Cromartie, II was absent. Also present were Mr. Charles P. Austin, Sr., City Manager and Ms. Erika D. Salley, City Clerk.

CITY MANAGER'S REPORT

Mr. Charles P. Austin, Sr., City Manager reported that he forwarded the City Manager's Report from October 15, 2008 to the members of Council during last week and that no report will be given today. The next City Manager's Report will be given on November 5, 2008.

ORDINANCES – SECOND READING

1. Ordinance No.: 2008-086 – Granting encroachment to 1523 Huger Street Partners, LLC for installation and maintenance of landscaping and an irrigation system within the right of way of Taylor Street adjacent to its property at 1523 Huger Street – *First reading approval was given on October 15, 2008. – Approved on second reading.*
2. Ordinance No.: 2008-090 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 12, Motor Vehicles and Traffic, Article II, Stopping, Standing and Parking, Division 2, Parking Meter Zones, Sec. 12-79, Violations citations; penalty (d) – *First reading approval was given on October 15, 2008. – Approved on second reading.*
3. Ordinance No.: 2008-091 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 12, Motor Vehicles and Traffic, Article IV, Parking Garages and City Owned Parking Facilities, Sec. 12-150, Fees (a) Garages (3) to add the Lincoln Street Parking Garage – *First reading approval was given on October 15, 2008. – Approved on second reading.*
4. Ordinance No.: 2008-094 - Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 15, Parks and Recreation, Sec. 15-2, Permits for use of parks – *First reading approval was given on October 15, 2008. – Approved on second reading.*

Councilor Finlay stated that **Items 2.** and **3.** appear to be small technical changes and that **Item 4.** relates to permits for festivals and has been worked through intensively.

Councilor Devine said that Chief Administrative Judge Turner reported changes in Court Administration and we've been asked to implement those changes. She asked if it is necessary to incorporate those changes into our ordinance.

Mr. Ken E. Gaines, City Attorney explained that Municipal Court is subject to what Court Administration sends down. I think there is some difference in what was sent down and what the statute actually says and I will have to look at that. The current version of the ordinance requires additional warrants and that's no longer permissible under State law.

Upon motion by Ms. Devine, seconded by Mr. Finlay, Council voted unanimously to give second reading approval on a single motion to **Items 1.** through **4.** as presented.

Mayor Coble asked staff to provide copies of **Item 4.** to those in attendance.

Councilor Devine said that a meeting will be scheduled so that people can understand the intent of **Item 4.**, which is to get a better handle on what's happening and where.

PRESENTATIONS

5. Citywide Wellness Challenge Update – The Honorable Tameika Isaac Devine

Councilor Devine stated that the Citywide Wellness Challenge was a great success during the summer; we are starting to plan for next year; and the impact on people's lives was tremendous. We had a wrap-up program with a healthy breakfast and people gave touching testimonials as to the impact of the program. We wanted people to change their lifestyles and we were able to do that.

Ms. Terri Marriot, Doctors Wellness Center / Program Nutritionist stated that they are partners with the Charles R. Drew Wellness Center, Bodies by Bert, Doctors Care and Food Lion and that all of the partners make the program a success. Ms. Marriot gave a presentation on the leading causes of death in the United States, noting that heart disease is number one with 680,000 deaths per year. Registration for the 2009 Citywide Wellness Challenge will begin on April 13-24, 2009.

Councilor Gergel asked Ms. Marriot how many people participated in the program and how many were city employees.

Ms. Terri Marriot, Doctors Wellness Center / Program Nutritionist said that there were one hundred twelve (112) participants, but she was not sure how many of them were city employees.

Councilor Devine added that she was not sure of how many participants were city employees and that those who participated brought their spouses.

Councilor Damon Jeter, Richland County Council stated that he participated in the Wellness Challenge and initially it was a challenge; however, the staff at the Drew Wellness Center did a great job in assisting him. He said that he even lost a little weight. Mr. Jeter suggested that Richland County partner with the City of Columbia for the next enrollment period.

Councilor Devine said that they will have another presentation later that will address Dr. Gergel's question regarding city employee participation and that the city's Employee Wellness Program will start tomorrow at the employees luncheon.

