



CITY OF COLUMBIA
CITY COUNCIL MEETING MINUTES
TUESDAY, AUGUST 21, 2012
6:00 P.M.
EAU CLAIRE PRINT BUILDING
3907 ENSOR AVENUE

The Columbia City Council conducted a Regular Meeting on Tuesday, August 21, 2012 at the Eau Claire Print Building, 3907 Ensor Avenue, Columbia, South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 6:26 p.m. The following members of Council were present: The Honorable Sam Davis, The Honorable Tameika Isaac Devine, The Honorable Leona K. Plough, The Honorable Brian DeQuincey Newman, The Honorable Cameron A. Runyan and The Honorable Moe Baddourah. Also present were Mr. Steven A. Gantt, City Manager and Ms. Erika D. Moore, City Clerk. This meeting was advertised in accordance with the Freedom of Information Act.

PLEDGE OF ALLEGIANCE

INVOCATION

Chaplain Jim Reese, Columbia Fire Department offered the invocation.

ADOPTION OF THE AGENDA

Upon a motion made by Mr. Newman and seconded by Mr. Davis, Council voted unanimously to adopt the agenda with the following revisions:

- Defer **Item 30**
- Move **Item 31** to **Item 4a**

PUBLIC INPUT RELATED TO AGENDA ITEMS

No one appeared at this time.

APPROVAL OF MINUTES

1. Work Session Minutes of July [17](#), 2012 – *Deferred*
2. Minutes of August [7](#), 2012 – *Deferred*

PRESENTATIONS

3. [Introduction of the July 2012 Employee of the Month](#) – Ms. Kimberly Gathers, Director of Columbia-Richland 911 Communications

Ms. Kimberly Gathers, Director of Columbia-Richland 911 Communications introduced Ms. Martha Hunter as the July 2012 Employee of the Month.

Mayor Benjamin and City Manager Steven A. Gantt presented Ms. Hunter with a plaque and tokens of appreciation for being selected as the City of Columbia July 2012 Employee of the Month.

4. [Introduction of the August 2012 Employee of the Month](#) – Ms. Krista Hampton, Director of Planning/Development Services

Ms. Krista Hampton, Director of Planning/Development Services introduced Mr. Zachary P. Kay, Development Coordinator as the August 2012 Employee of the Month.

Mayor Benjamin and City Manager Steven A. Gantt presented Mr. Kay with a plaque and tokens of appreciation for being selected as the City of Columbia August 2012 Employee of the Month.

- 4a. ****[Resolution No.: R-2012-085](#)** – Approving the honorary naming of the 300, 400 and 500 blocks of Williams Street between Catawba Street and Blossom Street “Tanner Way” – *Approved*

Mayor Benjamin said that the Gamecock Pride displayed by many is because of the character of the players and the fact that Ray Tanner believes in the team. He said that every organization and team must have a great leader and we are proud that his leadership is spreading over the entire organization.

Mr. Ray Tanner, University of South Carolina Athletic Director said that he is humbled and honored to soon drive by a street named after him. This is his 17th fall season and he is appreciative of all coaches, past and present, the teams and the fans.

Upon a motion made by Mr. Newman and seconded by Mr. Baddourah, Council voted unanimously to approve Resolution No.: R-2012-085 – Approving the honorary naming of the 300, 400 and 500 blocks of Williams Street between Catawba Street and Blossom Street “Tanner Way”.

Ms. Melissa Gentry, Assistant City Manager stated that prior to scheduling the unveiling, the City will partner with SCDOT to complete drainage work and to install a sidewalk.

5. [Capital City/Lake Murray Country Regional Tourism Board](#) – Ms. Miriam Atria President/CEO of Capital City/Lake Murray Country Regional Tourism Board

Ms. Miriam Atria, President/CEO of Capital City/Lake Murray Country Regional Tourism Board invited the members of Council to the annual meeting where many marketing initiatives will be unveiled. The meeting will be held on Thursday, August 23, 2012 at 6:30 p.m. at the Doubletree by Hilton. She presented a video titled, “Tourism: Building our Economy”.

SIDEWALK VENDING PUBLIC HEARING

RESOLUTIONS

- **Council opened the Sidewalk Vending Public Hearing at 6:50 p.m.**
- 6. [Resolution No.: R-2012-084](#) - Amending Sidewalk Vending Locations and Authorized Merchandise – *Approved*

No one appeared in support of or in opposition to **Item 6**.

Upon a motion made by Mr. Davis and seconded by Ms. Devine, Council voted unanimously to approve Resolution No.: R-2012-084 - Amending Sidewalk Vending Locations and Authorized Merchandise.

ORDINANCES – FIRST READING

- 7. [Mid-Block Pad Northwestern Side of 1100 Gervais Street](#)
[Ordinance No.: 2012-076](#) – Granting a Franchise to Derek Gamble d/b/a Dogs on the Go, LLC for operation of a stationary sidewalk vending cart on the mid-block pad of the northwestern side of 1100 block of Gervais Street – *Deferred*

No one appeared in support of or in opposition to **Item 7**.

Mr. Jeff Palen, Treasurer stated that this location was previously discussed as a possible location by Mr. Roberts.

Councilor Newman asked if a permit was ever issued for this location.

Mr. Jeff Palen, Treasurer replied no and explained that this location was approved for Mr. Roberts, but he never followed up on it.

Councilor Devine asked to defer this matter until we get clarification from Mr. Roberts.

