

**CITY OF COLUMBIA CITY COUNCIL
WORK SESSION MINUTES
AUGUST 23, 2011 – 4:00 P.M.
CITY HALL - 1737 MAIN STREET**



The Columbia City Council met for a Work Session on Tuesday, August 23, 2011 at City Hall, 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 4:07 p.m. and the following members of Council were present: The Honorable Belinda F. Gergel, The Honorable Leona K. Plough and The Honorable Brian DeQuincey Newman. The Honorable Sam Davis joined the meeting at 4:38 p.m. and The Honorable Tameika Isaac Devine joined the meeting at 4:48 p.m. The Honorable Daniel J. Rickenmann was absent. Also present were Mr. Steven A. Gantt, City Manager and Ms. Erika D. Salley, City Clerk.

RESOLUTION

1. Resolution No.: R-2011-056 – Authorizing the City Manager to execute an Agreement to Purchase and Sell Surplus Water between the City of Columbia and the Town of Winnsboro for Bulk Water Service to the Town of Winnsboro

Upon a motion made by Mr. Newman and seconded by Dr. Gergel, Council voted unanimously to approve Resolution No.: R-2011-056 – Authorizing the City Manager to execute an Agreement to Purchase and Sell Surplus Water between the City of Columbia and the Town of Winnsboro for Bulk Water Service to the Town of Winnsboro.

CITY COUNCIL DISCUSSION / ACTION

2. Private Dormitories

Mayor Benjamin explained that City Code § 17-55, that prohibits more than three (3) unrelated persons from living under the same roof. That ordinance along with other circumstances has pushed every type of modern student housing outside the city limits. We have found a significant amount of growth in the unincorporated industrial areas off of Bluff Road and Shop Road. We are losing an incredible tax base and investment that could be inside the city. The MX-2 zoning that the city put into place to facilitate the rapid growth of Innovista and the Research Campus, intentionally excluded student housing from that mix. I believe that student housing can be a very important part of the mix as we seek private investment in the city and Innovista. There is a significant amount of development in abeyance, waiting for us to consider this type of change. These types of developments are consistent with the type of mixed-use we want to see in the city, Innovista and the Vista. This would not affect the neighborhoods. This is an issue that we can rectify by dealing with the zoning issue in a mixed area, but not in the rest of the city.

Ms. Krista Hampton, Director of Planning and Development Services explained that private dormitories are a use category that's currently allowed in C-4, C-5, M-1, M-2, RG-3 and MX-1. It was left out of MX-2 for some land use implication reasons. If Council gives the direction, we can process an amendment to make changes that would address this. Usually apartments have 3-bedrooms and you may have 1 to 2 vehicles per unit. You have one vehicle per bedroom with student units. MX-2 was intended to be more pedestrian-oriented. A private dormitory is a conditional use, which is permitted upon meeting the criteria of having sidewalks, light parking and a 24-hour staff person. This would be adding conditional uses to MX-2. There will be a requirement for structured parking and a mix of

dwelling units. Also, the building should be constructed for adaptable reuse. There may be a possible distance requirement to avoid clustering between private dormitories. The current distance requirement is 600 feet from residential. I would suggest that there be 1,000 feet between developments. There is not a density cap in MX-2, but the maximum density for private dormitories is 98.4 bedrooms per acre.

There was a consensus of Council to direct staff to draft the revised ordinance for review prior to submitting it to the Planning Commission for consideration in October.

APPOINTMENTS

3. Palmetto JoyRide Columbia Bicycle and Pedestrian Advisory Committee (BPAC)

Upon a motion made by Mayor Benjamin and seconded by Ms. Plaugh, Council voted unanimously to approve the appointment of Mr. Martin Wall to the Bicycle and Pedestrian Advisory Committee, as nominated by Mayor Benjamin.

