



**City Council Meeting  
City Council Chambers  
145 West Broad Street  
Spartanburg, SC  
Monday, February 23, 2015  
5:30 p.m.**

**(These minutes were approved  
at the March 16, 2015 City Council meeting.)**

**City Council met this date with the following members present: Mayor Junie White, Mayor pro tem Erica Brown, Councilmembers Jan Scalisi, Robert Reeder, Jerome Rice, and Sterling Anderson. 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 February 9, 2015 City Council Meeting –**  
*Councilmember Scalisi made a motion to approve the minutes as received. Mayor pro tem Brown seconded the meeting, which carried unanimously 6 to 0.*
- IV. Approval of Agenda of the February 23, 2015 City Council Meeting –**  
*Councilmember Reeder made a motion to approve the agenda as received. Councilmember Rice seconded the motion, which carried unanimously 6 to 0.*
- V. Public Comment – Six people came forward.**  
\*Citizen Appearance forms are available at the door and should be submitted to the City Clerk **Michael Bendendaugh, 117 Grace Street, Prosperity, SC, representing Palmetto Trust for Historic Preservation**, updated Council on status of Salvage Company purchaser and the fundraising for Bon Haven.  
**Shelly Carter, 160 Meadowview Dr., Spartanburg, SC**, expressed her desire that Bon Haven be saved from demolition.  
**Vivian Fisher, 269 W. Hampton Avenue, Spartanburg, SC**, expressed her desire that Bon Haven be saved from demolition.  
**Donnie Love, 608 Otis Boulevard, Spartanburg, SC**, expressed his thoughts on preservation success.  
**Jimmy Gibbs, PO Box 1727, Spartanburg, SC**, expressed his thoughts regarding restrictions of new economic development in downtown Spartanburg.

**Andrew Cajka, 209 Spaulding Farm Road, Spartanburg, SC**, expressed his thoughts regarding restrictions of new economic development in downtown Spartanburg.

**VI. March 31, 2015 Special Election Update**

**Presenter: Henry Laye, Director of Voter Registration and Elections**

**Mr. Laye** updated everyone on the procedures for the upcoming March 31 special election for City Council District 4.

**VII. Recognition of Fleet Maintenance Retiree Michael Thompson**

**Presenter: Mayor Junie White**

*Mayor White presented Mr. Thompson with a City of Spartanburg Retiree plaque and thanked him for his many years of dedicated service to the City.*

**VIII. Ordinance**

**A. Authorizing the City of Spartanburg, South Carolina, to Execute and Deliver an Equipment Lease Purchase Agreement, 2015, in an Amount Not Exceeding \$2,625,000 Between the City and the Lessor Thereof to Defray the Cost of Acquiring Certain Equipment; and Other Matters Relating Thereto (First Reading)**

**Presenter: Chris Story, Assistant City Manager**

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

“As part of our ongoing efforts to equip staff with the resources they need at the lowest possible cost over the long term, the City is committed to maintaining an annual equipment replacement schedule. Funds are appropriated through the annual budget into the equipment replacement fund from which these purchases and then made throughout the year.

Due in part to very low interest rates in recent years, staff has determined that the City could strengthen its financial position by bundling and leasing the major purchases within a master lease. This mechanism spreads the cost of these purchases over several years. The proposed action is to authorize this year’s lease program.

Staff is recommending the replacement of 14 Police Vehicles, 4 Vehicles - Fire Department (including 75 ft. Aerial Ladder), 3 Vehicles and 3 various pieces of equipment for Grounds Maintenance, 1 Vehicle and 2 various pieces of equipment – Street Maintenance, 1 Clamshell and 1 Truck Rear Loader – Solid Waste, 1 Vehicle – Procurement & Property, 1 Vehicle Property Maintenance Inspections, 1 Vehicle – Parks & Recreation

It is staff’s recommendation that we use a capital lease to finance these purchases. If approved, we would accept bids from various financial institutions. The source of repayment would be the Equipment Replacement Fund.

BUDGET & FINANCIAL DATA: The total will not exceed \$2,625,000 inclusive of closing costs. This amount may be reduced pending final review of acquisition specifications.”

*Councilmember Reeder made a motion to approve the ordinance as requested on first reading. Councilmember Scalisi seconded the motion, which carried unanimously 6 to 0.*

**B. Approving a Development Agreement Between the City of Spartanburg and OTO Development (First Reading)**

**Presenter: Ed Memmott, City Manager**

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

“The attached proposed development agreement sets forth the terms and conditions for the development of a hotel at the southwest corner of the West Main Street and Daniel Morgan Avenue intersection by OTO Development.