Upon a motion made by Mr. Davis and seconded by Mr. Newman Council voted unanimously to close the Sidewalk Vending Public Hearing at 6:54 p.m.

Councilor Newman recognized residents of the Belvedere Community and he thanked Ms. Dobbs for her leadership as the President of the Belvedere Community.

CONSENT AGENDA

Upon a single motion made by Mr. Newman and seconded by Ms. Devine, Council voted unanimously to approve the Consent Agenda Items **8** through **22**.

CONSIDERATION OF BIDS, AGREEMENTS and CHANGE ORDERS

8. Council is asked to approve the [Purchase of Two \(2\) Chevrolet Tahoes with Accessories](#), as requested by the Police Department. Award to Love Chevrolet, using the SC State Contract in the amount of \$67,500.00. This vendor is located in Columbia, SC. *Funding Source: Capital Replacement-Auto, Trucks, Heavy Equipment, Capital, 6308972-658500 - Approved*
9. Council is asked to approve the [Purchase of Seven \(7\) Chevrolet Impalas](#), as requested by the Police Department. Award to Love Chevrolet, using the SC State Contract in the amount of \$127,582.00. This vendor is located in Columbia, SC. *Funding Source: Capital Replacement-Auto, Trucks, Heavy Equipment, Capital, 6308972-658500 - Approved*
10. Council is asked to approve the [Purchase of Fifteen \(15\) Chevrolet Caprices with Accessories](#), as requested by the Police Department. Award to Love Chevrolet, using the SC State Contract in the amount of \$466,584.45. This vendor is located in Columbia, SC. *Funding Source: Capital Replacement-Auto, Trucks, Heavy Equipment, Capital, 6308972-658500 - Approved*
11. Council is asked to approve the [Purchase of Safety Shoes](#), as requested by the General Services Division. Award to Tyler Brothers, the lowest bidder meeting specifications in the amount of \$72,290.00. This vendor is located in Wagener, SC. *Funding Source: 6208956-625900 - Approved*
12. Council is asked to approve [Capital Improvement Project WM4000](#); An Agreement for Surveying Services for Water Main Improvements at Lake Katherine, as requested by Utilities and Engineering. Award to American Engineering Consultants, Inc., in the amount of \$73,760.00. This vendor is located in Cayce, SC. *Funding Source: Water Maintenance Fund, 5516210-WM400001-636600 – **Note:** Due to the limited scope of services, there will not be any sub-consultant work on this project. The original budgeted amount is \$68,000.00 - Approved*
13. Council is asked to approve the [Purchase of Air Card Charges for Laptop Use for Fiscal Year 2012/2013](#), as requested by the Police Department. Award to AT&T Mobility, using the WSCA Contract in the amount of \$100,000.00. This vendor is located in Carol Stream, IL. *Funding Source: Police Administrative Services-Cell Phones, 1012402-632110 - Approved*
14. Council is asked to approve the [Purchase of a Hand Held Chemical ID Kit](#), as requested by the Fire Department. Award to Fisher Safety, as a Sole Source in the amount of \$102,720.00. This vendor is located in Columbia, SC. *Funding Source: (2549999-658300, 9608000108-65830; \$75,000.00) and (2549999-658300, 9611000110-658300; \$27,720.00) - Approved*

15. Council is asked to approve the Renewal of the Annual Support Contract for Banner, the Utility Billing Software for Fiscal Year 2012/2013, as requested by the Budget Division. Award to Ventyx in the amount of \$107,926.62. This vendor is located in Atlanta, GA. *Funding Source: General Admin Information Tech/Maintenance and Service Contract - Approved*
16. Council is asked to approve an [Equipment Rental Agreement for the Installation and Removal of a Temporary Ice Skating Rink](#), effective November 9, 2012 to January 9, 2013. Award to Magic Ice USA, Inc., in the amount of \$158,500.00. This vendor is located in Miami, FL. *Funding Source: Hospitality Fund Accounts Receivable-Misc, 2120000-111056 - Approved*
17. Council is asked to approve [Capital Improvement Projects SS6871 and SS7136](#); Contract Amendment #1, Agreement for Improvements to the Metro Wastewater Treatment Plant's Secondary Clarifiers & Anaerobic Digester, as requested by Utilities and Engineering. Award to AECOM Technical Services, Inc., in the amount of \$184,266.07. This vendor is located in Columbia, SC. *Funding Source: Sewer Maintenance Fund, 5516212-SS687101-636600 – **Note:** This Amendment was originally approved by City Council on August 7, 2012. It has since been discovered that the compensation amount on the previous memo (\$156,831.07) and Proposal (\$184,266.07) were not the same and as a result a lesser amount was approved for the total work. - Approved*
18. Council is asked to approve [Capital Improvement Projects WM3872 and WM3635](#); An Agreement for Engineering Services for Design and Construction Services for Water Mains along Rimer Pond Road and Hardscrabble Road, as requested by Utilities and Engineering. Award to W.K. Dickson & Company, Inc., in the amount of \$975,000.00. This vendor is located in Columbia, SC. *Funding Source: Water Capital Fund, 5529999-WM387201-658660 – **Note:** Sub-consultants will be utilized for this project in the following capacities: Palmetto Consulting Engineering Group, Inc.(Chapin, SC) will perform Design, Permitting and Construction Inspection Services at 11.07% of the total contract value; S&ME (Columbia, SC) will perform Geotechnical and Construction Material Testing at 5.23% of the total contract value; and Civil Engineering Consulting Services, Inc. (Columbia, SC) will perform Subsurface Utility Engineering at 1.64% of the total contract value. The original budgeted amount is \$1,250,000.00. - Approved*
19. Council is asked to approve [Capital Improvement Project SS7236](#); An Agreement for Program Management Services, as requested by Utilities and Engineering. Award to CDM Smith, Inc., in the amount of \$3,462,300.00. This vendor is located in Columbia, SC. *Funding Source: Sewer Improvements Fund, 5536212-SS723600-636600 – **Note:** Subconsultant assistance for this project will be for one (1) year at 5% of total contract value and will increase to over 20% of total participation in the future. Sub-consultants will be utilized for this project in the following capacities: The LPA Group (Columbia, SC) will provide construction inspection; Civil Engineering Consulting Services, Inc., (Columbia, SC) will*

