



**City Council Meeting
City Council Chambers
145 West Broad Street
Spartanburg, SC
Monday, February 22, 2016
5:30 p.m.**

**These minutes were approved at
the March 14, 2016 City Council meeting.)**

City Council met this date with the following members present: Mayor Junie White, Mayor pro tem Sterling Anderson, Councilmembers Jan Scalisi, Jerome Rice, Erica Brown, Laura Stille and Rosalyn Henderson Myers. City Manager Ed Memmott and City Attorney Cathy McCabe were also in attendance. Notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information Act. All City Council meetings are recorded for a complete transcript.

- I. Moment of Silence - observed**
- II. Pledge of Allegiance –** Boy Scouts in attendance assisted with recitation of the Pledge of Allegiance.
- III. Approval of the Minutes of the February 8, 2016, City Council Meeting –**
*Councilmember Rice made a motion to approve the minutes as received.
Councilmember Scalisi seconded the motion, which carried unanimously 7 to 0.*
- IV. Approval of Agenda of the February 22, 2016 City Council Meeting –**
*Councilmember Stille made a motion to approve the agenda as received.
Councilmember Brown seconded the motion, which carried unanimously 7 to 0.*
- V. Public Comment - none**
*Citizen Appearance forms are available at the door and should be submitted to the City Clerk
- VI. Ordinances**
 - A. Authorizing the City Manager to Execute a Deed to The Northside Development Group Donating Property Located at 625 Fulton Avenue – Block Map Sheet 7-12-01-095.00, 629 Fulton Avenue – Block Map Sheet 7-12-01-096.00, and 173 Milan Street – Block Map Sheet 7-12-05-275.00 (First Reading)**
Presenters: Mitch Kennedy, Director of Community Services
Tammie Hoy-Hawkins, Northside Development Group
Mr. Kennedy presented the item to City Council as follows:

“In 2014, the Spartanburg Housing Authority (SHA), City of Spartanburg (City), Northside Development Group (NDG), Northside Voyagers, and many other stakeholders finalized the Northside Transformation Plan. A key element of the Transformation Plan was development of a diversified mix of new and rehabilitated housing. Consistent with the Transformation Plan, new housing has and is being developed in the Brawley Street area. Rehabilitation of single family homes in the Cleveland Heights area of the Northside is also underway. A significant number of abandoned, dilapidated structures have also been demolished clearing these sites for infill redevelopment.

To facilitate continued redevelopment, staff is recommending the donation of three properties to the NDG.
These properties are:

625 Fulton Avenue, Block Map Sheet 7-12-01-095.00, Purchased: 2003 (\$14,070)
629 Fulton Avenue, Block Map Sheet 7-12-01-096.00, Purchased: 2003 (\$18,100)
173 Milan Street, Block Map Sheet 7-12-05-275.00, Purchased: 2010 (\$17,000)

The properties were purchased with the intention of making them available for redevelopment using Community Development Block Grant funds.

ACTION REQUESTED: Approval of an ordinance to donate 625 Fulton Avenue, Block Map Sheet 7-12-01-095.00, 629 Fulton Avenue, Block Map Sheet 7-12-01-096.00, and 173 Milan Street, Block Map Sheet 7-12-05-275.00 to Northside Development Group for redevelopment purposes.”

Ms. Hoy-Hawkins overviewed the Northside Housing Strategy to include Cleveland Heights, Fulton/Aden, Magnolia/Howard, and Forest/Brawley streets. She shared the NIP activity to date as 4 acquisitions and 14 demolitions. She explained the Oakview resident support plan, highlighting relocation support, case management, and supportive services.

After the Northside update, Mayor pro tem Anderson made a motion to approve the ordinance as presented on first reading. Councilmember Scalisi seconded the motion, which carried unanimously 7 to 0.

B. Authorizing the City Manager to Execute a Deed to Hope Ministries Donating Property Located at 414 Brawley Street - Block Map Sheet 7-12-09-043.00 (First Reading)

Presenter: Mitch Kennedy, Director of Community Services

Mr. Kennedy presented the item to Council as follows:

“Hope Ministries (HOPE) is a non-profit that provides housing and supportive services to previously homeless men through its partnership with Miracle Hill Rescue Mission of Spartanburg. HOPE operates one home in the City which is located on High Street. Staff has found HOPE to be a reliable service provider. Under the City’s zoning ordinance, a maximum of five unrelated individuals can legally reside in any residential structure.