The proposed development agreement (if approved by Council) would obligate the City to:

1. Provide approximately \$750,000 in public improvements to include streetscape improvements along the west side of Daniel Morgan Avenue and “quiet zone” improvements for the CSX grade crossings at West Main and Henry Streets.
2. Provide its best efforts to designate the project site as a Multi-County Industrial/Business Park in order to achieve a 50% reduction in the incremental real property taxes paid by the new development. This abatement would be in place for 20 years.
3. Provide OTO with an option to purchase city owned property as identified on Exhibit A of the agreement for \$1.00. The specific terms regarding the purchase option are set forth in the development agreement.
4. Restrict economic development incentives for any other select service hotel for a period of 3 years from the date of opening of the OTO project as set forth in the development agreement.

The proposed development agreement would obligate OTO to:

1. Construct and open a select service hotel having not less than 100 rooms and other amenities as specified in the development agreement.
2. Affiliate the hotel with a national brand as specified in the development agreement.
3. Make capital project investment of at least \$18 million.
4. Open the hotel for business by September 30, 2017.

**PROJECT ASSESSMENT AND STAFF RECOMMENDATION:**

OTO’s proven track record of hotel development nationally provides staff with a high degree of confidence that OTO will meet all of its obligations associated with this project. The project location is also a significant factor in staff’s recommendation. Over 20 restaurants are located within 3-4 blocks of the proposed site. The hotel structure will also be a significant architectural feature at a very prominent downtown intersection. This combination of design, location, and new business activity will significantly enhance downtown’s urban vitality and serve as a catalyst for continued corporate, retail, entertainment, multi-family, and mixed use development in our downtown.

Staff is strongly recommending approval of the proposed development agreement.

**ACTION REQUESTED:**

First Reading Approval of an Ordinance to approve a development agreement with OTO Development.

**BUDGET AND FINANCE DATA:**

\$750,000 in public improvements costs.

Costs incurred by the City will be offset by approximately \$300,000 in net new annual revenues that will be generated and paid to local taxing entities when the project is placed into service.”

*After a lengthy discussion, Councilmember Anderson made a motion to approve the ordinance as presented on first reading. Mayor pro tem Brown seconded the motion, which carried unanimously 6 to 0.*

**IX. Consent**

- A. To Authorize the Designation of the Police Chief as the Chief Executive Officer of the Police Department and the Fire Chief as the Chief Executive Officer of the Fire Department by Amending the Code of the City of Spartanburg 1988, by Deleting Chapter 7A, “Public Safety and Police Protection”, and by Adding to Chapter 2, “Administration,” Article IV, “Officers and Employees,” A new Section 2-89, “Police Department” and Section 2-90, “Fire Department” (Second Reading)**

**Presenter: Ed Memmott, City Manager**

*Councilmember Reeder made a motion to approve the Consent Agenda as presented. Councilmember Rice seconded the motion, which carried unanimously 6 to 0.*

**X. Other Business**

- A. Boards and Commissions – Consideration of Accommodations Tax Advisory Committee Applicant**

**Presenter: Connie McIntyre, City Clerk**

**Ms. McIntyre** presented Emily Wood's application for consideration for appointment to the Accommodations Tax Advisory Committee.

**Councilmember Rice** made a motion to waive the rules and appoint Emily Wood to the Accommodations Tax Advisory Committee. **Councilmember Reeder** seconded the motion, which carried unanimously 6 to 0.

**XI. City Council Updates –**

**Councilmember Rice** commended Tim Atkins and the Solid Waste Department for the great job they did during the ice storm.

**Mayor pro tem Brown** shared that on Saturday past she attended DanSynergy, a ballet tribute to cancer survivors, at the Chapman Cultural Center.

**Councilmember Anderson** mentioned that dirt was moving at the Texas Roadhouse site. He thanked SMR for what they have done for Spartanburg. He thanked OTO for what they would be doing to open up the western side of town to more development.

**Councilmember Scalisi** shared that the 20<sup>th</sup> Anniversary of the Hub City Writers Group would be celebrated May 8 – 10, with several readings from Hub City Writers Group published authors scheduled at the Book Shop.

**Councilmember Reeder** expressed his thanks to SMR and OTO.

**Communications Director Will Rothschild** recognized Herald Journal reporter Lynne Shackelford, who covered the City Council meetings and city news for several years. He shared that Ms. Shackelford was leaving the Herald Journal to be the Marketing and Development Director for Habitat for Humanity.

**XII. Adjournment –**

**Mayor pro tem Brown** made a motion to adjourn the meeting. **Councilmember Scalisi** seconded the motion, which carried unanimously 6 to 0. The meeting adjourned at 6:30 p.m.



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**Connie S. McIntyre, City Clerk**