

**CITY OF COLUMBIA CITY COUNCIL
WORK SESSION MINUTES
APRIL 16, 2013 – 2:00 P.M.
EAU CLAIRE PRINT BUILDING
3907 ENSOR AVENUE**



The Columbia City Council met for a Work Session on Tuesday, April 16, 2013 at the Eau Claire Print Building located at 3907 Ensor Avenue, Columbia South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 2:10 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 Ms. Teresa B. Wilson, City Manager and Ms. Erika D. Moore, City Clerk. This meeting was advertised in accordance with the Freedom of Information Act.

CITY COUNCIL DISCUSSION / ACTION

**Upon a motion made by Ms. Devine and seconded by Mr. Davis, Council voted unanimously to waive privilege regarding the proposed contractual arrangements related to the Palmetto Compress Building.

1. Plan for Community Engagement in Discussions of Homelessness Services – The Honorable Cameron A. Runyan

Councilor Runyan recalled that at the meeting last Tuesday we dedicated a preponderance of time to the discussion of homelessness; it was an opportunity for the public to provide input relative to a goal to address poverty and homelessness, but due to time constraints we did not have the opportunity for the public to speak. He further recalled that there was a discussion amongst Council to host a series of open forums for the public to provide input in terms of a goal for homelessness. He announced that these forums will be held on Friday, April 26, 2013 from 9:00 a.m. to noon and Tuesday, April 30, 2013 from 5:30 p.m. to 8:30 p.m. at the Earlewood Park Community Center. He said that input can also be provided at columbiacares@columbiasc.net.

Mayor Benjamin asked that both meetings be noticed as Council meetings. He agreed to attend the meetings and suggested that we share the Homeless Advisory Committee recommendations so that people have something to respond to. He agreed that an open microphone can be very effective along with having systems in place to catalog people's sentiments accurately. He recommended that the Salvation Army and Transitions make a presentation and that they also discuss meals.

Councilor Devine also agreed that an open microphone can be effective; it could also hinder our progress in that this is a hot button issue. She said that a structure needs to be in place for a productive meeting.

Councilor Runyan concurred, noting that his vision is not for solutions, but rather goals; we must have a unified vision as to where we are headed. He stated that many have worked hard on this issue and as the policy making body we have to give them a goal or vision to work towards.

Councilor Davis said that last week's discussion was informative. He said there will be people there who did not attend last week's session and he hopes that folks will be there that can provide information as well. He noted that there are various opinions and understandings of what's going on.

Councilor Plough noted that homelessness is a condition and she's not sure if limiting the discussion to homelessness is what we need to do. She suggested that a facilitator is needed. She said service providers don't want to have this discussion in a public forum; they want to protect their clients.

Mayor Benjamin suggested that those providers submit written correspondence that can be shared through email and included in the record.

Councilor Runyan advised Council that Mr. John Hall felt like the proposed format is more appropriate for the first meeting and it would not be an environment for facilitation. He added that a timekeeper will be there, but a professional facilitator would not add anything to the meeting.

Councilor Baddourah asked that the public be allowed to speak at this time.

Mr. Tom Turnipseed, Esq., Food Not Bombs said that these issues are about life and death and trying to do the right thing. He said his organization has served the homeless for 12 years. He also works with Homeless Helping Homeless; trying to give folks confidence. He stated that they are people like us, but they don't have enough money for a place to stay or food to eat.

1a. **Columbia Police Department's Bomb Squad - Acting Police Chief Reuben Santiago

Mr. Reuben Santiago, Acting Police Chief said that they do a lot to work with the Joint Terrorism Task Force, FBI and SLED. He reported that the Columbia Police Department has a full-fledged bomb unit with five (5) bomb technicians and they are confident that we take precautions and keep these issues at the forefront. He encouraged all citizens to be mindful that public safety is everybody's business. He stated that the Columbia Police Department will continue to be on heightened alert and awareness.

Councilor Davis recalled a situation on Tremont Street wherein a package was found in the backyard; it was an experience to watch how the robot and other monitoring devices work. He said we have a good and very responsive unit.

Mayor Benjamin congratulated Acting Chief Santiago and the command staff for a job well done in keeping crime down throughout the city.

2. [Community Service Volunteer Policy for Employees](#) – The Honorable Tameika Isaac Devine – *Approved by a vote of six (6) to one (1).*

Ms. Teresa Wilson, City Manager recalled the city's initiative to encourage employees to spend time with their children on the first day of school. She said there is still the desire for our employees to do volunteer service. She spent the morning with United Way and CEOs in the Midlands community as we gear up for the campaign this year and the one thing that struck home was that throughout our community there's a resounding effort for engagement and promoting volunteer service hours with our private businesses and the public. She will be addressing this effort with city employees as we gear up for the United Way campaign, particularly in the areas of our young people and serving our schools.

Councilor Devine presented the Community Service Volunteer Policy for Employees. She recalled seeing a Public Works employee at Burton Pack Elementary volunteering on a regular basis with his child and as a surrogate dad for other students. She said that the employee had to use vacation time to do so. She noted that not everyone has children, but they still volunteer in our schools. She said that the policy is for our staff to volunteer in different aspects throughout our community without having to take time off. She sought Council's endorsement of the policy, noting that employees would have to provide the supervisor with advance notice. She stated that as a capital, we can be a leader in this by promoting it with our employees and this is an opportunity to compliment City Serve.

Councilor Plough asked how many employees would be able to participate.

Ms. Teresa Wilson, City Manager stated that all 2,300 employees at some point and time while following the protocol.

Councilor Plough expressed concerns about employees that provide essential services.

Ms. Teresa Wilson, City Manager said those employees are the impetus behind this.

Councilor Devine said that the policy gives a supervisor the ability to ensure we have coverage.

Ms. Teresa Wilson, City Manager noted that Ms. Benjamin did cast a wide net to look at other municipalities that have implemented similar policies.

Councilor Plough inquired about the cost to implement this policy

Ms. Teresa Wilson, City Manager said they will do the math, but the qualitative benefit to our community outweighs any monetary cost.

Councilor Devine said that a benefit is employee satisfaction and knowing that they are employed by an organization that values them.

Councilor Newman said the policy sets the right tone; anything that promotes more civic engagement among employees is important.

Councilor Baddourah asked if this will be shown in the budget as a line item and will this be considered sick leave or vacation.

Ms. Pamela Benjamin, Human Resources Director said that it will be a leave category of 24 hours per employee per year, but it cannot contribute to an employee going into overtime status. She agreed to calculate the amount.

Upon a motion made by Mayor Benjamin and seconded by Mr. Newman, Council voted six (6) to one (1) to approve the Community Service Volunteer Policy for Employees. Voting aye were Mr. Davis, Ms. Devine, Mr. Newman, Mr. Runyan, Mr. Baddourah and Mayor Benjamin. Ms. Plough voted nay.

3. [Economic Development Strategic Plan](#) – Mark Williams, President of the Strategic Development Group, Inc.

Mr. Mark Williams, President of the Strategic Development Group, Inc. presented the following sixteen (16) recommendations to City Council in an effort to make Columbia the preferred place to develop in this state:

- Adopt a vision statement and goals
- Implement Economic Development Office organizational structure and job descriptions
- Form a City Council Economic Development Committee
- Hire a new Director of the Office of Economic Development
- Install an Ombudsman to assist new businesses with permitting and zoning issues and existing businesses in dealing with issues relating to the city
- Communication to internal and external partners
- Evaluate paid partners and develop new contracts
- Form an Economic Development Ally Council
- Implement a Communications Campaign
- Adopt a City Incentive Policy
- Develop a Site and Building Inventory
- Conduct a Marketing Study and Develop a Marketing Strategy for the City of Columbia
- Conduct a Third Party Review of Permitting, Planning and Zoning Procedures
- Promote the City's Strengths and Mitigate the City's Weaknesses
- Address the Homeless Issue in the Core of the City Of Columbia
- Evaluate Methods to Align Resources and Related Economic Development Success with Richland County.

Mr. Mark Williams, President of the Strategic Development Group, Inc. said that the full report will be available in a week, dependent upon the comments received from City Council. He assured Council that the City of Columbia can get there.