HOPE recently accepted donation of a home located on Raindrop Street. HOPE intended to renovate the house and use it in its program. The Northside Development Group (NDG) had previously targeted the same property for acquisition/demolition so that the parcel could be incorporated into the desired “footprint” of a potential mixed-income, multi-family apartment development. HOPE is not particularly tied to the Raindrop location, but is committed to adding another home to its program.

NDG, HOPE, and the City have reached a tentative agreement that would satisfy all parties. NDG agreed to purchase the Raindrop property from HOPE. The City would donate a vacant lot on Brawley Street to HOPE for the development of a new residence. The City acquired 414 Brawley Street using \$9,000 in Neighborhood Stabilization Program Funds from the S.C. State Housing Finance and Development Authority.

Under this proposed agreement, the City would also provide HOPE with \$25,000 in Community Development Block Grant (CDBG) funds to assist with the development of the new home on Brawley Street. HOPE would apply the sale proceeds from the Raindrop Street property toward the new construction. Providing assistance and housing to previously homeless individuals is an eligible CDBG activity and something that the US Department of Housing and Urban Development (HUD) is encouraging grantees to undertake. The \$25,000 is already budgeted for housing activities on the Northside. Should Council approve the donation of property to HOPE, staff will develop a written agreement with HOPE regarding the use of property and CDBG funding. This plan will require approval of the State Housing Finance and Development Authority.

ACTION REQUESTED: Approval of an ordinance to donate 414 Brawley Street, Block Map Sheet 7-12-09-043.00 to Hope Ministries for the development of housing for the homeless.

BUDGET AND FINANCIAL DATA: \$25,000 - Community Development Block Grant Funds”.

Mayor pro tem Anderson made a motion to approve the ordinance as presented on first reading. Councilmember Brown seconded the motion, which carried unanimously 7 to 0.

C. Approving a Development Agreement for the Construction of an Office Building on Liberty Street (First Reading)

Presenter: Chris Story, Assistant City Manager

Mr. Story presented the item to City Council as follows:

“The City owns properties along Liberty Street behind the USC Upstate Johnson College of Business and Economics extending north behind the Marriott to Daniel Morgan Avenue. In recent years, we have carefully considered development possibilities for these properties which we believe will play a significant role in furthering our economic momentum.

Recently a development team led by local business leader Jimmy Gibbs and Andrew Cajka has proposed the development of an office building project intended to be catalyst for further development in the area. The proposal involves a Class A professional office building of no less than 3 stories and 50,000 square feet capable of accommodating 250 professional office workers. A minimum of two thirds of the building would be leased to corporate tenants new to the City of Spartanburg thereby ensuring a significant increase in the city's white collar job count and an appreciable boost to the downtown economy.

The City is being asked to incentivize the project in three ways.

1. Provide the site at no cost.
2. Provide Gibbs with limited-time defined development rights for potential subsequent development on adjacent property.
3. Relocate a short portion of Silver Hill Street to bring the intersection into alignment and maximize the development potential of the area.

There are no property tax incentives or other financial concessions proposed.

This project will strengthen the city in a variety of important ways including boosting the tax base and increasing professional office employment. We welcome any questions you may have.

We recommend approval of the attached ordinance.”

After discussion, Councilmember Stille made a motion to approve the ordinance as presented on first reading. Mayor pro tem Anderson seconded the motion, which carried unanimously 7 to 0.

D. Approving a Development Agreement for the Construction of a Mixed Use Building at the Northeast Corner of the Daniel Morgan Avenue and West Main Street Intersection (First Reading)

Presenter: Chris Story, Assistant City Manager

Mr. Story presented the item to City Council as follows:

“The City owns the parcel at the northeast corner of West Main Street and Daniel Morgan Avenue which is currently used as surface parking. With the significant momentum apparent on the western end of downtown, we believe surface parking is no longer the highest and best use of this prominent corner.

F.T. Cantrell Wagons, LLC owns a portion of this parking lot and the building to the east of this parcel that contains apartments and the wine shop. They also possess an access easement across the city owned parcel. Royce Camp, who has lead several successful downtown projects including most recently the development of the new mixed use building on Wall Street, is a partner in F.T. Cantrell Wagons, LLC. For these reasons, if this corner is to be developed, he is uniquely positioned as the logical partner in development of this site.

