

**CITY OF COLUMBIA  
WORK SESSION MINUTES  
SEPTEMBER 15, 2009 – 8:30AM  
CITY HALL - 1737 MAIN STREET**

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The Columbia City Council met for a Work Session on Tuesday, September 15, 2009 in the Council Conference Room of City Hall, 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Robert D. Coble called the meeting to order at 9:10 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 arrived at 9:16 a.m. Also present were Mr. Steven A. Gantt, Interim City Manager and Ms. Erika D. Salley, City Clerk.

**CITY COUNCIL DISCUSSION / ACTION**

1. Victim's Assistance Fund – Mr. Michael A. King, Assistant City Manager of Public Safety

Mr. Michael A. King, Assistant City Manager of Public Safety provided a breakdown of the Victim's Assistance Fund, which is currently assigned to the Columbia Police Department in conjunction with their court system. When an audit was conducted, we found that the Victim's Assistance Fund had a negative balance. We have set up a special account to better track expenditures. This should be a self-supporting program through fines issued by the court. The court has indicated that they are having a hard time with collections and that's why the revenue remains stagnant.

There was a consensus of Council to direct staff to identify the reason(s) for the deficit along with options for funding the deficit and increasing future revenues and collections of scheduled time payments. A report should be provided to the Council in two (2) weeks.

2. Columbia Renaissance Redevelopment District Plan – The Honorable E.W. Cromartie, II, The Honorable Sam Davis and The Honorable Tameika Isaac Devine

Councilor Devine said that staff was not asked to generate new maps, but she asked Mr. McLeod if there was a way to designate properties assessed at 6% versus 4% in lieu of that.

Mr. Dan McLeod, Esq., Shareholder / McNair Law Firm, P.A. explained that the plan and the ordinance must have a listing of the properties and that's usually done by tax map numbers; some entities include the property owner's name. Then you have to total the assessed values of those properties. I don't know if it would be as burdensome to look at all of the properties and identify those properties assessed at 6%. There may also be industrial properties that are assessed at 10.5%. Do you just want to take out the residential properties, which are assessed at 4%? That would leave the rental properties, which are assessed at 6%. How would the map look then?

Councilor Finlay asked if they wanted to include the rental properties.

Councilor Cromartie said that including the rental properties could provide a higher increment, especially if there are improvements.

Councilor Rickenmann said that they should pick projects within the commercial corridors that would generate enough increment to redevelop the surrounding areas.

Councilor Devine reminded the group that until a bond is issued, that money flows back to the district and we would not issue a bond until we decide on a project.

Mr. Dan McLeod, Esq., Shareholder / McNair Law Firm, P.A. further explained that if the increment produces a level of money in excess of debt service the City can pledge all or a portion of the increment. To the extent that the money is used for debt service, any surplus funds would be distributed annually to the taxing districts. Last week, I was incorrect when I thought that you would have to wait until the end of the term; dissolve the district; and then distribute the surplus money. What percentage of the increment are you going to pledge?

Councilor Cromartie said that they are only trying to implement a plan, which will allow the process to move forward. We can deal with the financial pieces once the plan is done. We fully realize that the money has to be used for public infrastructure.

Councilor Finlay asked if there is a bond mechanism that's five (5) years, interest only.

Mr. Brent Robertson, Financial Advisor / Merchant Capital, LLC said that it would have a balloon payment at the end. A \$40 million transaction is tougher and would require a special kind of buyer; whereas a deal that size is usually amortized over a longer period of time.

Mr. Tony Lawton, Community Development Director insisted that a \$40 million bond issue is not being considered. He talked about simplifying the plan; removing some of the financing options; and going back to the basic fundamentals of what is required for the plan to exclude the options that were originally in the plan.

Councilor Gergel said that the plan should have the financial piece and a map, but I don't have something in front of me that I can vote on now. Last week, I thought we made the decision to draw another map, but the map is not here. I thought we were going to look at different numbers today. Conceptually, I think everybody in this room wants to do something.

Councilor Devine stated that they should focus on the corridors and not the projects. We have projects, but we don't know of all of the opportunities out there. Since our discussion last week, I've received several e-mails from property owners within the district who want to know what the redevelopment plan means for them and what is available. We need to figure out a way to not limit ourselves, as property owners may come forth with projects and financing already in place.

Councilor Cromartie said that it is very important to realize that this is about the economic enhancement within these corridors. We're not going into neighborhoods, because the law requires the money to be used for public infrastructure.