4. Follow-up on Fiscal Year 2011/2012 Funding Allocations

a. Hospitality Tax Surplus Funding

Ms. Melisa Caughman, Budget Director explained that some allocations were approved during the last Council meeting. We are bringing back the final budget for your review. The balance is \$240,129, out of which we are applying the 10% reserve for the Hospitality Tax Fund.

Councilor Plaugh suggested that they discuss how to best utilize Hospitality Tax funding going forward in terms of strategic planning.

b. Community Promotions Funding

Mr. Steven A. Gantt, City Manager explained that \$200,000 was set aside in the City Manager's budget for Community Promotions funding. There was discussion of Council allocating a portion and setting aside a portion for the committee to review.

Councilor Gergel suggested that they publicize that applications are being accepted for funding.

Ms. Melisa Caughman, Budget Director said that the following groups were typically funded through the Community Promotions Fund: Sister Care, Saluda Shoals Foundation, Palmetto Project for Challenge Day, Alston Wilkes Society, Community Relations Council, Deep Productions and Film, Columbia Council of Neighborhoods, Capital Senior Center, Senior Resources and TNOVSA.

Councilor Newman recalled that there was a discussion about the fairness of this process. We feel like some people knew to send a letter to request funding. There are other organizations that need funding, but don't know about this. There are some projects that we planned to fund. The conversation needs to be geared towards how we will disburse the money. We also have the Community Promotions Advisory Committee.

- **Mr. Davis joined the meeting at 4:38 p.m.**

Councilor Plough said that most of this is General Fund money and there are tremendous demands upon the General Fund in terms of operations of the City. Is this in addition to the Economic Development Contingency Fund? I would urge us to look at General Fund money in terms of being a clean, safe and financially sound city. How should we be utilizing General Fund money going forward? This is a resource that can be used for cameras.

Mayor Benjamin said that he certainly wants to have a process that's as fair as possible. I am inclined to follow the will of Council. I would like feedback from the Columbia Council of Neighborhoods (CCN) on the proposal for cameras in neighborhoods. I would like to use one neighborhood as a model; a deterrent for helping solve major crimes.

Councilor Davis said that he would like to see us hit the ground running with the neighborhood cameras versus using a model site. The need is there.

Councilor Gergel inquired about funding for the CCN from the Community Development Department.

Ms. Melisa Caughman, Budget Director said that CCN was previously funded in 2009/2010 from the Community Promotions Fund. They were not funded in 2010/2011.

Ms. Teresa Wilson, Assistant City Manager explained that the Mini Grant Program provided funding to neighborhoods. We were not meeting HUD standards. Going forward, the program must be revamped to be inline with HUD requirements.

▪ **Ms. Devine joined the meeting at 4:48 p.m.**

There was a consensus of Council to forward their suggested funding criteria for the Community Promotions Fund to the City Manager for consideration on August 30, 2011. The availability of funding will be advertised after the criteria are established by City Council. The Community Promotions Advisory Committee will review all applications and provide recommendations to City Council for consideration on October 4, 2011. Ms. Melisa Caughman, Budget Director was asked to share any meaningful information that she has collected.

5. ****Commerce Drive Sewer Line Collapse**

Mr. Steven A. Gantt, City Manager reported that a sewer line collapsed on Commerce Drive and we had to do a lot of work. It is a SCDOT road and we will have to do an extensive amount of repaving. We were waiting on SCDOT to provide the guidelines. Based on us buying the materials and doing the work in-house, it is going to cost approximately \$55,000. I am seeking Council's authorization to expend up to \$60,000 to repair Commerce Drive.

Upon a motion made by Ms. Plough and seconded by Mr. Davis, Council voted unanimously to authorize the City Manager to expend up to \$60,000 for materials to repair Commerce Drive.

6. **Comprehensive Discussion of the Hospitality Tax Fund / Directives to the Advisory Committee**

Mayor Benjamin said that the decisions that you all have to make and the time you spend doing this is very much appreciated and it helps to make our decision making process a lot easier. Thank you for serving. This is an opportunity for us to share our collective and individual thoughts and to hear back

from you all on how the process is working.