Mr. Charles Austin Sr., City Manager mentioned that tomorrow's employee luncheon will include a healthy presentation for lunch.

CITY COUNCIL DISCUSSION / ACTION

6. Code Enforcement Taskforce Recommendations – Rev. Wiley Cooper, Chair of the Code Enforcement Taskforce

Mr. Marc Mylott, Director of Planning and Development Services provided a memo outlining the general categorization of the various quality of life issues that were reviewed by the Code Enforcement Taskforce. There is a list of fifteen (15) items that are ready for consideration; one (1) of which has been adopted; and one (1) is being considered by the Planning Commission.

Mayor Coble asked which one (1) had been adopted.

Mr. Marc Mylott, Director of Planning and Development Services stated that an ordinance was adopted to address commercial vehicles in residential areas. He said that absentee landlords and the nuisance ordinance would be discussed today.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce reminded Council that the Taskforce is a diverse group of citizens, landlords, business people and neighborhood leaders that spent over two (2) years working toward these recommendations. The recommendations have been seriously considered and greatly supported by staff.

Mr. Marc Mylott, Director of Planning and Development Services explained that the first item for consideration is the Absentee Landlord Notification Registration. The Taskforce is recommending that any person who is in the practice of renting property would be required to obtain a business license. The current approach is that five (5) or more rental properties require a business license and we will extend that to all persons renting property.

Councilor Finlay asked if listing property through an agent is sufficient or would the individual property owner have to obtain a business license as well.

Mr. Marc Mylott, Director of Planning and Development Services stated that they could work that detail out, but the most important part of getting a business license is that if the person doesn't wish to be the local contact or is located out of state/region they can designate a local agent for service.

Councilor Finlay said that in essence, if you have an agency that is the management of real estate for you, then you have done that.

Mr. Marc Mylott, Director of Planning and Development Services said that the element of having someone obtain a business license is not being done to create some large pool of money; it's to get that local agent of service.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce concurred with Mr. Mylott's explanation. He agreed that the key here is to register an agent of service so that the ball cannot be passed from person to person. We literally can't find the person to serve.

Councilor Devine stated that the Secretary of State requires you to register if you are a Limited Liability Corporation (LLC) that rents property and that seems to take care of those owners. Is this for individual property owners?

Mr. Marc Mylott, Director of Planning and Development Services said that if an individual is out of state, that process does not give us someone local who is responsible for the condition of that property. That's another tool that got us where we are today, but it would not replace what this recommendation does.

Councilor Devine stated that in addition to the local registered agent it gives you that person who is legally able to accept service on behalf of the property owner. Does that give us the ability to hold that person legally responsible for the physical upgrades or anything that needs to be done?

Mr. Marc Mylott, Director of Planning and Development Services stated that in other municipalities such as Clemson, Newberry and Aiken, their ordinances all suggest that.

Councilor Rickenmann stated that Clemson requires each owner to obtain a \$5.00 permit.

Mr. Marc Mylott, Director of Planning and Development Services said that was correct and that Newberry has a registration program. We were concerned that creating a new program would be an impediment; therefore, we are using the Business License and requiring additional information.

Councilor Rickenmann said that he has no problem with us having a set rate and that any funds generated from this should go into the Code Inspectors budget and not the General Fund.

Councilor Devine concurred with Mr. Rickenmann.

Councilor Davis said that he is totally in favor of having someone locally that can be held accountable. We need to see results.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce insisted that if this is done then the nuisance ordinance would be easier to deal with.

Mayor Coble asked if the person who is listed would be the agent of service for the code violation. If you serve the person and they don't correct it, how many violations would you have to serve before revoking their business license?

Mr. Marc Mylott, Director of Planning and Development Services commented that they have the authority to issue one (1) summons per day.

Councilor Devine questioned if the city can hold the local agent responsible if the local agent doesn't have any authority to rectify the situation.

Mr. Marc Mylott, Director of Planning and Development Services replied that you wouldn't enter into that relationship unless you had the authority. You wouldn't volunteer to be someone's agent unless that person empowered you to take care of those types of violations.