The proposed development consists of a modern five story mixed use building containing 30 market rate apartments and almost 3,000 square feet of retail or

restaurant space on the ground floor frontage along Main Street. The building would also contain underground private parking.

We think this project furthers several important development goals. It adds to the density of people and positive activity downtown, adds to the number of new residential units which appear to be in demand, and provides new well-sized commercial spaces on Main Street.

The project would reduce the available public parking in that area by a total of 14 spaces. While we recognize the need to thoughtfully manage parking availability, our concerns are mitigated by our ability to add 65 public spaces one block away at the corner of Spring and Broad. These projects, taken together, will enhance the vibrancy of the western end of downtown and strengthen the market available to businesses currently in the area. We welcome any questions you may have.

We recommend approval of the attached ordinance.”

After discussion, Councilmember Rice made a motion to approve the ordinance as presented on first reading. Councilmember Stille seconded the motion, which carried unanimously 7 to 0.

E. Authorizing the Lease of 440 South Church Street and for the City Manager to Enter Into a Lease-Purchase Agreement with Spartanburg Development Corporation (First Reading)

Presenter: Ed Memmott, City Manager

Mr. Memmott presented the item to City Council as follows:

“Since 2009, the City has leased space at the Wright Center for its Building Inspections, Planning, Neighborhood Services, Construction and Facilities Management, and Engineering Administration departments. While the City needed office space for these departments, the major motivation to lease this space was to assist in the redevelopment of the former Mary H. Wright Elementary School. While reasonably functional, the office space was never optimal for City use due to the building’s layout and limited parking. In spite of the challenges, the City was willing to continue to lease and use this space provided that the Spartanburg Housing Authority (SHA) continued as a tenant in the building.

Regretfully, the Wright Center is now in foreclosure. Its future is uncertain. The Spartanburg Housing Authority has relocated from the building. Given these circumstances, staff believes the City should find other office space to meet its needs.

After evaluating various sites, staff has determined that the former South Carolina Department of Employment and Workforce building located at 440 South Church Street is the best option. It is owned by the State of South Carolina and is approximately 7,000 square feet in size. The 2.1 acre site has ample customer parking in front and additional employee parking in the rear. The building is

easily assessable from South Church Street. The building is in good condition and only in need of cosmetic repairs that would include new carpet, painting, and reconfiguration of a few non-structural interior walls. The property was listed for sale for \$600,000. Staff submitted an initial purchase offer of \$395,000. The state had the property appraised by an independent appraiser for \$520,000. After negotiation, a tentative purchase price of \$430,000 was accepted by the state. Cost of upfit for the building will total approximately \$70,000.

Instead of funding acquisition and upfit directly from the City's reserve fund, staff is recommending that the City enter into a lease-purchase agreement for the building. Under this proposal, the Spartanburg Development Corporation (SDC) would purchase the building using the proceeds of a bank loan. The City would lease the building for a term of five (5) years. The SDC would use the lease payments from the City to pay debt service. At the end of the lease, the City would have the option to purchase the building for a nominal sum. Structuring the purchase in this manner would maintain the City's liquidity and spread the costs of the acquisition over five years. Total costs to the City for rent, utilities, and insurance will total approximately \$120,000 annually during the lease. During the five year lease, the City will achieve nominal savings. After the debt on the building is fully paid, annual savings as compared to lease expenses at the Wright Center will approach \$100,000 annually.

ACTION REQUESTED: Approval of an Ordinance to authorize the City Manager to finalize a lease- purchase agreement with the SDC for 440 South Church Street.

BUDGET & FINANCIAL DATA: Lease-purchase of 440 South Church Street can be achieved within currently budgeted operational funding. Once the debt associated with purchase is paid after five years, the City will achieve annual savings of approximately \$100,000."

After discussion, Mayor pro tem Anderson made a motion to approve the ordinance as presented on first reading. Councilmember Scalisi seconded the motion, which passed 5 to 2. Mayor White, Mayor pro tem Anderson, Councilmembers Scalisi, Councilmember Stille, and Councilmember Brown voted in favor of the ordinance. Councilmember Rice and Councilmember Henderson Myers voted against the ordinance.

