



CITY OF SPARTANBURG

SOUTH CAROLINA

CITY COUNCIL AGENDA

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

- I. **Moment of Silence**
- II. **Pledge of Allegiance**
- III. **Approval of the Minutes of the February 8, 2016, City Council Meeting**
- IV. **Approval of Agenda of the February 22, 2016 City Council Meeting**
- V. **Public Comment**
*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
 - 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
 - C. **Approving a Development Agreement for the Construction of an Office Building on Liberty Street (First Reading)**
Presenter: Chris Story, Assistant City Manager
 - 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

- 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**

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**

VIII. Other Business

- A. Presentation and Discussion with the Institute for Child Success
Presenter: Chris Story, Assistant City Manager**

IX. City Council Updates

X. Adjournment

** Non-Agenda Items*

City Code Sec. 2-57. Citizen Appearance. Any citizen of the City of Spartanburg may speak at a regular meeting on any matter pertaining to City Services and operations germane to items within the purview and authority of City Council, except personnel matters, by signing a Citizen's Appearance form prior to the meeting stating the subject and purpose for speaking. No item considered by Council within the past twelve (12) months may be added as an agenda item other than by decision of City Council. The forms may be obtained from the Clerk and maintained by the same. Each person who gives notice may speak at the designated time and will be limited to a two (2) minute presentation.

**Agenda Items*

City Code Sec. 2-56. Addressing Council, Comments or Remarks to Council on Agenda Items Not Requiring Public Hearing. On agenda items not requiring a Public Hearing, please provide to the City Clerk prior to the opening of the meeting, your desire to speak on an agenda item. Remarks shall be limited to five (5) minutes and total remarks on any agenda item shall not exceed twenty (20) minutes.



**City Council Meeting
City Council Chambers
145 West Broad Street
Spartanburg, SC
Monday, February 8, 2016
5:30 p.m.**

**(These minutes are subject to approval
at the February 22, 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 – recited. Several Boy Scouts were in attendance and assisted with the pledge.**
- III. Approval of the Minutes of the January 25, 2016, City Council Meeting –**
Councilmember Rice made a motion to approve the minutes as received.
Councilmember Stille seconded the motion, which carried unanimously 7 to 0.
- IV. Approval of Agenda of the February 8, 2016 City Council Meeting –**
Councilmember Stille made a motion to approve the agenda as received.
Councilmember Henderson Myers 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. Resolution for Honorary Street Name Sign for Charles E. Atchison, Sr.**
Presenter: Will Rothschild, Communications and Marketing Manager
Mr. Rothschild presented the item to City Council as follows:
“The city’s Honorary City Street Signs ordinance provides City Council with an avenue to recognize and honor local citizens who, in the determination of City Council, deserve to be honored for their significant contributions to the city. An honorary street naming does not officially change the name of a street, but does add the honorary name to the existing street signage.

In accordance with the policy, Charles E. Atchison Sr. has been nominated by Councilmember Jerome Rice. Atchison is President/Owner of Atchison Transportation Services, Inc. and Atchison Enterprises. Atchison began his career half a century ago as a taxi/delivery driver then expanded his business into a full-service ground transportation conglomerate that includes his Airport Limousine Service and Atchison Charter Service, which initially began with one 47 passenger Eagle bus and grew into 16 motor coaches. Atchison's entrepreneurial efforts do not stop there. He manages a large portfolio of real estate and has contributed to the redevelopment of the south side of Spartanburg, earning him recognition in *South of Main* as one of the most influential businessmen in the county.

His involvement in the community is vast as well. Notable positions include serving on the board of the directors at the Spartanburg Chamber of Commerce, the Spartanburg Children's Shelter, and at various colleges throughout South Carolina. Atchison was named the Spartanburg Small Business Person of the Year in 1998, at which point he was the first minority to receive this accolade.”

Councilmember Rice shared comments regarding Mr. Atchison’s career and his contributions to the Spartanburg community. He explained that the portion of E. Kennedy St. from its intersection with S. Church St. to Union Street was the proposed section for the honorary street name.

Councilmember Rice made a motion to approve the proposed resolution as presented. Councilmember Anderson seconded the motion, which carried unanimously 7 to 0. Jody Traywick, Elaine Brackett, Pinkney Spencer, Henry Giles, Mayor pro tem Anderson, Councilmember Henderson Myers, and Mayor White offered congratulatory comments to Mr. Atchison.

VII. Public Hearing

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 (First Reading) Presenter: Natalia Rosario, Planning Staff

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

“On January 21, 2016, the Planning Commission held a public hearing and reviewed a rezoning request submitted by Carl R. Fraley, Jr., proposed purchaser of properties, on behalf of Marty Reid, Neuberger Management, Property Owner of 243 and 245 East Blackstock Road, to rezone parcels 6-21-13-001.02 and 6-21-13-001.00 from Zone LOD/Limited Office District to B-1/Neighborhood Shopping District, in order to utilize the properties as retail

space. The purchase of the properties is contingent upon the request being approved.