Councilor Devine asked if we could add that the person has the authority to accept service and to remedy the situation.

Mr. Marc Mylott, Director of Planning and Development Services stated that it would be a relationship question between the agent of service and the property owner. That is not something we can mandate.

Councilor Devine said that is the issue we need to address. We don't have someone to accept responsibility.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce commented that the business license is going to have a name and address of the ultimate owner of the property attached to it.

Mr. Marc Mylott, Director of Planning and Development Services said that Newberry's license reads that the property owner and the agent shall be solely responsible for ensuring the maintenance of the property.

Councilor Finlay said that the city can't compel the property manager to fix deficiencies on someone else's property. How do you intend to compel property owners to pay for it and if you do and it's too expensive, we take the property off the rolls; we step back and now instead of a rental property that has code issues, it has the potential of becoming an abandoned house. We need to understand how it's going to flow through, because we don't want small deficiencies in upkeep leading to abandoned property.

Mr. Marc Mylott, Director of Planning and Development Services stated that if we have a responsible party, we will treat that responsible party as having a code violation. If we get to a point where that responsible party is the local agent and they said "this is ridiculous, I'm being served, but you aren't giving me the funds", then that person will ultimately back out. At that point, there is deficiency in the business license and ultimately we may be able to revoke the business license and it's no longer a rental property.

Councilor Finlay said that he sees a real impediment to implementing this. He doesn't think that local realtors are willing to accept the level of responsibility that we are asking them to take on, which is getting served when there are problems. I am fine with service and the registered agent, but before we start roller coasting down the path of how we are going to impose fines, we need to think about it a lot more. What we may see is properties on the lower end that have a lot of issues that need to be fixed, all of a sudden being withdrawn from the rental market and then what do we do with them.

Councilor Davis said that he has a problem with the timeframe that it takes to bring somebody in. How long does the current process allow the situation to continue when the designated local person does not have the authority to take care of the immediate violation?

Mr. Marc Mylott, Director of Planning and Development Services stated that if the leasing agencies or property management companies recognize that there is an elevated level of responsibility then the contract may adjust accordingly. Someone ultimately has to be responsible.

Councilor Rickenmann said that the owners we are having problems with seem to know every loop hole in the system.

Councilor Finlay said that the solution he is willing to try first is to have a business license and an agent of registered service. If there are complaints, they're served, they don't respond, their business license is revoked and then they can't rent it. Before we go careening down this path, we need to consider what percentage of owners are renting houses and doing it correctly. The ones that if they realize they are out of compliance they do their best to fix it.

Mr. Marc Mylott, Director of Planning and Development Services said that the 10% that are working the system are the most egregious offenders with the greatest negative impact.

Councilor Finlay said that once their business license is revoked, then they can't have anyone renting the house. So the person in the house needs to be the owner or the house needs to be vacant. Under the existing rules, would it be safe to say that if you are having a series of summons and issues, we will revoke your license to rent it; therefore, you would have to sell it as a primary home or it becomes vacant at which point the vacancy laws apply and we can tackle it that way.

Mr. Marc Mylott, Director of Planning and Development Services thinks that only City Council can ultimately revoke a business license and would know when we reach that level.

Councilor Finlay stated that the real problem he hears is that once somebody has a house that is vacant and we can't find anybody who has any access to it then we may be suing somebody out of state.

Mr. Marc Mylott, Director of Planning and Development Services asked how you would compel someone to live in a house when for economic reasons they are not going to put anybody in that house or they are having difficulty selling their house in the open market because of the real estate market.

Mayor Coble asked what you must have before you get to the point where we are trying to revoke a business license. We need a faster and clearer pathway. What's the process for the revocation of a business license?

Mr. Ken Gaines, City Attorney said that the first thing that needs to happen is that the Business License Administrator has to recommend a suspension of the license and then it would come before the Council for revocation.

Mayor Coble suggested that there be a flat fee.

Councilor Devine asked if it is per house or per owner.

Mr. Marc Mylott, Director of Planning and Development Services said it would be per property, but again this is not intended to make money.