Councilor Davis said that he didn't expect these outcomes; it is better than anticipated.

Mr. Mark Williams, President of the Strategic Development Group, Inc. said that his perspective on incentives is to think reasonably hard about it, but get a greater return than what you put into it. He said that if incentives aren't available or considered, you will be cut along the way. He said that you can say no to a deal, but you should offer incentives. He noted that in order to attract a business you may decide that you are willing to break even or take a loss, but it's an informed decision.

Councilor Plaugh said this is a great roadmap.

Councilor Runyan asked what the impact would be if the city failed to address homelessness, but still addressed the other recommendations.

Mr. Mark Williams, President of the Strategic Development Group, Inc. said that total failure isn't an option. He said that if prospective companies see you on the case trying to solve it, then that will be very positive.

Mayor Benjamin asked what we should be doing to get more products on the market to create more investment. He noted that three (3) banks and two (2) restaurants are coming downtown and we are bursting at the seams.

Mr. Mark Williams, President of the Strategic Development Group, Inc. suggested that there needs to be a pipeline of product, which is defined as where someone can locate; we need a hot sheet of sites that are available; and we need to look at the pipeline product more carefully.

Mayor Benjamin said there are a lot of partners and Ms. Wilson has been working for years to ensure that we are growing those relationships. He said that we still need Class A, B and C space and industrial space.

Councilor Devine asked if the recommendation to adopt a vision and goals should stem from the city's strategic plan.

Mr. Mark Williams, President of the Strategic Development Group, Inc. said yes.

Councilor Devine said that she liked the proposed vision and goals in the report. She referenced the marketing strategy and asked if it will incorporate the external message that we get out through the media. She said that a developer reads the State Newspaper first to see what is happening in Columbia and she is concerned about the external message that people get that may not be accurate. She asked how we can have a marketing strategy that helps the way external people view us.

Mr. Mark Williams, President of the Strategic Development Group, Inc. said they are not designing a marketing plan. He agreed that the external partners need to understand what we are trying to do and help get that out.

Councilor Devine asked if the plan will provide recommendations related to the structure and connectivity of the Office of Economic Development and the Development Corporations.

Mr. Mark Williams, President of the Strategic Development Group, Inc. said that the plan hasn't addressed that, but if these internal or external partners turn the city's resources into jobs, investments and what your economic development goals are, then that connectivity should be there.

Councilor Devine said there continues to be confusion and we need to look at that to ensure that we are effectively allocating our resources.

Councilor Baddourah said they discussed corporate offices downtown and industrialized operations in the city. He said we have locations that are not in the city core that we can utilize for projects similar to Silicon Valley. He asked how to promote that section of town to bring industries, create jobs, utilize the land and increase the tax base. He asked if this should be looked at as part of the economic development plan for the city.

Mr. Mark Williams, President of the Strategic Development Group, Inc. said that the core of the city is the primary focus and it isn't likely to be industrial. He said that the city has assets outside the core that are good assets and those areas that are appropriate for light industrial should be targeted. He asked if this is a function that the city should team with Richland County on. He said that from a property tax perspective it is difficult for a manufacturing company to locate in the city, unless there is serious property tax abatement. He noted that in order to reach these job creation and wealth creation goals we need to focus on the urban core, headquarter offices, restaurants, hotels, the entrepreneurial piece and the companies that are already here. He agreed that there are opportunities on the outskirts of the city and we need to work on that. He asked if focusing on industrial recruiting the highest and best use of the city's Economic Development Office or should we partner with another entity.

Mayor Benjamin asked the members of Council to share their comments, questions or concerns with the City Manager by the close of business on Tuesday, April 23, 2013. He asked that they discuss how to partner with the County and others to be more effective.

4. [Comprehensive Annual Financial Report for Year Ended June 30, 2012](#) – Mr. Bud Addison, Audit Senior Manager for Webster Rogers, LLP

Mr. Bud Addison, Audit Senior Manager for Webster Rogers, LLP said that the City's accounting staff has shown significant improvement over the past several years. He referred to the entity level statement (pp. 24 and 26), which lists all of the city's assets and liabilities. He reported that the General Fund balance (p. 29) was \$15.5 million as of June 30, 2012, which is a significant improvement. He noted that Public Safety expenditures were \$73 million out of expenditures totaling \$164 million.

Councilor Plough noted that expenditures in the General Fund are \$6 million over our revenues and without the transfers-in we would be in a serious situation.

Mr. Bud Addison, Audit Senior Manager for Webster Rogers, LLP said that it is correct; the General Fund is dependent upon the transfers. He noted that the Water and Sewer Fund income (p. 33) was \$7.4 million prior to transfers and the 5% increase in rates translates to approximately \$6 million. He reported that there is a \$1 million deficit in the Parking Fund operations due to a decrease in parking revenues.

Mayor Benjamin said that it results from the Sumter Street Garage and some of the newer garages that haven't matured yet.

Councilor Plough inquired about the sale of the asset.

Mr. Bud Addison, Audit Senior Manager for Webster Rogers, LLP reported that there was a \$1.3 million loss from the sale of the Damon's property.

Mayor Benjamin said that we ended up with a 15,000 sq. ft. building that will provide additional capacity for the Convention Center, as well.

Mr. Bud Addison, Audit Senior Manager for Webster Rogers, LLP said that a lot of what the city does is hard to quantify. He said the Internal Service Fund finished at a break even amount before transfers in and out; overall it was very positive. He noted that the city had a lot of construction activity.

Councilor Plough asked Mr. Addison to address the liquidity in various funds.

Mr. Bud Addison, Audit Senior Manager for Webster Rogers, LLP said they must look at other factors that impact liquidity such as the General Fund, noting that cash flow and budgets are two different issues. He reported that the General Fund (p. 29) had total revenues of approximately \$100 million: \$78 million or 78% comes from property taxes, business licenses and permits, which are mostly not collected before December. He noted that the city operates with a pooled cash account; the Water and Sewer Fund is in a very good cash position right now; and having a rainy day fund is good. He stated that the city isn't too liquid. He reported that the Water and Sewer Fund (p. 31) is pretty liquid and that keeps the borrowing costs down and liquidity in the Parking Fund (p. 32) is not as good. He said the main concern with parking is the coverage ratios as far as net income to debt service. He reported that the Hospitality Fund (p. 97) had approximately \$2 million in assets versus \$94,000 in liabilities as of June 30, 2012; it can easily cover anything that might become due, but that's also discretionary because Council decides how much of it will be spent. He reported that the Internal Service Fund and the Risk Management Fund (p. 105) are very liquid with \$53 million in assets and \$16 million in liabilities. He explained that the negative net assets are the Other Post-Employment Benefits (OPEB) liability, which is a non-current estimated liability based upon actuarial studies and assumptions and that liability can be significantly affected by the city's decision on how to treat OPEB. He said it is primarily retirees' healthcare and estimates for legal claims. He added that a lot of the expenses

recorded in the Risk Management Fund are estimates and do not necessarily represent cash that the city is writing a check for on a week in and week out basis; it is an estimated claim for liabilities that the Governmental Accounting Standards Board (GASB) requires you to address. He said the likelihood of the \$42 million OPEB liability materializing in one day is pretty remote.

Mayor Benjamin said that his experience in dealing with colleagues around the country, indicate that we have taken a strong and conservative approach to dealing with GASB 45; it has been smart and responsible and it has given us latitude to deal with it.

Mr. Bud Addison, Audit Senior Manager for Webster Rogers, LLP said there are a lot of educated estimates in the Risk Management Fund. He concurred with the Mayor that the city intends to pay all employee healthcare costs, but it is highly unlikely that you will pay \$42 million at once.

Councilor Plough sought clarification of the Management Letter.

Mr. Bud Addison, Audit Senior Manager for Webster Rogers, LLP said there is nothing to report.

This report was received as information.

5. **Palmetto Compress Warehouse – The Honorable Mayor Stephen K. Benjamin

Mayor Benjamin announced that there will be an extended discussion on the Palmetto Compress at the Council Meeting.