provide utility coordination; Subsurface Utility Engineering and Construction Inspection; PJ Noble & Accessories, Inc., (Columbia, SC) will provide public outreach services; DESA, Inc., (Columbia, SC) will provide public outreach and construction inspection services; PAN, Inc., (West Columbia, SC) will provide real estate and easement acquisition services; and F&ME Consultants (Columbia, SC) will provide geotechnical investigations and construction phase material testing services. The original budgeted amount is \$5,000,000.00. - Approved

ORDINANCES – SECOND READING

20. [Ordinance No.: 2012-056](#) – Amending the effective date of Ordinance No. 2012-030 Annexing 149 Old Camp Road, Richland County TMS 28906-09-01 – *First reading approval was given on June 26, 2012. – Approved on second reading.*
21. [Ordinance No.: 2012-073](#) – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 15, Parks and Recreation, Sec. 15-1 Prohibited acts in parks (8) and (9) – *First reading approval was given on August 7, 2012. – Approved on second reading.*
22. [Ordinance No.: 2012-077](#) – 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. 23-149 Sewer service rates (d) Apartments and roominghouses and (e) Hotels, motels, dormitories and roominghouses – *First reading approval was given on August 7, 2012. – Approved on second reading.*

ORDINANCES – SECOND READING

23. [Ordinance No.: 2012-072](#) – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 6, Elections, Sec. 6-6 Time of elections; notice and Sec. 6-7 Time of taking office; contested elections – *First reading approval was given on August 7, 2012. – Approved on second reading by a vote of six (6) to one (1).*

Upon a motion made by Ms. Devine and seconded by Ms. Plough, Council voted six (6) to one (1) to give second reading approval to Ordinance No.: 2012-072 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 6, Elections, Sec. 6-6 Time of elections; notice and Sec. 6-7 Time of taking office; contested elections. Voting aye were Mr. Runyan, Mr. Newman, Ms. Plough, Ms. Devine, Mr. Davis and Mayor Benjamin. Mr. Baddourah voted nay.

ORDINANCES – FIRST READING

24. [Ordinance No.: 2012-055](#) – Authorizing the City Manager to execute an Intergovernmental Agreement (Columbia Renaissance Redevelopment Plan), among the City of Columbia, Richland County and School District No. 1 of Richland County- *Approved on first reading.*

25. [Ordinance No.: 2012-081](#) – Authorizing the City Manager to execute an Intergovernmental Agreement (Innovista Redevelopment Plan) among the City of Columbia, Richland County and School District No. 1 of Richland County – *Approved on first reading.*

Councilor Plough sought clarification on the entity responsible for the fund where the tax increment is deposited.

Mr. Michael Seezen, Esq., McNair Law Firm said that the Special Tax Allocation Fund is controlled by the city, but it hasn't been created. He explained that it will be created once City Council approves a bond ordinance to issue bonds and it will be held by the bond trustee as the fiduciary. He further explained that it will be accessible by the city for the purposes permitted under the statute for the payment of debt service on obligations that are issued to fund redevelopment projects as well as to pay for redevelopment project costs.

Councilor Plough asked Mr. Shytle to give an overview of what a Tax Increment Fund (TIF) and Intergovernmental Agreement (IGA) are and to explain the intent of the TIF.

Mr. Eric Shytle, Esq., Haynsworth Sinkler Boyd, P.A. explained that a TIF district is created for the purposes of encouraging redevelopment. He said that the city will draw a boundary line around a redevelopment project area and specify projects that can be undertaken. The source of funding for those projects will come from the incremental assessed values. When you create the TIF, you set the baseline value on day one and it remains subject to taxes. The millages are distributed back to entities as if there were no TIF. Over time, the assessed values in the TIF will increase and the increment is the increase in assessed values over the initial baseline value. From the perspective of the property owners, taxes are exactly the same. Assessed value millage rates will be applied to it, but the taxes that are attributed (the additional increment) will go into the special tax allocation fund that will be used for projects. It does not affect taxes received by the taxing entities. The increment is used for targeted redevelopment projects within that redevelopment area. In 2010, the city created the Columbia Renaissance, which includes Bull Street and areas to the north. The second ordinance created the Innovista district, which covers from Gervais Street along the river down to the Olympia Granby Neighborhoods. The county and the school board had the option not to participate. Since that time, we have been working to negotiate an agreement in which they would be willing to participate. They wanted a mechanism to monitor the activity in the TIF districts. The statute allows you to list general projects, but the other entities have requested a specific list of projects. The suggested solution is that an oversight committee would have the right to change specific projects. They have asked the city to shorten the term from 25 years to a term not to exceed 20 years and the TIF would be captured within 15 years. Each entity would participate at 75%. Heretofore, we have negotiated with a small subgroup. The first step is to approve the intergovernmental agreement; step two is to make amendments to the plans already approved by the city; and the third step is to issue obligations for particular projects. We are laying the groundwork for an enabling act. The Innovista Redevelopment Plan was reduced to \$70 million due to the shortened term.

