

CITY OF COLUMBIA  
CITY COUNCIL WORK SESSION MINUTES  
MARCH 29, 2011 – 3:00 P.M.  
CITY HALL - 1737 MAIN STREET



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The Columbia City Council met for a Work Session on Tuesday, March 29, 2011 in the City Council Conference Room located at City Hall, 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 3:11 p.m. and the following members of Council were present: The Honorable Sam Davis, The Honorable Daniel J. Rickenmann, The Honorable Belinda F. Gergel, The Honorable Leona K. Plough and The Honorable Brian DeQuincey Newman. The Honorable Tameika Isaac Devine arrived at 3:50 p.m. Also present were Mr. Steven A. Gantt, City Manager and Ms. Erika D. Salley, City Clerk.

1. Request from Ms. Brenda Miller and Real World Artisans, LLC to establish a creative and inspiring arts center in the basement and first floor areas of the Tapp's Building at 1644 Main Street

Mr. Tony Lawton, Community Development Director explained that historically, all loans have been approved by the Commercial Revolving Loan Fund Committee and have never required any action from City Council. Every loan from the Columbia Economic Renaissance Fund (CERF) or the Commercial Revolving Loan Fund (CRLF) has been approved by the committee. He continued to explain that a credit approval report, which is used to get the checks processed, has to accompany the request. We have called for the committee to meet in order to entertain this request on tomorrow at 2:00 p.m. We are using the CERF as the funding source; it originated from General Fund dollars; there are no restrictions as it relates to these loans; the money is used as loans as well as grants; approximately thirty (30) grants were made for streetscaping projects ranging from \$252 to \$5,000; and there were four (4) loans ranging from \$4,000 to \$150,000. This fund does not require bank participation. It is important to notice that Tapp's will be leveraging this investment with another \$175,000 loan that will be financed by Mainstream V Lofts, LLC. We have proposed three options: the first option being a loan of \$200,000 over fifteen (15) years with 0% interest, three (3) years being deferred and monthly payments of \$1,388; option 2 is a \$200,000 loan over ten (10) years with 0% interest and immediate monthly payments of \$1,666; the third option is a loan of \$200,000 over ten (10) years, 0% interest with the first three (3) years of the payment being deferred and approximate monthly payments of \$2,380.95. This loan will be secured by a second mortgage on the Tapp's property in addition to a first lien on all furniture, fixtures, equipment and improvements to secure the option that has been presented. Also, we looked at additional incentives that we would like to give to those artists that participate in this endeavor. We will offer a certificate to attend the Next Level Summit formerly known as FastTrac. This is a comprehensive entrepreneurial educational program that provides business insight, leadership and professional networking so that they are able to grow and develop their business. There are some additional factors to consider that has no bearing on this proposal or loan, at all. The loan is for working capital as well as renovation improvements.

Councilor Plough inquired about the lapse in appointments to the loan committee, noting that they were to be reappointed in 2005.

Mr. Tony Lawton, Community Development Director said that they were never reappointed. I pulled the city ordinance and it says that individuals in these positions will be appointed by City Council for two (2) year terms, but it doesn't say whether or not they can continue to serve. Given the fact that we had several loan requests come into the office, I've asked that this committee continue to serve until City Council had the opportunity to reappoint that committee.

Councilor Rickenmann inquired about a proposal on the lease. It is assumed that we would give the space for free, but I haven't seen a proposal. We have an obligation to that space; we should honor that obligation by paying the balance that we owe for the space; we get a release of our obligation; and let you work out a private deal with the artist group. It needs to be worked out as a leasehold improvement. He asked where the \$175,000 was coming from.

Mr. Tom Pioreschi, Managing Partner of Mainstream Lofts V, LLC said partly from the city's money; I am going to lend her money as you pay me; I'm subsidizing the \$175,000 that the city turned down, essentially.

Mr. Tony Lawton, Community Development Director said that they could possibly use the \$175,000 that Mr. Pioreschi is going to inject into the project to meet the criteria to be considered for a Commercial Revolving Loan, which is from federal funds and not general fund dollars.

Mayor Benjamin said that the space has been vacant and nonperforming for the majority of the time; it's not blight, but it is certainly not being maximized at its highest and best use to benefit the people in the city or on Main Street. He explained that there are two separate issues: our existing obligation to Mainstream Lofts V, LLC and the second is a loan to a small locally owned business. He added that staff is currently accepting applications for the Commercial Revolving Loan Review Board. He asked Mr. Pioreschi if it would help him to meet his obligations to have an early payout and release from the city.