Mr. Kenneth E. Gaines, Esq., City Attorney explained that the Columbia Development Corporation (CDC) will purchase the S Corporation that owns the Palmetto Compress Building to preserve the Mill Tax Credit (25% of development costs) and be eligible for other tax credits. The purchase price is \$5.6 million; we will pay termination fees for the demolition contract and \$100,000 for studies. The City will bear all external costs such as repairs, maintenance, insurance and monthly upkeep. The CDC will pay those costs and the city will reimburse the CDC. This agreement contemplates a CDC forming a development team to oversee marketing and development of the Compress Building. It will include four (4) city staff members and five (5) non-city staff members to make recommendations to the city for the approval of the final development plan.

Mayor Benjamin said the CDC has done an excellent job over the years in parcel assembly to actually serving as a developer in a number of different initiatives; they know how to get things done; and they are the correct partner in developing this very important part of the Vista.

Councilor Devine said that she has been contacted by interested parties. She said it is important that we have a public process so that others have the opportunity to present their ideas and proposals. She asked if they will adhere to the city's policy to allow adjacent property owners to participate in the purchase process, noting that it may not be necessary if there is a Request for Proposals (RFP) process.

Mr. Kenneth E. Gaines, Esq., City Attorney suggested that we allow the CDC to use their normal process. He said that the CDC Board asked that the City have another transactional attorney look at the Sales Agreement and stock. The proceeds of the sale will come back to the city minus the external costs. He advised Council that in 1983, the City entered into an agreement with Norfolk Southern Railroad and the Department of Transportation that considered the closing of the Devine Street railroad crossing. In 2001, the City passed a resolution with Norfolk Southern Railroad where the City agreed to realign the railroad crossing at Greene and Laurens Streets. He noted that there was a provision to close the Devine Street crossing when the Greene Street Bridge was completed or by December 2005. He explained the three (3) options for financing: hospitality bond ordinance, water and sewer ordinance and a second ordinance to approve creating an Economic Development Fund and funding it from GASB45 with the understanding that monies will be repaid from the proceeds of the sale of the property. He suggested that they give first reading to both ordinances, noting that Mr. Seezen has revisions to the GASB45 ordinance. He suggested that they schedule the approval of the CDC agreement and second reading of one (1) of the three (3) ordinances on April 30th or at a Special Called Meeting. Ms. Hampton is working to extend the demolition permit. The CDC's executive board meets tomorrow and the full board meets one week from Friday. They are looking at the sale of the Corporation and they have indicated that they won't make representation to these indemnities.

Ms. Teresa Wilson, City Manager clarified that it is important to have a process that is included in this; there will be a national RFQ process.

Mr. Kenneth E. Gaines, Esq., City Attorney said that the developer would have to take the property into escrow and provide a proposal to redevelop the property.

Councilor Plough inquired about the structure of each ordinance.

Mr. Kenneth E. Gaines, Esq., City Attorney explained that one would set up a fund that would be reimbursed from the sale of the property; the \$7 million dollar loan from water and sewer would be returned to water and sewer; and the GASB45 Fund would not be reimbursed unless you put it back at a later date.

Mayor Benjamin recalled that Mark Williams talked about us having various tools for economic development. This fund would be a possibility to offer economic development incentives. The money is in a money market account and the plans would be to put the money back in the fund it came from, unless we decided to establish an economic development closing fund.

Mr. Kenneth E. Gaines, Esq., City Attorney said the ordinance creates the fund and monies will not automatically go back to the original fund. It allows monies to be taken from additional sources.

Ms. Teresa B. Wilson, City Manager added that this was the same way the sale of the Assembly Street property was done.

Councilor Baddourah asked that it automatically go back to the fund that it came from.

Mr. Kenneth E. Gaines, Esq., City Attorney suggested that the request needed to be a part of the motion made tonight to approve the ordinance.

Councilor Plough inquired about the demolition contract.

Mayor Benjamin said it is \$380,000; they issued a stop work; and we will pay a nominal amount.

Mr. Kenneth E. Gaines, Esq., City Attorney said there is also a discussion about loss of monies by the demolition company.

Councilor Plough inquired about other inherent liabilities.

Mr. Kenneth E. Gaines, Esq., City Attorney said the CDC will assume all liabilities of the Corporation to include whatever the directors have done in the last six (6) years. The CDC will agree to indemnify the corporate entity and its stockholders for six (6) years.

Councilor Davis sought clarification on the amount of the liabilities.

Ms. Melisa Gentry, P.E., Assistant City Manager estimated liabilities to be up to \$350,000 to include \$15,000 for studies; this is a conservative estimate to cover everything.

Councilor Devine asked the CFO to discuss the effect of using the GASB funds. She asked if it is better to put the money back into the fund after the sale has been completed.

Mayor Benjamin said that we need more tools in our tool belt and having a fund of \$2 to \$5 million will go a long way to help incentivize economic development.

Mr. Jeff Palen, Chief Financial Officer said he will need to meet with staff to analyze the benefits of paying the funds back immediately after the sale of the property.

Councilor Devine suggested that they not amend the ordinance tonight, but to do it prior to second reading, if needed. She said they needed to understand the effect this will have on the Risk Management Fund.

Councilor Davis wants to know the impact of not putting the money back into the Risk Management Fund. He said we need the fund, but he's not sure if these are the funds that we need to use to start it.

Councilor Plough said that the ordinance sets up the fund and that means that it will not come back to the Internal Service Fund; that means that all funds will take a hit this year.

Mr. Jeff Palen, Chief Financial Officer said that it will be reflected as an asset of the Risk Management Fund and a receivable coming from the Economic Development Loan Fund.

Councilor Baddourah asked if Edwards was applying for an \$8 million tax credit.

Mr. Kenneth E. Gaines, Esq., City Attorney said that you have to own the Corporation in order to keep the tax credits.

Mayor Benjamin added that if anyone puts \$40 million into a building that would qualify for a 25% tax credit. He stated that Edwards was not interested in taking advantage of the tax credits and preserving the historic structure. He insisted that our goal is adaptive reuse of a historic gateway structure in the city; it will also lay the foundation for a significant amount of student housing. He noted that we changed our zoning ordinances to allow a massive amount of development to occur. He further insisted that if we do this right, we can go from having a \$40 million development to possibly having \$70 million in adaptive reuse of a gateway structure. He reported having a visit with one of the largest hospitality companies in the world that has significant interest in the building. He agreed that it's going to take work, creativity, guts and vision and we are going to make it happen. He stated that staff has done a great job in a very complex environment. He stated that we have to make sure our relationship, direction and requests to the CDC create an environment that gets all the great ideas and potential developers to come to the table; they are numerous and they are in every sector of this nation and would jump at the opportunity to put this building into adaptive reuse. In closing, he insisted that we have to lay the foundation to get \$7 million on the tax rolls, where now there is 4.7 acres of underutilized property and dirt.

EXECUTIVE SESSION

Upon a motion made by Ms. Plough and seconded by Mr. Davis, Council voted unanimously to enter into Executive Session at 4:50 p.m. for the discussion of **Items 6** through **9** as outlined.

6. Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. No action was taken.*
7. Discussion of negotiations incident to the proposed sale of property – *This item was discussed in Executive Session. No action was taken.*
8. 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.*

9. Discussion of the employment of an employee – *This item was discussed in Executive Session. No action was taken.*
- **Council adjourned the Work Session at 5:30 p.m.**

Respectfully submitted by:

Erika D. Moore
City Clerk



CITY OF COLUMBIA
DISTRICT IV EVENING MEETING MINUTES
TUESDAY, APRIL 16, 2013
6:00 P.M.
MAYS PARK - 4020 DEANS LANE

The Columbia City Council conducted a District IV Evening Meeting on Tuesday, April 16, 2013 at Mays Park located at 4020 Deans Lane, Columbia South Carolina. The Honorable Stephen K. Benjamin called the meeting to order at 6:03 p.m. and 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 Ms. Teresa B. Wilson, 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

Chief Aubrey Jenkins, Columbia Fire Department offered the invocation.

PET OF THE WEEK

Ms. Marli Drum, Superintendent of Animal Services introduced Boo, a one year old cat, as the Pet of the Week. Boo likes to play peek-a-boo and she is very sweet. All animals are spay/neutered, micro-chipped, vaccinated and wormed. Canines are tested for heartworms and felines are tested for feline leukemia/aids. To view other animals available for adoption, visit www.petfinder.com. For more information, visit the Columbia Animal Shelter at 127 Humane Lane or call (803)776-7387.

