

**CITY OF COLUMBIA  
WORK SESSION MINUTES  
OCTOBER 21, 2009 – 9:00 A.M.  
CITY HALL - 1737 MAIN STREET  
2<sup>nd</sup> Floor – Conference Room**

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The Columbia City Council met for a Work Session on Wednesday, October 21, 2009 in the City Hall Council Conference Room located at 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Robert D. Coble called the meeting to order at 9:13 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 due to his attendance at a continuing legal education PROGRAM. Also present were Mr. Steven A. Gantt, Interim City Manager and Ms. Erika D. Salley, City Clerk.

**CITY COUNCIL DISCUSSION / ACTION**

1. Columbia Renaissance Redevelopment Plan
2. Innovista Redevelopment Plan

Councilor Devine stated that they met informally with Dr. Percy Mack, Superintendent of Richland School District One and we will meet with the School Board on tomorrow to discuss the plan.

Councilor Rickenmann said that he was looking for a briefing on the various meetings that were held and he was looking to receive the updated numbers.

Councilor Devine said that she's had informal conversations with every member of the School Board, but she hasn't spoken with every member of Richland County Council. The School Board Members are trying to understand the area and they seem to be more interested in the Renaissance Redevelopment Plan than the Innovista Redevelopment Plan, because they don't quite understand how Innovista benefits the School District. We have talked to the Waterfront Steering Committee about what USC could do to partner with the School District to make things more attractive. The School District is concerned about us undertaking anything that displaces families. We emphasized that our Redevelopment Area is clearly commercial within the corridors, but it will also impact residential, because private developers will come in. They would like upfront assurances that they will be involved at the front end of any discussions that involve the displacement of families. They also want us to consider extending the agreement with the EdVenture Children's Museum that allows all Richland One students free admission; this arrangement ended when the TIF ended. They inquired about the storm water utility fee, but we cannot waive that fee; however, they can possibly receive an educational credit to reduce their storm water utility fee. Another concern is the fact that some schools are overcrowded and some schools are not filled to capacity. Currently, the housing that gets replaced in the City of Columbia is not affordable. We must be creative.

Councilor Davis agreed that the School District is concerned about having conversations before we get to the finish line. Their input on any impact is important to us.

Councilor Finlay recalled that former Assistant City Manager Dana Turner conducted an affordability study of housing in the City of Columbia. He further recalled that Columbia had a good stock of affordable housing. We should look at the assumptions and update that information as a means of responding to that concern.

Councilor Davis said that there are areas of this City with a disproportionate number of rental properties and renters paying premium rates need to understand that they can purchase a home.

Councilor Rickenmann stated that the federal government pushed a lot of housing programs that ended up causing some of the problems we are having today. He agreed that they should look at the report again, adding that there is a huge need for multi-family and rental units.

Councilor Finlay asked who would own the park by the river and who would pay the ongoing maintenance?

Councilor Devine reported that it is going to be a public park, but she heard that there would be an oversight committee.

Councilor Finlay said that whether its parks or roads, there is a maintenance bill attached to them. Who gets that bill?

Councilor Rickenmann referred to Priority #4 for the InnoVista Plan. He said that Greene Street is a \$22 million project and for the first five years there will be no tax increment. Who's going to make the payment for the first five years? He added that there is no mechanism for maintenance. How does this affect the overall City? That's what we need to understand.

Councilor Devine said that the TIF is \$150 million over 25 years; they are not expecting there to be a \$150 million bond immediately. She noted that there are different types of bonding structures that can be used.

Councilor Rickenmann said that they also need to understand the short-term impact, because someone has to make the bond payment. Are we as partners, going to commit to equally fund that?

Councilor Devine stated that we don't do a good job of communicating with them about what's available and what can be done. I have also talked to Dr. Mack about the fact that we still have things we're trying to do under Together We Can. We need to develop a list of those things that are a benefit to the School District so that they understand what we do to currently support their overall objectives.

Councilor Finlay said that we have \$20 million in capital improvement projects that are on hold. As we put down new asphalt and pipes how do we fund the maintenance of public infrastructure, because there's no tax increment. We need a plan that keeps us from creating additional functional obsolescence.

Councilor Rickenmann said that the School District has to reduce expenses and teachers and there is some fear of how they would do this. They have the same issues as we do.

Councilor Devine stated that the schedule has not changed; the Public Hearing is November 18, 2009; and we must hear back from the Taxing Districts by November 4, 2009. If we don't hear anything, their increment will be included. We are scheduled to take a final vote on the District in December; any further votes on projects, taxes and TIFS will come later.

Councilor Gergel reiterated her request to talk about the conditions under which we would consider issuing bonds if we moved forward. Have you all given any thought to that?

Councilor Devine stated that conditions are fluid; I can't say that I will only issue a bond under these specific conditions. It depends on what the majority wants.

Councilor Davis said that the validity of this is the projects, funding, developers and presentations coming forth. The one standard you may have for a project might change with another. With the first TIF, the School District and Richland County felt that projects were presented and funded without their input; that violated whatever standards they had. The ground rule should be if the project meets the basic criteria of the TIF; it's in the target area; it's commercial; and it helps to create jobs and bring services and retail to the area.

Councilor Gergel said that she needs to feel comfortable that they have rebuilt the unallocated reserves. I feel very uncomfortable voting at this time, unless I think we have done what we need to do first. We need to address any potential impact the TIF might have on the General Fund. We have not discussed the general health of the City and where we're going in terms of strategic priorities. We have plans to issue Water and Sewer Bonds; how does that the issuance of TIF bonds. This is a plan to redevelop and to issue bonds and I need more information regarding the conditions under which we would feel comfortable in issuing bonds.

