



**City Council Meeting
City Council Chambers
145 West Broad Street
Spartanburg, SC
Monday, November 28, 2016
5:30 p.m.**

**(These minutes were approved at the
December 12, 2016 City Council meeting.)**

City Council met this date with the following members present: Mayor Junie White, Mayor pro tem Sterling Anderson, Councilmembers Jerome Rice, Erica Brown, Laura Stille and Rosalyn Henderson Myers. Councilmember Jan Scalisi was absent due to illness. 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 - recited

III. Approval of the Minutes of the November 14, 2016, City Council Meeting –
*Councilmember Brown made a motion to approve the minutes as received.
Councilmember Henderson Myers seconded the motion, which carried
unanimously 6 to 0.*

IV. Approval of Agenda of the November 28, 2016 City Council Meeting –
*Councilmember Stille made a motion to approve the agenda as received.
Councilmember Henderson Myers seconded the motion, which carried
unanimously 6 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. To Authorize a Purchase Option Agreement for Land Owned by the City of
Spartanburg (First Reading)**

Presenter: Ed Memmott, City Manager

Mr. Memmott presented the item to Council as follows:

“The City has sought redevelopment of land it owns near the Marriott Hotel and the Saint John Street Parking Garage for several years. In 2016, the City entered into an agreement with Jimmy Gibbs and Andrew Cajka (Gibbs/Cajka) to develop an office building on land adjacent to the Saint John Street Garage. This agreement also provided Gibbs/Cajka with certain development rights on city

owned property located immediately behind the Marriott Hotel. In spite of Gibbs/Cajka's best efforts, those agreements have now expired.

Staff is now recommending new terms for a purchase option with Gibbs/Cajka for two tracts on city owned land identified as Parcel A and B on the attachment. For Parcel A, the City will provide Gibbs/Cajka with an exclusive purchase option until December 31, 2017. The cost of the option is \$10.00. Should Gibbs/Cajka meet the terms and conditions of the purchase agreement, the cost of Parcel A will be \$10.00.

In order to execute the purchase option, by December 31, 2017, Gibbs/Cajka must obtain the approval of its building plans by the city's Design Review Board (DRB) for a building having a taxable value of not less than \$10 million. Should Gibbs/Cajka obtain DRB approval by December 31, 2017, the city will extend the purchase option until June 30, 2018 at no charge. The deadline for Gibbs/Cajka to commence construction of its building is June 30, 2018. The city will convey Parcel A to Gibbs upon issuance of a building permit for the project. If Gibbs fails to obtain a building permit by June 30, 2018, the purchase option shall terminate. Should Gibbs execute its option and commence construction by June 30, 2018, the city will relocate a portion of Silver Hill Street at its expense. Completion of the realignment of Silver Hill will coincide with the completion of the Gibbs office building.

Staff is also recommending new terms for a purchase option with Gibbs/Cajka, for the city owned property identified as Parcel B on the Attachment.

This purchase option would be subject to the following terms and conditions:

The cost of the option is \$10.00

The initial term of the option extends to December 31, 2017.

To execute the option, Gibbs must submit building plans and specifications that meet city DRB approval and provide the city with a written statement of its intent to start construction of an office, residential, mixed use, or hotel development having a total real estate value of not less than \$15 million.

Gibbs/Cajka, within six months of DRB approval, must receive issuance of a building permit for its construction. Upon issuance of a building permit for the project, the city will convey Parcel B to Gibbs/Cajka for \$10.00. Gibbs/Cajka may extend its purchase option by making the following payments to the city.

- A payment of \$25,000 by January 2, 2018 to extend the option to December 31, 2018

- A payment of \$50,000 by January 2, 2019 to extend the option to December 31, 2019
- A payment of \$75,000 by January 2, 2020 to extend the option to December 31, 2020
- A payment of \$100,000 by January 2, 2021 to extend the option to December 31, 2021

To extend the purchase option to December 31, 2022, Gibbs/Cajka, must make a payment to the city in an amount equal to the real property taxes due on a property having a value of \$15 million. This payment is due by January 2, 2022. The City will calculate the payment due based on a 6% assessment ratio and the total (all taxing entities) applicable millage rate for Parcel B in effect on September 1, 2021. The City will provide this calculation and an invoice for the payment by November 1, 2021. To extend the option beyond December 31, 2022, Gibbs must pay an annual payment calculated and billed as set forth in this Paragraph annually by January 2 of each subsequent year.