Ms. Cynthia Hardy, Hospitality Tax Advisory Committee Chair said that it's great for the committee members to have an opportunity to interface with City Council. I reviewed our recommendations again and I think they are really good. It is important for us to recognize that we are not operating without guidelines. There are guidelines in place that perhaps need to be adjusted, especially if it will make more people in the community aware. The whole city might be better served and advertising will generate more interest.

Mr. John Whitehead, Hospitality Tax Committee Member said that Council and the City of Columbia have worked to get the word out. The Strength in Unity Forum hosted by Libby Gober's office for agencies funded by Community Promotions, Hospitality Tax or Accommodations Tax is very beneficial. They are scheduled quarterly, but could happen more often. Organizations that were funded in the past or would like to be funded in the future come together to hear the guidelines, responsibilities and requirements, the record keeping, where to obtain an application, how to complete the application and everything that needs to be done prior to submitting your application. He agreed that people don't know where to go. One Columbia met and we talked about the need for a unified calendar and resources explaining how to get things done. We would like to see the Convention and Visitors Bureau list what's going on in Columbia by category. Smaller organizations could match funding by providing in-kind services.

Mr. Bobby Williams, Hospitality Tax Committee Member said that as a restaurateur, he was totally against this tax. I was scared of where the money was going. The selling point was the investment back into the community. I look at it as a business. We are investing money. What kind of returns are we getting? I have restaurants all over the City and I want to be fair to everybody. We look at the fact that some of these non-profits are for profit. They have a shell corporation. The City of Columbia is putting cash in their pockets and I have a problem with that. We are trying to weed them out.

Ms. Cynthia Hardy, Hospitality Tax Advisory Committee Chair said that once people know that funding is available, they come after it. They think of new and different ways to come after it.

Councilor Newman concurred with the comments made thus far. There are some groups that aren't non-profits. These funds should be used as a catalyst for a lot of organizations as opposed to a definite income stream every year. It becomes a life line and maybe the events aren't successful if they are depending on City funds all of the time. You should have a successful business model whether you are getting government assistance or not. This is a two-prong problem that we are facing. You all may not fully understand the direction that we want to go. I agree that we need to communicate more information to the committee. At the same time, there are larger projects that City Council as a whole may be interested in. It is my belief that we should lessen the amount of money that we make available for smaller organizations. We should set priorities and change the way the money is appropriated.

Ms. Kelly Glynn, Hospitality Tax Committee Member said that she is a business owner in Five Points, which generates a good amount of revenue for the Hospitality Tax. We want to be good stewards of the money. It is a lot of responsibility to decide who should and who shouldn't be funded. We have to look at the applications as they are given to us. We have been tighter in the past couple of years on people who don't meet the application process. We consider a lot of aspects and it's not as cut-and-dry as determining whether or not it is a good event.

Mr. Moe Baddourah, Hospitality Tax Committee Member said that as a businessman he noticed this

year that that there is no auditing. Any organization can receive funding and there is no follow-up as to whether they use the money according to the policies and guidelines. We just take their word for it. Ms. Cynthia Hardy, Hospitality Tax Advisory Committee Chair said that the accountability is there, because it is a reimbursement process. They have to meet the criteria based on the guidelines, before funding can be disbursed.

Ms. Libby Gober, Assistant to City Council said that there are checks and balances. That's what we do as staff. We receive the back-up and it has to be in compliance with their application and in compliance with eligible expenditures.

Councilor Devine noted that we have a surplus, because some people received allocations from the Committee, but they couldn't produce the receipts for the full allocation. The point on auditing is different and it is important for us to think about that.

Mayor Benjamin inquired about the type of follow-up that's done to ensure that we are getting more people on the streets, more people in restaurants and more heads on beds. How do we measure that?