Councilor Devine said that after the approval of the IGA by all entities, City Council will hold a public hearing on the plans. If the amendments are not approved, the IGA will never come into play.

Councilor Baddourah asked if we hold a public hearing when the bonds are issued.

Councilor Devine replied no. The public hearing is before we actually approve the plan. Once the plan is approved by Council it is then up to City Council to decide whether to issue bonds. City Council does not have to hold a public hearing to issue bonds for specific projects.

Councilor Baddourah sought clarification on the next steps.

Mr. Michael Seezen, Esq., McNair Law Firm added to the extent that the city were to issue debt for the purpose of financing the projects that are specified and described in the IGA there would be no further need for a public hearing or approval by the oversight committee or the other taxing entities. The IGA is the first step of the process; however, it also establishes their consent to what the city's current plan is.

Mayor Benjamin inquired about timing issues with the school board and county.

Councilor Devine explained that the school board will hold a special called meeting tomorrow and they will vote at their September 11th meeting. Richland County will send it to their committee. It will come out of committee and be considered by the full Council at their tentatively scheduled September 11th meeting. Depending on what we decide at the September 4th meeting, this will be our only meeting prior to the other two entities meeting. We have been meeting every month since January of this year with three (3) members of the city and school board and four (4) members from County Council. The other two bodies will not consider the IGA until City Council has given it first reading approval. We will not give second reading until after action is taken by the other bodies.

Mr. Michael Seezen, Esq., McNair Law Firm added that this schedule would give Council the ability to consider any requests, comments or proposed changes that the other two bodies would have. The intent is that by the time City Council has given second reading approval it would have given approval to a substantially final document, one that reflects the comments and thoughts of the other bodies, as well.

Mayor Benjamin inquired about the drop dead date.

Mr. Michael Seezen, Esq., McNair Law Firm said there is no specific date. The sooner we start, the sooner we end. Right now there is a prime opportunity for each of the three (3) entities to consider this document. It is my recommendation that we not ask you to go through the process of amending the plan until everyone agrees to the IGA, which essentially sets up the business deal. Whether the county and school district will participate would dictate whether you would give approval of the amendment process. The amendment process consists of sending notices to the taxing districts; having the public hearing within forty-five (45) days; and publishing a notice thirty (30) days prior

to that public hearing. After comments have been received then you would consider an ordinance. It would seem like the lengthy process might be for not, if we didn't give the other entities and this Council the opportunity to give comments and ask questions. There isn't a specific drop dead date, although the proposed schedule contemplates finishing everything by mid-November.

Councilor Plough requested clarification on why the establishment of an oversight committee is not a delegation of this Council's authority.

Mr. Michael Seezen, Esq., McNair Law Firm explained that that under case law in South Carolina, legislative bodies have the power to legislate. Residents would elect you to make decisions. It would be unlawful for you to not take up your constitutional duties to vote on matters presented before Council in order to legislate for the good of the citizens. Throughout this process, we've talked about whether this oversight committee would be a quasi-governmental body. It has representatives from the three (3) entities; it is given certain powers as listed in the IGA; however we don't think that those decisions rise to the level of legislative decisions. The City Council, by approving the amendments to the plan is approving the change in term, change in participation and a list of projects. It is agreeing that the oversight committee can approve certain changes brought to it by the city. It can approve reprioritization of projects that are brought to it by the city. It does not have the power in those instances, to make decisions in lieu of the city. There are certain actions the oversight committee takes, such as the disposition of surplus revenues that require each entity to approve the recommendations from the oversight committee.

Councilor Plough asked for further clarification on surplus revenue.

Mr. Michael Seezen, Esq., McNair Law Firm clarified that under the TIF statute the increment is that amount over the initial equalized assessed value. After obligations are issued, those incremental tax revenues are deposited into a special allocation fund. They can be used for two (2) purposes: payment of debt service on obligations that are issued to fund redevelopment projects and to fund redevelopment project costs. Any money left over after those two (2) purposes would be considered surplus revenues. Under the TIF law, if there is a surplus left over it's supposed to be disbursed to the taxing entities based on the incremental millage assigned to each entity. This document defines what surplus revenues are and states that in any given year if debt service is paid, the oversight committee can make recommendations as to the disposition of surplus revenue. It could recommend it be applied to project costs. It could also recommend having it applied to repay debt. The entities would have to approve the recommendation of the oversight committee. If they do not approve it by a certain date the money would still go to the taxing entities at the end of the year.

Councilor Plough asked how the maintenance, operational costs and repairs of planned parks and green space would be handled.

Mr. Michael Seezen, Esq., McNair Law Firm replied that under the IGA, the oversight committee has the power, upon request from the city, to approve the use of incremental tax revenues for payment of long-term maintenance costs. It would be done every year, because it could fluctuate based on maintenance costs, projects and tax revenues. It could be denied one year, approved the next year or vice versa. He added that 25% of the tax is not being used and at the discretion of this Council it could be used for repairs and maintenance.