Mayor Coble stated that we will have an agent of service that will get the summons violation and Mr. Gaines will tell us what the process is.

Mr. Marc Mylott, Director of Planning and Development Services mentioned that notwithstanding all the benefits they have already talked about, this would send a very positive message to the Code Enforcement Inspectors who are spending a disproportionate amount of time doing street work; trying to track owners down; knocking on doors; and asking where the owners are. We also have issues with abandoned houses.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce explained that item seven of the presentation states that the entity that holds an interest in real property which it does not occupy as a primary residence, must provide a local contact; not necessarily a business license. If it's exempt from a business license, fine, but we must have a local contact for an entity that's holding an interest in a property. We defined the local contact as a registered agent for service of process.

Councilor Finlay said that the permit is fine and the registered agent makes good sense, but we have to be careful that once a property is abandoned, the city spends four (4) years trying to deal with it. We want to make sure there is some way to try and pull people back from that stage and we don't want to be so punitive that we push people there.

Mr. Marc Mylott, Director of Planning and Development Services added that if a Municipal Court Judge puts a person in jail, then the problem doesn't get fixed. Would a monetary fine be taking resources that the owner might need?

Mayor Coble said that there are two (2) things that we are looking at. First, the person being served as an agent and the second one is who you actually call to get the property fixed in a non-legal fashion. If the local contact doesn't respond, then serve the papers and get the revocation of the business license from the agent of service.

Mr. Marc Mylott, Director of Planning and Development Services stated that if they want to provide any other person who might assist with any vacancies, we could add that. We are contending that the local contact is the first party we approach about problems and ultimately that person is responsible.

Mayor Coble added that if whoever is being contacted doesn't respond, instead of arguing whether that guy is responsible or not, you can skip all that and just serve the agent and pull the business license.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce said that his concern is adding steps, because we already have lots of steps. The owner can be the local contact. We want to be able to call one person and know that when that's done, the property is served. It doesn't have to be a realtor or a licensed property manager; just a person.

Mayor Coble said that it makes sense and then the local contact is not assuming legal responsibility.

Councilor Finlay explained that there is no way to compel that local person to do anything.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce said that the property owner is ultimately responsible, but we would not have to do another legal service. The registered agent is legally responsible for notifying the property owner.

Councilor Rickenmann asked why the local agent can't be the property owner.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce said that the property owner could be a bank in San Francisco.

Mr. Marc Mylott, Director of Planning and Development Services explained that the Attorney General says to issue a summons we have to put it in the person's hand.

Councilor Rickenmann asked how you require someone to have a local agent.

Councilor Devine answered it's because they are doing business here.

Councilor Gergel said that she senses a real urgency from residents. She asked Mr. Mylott what is the impact of putting this into place and what kind of time table are we looking at.

Mr. Marc Mylott, Director of Planning and Development Services said the impact would be huge and the next step would be to put a motion before City Council to separate the ultimate revocation of the business license and the agent of service and then Legal will draft an ordinance for consideration.

Councilor Devine asked what is going to be the advertisement to let people know that this is happening.

Mr. Marc Mylott, Director of Planning and Development Services stated that he would have to talk with Ms. Brenda Kyzer, Director of Business License, about that. There are details with the implementation that he would like to work out first.

Councilor Devine suggested that we work with the Treasurer's Office to get the information out.

Councilor Rickenmann further suggested that they advertise through the tax bills.

Councilor Finlay urged staff to make sure we know who owns the property. In the instance it's somebody out of town and there is a local agent/person handling the property, then let's ensure that both get noticed. If the person who owns the property doesn't always hear from the local person about the problems then by the time he understands what has happened, it's too late.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce said that a courtesy notice is also sent to the property owner so that if the property owner says he didn't get it, that's not an excuse.

Mayor Coble suggested that either they bring back the ordinance or an update on November 19, 2008.

Mr. Marc Mylott, Director of Planning and Development Service stated that along with Mr. Gaines and his office, they identified some technical improvements they could make to the nuisance ordinance. Ultimately, it goes back to the big picture question that the taskforce asked; what is the end intent of having a property declared a public nuisance. If you are declared a public nuisance by two (2) infractions in six (6) months, or three (3) in eighteen (18) months, we send that person a letter. Then if there is another violation in twelve (12) months, they are issued a summons.