Ms. Libby Gober, Assistant to City Council said that the application asks for the last four years of attendance. The committee considers how many people were brought in and revenue generated.

Councilor Plaugh asked if all the funds are reimbursed.

Ms. Libby Gober, Assistant to City Council explained that several years ago Council approved advancing the dollars, because some organizations can't afford to do this without an advance. It is a challenge for staff to get the back-up, because they already have the money and we have nothing to use as leverage, except next years funding. This committee recommends a dollar-for-dollar match for all capital projects. The Community Promotions Fund accepts in-kind services as a match.

Councilor Davis said that in-kind services should be certified. Is that looked at in your audit?

Ms. Libby Gober, Assistant to City Council said that is done on the backend by staff. Other sponsorships are listed on the applications, as well.

Councilor Davis suggested that there may be cases where a match should not be required. If you know they don't have it, then don't ask for it.

Mayor Benjamin asked that the committee develop recommendations on that.

Councilor Devine suggested that there be an objective review of the Hospitality Tax Fund over the last eight years. This review should include the amount funded to each organization and the return on investment. There are groups that we support, but in reality they haven't produced. She asked the committee if such a review would be helpful in their deliberations.

Ms. Cynthia Hardy, Hospitality Tax Advisory Committee Chair said that it is a part of their deliberations. There are organizations that didn't get funded and that's why. We can't fund duplicate initiatives.

Ms. Kelly Glynn, Hospitality Tax Committee Member said that they also consider the fabric of the community when they look at groups that aren't producers, but the event is needed for the betterment of the City.

Councilor Devine asked if an independent study is needed to help support the committee decisions. Most of the organizations are arts related, but there are some organizations that aren't. Do you all have enough guidance to be able to decipher between the groups and give them what they deserve? A lot of people feel like this money is for the arts. From my perspective, it is for the events that bring in tourists and generate more money. It could be a football game. How do those discussions go among the committee? Many groups that aren't arts related feel that the funding has been commandeered by the arts groups and others don't get a fair shake at it.

Mr. Bobby Williams, Hospitality Tax Committee Member said that a lot of the sports groups play in the City of Columbia and that has been a big part of it. We voted to give money to redo the tennis courts, but I don't know what happened to that. Some events don't generate business.

Ms. Kelly Glynn, Hospitality Tax Committee Member said that they consider the number of tourists they bring in.

Ms. Cynthia Hardy, Hospitality Tax Advisory Committee Chair said that they have always known that arts and entertainment is a big generator of tourists and that's why so many requests are arts related. We don't consider non-arts related requests to be out of place.

Councilor Gergel explained that when the State of South Carolina passed the law permitting municipalities and counties to implement this tax, there were four things those monies could be used for. My interest was because of restoration of historic buildings for tourism related events. From the earliest days of the Hospitality Tax Fund from the State's perspective, it was designed to increase tourism for certain things. It was not to support the organizations, but the restoration for the capital expenses of those buildings. Other things were mentioned as well, but it was always about tourism and how you grow tourism in your community. The arts groups and cultural organizations were looking for a way to provide dedicated funding for those that fit the criteria. It has enabled certain organizations that were pulled out of the committee to do significant things. We need to look at how successful it has been. We need to look at how projects fit into the overall goal of the City in terms of building a vibrant tourist component to what we do. My hope is that we would know more about your priorities and formulate priorities. There is a limited amount of funding and a lot of organizations are dependent on that funding. There may be ways to set priorities that enable us to look at new things and still look at things we need to continue with. Right now, we have no money to talk about a baseball stadium, tennis complex or a new performing arts center. We haven't talked about ways to structure the other elements of the Hospitality Tax in order to maximize the benefit to the City. I want to know more about your criteria and I know you are interested in knowing what we would like to add to that. It is a grueling process.

Mr. Bobby Williams, Hospitality Tax Committee Member asked Council if they wanted the committee to fund walks. We try to stay away from it.