The 2004 Comprehensive Plan envisions this area have a future land use category of Limited Activity Center, with land use zoned of Limited Office District and Limited Commercial District. While the proposed zone is not entirely consistent with what the Comprehensive Plan proposes, staff would note that the proposed use is still consistent with the plan.

The Planning Commission held a public hearing on the proposal on January 21, 2016. After consideration of the staff report, public comments, and the criteria set forth in the City of Spartanburg Zoning Ordinance and 2004 City Comprehensive Plan, the Planning Commission voted to recommend approval of the request to City Council for the rezoning of the parcel from LOD to B-1.

PLANNING COMMISSION RECOMMENDATION: The request was endorsed by the Planning Commission on January 21, 2016 by a vote of 7 to 0.”

Mayor White opened the Public Hearing. He asked if there was anyone to speak in favor of or in opposition to the proposed rezoning.

Hearing none, Councilmember Rice made a motion to close the public hearing. Councilmember Anderson seconded the motion, which carried unanimously 7 to 0.

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

VIII. Resolution

A. **Approving the Purchase of 391 Farley Street (Parcel 7-12-05-173.00) From Calvin Burns for the Turnaround Space Needed When the Farley Street Bridge is Closed by Norfolk Southern Railway Company** **Presenter: Ed Memmott, City Manager**

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

“At the October 22, 2015 City Council meeting, Council was advised that the Norfolk Southern Railway Company (“Norfolk”) was demolishing the Farley Street bridge that crosses over the Norfolk rail lines due to concerns about structure stability and the safety of the bridge. The bridge has been closed by the City for over a year. Since the bridge is being removed, it is necessary for the City to acquire a vacant structure located at 391 Farley Street, Parcel 7-12-05-173.00, (the “Property”) so that a turnaround space can be constructed. Council approved a resolution authorizing staff to proceed with efforts to acquire the Property or to condemn the Property in the event the City could not reach an agreed purchase price. The owner of the Property has agreed to sell the Property for \$8,000.

ACTION REQUESTED: Approval of Council to the purchase of the Property for \$8,000.

BUDGET & FINANCIAL DATA:

The cost to the City will be reimbursed by Norfolk.”

Councilmember Henderson Myers made a motion to approve the resolution as presented. Councilmember Stille seconded the motion, which carried unanimously 7 to 0.

Councilmember Stille made a motion to take the item off the table regarding 440 S. Church Street, which was tabled at the January 25 meeting, and place it on the February 22, 2016 City Council meeting agenda. Mayor pro tem Anderson seconded the motion, which carried unanimously 7 to 0.

IX. Executive Sessions –

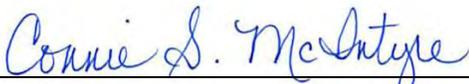
Councilmember Scalisi made a motion to adjourn to Executive Session for the reasons stated. Councilmember Rice seconded the motion, which carried unanimously. Council adjourned to Executive Session at 5:59 p.m.

- A. Pursuant to Section 30-4-70 (a) (5) of the South Carolina Code to Discuss Matters Relating to Encouraging the Location of a Business in the City**
- B. Pursuant to Section 30-4-70 (a) (1) to Discuss a Personnel Matter Regarding the Municipal Court Judge**

Council reconvened to regular session at 7:05 p.m. Mayor White stated that discussion was held on Item A with no decisions made. He stated that discussion was held on Item B with no votes taken.

Councilmember Rice made a motion to increase the salary of Municipal Court Judge Erika McJimpsey by \$4,500 annually. Councilmember Henderson Myers seconded the motion, which carried unanimously 7 to 0.

- X. Adjournment – Councilmember Brown made a motion to adjourn the meeting. Councilmember Henderson Myers seconded the motion, which carried unanimously. The meeting adjourned at 7:10 p.m.**



Connie S. McIntyre, City Clerk



REQUEST FOR CITY COUNCIL ACTION

TO: Ed Memmott, City Manager
FROM: Mitch Kennedy, Director of Community Services
SUBJECT: Donation of Properties for Northside Redevelopment
DATE: February 17, 2016

BACKGROUND:

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.

BUDGET AND FINANCIAL DATA: N/A

AN ORDINANCE

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.

BE IT ORDAINED by the Mayor and Members of Council of the City of Spartanburg, South Carolina, in Council assembled:

Section 1: That the City Manager is authorized to execute a Deed to Northside Development Group, donating the properties 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.

Section 2. This Ordinance shall become effective upon the date of enactment.

DONE AND RATIFIED this _____ day of March, 2016.