Mayor Benjamin reiterated the City's multi-year plan to become a no-kill City in which we dramatically reduce our euthanization rate by leveraging our non-profit, regional and individual partners.

Ms. Marli Drum, Superintendent of Animal Services reported that their intake has decreased for the fourth year in a row.

APPROVAL OF MINUTES

1. Work Session Minutes of February 5 and February 19, 2013 – *Approved as presented.*

Upon a motion made by Ms. Devine and seconded by Ms. Plough, Council voted unanimously to approve the Work Session Minutes of February 5 and 19, 2013 as presented.

CONSENT AGENDA

Upon a single motion made by Ms. Devine and seconded by Mr. Davis, Council voted unanimously to approve the **Consent Agenda Items 2 through 8.**

CONSIDERATION OF BIDS, AGREEMENTS and CHANGE ORDERS

2. Council is asked to approve [Project CP003601; An Agreement for Planning Consulting Services for the Devine Street / Fort Jackson Commercial Node Plan](#), as requested by Utilities and Engineering. Award to LandDesign Inc., in an amount not to exceed \$75,000.00. This vendor is located in Charlotte, NC. *Funding Source: 4139999-CP003601-636600 – **Note:** This project will be performed using the following sub-consultants: CDM Smith, Inc. (Columbia, SC) will perform Transportation Consulting Services at 13.33% of the contract value; Kimley-Horn & Associates in Charlotte, NC will perform Market Analysis Consulting Services at 13.33% of the contract value; and Quackenbush Architects/Planners, a LBE firm in Columbia, SC will perform Urban Design Consulting Services at 6.67% of the contract value - Approved*
3. Council is asked to approve the [Purchase of a 4 ½ Yard Concrete Mixer Truck](#), as requested by the Water Distribution Division. Award to Carolina International Trucks, Inc., the lowest bidder in the amount of \$101,471.00. This vendor is located in Columbia, SC. *Funding Source: Utilities Water Distribution & Maintenance/Auto, Trucks, Heavy Equip-Capital, 551620-658500 - Approved*
4. Council is asked to approve [Capital Improvement Project SS7201](#); New Wastewater Sanitary Sewer Manhole at Ridgewood Avenue and Summit Avenue, as requested by Utilities and Engineering. Award to LAD Corporation, the lowest, responsive and responsible bidder in the amount of \$90,842.00 with a project contingency of \$16,500.00 for a total amount of \$107,342.00. This vendor is located in West Columbia, SC. *Funding Source: Sanitary Sewer Improvement Fund, 5529999-658650 / SS720101-658650 – **Note:** The original budgeted amount for this project is \$125,000.00 - Approved*

ORDINANCES – SECOND READING

5. [Ordinance No.: 2013-024](#) – Granting encroachment to the State of South Carolina Budget and Control Board for installation and maintenance of a driveway, curbing and gutter bump-out, raised concrete median, directional signage and an ADA compliant handicap ramp in the right of way area adjacent to the Calhoun Building located at 1015 Sumter Street, Richland County TMS #11304-01-01 – *First reading approval was given on April 9, 2013 – Approved on second reading.*

6. [Ordinance No.: 2013-036](#) – Granting encroachment to the South Carolina Budget and Control Board for installation and maintenance of handicap ramp, front step, handrails, repaving of concrete sidewalk and landscaping within the right of way area adjacent to its building at 1026-1028 Sumter Street – *First reading approval was given on April 9, 2013 – Approved on second reading.*
7. [Ordinance No.: 2013-037](#) – Amending encroachment Ordinance No. 2010-029 granted to Historic Waverly Improvement and Protection Association for installation and maintenance of landscaping and irrigation within the right of way areas of 2214 Washington Street; 2214 Hampton Street; North side of the 2300 block Hampton Street; NE corner of Heidt Street and Gervais Street; NE corner of Pine Street and Gervais Street; SE corner of Lady Street and Heidt Street; NE corner of Oak Street and Gervais Street; NW corner of Hampton Street and North Millwood Avenue; NW corner of Oak Street and Washington Street; NE corner of Oak Street and Washington Street; SE corner of Washington Street and Oak Street; SW corner of Washington Street and Oak Street; NW corner of Lady Street at Pine Street; SW corner of Lady Street and Pine Street; SE corner of Lady Street and Pine Street; NE corner of Lady Street and Pine Street; SE corner of Taylor Street and Oak Street; 1421 Oak Street; SE corner of Hampton Street and Oak Street; and, SE corner of Hampton Street and Harden Street to allow for the installation and maintenance of a permeable paver driveway apron and paver walk at 2214 Hampton Street – *First reading approval was given on April 9, 2013. – Approved on second reading.*
8. [Ordinance No.: 2013-040](#) – Authorizing the City Manager to execute a Fourth Amendment to Lease Agreement with Branch Banking and Trust Company (BB&T) for use of 3905 Ensor Avenue (Lutheran Survey Building) *Note: This lease is for the Automatic Teller Machine (ATM) located within the Eau Claire Town Hall.* – *First reading approval was given on April 9, 2013 – Approved on second reading.*

PRESENTATIONS

9. Welcome Address – The Honorable Leona K. Plough, District IV Representative

Councilor Plough said she is delighted to be in District IV for this quarterly meeting at Mays Park, which she described as a natural park. She said they met with City staff at Mays Park to talk about the various improvements they would like to.

10. Greetings from the Historic Trenholm Buchanan Neighborhood Association – Ms. Linda Crimmins, President of the Historic Trenholm Buchanan Neighborhood Association

Ms. Linda Crimmins, Historic Trenholm Buchanan Neighborhood Association President welcomed everyone and thanked Ms. Plough for hosting the first Council Meeting at Mays Park. She said the neighborhood association is comprised of nine blocks bounded by the intersection of Trenholm Road at East and West Buchanan Roads. She said they formed a couple of years ago in response to a cell tower that was approved and constructed across the street. She thanked Councilwoman Plough, the Public Works Department and the Parks and Recreation Department for responding quickly to their issues of safety and aesthetics with the park; many of the recommendations have already taken place. She hopes to see work being done in the near future in order to make their park a safe and inviting place for children to play and adults to gather.

11. Introduction of the [March 2013 Employee of the Month \(Ms. Carmen Flemming, Sr. Applications Specialist\)](#) – Ms. Melisa Caughman, Budget Director

Ms. Melisa Caughman, Budget Director introduced Ms. Carmen Flemming, Senior Applications Specialist as the March 2013 Employee of the Month. Ms. Flemming is a 10-year employee who exudes customer service, teamwork and professionalism.

Mayor Benjamin and City Manager Teresa Wilson presented Ms. Carmen Flemming with a plaque and a token of appreciation for being selected as the City of Columbia March 2013 Employee of the Month.

12. Introduction of the [April 2013 Employee of the Month \(Mr. Robert Matthews, Automotive Technician II\)](#) – Mr. Edgar Heustess, Fleet Services Superintendent

Mr. Edgar Heustess, Fleet Services Superintendent introduced Mr. Robert Matthews, Automotive Technician II as the April 2013 Employee of the Month. Mr. Matthews is a 16-year employee who always works hard to make the City look good and to help others.

Mayor Benjamin and City Manager Teresa Wilson presented Mr. Robert Matthews with a plaque and a token of appreciation for being selected as the City of Columbia April 2013 Employee of the Month.

13. [C-SPAN's 2013 Local Content Vehicles City Tour](#) – Mr. Michael Wukela, Strategic Policy Advisor for the Office of the Mayor

Ms. Teresa Wilson, City Manager said that Time Warner Cable informed her that the City of Columbia had been chosen to participate in this initiative with C-SPAN.

Mr. Michael Wukela, Strategic Policy Advisor for the Office of the Mayor announced that the City of Columbia was one (1) of eleven (11) cities nationwide and one (1) of five (5) cities on the east coast to be chosen for this C-SPAN tour. He said it is a great opportunity to put our rich tradition of culture and history on national display. He thanked the University of South Carolina for their assistance along with Kim Jameson of the Conventions and Visitors Bureau and Robin Waites of the Historic Columbia Foundation.