Gibbs/Cajka will pay real property taxes on its development based on building value and customary taxing practices. If, however, on January 1, 2023, total taxable real property value for Parcel B is less than \$15 million, Gibbs will make a supplemental payment to the city that when combined with the real property tax payment will equal the amount of real property tax payment that would have been paid on \$15 million real estate value.

Gibbs agrees to make the annual supplemental payment to the city until such time as the real property tax value for Parcel B is equal or greater than \$15 million. Gibbs will make any supplemental payments due to the city by January 2 annually starting January 2, 2024.

ACTION REQUESTED: Approval of an ordinance authorizing the city manager to enter into a purchase agreement as outlined above with Gibbs/Cajka.” *Mayor pro tem Anderson made a motion to approve the ordinance as presented on first reading. Councilmember Stille seconded the motion, which carried unanimously 6 to 0.*

B. To Authorize an Exchange of Property Between Piedmont Interstate Fair, Inc. and the City of Spartanburg (First Reading)

Presenter: Ed Memmott, City Manager

Mr. Memmott presented the item to Council as follows:

“Council is aware of the Northside Development Group’s (NDG) interest in developing a child development center on the Northside. Over the past several months, the NDG has evaluated several possible locations for this center. Based on this evaluation, the NDG and its architects have determined that a parcel of land located on the northwest corner of the intersection of Howard Street and Franklin Avenue is the preferred location. This location offers close proximity to the Cleveland Academy of Leadership but will avoid significant disruption for

Cleveland Academy during construction. This site is owned by Piedmont Interstate Fair, Inc. (“Piedmont”).

When approached by NDG, Piedmont - while wanting to support the child development center - was not interested in an outright sale of the property. Piedmont instead wanted to determine if it would possible to exchange the property needed for the child development center for nearby property owned by the city.

Please refer to Attachment 1 which identifies the land owned by Piedmont and the city. For decades, the city has provided use of city owned land to Piedmont under the terms of a ground lease. After negotiations, city management and Piedmont have tentatively agreed to a property exchange and extension of the ground lease. Under the tentative agreement, Piedmont would swap two parcels identified as Piedmont Parcels 1 and 2 for City Parcel 1. Additionally, the city would extend the ground lease for City Parcel 2 for a period of seven years.

City staff has consulted with a real estate appraiser during these negotiations and believes the proposed exchange of properties is equitable. The ground lease extension for seven years is also reasonable and will provide both parties certainty regarding land availability for an extended period of time.

The child development center is a cornerstone project for the Northside Initiative. It will provide childcare for 160 children. Staff believes that the proposed exchange of properties is needed to advance development of the child care center and is requesting Council approval.

ACTION REQUESTED: Approval of an ordinance authorizing the city manager to execute documents necessary to accomplish the exchange of properties necessary to facilitate the development of the Northside Child Development Center.”

Councilmember Stille made a motion to approve the ordinance as presented on first reading. Councilmember Brown seconded the motion, which carried unanimously 6 to 0.

VII. Resolutions

A. For the Purchase of TMS 7-12-05-345.00 Needed for the Construction of The Butterfly Creek Daylighting and Linear Park Projects
Presenter: Ed Memmott, City Manager

Mr. Memmott presented the item to Council as follows:

“Council has previously authorized the purchase of an approximately 4 acre portion of TMS 7-12-05-345.00 needed for the daylighting of Butterfly Creek and construction of the Butterfly Creek Linear Park. After extensive negotiations with the property owner, staff has reached a tentative agreement to purchase TMS 7-12-05-345.00 in its entirety for \$500,000. The approximately 2.5 acre portion of

the parcel not utilized for creek daylighting and linear park will be held for future redevelopment.

Staff is requesting approval of a Resolution authorizing the purchase of TMS 7-12-05-345.00 for \$500,000.

BUDGET: \$200,000 in Airport project funding (creek mitigation).

\$300,000 in Northside Project funding.”

Mayor pro tem Anderson made a motion to approve the resolution as presented. Councilmember Henderson Myers seconded the motion, which carried unanimously 6 to 0.

B. Authorizing the City Manager to Execute The Collaborative Partnership Agreement – Northside and Highland Development

Presenter: Martin Livingston, Neighborhood Services Director

Mr. Livingston presented the item to Council as follows:

“As part of the Northside Transformation Plan, the City of Spartanburg, Spartanburg Housing Authority (SHA), and the Northside Development Group (NDG) issued a request for proposals to select a developer for the Northside and Highland Development. The Collaborative Partnership of the three organizations facilitated the selection of a developer along with residents and partner organizations from the Northside and Highland neighborhoods. The Collaborative Partnership Agreement details the activities of each partner during the pre-development phase of the process. The City is not expected to be a party to the final development, but may provide assistance in the infrastructure process. The agreement is subject to approval by the Spartanburg Housing Authority and the Northside Development Group as well.