MAYOR

ATTEST:

CITY CLERK

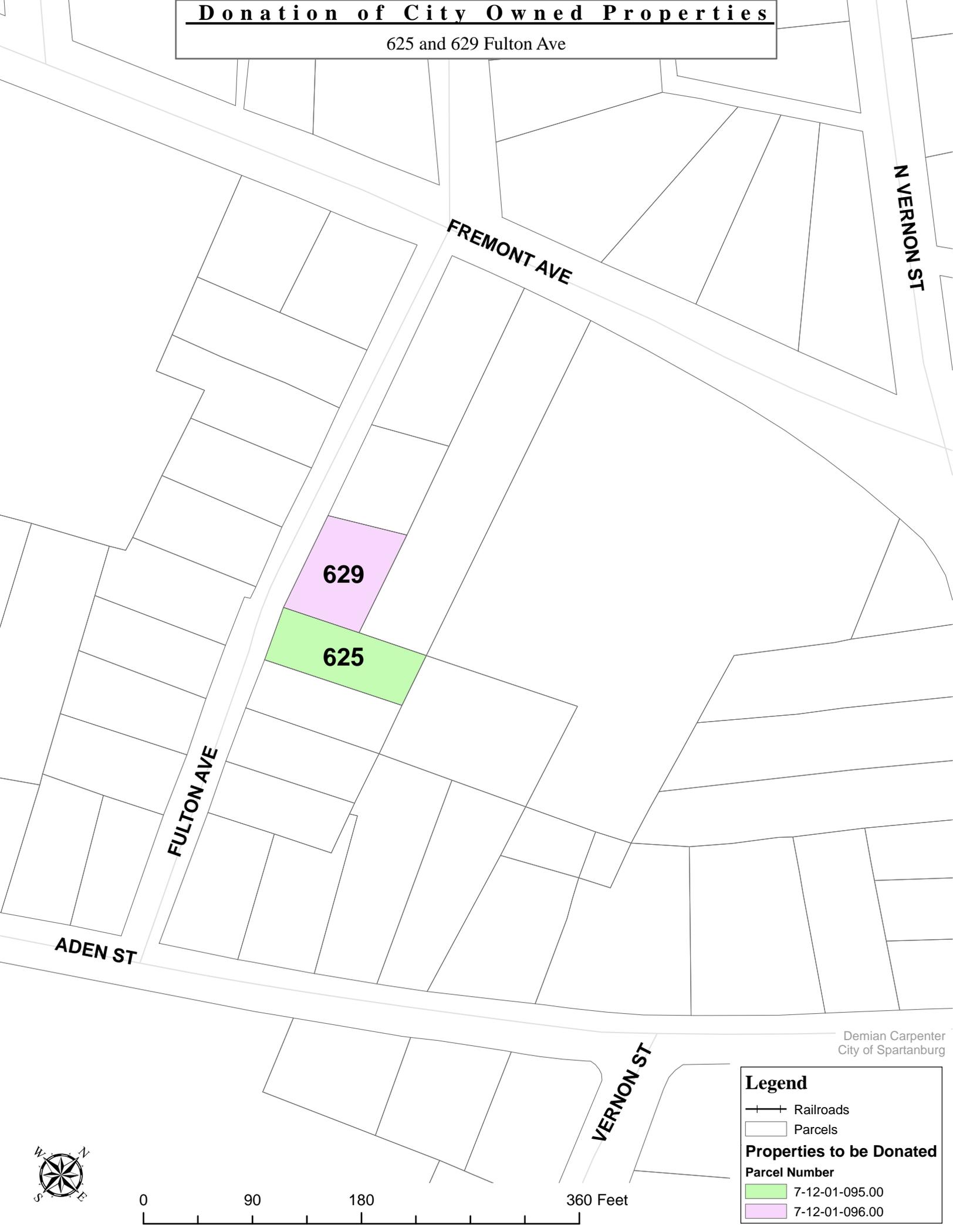
APPROVED AS TO FORM:

CITY ATTORNEY

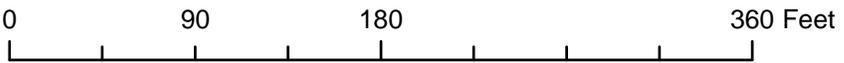
___/___/___ 1st Reading

___/___/___ 2nd Reading

Donation of City Owned Properties
625 and 629 Fulton Ave



Demian Carpenter
City of Spartanburg



Legend

- +— Railroads
- ▭ Parcels

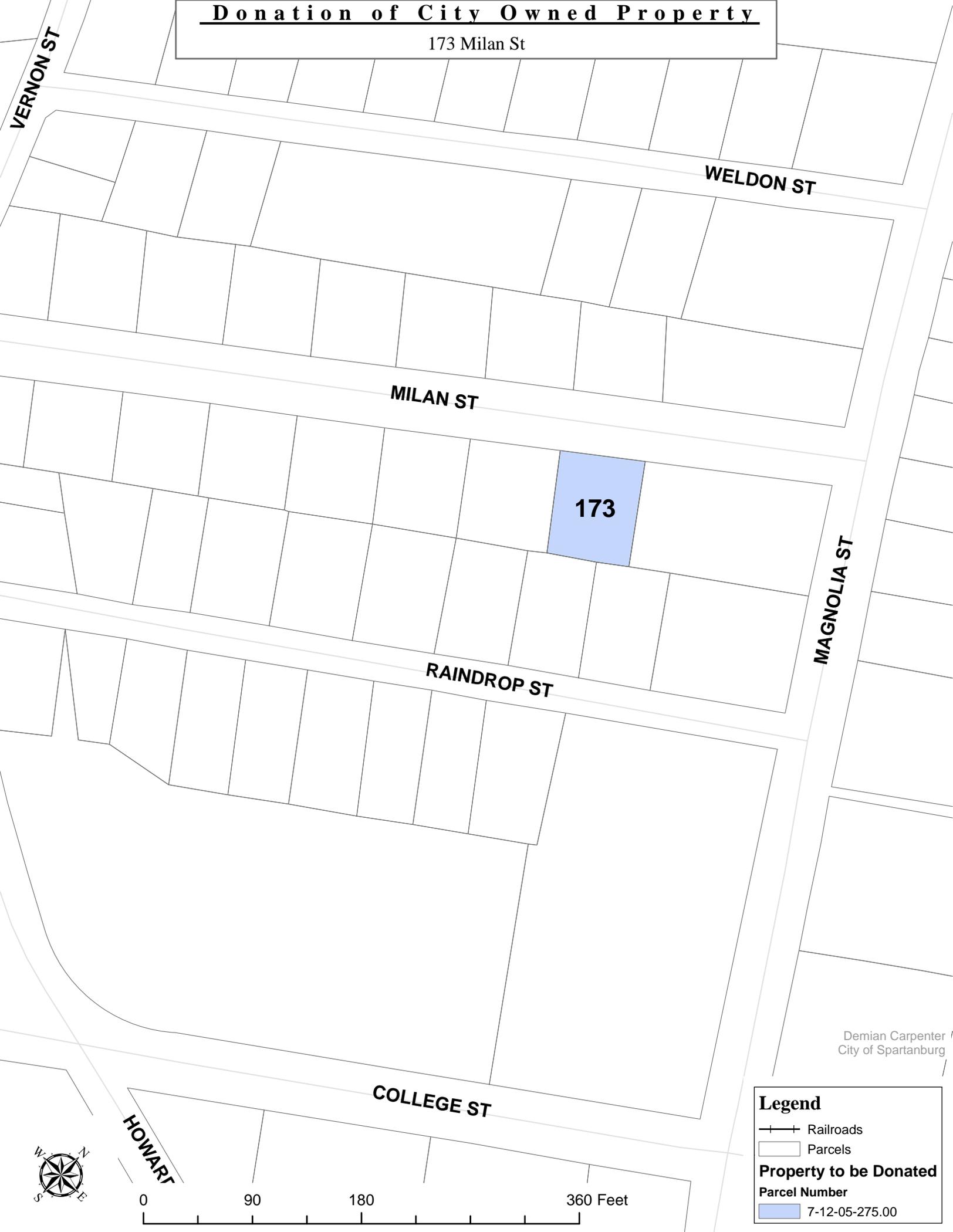
Properties to be Donated

Parcel Number

- ▭ 7-12-01-095.00
- ▭ 7-12-01-096.00

Donation of City Owned Property

173 Milan St



173

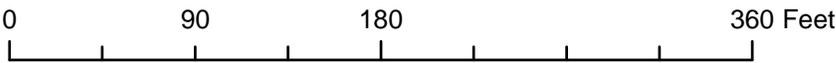
Demian Carpenter
City of Spartanburg

Legend

- +— Railroads
- ▭ Parcels

Property to be Donated

- ▭ Parcel Number
7-12-05-275.00





REQUEST FOR CITY COUNCIL ACTION

TO: Ed Memmott, City Manager
FROM: Mitch Kennedy, Director of Community Services
SUBJECT: Donation of Property to Hope Ministries
DATE: February 17, 2016

BACKGROUND:

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

AN ORDINANCE

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.

BE IT ORDAINED by the Mayor and Members of Council of the City of Spartanburg, South Carolina, in Council assembled:

Section 1: That the City Manager is authorized to execute a Deed to Hope Ministries donating the property at 414 Brawley Street, Block Map Sheet 7-12-09-043.00.

Section 2. This Ordinance shall become effective upon the date of enactment.