Ms. Betty Lamb, Coordinating Producer for C-SPAN said that C-SPAN, C-SPAN II and C-SPAN III cover public affairs programming, 24-hours a day. She explained that they created special niche programming for the weekends: 48-hours of non-fiction book related television programming on C-SPAN II and 48-hours of American History on American History Television (AHTV). She reported that in May 2011, they decided to highlight the unique heritage, culture and non-fiction literacy of cities. They will produce up to seven (7) segments about Columbia's unique history to include the State House, Edwards v. South Carolina, Civil Rights, Sherman's March, Columbia Mill and the Horseshoe. This programming is scheduled to air on May 18 and 19, 2013 on C-SPAN II and C-SPAN III. She thanked City Council for allowing C-SPAN to visit and feature Columbia on their network; she is sure that their national audience will find it to be very interesting and full of unique stories. She acknowledged Time Warner Cable for their integral role in bringing C-SPAN here.

14. Children's Trust of South Carolina – Ms. Sue Williams, Executive Director of Children's Trust of South Carolina

Ms. Sue Williams, Executive Director of Children's Trust of South Carolina said their mission is to strengthen and support public and private prevention efforts that keep children safe and their vision is that every Child will have a healthy happy childhood. She announced that April is Child Abuse Prevention Month. She shared the pinwheel, which is a national symbol of prevention. She reported that there are 88,500 children in Columbia and over one million in South Carolina and they are reaching out to all partners to ask for support in spreading the word about prevention before an incident occurs, not afterwards. She outlined the following six (6) strategies that when incorporated into any demographic community, would help alleviate the chances that a child will be abused or neglected: being strong and flexible; having friends; knowing how to find help; knowing how children grow; helping children handle their emotions; and showing children love and support. She insisted that children do well when families do well and families do well when they live in communities that support them.

Mayor Benjamin said that the City will plant a pinwheel garden next week as part of City Serve. He said that so many children don't have the luxury of being children anymore.

OTHER MATTERS

15. Update on Taxi Cabs / Limousine Services – Mr. Jeff Palen, Chief Financial Officer and Mr. Roger Myers, Business License Administrator

Mr. Roger Myers, Business License Administrator explained that they are reviewing the previous recommendations to determine if they are beneficial.

Ms. Teresa Wilson, City Manager said that she brought this back for an update and to let Council know that questions have been posed from limousine services as well. She agreed to either bring this back to the committee or to receive the recommendations for Council's consideration.

Councilor Davis said the committee should look at significant recommendations.

Councilor Plough said that she was contacted by a limousine service that was concerned that they are approaching their busiest time of the year and not all limousine services operating in the City are licensed.

Mr. Roger Myers, Business License Administrator acknowledged that it is difficult to catch those vehicles, but we are hoping that the recommendations will address that. He said the recommendations will change the approval process and they also looked at other municipalities to see how they handle this.

Ms. Teresa Wilson, City Manager said that she will allow Mr. Myers to complete his review; she will review the recommendations; she will refer the matter to committee, if necessary; and simultaneously, the Business License Division will work with the Columbia Police Department to address enforcement issues.

16. Council is asked to approve a [Request for Certificate of Convenience and Necessity](#), as requested by the Business License Division. Award to German Osorio doing business as Go Executive Cab, LLC, which is a limousine service located at 1710-B Sunset Boulevard, West Columbia, SC. - *Approved*

Upon a motion made by Mr. Newman and seconded by Ms. Devine, Council voted unanimously to approve a Request for Certificate of Convenience and Necessity, as requested by the Business License Division. Award to German Osorio doing business as Go Executive Cab, LLC, which is a limousine service located at 1710-B Sunset Boulevard, West Columbia, SC.

Mayor Benjamin said if people are regularly violating the policy, we need to encourage the drivers to self-police and report them.

CITY COUNCIL DISCUSSION / ACTION

17. Hospitality Funding Requests – Ms. Libby Gober, Assistant to City Council

Ms. Teresa Wilson, City Manager explained that funding has been identified for the Cornbread Festival's deficit and we needed to bring the budget amendment back to Council; the second request is for King Day at the Dome.

Ms. Libby Gober, Assistant to City Council said that funding for the North Columbia Business Association is up to \$12,000 and \$10,000 for the Parks and Recreation Foundation.

Mayor Benjamin asked if the funds are available and are the expenditures eligible for hospitality tax funding.

Ms. Libby Gober, Assistant to City Council said yes, the funding will come from this year's Hospitality Tax Surplus Fund. She agreed to work with the North Columbia Business Association to satisfy eligibility. She said that we are reimbursing the Parks and Recreation Foundation for King Day at the Dome, because it will impact Kids Day and the Summer Concert Series if the funds aren't replaced.

Mr. Jeff Palen, Chief Financial Officer said the funds are available, because collections have come in higher this year.

Councilor Plaugh asked if she should abstain from voting since she serves on the board of North Columbia Business Association.

Mr. Kenneth E. Gaines, Esq., City Attorney said that if she doesn't have an economic interest, she can vote.

Upon a motion made by Ms. Plaugh and seconded by Mr. Davis, Council voted unanimously to allocate up to \$12,000 for the Cornbread Festival and \$10,000 for the Parks and Recreation Foundation for King Day at the Dome from the Hospitality Tax Surplus Fund, pending eligibility.

18. [Ordinance No.: 2013-050](#) – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 2, Administration, Article V, Procurement, Sec. 2-204 Competitive sealed bidding required; exceptions (11) and Sec. 2-205 Procurement methods – *Approved on first reading.*

Councilor Plaugh sought clarification on the reverse auction process.

Ms. Sandra Wright Nix, Procurement Director described it as the opposite of the eBay Auction, which is based on the lowest price; suppliers will compete against each other in a real time environment; and the suppliers must be prequalified. She said this is another method, but it won't work for every situation. She stated that the minimum procurement amount is \$50,000.

Councilor Plaugh asked if local vendors will be given preference through this process.

Ms. Sandra Wright Nix, Procurement Director said that our local preference policy doesn't fit closely with this model. She noted that only 5% of the City's procurement would be through this process; our main bidding tool is Bid Online.

Councilor Davis asked to review interim data within three (3) months.

Councilor Plaugh said that our local preference ordinance allows a local vendor within 5% to lower their bid to become the lowest bidder and keep the money circulating in our economy. She likes the idea of carrying out our local preference policy on the smaller contracts.

Ms. Sandra Wright Nix, Procurement Director said they will continue to make every effort to give preference to local vendors.

Councilor Baddourah asked if we are contracting with someone else for this service.

Ms. Sandra Wright Nix, Procurement Director said she is piggybacking on the State contract with eBridge Reverse Auction Services, noting that they have seen significant savings.

Upon a motion made by Mr. Newman and seconded by Mr. Davis, Council voted unanimously to give first reading approval to Ordinance No.: 2013-050 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 2, Administration, Article V, Procurement, Sec. 2-204 Competitive sealed bidding required; exceptions (11) and Sec. 2-205 Procurement methods.

RESOLUTIONS

19. [Resolution No.: R-2013-042](#) – Authorizing Acceptance and Dedication of a pedestrian easement along the easternmost property line of 808 Lady Street, Richland County TMS #08916-01-03; CF #250-318 – **Note:** *The pedestrian easement for the alley next to 808 Lady Street is being granted by the owner, Molten/Lamar Architects. It is the result of an agreement between the architects and the City in 1999. That agreement provided Molten/Lamar with matching funds for improvements to the alley in return for an easement to allow the public to use the alley to walk from midblock of Lady Street to the mid-block of the 800 block of Gervais Street – Approved*

Upon a motion made by Mr. Newman and seconded by Ms. Devine, Council voted unanimously to approve Resolution No.: R-2013-042 – Authorizing Acceptance and Dedication of a pedestrian easement along the easternmost property line of 808 Lady Street, Richland County TMS #08916-01-03; CF #250-318.

APPOINTMENTS

20. Citizens Advisory Committee

Upon a motion made by Mr. Newman and seconded by Ms. Devine, Council voted unanimously to approve the appointment of Ms. Paige Jeter Moore to the Citizens Advisory Committee for a four (4) year term, as requested by The Honorable Brian DeQuincey Newman.