Councilor Devine said that she doesn't disagree, but it's an individual decision contingent upon several unknown factors at this time. I'm not discounting your concern on that.

Councilor Finlay said that he struggles with the General Fund, unallocated reserves and our CIP projects suffering. For me to be comfortable, it has to be a plan that doesn't place any more tolls on those. I have to see how the money will flow and what burdens will or will not be placed on the funds. My concern is that our General Fund reserves are precarious; we are going to see the General Fund under intense pressure over the next three years for expenses and revenues; our GO Bond rating will be under pressure; and they will look at water and sewer next. We need a citywide holistic approach on how we are going to address the other problems. We do need some input from staff on the financial impacts over a 3 to 5 year period.

Councilor Rickenmann said that they voted to move forward in order to obtain the information and to see what the impact is. We haven't seen some of those numbers that show how the TIF impacts it all. We need to figure out a way to achieve the goal without hurting the General Fund; it has to be two-fold. I am interested in hearing more about the Renaissance Redevelopment Plan at this stage. I don't think we have enough information on the InnoVista TIF. We issued bonds for InnoVista, but we have no buildings and no tenants in the Horizon Building; we need to know that things are moving forward. We've made a large investment and we still want to be engaged. We need to slow the process down. Is it pertinent that we get this done prior to the end of the year? Do we need to pass these plans at the same time? What can we afford to do and what would the end result be? How will the dollars be leveraged? Are you better served by doing a smaller TIF?

- **Mr. Finlay left the meeting at 10:03 a.m.**

Councilor Devine said that they never discounted smaller TIFs. The TIF is the funding mechanism for the project; the Redevelopment Plan is the long-range plan for the area; and it is better to do smaller TIFs surrounded by projects. We need to look at the proposed projects; select two projects; and start pulling together the financials so that we'll know what's needed to get started. She noted that the terms TIF and Redevelopment Plan are not interchangeable.

Mayor Coble clarified that the TIF District sets up what the possibilities are, but it doesn't implement anything until the bond is done. He said that other Taxing Districts could come back with a host of conditions. We have more of a political issue that deals with perception.

- **Mr. Finlay left the meeting at 10:15 a.m.**

Councilor Davis said that there are catalyst projects within existing plans such as the North Columbia Master Plan.

Mayor Coble asked if there is a provision for placing excess increment into the General Fund. The biggest issue will be the impact on the Water and Sewer Fund if that is the only backstop. How will that impact the issuance of other Water and Sewer Bonds?

Councilor Gergel said that this is being driven by the desire to get the assessment for this year and I think we are moving too fast. We should use what we have now as preliminary information; continue to work on this; get the answers that we need; and prioritize the catalyst projects. I want to support both of these, but I don't have enough answers and I am very concerned about the General Fund. I would ask that we consider postponing this.

Councilor Devine stated that a majority of the Council would have to vote to postpone this and I would not be in favor of that. The majority of this Council thinks that the first project should be on Farrow Road.

Councilor Rickenmann agreed that the increment from the Farrow Road project could be used to spur other projects.

Councilor Gergel thought that the increment only moved once bonds were issued.

Councilor Devine explained that the tax base has to be certified in December, but the increment won't move until we do something. No money has to move until a bond is issued.

Mr. Ken E. Gaines, City Attorney further explained that once you approve this plan, you set the floor and those funds continue to flow through the General Fund and when you issue the bonds, the money has to go to debt service and possibly administrative expenses.

Councilor Gergel asked if they would be willing to go into smaller tax increment districts.

Mayor Coble asked if she meant geographically or financially smaller.

Councilor Gergel said that she is primarily talking about a financially smaller TIF.

Councilor Davis said that he is committed to the concept of smaller TIFs, because there has never been a long range commitment to the areas that the TIF covers.

Councilor Devine reiterated that this is a 25-year plan and we would be shortsighted in limiting ourselves. This plan puts potential funding sources in place for ideas that came out of other plans.

Councilor Davis reiterated the fact that plans and the availability of resources can change. In most cases, the City has been left holding the bag and we end up having to pay. One of the fundamentals of this is if developers come to the table they have to bring something with them. We are not paying 100% of any project.

Councilor Rickenmann said that we need the two other big partners at the table or this will not work.

Councilor Gergel inquired about the impact this will have on the issuance of Water and Sewer Bonds.

Councilor Davis said that he is not totally concentrating on the TIF; we are being challenged in District One to make water and sewer improvements; and I am not going to do anything to jeopardize that pot of money.

Councilor Devine asked them to send her any additional questions they may have. Do you all agree that staff can start pulling together information on the Farrow Road Project as a scenario for us to review and discuss. The information should focus on the public investment, private investment, financing options and property taxes generated.

- **Mayor Coble left the meeting at 10:51 a.m.**

A Public Hearing is scheduled for November 18, 2009. No action was taken.

3. Multi-Year Review of General Fund Revenue Projections – The Honorable Belinda F. Gergel - *Discussion of this item was deferred.*
4. Firefighters' Efficiency Study Recommendations - Mr. Mike Cosola, Columbia Fire Department - *This item will be presented at 6:00 p.m. during the Evening Meeting.*

- **Council adjourned the meeting at 11:32 p.m.**

Respectfully submitted by:

Erika D. Salley  
City Clerk