DONE AND RATIFIED this _____ day of March, 2016.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

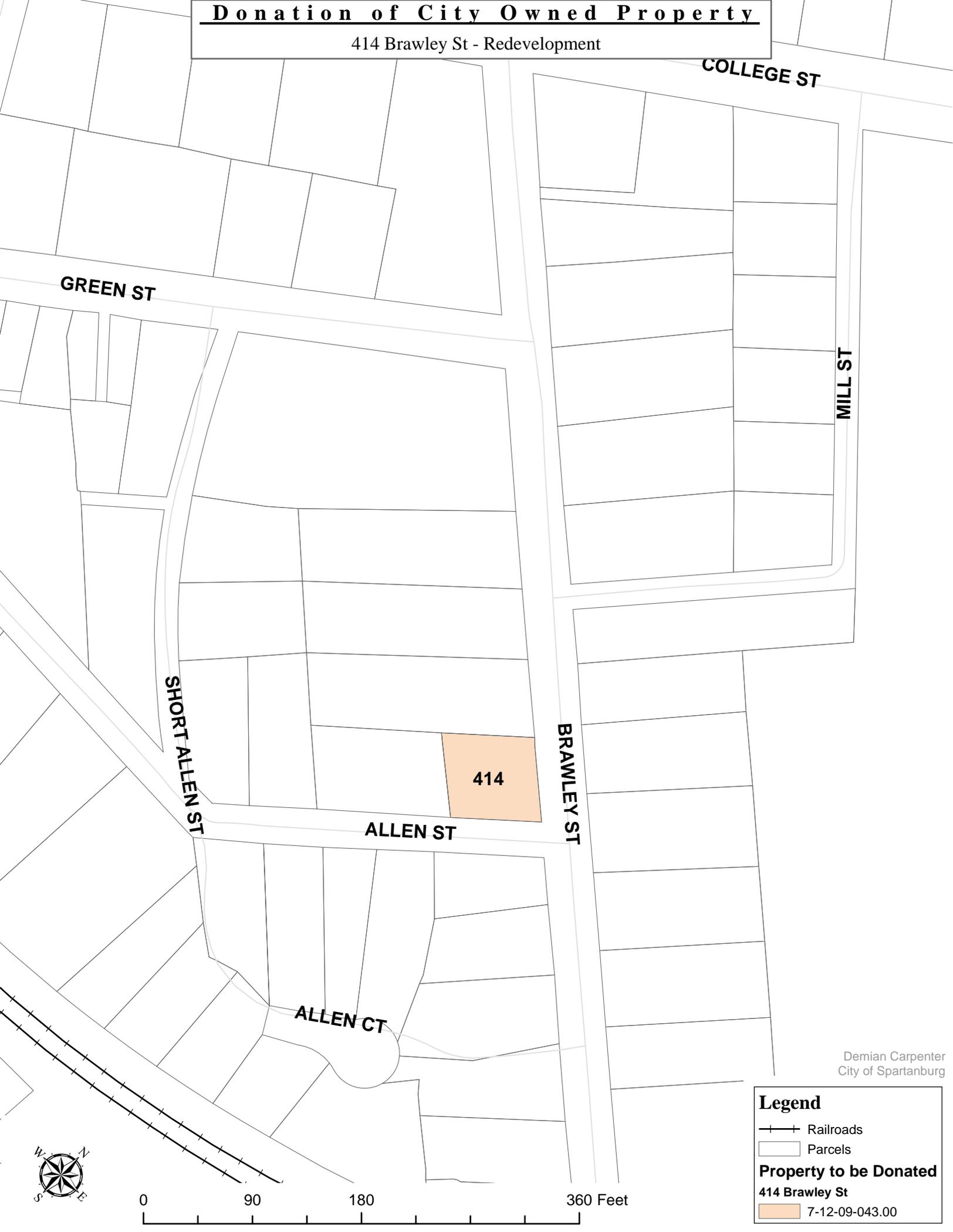
CITY ATTORNEY

___/___/___ 1st Reading

___/___/___ 2nd Reading

Donation of City Owned Property

414 Brawley St - Redevelopment



Demian Carpenter
City of Spartanburg

Legend

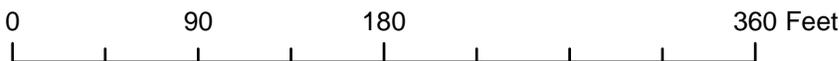
—+— Railroads

▭ Parcels

Property to be Donated

414 Brawley St

▭ 7-12-09-043.00





REQUEST FOR COUNCIL ACTION

TO: Spartanburg City Council

FROM: Chris Story, Assistant City Manager

SUBJECT: Development Agreement – Liberty Street Office Building

DATE: February 17, 2016

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.

**AN ORDINANCE
APPROVING A DEVELOPMENT AGREEMENT FOR THE CONSTRUCTION
OF AN OFFICE BUILDING ON LIBERTY STREET**

WHEREAS, the City of Spartanburg is seeking to promote the revitalization and economic redevelopment of its downtown; and

WHEREAS, the City of Spartanburg has from time-to-time provided various inducements and incentives to promote private investment, job creation, and other economic development activity; and

WHEREAS, the City of Spartanburg has determined it to be in the public interest to enter into an Agreement with Jimmy Gibbs and Andrew Cajka for the development of a new office building that will be located on Liberty Street between East Saint John Street and Daniel Morgan Avenue; and

WHEREAS, it is anticipated that the City will sell parcels and 7-12-06-085.01 and 7-12-06-059.00 for this project.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND MEMBERS OF COUNCIL OF THE CITY OF SPARTANBURG, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

Section 1. The Development Agreement between the City and Gibbs/Cajka is substantially in its final form, or with such minor changes as may be approved by the City Manager, and is hereby approved.

