

**CITY OF COLUMBIA CITY COUNCIL
WORK SESSION MINUTES
OCTOBER 18, 2011 – 3:00 P.M.
CITY HALL - 1737 MAIN STREET**



The Columbia City Council met for a Work Session on Tuesday, October 18, 2011 in the Council Conference Room at City Hall, 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Pro-Tempore called the meeting to order at 3:00 p.m. the following members of Council were present: The Honorable Tameika Isaac Devine, The Honorable Daniel J. Rickenmann and The Honorable Belinda F. Gergel. The Honorable Sam Davis arrived at 3:04 p.m. and The Honorable Brian DeQuincey Newman arrived at 3:07 p.m. The Honorable Mayor Stephen K. Benjamin was absent. Also present were Mr. Steven A. Gantt, City Manager and Ms. Erika D. Salley, City Clerk.

CITY COUNCIL DISCUSSION / ACTION

- **Mr. Davis joined the meeting at 3:04 p.m.**
- **Mr. Newman joined the meeting at 3:07 p.m.**

1. **Columbia Empowerment Zone, Inc. – The Honorable Tameika Isaac Devine**

Councilor Devine briefed the members of Council on a meeting held with the Board of Directors for the Columbia Empowerment Zone, Inc. (CEZ, Inc.) in conjunction with Councilors Davis and Plough. We expressed concerns about the City not having an idea about what they were doing; what their plans are; and how they work in conjunction with the City. We encouraged them to do long range strategic planning. People think of CEZ, Inc. as one of the City's Development Corporations. They are planning a two-day retreat for November 2011. They will advise us of the date and the end results. We specifically talked with them about the marketing plan that was completed one-year ago for the North Main Plaza. The plan wasn't implemented. It is their asset and they need to promote it. Our zoning rules prohibit them from having a marquee that tells you who the eight (8) businesses are. We did determine that they can use the acreage from the adjacent lot in order to apply for a special exception. They presented a concept of having a festival on Friday evenings in the rear of the plaza and again they were told by Zoning that they can't do that. We need to figure that out. They had a proposal presented to them on behalf of Houston's, but it wasn't discussed while we were there. We did let them know that the City has been willing to promote the businesses in the plaza, but it is not our job to do that. We would expect them to come to the table with something to help promote and make those businesses successful. We talked with them about staffing and the fact that they need to come to the table with something. They will discuss that as part of their planning as well. We have to make those lines clearer, if they are going to be truly independent.

Councilor Gergel inquired about the difference between CEZ, Inc. and the Development Corporations. How is the board structured? What is our relationship to them, legally?

Councilor Devine stated that our Development Corporations have a director that is hired by and funded by the City. We provide space and other resources to those Development Corporations and their financials are part of the City's as component units. Currently, the CEZ, Inc. is a component unit of our financials, but after the close-out they may not be.

Mr. Bill Ellis, Finance Director explained that you have legal rule and accounting rules. Under the accounting guidelines it has to be reported as a component unit.

Councilor Davis said that the intent was for it to be an independent organization as part of the sustainability requirement. There was supposed to be no relationship.

Mr. Bill Ellis, Finance Director offered to share the American Institute of Certified Public Accountants (AICPA) checklist with the members of Council. The responses to the checklist will determine the type of component unit it is. Currently, they qualify as a discreetly presented component unit.

Mr. S. Allison Baker, Senior Assistant City Manager said that the Finance Director will need to determine how we book any staff that we let assist them, so that it would not have an impact on the financial records.

Councilor Plough said that we also have a legal agreement with them. Does that terminate?

Mr. Kenneth E. Gaines, City Attorney said that it's a sub-recipient agreement and you can terminate in 30-days with notice.

Mr. S. Allison Baker, Senior Assistant City Manager said that the sub-recipient agreement was done to close out the Sumter Columbia Empowerment Zone.

Ms. Teresa Wilson, Assistant City Manager said that she couldn't imagine that it wouldn't at least be a blended component unit. There is some concern about them totally assuming the cost of city staff. The Office of Business Opportunities (OBO) has a multitude of responsibilities and possible areas of assistance to the CEZ, Inc. and the Eau Claire Development Corporation (ECDC). We discussed a level of financial assistance towards the OBO for total services provided; not just one staff person. It wouldn't be a component unit if they hired an executive director.

Councilor Newman requested a clear outline of CEZ, Inc. activities. Do they want City Council's involvement in the retreat.