Mayor Coble suggested that they make it a part of the business license. If you have a violation, but it doesn't go to the landlord and you have three (3) convictions then your business license is revoked. That's much simpler and more effective; if you don't have a business license, you can't operate.

Mr. Marc Mylott, Director of Planning and Development Services said that you would actually have to have a conviction not just a warning notice. You have to have a Judge find that person guilty.

Councilor Finlay noted that the process from when you get the warning to the actual conviction is a long process.

Mr. Marc Mylott, Director of Planning and Development Services said for example, if he approaches someone who has significant structural violations, they get a letter listing all the violations with forty-five (45) days to abate. On the forty-sixth (46) day, he issues that person a summons; it's another week before they go to Municipal Court; and now, we are at two (2) months.

Mayor Coble stated that the problems that we are hearing about have been going on for years. The question isn't will it take that long, but are we going to consistently use it so that a year from now, we have the people who are violating the ordinance and we are holding them responsible.

Mr. Marc Mylott, Director of Planning and Development Services stated that the current process doesn't do us any good when we declare a public nuisance.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce pointed out that these nuisances don't only apply to landlords; they also apply to property owners who don't have a business license. He suggested that as a final end, the city fix nuisance properties and then put them back on the tax roll. That covers businesses and homeowners and that takes care of the property side of the nuisance.

Councilor Finlay said that if a tenant is dealing drugs out of a rental property, as a landlord you are in a tough spot because it's very hard to evict someone for doing it until they are actually convicted. Some of the problems we are dealing with are not necessarily landlord driven; they have tenants that they have to get rid of in an efficient fashion. Maybe if the police officer writes a ticket to a tenant that can be a summons to the landlord that can be used to evict the tenant.

Mr. Marc Mylott, Director of Planning and Development Services stated that the Taskforce is recommending that the landlord be notified if you have an offense against a tenant.

Councilor Davis agreed that the property owner needs to be notified, but if you should also look at the number of times a property has been busted because of a tenant. He thinks that a landlord should be notified one time that he has a problem tenant.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce said that the Housing Authority and other low rent housing groups believe they have a lease contract that will allow you to deal with that issue. It doesn't have to wait for a conviction. He added that notification is key to the process.

Mayor Coble asked why the city doesn't use the nuisance clause. Is it because it's too cumbersome?

Councilor Davis asked is it because of the way it's written or because of the way we enforce it.

Mr. Marc Mylott, Director of Planning and Development Services said it is because of the end result. The end result does not get us anything we couldn't get sooner. All it does is issue that person a summons for having a nuisance. As Reverend Cooper suggested, an improved end result would be to allow the city to go in and abate the nuisance and charge the cost back to the property.

Councilor Finlay said that people are upside down in houses so they are not abating the nuisance, because they are already upside down. It's going to be sold at the tax sale. How do you notify the lenders, how do you get the lenders on board and for some of the other properties there may not be anybody to contact.

Councilor Rickenmann said that may be the only recourse we have and the only way we can move the ball forward.

Councilor Finlay added that we may not be able to get the money back.

Councilor Davis stated that there are neighborhood pockets we could serve if we resolve the problem as quickly as possible even if that means that we need to figure out a way to get possession of that property fix it up and sell it to a family.

Mr. Marc Mylott, Director of Planning and Development Services explained that currently when we advance a complaint of a public nuisance and we involve the Solicitor's Office that will result in a business being closed. It would be difficult for the municipality.

Mayor Coble asked Mr. Gaines if you mow the grass can that be added to the tax bill under current law.

Mr. Ken E. Gaines, City Attorney said that he thinks there is a statute that says that. The bill would have to go on the tax bill by a certain time.

Mayor Coble stated that if the recommendation is to abate, then see if the cost of an abatement can be added to the tax bill so that when you bring back the recommendation we will know if that's effective or not.

Councilor Finlay asked is there a significant difference between a tax bill and putting a lien on it.