Councilor Plough said that the 25% could be used for city services. She inquired about Act 388; what does that mean; and how does that affect the school district's 25%.

Mr. Eric Shyltle, Esq., Haynsworth Sinkler Boyd, P.A. explained that it goes back to the Tax Reform Act of 2006. The General Assembly passed legislation that exempted owner occupied residential property from school district operating millage. Increases would be based on the Consumer Price Index (CPI) and population growth. State law declares that the reimbursement to the school district must include full reimbursement to any tax increment financing districts as if the property were subject to tax. In addition to the reimbursement paid to the school district, there will be an amount to the special tax allocation fund for the TIF based on the assumption that the property was in fact taxable. No one has clarified if that is a gross or net reimbursement. Most importantly, from the beginning our projections had no effect on the school district operating millage on 4% property. We have accounted for that. The new language in the IGA states that if the reimbursement mechanism changes then we will be sure that whatever comes from state sales taxes or its replacement will be turned over to the school district. This money has never been a part of the projections. If we get sales tax money, we will give it back.

Councilor Plough inquired about all of the dates in the agreement to include deadlines for reports, financials and reports from the auditor. There is no ability in the document for the city to have staff time and energy exerted, compensated by the 75%.

Mr. Michael Seezen, Esq., McNair Law Firm said that the dates are a recent development. When we started looking at this agreement and talking with the other parties, we tried to include language that would obligate the city to provide reporting information to the oversight committee. It was driven by a concern to provide it as soon as it was available. The city is under no obligation to provide information by a certain date. There was a concern about timely reporting in previous TIF deals. We wanted to make sure that the city was not behind in reporting information they did not have. We conditioned any information that we could not generate from our own records such as information on current assessed values in the TIF districts, tax revenues generated and money deposited into that fund. The city's reports will be provided as long as we receive the information in a timely manner from the county. We are required to report debt service obligations from one year to the next, budgeted redevelopment project costs, and expenditures from the special tax allocation fund. These reports would be based on information the city has in its records. It imposes additional staff time. In our discussions with the school district and the county, the county was concerned that the auditor and treasurer would incur substantial time in researching the current assessed values and what increment tax revenues. The county was interested in having those direct costs

reimbursed. With respect to other indirect costs, it would be a burden on the city, but it wasn't included in the agreement. The TIFs contemplate funding redevelopment projects that have a maximum cap of \$40 million for the Columbia Renaissance Plan and \$70 million for the Innovista Plan. There is a provision that says that if the city requested that long-term maintenance costs be paid from incremental tax revenues, the oversight committee would have the ability to approve that. This would require super majority approval. In terms of the staff costs, I'm not sure that would constitute long-term maintenance.

Councilor Plough expressed concerns about the significant cost for reporting that will be borne by the city and not shared by the other entities. She said that the worst part is that we could build a park and other entities could not fund the ongoing maintenance each year. She noted that the city would have no recourse.

Mr. Michael Seezen, Esq., McNair Law Firm said that it would appear that you would be compensated from the incremental tax revenues through a request that covers the duration of the increment.

Councilor Devine said that it is highly speculative to estimate the maintenance costs at this time. She said that if documentation can be provided, there will be a willingness to discuss it. She stated that we are looking for a document with longevity. She reiterated that the concern is that there could be an abuse of that authority in the future. She clarified that prior to inserting dates into the agreement the attorney did share this information with the staff that would be responsible for reporting.

Mr. Eric Shyltle, Esq., Haynsworth Sinkler Boyd, P.A. clarified the three steps in the process, noting that the projects are not presented until step 3. He said that it is a decision that will be asked down the road, when a developer is at the table. He said that projects should have the maintenance costs built in. He stated that this is an opportunity for the city to pay two-thirds of the cost of the park with millage levied by the county and the school district. The maintenance question is the same whether it involves a TIF or not.

Councilor Plough inquired about the issuance of debt and shortfalls.

Mr. Michael Seezen, Esq., McNair Law Firm recalled that the Vista TIF sold bonds twice and both deals were done as public bond issues. Each was sold with a bond insurance policy. He noted that the market for bond insurance is much different now. Debt service was not paid from incremental tax revenues for either bond issue and there was a junior pledge of water and sewer revenues.

Councilor Plough said that the Vista TIF was different, because it was front end loaded by two office building projects.

Mr. Michael Seezen, Esq., McNair Law Firm said that one philosophy of the TIF is to put improvements in the ground to generate private investment and produce properties that generate tax revenues. The projects are developer driven. With respect to the Bull Street property, the city is negotiating with a developer. The Bull Street development currently

has an assessed value of zero. If there is any private investment all would be captured as increment. Any increase in assessed value generated after bonds are issued would be captured as incremental tax revenue. There is no requirement to issue all of the debt or some of the debt. The city could approve the two plans and never decide to issue bonds. It could decide to fund some projects and not others. The Innovista Plan is based on a prioritization of projects.

Councilor Plaugh said that it's an issue of how to cash flow public investment to help stimulate private investment.

Mr. Michael Seezen, Esq., McNair Law Firm explained that the fifteen (15) years could occur anytime within a twenty (20) year period and would start from the date the Council approves the amendments to the redevelopment plan. It allows the city to issue short-term obligations that are not paid from incremental tax revenues and does not start the clock.

