



# **CITY OF SPARTANBURG**

SOUTH CAROLINA

## **CITY COUNCIL AGENDA**

**City Council Meeting  
City Council Chambers  
145 West Broad Street  
Spartanburg, SC  
Monday, August 14, 2017  
5:30 p.m.**

- I. Moment of Silence**
- II. Pledge of Allegiance**
- III. Approval of the Minutes of the July 24, 2017 City Council Meeting**
- IV. Approval of the Agenda of the August 14, 2017 City Council Meeting**
- V. Public Comment**  
\*Citizen Appearance forms are available at the door and should be submitted to the City Clerk
- VI. Recognition of City of Spartanburg Retiree Sam Miller**  
**Presenter: Mayor Junie White**
- VII. Update on Local Teen Pregnancy Prevention Efforts**  
**Presenters: Kathy Dunleavy, CEO Mary Black Foundation**  
**Polly Edwards-Padgett, MBF Adolescent Health Project Director**
- VIII. Award of Bid for 2017 Annual Street Resurfacing**  
**Presenter: Tim Carter, Engineering Administrator**
- IX. Contract Award for Airport Park Playground Equipment**  
**Presenter: Kim Moultrie, Parks and Recreation Director**
- X. Authorizing the City of Spartanburg, South Carolina, to Execute and Deliver an Equipment Lease Purchase Agreement in an Amount Not Exceeding \$2,550,000 Between the City and the Lessor Thereof to Defray the Cost of Acquiring certain Equipment; and Other Matters Relating Thereto (First Reading)**  
**Presenter: Dennis Locke, Finance Director**

As required by the Americans with Disabilities Act, the City of Spartanburg will provide interpretive services for the City Council Meetings. Requests must be made to the Communications & Marketing Office (596-2020) 24 hours in advance of the meeting. This is a Public Meeting and notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information Act.

- XI. Resolution Authorizing an Application to the U.S. Department of Housing and Urban Development Through Section 108 of the Housing and Community Development Act**  
**Presenter: Martin Livingston, Neighborhood Services Director**
- XII. Various Actions In Support of Economic Development Project at Pine and Main**  
**Presenter: Patty Bock, Economic Development Director**
- A. Resolution Directing the Closing of a 20-Foot Alley Adjacent to and Between Multiple Parcels Near the Intersection of S. Pine and E. Main Streets as Shown on the Exhibit Map (Exhibit I) and Described on Exhibit 2**
- B. Declaration Directing the Closing of a 20-Foot Alley Adjacent to and Between Multiple Parcels Near the Intersection of S. Pine and E. Main Streets as Shown on the Exhibit Map (Exhibit I) and Described on Exhibit 2**
- C. Ordinance to Authorize the City to Quitclaim Deed Alley Property Near E. Main and S. Pine to the Adjacent Property Owners – Developer, Cap East Spartanburg, LLC, and to James C, and Denise A. Spears (First Reading)**
- XIII. Approval of Documents Regarding 600 Magnolia Street**  
**Presenter: Patty Bock, Economic Development Director**
- A. Approval of Development Agreement**
- B. To Determine the Eligibility of 600 Magnolia Street for Special Property Tax Assessment for Rehabilitated Historic Properties as Adopted by Ordinance of the City Council on September 9, 2013**
- XIV. Boards and Commissions – Spartanburg Housing Authority Applicants**  
**Presenter: Connie McIntyre, City Clerk**
- XV. Renewal of Employment Contract for Municipal Court Judge**  
**Presenter: Mayor Junie White**
- XVI. Public Hearings**
- A. Ordinance to Amend the City of Spartanburg, South Carolina Zoning Ordinance, by Amending Section 206, Changes to District Boundaries, Specifically Parcel #7-13-01-065.00, Located on 899 East Main Street, that is Currently Zoned R-15, with a Land Use Designation of Single Family Residential District to Zone B-3, with a Land Use Designation of General Business District, in Order to Allow Proposed Buyer to be Able to Develop a Self-Storage Facility, Contingent upon the Rezoning Being Approved. John D. Montgomery, Montgomery Development Group, Proposed Buyer, on Behalf of Arthur State Bank, Property Owner (First Reading)**  
**Presenter: Natalia Rosario, Planner III**

- B. Ordinance Accepting the Property Owned by Rick J. and Judy Ann Krueger. The Property is Located at 441 Blackwood Drive Abutting Said Property, and is Further Identified on Spartanburg County Tax Map Sheet #7-09-16, Parcel 069.00. The Parcel is Currently Un-Zoned, and the Requested Zone is R-15, with a Land Use Designation of Single Family Residential District Upon Annexation (First Reading)  
Presenter: Natalia Rosario, Planner III**

**XVII. Public Hearing Regarding Proposed Residential Rental Property Registration  
Presenter: Ed Memmott, City Manager**

**XVIII. City Council Updates**

**XIX. Executive Session**

- A. Executive Session Pursuant to Section 30-4-70 (a) (5) of the South Carolina Code to Discuss Matters Relating to Encouraging Two New Investments in the City**

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

**XX. 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, July 24, 2017  
5:30 p.m.**

**(These minutes are subject to approval at the  
August 14, 2017 City Council meeting.)**

**City Council met this date with the following Councilmembers present: Mayor Junie White, Councilmembers Jerome Rice, Sterling Anderson, Rosalyn Henderson Myers, Erica Brown and Alan Jenkins. Mayor pro tem Stille was out of town. 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 July 10, 2017 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 1.*
- IV. Approval of the Agenda of the July 24, 2017 City Council Meeting –**  
*Councilmember Rice made a motion to approve the agenda as received. Councilmember Jenkins seconded the motion, which carried unanimously 6 to 0.*

**V. Public Comment**

\*Citizen Appearance forms are available at the door and should be submitted to the City Clerk Jimmy Cheeks from “Positive Thinking” came forward to tell Council about their program.

Nancy T. Sosbee, 202 Thornwell Ct., Roebuck, SC, came forward to express opposition to the proposed rental property registration.

Chuck Quinn, 553 Lundquist Dr. Spartanburg, SC, came forward to express opposition to the proposed rental property registration.

Lee T. Kubul, 331 Sugar Time Lane, came forward to express opposition to the proposed rental property registration.

David Burnett, 105 Camden Dr., Spartanburg, SC, came forward to speak concerning the proposed rental property registration.

Sara Eastler, 110 Stonecreek Dr., Spartanburg, SC, came forward to express opposition to the proposed rental property registration.

**VI. Presentation – 2017 SAIYL**

**Presenter: Kim Moultrie, Parks and Recreation Superintendent**

Members of the SAIYL group reviewed the many activities they participated in during the summer program.

*Council received the presentation as information.*

**VII. Discussion of Proposed Residential Rental Property Registration Program**

**Presenter: Ed Memmott, City Manager**

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

“Staff will brief Council on a proposed residential rental property registration program at the July 24 City Council meeting. Staff is not asking for formal Council approval at this time. Should Council want to move forward, staff would bring forward a final proposed ordinance in August.

Staff believes adoption of a residential rental property registration program will, over time, improve housing conditions. Initial expectations about the program should be limited however. A registration program will address only one subset of properties. It will not address every housing challenge.

Staff also acknowledges that a residential rental property registration program will add new regulatory burdens to rental property owners. Staff has considered input from property owners and managers and has attempted to reasonably address their concerns by streamlining the process to the extent possible. Staff has also attempted to incorporate specific language in the ordinance that is reflective of program intent. Staff’s efforts in this regard have not, however, relieved all of the concern of rental property owners.

Staff has also received input from neighborhood residents regarding the program. Residents want the city to deal with problem rental problems more effectively. Staff has been candid in its assessment of the potential benefits and limitations of the program. Residents have encouraged staff to move forward with the program.

Given the varying opinions regarding the proposed program, I am requesting that Council allow public comment specifically on this program after staff has made its presentation and responded to any Council questions.

A draft ordinance is attached. Staff anticipates that full implementation would take approximately 15 months. Should Council pass the ordinance, staff would initially focus its attention on registration of all properties subject to the ordinance. I anticipate that process could be completed by March 31, 2018. Staff would then turn its attention to preparing for the first registration renewal and inspections.”

*After discussion, Mr. Memmott stated that he understood from Council that they*

*wanted a formal public hearing on August 14 to give another opportunity for Council to hear from rental property owners, with an amended ordinance for review. Council agreed.*

**VIII. Consent Agenda**

**A. To Amend the Code of the City of Spartanburg 1988 Sections 23-17 and 23-19, and to Add a New Section 23-20, to the Nonconsensual Booting and Towing Ordinance (Second Reading)**

**Presenter: Ed Memmott, City Manager**

*Councilmember Jenkins made a motion to approve the consent agenda as presented on second reading. Councilmember Henderson Myers seconded the motion, which carried unanimously 6 to 0.*

**IX. City Council Updates –**

**Councilmember Anderson** shared he had been by the airport and the park was coming along nicely. He mentioned that the House District 31 election was the following day and encouraged everyone in that district to get out and vote.

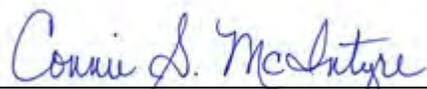
**Councilmember Jenkins** mentioned that Lidl Grocery had opened on the east side.

**Councilmember Henderson Myers** shared she had lunch at Andrew's Atomic Dogs and encouraged everyone to visit and support local businesses. She mentioned that she had visited the Butterfly Creek Project that was coming along, adding that she was looking forward to its completion.

**Councilmember Rice** reminded everyone that the Carolina Panthers would be back in town for Training Camp on Wednesday. He encouraged everyone to attend.

**X. Adjournment –**

*Councilmember Brown made a motion to adjourn the meeting. Councilmember Henderson Myers seconded the motion, which carried unanimously 6 to 0. The meeting adjourned at 7:36 p.m.*



**Connie S. McIntyre, City Clerk**





## REQUEST FOR CITY COUNCIL ACTION

**TO:** Ed Memmott, City Manager  
**FROM:** Tim Carter, Engineering Administrator  
**SUBJECT:** 2017 Annual Street Resurfacing  
**DATE:** August 11, 2017

### BACKGROUND

For 2017, the City's road resurfacing specifications were modified to include additional milling to minimize asphalt build up along curb lines and at the edge of pavement for streets without curbs. While these steps will improve the finished product, milling is inherently dusty and loud. This year's paving work will require additional oversight and improved communication with citizens to minimize problems. To that end, we will bolster project management with the addition of a contract inspector. This inspector will be on-site with the paving contractor during all milling and paving work. The inspector will monitor for quality control and compliance with project specifications. Staff is also reworking its notices to citizens regarding paving work. These notices will ask citizens to move their vehicles away from the milling work and encourage them to roll up their car windows. The notices will also remind folks to close any windows in their home.

Bids for the 2017 Street Resurfacing Project were received on July 18, 2017. This project consists of approximately 9,052 tons of surface Type C Asphalt, 2,560 square yards of full depth patching, and 38,000 square yards milling. An attachment to this Request for Council Action provides the listing of streets that will be repaved.

Bids were submitted by:

Venesky Asphalt Paving & Grading, LLC (Easley, SC)	\$1,044,593.67
Panagakos Asphalt Paving (Greenville, SC)	\$1,419,908.70

Staff has reviewed the bids received and the qualifications for each of these contractors and determined that Venesky Asphalt Paving & Grading, LLC is the responsive low bidder. No bids were submitted from MWBE certified contractors.

### ACTION REQUESTED:

Allow staff to accept the bid from Venesky Asphalt Paving & Grading, LLC and authorize the City Manager to enter into a contract with Venesky Asphalt Paving & Grading, LLC for the completion of the project.