Section 2. The City Manager is authorized in accordance with the terms of the Development Agreement to execute the sale of parcels and 7-12-06-085.01 and 7-12-06-173.

Section 3. This Ordinance shall become effective upon the date of enactment.

DONE AND RATIFIED This _____ day of _____, 2016.

MAYOR

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG) DEVELOPMENT AGREEMENT

This Agreement made and entered into this ____ day of _____, 2016, by and among CITY OF SPARTANBURG (hereinafter “City”), JIMMY GIBBS (hereinafter “Gibbs”) and ANDREW CAJKA (hereinafter “Cajka”) (collectively “Gibbs and Cajka”).

WHEREAS, the City has encouraged economic redevelopment of its downtown; and

WHEREAS, the City has from time-to-time entered into public-private partnerships which have resulted in substantial private investment; and

WHEREAS, the economic development projects resulting from these partnerships have improved the economic vitality, increased the tax base, increased employment opportunities, and improved the physical appearances of downtown; and

WHEREAS, Gibbs and Cajka seek to build a professional office building.

NOW, THEREFORE, KNOW ALL BY THESE PRESENT, that in consideration of their promises and other good and valuable consideration, the parties agree as follows:

AS TO GIBBS AND CAJKA:

1. Will construct in a timely fashion (timelines below) a building with the following attributes:
 - a. Professional Class A office building of a minimum of 50,000 square feet and a minimum capacity of 250 professional office individual workspaces on Parcel A of Exhibit A.
 - b. Of appropriate architecture subject to City approval.
 - c. With a minimum of 3 stories and a footplate no larger than 25,000 square feet.
 - d. Building to be designed to accommodate some restaurant/coffee shop/retail presence in hopes of fulfilling the mixed-use vision for Liberty Street;
 - e. Work shall include all necessary site or streetscape improvements except those specified within the scope of the road relocation project described below.
2. Will lease a minimum of two-thirds of the building to occupants who are new to the City of Spartanburg to raise the downtown job count and ensure significant positive economic impact.
3. Should Gibbs and Cajka abandon the project at any point after the City has initiated the roadway relocation work described below, Gibbs and Cajka will reimburse the City 50% of the documented expenditures on the roadway relocation work up to a total of \$200,000.

AS TO THE CITY:

1. Will convey the approved development footprint for \$1 (with appropriate reversion clause should the project not proceed). Should the parties conclude that Parcel A can ultimately contain two building sites (the Project and an additional building), then the remaining additional building

site would be considered to be part of Parcel B on Exhibit A and subject to the terms and conditions for Parcel B development as specified below.

2. Upon receipt of adequate assurances that the project is a “go,” relocate the portion of Silver Hill Street that currently crosses Parcel A to a location that aligns with the section of roadway east of Liberty Street. City agrees to manage this work in a manner that causes minimal delay to the development of the project. City agrees to work with Gibbs and Cajka for mutual approval of the new road design.
3. Provide adequate daytime parking for building tenants within the St. John Street parking garage at the prevailing City monthly rate. Number of spaces to be determined based on final square footage and the appropriate parking ratio as defined by industry standards. This is not a commitment to provide specified reserved spaces – simply a commitment to ensure City retains adequate daily capacity to meet needs of building tenants.
4. As long as the project proceeds according to timelines, City will provide Gibbs with an option to develop Parcel B with the following terms and conditions (the “Parcel B Option”).
 - a. Unless otherwise approved by City, all development on Parcel B must be taxable commercial development of appropriate urban scale and density.
 - b. Design and uses are subject to City approval.
 - c. City would convey the footprints for any approved developments within Parcel B for \$1.
 - d. This option is exclusive to Gibbs and Cajka until December 31, 2018. During that time, no other entity may pursue development of these Parcels and the City will seek no other proposals.
 - e. From January 1, 2019 through December 31, 2019, Gibbs and Cajka retain the ability to proceed according to these advantaged pricing terms. However, the City may also entertain other development proposals. During this time, should the City receive a bona fide actionable proposal for a desirable development from another entity, Gibbs and Cajka will have 60 days to provide evidence that it intends to execute an equally desirable project in a timely manner or the option is expired and the City is then free to pursue the alternative project.
 - f. The Parcel B Option fully expires on December 31, 2019.
 - g. For purposes of this option, a development is considered initiated when Gibbs and Cajka have made binding written development commitments which have been accepted by the City Manager.
 - h. This Parcel B Option expires immediately if Gibbs and Cajka fail to achieve timeline milestones below.

TIMELINES:

1. City Staff will recommend approval of necessary authorizations from City Council within 30 days of approval of this document.