Mr. Marc Mylott, Director of Development Planning and Development Services said yes, the lien requires a transfer of the property.

Mr. Ken E. Gaines, City Attorney suggested that they discuss the recommendations in executive session.

Councilor Finlay said that it sounds like 60% of permits are not controversial and fairly challenge-proof. Maybe we should approach it piece by piece and get the permit notice in place, because that's going to take a period of time. Everybody here says lets have a license and that license is what we are going to pull first if we have a problem, but we are going to have some notification issues when we try to get it out to everybody who owns property.

Councilor Devine said that the tax bill would be great. Also, you can foreclose a lien if it's for a substantial amount. So, you don't have to wait for the property to be sold. There are other legal remedies available, but we don't want to be heavy handed.

Reverend Wiley Cooper, Chair of the Code Enforcement Taskforce suggested they do both.

Councilor Finlay stated that would work as long as we have good tracking systems.

Councilor Devine said that if she has an issue, she can call the county; they have a system where they can look up who the tax bill goes to and who pays the taxes. She knows that we are not linked to that system, but have we talked to the county about having access to certain systems and records. That would save us a lot of time and energy. She said that the grantee's address is on file in the Register of Deeds Office as well.

Mr. Marc Mylott, Director of Planning and Development Services said that we do receive that information. We are currently getting 25% satisfaction of bills that we send for lot cutting.

Councilor Finlay said that one thing that he has taken away from Reverend Cooper's first presentation is that we have got to get our fire inspectors up to a staffing level that we can really do the inspections, because if we don't we are just adding some additional laws that we may not get to deal with. He would ask that we look at it in the second half of this fiscal year and going into fiscal year 2009/2010 even if it requires cutting other funding to bring three (3) additional fire inspectors on and then ask the Fire Chief if within his department he can find funding for two (2) more. Without five (5) fire inspectors, the backlog will be overwhelming. That's going to require an enormous push from us, but we have got to focus on that.

Councilor Rickenmann asked if we also have control of the Fire Marshalls in the county through our fire contract. He asked Mr. Jeter of Richland County Council if he could look into his budget to get more Fire Marshalls or figure out a way to consolidate that service.

Councilor Damon Jeter, Richland County Council stated that he would go back and discuss this matter with his fellow Council members.

7. State Infrastructure Bank – Mr. Dan Dennis of the Dennis Corporation

Mayor Coble reported that he met with Mr. John Hardee and his group to talk about what they had done in Beaufort. We already have our priorities for North Main Street and Harden Street. They indicated that an application that includes North Main Street, Harden Street and Assembly Street could be submitted for consideration. Neither North Main Street nor Harden Street exceeds \$1,000,000 by themselves; therefore, we couldn't do a State Infrastructure Bank application with those two (2) alone. This is another potential funding source that would be available and we could prioritize the projects so that we don't change our priorities for Harden Street. We can take advantage of monies that are not available now, but certainly at some point will become available. It seems like an option that is a source of money that might be a win-win for the projects that we have plus the Assembly Street project.

Mr. John Hardee stated that a project or combined projects must exceed \$100 million in order to apply for a State Infrastructure Bank Grant.

Councilor Davis stated that there are two (2) contingencies that he has. One is that we don't deviate from the agreed priorities which are North Main Street, Harden Street and Assembly Street. Also, he is not clear on the process and the likelihood that our efforts will result in funding. He doesn't want to put his efforts where we are not going to get results.

Mr. Dan Dennis, Dennis Corporation presented the South Carolina Transportation Infrastructure Bank Workshop to the Council. Mr. Dennis provided Council with information on the Ordinances, State Laws and State Infrastructure Bank Laws for creating and prioritizing State Infrastructure Bank applications. So far, the Bank has contributed over \$2 million. In regards to priorities, North Main, Harden and Assembly Streets are several years out but eventually the state legislature will fund the State Infrastructure Bank. There are two (2) types of assistance from the State Infrastructure Bank; a grant or a loan. It has to be in excess of \$100,000,000 to receive a grant. Grants do not have to be paid back. Loans have to be paid back. One of the questions they ask you in their grading criteria is "What are your priorities?" If you have multiple priorities, you need to list them. We are looking at \$180 million to get these projects done.