Councilor Devine said that not all events are tourist events.

Councilor Davis said that he is interested in smaller organizations and new organizations getting a crack at the pot. We honestly believe in the committee process and at the end of the day the decision has always been to respect the committee's recommendation. I agree that some applications don't fit the criteria. Is there a systematic process that the committee goes through to help an unfunded applicant understand what is needed to be funded the next time?

Mr. John Whitehead, Hospitality Tax Committee Member explained that they will refer applicants to people to consult with.

Ms. Cynthia Hardy, Hospitality Tax Advisory Committee Chair added that an organization may have a great idea for a festival, but they don't know how to put the proposal together. Someone has to help them develop the idea and oftentimes it's something that they might have to hire someone else to do. This can become an impediment to the idea. There's a lot of sensitivity from the committee on applications that address areas of town that don't get as much attention. We hope that those organizations get the assistance that we recommend.

Mr. Moe Baddourah, Hospitality Tax Committee Member said that there are organizations that come to us to request more funding and they have been doing it forever. It is time for them to be on their own to allow other fresh ideas to be funded. We have cut funding for some of the organizations to support smaller groups. We try to promote every area of the City, if there is a good idea.

Mayor Benjamin asked Mr. Williams if he feels better about the Hospitality Tax Fund since he serves on the committee.

Mr. Bobby Williams, Hospitality Tax Committee Member replied I do, but with \$8 million being generated and we get our hands on \$2 million. He said that Forest Acres has 70 restaurants and they don't have places to spend the money. I just don't like taxing certain businesses; tax everybody the same.

Mr. Moe Baddourah, Hospitality Tax Committee Member said that the tax was designed to tax the tourists, but more local people eat in the restaurants.

Ms. Cynthia Hardy, Hospitality Tax Advisory Committee Chair asked the City of Columbia to give consideration to breaking the expectation of some groups that there is entitlement to the funds? We weren't told that there is, but organizations feel as if there is entitlement. That needs to be addressed in some way. Whether it's a blanket statement on the website that lets people know that everybody that walks into the room is the same so that there won't be this expectation.

Councilor Devine said that it needs to be communicated that funding was reduced to some groups that are doing well and can generate more money. The reduction is viewed as a slight and somehow it needs to be communicated that it wasn't a slight, it's in recognition of an organization doing what we expect other groups to do.

Mr. Bobby Williams, Hospitality Tax Committee Member stated that organizations are asked to put money away for next year if they make a profit.

Councilor Plough asked if it was feasible to look at phasing. Would you recommend that groups be phased out over a five year period or by a 10% reduction each year? Are there things that this money was intended to do that we're missing in the big picture that could help move this city in the direction that this money was designed for.

Mr. Bobby Williams, Hospitality Tax Committee Member said that should come from City Council. Is there a long range plan, project or directives?

Ms. Cynthia Hardy, Hospitality Tax Advisory Committee Chair said that the economy is dealing a

blow to some organizations and there is an increase in applications. In light of that, we need additional conversations about the evaluation process. There has to be benchmarks that can be measured.

Ms. Kelly Glynn, Hospitality Tax Committee Member noted that \$8 million was applied for, but they only had \$2 million to disburse.

Councilor Devine asked if the City would be making a lower debt service payment since we are refinancing our bonds.

Mr. Bill Ellis, Finance Director said that if we are successful, it will reduce our debt service requirement and we will have \$250,000 in additional funding available in the Hospitality Tax Fund.

Councilor Devine suggested that Council consider giving the committee additional funding and allow them to continue to do the heavy lifting.

Mr. Moe Baddourah, Hospitality Tax Committee Member suggested that there be a formula or ratio between how many tourists a function or festival brings into the City versus how much money is allocated.

Councilor Gergel said that she would like a recommendation from the committee.

- **Council adjourned the Work Session at 5:55 p.m.**

Respectfully submitted by:

Erika D. Salley
City Clerk