### BUDGET AND FINANCE DATA:

\$ 350,000.00 County Transportation Committee Funds (CTC)  
\$ 694,593.67 from the Spartanburg County Road Fee Funds

## City of Spartanburg

### Street Resurfacing 2017 Road List

Street Name	Beginning	End	Length	Width	Sq. Yd. Milling	Sq. Yd FDP	Est. Quantity	Asphalt Price	Milling Price	FDP Price	Asph. Price	Est. Total
LORING ST.	Lucerne Dr.	Maxine St.	1680	26	2426.67		570.27	85.00	7280.00	0.00	48472.67	\$ 55,752.67
MAULDEN ST.	Lucerne Dr.	Maxine St.	1550	32	2238.89	400.00	647.56	85.00	6716.67	9200.00	55042.22	\$ 70,958.89
MAXTON ST.	Salem St.	Maulden St.	730	28	1054.44	200.00	266.86	85.00	3163.33	4600.00	22682.72	\$ 30,446.06
N FOREST ST.	Wofford St.	Arch St.	2300	27	3322.22		810.75	85.00	9966.67	0.00	68913.75	\$ 78,880.42
ARCH ST.	Howard St.	R/R Crossing	1650	25	2383.33	400.00	538.54	85.00	7150.00	9200.00	45776.04	\$ 62,126.04
PONCE DE LEON AVE	Union St.	Lakeside Dr.	1350	33	1950.00	200.00	581.63	85.00	5850.00	4600.00	49438.13	\$ 59,888.13
ELIZABETH ST.	Forest Ave.	Ponce De Leon Ave.	920	21	1328.89	160.00	252.23	85.00	3986.67	3680.00	21439.83	\$ 29,106.50
LAKESIDE DR.	N. Park Dr	E. Park Dr.	1560	21	2253.33	100.00	427.70	85.00	6760.00	2300.00	36354.50	\$ 45,414.50
PINE GROVE MNR.	Floyd St.	E. Wood St.	1060	26	1531.11		359.81	85.00	4593.33	0.00	30583.94	\$ 35,177.28
BEE ST.	Farley Ave.	Saxton Ave.	770	17	1112.22	100.00	170.90	85.00	3336.67	2300.00	14526.26	\$ 20,162.93
SHORT HILL ST.	Howard St.	Fulton Ave	660	16	953.33		137.87	85.00	2860.00	0.00	11718.67	\$ 14,578.67
HIGHLAND AVE.	S. Daniel Morgan Ave.	Cul De Sac	1700	34	2455.56		754.61	85.00	7366.67	0.00	64141.94	\$ 71,508.61
FLOYD ST.	E. Wood St.	End	1063	26	1535.44	200.00	360.83	85.00	4606.33	4600.00	30670.50	\$ 39,876.84
PIERPONT AVE.	N. Church St.	End	1700	29	2455.56		643.64	85.00	7366.67	0.00	54709.31	\$ 62,075.97
BON AIR AVE.	N. Church St.	Melton Ave.	1250	27	1805.56		440.63	85.00	5416.67	0.00	37453.13	\$ 42,869.79
ROWLAND AVE.	W. Wood St.	Centennial St.	980	20	1415.56		255.89	85.00	4246.67	0.00	21750.56	\$ 25,997.22
DUVAL DR.	Henson St.	Hillbrook Dr.	1150	25	1661.11	300.00	375.35	85.00	4983.33	6900.00	31904.51	\$ 43,787.85
HENSON ST.	Romaine Dr.	Cul De Sac	2530	26	3654.44	200.00	858.79	85.00	10963.33	4600.00	72997.53	\$ 88,560.86
CART DR.	Romaine Dr.	Blackwood Dr.	1766	26	2550.89		599.46	85.00	7652.67	0.00	50954.01	\$ 58,606.67
<b>Total</b>											<b>2017 Paving List</b>	<b>\$935,775.88</b>

**Amount Requested from CTC**

**\$350,000.00**

**Amount to be funded by Road Fee**

**\$585,775.88**





## REQUEST FOR CITY COUNCIL ACTION

**TO:** Ed Memmott, City Manager  
**FROM:** Kim Moultrie, Parks and Recreation Director  
**SUBJECT:** Contract Award for Airport Park Playground Equipment  
**DATE:** August 10, 2017

### **BACKGROUND:**

Staff solicited proposals to design, manufacture, and install (2) aviation themed playgrounds at the new Westside Park to be located at the Downtown Airport. The playgrounds will include 1 custom built playground for ages 2-5, 1 custom built playground for ages 5-12, an airplane rider, 4 swing bays, ADA chair swing, and wood fiber surfacing.

### **Proposals submitted by:**

Barrs Recreation – Mooresville, NC  
Churchich Recreation – Bluffton, SC  
Cunningham Recreation – Charlotte, NC  
Playground Safety Services – Shelby, NC

Proposal selection was based on several factors: Equipment Design, References and past experience, Responsiveness (inclusive of budget), Conformity of proposal in response to the requirements.

The selection committee consisted of city staff members, Kim Moultrie, Natasha Pitts, Darwin Simpson, Mitch Kennedy, and Partners for Active Living Director, Laura Ringo.

Staff established a budget of \$150,000 for the services. All proposals submitted were within budget (ranging from \$149,096 - \$150,000) and the committee selected the proposal of Churchich Recreation.

Staff requested 2 additional bay of swings and the airplane rider to the Churchich Recreation proposal, with a final proposal cost of \$156,044.

No proposals were submitted from MWBE Firms.

### **ACTION REQUESTED:**

Allow staff to accept the proposal and authorize the City Manager to enter into a contract with Churchich Recreation

### **BUDGET AND FINANCIAL DATA:**

\$156,044 from Capital Project – GP1272



# Spartanburg Playground



Custom products are shown as conceptual.



# Spartanburg Playground



# Spartanburg Playground



Custom products are shown as conceptual.







## REQUEST FOR CITY COUNCIL ACTION

**TO:** Ed Memmott, City Manager  
**FROM:** Dennis R. Locke, Finance Director  
**SUBJECT:** Capital Lease Financing  
**DATE:** August 9, 2017

### BACKGROUND:

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 are then made throughout the year.

Due in part to very low interest rates in recent years, staff had 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.

### ACTION REQUESTED:

Staff is recommending the replacement of 14 Police Vehicles, 1 Fire Vehicle, 5 vehicles and 7 various pieces of equipment for Public Services, 1 Vehicle Parks & Recreation, 1 Vehicle for Inspections, 1 Vehicle Property Maintenance, 1 Vehicle Building Maintenance.

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 AND FINANCIAL DATA:

The total will not exceed \$2,550,000 inclusive of closing costs. This amount may be reduced pending final review of acquisition specifications.

ORDINANCE NO. \_\_\_\_\_

AUTHORIZING THE CITY OF SPARTANBURG, SOUTH CAROLINA, TO EXECUTE AND DELIVER AN EQUIPMENT LEASE PURCHASE AGREEMENT IN AN AMOUNT NOT EXCEEDING \$2,550,000 BETWEEN THE CITY AND THE LESSOR THEREOF TO DEFRAY THE COST OF ACQUIRING CERTAIN EQUIPMENT; AND OTHER MATTERS RELATING THERETO.

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

SECTION 1. Findings and Determinations. The City Council (the “Council”) of the City of Spartanburg, South Carolina, hereby finds and determines:

(a) The City of Spartanburg, South Carolina (the “City”), is an incorporated municipality located in Spartanburg County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution and the laws of this State.

(b) Section 5-7-40 of the Code of Laws of South Carolina, 1976, as amended (the “S.C. Code”), empowers all municipalities to own and possess real and personal property and such municipalities may lease any such property.

(c) The City desires to enter into a lease-purchase agreement (the “Lease Agreement”) with a bank or other financial institution selected by the City Manager for the purpose of financing the acquisition of equipment (the “Equipment”) to replace the equipment set forth on Exhibit A hereto.

(d) The Lease Agreement will not constitute a “financing agreement” and the Equipment will not constitute an “asset” as such terms are defined in Section 11-27-110 of the S.C. Code. Thus, the amount of the Lease Agreement will not be included when calculating the City’s constitutional debt limit under Article X, Section 14 of the Constitution of the State of South Carolina.

(e) The Lease Agreement will be subject to annual appropriation by the Council.

(f) It is in the best interest of the City to acquire the Equipment by entering into the Lease Agreement. The Lease Agreement will enable the City to purchase the Equipment which will provide services necessary or useful to the operations of the City government.

SECTION 2. Approval of Lease/Purchase Financing; Delegation of Authority to Determine Certain Matters Relating to the Lease/Purchase Financing. The Equipment shall be acquired pursuant to a lease purchase financing which is hereby approved in a principal amount of not exceeding \$2,550,000. A Request for Proposals in substantially the form set forth as Exhibit B hereto shall be distributed to various banks and other financial institutions in the City and other areas as the City’s Finance Director determines. Without further authorization, the Council hereby authorizes the City Manager to: (a) determine the payment schedule under the Lease Agreement;

(b) determine the date and time for receipt of bids under the Request for Proposals; (c) award the sale of the lease-purchase financing to the bidder (the “Bidder”) who submits the proposal determined to be the most advantageous to the City in accordance with the terms of the Request for Proposals; and (d) make changes to the quantity, cost or description of the Equipment.

SECTION 3. Approval of Lease Agreement. Without further authorization, the City Manager is authorized to approve the form, terms and provisions of the Lease Agreement proposed by the Bidder. The City Manager is hereby authorized, empowered and directed to execute, acknowledge and deliver the Lease Agreement in the name and on behalf of the City. The Lease Agreement is to be in the form as shall be approved by the City Manager, the City Manager’s execution thereof to constitute conclusive evidence of such approval.

SECTION 4. Execution of Documents; Written Procedures. The Mayor, Mayor Pro Tempore, City Manager, Finance Director, City Attorney and Municipal Clerk are fully empowered and authorized to take such further action and to execute and deliver such additional documents as may be reasonably requested by the Bidder to effect the delivery of the Lease Agreement, including any project fund or acquisition fund agreement, or any payment or draw request thereunder, in accordance with the terms and conditions therein set forth, and the transactions contemplated hereby and thereby, and the action of such officers in executing and delivering any of such documents, in such form as the Mayor or City Manager shall approve, is hereby fully authorized. In addition, the City Manager and the Finance Director are further authorized to adopt written procedures on behalf of the City to ensure the City’s compliance with federal tax matters relating to the Lease Agreement.

SECTION 5. Federal Tax Covenant. The City, as lessee, agrees and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest components of the payments to be made under the Lease Agreement to become includable in the gross income of the Bidder or its successors or assignees for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the “Code”) and regulations promulgated thereunder in effect on the date of original issuance of the Lease Agreement, and that it will comply with all applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder, to maintain the exclusion from gross income for federal income tax purposes of the interest portion of the payments to be made under the Lease Agreement; and to that end the City shall:

- (a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as the Lease Agreement is outstanding;
- (b) establish such funds, make such calculations and pay such amounts in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and
- (c) make such reports of such information at the times and places required by the Code.

The City will timely file Form 8038-G in accordance with the applicable regulations of the Internal Revenue Service.

SECTION 6. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, the City covenants that it will file or cause to be filed with a central repository for further availability in the secondary bond market when requested: (a) a copy of the annual audit of the City within thirty (30) days of the City's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which, in the opinion of the City, adversely affects more than five (5%) of the City's revenue or its tax base.

SECTION 7. Severability. All ordinances, orders, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the execution of the Lease Agreement are, to the extent of such conflict, hereby repealed.

SECTION 8. Effective Date. This Ordinance shall be effective upon its enactment.

[Execution Page Follows]

DONE AND RATIFIED this 28<sup>th</sup> day of August, 2017.