Councilor Baddourah asked if the city is liable on these short term obligations.

Mr. Michael Seezen, Esq., McNair Law Firm said that these short-term obligations are paid from the proceeds of subsequent bond issuances. A bond anticipation note is a one year obligation that the city might issue to finance a project. At the maturity of the obligation the city can issue another bond to pay it off which would extend it for another year. They could do that for a period of five (5) years.

Councilor Baddourah said that some of the projects in the Innovista Plan are also included in the Penny Sales Tax Referendum. He asked if the county would drop a project that is funded in the plans.

Mr. Eric Shyltle, Esq., Haynsworth Sinkler Boyd, P.A. said that if projects are funded from other sources then that allows the city to select other expenditures.

Councilor Baddourah inquired about the acreage included in the plans.

Councilor Runyan responded that the Innovista Plan includes 724 acres.

Councilor Baddourah expressed concerns about the maintenance costs.

Mr. Eric Shyltle, Esq., Haynsworth Sinkler Boyd, P.A. used Bull Street as an example, noting that it is 180 acres and the maintenance expenses already exist.

Councilor Davis explained that adjustments have been made to clarify the areas that are included, noting that the infrastructure is project specific and not area specific. He asked counsel to clarify that point.

Mr. Eric Shyltle, Esq., Haynsworth Sinkler Boyd, P.A. concurred, noting that the areas will be confined.

Councilor Plough asked what increment would need to be generated in order to carry \$70 million in debt for the Innovista Plan.

Councilor Devine said that it is the same process that is undertaken when we issue bonds now. She explained that in 2010, City Council was presented with the assumptions. At that time, the school district retained Harry Miley and he had lower assumptions. Earlier this year, Harry Miley made a presentation to Richland County and the school district where he stated that he did not believe the figures had changed enough for the previous study to be invalidated.

Councilor Baddourah said that the length of the IGA is a shocker and he was confused by the terminology used; however, counsel has done a great job clearing those concerns. I am looking forward to supporting the IGA, because I am ready to see what the next step is. I am eager to build this city and service my district.

Mayor Benjamin stated that there were several significant questions that needed to be answered. Under attorney client privilege there were some discussions we could have had in executive session; but we decided it was not the way to do it. We needed to have these discussions in public and be as transparent as possible. It was important and it was the right thing to do.

Councilor Plough said that Council is asked to approve the IGA based on amended redevelopment plans, but the plans have not been amended. She believes that this sets the city up for a potential legal challenge and that the sequence is wrong. She suggested that if you are making major changes to a plan then you have your public hearing and approve the plan, then you put the framework for carrying out that plan in place. Today we are putting the framework in place that outlines projects that are different from the projects in the plan. It seems to be the better approach in order to successfully collaborate with the county and school board. It's hard for me to believe that the economics hasn't changed since 2006 given what has happened in our economy. The assumptions were different, the TIF level being funded is different, the projects are different, we are reducing the term from twenty-five (25) years to fifteen (15) years, we are reducing the increment from 100% to 75% and we have significantly changed the Innovista Plan. Amending the plan before we move forward, would allow us to really look at the absorption rate while considering that we are moving with two TIFs at the same time. The Columbia Renaissance Plan has a whole new set of projects. The IGA refers to an amended plan, but there is no amended plan. I think procedures are pretty clear about amending plans, and then having your public hearing. This allows people in a public setting to comment on the changes you are making to the plan, not after the fact. Why couldn't we modify the plans, get the economic data right and know what the projections really are; and move forward as state law refers to. The fact that Columbia is pursuing two (2) large geographical TIFs with significant financial dollar amounts attached to them speaks volumes of us as a city and our real challenge or inability to set priorities. We need to think and act strategically and this council has done it before. I am concerned about the financial viability of this city. The timing and the economy couldn't be worse. This community will rise together and fall together. Our revenues have remained relatively flat. I'm told that because of the lack of cash flow and coverage on the general

obligations bonds, next year we may not be able to do what we have done this year to issue additional debt to buy police vehicles. For two years we were in an awkward situation. How do you borrow money to make major infrastructure improvements without any short-term revenues to cover the debt? How do you even contemplate building parks and green space without maintenance, security and ongoing operations? Columbia doesn't need another false start. How do you address the fact that no real analysis has been done on the cash flow? I'm going to challenge the statement about there not being any increases for the taxpayers. If you look at the cash flow situation, it takes about three to five years for a development to end up on the tax rolls. There will be gap that will have to be filled somehow. How do you propose telling constituents that their property taxes have to be increased to cover the ongoing operational costs of city government, because there is insufficient revenue generated from 20% of the property owners who are paying property tax are not in the TIF? My scenario is that we have 100% of property owners with 60% of them exempt and the other 40% pay property taxes. We are running on 40% of the tax base. These plans take about 20% of that property and put it into the TIF. That leaves 20% of our taxpayers who are paying taxes on the TIF. This year, we have an increased cost of \$4.5 million in operating the city. It's not because of any TIF, it's because operational costs grow. How do you agree to be responsible for issuing up to \$110 million in debt without having to increase water and sewer rates? I recommend that they amend the documents and do a prohibition against utilizing water and sewer funds.

Councilor Baddourah asked if that is possible.