Mr. Tom Pioreschi, Managing Partner of Mainstream Lofts V, LLC said yes; release all obligations; absolutely.

There was an in-depth discussion on the origin, intent and guidelines of the Columbia Economic Renaissance Fund. The members of Council sought further clarification on the loan request and how it relates to the City of Columbia Art Center.

Mr. S. Allison Baker, Senior Assistant City Manager stated that Ms. Miller originally spoke with the former supervisor of the Art Center, who thought it was a good idea. He has since retired; we have another young lady who's doing an excellent job; and the program has taken a different direction. He added that the Art Center is a different kind of operation; part of it is dusty; and it does need its own space. The existing building is in need of renovation. We would have to add space to the new building for the Art Center.

▪ **Ms. Devine joined the meeting at 3:50 p.m.**

Upon a motion made by Mr. Rickenmann and seconded by Ms. Devine, Council voted six (6) to one (1) to direct the City Attorney to provide a Resolution releasing the City of Columbia from its lease obligation with Mainstream V, LLC for the Tapp's Building. Voting aye were Mr. Davis, Ms. Devine, Mr. Rickenmann, Dr. Gergel, Mr. Newman and Mayor Benjamin. Ms. Plough voted nay.

Councilor Plough asked that City Council pull any General Fund money that may be remaining after the consideration of this loan so that it can be appropriately used.

Councilor Gergel asked that City Council consider the use of this money for the repayment to HUD.

2. [Redistricting](#) – Mr. Tracey Green, Esq. and Mr. Benjamin Mustian, Esq. of Willoughby & Hoefler, P.A.

Mr. Ken E. Gaines, City Attorney said that City Council authorized the City Attorney to retain outside legal counsel to assist us with redistricting. We hired Willoughby & Hoefler, P.A. and they will give you a brief overview of the process for the City of Columbia.

Mr. Tracey C. Green, Esq., Willoughby & Hoefler, P.A. reported that the 2010 Census results were distributed on March 23, 2011 and the data showed that the City of Columbia's population increased by 11% since 2000. The City of Columbia will most likely have to redraw its boundaries prior to the next election; it's doubtful that the population increased uniformly throughout all of your districts within the city. The State Budget and Control Board will enter the data into the GIS and then it can be used to determine the populations for your districts. The data should be ready by mid-April.

Mr. Benjamin P. Mustian, Esq., Willoughby & Hoefler, P.A. added that City Council will have to decide on the number of public hearings to conduct in order to inform citizens of the redistricting process. He presented a general timeline for the redistricting process, noting that a final plan must be adopted by City Council and sent to the Department of Justice by July 2011 for the election on April 3, 2012.

Mr. Ken E. Gaines, City Attorney suggested that Mr. Bobby Bowers of the State Budget and Control Board draw the new boundary lines, since he did it the last time. They may charge a small fee.

Mr. Tracey C. Green, Esq., Willoughby & Hoefler, P.A. recommended that they be allowed to make a more extensive presentation about the law and requirements of the Voting Rights Act. You also may consider adopting criteria for drawing the districts.

Upon a motion made by Mayor Benjamin and seconded by Mr. Newman, Council voted unanimously to authorize the City Attorney to engage Mr. Bobby Bowers of the State Budget and Control Board to assist the City of Columbia with redrawing the boundary lines for city council districts within the City of Columbia.

### **EXECUTIVE SESSION**

Upon a motion made by Ms. Devine and seconded by Mr. Newman, Council voted unanimously to go into Executive Session at 4:29 p.m. for the discussion of **Items 5. and 6.** Mr. Rickenmann was not present for the vote.

3. Discussion of Employment of an Employee
  - City Manager's Evaluation – *This item was not discussed.*
4. Receipt of legal advice which relates to a matter covered by attorney-client privilege
  - Redistricting – *This item was not discussed in Executive Session. Please refer to **Item 2.***

5. Discussion of negotiations incident to proposed contractual arrangements
  - Riverfront Park Conversion – *This item was discussed in Executive Session. No action was taken.*
  - Canal Hydroelectric Plant - *This item was discussed in Executive Session. No action was taken.*
  - Intergovernmental Agreement Relating to the Interim Financing for the Central Midlands Regional Transit Authority - *This item was discussed in Executive Session. No action was taken.*
6. **\*\*Investigative proceedings regarding allegations of criminal misconduct - *This item was discussed in Executive Session. No action was taken.***
  - **Council adjourned the Executive Session and reconvened the Work Session at 5:24 p.m.**