2. Gibbs and Cajka will provide conceptual plans and renderings within 60 days of City Council approval.
3. Gibbs and Cajka will submit the necessary materials for Design Review Board consideration of the project within 90 days of City Council approval.
4. City will begin relocation of road within 60 days of City Manager receiving adequate confirmation that Gibbs and Cajka will execute the project. (This could include commitment letters from lenders and/or potential tenants, construction contracts, full design drawings, or other materials considered adequate by the City Manager.)
5. City will complete the roadway relocation within 180 days of #4.
6. Gibbs and Cajka will submit full building permit approval package within 90 days for Design Review Board approval.
7. Gibbs and Cajka will mobilize to begin construction of the project no later than 90 days from receipt of building plan review approval unless site access is prohibited by roadway relocation work, in which case, Gibbs and Cajka will mobilize within 60 days of site being accessible.
8. Project construction will not exceed 18 months.

GENERALLY AS TO ALL PARTIES:

1. Assignment. Gibbs and Cajka may assign their rights under this Agreement to another entity whose principles/managers are credible and experienced real estate professionals with adequate financial resources and the assignment is approved by the City. City agrees that it will not unreasonably withhold its approval.
2. Invalidity. Should any of the provisions of this Agreement be held invalid in whole or in part, it shall not affect or invalidate the balance of such provision or any other provisions.
3. Amendments. This Agreement may not be amended, modified or changed, except by an instrument in writing and signed by all the parties.
4. Entire Agreement. This Agreement contains the sole and entire understanding between the parties, and all other promises, inducements, offers, solicitations, agreements, representations and warranties heretofore made between the parties, if any, are merged into this Agreement.
4. Successor and Assigns; Termination. This Agreement shall be binding on the parties hereto, their heirs, successors and assigns. This Agreement may only be terminated with the consent of all parties hereto.
5. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

Exhibit A





REQUEST FOR COUNCIL ACTION

TO: Spartanburg City Council

FROM: Chris Story, Assistant City Manager

SUBJECT: Development Agreement – Mixed-use Building at NE Corner of W. Main and Daniel Morgan

DATE: February 17, 2016

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.

**AN ORDINANCE
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**

WHEREAS, the City of Spartanburg is seeking to promote the revitalization and economic redevelopment of its downtown; and

WHEREAS, the City of Spartanburg has from time-to-time provided various inducements and incentives to encourage private investment, job creation, and other economic development activities; and

WHEREAS, the City of Spartanburg has determined it to be in the public interest to enter into an Agreement with F.T. Cantrell Wagons, LLC for the construction of a mixed use building; and

WHEREAS, the City has determined that it is in the public interest to sell parcel 7-12-20-022 that is now used for parking in order to facilitate this project.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND MEMBERS OF COUNCIL OF THE CITY OF SPARTANBURG, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

Section 1. The Development Agreement between the City and F.T. Cantrell Wagons, LLC is substantially in its final form, or with such minor changes as may be approved by the City Manager, and is hereby approved.

Section 2. The sale of parcel 7-12-20-022 in accordance with the terms of the Development Agreement is hereby approved.

Section 3. This Ordinance shall become effective upon the date of enactment.

DONE AND RATIFIED This _____ day of _____, 2016.

MAYOR

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

COUNTY OF SPARTANBURG) DEVELOPMENT AGREEMENT
) BETWEEN
) THE CITY OF SPARTANBURG,
) AND
STATE OF SOUTH CAROLINA) F.T. CANTRELL WAGONS, LLC

WHEREAS, the City of Spartanburg (the “City”) has determined it is in its best interest to encourage private investment by providing incentives that have included, but are not limited to, discounted land sales, façade renovation grants, residential development grants, and funding of public improvements; and

WHEREAS, the City has provided incentives to projects that provide significant benefit and leveraging of public resources and which are likely to create additional jobs and generate revenues for the City; and

WHEREAS, the City owns parcel number 7-12-20-022.01 located at the northeast corner of West Main Street and Daniel Morgan Avenue which is now primarily used for parking; and

WHEREAS, parking may no longer be the highest and best use of this prominent downtown corner parcel; and

WHEREAS, F.T. CANTRELL WAGONS, LLC (the “developer”) has a perpetual access easement across parcel number 7-12-20-022.01 which effectively prohibits construction on the parcel by a third party; and

WHEREAS, the developer has successfully completed mixed use projects that have contributed to the continued revitalization of downtown; and

WHEREAS, the developer has identified an opportunity for a mixed used infill project which is believed to be unique and of demand and will contribute positively to the continued economic progress downtown.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Developer and the City in consideration of the promises and the mutual covenants and agreements herein contained do hereby agree to the following:

Developer Commitments:

1. To purchase all or portions of parcels 7-12-20-022.01, 7-12-20-025.01 and 7-12-20-023.01 from the City for \$1.
2. To construct a new building of up to five stories (the “project”) containing:
 - a. 30 market rate apartments/condominiums