Mayor Benjamin said probably not without a backstop. He said that he wanted to make sure they had a good and healthy discussion that will extend into the next several months. He insisted that the city finances are healthy. We are in an enviable position. There are very few cities that realize a \$4.5 million savings in salaries over a few years and have deftly dealt with the challenges of GASB45. We are healthy, including the upgrade from Standard and Poor's. We will see an upgrade in our parking bonds. I have no issues with the purposes of a TIF. TIFs work and Columbia is a classic example of how a TIF can help build a city. We cannot do a TIF without backstopping it with water and sewer. There are some very good projects to focus on and others that need to be flushed out prospectively. My concerns have to do with the macro issues. A significant amount of our real property isn't on the tax roll. We have a model town and gown relationship with the University and conversations with them have been about keeping properties on our tax roll as they march west. This city is poised for explosive growth. We are making the right investments, in the right places. The two major infrastructure pieces are the north-south connection of Williams Street and the east-west connection of Greene Street. I hope this will be addressed when county citizens vote to take up the referendum. I have always been an advocate for chasing several different opportunities at the same time. Timing is very important and the other entities actions are predicated on our action here tonight. He commended the legal counsel for their leadership.

Councilor Runyan expressed concerns that he would like to see addressed prior to second reading. He is concerned that Richland County is being reimbursed for staff time, but the city isn't. He expressed concerns about maintenance issues and the city being held hostage by the oversight committee. He is very concerned about long-term maintenance

issues for parks and suggested that we will have to be very diligent about this if we get to that point. He concurred that TIFs do work to revitalize blighted areas and to bring areas onto our tax rolls to generate revenue. He said that we have to grow the pot, be pro-development and do so responsibly. He noted that the cost to borrow money now, is generationally low and we would have significantly higher borrowing costs three years from now. He looks forward to supporting this.

Councilor Newman said that we need to take this opportunity for an economic catalyst very seriously. He thanked the attorneys for clearing up a great deal of the misconceptions. He encouraged his peers to continue to present their questions and concerns.

Councilor Davis said that it has been a long time since we've had 3 governmental entities agree to move forward with a project that will be common to their constituents. He said you believe in this city or you don't; either you believe in these projects or you don't; either you believe in the elected people or you don't. He said that everybody is accountable to somebody.

Upon a single motion made by Mr. Davis and seconded by Mr. Newman, Council voted five (5) to two (2) to give first reading approval to Ordinance No.: 2012-055 – Authorizing the City Manager to execute an Intergovernmental Agreement (Columbia Renaissance Redevelopment Plan), among the City of Columbia, Richland County and School District No. 1 of Richland County **and** Ordinance No.: 2012-081 – Authorizing the City Manager to execute an Intergovernmental Agreement (Innovista Redevelopment Plan) among the City of Columbia, Richland County and School District No. 1 of Richland County with pending modifications. Voting Aye were Mr. Baddourah, Mr. Runyan, Mr. Newman, Ms. Devine and Mr. Davis. Ms. Plough and Mayor Benjamin voted nay.

26. [Ordinance No.: 2012-080](#) – Providing for the Issuance and Sale of not exceeding \$7,545,000 General Obligation Bonds, Series 2012, of the City of Columbia, South Carolina to Prescribe the Purposes for which the proceeds shall be expended, to provide for the payment thereof, and other matters relating thereto– *Approved on first reading.*

Upon a motion made by Ms. Plough and seconded by Mr. Newman, Council voted unanimously to give first reading approval to Ordinance No.: 2012-080 – Providing for the Issuance and Sale of not exceeding \$7,545,000 General Obligation Bonds, Series 2012, of the City of Columbia, South Carolina to Prescribe the Purposes for which the proceeds shall be expended, to provide for the payment thereof, and other matters relating thereto

27. [Ordinance No.: 2012-074](#) – Granting encroachment to the University of South Carolina for use of the right of way area southwest corner of the 1000 block of Greene Street and 800 block of Park Street adjacent to the Koger Center at 1051 Greene Street to allow for handicap accessibility– *Approved on first reading.*

Upon a motion made by Ms. Plough and seconded by Mr. Baddourah, Council voted unanimously to give first reading approval to Ordinance No.: 2012-074 – Granting encroachment to the University of South Carolina for use of the right of way area southwest corner of the 1000 block of Greene Street and 800 block of Park Street adjacent to the Koger Center at 1051 Greene Street to allow for handicap accessibility. Mr. Davis was not present for the vote.

28. [Ordinance No.: 2012-079](#) – Authorizing the City Manager to execute a Quit Claim Deed from the City of Columbia to Palmetto Health transferring the sixty-six (66') foot right of way of former Parkridge Drive located between Lake Murray Boulevard (SC Highway 60) and the intersection of New Parkridge Drive and existing Parkridge Drive, Richland County TMS #05001 & #05002; CF#205-15D– *Approved on first reading.*

Upon a motion made by Ms. Plough and seconded by Mr. Baddourah, Council voted unanimously to give first reading approval to Ordinance No.: 2012-079 – Authorizing the City Manager to execute a Quit Claim Deed from the City of Columbia to Palmetto Health transferring the sixty-six (66') foot right of way of former Parkridge Drive located between Lake Murray Boulevard (SC Highway 60) and the intersection of New Parkridge Drive and existing Parkridge Drive, Richland County TMS #05001 & #05002; CF#205-15D. Mr. Davis was not present for the vote.