ACTION REQUESTED: Staff is requesting approval of the resolution allowing the City Manager to execute the Collaborative Partnership Agreement for the Northside and Highland Development.”

Councilmember Rice made a motion to approve the resolution as presented.

Councilmember Stille seconded the motion, which carried unanimously 6 to 0.

VIII. Consent Agenda

- A. Ordinance to Amend the City of Spartanburg, South Carolina Zoning Ordinance, by Amending Section 206, Changes to District Boundaries, Specifically Parcel #7-21-03-007.01, Located on 241 Cedar Springs Road, that is an Approximately 5.32 acre Piece of Property that has Been Unoccupied for the Past Three Years (and Was Formerly the Ellen Hines Smith Girl’s Home), Which is Currently Zoned R-6, with a Land Use Designation of General Residential District to Zone B-1, with a Land Use Designation of Neighborhood Shopping District, in Order to Increase the Marketability of the Property. Chamlee Loscuito, CEO, on Behalf of Hope Center for Children, Owner (Second Reading)**
Presenter: Natalia Rosario, Planner III

- B. Ordinance to Amend the City of Spartanburg, South Carolina Zoning Ordinance, by Amending Section 206, Changes to District Boundaries, Specifically Parcel #7-12-14-251.00 Located on 151 Beta Club Way, Which is Currently Split-Zoned R-6/LOD, with a Land Use Designation of General Residential District and Limited Office District to Zone LOD, in Order to Have the Property All One Zone, and Be Able to Construct Additional Office Space and Storage Facilities at their Current Headquarters Location. Bobby Hart, Chief Operations Officer, National Beta Club, Owner (Second Reading)
Presenter: Natalia Rosario, Planner III**
- C. Ordinance to Amend the City of Spartanburg, South Carolina Zoning Ordinance, by Amending Section 206, Changes to District Boundaries, Specifically Parcel #7-12-08-109.00 Located on 589 E. Main Street, Which is Currently Split-Zones LOD/R/8, With a Land Use Designation of Limited Office District and General Residential District to Zone R-6 With a Land Use Designation of General Residential District, In Order to Allow for the Development of the Property to Historic Standard for a Multi-Unit Residential Use. Joe Lauer, President, Clerestory Projects Group, Agent, on Behalf of William T. Johnson, Vice President for Finance and Administration, Converse College, Owner (Second Reading)
Presenter: Natalia Rosario, Planner III**
- D. Authorizing the Issuance and Sale Of Not Exceeding \$5,000,000 Tax Increment Refunding Bonds (Saint John-Daniel Morgan Redevelopment Project Area), Series 2017, of the City of Spartanburg, South Carolina, for the Purpose of Refunding a Portion of the City's Outstanding Tax Increment Bond (Saint John-Daniel Morgan Redevelopment Project Area), Series 2010; Delegating the Authority to the Mayor or City Manager to Determine Certain Matters with Respect to the Bonds; Prescribing the Form and Details of the Bonds; Limiting the Payment for the Disposition of the Proceeds There; and Other Matters Relating Thereto.
Presenter: Chris Story, Assistant City Manager**

Councilmember Henderson Myers made a motion to approve the consent agenda on second reading. Mayor pro tem Anderson seconded the motion, which carried unanimously 6 to 0.

IX. Other Business

- A. Purchase of Fire Engine
Presenter: Marion Blackwell, Fire Chief**

Chief Blackwell presented the item to Council as follows:

“Over the past year, the Fire Department has researched and prepared a bid specification for (1) Fire Engine to serve the needs of our citizens and city. The proposed engine will provide fire suppression for primary response in the Hillcrest area of the city with secondary response to all other areas of the city.

This Fire Engine is a replacement for a 1990 Fire Engine that needs to be removed from service after 26 years of service. The bid document was prepared by a committee of driver/operators under the direction of Asst. Chief Balmer. The bid document was reviewed and approved by Chief Blackwell.

The City’s Procurement and Property staff received one bid on October 25, 2016 (proposal# 1314-08-20-01) one Fire Engine to be delivered to City Hall. No M.W.B.E. responded.

Company	Amount
Spartan Fire Apparatus	\$735,659
Prepay Discount	(\$22,759)
Total	\$712,900

ACTION REQUESTED: The Fire Department requests approval to purchase one (1) Fire Engine from Spartan Fire Apparatus, in accordance with proposal number 1314-08-20-01.