21. [Election Commission](#)

Upon a motion by Mayor Benjamin and seconded by Ms. Devine, Council voted unanimously to approve the appointment of Mr. James Bender, Esq. to the Municipal Election Commission for a six (6) year term ending July 1, 2019.

22. Lester Drive – The Honorable Brian DeQuincey Newman

Councilor Newman waived executive privilege on the matter, indicating that it was initially presented to Council in executive session. He reported that a lawsuit was to be filed against the City, not only requesting an injunction to reopen the blockade on Lester Drive, but also threatening financial damages against the City; under advisement from the City Attorney and in the event the road is reopened, Council directed staff to find ways to minimize the negative impact on the community. He acknowledged concerns related to public safety; space for children to gather; and traffic. He recalled that a meeting was held at Mr. Watson's house to discuss this and since then, the potential for the lawsuit escalated and the City Attorney brought this back to Council. He said that Council asked the City Manager to look at ways to reduce the negative impact if the road is reopened and those options included speed humps, lighting and a park. He invited the community to express their concerns to the members of Council.

Mayor Benjamin said that he spent some time on Lester Drive last weekend with the Sanders family and 100 other residents, having a good time and sharing their concerns.

Mr. Thomas Sanders asked who hired the lawyer to open Lester Drive. He said their neighborhood is clean and quiet, but on the other side, it's a different ball game. He said that other roads are closed on both sides of I-77. He noted that Wilmot Avenue is closed by Hand Middle School. He sought clarification on the need to reopen the road.

Councilor Newman asked Mr. Gaines to state where the letter came from.

Mr. Kenneth E. Gaines, Esq., City Attorney said that it came from Austin Rogers and the Columbia Housing Authority.

Mayor Benjamin thought it was the Housing Authority Development Corporation.

Mr. Thomas Sanders said there was never a problem until the Columbia Housing Authority bought the houses in the back. He said that the Housing Authority can't dictate something in the neighborhood when they don't live there. He stated that they love the whole neighborhood, but they are divided because of this issue.

Councilor Devine said that Mr. Sanders' issues are very valid. She said the Housing Authority owns those apartments and they are responsible for those residents; they feel that it is unsafe; and we have to determine whether or not there are legal grounds to close the road. We can't find a record of this body legally closing the road. We have no legal grounds to stand on.

Mr. Thomas Sanders said that those people don't live in our neighborhood. He recalled that they were promised a park in the 1970s. We made a lot of changes in our neighborhood and we're not going to allow anyone to uproot what we have built. He reiterated his request to carve out that area for a permanent park and to use equipment that the City wants to throw away.

Mayor Benjamin noted that there is a piece of property owned by the Colony Apartments; another piece owned by the City; and a baseball field.

Mr. Thomas Sanders said that their park can't be claimed by the Bishop or the Colony Apartments. He said there is a road closed off inside the Bishop. He requested a meeting with the Housing Authority.

Mr. Anthony Sanders said that the Housing Authority can't dictate what happens on their road. He said that someone had to approve the work order to close the road and there should be a limit on the timeframe for reopening the road. He said that the bridge isn't used; kids just run across the street. He said it's a state road; not a City road and the state should be sued. He reiterated the request to meet with the Housing Authority before a decision is made.

Mayor Benjamin clarified that it is a City road. He said that a number of the residents are members of his church and they shared the same concerns with him. He agreed to organize a meeting with the Housing Authority.

Ms. Katie Bolden said she was concerned when they decided to build Bayberry Mews and they asked what would be done for the youth; nothing was done. She said they were concerned about congestion. She asked why they won't open the other road that leads to Beltline Boulevard. She said that 277 split the neighborhood and she was instrumental in the development of the Jim Clyburn Bridge. She asked why the Housing Authority won't address crime. She said through their 501 (c) 3 they feed the elderly and train youth for employment. She said that the Housing Authority should've had a better plan in place before purchasing the apartments.

Ms. Sallie Clark Nicholson said she retired and moved back to Columbia near High Circle. She said that fire trucks used to fly around the corner and it was dangerous. She said that the Sanders' really look out for the senior citizens. She said she attended the meeting at Mr. Watson's house when the gentleman from the Housing Authority said the street would probably not be reopened.

Mr. Thomas Sanders asked who will be liable if something happens when the road is reopened.

Mr. Kevin Myers said they help the kids every day; the road needs to be closed and whoever wants it opened needs to come down and see what's being done.

Mayor Benjamin said this is a wonderful example of "it takes a village to raise a child." He said that Council isn't acting on this tonight; they will keep the dialog going; and they will try to schedule a meeting with the Housing Authority's leadership.

Ms. Katheryn Bellfield expressed concerns about the City vehicles that come through Booker Street as early as 6 a.m. She said that a light was installed at Slighs Avenue and Harden Street and they don't use it.

Mayor Benjamin asked Robert Anderson to talk to Ms. Bellfield and ensure that commercial traffic stays on Beltline, Farrow Road and Harden Street, not the residential neighborhood.

Miss Kendra Mims said she grew up on Lester Drive and people used to drive up and down the road shooting and hitting her dogs, but it is peaceful since the road has been closed. She insisted that the road needed to remain closed.

ORDINANCES – FIRST READING

23. [Ordinance No.: 2013-048](#) – (Palmetto Compress Land/Building Acquisition and Redevelopment) approving the use of certain funds of the City of Columbia, South Carolina, in order to acquire, renovate and redevelop the land and building known as the palmetto compress building and pay certain costs associated with the redevelopment thereof and on-going operating and maintenance costs related thereto; and other matters relating thereto – *There was a consensus of Council to withdraw Ordinance No.: 2013-048.*

24. [Ordinance No.: 2013-051](#) – Approving the use of certain funds of the City of Columbia, South Carolina, In Order to create an Economic Development Fund and use such funds to acquire, renovate and redevelop the land and building known as the Palmetto Compress Building and Pay certain costs associated with the Redevelopment therefore and on-going operating and maintenance costs related thereto; and other matters relating thereto – *Approved on first reading by a vote of five (5) to two (2).*

Mayor Benjamin suggested that they consider both ordinances and facilitate a discussion for those that want to speak on this matter. He reported that Council had planned to discuss this matter in executive session earlier today, but he asked Council to waive the attorney-client privilege and have this discussion with the public. He explained that staff was tasked with providing a number of different approaches, which include securing a private sector loan, a Bond Anticipation Note, using the Hospitality Tax Fund or the Water and Sewer Fund as a backstop or reserves as various tools. He expressed his commitment to the preservation and adaptive reuse of this property. He insisted that the Palmetto Compress Warehouse is the last building of its kind in the United States of America; cotton is an integral part of our history; and it is in fact a gateway property. He further insisted that the possibilities for adaptive reuse and to incentivize a higher level of development is a once in a lifetime opportunity. He informed everyone that early settler Benjamin Waring was the first person in America to extract oil from a cotton seed right here in Columbia in the first decade of the 1800s when this City was still in its infancy. He said we must preserve this property, we must be creative in how we make it happen and this investment will yield benefits for the people of this City for decades long after each and every one of us is gone. He said that we have a vehicle in the Columbia Development Corporation that has effectively served this City for several decades; has worked well to facilitate development; and has a track record of getting things done and getting them done well. He outlined many ways in which the City has been good

stewards of the public's trust. He feels strongly that this building needs to be preserved and he felt as strongly that land marking the building without the consent of the owners represented potentially unconstitutional taking of properties. He said that we can look at the potential of having up to \$70 million of high quality development on that parcel, if we're thoughtful and strategic. He said the vehicle that we use to effectuate the end result can be discussed; however, we cannot tarry; it's time to move forward.