- b. ground floor retail or office spaces
 - c. below ground parking (at least one space per residential unit)
3. To, within 60 days of execution of this agreement, provide the City Manager with renderings illustrating the expected appearance of the project for preliminary approval by city staff.
 4. To, within 120 days of execution of this agreement, present to the City's Design Review Board plans for the structure that fully comply with the City's Downtown Urban Code and all other applicable codes.
 5. To, within 160 days of execution of this agreement, secure all applicable permits and begin construction of the building.
 6. To bear any and all risk associated with any environmental issues identified during construction and fully indemnify and hold harmless the City.
 7. Complete the project and acquire a Certificate of Occupancy by December 31, 2017.
 8. To make any physical changes necessary, as approved by the City, to the adjacent sidewalks, streetscaping and any other improvements as appropriate and return them to functional and attractive conditions. The City will bear no cost of any improvements or changes made necessary by this project.
 9. To take all reasonable steps to minimize disruption and inconvenience to nearby property owners and businesses during the construction of the building.
 10. To engage properly licensed contractor(s) and/or subcontractor(s) to make the interior and exterior improvements as stated above.
 11. To meet all typical and customary City permitting (Zoning, Building Inspections, and Business License) requirements. Nothing in this Agreement relieves the Property Owner from complying with all other City Ordinances, statutes, laws, or regulations that pertain to the construction of the Project.
 12. Time frames be adjusted with the consent of the parties based on unforeseen considerations.

City Commitments:

1. Convey the property as described above.

General Conditions

1. **Invalidity.** Should any of the provisions of this Agreement held invalid in whole or in part, it shall not affect or invalidate the balance of such provision or any other provisions.

2. **Amendments.** This Agreement may not be amended, modified or changed, except by an instrument in writing and signed by all the parties.
3. **Entire Agreement.** This Agreement contains the sole and entire understanding between the parties, and all other promises, inducements, offers, solicitations, agreements, representations and warranties heretofore made between the parties, if any, are merged into this Agreement.
4. **Notices.** All, notices, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be addressed and delivered by hand or by certified mail, return receipt requested, or by overnight courier, or by fax, with evidence of delivery, to each party at the addresses set forth below. Any such notice, request, demand or other communication shall be considered given or delivered, as the case may be, on the date of delivery. Rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand or other communication. By giving prior written notice thereof, any party, from time to time, may change its address for notices hereunder.
5. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.
6. **Successor and Assigns; Termination.** This Agreement shall be binding on the parties hereto, their heirs, successors and assigns. This Agreement may only be terminated with the consent of all parties hereto.
7. **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.
8. **No Continuing Waiver.** The waiver of any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

[This section intentionally left blank. Signatures on next page.]

IN WITNESS WHEREOF, the parties to this Agreement have hereunto set their hands and seals and executed this Agreement this _____ day of _____, 2016.

IN THE PRESENCE OF:

F.T. CANTRELL WAGONS, LLC

By: _____
Its:

CITY OF SPARTANBURG

By: _____
Ed Memmott
Its: City Manager

ATTEST:

By: _____
Connie McIntyre
Its: City Clerk

APPROVED AS TO FORM:

By: _____
Cathy H. McCabe
City Attorney



REQUEST FOR CITY COUNCIL ACTION

TO: Mayor and Members of City Council

FROM: Ed Memmott, City Manager

SUBJECT: Lease-Purchase Agreement for 440 South Church Street

DATE: February 18, 2016

BACKGROUND: 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.

AN ORDINANCE

AUTHORIZING THE LEASE OF 440 SOUTH CHURCH STREET AND FOR THE CITY MANAGER TO ENTER INTO A LEASE-PURCHASE AGREEMENT WITH SPARTANBURG DEVELOPMENT CORPORATION.

WHEREAS, since 2009, the City of Spartanburg (“City”) has leased the former Mary H. Wright Elementary School (the “Wright Center”) from Wright Center, LLC to house some City department employees; and

WHEREAS, the Wright Center is in foreclosure; and

WHEREAS, the City seeks to provide space for the City employees currently housed at the Wright Center; and

WHEREAS, the Spartanburg Development Corporation will purchase the former South Carolina Department of Employment and Workforce building located at 440 South Church Street (the “Property”); and

WHEREAS, the City has determined that the building located at 440 South Church Street is suitable for relocating the City employees.

NOW, THEREFORE, BE IT ORDAINED By the Mayor and Members of Council of the City of Spartanburg, in Council assembled:

Section 1. That the City Manager is authorized to finalize negotiations and enter into a lease-purchase agreement with the Spartanburg Development Corporation to lease the Property for a term of five (5) years and to purchase it for a nominal fee at the end of the lease term.

Section 2. This Ordinance shall become effective upon the date of enactment.

DONE AND RATIFIED this ___ day of _____, 2016.

MAYOR.

ATTEST:

CITY CLERK.

____/____/____ 1st Reading
____/____/____ 2nd Reading

APPROVED AS TO FORM:

CITY ATTORNEY.



MEMORANDUM

TO: Spartanburg City Council

FROM: Chris Story, Assistant City Manager

SUBJECT: Presentation and Discussion with the Institute for Child Success

DATE: February 17, 2016

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.

Please let me know if you have any questions.