



**City Council Meeting
City Council Chambers
145 West Broad Street
Spartanburg, SC
Monday, May 28, 2013**

**(These minutes were approved at the
June 10, 2013, City Council meeting.)**

City Council met this date with the following members present: Mayor Junie White, Mayor pro tem Jerome Rice, Councilmembers Cate Ryba, W. Sterling Anderson II, Robert Reeder, and Jan Scalisi. Councilmember Linda Dogan 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 Minutes of the May 13, 2013 City Council Meeting –
Mayor pro tem Rice made a motion to approve the minutes as received. Councilmember Reeder seconded the motion, which carried unanimously 6 to 0.

IV. Approval of Agenda of the May 28, 2013 City Council Meeting –
Mayor White asked that an amendment be made to the agenda to eliminate the Executive Session and to add under Item IX. Other Business, B. CPW update.
Councilmember Ryba made a motion to approve the agenda as amended. Mayor pro tem Rice 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. Special Presentations

A. Upstate SC Alliance Update

Presenter: Hal Johnson,

Mr. Johnson updated Council on the recent activities of Upstate SC Alliance. Mayor White thanked him for the group's efforts.

VII. Resolutions

A. To Authorize the City to Execute an Agreement to Receive a Portion of Community Development Block Grant (CDBG) or Home Funds Awarded Spartanburg County and to Authorize the City Manager to Execute a Subrecipient Agreement with the County

Presenter: Mitch Kennedy, Community Services Director

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

“Spartanburg County has tentatively agreed to provide \$40,221.27 in federal funds it receives to the City. The City would use these funds to further Fair Housing activities. Staff is requesting Council approval of a Resolution authorizing the City Manager to execute a Subrecipient Agreement with Spartanburg County for use of these funds.”

Mayor pro tem Rice made a motion to approve the resolution as requested.

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

B. To Authorize Development Agreement for Wall Street Infill Project

Presenter: Chris Story, Assistant City Manager

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

“One of the primary objectives outlined in our Downtown Master Plan is the facilitation of mixed used infill projects to increase the density of activity and improve the vibrancy of downtown. Midtown Properties, LLC recently approached city staff with a proposal that we believe will further those objectives. Midtown Properties is a firm with successful experience with mixed use development in downtown Spartanburg including the Cantrell Wagon Building renovation.

Midtown’s proposal involves a small new building (approximately 2,700 sq. ft. per floor) along the east side of Wall Street just across Broad Street from the front of City Hall.

Midtown proposes to purchase, at appraised value, a portion of what is now a city-owned parking lot. If approved, the parking lot would be reduced in size from 21 to 16 spaces.

We believe the positive impact of this project outweighs the loss of those spaces and we believe we can mitigate that loss somewhat by improving the way we manage city owned parking along Broad Street to achieve better utility for downtown residents, visitors, and city employees.

The infill project will consist of a new multistory structure aligned with Wall Street. The ground floor will be small-suite office or retail, which is a complementary niche to the presently available commercial spaces in the area. The upper levels will contain at least eight apartments.

Midtown Properties will bear all costs associated with the project and the necessary alteration of the remaining parking. The city will bear no costs. However, the agreement does provide the City Manager with the authority to credit some or all of the land purchase price if warranted by size or design improvements to the proposed project.

We look forward to new construction in the heart of downtown and consider this a positive step.

We request City Council adopt the attached resolution authorizing execution of the attached development agreement between the City of Spartanburg and Midtown Properties, LLC. Subsequent actions will be necessary to formally convey the property.”

Mayor pro tem Rice made a motion to approve the resolution as requested.

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

VIII. Consent Agenda

- A. To Amend the Text of Section VI, Administration, Section 603, Board of Zoning Appeals: Appeals, Variances and Special Exceptions, Amending Subsection 603.4, Variances, by Adding as #2, “To permit the reduction of any required setback being in compliance with all applicable Building and Fire Codes and subject to review by the Building Official.” City of Spartanburg (Second Reading)**

Presenter: Joshua T. Henderson, Planning Coordinator

Councilmember Reeder made a motion to approve the consent agenda as presented. Councilmember Anderson seconded the motion, which carried unanimously 6 to 0.

IX. Other Business

- A. Declaration of Vacancies on City Boards and Commissions**

Presenter: Connie McIntyre, City Clerk

Ms. McIntyre presented the item to City Council as follows:

“City Council annually reviews term expirations of individuals who are appointed by Council to serve on City of Spartanburg Boards and Commissions. Attached you will find a summary of vacancies. These vacancies are also listed on the City’s website under Boards and Commissions.

Staff requests that City Council begin the annual review process of vacancies for appointment and/or reappointment of individuals to City of Spartanburg boards and commissions.” Ms. McIntyre declared the following vacancies:

- Accommodations Tax Advisory Committee – 3 vacancies
- Alcohol & Drug Abuse Commission – 4 vacancies
- Board of Architectural Design and Historic Review – 2 vacancies
- Bicycle and Pedestrian Committee – 1 vacancy
- Construction Board of Adjustments and Appeals – 4 vacancies
- Housing Authority – 1 vacancy
- Planning Commission – 4 vacancies
- Public Safety Committee – 3 vacancies
- Zoning Board of Adjustments and Appeals – 2 vacancies

Council received the report as information.