Mr. Kenneth E. Gaines, Esq., City Attorney confirmed that Council waived attorney-client privilege. He outlined the structure of the deal as follows: the Columbia Development Corporation (CDC) will have available up to \$7 million for the purchase the S Corporation that owns the Palmetto Compress Building. They are currently in negotiations with the owners to purchase the S Corporation. The rationale behind purchasing the S Corporation is for the purchaser to have the ability to preserve the Mill Tax Credit at 25% of the development, which is substantial. There are also other state and federal historic tax credits that they may be eligible for. There will be a development loan agreement between the City and the CDC with no interest. The City will pay the sales price of \$5.6 million for the property and give the CDC \$100,000 for studies that they plan to conduct on the building. Any monies left from the \$7 million will be disbursed upon written request, with supporting documentation from the CDC. The CDC will obtain general liability and property damage insurance; the City will pay the premiums since the City will not have interest in the building, the City cannot acquire the general liability or property damage insurance on the property. Since the City has a loan outstanding on the property, the City will be named as an additional insured on those policies. The City will provide all routine maintenance on the property and pay for roof repairs, termite damage repair, replace rotten wood, shorten the retaining wall and those type things. The City will also pay the electricity and water providers directly. The CDC will form a development team to oversee the marketing and development of the Compress Building; it will be four (4) members from the City and five (5) non-City staff. They will develop criteria for marketing and development of the property; receive and evaluate the either the RFQ or RFP; and make recommendations to the City. The City will have the ultimate approval of the development. He noted that this is a draft agreement and additional reiterations were made this afternoon. The CDC will issue monthly reports to the development team and quarterly to City Council. The building will be designated as a landmark. The CDC can't convey or demolish the building without City approval. When the property is sold by the CDC, the sales proceeds for the property will go back to the City. The estimate for routine services and repairs is \$15,000 a month, which the City will pay. We have come up with three (3) vehicles in which to fund the purchase of the Palmetto Compress Building through the CDC. The first was the Hospitality Bond Ordinance, which you gave first reading to at the prior meeting. Tonight you have on your agenda, two (2) ordinances: one is using water and sewer funds to fund the purchase of the property and the other is creating an Economic Development Fund and using the City's Internal Service Fund (GASB45 funds) to fund that purchase. You will have three (3) flexible options to proceed with. The question on the Economic Development Fund is will the money go back to GASB45 after that fund is repaid or will it stay in the Economic Development Fund and be an asset of the GASB45 Fund.

Mayor Benjamin clarified that the City is not interested in owning this property long term; the goal is for this property to be returned to private hands and to the tax rolls. He feels strongly that the Internal Service Fund is the way to go and if we don't have a loan or any borrowing costs we will save \$500,000 in costs.

Mr. Kenneth E. Gaines, Esq., City Attorney said logistically, we should have a resolution authorizing the City Manager to execute the agreement between the City and the CDC and the three (3) ordinances for second reading; you can make your final decision at that time.

Councilor Plough asked about the term of the loan to the CDC.

Mr. Kenneth E. Gaines, Esq., City Attorney said the term of the loan is until they sell the property.

Mr. Jeff Palen, Chief Financial Officer said that with all three (3) scenarios there will still be a loan to the CDC. He explained that for the Hospitality Tax Bond, we would use the hospitality tax collections each year as the security for the loan and we would then use those funds to loan to the CDC; the second option is using water and sewer funds and using our own cash reserves that we have in the Water and Sewer Fund to fund the loan; and the third option is using the funds from GASB45 as part of our Risk Management Fund or Internal Service Fund, which is our cash and we would not to take a loan from another entity. He said the advantages of the last two (2) options are that we would not have interest costs; it would decrease the issuance costs that we'll incur with the Hospitality Bond; and we'll have more flexibility on the use of the property based on how it is funded. He added that with hospitality funds, we talk about tourism related historical structures. He reiterated that there's more flexibility on how we utilize the property when using our own cash.

Mayor Benjamin asked the City Manager to speak about the need for an Economic Development Fund.

Ms. Teresa Wilson, City Manager said from a best practices perspective, staff has talked about tools in the toolbox. She said there aren't many tools that municipalities have in order to be nimble and ready. She stated that oftentimes we scramble as staff to provide Council with options. She said they understand the challenges with the three (3) options provided here, but we don't have an Economic Development Fund at this juncture and this provides another opportunity to discuss that and the idea to fund an Economic Development Closing Fund, regardless of this particular opportunity you are discussing now.

Mr. Kenneth E. Gaines, Esq., City Attorney added that the development team will be expanded to comply with CDC bylaws.

Councilor Baddourah asked what happens if the CDC Board voted against this.

Mayor Benjamin said we would be in a bit of a quandary.

Councilor Devine asked Mr. Palen to explain the status of the Internal Service Fund. She noted that the money is currently in a money market account.

Mr. Jeff Palen, Chief Financial Officer explained that those are the funds out of GASB45 that were put aside for our 30-year liability and roughly \$42 million is sitting in a Money Market Account earning 20 to 25 basis points. He said those funds are reflected as an asset of the Internal Service Fund; we will set up a receivable for a loan; and it will still be an asset of that fund.

Councilor Plough asked how we ended up with that amount of money; what was the reason we collected it; and where did we collect it from.

Mr. Jeff Palen, Chief Financial Officer reported that in 2007, the Governmental Accounting Standards Board (GASB) changed the accounting rules; we had to start putting money aside to pay for our healthcare liabilities for retirees; and every two (2) years we have an actuarial which estimates the amount of money we need to have set aside 30-years out. He noted that prior to this we used the pay as you go practice; as we spent money, it came out of that year's budget, but under the new accounting rules, we set that money aside so that in 30-years we'll have enough funds to fully fund the actuarial liability. He reported that we made changes to our healthcare plan, which lowered our overall liability from \$200 million to \$104 million. He noted that we continue to budget 20% of our salaries from any fund that has employees into the GASB45 account and we continue to partially use the pay as you go practice.

Councilor Plough recalled that when the actuarial study was completed, we also adjusted the rates for our healthcare plan and that's when employees, retirees and spouses had to start making contributions. She said all of that money hasn't come from the General Fund; it has come from individual contributions as well.

Mr. Jeff Palen, Chief Financial Officer said the premiums are paid into the overall Risk Management Fund, but that's part of the revenue that's used to pay for the services for healthcare. He stated that the premiums aren't used to pay for GASB45; it comes from the budget.

Councilor Baddourah said taking \$7 million from that account will set us three (3) years back.

Councilor Plough said that we ran a deficit this year.

Mayor Benjamin recalled that Ms. Plough asked the auditor about the liquidity of all funds and the auditor reported that our funds are very liquid. He added that the City has been conservative in budgeting for Other Post-Employment Benefits (OPEB). He noted that City employees are part of the State Retirement System. He said the Governmental Accounting Standards Board asked municipalities to account for long-term non-pension

related OPEB liabilities. He reported that many municipalities of a similar size have not begun to set aside any funds. He reiterated that we reduced our liability in half and we are being good stewards of public funds.

Councilor Plaugh said that it is an initial \$7 million that will not come back into this fund.

Mayor Benjamin said there was a strong consensus to amend the ordinance for the money to go back into the fund and we do need to have a forward thinking discussion about an Economic Development Closing Fund. He noted that this liability that the CDC will have is an asset of the GASB Fund as well.

Mr. Jeff Palen, Chief Financial Officer said that they must determine how this will reflect in the Risk Management Fund so that we fully understand the effects.

Councilor Plaugh asked when it will be characterized as something other than a loan with an indefinite term. She said there could be other requests to follow and when do we start taking too much from the fund and jeopardize the reason why it was set up.

Mr. Jeff Palen, Chief Financial Officer said one of the important aspects in having this large sum of cash is that this has helped our overall credit portfolio; we're a AA1 rated City. He noted that we have gotten this rating, because we haven't placed these funds in an irrevocable trust. He said that our Financial Advisor is looking into this in order to provide guidance as to where we think we will still be safe. He stated that \$7 million isn't the number.

Councilor Plaugh said that the use of the term "initially" infers that there might be another amount.

Mayor Benjamin asked if there is any hesitancy of the CDC to have a timeline.

Mr. Fred Delk, Executive Director of the Columbia Development Corporation said no, they are talking about getting the RFP out in the next three (3) to six (6) months. He highlighted the fact that nine (9) substantial local developers have already expressed an interest and we will get more as we market it. He reported that on tomorrow, the CDC will hold the first meeting of their development committee that is being appointed for special projects like this under CDC bylaws and the next regular meeting is Friday, April 26, 2013.