Mayor Coble asked for the total price for the North Main Street Project.

Mr. Dan Dennis, Dennis Corporation said that \$40 million is the total price for everything.

Councilor Rickenmann asked what would it cost to put the application together and get in line.

Mr. Dan Dennis, Dennis Corporation stated that it would cost around \$45,000 to get the State Infrastructure Bank application processed.

Councilor Rickenmann asked Mr. Dennis what is the match for the State Infrastructure Bank.

Mr. Dan Dennis, Dennis Corporation stated that it doesn't matter if they have a match. The State Infrastructure Bank wants to see hard cash spent on the project already or dedicated to the project.

Councilor Rickenmann asked what about federal funding.

Mr. Dan Dennis, Dennis Corporation said that all federal funding counts as a match. The city has already spent \$50 million and that's already toward your match.

Councilor Davis said that we are spending at least \$12 million, so if we submit the application the \$180 million figure could go down. By the time the application is considered and approved, are we able to shift the dollars to North Main Street? We are expected to be beyond what we are showing now in dollars and projects, but if the amount goes in on the application and we are beyond that can we shift those dollars to other projects in the area.

Mr. Dan Dennis, Dennis Corporation said no; it would have to be spent on the projects you included on the State Infrastructure Bank application.

Councilor Davis asked what about other enhancement projects that would be contiguous.

Mr. Dan Dennis, Dennis Corporation said sure and if you know of any projects now, they should be included on the application.

Councilor Finlay asked how many projects are currently in the Bank.

Mr. Dan Dennis of the Dennis Corporation stated it's about five (5). They are projects that have been approved but, he is not sure how they are ranked. A lot of the projects were submitted before the new criteria and they were not graded.

Councilor Finlay asked what would be the total amount of the pending applications.

Mr. Dan Dennis, Dennis Corporation said it's about \$800 million.

Councilor Gergel stated that she is very supportive of moving ahead with this.

Mr. Dan Dennis, Dennis Corporation said that the bank has already funded \$2 million, but the midlands hasn't received anywhere near its fair share of the dollars.

Councilor Davis asked who in the Midlands beyond Columbia is being considered for a State Infrastructure Bank application.

Mr. Dan Dennis, Dennis Corporation stated that the City of Hardeeville is considering an application for a new interchange at I-95; Mt. Pleasant has already submitted an application; and Berkeley County is asking for a \$30 million loan for a mega industrial park.

Councilor Finlay said that we should put an RFP/RFQ on the street to see what we can do. Council needs to realize that this isn't quite the long shot at winning the lottery, but unfortunately it moves economic times pretty close. He thinks we need to take a gamble and hope for the best.

Councilor Devine agreed that we need to move forward, but she needs to know if this is something that fits under professional services. Her concern is if we do a Request for Qualifications; we hear from 3-4 people; the Dennis Corporation is selected; and then it causes people to question whether or not the process was fair. If the Dennis Corporation isn't selected then it's uncomfortable, because they presented the idea to us when we had no idea that this opportunity was available. She wants to be open, honest and fair with everybody.

Councilor Finlay stated that we have a catch 22. We want people to come to us with good ideas. Be it from sewer services to disaster recovery to everything else, but we can't create a foot race wherein the first person to get to the podium automatically gets their foot in because if we do, we are never going to be able to have presentations. The goodwill that's created by being the person bringing us the idea is something that we understand, but we have to evaluate everybody; otherwise, we end up in a situation. Everybody that comes to us to present needs to realize the risks they are taking because everybody in the City of Columbia sees you on Channel 2.

Mayor Coble suggested that the City prepare a Request for Qualifications and ask staff evaluate it.

Councilor Devine agrees with Councilor Finlay that it's a thin line. If they are chosen then people are going to say that it wasn't fair. We need to put something in place that allows people to be comfortable that the process was fair; we are opening it up for Request for Qualifications; and we're not just going through the motions to appear open but we really are being open.