Mr. Steven A. Gantt, City Manger reported that the Zoning staff did meet with the ECDC and CEZ, Inc. to discuss plans for the sign, but they did not submit a formal request for a sign. They have not discussed the festival with Zoning personnel.

Councilor Rickenmann said that we need to decide if they are independent or not.

Mr. Kenneth E. Gaines, City Attorney reviewed the termination clause of the sub-recipient agreement. If it would help to take away the component unit, we could terminate the sub-recipient agreement.

Councilor Devine said that the City needs to consider if we want them to be independent. Do we dig a deeper hole for ourselves for their inability to move things forward, if they are still viewed as a City project.

Councilor Plough said that she reviewed the financials and the assets. She is hard pressed to understand the difference of the roles between CEZ, Inc. and the ECDC.

Councilor Devine noted that CEZ, Inc. owns property on Harden Street and Lady Street.

Councilor Gergel suggested rolling CEZ, Inc. into the ECDC.

Councilor Devine stated that this was presented for information and no action needs to be taken. Once they have their retreat, we need to meet to find out where they see themselves going and whether that fits into our plans.

Councilor Newman suggested that the Board meet with City Council.

Councilor Plough said that Council didn't vote on the \$50,000 repayment to HUD for the Empowerment Zone's ineligible expenses.

Upon a motion made by Mr. Davis and seconded by Mr. Rickenmann, Council voted unanimously to direct the City Attorney to draft a letter requesting repayment of the \$50,000 from the Sumter-Columbia Empowerment Zone to the Department of Housing and Urban Development.

Councilor Devine further reported that Dr. Hamilton is applying for a grant for a project on the Busby Street property. We need send a letter asking HUD if the City can convey that property to the Eau Claire Development Corporation. The CEZ, Inc. voted today acknowledging that the property was bought with EZ funds; the City holds title; and they are okay with it being conveyed to the ECDC. The ECDC will in turn lease the property to Dr. Hamilton. She asked the City Attorney to draft a Resolution for the conveyance of the property. City Council will consider this on November 1, 2011.

2. Fiscal Year 2010/2011 Accommodations Tax Surplus Funding – Ms. Libby Gober, Assistant to City Council

Upon a motion made by Ms. Devine and seconded by Mr. Rickenmann, Council voted unanimously to approve the allocation of \$173,623.65 from the fiscal year 2010/2011 Accommodations Tax Fund to the Convention and Visitors Bureau at 85% and Capital City Lake Murray Country at 15%. Mr. Newman was not present for the vote.

3. Memorandum of Agreement between the Minority Business Development Agency Business Center and the City of Columbia – Ms. Tina Herbert, Executive Director of Office of Business Opportunities

Ms. Tina Herbert, Executive Director of Office of Business Opportunities explained that the Memorandum of Agreement is between the Office of Business Opportunities (OBO) and the Minority Business Development Agency (MBDA) to provide technical assistance to small/minority businesses. We refer individuals who do not qualify for our loans to the MBDA. We also refer organizations that want to grow to the MBDA, because they help with marketing. We've had this contract for several years.

Councilor Devine said that we must have an OBO, because people need assistance from the City.

Ms. Teresa Wilson, Assistant City Manager explained that some of terms were revised to be more appropriate for the activities going forward.

Councilor Plough noted that only one segment of small businesses qualify and we must work on the other segment. We need to provide the same level of services for all businesses. We need the ability to refer them to other technical providers for assistance.

Ms. Tina Herbert, Executive Director of Office of Business Opportunities explained that due to federal requirements they deal with minority ethnicities, but not necessarily all small organizations that may come through the office. We will be working in partnership with various organizations. We will develop curriculum specifically for organizations that may not fit into that mold.

Mr. Jim Gambrell, Executive Director of the Office of Economic Development said that businesses are referred to the Community Development Department, the OBO or ECI Find New Markets.

Ms. Teresa Wilson, Assistant City Manager added that the Small Business Administration and Midlands Technical College provide services as well.

EXECUTIVE SESSION

Upon a motion made by Mr. Newman and seconded by Mr. Rickenmann, Council voted unanimously to go into Executive Session at 3:55 p.m. for the discussion of **Items 4** through **6**.

4. Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. No action was taken.*
 5. Receipt of legal advice which relates to a matter covered by attorney-client privilege – *This item was discussed in Executive Session. No action was taken.*
 6. Discussion regarding development of security personnel – *This item was discussed in Executive Session. No action was taken.*
- **Council adjourned the meeting at 5:00 p.m.**

Respectfully submitted by:

Erika D. Salley
City Clerk