Councilor Plaugh expressed concerns with going down a path with an appraisal in hand, but without a development budget. She said that the tax credits could be up to 55% of the deal if done right; that might work, but I'm sitting here with nothing.

Mr. Fred Delk, Executive Director of the Columbia Development Corporation said that the worst case scenario is that we continue to pay carrying costs.

Mayor Benjamin submitted that the worst case scenario is to let the building be demolished and then it's gone forever. He insisted that historic preservation is sustainable development.

Mr. Rusty DePass said that he disagrees with Council and the points made tonight. He stated that the financing is utterly breathtaking; the idea that you would get into health care funds in order to bind the City into an incredibly speculative real estate development is one of the most irresponsible actions you could possibly take. He supports historic preservation of those things that should be preserved. He stated that preservation has a cost and the cost is the loss of income you would receive on that money. He stated that it is wrong, it is a mistake and you will rue the day that you ever tried to preserve this warehouse. He suggested that they send a fine photographer to take good pictures and create nice exhibits; save the brick and use the brick on a redevelopment project.

Ms. Ann Timberlake said after college, she joined a group of young people to save the Conagree Swamp and now we have something to pass on and help define the character of our City. She said this building is the historical fabric of our City and taking this action will generate creativity. She said the City is the facilitator and there must be an innovative approach for mixed use.

Ms. Rosie Craig said she's a developer and 30 years ago she was inspired by the last forward moving democratic mayor we had. She said we made investments 30 years ago; we were right; and now we have an unprecedented economic engine in that part of town.

Mr. Rick Patel, Sheraton Hotel said that he owns the Palmetto Building and thousands of guests are happy that the building was saved; you need to save this building.

Mr. Richard Burts said the dialog on the funding sources was a healthy discussion; however, we have moved beyond the fact that it should be saved. He said there wasn't enough information in the beginning, but since then, many local prestigious architects have told you that the building is viable. He said the building held 25 million pounds in weight and each bale of cotton produced 1,217 t-shirts; the building can hold significant weight and volume. He said that no one can question whether a building can be saved. He said it was being rented for storage and that is the worst case scenario. He said you are buying an asset; you're not buying a liability; and the developers will line up to do this building. He insisted that you can't look forward to Bull Street without looking at the significance of this building in the present.

Ms. Robin Waites, Executive Director of the Historic Columbia Foundation said this building is important; they have advocated for its preservation for a long time; and it is on the National Register. She said this is an iconic structure as you come across the Blossom Street Bridge; this is an opportunity to make that vision a reality. She noted that having C-SPAN here speaks to those things we value as a community, playing out on a regional and national scale. She said that Historic Columbia looks forward to supporting the CDC and assisting with any aspect of reusing this property that they can.

Mr. Andrew Epting said this is an important topic. He supports Council in this effort to move this forward. He said only in Columbia, South Carolina can you find the Palmetto Compress. He's not sure what the appropriate financial vehicle is, but he trusts that Council will make a sound decision and we'll be much richer for it.

Mr. Earl McLeod, Executive Director of the Homebuilders Association expressed grave concerns about the transfer of funds from the water and sewer system, because our system has aged along with our City and that money is needed for the expansion of the system and the growth of our City. He noted that many cities don't have the advantage of a strong water system like Columbia. He recalled that not too long ago we had a de-facto moratorium on any further growth in the water system; we hope that steady growth is coming back.

Mayor Benjamin said that he is not sure of the necessity of giving first reading to options we are not going to consider. He suggested that they move forward with the Internal Service Fund option and take the Hospitality Bond and Water and Sewer Fund off the table.

Councilor Devine asked if they could amend the ordinance prior to second reading, after Mr. Palen checks on the resources regarding the prudence of an Economic Development Fund or the effect of it being immediately paid back.

Mr. Kenneth E. Gaines, Esq., City Attorney replied yes; you don't have to give first reading to Ordinance No.: 2013-048 with the understanding that there will be a delay if you decide to do use the Water and Sewer Fund.

Mayor Benjamin noted that it will be approved with the caveat that the funds be returned back to their source of origin. Separate from the ordinance, he told Mr. Delk that we need to put more meat on the relationship between the CDC and the City by defining a term, i.e., 48-months, which is more than enough time to get something done, effectively and that we play a very active role with the CDC in the development of the RFP or RFQ to continue to secure the City's interest in these funds.

Councilor Plough said the ordinance sets up an Economic Development Fund that may be funded from time to time from the City's GASB reserve or from other sources; it's broad.

Mayor Benjamin said we need an Economic Development Fund; any action would be done with broad public discourse and by action of Council.

Councilor Davis said the immediate payback on this particular venture makes sense, because we have to demonstrate that we're capable of coming up with such arrangements and following through with making it work. He said that an Economic Development Fund is needed, but funding won't always be City dollars, because there are federal funds and other alternatives we should go after.

Councilor Plough stated that she really would like to see the building preserved; I supported the motion when we directed the City Manager to pursue it, because I thought there was a window of opportunity to see if the private sector could step forward to make that happen. She said Columbia's history of funding the development of real estate is not very good; the CDC will bring a different level of expertise, but the reality is that what typically happens with our best efforts is that we lose money and that loss is typically funded by the Water and Sewer Fund or by the General Fund; it spreads across all our employees. She said in the audit we reviewed for 2012, our revenue is flat in the General Fund this year and we project revenue being flat next year; our expenses exceed our revenue by \$6 million; and if it were not for the transfers into the General Fund we would not be solvent. She noted that the transfers come from water and sewer. She is a proponent of setting a franchise fee with a legitimate transfer. She stated that this development deal will go forward at the expense of our tax payers and water and sewer customers. She said when our GASB obligations and insurance liabilities fall short; we will be back to our employees and retirees to increase their premiums.

Mayor Benjamin stated that we have significant non-profit infrastructure that we don't receive property taxes on; it's a typical challenge that many capital cities face. He agreed that a responsible approach would be for the City to consider transferring some of the water and sewer system assets into the General Fund to the benefit of the citizens who own the water and sewer system; the approach needs to be deliberate and transparent. He submitted that 3.9% is not a significant amount of the funds; it has decreased every year. He insisted that if we are going to watch the General Fund revenues go in the direction that we want them to, we will have to focus on developing our urban core; it is incumbent upon us to create an environment that will yield \$70 million in quality development that our citizens deserve; and we have to make people want to invest in our City.

Councilor Devine asked the City Manager if they can review factual information next week regarding our healthcare. She said it's disingenuous to put out there that our healthcare costs went up solely because of our OPEB liabilities and if this fails we are going back to our employees and retirees and ask them to pay more money. She said the premiums were adjusted, because our current healthcare costs were more than what we were budgeting and what people were paying; we were one of the only municipalities not requiring our employees to pay towards their healthcare costs.

Ms. Teresa Wilson, City Manager clarified that it's not the same fund.

Councilor Devine clarified that there are things that the City did in the past that we were not responsible for, but there are great success stories like Publix, MAST General and 701 Whaley; without our involvement in those projects we would not have the growth that we have. She respects the caution, but she is concerned that because they disagree, they put out information that tends to be misleading.

Upon a motion made by Ms. Devine and seconded by Mr. Davis, Council voted five (5) to two (2) to give first reading approval to Ordinance No.: 2013-051 – Approving the use of certain funds of the City of Columbia, South Carolina, In Order to create an Economic Development Fund and use such funds to acquire, renovate and redevelop the land and building known as the Palmetto Compress Building and Pay certain costs associated with the Redevelopment therefore and on-going operating and maintenance costs related thereto; and other matters relating thereto, subject to the funds be returned back to their source of origin. Voting aye were Mr. Davis, Ms. Devine, Mr. Newman, Mr. Runyan and Mayor Benjamin. Voting nay were Ms. Plough and Mr. Baddourah.

Mayor Benjamin reiterated the request to take Ordinance No.: 2013-048 off the table.

CITY COUNCIL COMMITTEE REPORTS/REFERRALS

No committee reports were given and no referrals were made at this time.

APPEARANCE OF THE PUBLIC

No one appeared at this time.

Upon a motion made by Mr. Newman and seconded by Mr. Baddourah, Council voted unanimously to adjourn the meeting at 8:58 p.m.

Respectfully submitted by:

Erika D. Moore
City Clerk