RESOLUTIONS

29. [Resolution No.: R-2012-075](#) – Authorizing the City Manager to execute an Agreement with Richland County School District One to provide School Resource Officers from the Columbia Police Department to various schools – *Approved*

Upon a motion made by Ms. Plough and seconded by Mr. Newman, Council voted unanimously to approve Resolution No.: R-2012-075 – Authorizing the City Manager to execute an Agreement with Richland County School District One to provide School Resource Officers from the Columbia Police Department to various schools. Mr. Davis was not present for the vote.

30. [Resolution No.: R-2012-083](#) – Authorizing the reopening of the portion of Lester Drive located between High Circle and Bailey Street and installation of speed humps – *Deferred*
31. [Resolution No.: R-2012-085](#) – Approving the honorary naming of the 300, 400 and 500 blocks of Williams Street between Catawba Street and Blossom Street “Tanner Way” – *Approved – Please refer to Item 4a.*

COMMITTEE REPORTS

- Arts and Historic Preservation Committee

Councilor Runyan said that One Columbia presented a public arts proposal and asked that Council approve the project guidelines as recommended by the committee.

Councilor Devine asked about the required 20% donation for maintenance.

Councilor Runyan agreed to look into that.

Mayor Benjamin asked that they develop a monitoring system.

Upon a motion made by Mr. Runyan and seconded by Mr. Newman, Council voted unanimously to approve the Project Guidelines for Public Art.

Councilor Runyan asked that someone be appointed to the Public Art Selection Committee. He noted that Ms. Krista Hampton has been asked to participate.

Upon a motion made by Mr. Newman and seconded by Mayor Benjamin, Council voted unanimously to appoint Mr. Runyan or his designee to the Public Art Selection Committee.

Councilor Runyan reported that One Columbia also proposed that they develop guidelines for art at City Hall after the renovations. The committee recommended that they develop the guidelines now in order for the art be unveiled along with the newly renovated City Hall. He reported that Fire Chief Jenkins briefed the committee on the use of the Fire Marshalls. He explained that there are 7,700 commercial buildings and 8 fire marshals. He said that they don't have the capacity to monitor all of the buildings; therefore, they must focus on occupied buildings. He added that Bull Street isn't under our jurisdiction. On behalf of the committee, Mr. Runyan recommended that spending of hospitality tax allocations be incorporated in the local preference program.

Upon a motion made by Mr. Runyan and seconded by Ms. Plough, Council voted unanimously to request local preference support from groups receiving hospitality tax funds. Mayor Benjamin was not present for the vote.

Councilor Runyan reported that Dr. Regan discussed the potential of a hospitality tax study and they all agree that it has merit. He said that Dr. Regan is collaborating with Dr. Hudson, who has \$30,000 in grant funds that we would need to match. Dr. Hudson suggested an independent review with a three (3) year look back at impacts. He could complete this by the end of January 2013. He expressed concerns about organizations being wholly dependent on funding. He sought Council's support in asking the City Manager to identify \$30,000 as match funding.

Mayor Benjamin asked Mr. Gantt to identify a source and report back to Council.

Councilor Runyan asked if he could include a letter requesting preliminary information from organizations that were allocated funding today. He would like to see the percentage of the budgets that are funded by the hospitality tax budget and the trend.

Mayor Benjamin concurred and asked that someone assist with drafting the letter in layman terms.

- Economic and Community Development Committee

Councilor Davis reported that they heard from the operators of the PLEX, an indoor sports complex. He said that the outright proposal was to see if there could be a partnership in a number of ways with the city. He noted that there is a proposed outdoor athletic park being planned by the County. He said that the committee agreed to have discussions with the county regarding jurisdiction. He reported that Mr. David Kuntz of the Cooperative Ministry and Senior Assistant City Manager Baker offered suggestions on the use of the existing Parks and Recreation building complex. The committee suggested that they come back with a specific proposal; however, the intent is to provide jobs to low income individuals over a period of time.

- Public Safety Committee

Councilor Baddourah reported that the committee heard from Mr. Gantt about the contract with the Richland County Jail and we are still at the same rates. He said that Joe McCulloch challenged the 2 a.m. bar closing ordinance and they listened to this argument. He requested a traffic circle in Five Points to slow down traffic at Harden and Greene Streets and Devine and Harden Streets.

APPEARANCE OF THE PUBLIC

Ms. Agnus Perez said that she appreciates Ms. Plough's summarization of the Innovista Plan. She stressed the fact that the Resolution for Mr. Tanner was not approved prior to the photo-op. She said that Mr. Odell Jackson received that same spot across the river from Mr. Guingard for a baseball field and residents of Ward One used it for many years. She said that politicians want to call these areas blighted, but someone needs to fix the areas up. She stated that they need to preserve our history. She insisted that you cannot take away a person's history.

Mayor Benjamin thanked Ms. Perez for her comments adding that he spent some time with residents from Ward One while working on the records project.

Dr. Marie Alsaad Faltas asked Mayor Benjamin to recuse himself for reasons that would involve his wife in her capacity as a judge. She expressed concerns about the City Clerk denying several requests from her to be put on the agenda. She expressed concerns about being denied an appeal. She expressed additional concerns about Municipal Court Judges, Planning and Development Services staff and the City Attorneys.

Upon a motion made by Mr. Newman and seconded by Mayor Benjamin, Council voted unanimously to adjourn the meeting at 9:07 p.m.

Respectfully submitted by:

Erika D. Moore
City Clerk