CITY OF SPARTANBURG, SOUTH  
CAROLINA

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MAYOR

(SEAL)

ATTEST:

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CITY CLERK

Date of First Reading: August 14, 2017

Date of Second Reading: August 28, 2017

This Ordinance has been reviewed by me and is hereby approved as to form and legality.

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City Attorney, City of Spartanburg, South Carolina

Execution Page

EXHIBIT A

List of Equipment to be Replaced

[see attached]

**Equipment Replacement Fund  
Vehicle & Rolling Stock / Equipment Requests  
To Be Financed thru Capital Financing  
FY 2017 - 2018**

<u>Department / Division</u>	<u>Vehicle / Equip. Number</u>	<u>Model Year</u>	<u>Model or Manufacturer</u>	<u>Description</u>	<u>Estimated Cost FY 2017 - 2018</u>
Property Maintenance Insp.	Veh# 2	2002	Ford	Taurus	25,000
Inspections	Veh# 313	2001	Ford	F-150 Pickup Truck	27,000
Building Maintenance	Veh# 227	1997	Ford	F-250 Pickup Truck	30,000
Police / Chief's Office	Veh# 731	2008	Chevrolet	Impala	38,500
	Veh# 756	2011	Chevrolet	Impala	38,500
					77,000
Police / Patrol	Veh# 213	2003	Ford	F-250 Pickup Truck	60,000
	Veh# 734	2009	Ford	Crown Vic	60,000
	Veh# 735	2009	Ford	Crown Vic	60,000
	Veh# 736	2009	Ford	Crown Vic	60,000
	Veh# 737	2009	Ford	Crown Vic	60,000
	Veh# 739	2009	Ford	Crown Vic	60,000
					360,000
Police / Investigations	Veh# 709	2007	Chevrolet	1WS19 Impala	38,500
	Veh# 716	2007	Chevrolet	CG33503 Expr Van (Forensic)	42,000
	Veh# 723	2008	Ford	Crown Vic	38,500
	Veh# 730	2008	Chevrolet	Impala	38,500
	Veh# 732	2008	Chevrolet	Impala Sedan	38,500
	Veh# 733	2008	Chevrolet	Impala Sedan LT	38,500
					234,500
Fire / Fire Suppression	Veh# 223	2000	Central States Apparatus	Fire Truck	765,000
Grounds Maintenance	Veh# 43	2002	New Holland	w/Flail Mower Tractor	37,000
	Veh# 567	2007	John Deere	Gator TX, Green, Lawn Equipment	22,000
	Veh# 574	2008	Ford	F-150 Pickup Truck	42,000
	Veh# 577	2009	Toro	62" Groundsmaster	15,000
	Veh# 576	2009	Kubota	60" Zero Mower	15,000
					131,000
Traffic Engineering	Veh# 427	2005	Ford	F150 4x4 Pickup Truck	27,000
Street Maintenance	Veh# 96	1991	Case	780-D Backhoe Grader	120,000
	Veh# 410	1999	Bobcat	863	52,000
					172,000
Solid Waste	Veh# 122	2000	Sterling Truck	White Clamshell	168,411
	Veh# 130	1997	Ford	Rear Load Garage Truck	151,895
	Veh# 845	2011	Mack	Automizer Sider Loader Sanitation Truck	290,753
	Veh# 891	2007	Ford	F-150XL 4x4 Cab 155	27,000
					638,059
PRSE	Veh# 259	2002	Ford	Taurus Sedan	28,000
					28,000
				<b>GRAND TOTAL</b>	<b>\$ 2,514,559.00</b>

\* These items will be replaced after July 1, 2017.

EXHIBIT B

Form of Request for Proposals

REQUEST FOR PROPOSALS

City of Spartanburg, South Carolina  
Equipment Lease Purchase Financing, 2017  
Bid Number: Proposal No. \_\_\_\_\_

Response Due: \_\_\_\_\_, 2017  
12:00 Noon, South Carolina Time

---

NOT BANK-QUALIFIED

---

The City of Spartanburg, South Carolina (the “City”), is requesting proposals from various banks and financial institutions for not exceeding \$\_\_\_\_\_ tax-exempt lease purchase financing to defray the costs of acquisition of certain equipment as described herein. The City invites interested parties to submit a proposal to finance the equipment by specifying a rate of interest and other conditions for such financing.

Mailed or Hand Delivered Bids: Each mailed or hand delivered proposal shall be enclosed in a sealed envelope marked “Proposal for 2017 Equipment Lease Purchase” and should be mailed or delivered to:

Carl Wright  
Purchasing Manager  
City of Spartanburg  
145 West Broad Street  
Post Office Box 1749  
Spartanburg, South Carolina 29304  
Telephone: 864.596.2049

Facsimile Bids: The City will accept the facsimile transmission of a proposal at the risk of the bidder. The City shall not be responsible for the confidentiality of proposals submitted by facsimile transmission. Any delay in receipt of a facsimile proposal, and any incompleteness or illegible portions of such proposal are the responsibility of the bidder. Proposals by facsimile should be transmitted to the attention of Mr. Carl Wright, Property and Procurement Manager, fax number: 864.596.2365.

E-Mail Bids: Electronic proposals may be e-mailed to the attention of Carl Wright at e-mail address: [cwright@cityofspartanburg.org](mailto:cwright@cityofspartanburg.org), with a copy to [bnorris@mcnair.net](mailto:bnorris@mcnair.net).

PROPOSALS MAY BE DELIVERED BY HAND, BY MAIL, BY E-MAIL OR BY FACSIMILE TRANSMISSION, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE CITY AT THE PLACE, DATE AND TIME APPOINTED, AND THE CITY SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR RESULTING FROM THE SELECTION BY ANY BIDDER OF ANY PARTICULAR MEANS OF DELIVERY OF BIDS.

Please note that this Request for Proposals is also being sent to a number of other institutions as well and that the City reserves the right to select the proposal determined to be the most advantageous to the City in its sole discretion. The selection process will be heavily weighted toward lowest financing costs; however, lowest financing cost is not the only factor that may be considered by the City. The City reserves the right to reject any or all bid proposals as well as negotiate with the lowest responsive bidder.

The City requests that each bidder reference the following bid number in its proposal for the Lease/Purchase financing: Bid Number: Proposal No. \_\_\_\_\_.

I. Terms and Conditions

- (a) Equipment: The equipment to be financed by the lease is described and designated as having a five or ten year amortization period on Exhibit A attached hereto (respectively, “Five Year Equipment” and “Ten Year Equipment”). Five Year Equipment will be released from the lien of the lease on \_\_\_\_\_, 20\_\_ (the “Five Year Release Date”).
- (b) Amount to be Financed: The amount to be financed will not exceed \$\_\_\_\_\_. It is anticipated that the total amount to be financed will be \$\_\_\_\_\_, which amount will be allocated as follows:

Five Year Equipment
Ten Year Equipment
_____
<u>Total</u>

After the receipt of proposals, the City reserves the right, in its sole discretion, to adjust the principal amount of the lease attributable to Five Year Equipment and/or Ten Year Equipment by up to ten percent (10%); provided, however, that the aggregate principal amount of the lease financing shall not exceed \$\_\_\_\_\_. A bid for less than the total principal amount of the lease will not be considered.

- (c) Payments: Bidders may submit a bid with a single, fixed rate of interest for both Five Year Equipment and Ten Year Equipment, or may submit a bid with different fixed rates of interest with respect to Five Year Equipment and Ten Year Equipment. With respect to Five Year Equipment, the City will make ten (10) approximately equal principal and interest payments to the Lessor payable semi-annually on April 1 and October 1 of each year commencing April 1, 20\_\_ and ending October 1, 20\_\_. With respect to Ten Year Equipment, the City will make

twenty (20) approximately equal principal and interest payments to the Lessor payable semi-annually on April 1 and October 1 of each year commencing April 1, 20\_\_ and ending October 1, 20\_\_. It is preferred that the City make one combined semi-annual payment of principal and interest on each of the semi-annual payment dates set forth above with respect to Five Year Equipment and Ten Year Equipment.

- (d) Interest. Bidders may submit a bid containing one single fixed rate of interest for the total principal amount of the lease of all equipment, or may submit a bid for the total principal amount of the lease containing different fixed rates of interest with respect to the principal amounts allocated to Five Year Equipment and Ten Year Equipment as described above. Bids containing variable rates of interest will be rejected by the City. Unless otherwise designated by a bidder interest on the lease will be calculated based on a 360-day year comprised of twelve 30-day months.

**Bids containing rates of interest which may adjust upon the occurrence of specified events, including changes in the Internal Revenue Code, changes in the bidder's capital requirements or cost of capital, or for any other reason (other than loss of tax exemption due to the actions or omissions of the City) will be rejected.**

- (e) Guarantee of Interest Rate: The interest rate, costs and other terms of the bid submitted must be guaranteed from the date of your proposal to the closing date (expected to be on or about \_\_\_\_\_, 2017).
- (f) Form of Equipment Lease/Purchase Agreement: A bidder's proposed form of lease agreement ("Lease Agreement") should be provided to the City's special counsel within three (3) business days of the award of the successful proposal.
- (g) Non-appropriation: A non-appropriation provision acceptable to the City must be included in the Lease Agreement. Any and all amounts due, including, but not limited to, scheduled lease payments, reimbursements, penalties and fees under the Lease Agreement or any escrow agreement relating to an Acquisition/Escrow Account (as defined below), must be subject to annual appropriation by the City.
- (h) Non-substitution: A non-substitution provision is not permitted to be included in the Lease Agreement.
- (i) Deficiency Judgment: No deficiency judgment can be assessed or imposed against the City nor will the full faith, credit and taxing power of the City be pledged to the payment of the Lease Agreement.
- (j) Title: Title to the equipment will be in the name of the City subject to the bidder's rights under the Lease Agreement. Upon the closing of the Lease Agreement, the successful bidder shall be responsible for taking all actions it deems necessary to impose its lien upon or perfect any security interest in the Equipment. The Lease Agreement must allow the City to dispose of certain equipment in its sole discretion prior to the termination of the Lease Agreement provided the value of the remaining

items of equipment is not less than the outstanding principal balance of the Lease Agreement at the time of such disposition.

- (k) Acquisition Account: The City will require the successful bidder to transfer by Federal funds the full amount of this financing on the date of the closing. If a bidder requires that the acquisition or escrow account (the “Acquisition/Escrow Account”) be held by it or its designee, the bidder must so indicate on its proposal (including any fees required thereunder). Otherwise, the City retains the right to designate a bank to act as custodian of the Acquisition/Escrow Account. Interest earnings in the Acquisition/Escrow Account must accrue to the City. Payments therefrom may be made either to the City as reimbursement for prior expenditures or directly to the equipment vendor for payment of the equipment as directed by the City. Without limitation of the foregoing, funds on deposit in the Acquisition/Escrow Account must be made available upon request of the City for periodic partial payments to equipment vendors for the manufacture and/or assembly of equipment prior to delivery and acceptance of such equipment by the City. In such cases, funds will be paid to the City as reimbursement for prior expenditures, or directly to the equipment vendor, as directed by the City.
- (l) Costs of Issuance: All such costs relating to the preparation of the Lease Agreement and fees of special counsel will be paid by the City. Any fees and costs of the bidder to be paid by the City must be stated in the response to this Request for Proposals. The Lease Agreement must allow the City to pay its legal fees and costs related to execution and delivery of the Lease Agreement out of the proceeds of the Lease Agreement.
- (m) Insurance: The City provides insurance through the South Carolina Municipal Insurance and Risk Financing Fund for equipment/personal property. The equipment will be insured in a similar manner at face value. The lessor may be listed as a loss-payee, but may not be listed as an additional insured under the City’s insurance arrangement with the South Carolina Municipal Insurance and Risk Financing Fund.
- (n) Closing: The City expects to accept the successful proposal on \_\_\_\_\_, 2017, and close the transaction on or about \_\_\_\_\_, 2017.
- (o) Lease Agreement Not Designated as Qualified Tax-Exempt Obligation: The City will not designate the Lease Agreement as a “qualified tax-exempt obligation” for purposes of Section 265 of the Internal Revenue Code of 1986, as amended (the “Code”) relating to the ability of financial institutions to deduct from income for federal income tax purposes interest expense that is allocable to carrying and acquiring tax-exempt obligations.
- (p) Redemption: Unless otherwise specifically provided in a bidder’s proposal and agreed to by the City, the Lease Agreement will be subject to prepayment at the option of the City in whole or in part at any time without any prepayment penalty.