Mr. Dan McLeod, Esq., Shareholder / McNair Law Firm, P.A. clarified that the money has to be used on publicly owned property.

Councilor Devine sought further clarification.

Mr. Dan McLeod, Esq., Shareholder / McNair Law Firm, P.A. explained that all such projects are to be publicly owned. Formerly, the statute said municipally owned, but it was amended some years ago. It's what you would think of as public infrastructure to include water, sewer, roads, streetscaping, parking facilities and those kinds of things.

Councilor Devine asked if it could be public infrastructure on privately owned property.

Mr. Dan McLeod, Esq., Shareholder / McNair Law Firm, P.A. said sure.

Councilor Finlay asked if the City could do streetscaping on the Bull Street property once it is sold to a developer, if the streets were dedicated to the City.

Mr. Dan McLeod, Esq., Shareholder / McNair Law Firm, P.A. said yes; we typically say that as long as they're not behind a gate.

Councilor Finlay asked if the public would own the improvements, if the City owned the dirt in totality; do the infrastructure; and then establish a ground lease.

Mr. Dan McLeod, Esq., Shareholder / McNair Law Firm, P.A. said yes.

Mr. Michael Seezen, Esq., Shareholder / McNair Law Firm, P.A. explained that you may not be able to do that on a tax exempt basis; but yes, you could do that.

Councilor Finlay stated that we can't own property in joint venture; it has to be deeded to us as an easement or we have to own it fee simple.

Mr. Michael Seezen, Esq., Shareholder / McNair Law Firm, P.A. concurred.

Councilor Davis said that if you strike the possibility then you effectively eliminate public private partnerships in an area that is designated for redevelopment. We should be careful in how we word that.

Mr. Dan McLeod, Esq., Shareholder / McNair Law Firm, P.A. added that you could do the public part of those projects.

Mr. Michael Seezen, Esq., Shareholder / McNair Law Firm, P.A. asked if a public private partnership means that the City would own a building and lease space to a business.

Councilor Davis said that the Development Corporations would do that.

Councilor Finlay said that the financial aspects are almost a gate keeper. The bond rating agencies would go berserk if we designated a large area. We need to truly understand the General Fund; it is going to be very difficult for us to approve a project without issuing bonds for several years.

Councilor Devine asked if approving the plan affects our bond rating even if we haven't obligated ourselves to any debt.

Mr. Brent Robertson, Financial Advisor / Merchant Capital, LLC explained that when the base assessment is put into place, it is drawn in chalk, meaning that until you issue bonds, all of the monies continue to go back to the taxing jurisdiction as it normally would. A rating agency would want to understand the potential implications of the plan. It doesn't necessarily help your rating, but it doesn't necessarily hurt the rating; they're neutral until they understand how much you are borrowing and how it looks going forward.

Councilor Cromartie said that the key to this is the story of what the community is and what it can be.

Mr. Brent Robertson, Financial Advisor / Merchant Capital, LLC stated that the amount you bond is what triggers the rating agency's concern. My understanding of the plan is that it has to identify funding sources.

Councilor Devine asked if the plan can be amended or the boundaries expanded or is it best to have a plan knowing that you will bite off smaller pieces of the projects. Can you use a not to exceed amount?

Mr. Dan McLeod, Esq., Shareholder / McNair Law Firm, P.A. said that the plan must contain the nature and term of any obligations to be issued. The terms of the bonds are typically for the duration of the plan. You have to go through the whole process again if you change the boundaries after the plan is adopted

Councilor Davis said that the fundamental effort here is to approve this plan; none of this can go forward if the plan is not approved. The boundaries reflect the purpose and reason for the TIF. The development within the corridors will have an impact on the areas; it will serve as a recruitment tool; it signifies that the City has made an investment in that area; it stabilizes property values; and it increases property taxes. The financing will cloud the waters.

Councilor Rickenmann said that you can't have a plan without open and generalized financing behind it; we have to know what it is. It's important to me to define areas to jump start, because the ultimate goal is to complete the projects and spur development. There is a false sense that this plan is going to deliver a bunch of stuff to all of these people; that's not a fair claim. If we are not going straight to bonding then there's no reason for us to vote on a redevelopment plan, because we already have redevelopment plans.

Councilor Davis said that there are general concepts and catalytic projects within the North Columbia Master Plan that will pass the smell test. Do you want to get into that or do you want to conceptually agree on the plan.

Councilor Gergel said that she personally wants to find a way to identify a more limited number of projects.