BUDGET AND FINANCIAL DATA: The Engine is funded \$550,000 through the Capital Lease approved by Council earlier this year and \$162,900 through the Equipment Replacement Fund.”

Mayor pro tem Anderson made a motion to approve the purchase as requested. Councilmember Rice seconded the motion, which carried unanimously 6 to 0.

B. Development Agreement for 174 East Main Street

Presenter: Chris Story, Assistant City Manager

Mr. Story presented the item to Council as follows:

“174 East Main Street, located at the intersection of E. Main and Liberty Street at Denny’s Plaza, once housed the Aug W. Smith Department Store and later housed the Bishop Furniture Store. It has been underutilized for years. For several reasons, including its size and location at a strategically important corner, City staff has considered it a high priority for adaptive reuse.

For several months, city staff has been working with Blue Wall REII, LLC, a South Carolina corporation in purchasing the building with intentions to undertake substantial interior and exterior renovations and new construction to accommodate 46 upscale apartment units and ground level storefront businesses. These improvements will bring additional life and activity to a long vacant corner, adding new residents, new businesses and job creation. The project is eligible to be considered for a Special Assessment for Rehabilitated Historic Property as described in state code. After a thorough review of project finances and

renovation plans, we believe five years of special assessment is a necessary and appropriate financial incentive to facilitate this project.

We recommend that you authorize the City Manager to execute the attached development agreement.”

Councilmember Rice made a motion to approve the request as presented.

Councilmember Stille seconded the motion, which carried 5 to 1. Councilmember Henderson Myers voted against the motion.

C. Development Agreement for 318 Wofford Street

Presenter: Chris Story, Assistant City Manager

Mr. Story presented the item to Council as follows:

“Local realtor Tudi Holmes is seeking to renovate 318 Wofford Street and convert the long vacant building into professional offices. This project would significantly improve the appearance of an important artery and hopefully increase momentum for redevelopment in that area. The attached development agreement contains authorization for a grant of \$20,000 to offset a portion of the cost of the project. We recommend your approval.”

Mayor White made a motion to approve the development agreement as requested. Councilmember Stille seconded the motion, which carried unanimously 6 to 0.

X. City Council Updates -

Councilmember Stille shared that she attended the National League of Cities in Pittsburg the past week. She said she brought back several great ideas to share with Council and staff. She stressed issues discussed at NLC regarding a countrywide opioid epidemic. She stated that she felt the city should assess where we are and do what we need to do to stay ahead of the problem. She reminded everyone that “Dickens of a Christmas” had been moved to Thursday, December 1 due to predicted bad weather.

Councilmember Henderson Myers shared that she also attended the NLC conference and expressed appreciation to the city for sending her. She described a tour of “The Hill”, which was a depressed area that has been brought back with multi-use housing, playgrounds designed by residents in the neighborhoods, startup businesses, etc.

Councilmember Brown also attended the NLC conference. She shared that she was most impressed with “incubator space” kitchens where investors create kitchens and rotate aspiring chefs every 18 months, a project similar to the “Artist in Residence” program in the city. She also mentioned the opioid epidemic and the need to not “turn a blind eye to the problem”.

Mayor pro tem Anderson shared that he thought we had much to be thankful for and expressed his gratitude to city staff for their efforts in all that is happening in the city.

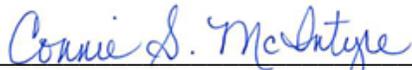
XI. Executive Sessions – *Mayor pro tem Anderson made a motion to adjourn to Executive Session for the reasons stated. Councilmember Henderson Myers seconded the motion, which carried unanimously 6 to 0. Council adjourned to Executive Session at 6:22 p.m.*

- A. **Executive Session Pursuant to Section 30-4-70 (a) (5) of the South Carolina Code to Discuss Matters Relating to Encouraging New Investment in the City**
- B. **Executive Session Pursuant to Section 30-40-70 (a) (2) of the South Carolina Code to Receive Legal Advice Relating to a Contractual Matter**

Council may take action on matters discussed in Executive Session after exiting Executive Session.

Council reconvened at 7:15 p.m. Mayor White stated that discussion was held with no decisions made.

- XII. **Adjournment** – *Councilmember Rice made a motion to adjourn the meeting. Mayor pro tem Anderson seconded the motion, which carried unanimously 6 to 0. The meeting adjourned at 7:17 p.m.*



Connie S. McIntyre, City Clerk