## II. Form of Proposal

- (a) The proposal must be in writing. It is preferred that a bidder's proposal not be subject to further credit or underwriting approval.
- (b) No proposal may be modified by a bidder after it has been submitted.
- (c) Proposals should include: the name, address, telephone number of your institution; the primary contact; and identity of legal counsel, if any.
- (d) Proposals must be accompanied with a list of all requirements and conditions associated with its bid.
- (e) Proposals must indicate a single fixed interest rate for the lease term. It is requested that proposals include an amortization schedule showing annual payment amounts for the term of the financing.
- (f) Proposals must provide full disclosure of all financing costs, including any closing, legal, and tax opinion charges.
- (g) Any prepayment penalty or other fee requirements should be detailed in the proposal.

## III. Evaluation of Proposals and Award

The Lease Agreement may be awarded to the bidder that provides the most advantageous proposal, as determined by the City in its sole and absolute discretion. After the proposals are received, they will be evaluated by the officials of the City based on various factors, including, but in no way limited to, the interest rate, redemption terms, additional credit or underwriting approval, additional covenants and terms, if any, and other conditions set forth therein. The City reserves the right to reject any and all bids or to waive irregularities in any proposal. The City expects to accept the successful proposal on \_\_\_\_\_, 2017.

IV. Legal Opinions. The execution and delivery of the Lease Agreement is subject to the respective opinions of the McNair Law Firm, P.A., Special Counsel, and the City Attorney, Cathy Hoefer McCabe, Esquire.

V. Tax Exemption and Other Tax Matters. The Code, and the Treasury Regulations promulgated thereunder, include provisions that relate to tax exempt obligations, such as the Lease Agreement, including, among other things, permitted uses and investment of the proceeds of the Lease Agreement and the rebate of certain net arbitrage earnings from the investment of such proceeds to the United States Treasury. Noncompliance with these requirements may result in interest paid under the Lease Agreement becoming subject to federal income taxation retroactive to the date of issuance of the Lease Agreement. The City has covenanted to comply with the requirements of the Code to the extent required to maintain the exclusion of interest on the Lease Agreement from gross income for federal tax purposes. Failure of the City to comply with these covenants could cause the interest on the Lease Agreement to be taxable retroactively to its date of issuance.

The Code imposes an alternative minimum tax on a taxpayer's alternative minimum taxable income. Interest on the Lease Agreement is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however such interest will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Lease Agreement may affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Prospective purchasers of the Lease Agreement should be aware that ownership of the Lease Agreement may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers otherwise entitled to claim the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Lease Agreement. Special Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Lease Agreement should consult their tax advisors as to collateral federal income tax consequences.

Special Counsel will not undertake to determine (or to inform any person) whether any action taken (or not taken) or event occurring (or not occurring) after the date of issuance of the Lease Agreement may affect the tax status of interest on the Lease Agreement. In rendering its opinion, Special Counsel will rely upon certificates and representations of the City with respect to certain material facts solely within the knowledge of the City relating to the application of the proceeds of the Lease Agreement.

VI. Investment Letter. The lessor will be requested to execute a letter to the City in substantially the form submitted with this Request for Proposals.

VII. Additional Information

Persons seeking additional information should communicate with:

Dennis R. Locke, CGFO  
Finance Director  
City of Spartanburg, South Carolina  
Phone: 864.596.2059  
E-mail: dlocke@cityofspartanburg.org

Brandon T. Norris, Esquire  
Special Counsel  
McNair Law Firm, P.A.  
Phone: 864.271.4940  
E-Mail: bnorris@mcnair.net

Michael W. Burns, Esq.  
Special Counsel  
McNair Law Firm, P.A.  
Phone: 864.271.4940  
E-Mail: mburns@mcnair.net

CITY OF SPARTANBURG, SOUTH CAROLINA

Dated: \_\_\_\_\_, 2017

Exhibit A  
Equipment





## REQUEST FOR CITY COUNCIL ACTION

**TO:** Ed Memmott, City Manager

**FROM:** Martin Livingston, Neighborhood Services Director

**SUBJECT:** Resolution Authorizing an Application for a CDBG Section 108 Loan Guarantee for the Northside Mixed Use Development

**DATE:** August 14, 2017

### BACKGROUND:

The Northside Development Corporation (NDC), is a 501(c)3 non-profit organization focused on the redevelopment of the Northside. The NDC is involved in various Northside projects including the Franklin School, Brawly Street Model Block, Butterfly Creek Linear Park, and owner-occupied housing rehabilitation. The NDC has also been seeking the development of a mixed use project that would provide new commercial space and apartments for the Northside. The NDC has now reached tentative agreement with a private entity to jointly develop a mixed use project.

The project will be located on the northeast corner of the intersection of Howard and College Streets. It will include 20 apartments, 10,000 sq. ft. of medical space (VCOM), 6,000 sq. ft. of space for the NDC, and housing units (16 beds) for Wofford College's Sustainability Program. Total project costs will exceed \$10 million. The project is consistent with the Northside Transformation Plan approved by Council on January 26, 2015.

Project funding will come from a variety of sources including New Markets Tax Credits, private funding, and debt. As an economic development project, it is eligible for support using the Section 108 Community Development Block Grant Loan Program. Under the 108 program, eligible CDBG recipients may apply for a loan from the United States Department of Housing and Urban Development (HUD). If the application is approved, HUD will make a loan to the grantee. The grantee (City) can then "re-loan" the loan proceeds in support of an eligible project.

For this project, the NDC would form a partnership with Spartanburg Housing Partners. That entity would borrow Section 108 funds from the City. The City would secure its loan with a mortgage against the project and with a pledge of other collateral. The City will be required to pledge its future CDBG grants as loan collateral to HUD. Loan repayments to the City from the project developer will be used to repay the HUD loan. Section 108 funds are available at favorable interest rates. This lower cost of capital and the flexibility afforded by the 108 program make the Northside Project financially feasible.

The City utilized the Section 108 program as part of the Marriott Hotel project financing. That loan has been fully repaid.

**ACTION REQUESTED:**

Approval of resolution authorizing the City Manager to take action necessary to apply for a CDBG Section 108 Loan.

**BUDGET & FINANCIAL DATA:**

\$3,000,000 in CDBG Section 108 loan guarantees.

**A RESOLUTION  
AUTHORIZING AN APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT THROUGH SECTION 108 OF THE HOUSING AND COMMUNITY  
DEVELOPMENT ACT.**

WHEREAS, the City of Spartanburg desires to assist the Northside community with implementation of the Northside Transformation Plan and the Northside Mixed Use Development; and

WHEREAS, the City has determined that an application to the Section 108 Loan Program will provide an effective financing tool to support this important project; and

WHEREAS, the City of Spartanburg held a public Hearing on Thursday, June 29, 2017, to receive comments on the proposed CDBG 108 Loan Guarantee application.

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

Section 1. The City of Spartanburg possesses the legal authority to submit an application through Title 1, Section 108, of the Housing and Community Development Act of 1974, as amended.

Section 2. The City desires to borrow \$3,000,000.00 to fund the eligible activities in the Northside Mixed Use Development.

Section 3. The City certifies the use of the Section 108 proceeds in accordance with regulatory requirements and pledges future Community Development Block Grant entitlement funds and additional CDBG program income to service debt payments on the Section 108 loan.

Section 4. The Mayor, on behalf of the City of Spartanburg, is authorized to sign the Section 108 application, any amendments thereto and any understandings and assurances therein, for the Northside Mixed Use Development. The Mayor is authorized to execute such documents as may be required in order to implement the application and issue debt obligations pursuant thereto.

Section 5. The City Manager is authorized to act as the official representative of the City of Spartanburg in connection with the application and provide additional information as may be required.

Section 6. This Resolution is adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Connie S. McIntyre, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Cathy Hoefler McCabe, City Attorney

**NORTHSIDE DEVELOPMENT GROUP**  
**New Market Tax Credit – Mixed Use Development**  
**CDBG Section 108 Loan Program**

**SUMMARY**

**Name of Program:** CDBG Section 108 Loan Guarantee Program.

**Project Example:** Marriot Hotel on the Corner of North Church and Magnolia Street.

**Funding Agency:** U.S. Department of Housing and Urban Development (HUD).

**Funding Available:** \$ 3,010,000 Loan Guarantee requiring a repayment source.

**Eligible Applicants:** Communities that receive an annual allocation of CDBG Funds.

**Program Objective:** A source of financing for community and economic development, housing rehabilitation, public facilities rehab, construction or installation for the benefit of low- to moderate-income persons. Typically funding source of last resort.

**Eligible Tenants:** Northside Development Group, Edward Via College of Osteopathic Medicine, Spartanburg Regional Healthcare System (AccessHealth).

**Other Components:** Twenty (20) Units of Mixed Income Housing (15 Market and 5 affordable) / Wofford College Sustainability Program – these components may be ineligible for 108 loan funding.

**Income Source:** Tenant payments from the housing and other public facilities/partners.

**Other Pertinent Information:**

- \$10 Million mixed use development designed to enhance the Northside community.
- Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program.
- Provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects.
- Can transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. In most cases five times the annual CDBG allocation of the City (\$605,000 X 5 = 3,010,000).
- Must benefit low and moderate income residents or located in a low and moderate income area based on census data – Northside qualifies for area benefit.
- Investor financing with HUD guarantees.
- Developer required to provide collateral and guarantee of repayment.
- Biannual payments to the City which are returned to HUD.
- Requires update of the City's Consolidated Plan and Annual Action Plan.