Mr. Tony Lawton, Community Development Director said that they will go back and look at the plan in its entirety to ensure that we are meeting all of the legal requirements for a redevelopment plan and removing the details that confuse people. It will be similar to the plan done in 1986 for the Vista and the plan done by Rock Hill. We will go back to the basics without thinking about projects. The main purpose of the plan is to address blight in this area as identified in previous studies. The new map will exclude the Innovista area.

Councilor Gergel said that she could live with larger corridors, but the TIF isn't dealing with residential properties.

Mayor Coble stated that clearly if you only did the corridors and not the residential areas, you could reduce the area to 10% or 12%. Is that what we are trying to do?

Mr. Tony Lawton, Community Development Director stated that the whole intent and purpose is to look at where there might be commercial development; it has nothing to do with residential. As I look at this map, I could come back and carve out several portions to make it a more concentrated area. I also have to look at whether or not there is a plan for the areas that are carved out, because that will be the next topic of discussion. We will look at removing the Innovista, the area near Broad River Road and the area near Fairfield Road.

Mr. Dan McLeod, Esq., Shareholder / McNair Law Firm, P.A. said that it is probably not a requirement to have a map, but there is a requirement to have a list of the properties and obviously the picture is worth a thousand words and most of the plans we've worked with have a map of the area. It would be in your best interest to have a map that shows the geographic boundaries.

Councilor Rickenmann suggested that they use the zoning maps that established the mixed use (MX) zoning for the corridors.

Councilor Finlay referred to the Economic Development Activity Sheet, adding that the numbers should be tested. We need to understand if the fair market values are realistic. It is reasonable to understand the math that went into this. Is the increased value enough to cover the increment?

Mr. Dan McLeod, Esq. asked for direction on the schedule in light of the Innovista Plan being a separate plan.

Mr. Wayne Shuler, Chief Planner / Central Midlands Council of Governments reported that he met with Innovista representatives on Friday and the Renaissance Plan is being split into two districts: Innovista being one and the balance of properties being the other. They are doing their own blight assessment, because they have a better knowledge of the Innovista District. That information will be provided to us. We also discussed the project list and they are to generate the revised numbers. We struggle with where to draw the line of separation between the two districts.

Councilor Rickenmann said that we need to focus on one area until we review and approve their plan.

Mr. Wayne Shuler, Chief Planner / Central Midlands Council of Governments stated that the Innovista Plan will be ready to move forward at the same time as the City of Columbia. They have to decide whether the Innovista district as outlined in the Susaki Plan is sufficient enough to meet the blight test or if additional areas outside of the district would be needed to bolster that process.

Councilor Devine suggested that the City should not adjust its timeframe based on this.

There was a consensus of Council to direct staff to update the existing map, timeline, financial data and plan. The updated information should be provided to the members of Council as soon as possible and a meeting should be scheduled for further discussion, if needed. The next discussion is scheduled for September 23, 2009.

#### **EXECUTIVE SESSION**

Upon a motion by Mr. Davis and seconded by Mr. Finlay, Council voted unanimously to go into Executive Session at 10:53 a.m. for the discussion of compensation of employees.

- **Council adjourned the Executive at 11:48 a.m. to reconvene the meeting.**

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

3. **\*\*Holiday Pay – Mr. Steve Gantt, Interim City Manager**

Upon a motion by Ms. Devine and seconded by Mr. Finlay, Council voted six (6) to one (1) to waive the existing holiday policy as stated in the Employee Handbook and to accept the revised policy for fiscal year 2009/2010 for employees to receive two (2) paid holidays out of the remaining eight (8) holidays. Employees cannot use annual leave in lieu of the holiday pay. The Interim City Manager was directed to develop a mechanism to disseminate this information to all staff regardless of the shift worked within the next 48-hours. Voting aye were Mr. Cromartie, Mr. Davis, Ms. Devine, Mr. Finlay, Dr. Gergel and Mayor Coble. Mr. Rickenmann voted nay.

- **Dr. Gergel left the meeting at 11:52 a.m.**
- **Mr. Davis and Mr. Finlay left the meeting at 11:55 a.m.**

#### **EXECUTIVE SESSION**

Upon a motion by Mayor Coble and seconded by Ms. Devine, Council voted unanimously to go into Executive Session at 12:06 p.m. for the receipt of legal advice as it relates to a matter covered by attorney-client privilege. No action was taken.

- **Council adjourned the meeting at 12:20 p.m.**

Respectfully submitted by:

Erika D. Salley  
City Clerk