- B. CPW Update –**

Mr. Memmott updated City Council on the negotiations with CPW as follows:

“With the CPW discussing its proposed FY14 budget today, we thought it would be helpful to share the latest framework for a new agreement defining the relationship between the City and the Spartanburg Water System. It is natural to expect a lot of the focus at the CPW meeting to be on areas of disagreement between the City and the CPW/SWS. It is important for the public to know that some progress has been made, and that a clear framework that we believe respects the mission of both bodies while ensuring water system owners (city residents) maintain a reasonable return on their investment, has emerged.

This framework is exactly that – a framework that could potentially define this relationship for the next 15 years. While it does not represent an agreement that City Council has approved, staff would recommend this particular formulation to Council. The current recommended framework includes three main parts:

I. Dividend Payment/ROI To System Owners

\$1.2 million in FY 14

\$1.1 million in FY 15

\$1.0 million in FY 16

\$1.0 million plus CPI in FY 17 through FY 27

This represents a \$200,000 cut immediately to water system owners, compared to the previous five fiscal years, and a cut of more than \$4 million over the life of the agreement.

This particular facet of the framework is still being negotiated. There may well be some adjustments but City staff believes the above payment schedule represents significant concessions by the City in an effort to reach compromise.

These funds would be used for, in broad terms, economic development purposes, but the City would not be required to apply for the money nor would CPW preapproval for spending the funds be required. The City would file an annual report to the CPW detailing its use of the payment.

II. Annexation Provision

Again, while there may be some final legal tweaks, City staff believes there is agreement on the scope of a new annexation covenant. We want to make sure it is clear to the public no agreement will include provisions for wholesale, retroactive annexation of existing single-family residences. The annexation agreement will be largely limited to new development or redevelopment of commercial properties that include new or expanded water connections within 1 mile of the City's corporate limits. This would closely mirror the City of Greenville's partnership with the Greenville CPW.

III. City Taxpayer Protection Clause

While there remains some final work on Points I and II, this remains the most significant hurdle to an agreement.

The City has proposed language that would allow the CPW to terminate or suspend the transfer payment – in essence, allowing the CPW to “walk away” from this portion of the agreement – if continued payment would trigger a bond covenant default, with a 90-day written notice of its intention to suspend or terminate the payment. This notice must contain a detailed report of the financial or other conditions triggering the termination/suspension and the specific bond provisions that will be violated if continued payments were made to the City. Basically, this amounts to an escape clause triggered by verifiable “financial distress.”

If, however, the CPW seeks to terminate the transfer payment for any other reasons than bond default, it would have an obligation to continue the transfer payment for a certain number of years, depending upon the number of years since City Council most recently approved a bond measure for the CPW. This common-sense provision

protects the City – and, more importantly, City taxpayers – from a significant and sudden loss of revenue.

To date, the SWS management has balked at any such language. City management is steadfast in the belief that such common-sense protection for City taxpayers is something that both bodies can and should support.”

Council received the report as information.

X. City Council Updates -

Councilmember Scalisi noted that other towns were having water issues and sighted the Lyman/Wellford/Sew Eurodrive challenge. She shared that she attended the CPW public meeting and what struck her was that the CPW information was not clear and understandable for the public and that there was no way for the public to interact directly with the commissioners that they elected.

Councilmember Anderson stated that he also attended the CPW public meeting and felt that it was overly controlled and did not give citizens an opportunity to directly connect with the commissioners. He shared that he did not appreciate their lack of transparency and stated that he thought it was ridiculous that they would have a meeting a day after a holiday since most people would take advantage of the extra day and take the rest of the week off. He added that he was proud to be a member of the City and the efforts we make.

He thanked City Staff for the sign that states improvements in his district. Also, for the temporary Wayfinding signs in downtown designating restaurants, etc.

He thanked Staff for their quick reaction to a citizen complaint regarding a sidewalk.

Councilmember Ryba thanked Patti Bock and Will Rothschild for the success of the “Main Street Challenge” event held at the HubBub Showroom. She stated that she was excited for the three new businesses coming to downtown and the growth of downtown.

Councilmember Rice echoed Councilmember Anderson’s comments and thanked the City Manager for his and Assistant City Manager Story’s efforts during the CPW public forums and negotiations.

XI. Executive Session to Receive Legal Advice Regarding a Contractual Matter

This item was removed from the agenda by vote of council.

XII. Adjournment –

Councilmember Reeder made a motion to adjourn the meeting. Councilmember Anderson seconded the motion, which carried unanimously 6 to 0 and the meeting adjourned at 6:30 p.m.



Connie S. McIntyre, City Clerk