**CDBG Section 108 Loan Guarantee  
Northside  
Mixed Use Development**

**City Council Meeting**

**Monday, August 14, 2017**

# SECTION 108 SUMMARY

- Important Development Tool
  - Wide range of eligible uses
  - Addresses CDBG national objectives
  - Non-competitive and rolling process
  - Leverages scarce resources
    - \$5 for every \$1 of CDBG
    - if underwritten properly, will not be a drain to CDBG program
  - Important source of funding for larger projects
  - Flexible repayment schedule
  - Long-term, reasonably priced financing



# HOW CAN SECTION 108 LOAN FUNDS BE USED?

- Real property acquisition
- Rehabilitation of publicly owned real property
  - Relocation
  - Clearance/demolition
  - Site preparation
- Housing rehabilitation
- Economic development
- Public facilities/improvements
- Issuance costs
- Interest costs
- Debt service reserves



# KEY SECTION 108 STEPS

**Screen potential project**



**Underwrite project**



**Apply to HUD for loan guarantee**



**Receive approval from HUD and close loan**



**Disburse and service loan**



# NATIONAL OBJECTIVES

- Any national objective is possible, depending on purpose of Section 108-assisted development

**LOW/MOD BENEFIT**

- ❖ Job creation/retention
- ❖ Area Benefit
- ❖ Limited Clientele

**SLUM/BLIGHT**

- ❖ Area
- ❖ Spot

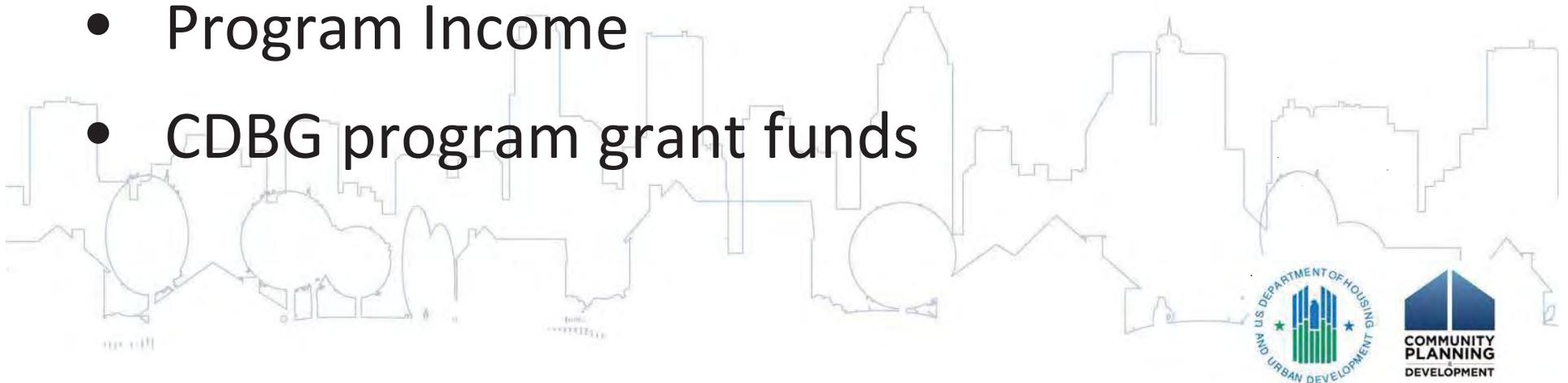
**URGENT NEED**



# SOURCES OF REPAYMENT OF SECTION 108 LOANS

Examples include:

- Payments from third-party borrowers
- Tax Increment Financing (TIF) revenues
- Program Income
- CDBG program grant funds



# PROJECT BASED SECURITY

Examples include:

- Lien on real property (in name of HUD Secretary) based on appraised value
- Tax increment revenues
- Assignment of interest on third-party (e.g., business) loans
- “Additional Security” (negotiated on a case-by-case basis)



# FORMS OF ADDITIONAL SECURITY

Examples include:

- Assets created from use of Section 108 guaranteed loan (project-based security)
- Real Property
- Portfolio income
- Equipment
- Parking revenue
- Special tax revenue



# Tenants / Development Concept

**Northside Development Group**

**Spartanburg Housing Partners, LLC**

**Edward Via College of Osteopathic Medicine**

**Access Health / Spartanburg Regional**

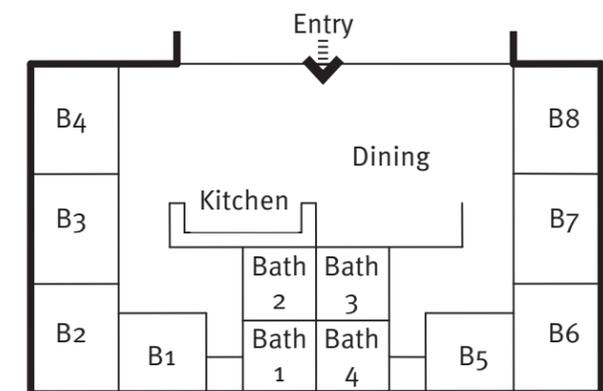
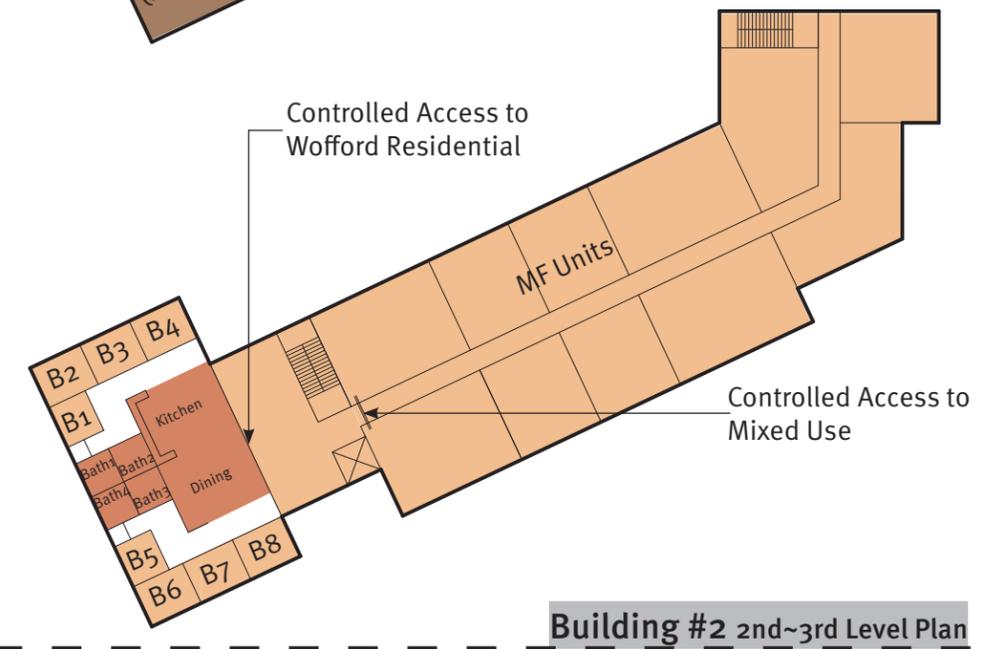
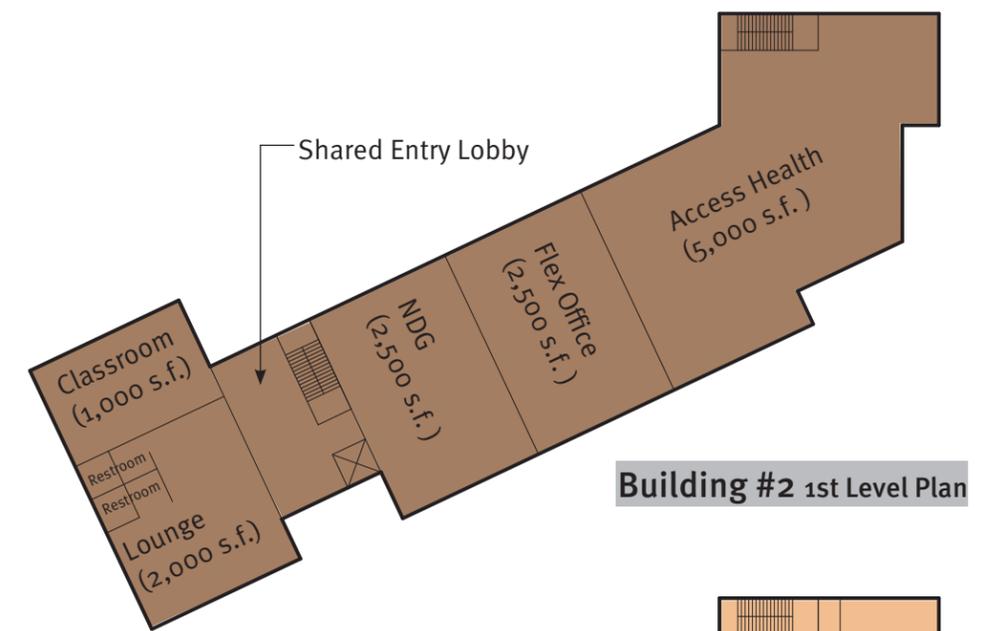
**Wofford College**

**Mixed Income Housing Development**

**Office Space**

**Student Training Medical Clinic**





Northside  
 Spartanburg, SC



Conceptual Site Plan  
 Scale 1" = 100' - 0"

03.12.2017 | 2016060.00 | ZZ  
 Copyright © JHP 2017  
 Not for Regulatory Approval, Permit or Construction: Ron E. Harwick  
 Registered Architect of State of South Carolina, Registration No. 05084



View of Building #1 - VCOM Healcare



View of Building #2 - Mixed Use Building



View of Building #2 - Wofford Corner



Northside  
Spartanburg, SC



Perspective - 3

03.12.2017	2016060.00	ZZ
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Not for Regulatory Approval, Permit or Construction: Ron E. Harwick  
Registered Architect of State of South Carolina, Registration No. 05084



# Funding Sources

Source	Type	Amount
<b>Conventional Loan</b>	Loan Repayment	4,250,000
<b>Section 108</b>	Loan Repayment	3,000,000
<b>New Market Tax Credit Equity</b>	Deferred Loan	3,000,000
	<b>ESTIMATED TOTAL</b>	<b>10,250,000</b>



# Other Federal Requirements

- Section 3
- Environmental Review
- Conflict of Interest
- Davis Bacon Requirements



# Timeline / Submission Process

## Action / Steps

- Published notice for 108 Loan Guarantee Funding
- Community Forum – Citizen Input
- Published Notice for City Council meeting
- 30 Day Comment Period
- City Council Meeting
- CDBG Loan Guarantee Application Submission

## Date

June 11

June 29

August 4

August 11

August 14

August 21



# Comments:

Neighborhood Services  
City Of Spartanburg  
PO 1749

Spartanburg, SC 29304

[mlivingston@cityofspartanburg.org](mailto:mlivingston@cityofspartanburg.org)

864-580-5323





## REQUEST FOR CITY COUNCIL ACTION

**TO:** Ed Memmott, City Manager

**FROM:** Patty Bock, Economic Development Director

**SUBJECT:** Quitclaim deed and closing of a 20' alley adjacent to and between multiple parcels near the intersection of E. Main and S. Pine Streets

**DATE:** August 9, 2017

**BACKGROUND:**

A development company is in the process of purchasing multiple parcels for a new mixed use development at the southeast corner of E. Main and S. Pine Streets. It was found that a 20-foot alley is referenced on several plats of these parcels. In order for the revitalization at this important intersection to occur, the city must quitclaim deed any ownership it may have and also authorize the closing of this alley. Staff believes that the alley is not needed and that it is in the best interest of the City for the development to take place, as it will also serve as a catalyst for future developments at this important gateway.

**ACTION REQUESTED:**

That Council by Ordinance, Resolution and Declaration quitclaim deed and close the 20' alley adjacent to and between multiple parcels near the intersection of E. Main and S. Pine Streets.

**BUDGET & FINANCIAL DATA:**

Not applicable.



## ***RESOLUTION***

DIRECTING THE CLOSING OF A 20-FOOT ALLEY ADJACENT TO AND BETWEEN MULTIPLE PARCELS NEAR THE INTERSECTION OF S. PINE AND E. MAIN STREETS AS SHOWN ON THE EXHIBIT MAP (EXHIBIT 1) AND DESCRIBED ON EXHIBIT 2.

WHEREAS, CAP East Spartanburg, LLC, a South Carolina limited liability company, is purchasing multiple parcels for a development project at E. Main and S. Pine Streets; and

WHEREAS, City of Spartanburg has requested the City Council to consider the closing of a 20-foot alley adjacent to and between multiple parcels near the intersection of S. Pine and E. Main Streets as shown on the Exhibit Map attached hereto as Exhibit 1 and described on Exhibit 2 attached hereto.