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

7. Community Development Department Briefing – Mr. Tony Lawton, Director of Community Development
  - Community Development Department Annual Action Plan for 2011 – *This item was not discussed.*
  - [Sub-recipient Agreement](#) between the City of Columbia and the Columbia Development Corporation – *This item was withdrawn from the agenda.*
  - [Amendment to the Homeless Prevention Rapid Re-Housing Program Agreement](#) for The Cooperative Ministries

Mr. Tony Lawton, Community Development Director explained that the Homeless Prevention and Rapid Re-Housing Program Agreement is a 3-year contract using stimulus funding with The Cooperative Ministry (TCM) and USC. We've terminated the contract with SC Legal Services and reallocated those funds to The Cooperative Ministry. We determined that the legal services were not fitting into the HPRP and we were not expending the funds at the rate that we needed to; therefore, we reallocated the money to go towards financial assistance for prevention.

Ms. Dollie Bristow, Community Development Administrator for the Community Development Department further explained that funds will go towards homeless prevention and down payment assistance for individuals. She said that Appleseed and SC Legal Services were under one contract; the services that Appleseed were going to provide were not eligible under HUD. That resulted in Appleseed having to terminate their contract with all entities that they were engaged with. That left us with SC Legal Services to do those things that were eligible under HPRP; however, those services were already being provided under case management with USC and TCM. No referrals were being made to SC Legal Services. We decided to reallocate the funds to TCM after receiving technical assistance under HUD.

Councilor Plough asked if the source of funding for these contracts would help with supporting Transitions.

Ms. Dollie Bristow, Community Development Administrator for the Community Development Department said that these stimulus funds end June 30, 2012.

Mr. Tony Lawton, Community Development Director said that these funds are only for preventing homelessness and agreements have already been signed and approved by HUD.

Upon a motion made by Dr. Gergel and seconded by Ms. Devine, Council voted unanimously to approve an Amendment to the Homeless Prevention Rapid Re-Housing Program Agreement between the City of Columbia and The Cooperative Ministries in the total amount of \$83,893.00. *Funding Source: Homeless Prevention Fund*

- [Requests for Use of General Fund Revolving Loan Funds](#)
  - a. Community Development Block Grant Public Service Cap Overage for Fiscal Year 2009/2010
  - b. Public Service Activities for Fiscal Year 2010/2011
  - c. Community Gardens
  - d. Midlands Housing Alliance

Ms. Tina Herbert, Deputy Director of the Community Development Department explained that they are concerned about the 2009/2010 Public Service Cap. The Community Development Block Grant (CDBG) has a 15% cap, which is 15% of the annual allocation and 15% of the program income from the prior year. The City of Columbia used less than 3% of our public service cap in 2007/2008; in 2008 we used 5%; in 2009/2010 we used 34%; for 2010/2011 we are trying to remedy the overage; and we plan to bring that within the appropriate amount for 2011/2012. Housing First started in 2007/2008, but they did not spend as much as planned.

Ms. Dollie Bristow, Community Development Administrator for the Community Development Department explained that the housing portion of the Housing First Program is not eligible for CDBG funding. During the second year we did not do the housing portion under CDBG and it was coded in HUD's Integrated Data Information System (IDIS) as a public facility, which was the wrong coding.

Mr. Tony Lawton, Community Development Director referred to the City Council Minutes from January 9, 2008, which outlines City Council's approval of the contract for the Housing First Program at \$1,197,605.00 million, noting that funding was not identified for subsequent years. Approximately \$617,000 was for CDBG supportive services and the remaining \$533,000 were supposed to come from an unidentified source. On December 3, 2008, staff did a report on the Housing First Program along with Mr. Parker and Ms. Stoudemire. Staff did another presentation to City Council showing the similarities of the HPRP and the Housing First Program and recommended that we move forward with the HPRP instead of the Housing First Program; no action was taken. In 2010, we amended the contract for Housing First for an additional program year.

Councilor Plough said that we miscoded over \$208,000 in 2009, but we did it again in 2010 in the amount of \$245,000. I am troubled by the HUD Monitoring Letter, which alluded to the fact that the City asked HUD whether or not the Housing First Program was an eligible CDBG expense and HUD said that it was eligible, but also warned the city that it could not exceed its 15% public service cap. If HUD warned you two (2) years ago, how did we end up doing it again in 2010?

Ms. Dollie Bristow, Community Development Administrator for the Community Development Department explained that in 2010 the issue was not with coding, it was prior year program income that was overestimated by \$838,694.00.

There was a consensus of Council to defer further discussion and consideration of the requests for use of General Fund Revolving Loan Funds to April 5, 2011.

- **Council adjourned the Work Session at 6:03 p.m.**

Respectfully submitted by:

Erika D. Salley  
City Clerk