VII. Consent Agenda

- A. Ordinance To Amend the City of Spartanburg, South Carolina Zoning Ordinance and Comprehensive Plan Land Use Element, by Amending Section 206, Changes to District Boundaries, Specifically Parcels #6-21-13.001.02 & 001.00 Located at 243 and 245 East Blackstock Road, which are currently Zoned LOD with a Land Use Designation of Limited Office District to Zone B-1 with a Land Use Designation of Neighborhood Shopping**

District; and Providing for Severability and an Effective Date (Second Reading)

Presenter: Natalia Rosario, Planning Staff

Mayor pro tem Anderson made a motion to approve the consent agenda as presented. Councilmember Stille seconded the motion, which carried unanimously 7 to 0.

VIII. Other Business

A. Presentation and Discussion with the Institute for Child Success

Presenter: Chris Story, Assistant City Manager

Mr. Story presented the item to City Council as follows:

“As you know, as part of the Way to Wellville initiative, the City is a sub-recipient of a grant from the federal government’s Social Innovation Fund to explore ways to finance the expansion and delivery of quality early care and education to city children age zero to five. The grant has enabled us to receive technical assistance from specialists affiliated with the Institute for Child Success (ICS). We’ve been working steadily on this for months with considerable assistance from the Mary Black Foundation and the Spartanburg Academic Movement (SAM). This study will be complete in the late spring or summer.

ICS’s team of national experts will be in Spartanburg from the 22nd through the 24th meeting with various partners in the process. We want to take advantage of their presence by including a presentation and dialogue with you at your regularly scheduled meeting. While they will not have a final report in hand, we believe that we can provide valuable background information that will support subsequent conversations later this year.”

Mr. Story introduced the ICS Team, who updated Council on the progress of the ICS efforts in Spartanburg; Joe Waters, Executive Vice President, Megan Golden, Senior Fellow and Director of Pay for Success Financing, and Megan Carolan, Associate Director for Policy Research.

Council received the report as information.

IX. City Council Updates

Councilmember Stille expressed her excitement about the many good things happening in the city, and the productive meeting that evening.

Councilmember Brown mentioned the Bluegrass Music series beginning on Friday at the Chapman Cultural Center.

Councilmember Henderson Myers shared she presented a proclamation on behalf of the City at the Converse College ceremony honoring outgoing President Betsy Fleming. She mentioned that she took a walking tour of the northside with her Leadership Spartanburg Group. She mentioned that Brenda Lee would be chairman of the old Mary Wright School committee and that the bank note regarding the foreclosure of the property had been extended until June. She shared that she had participated in a Black History Bowl the past weekend.

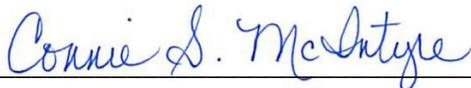
Councilmember Scalisi commented on the excellent agenda and the path forward for the city. She suggested councilmembers take advantage of the information ACOG has to offer. She congratulated and thanked staff for the retreat, and mentioned that there would be more workshops on subjects discussed at the retreat. She shared that she, Councilmember Henderson Myers and Councilmember Rice would be attending the National League of Cities Congressional Cities Conference in Washington, SD March 5 – 9.

Councilmember Rice agreed that the council meeting was outstanding. He shared that there would be a walk through the Highland neighborhood the following day to identify projects for that area. He mentioned that the unveiling of the Charles Atchison Boulevard sign would be on Wednesday, February 24 at 1:30 p.m.

Councilmember Anderson thanked staff for the work done in the Park Hills area. He stated that he was excited about the growth in the city. He commended Randall Farr and his staff in the traffic division for the changes made in the traffic lanes at Daniel Morgan and W. Main at the QT. He thanked staff for taking care of a tree that was down at Arrowhead Circle and W.O. Ezell Boulevard.

Mayor White thanked everyone for coming to the meeting, and asked the councilmembers attending the NLC conference to bring back helpful information to the rest of council. He also asked everyone to get involved in their neighborhood associations.

- X. Adjournment** – *Mayor pro tem Anderson made a motion to adjourn the meeting. Councilmember Scalisi seconded the motion, which carried unanimously. The meeting adjourned at 7:09 p.m.*



Connie S. McIntyre, City Clerk