NOW, THEREFORE, THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF SPARTANBURG, IN COUNCIL ASSEMBLED DO HEREBY RESOLVE:

Section 1: That the 20-foot alley on S. Pine Street between 449 E. Main Street and 103 S. Pine Street and behind 449-453 E. Main Street, 103-117 S. Pine Street and two un-numbered parcels adjacent to 117 S. Pine Street is not needed or required for public use or convenience and it is in the best interest of the City and for the development of that area that said public road or public alley be closed.

Section 2: That the City acknowledges that there are, or may be, rights of way and easements for public utilities existing within the aforementioned 20-foot alley which is to be abandoned; any such rights of way or easements shall not be abridged or otherwise affected by the City's action in abandoning the aforesaid area as a public road or public alley.

Section 3: That after hearing the request, City Council has determined that the public interest would be best served by closing said aforementioned 20-foot alley as identified in Section 1 above, that there are adequate streets in the vicinity for public use.

Section 4: That City of Spartanburg has hereby determined and has hereby acknowledged that said aforementioned 20-foot alley identified in Section 1 above is hereby closed as a public road or public alley and abandoned by the City of Spartanburg. A Declaration of Road Closing shall be executed by the City Manager and City Clerk for the City and filed in the Register of Deeds Office for Spartanburg County.

Section 5: This Resolution shall be effective on the date of enactment.

This Resolution approved this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Junie L. White, Mayor.

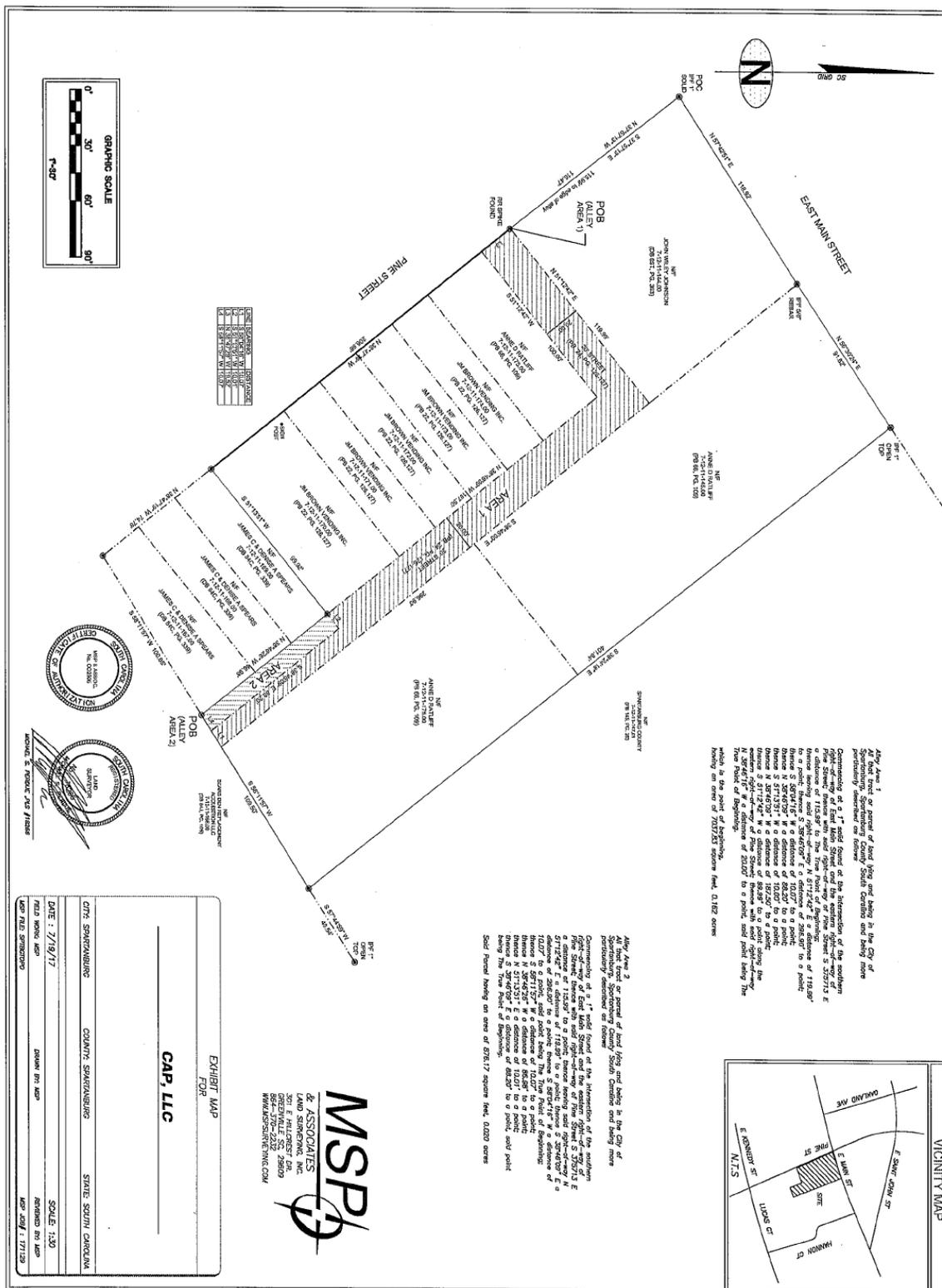
ATTEST:

\_\_\_\_\_  
Connie S. McIntyre, City Clerk.

APPROVED AS TO FORM:

\_\_\_\_\_  
Cathy Hofer McCabe, City Attorney.

Exhibit 1



Any Area 1  
 All that tract or parcel of land lying and being in the City of  
 particularly described as follows: Section 16, Township 18N, Range 10E,  
 County of Spangsbuurg, State of Wisconsin  
 Consisting of a 1" wide front of the intersection of the southern  
 right-of-way of East Main Street and the eastern right-of-way of  
 a distance of 112.53' to the True Point of Beginning of 110.00'  
 to a point, thence S 88°47'00" E a distance of 28.60' to a point,  
 thence S 58°24'16" W a distance of 102.07' to a point,  
 thence S 57°13'51" W a distance of 102.07' to a point,  
 thence S 57°49'42" W a distance of 88.22' to a point,  
 thence S 57°49'42" W a distance of 88.22' to a point,  
 thence S 57°49'42" W a distance of 88.22' to a point,  
 thence S 57°49'42" W a distance of 88.22' to a point,  
 which is the point of beginning,  
 being an area of 202,251 square feet, 0.1822 acres

Any Area 2  
 All that tract or parcel of land lying and being in the City of  
 particularly described as follows: Section 16, Township 18N, Range 10E,  
 County of Spangsbuurg, State of Wisconsin  
 Consisting of a 1" wide front of the intersection of the southern  
 right-of-way of East Main Street and the eastern right-of-way of  
 a distance of 112.53' to a point, thence bearing and right-of-way N  
 a distance of 28.60' to a point, thence S 88°47'00" E a distance of  
 102.07' to a point, and point being the True Point of Beginning  
 thence N 38°42'52" W a distance of 102.07' to a point,  
 thence N 38°42'52" W a distance of 102.07' to a point,  
 thence N 38°42'52" W a distance of 102.07' to a point,  
 which is the True Point of Beginning,  
 being the True Point of Beginning,  
 being an area of 878,117 square feet, 0.2020 acres

EXHIBIT MAP  
 FOR  
**CAP, LLC**

CITY: SPANGSBURG COUNTY: SPANGSBURG STATE: SOUTH CAROLINA

DATE: 7/19/17 DRAWN BY: M&P  
 FIELD WORK: M&P REVISION: 010 M&P  
 M&P FILE: SPANGSBURG

SCALE: 1:30  
 REVISION: 010 M&P  
 M&P FILE: 171139



## EXHIBIT 2

### Alley Area 1

All that tract or parcel of land lying and being in the City of Spartanburg, Spartanburg County South Carolina and being more particularly described as follows

Commencing at a 1" solid found at the intersection of the southern right-of-way of East Main Street and the eastern right-of-way of Pine Street; thence with said right-of-way of Pine Street S 375713 E a distance of 115.99' to The True Point of Beginning; thence leaving said right-of-way N 51°12'42" E a distance of 119.99' to a point; thence S 38°46'09" E a distance of 296.90' to a point; thence S 58°04'16" W a distance of 10.07' to a point; thence N 38°46'09" W a distance of 88.20' to a point; thence S 51°13'51" W a distance of 10.00' to a point; thence N 38°46'09" W a distance of 187.50' to a point; thence S 51°12'42" W a distance of 99.99' to a point along the eastern right-of-way of Pine Street; thence with said right-of-way N 38°46'16" W a distance of 20.00' to a point, said point being The True Point of Beginning.

Said Parcel having an area of 7037.83 square feet, 0.162 acres

### Alley Area 2

All that tract or parcel of land lying and being in the City of Spartanburg, Spartanburg County South Carolina and being more particularly described as follows

Commencing at a 1" solid found at the intersection of the southern right-of-way of East Main Street and the eastern right-of-way of Pine Street; thence with said right-of-way of Pine Street S 375713 E a distance of 115.99' to a point; thence leaving said right-of-way N 51°12'42" E a distance of 119.99' to a point; thence S 38°46'09" E a distance of 296.90' to a point; thence S 58°04'16" W a distance of 10.07' to a point, said point being The True Point of Beginning; thence S 58°11'57" W a distance of 10.07' to a point; thence N 38°46'26" W a distance of 86.98' to a point; thence N 51°13'51" E a distance of 10.01' to a point; thence S 38°46'09" E a distance of 88.20' to a point, said point being The True Point of Beginning.

Said Parcel having an area of 876.17 square feet, 0.020 acres



## ***DECLARATION***

DIRECTING THE CLOSING OF A 20-FOOT ALLEY ADJACENT TO AND BETWEEN MULTIPLE PARCELS NEAR THE INTERSECTION OF S. PINE AND E. MAIN STREETS AS SHOWN ON THE EXHIBIT MAP (EXHIBIT 1) AND DESCRIBED ON EXHIBIT 2.

WHEREAS, CAP East Spartanburg, LLC, a South Carolina limited liability company, is purchasing multiple parcels for a development project at E. Main and S. Pine Streets; and

WHEREAS, a 20-foot alley adjacent to and between multiple parcels near the intersection of S. Pine and E. Main Streets as shown on the Exhibit Map attached hereto as Exhibit 1 and described on Exhibit 2 attached hereto; and

WHEREAS, CAP intends to develop the majority of the parcels adjacent to the alley into one property alleviating the need for public access to the alley.

NOW, THEREFORE, THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF SPARTANBURG, IN COUNCIL ASSEMBLED DO HEREBY RESOLVE:

Section 1: That the 20-foot alley on S. Pine Street between 449 E. Main Street and 103 S. Pine Street and behind 449-453 E. Main Street, 103-117 S. Pine Street and two un-numbered parcels adjacent to 117 S. Pine Street is not needed or required for public use or convenience and it is in the best interest of the City and for the development of that area that said public road or public alley be closed.

Section 2: That the City acknowledges that there are, or may be, rights of way and easements for public utilities existing with the aforementioned unopened public right-of-way which is to be abandoned; any such rights of way or easements shall not be abridged or otherwise affected by the City's action in abandoning the aforesaid area as a public road or public alley.

Section 3: That after hearing the request, City Council has determined that the public interest would be best served by closing said alley identified in Section 1.

Section 4: That the City of Spartanburg has hereby determined and has hereby acknowledged that said 20-foot alley identified in Section 1 above is hereby closed as a public road or public alley by the City of Spartanburg and abandoned by the City of Spartanburg.