Mayor Coble stated that City Council needs to make this call. This is not technical; this is political in the sense of fitting it all together. Having City Council review the responses to a RFQ in this case makes sense. He suggested that the city prepare a Request for Qualifications to make a State Infrastructure Bank application and have it come back to City Council. Normally, the staff decision would be appropriate, but in this case it involves the whole complexity of policy making and getting things funded.

Councilor Devine asked can we get the criteria and make sure that it is well known what we are evaluating on. We need to make sure that everyone feels that it's open and available to them.

Mayor Coble suggested that staff prepare the criteria and get it out.

Upon motion by Mayor Coble, seconded by Mr. Davis, Council voted unanimously to direct staff to draft a Request for Qualifications for the submission of a State Infrastructure Bank Application. The draft Request for Qualifications should be submitted to Council prior to being released for responses. The deadline should be the standard amount of time. Staff should draft criteria for ranking the responses and all responses should be presented to Council for consideration without a recommendation from staff.

- **Council recessed at 11:22 a.m.**
- **Council reconvened at 11:34 a.m.**

8. Annexation Policy – Mr. Marc Mylott, Director of Development Services

Mr. Marc Mylott, Director of Planning and Development Services discussed the city's current annexation policy and state laws which govern annexation. As the responsible department for annexation at this time, he needs to know whether or not to continue to operate on the 1990 resolution, which he believes has parts that are not being implemented or give us guidance on how you would like for us to proceed. There are three (3) ways you can secure an annexation. First, a petition of 100% of the freeholders; second is a petition of 75% of the freeholders owning at least 75% of the assessed value of property in the area and City Council must hold a public hearing prior to enacting an ordinance; and the third is 25% of the elector petition within the area. If certain property owners have less than 25% of the assessed value, they can opt out on their own. More often than not, we would use option number one. If we wanted to be proactive we would avoid option number two. As annexation relates to municipal services, there is nothing that prohibits a municipality from charging a higher rate outside of the municipality. There is nothing that says service is not chargeable at the will of either party. In terms of offering incentives to annex, those are limited. You can offer tax breaks for five years or less, but you can't do any type of business license exceptions or direct aid. There are three rap-around resolutions that talked about the way water and sewer services are extended. There are Resolutions from 1989, 1990 and 1992.

Councilor Rickenmann asked do we have a map of our urban service area.

Mr. Marc Mylott, Director of Planning and Development Services stated that we do not have an urban service area. We have a part of the Comprehensive Plan that outlines a service area with water and sewer, which is based partly on engineering factors. In that regards, we would like to get some guidance as to how you would like us to pursue annexations. Do you want us to revert to the 1990 Resolution and go forth or is it something that you see we can do differently. The current way we do business and I can only speak for the last six years, and as it relates to my direct influence in the last couple months, is that we are largely reactionary.

Mayor Coble said that we need to be strategic in terms of where we want to employ the limited tools we have in those areas. We also want to pursue donut holes.

Councilor Rickenmann suggested that we establish a service boundary, because that defines Mr. Mylott's job more clearly.

Mr. Marc Mylott, Director of Planning and Development Services stated that when we talked about pursuing donut holes, unless we have a willing property owner, municipal services will deal with that. From his comfort level, he would want a permanent vote or we can change the ordinance, but that's not what they want to do.

Councilor Devine asked if this conflicts with our state laws and are we able to support that. It sounds like we are, because it's about us providing services. We don't have to force them to come in, but we don't have to provide them service.

Councilor Finlay said that the flip side is that we are focusing on the inside of this boundary and if you are outside the boundary, we are not looking to annex you; we want to concentrate our services in the city.

Upon motion by Ms. Devine, seconded by Mr. Davis, Council voted unanimously to reaffirm Resolution 1990-064 – Setting forth an Annexation Policy for the City of Columbia. Staff was directed to present a map of the Urban Service Area to the members of Council and to notify the Legislative Delegation and the Municipal Association of South Carolina about the city's intent to go forward in accordance with this policy.

- **Council adjourned the meeting at 11:55 a.m.**

Respectfully submitted by:

Erika D. Salley
City Clerk