## EXHIBIT 2

### Alley Area 1

All that tract or parcel of land lying and being in the City of Spartanburg, Spartanburg County South Carolina and being more particularly described as follows

Commencing at a 1" solid found at the intersection of the southern right-of-way of East Main Street and the eastern right-of-way of Pine Street; thence with said right-of-way of Pine Street S 375713 E a distance of 115.99' to The True Point of Beginning; thence leaving said right-of-way N 51°12'42" E a distance of 119.99' to a point; thence S 38°46'09" E a distance of 296.90' to a point; thence S 58°04'16" W a distance of 10.07' to a point; thence N 38°46'09" W a distance of 88.20' to a point; thence S 51°13'51" W a distance of 10.00' to a point; thence N 38°46'09" W a distance of 187.50' to a point; thence S 51°12'42" W a distance of 99.99' to a point along the eastern right-of-way of Pine Street; thence with said right-of-way N 38°46'16" W a distance of 20.00' to a point, said point being The True Point of Beginning.

Said Parcel having an area of 7037.83 square feet, 0.162 acres

### Alley Area 2

All that tract or parcel of land lying and being in the City of Spartanburg, Spartanburg County South Carolina and being more particularly described as follows

Commencing at a 1" solid found at the intersection of the southern right-of-way of East Main Street and the eastern right-of-way of Pine Street; thence with said right-of-way of Pine Street S 375713 E a distance of 115.99' to a point; thence leaving said right-of-way N 51°12'42" E a distance of 119.99' to a point; thence S 38°46'09" E a distance of 296.90' to a point; thence S 58°04'16" W a distance of 10.07' to a point, said point being The True Point of Beginning; thence S 58°11'57" W a distance of 10.07' to a point; thence N 38°46'26" W a distance of 86.98' to a point; thence N 51°13'51" E a distance of 10.01' to a point; thence S 38°46'09" E a distance of 88.20' to a point, said point being The True Point of Beginning.

Said Parcel having an area of 876.17 square feet, 0.020 acres



AN ORDINANCE

TO AUTHORIZE THE CITY TO QUITCLAIM DEED  
ALLEY PROPERTY NEAR E. MAIN AND S. PINE TO THE  
ADJACENT PROPERTY OWNERS – DEVELOPER, CAP EAST  
SPARTANBURG, LLC, AND TO JAMES C. & DENISE A. SPEARS

WHEREAS, CAP East Spartanburg, LLC, a South Carolina limited liability company, (the “Developer”) and its affiliates, have been successful in other city development projects and Developer is purchasing multiple parcels for a development project at E. Main and S. Pine Streets (“Project”); and

WHEREAS, a 20-foot alley is referenced on several plats and from time-to-time was used for access between property lines of some of the individual properties; and

WHEREAS, for the purposes of the Project, all of the individual properties now affected by the alley will be owned by the Developer except for three parcels which are owned by the same property owners, James C. and Denise A. Spears; and

WHEREAS, the Developer has requested the City to execute two quitclaim deeds to clarify ownership of the alley property for the Project which will allow the development of a larger area while allowing the remaining property owners to still have access to their properties.

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

Section 1. To authorize the City to quitclaim any ownership it may have in the 20-foot alley property in Area 1 shown on the Exhibit Map (attached hereto as Exhibit 1) to the Developer.

Section 2. To authorize the City to quitclaim any ownership it may have in the 20-foot alley property in Area 2 shown on the Exhibit Map (Exhibit 1) to James C. Spears and Denise A. Spears.

Section 3. The quitclaim conveyances shall be made by the City within ten (10) days of CAP purchasing the other properties referenced/shown on the Exhibit Map (Exhibit 1).

Section 4. This Ordinance shall become effective upon the date of enactment.

DONE AND RATIFIED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

---

MAYOR

ATTEST:

---

CITY CLERK

APPROVED AS TO FORM:

---

CITY ATTORNEY

\_\_\_\_/\_\_\_\_/\_\_\_\_ 1st Reading

\_\_\_\_/\_\_\_\_/\_\_\_\_ 2nd Reading







## REQUEST FOR CITY COUNCIL ACTION

**TO:** Ed Memmott, City Manager

**FROM:** Patty Bock, Economic Development Director

**SUBJECT:** Requested Approval of Development Agreement and Resolution to Support the Renovation, Reuse and Eligibility of Special Assessment for Rehabilitated Historic Property of 600 Magnolia Street

**DATE:** August 9, 2017

600 Magnolia Street is an important structure in the Northside. Originally built in 1915 as an educational institution, it is still known as the Fremont School. Recently Fremont Owner, LLC, a corporation out of Albany, Georgia purchased the now vacant building for the purpose of renovating and restoring the property into 41 market rate apartments. The process is being conducted under the supervision of the SC State Office of Historic Preservation ensuring that work is conducted according to appropriate preservation standards. The Development Agreement requires the Developer to expend a minimum of \$3.5 million and include at least 41 market rate apartments and the City will pursue the Special Assessment for Rehabilitated Historic Property for a period of twenty (20) years.

The Board of Architectural Design and Historic Review (HARB) granted preliminary certification of this at its August 10<sup>th</sup> meeting. The special assessment would relieve the owner of a portion of the additional property tax liability created by the acquisition and historic-standard renovation of the property. The resolution will allow staff to pursue County Council for final approval by the state.

The owner has a successful track record locally and regionally in undertaking historic renovations and we believe his efforts will strategically encourage additional development projects in the Northside neighborhood.

Staff recommends approval of the attached Development Agreement and Resolution that will provide the necessary incentives to ensure the completion of this undertaking.

We welcome any questions you may have.

COUNTY OF SPARTANBURG    ) DEVELOPMENT AGREEMENT  
  )                                    BETWEEN  
  ) THE CITY OF SPARTANBURG,  
  )                                    AND  
STATE OF SOUTH CAROLINA  ) FREMONT OWNER, 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, special assessments, 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, FREMONT OWNER, LLC, a Georgia limited liability company (the “Developer”), and its affiliates, have successfully renovated a number of older structures into desirable market rate apartment projects; and

WHEREAS, Developer owns the Fremont School property with Tax Map Number 7-12-01-140.00, located at 600 Magnolia Street, and proposes to completely renovate the structure; and

WHEREAS, the Fremont School Building is listed on the National Register for Historic Places and is a prominent local landmark of strategic importance to the positive development of the Northside neighborhood of Spartanburg; and

WHEREAS, the Developer has applied for the Fremont School Building to receive state and federal tax credits; and

WHEREAS, SC State Code provides a mechanism for local governments to offer a Special Assessment for Rehabilitated Historic Properties to provide tax incentives for those undertaking projects of this nature.

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 perform a full historic rehabilitation and renovation of the Fremont School Building expending a minimum of \$3.5 million on the project (the “Project”) that will include at least 41 market rate apartments.
2. To engage properly licensed contractor(s) and/or subcontractor(s) to make the

interior and exterior improvements as stated above.

3. 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.
4. To Maintain the Northside artlet that is located on Arch Street.
5. To work with the Northside Development Group on ways to enhance the future of the Northside Early Learning Center.

### **City Commitments:**

1. Take necessary steps to ensure the project benefits from a Special Assessment for Rehabilitated Historic Property for a period of twenty (20) years.

### **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.

IN WITNESS WHEREOF, the parties to this Agreement have hereunto set their hands and seals and executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**FREMONT OWNER, 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



**RESOLUTION**

TO DETERMINE THE ELIGIBILITY OF 600 MAGNOLIA STREET FOR SPECIAL PROPERTY TAX ASSESSMENT FOR REHABILITATED HISTORIC PROPERTIES AS ADOPTED BY ORDINANCE OF THE CITY COUNCIL ON SEPTEMBER 9, 2013.

WHEREAS, City Council of the City of Spartanburg, South Carolina (the “City”) adopted an Ordinance on September 9, 2013, providing for special property tax assessment for rehabilitated historic properties and establishing the processes and standards for eligibility; and

WHEREAS, the Ordinance requires City Council to determine by resolution the eligibility of individual properties for the special assessment upon preliminary approval by the Historic Architectural Review Board (HARB); and

WHEREAS, for eligible properties to enjoy such special assessment, they also require approval by resolution of the Spartanburg County Council; and

WHEREAS, 600 Magnolia Street received preliminary certification approval of the proposed rehabilitative work by HARB on August 10, 2017 for special property tax assessment for rehabilitated historic properties; and

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

Section 1. City Council has determined that 600 Magnolia Street has preliminarily been certified to receive the special tax assessment in accordance with Chapter 18, Article III of the Code of the City of Spartanburg.

Section 2. The granting of these special assessments is for a term of twenty years.

Section 3. The Clerk shall provide written notice to the County Assessor of the adoption of this Resolution.

Section 4. This Resolution is effective immediately upon its enactment.

DONE AND RATIFIED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Junie L. White, Mayor.

ATTEST:

\_\_\_\_\_  
Connie S. McIntyre, City Clerk.

APPROVED AS TO FORM:

\_\_\_\_\_  
Cathy Hoefler McCabe, City Attorney.





City of spartanburg  
SOUTH CAROLINA

### Boards and Commissions Nominee Form

(Please print or type information)

BOARD/COMMITTEE: Spartanburg Housing Authority

CITY RESIDENT: YES  NO  SEX:  M  F RACE: African-American

NAME: Bryant A. Boyd

ADDRESS: 102 Oxboro Court Spartanburg SC 29306  
Street City, State, Zip Code

BUSINESS PHONE: 864-591-8700 HOME PHONE: 843-242-5433 EMAIL: bryant.boyd@tdi.com

OCCUPATION: Bank Manager

EMPLOYER: TID Bank

OTHER VOLUNTEER OR CIVIC ACTIVITIES: Member of Urban League of the Upstate  
Spartanburg County Citizens Academy Participant (Fall 2016)

WHY ARE YOU INTERESTED IN SERVING ON THIS BOARD? I want to make a difference  
in the Spartanburg community, and housing is one of the biggest issues  
facing the city and county today.

RECOMMENDED BY: Kathy Rivers

DO YOU PRESENTLY SERVE ON OTHER GOVERNMENTAL BOARDS OR COMMISSIONS?

YES  NO  IF YES, PLEASE LIST: \_\_\_\_\_

07/12/2017  
DATE

Return via MAIL or Email to:

Connie S. McIntyre, City Clerk  
City of Spartanburg  
PO Drawer 1749  
Spartanburg, SC 29304  
Email: [cmcintyre@cityofspartanburg.org](mailto:cmcintyre@cityofspartanburg.org)



**City of spartanburg**  
SOUTH CAROLINA

**Boards and Commissions Nominee Form**

(Please print or type information)

BOARD/COMMITTEE: Spartanburg Housing Authority Board

CITY RESIDENT: YES \_\_\_ NO X SEX: M F RACE: B

NAME: J. Wesley Corrothers

ADDRESS: 503 Verdae Dr, Spartanburg SC 29301  
Street City, State, Zip Code

BUSINESS PHONE: N/A HOME PHONE: 864-316-7475 EMAIL: wcorrotherjr@gmail.com

OCCUPATION: Retired

EMPLOYER: N/A

**OTHER VOLUNTEER OR CIVIC ACTIVITIES:**

**It has primarily been thru our Lions Club (of which I have served as its' President) and my church – Mt Moriah Baptist Church. My Lions Club routinely does Eye Screenings for Dist 7 schools. Also, if the child needs financial assistance to obtain the professional eye exam and/or glasses, we will gladly provide that financial commitment. We also donate food, in the form of Back-Pack-Buddies to Mary H Wright on a monthly basis. During the cold winter months we collect overcoats and deliver them to Miracle Hill Rescue Mission. Also, we are contributing our share of the \$100,000 to the SC School for the Deaf and Blind's new (blind assisted) playground!**

**WHY ARE YOU INTERESTED IN SERVING ON THIS BOARD?**

**Having been involved with improving the quality of life for those of low-moderate income levels, while working as the Director of Neighborhood Services, I saw this Housing Authority Board as a way to continue to serve! I believe the need to aid, help and provide leadership needs to be sustained in these communities. As I recall, the City always looked for good partners to help sustain the much needed leadership (from community to corporate t public) needed to help make these positive changes for its citizens.**

RECOMMENDED BY: SHA Board Chair, Mr Thomas Lounds

**DO YOU PRESENTLY SERVE ON OTHER GOVERNMENTAL BOARDS OR COMMISSIONS?**

YES \_\_\_ NO X IF YES, PLEASE LIST: \_\_\_\_\_

8/9/2017  
DATE

Return via MAIL or Email to:

Connie S. McIntyre, City Clerk  
City of Spartanburg  
PO Drawer 1749  
Spartanburg, SC 29304  
Email: [cmcintyre@cityofspartanburg.org](mailto:cmcintyre@cityofspartanburg.org)





## REQUEST FOR COUNCIL ACTION

**TO:** Ed Memmott, City Manager

**FROM:** Natalia Rosario, Planner III.

**SUBJECT:** Rezoning of property located at 899 East Main Street, John D. Montgomery, Montgomery Development Group, Proposed Buyer, on behalf of Arthur State Bank, Property Owner.

**DATE:** August 14, 2017

**SUMMARY:** On July 20, 2017, the Planning Commission held a public hearing and reviewed a rezoning request submitted by John D. Montgomery, Montgomery Development Group, proposed buyer, on behalf of Arthur State Bank, Property Owner of 899 East Main Street, to rezone Parcel 7-13-01-065.00 that is currently zoned R-15/Single Family Residential District, to B-3/General Business District, in order to allow proposed buyer to be able to develop a self-storage facility, contingent upon the rezoning 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 in essence the same use as that historic use of the property. At some point in time (staff was unable to find record of the rezoning) the property was zoned to the current inappropriate zone of R-15: Single Family Residential. In addition, there are properties to the north along E. Main Street that are adjacent to other single family properties with the zone of B-3: General Business District, which have uses upon them that are not inappropriate to the character of the corridor.

The Planning Commission held a public hearing on the proposal on July 20, 2017. 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 above referenced property from R-15 to B-3.

**PLANNING COMMISSION RECOMMENDATION:** The request was endorsed by the Planning Commission on July 20, 2017 by a vote of 5 to 0 to 1, with one Board Member recused from the case. Staff's recommendation concerning this application is explained in detail in the attached staff report to the Planning Commission.

**ADDITIONAL INFORMATION:** Minutes from the July 20, 2017 Planning Commission Meeting and Staff Report with attachments are included. In addition, enclosed is a proposed Ordinance in the event that Council approves the rezoning request.

**BUDGET AND FINANCE DATA:** N/A



**Legend**

-  899 E Main Street
-  Parcels
-  Streets

**Zoning Categories**

**Base Zone**

-  DT-3: Sub-urban District
-  DT-4: General Urban District
-  DT-5: Urban Center District
-  DT-6: Urban Core District
-  B-1: Neighborhood Shopping District
-  B-3: General Business District
-  B-4: Heavy Commercial District
-  GID: General Institutional District
-  Civic: Civic/Landmark District
-  I-1: Light Industrial District
-  I-2: Heavy Industrial District
-  LC: Limited Commercial District
-  LOD: Limited Office District
-  R-6: General Residential District
-  R-8: General Residential District
-  R-12: General Residential District
-  R-15: Single Family Residential



## AN ORDINANCE

**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 PARCEL #7-13-01-065.00 LOCATED AT 899 EAST MAIN STREET, WHICH IS ZONED R-15, WITH A LAND USE DESIGNATION OF SINGLE FAMILY RESIDENTIAL DISTRICT TO ZONE B-3, WITH A LAND USE DESIGNATION OF GENERAL BUSINESS DISTRICT; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

WHEREAS, the City of Spartanburg now finds that, upon further review, it is in the public interest that the land use designation for the parcel identified on the Official Zoning Map of the City of Spartanburg, South Carolina, dated August 6, 1973, as amended, by changing the zone of Lot 065.00 as shown on Spartanburg County Block Map Sheet 7-13-01, from Zone R-15, Single Family Residential District to B-3, General Business District; and

WHEREAS, this zoning change would be compatible with surrounding land uses and neighborhood character, would not be detrimental to the public health, safety and welfare, and, further, would be in conformance with the Comprehensive Plan; and

WHEREAS, the Planning Commission held a public hearing on July 20, 2017, at which time a presentation was made by staff and an opportunity was given for the public to comment on the rezoning request; and

WHEREAS, the Planning Commission, after consideration of the staff report, public comments, and the criteria set forth in Section 605 of the Zoning Ordinance, subsequently voted at that meeting to recommend to City Council that the rezoning request be approved as recommended by City Staff.

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

Section 1. Amendment. That the official zoning map of the City of Spartanburg, as referenced by Section 206 of the Zoning Ordinance, be, and the same hereby amended as follows:

- The Lot currently identified as 065.00 on Spartanburg County Block Map Sheet 7-13-01, shall be now designated as B-3, General Business District.

(continued on page 2)

Section 2. Severability. If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. Effective Date. This Ordinance shall be effective upon its adoption by the City Council of the City of Spartanburg, South Carolina.

DONE AND RATIFIED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2017.

\_\_\_\_\_  
Junie L. White, Mayor

ATTEST:

\_\_\_\_\_  
Connie S. McIntyre, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Cathy H. McCabe, City Attorney

\_\_\_/\_\_\_/\_\_\_ (First Reading)

\_\_\_/\_\_\_/\_\_\_ (Second Reading)





## REQUEST FOR COUNCIL ACTION

**TO:** Ed Memmott, City Manager

**FROM:** Natalia Rosario, Planner III.

**SUBJECT:** Ordinance Accepting the Property Owned by Rick J. and Judy Ann Krueger, and being located at 441 Blackwood Drive, and that portion of Blackwood Drive abutting said property, as a part and parcel of the City of Spartanburg and Declaring said Property Annexed to and a part and Parcel of the City of Spartanburg, said parcel to be Zoned R-15, Single Family Residential upon Annexation.

**DATE:** August 14, 2017

**SUMMARY:**

Staff received a request from Rick J. and Judy Ann Krueger, owners of 441 Blackwood Drive for annexation of the property into the City of Spartanburg on July 14, 2017. Because this property will be zoned R-15, Single Family Residential upon Annexation, there is no need to obtain zoning designation by the Planning Commission.

Since the parcel is contiguous to the City Limits, the property owner has submitted an annexation petition under the 100 percent Petition and Ordinance method. Since the zoning designation for the contiguous parcel is R-15, Single Family Residential; Staff is requesting Council to designate the parcel as R-15.

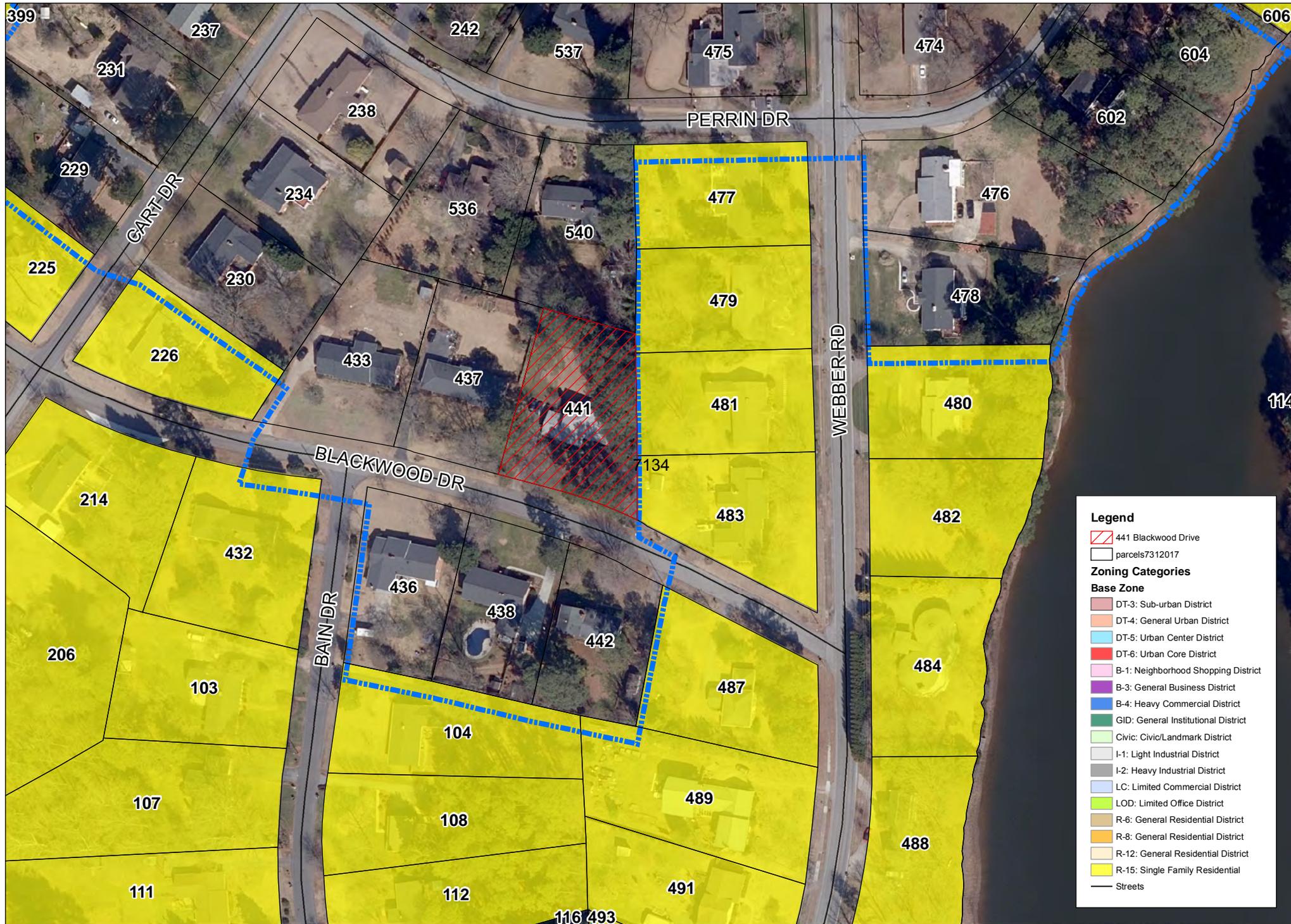
**ACTION REQUESTED:**

Staff recommends that the City Council take the following actions:

- a) Approve the annexation of 441 Blackwood Drive (TMS7-09-16-068.00).
- b) Designate the zoning for this property as R-15 (Single Family Residential) upon annexation.

**BUDGET AND FINANCE DATA:**

The parcel will generate property tax after annexation. Additional service costs will be minimal.



## AN ORDINANCE

**ACCEPTING THE PROPERTY OWNED BY RICK J. AND JUDY ANN KRUEGER, AND BEING LOCATED AT 441 BLACKWOOD DRIVE, AND THAT PORTION OF BLACKWOOD DRIVE ABUTTING SAID PROPERTY, AND IS FURTHER IDENTIFIED ON SPARTANBURG COUNTY TAX MAP AS 7-09-16, PARCEL 068.00 AS A PART AND PARCEL OF THE CITY OF SPAR-TANBURG AND DECLARING SAID PROPERTY ANNEXED TO AND A PART AND PARCEL OF THE CITY OF SPARTANBURG.**

WHEREAS, heretofore, the City of Spartanburg, on July 14, 2017, received a Petition, filed by Rick J. and Judy Ann Krueger Owners, requesting that the property described in the Petition be annexed to the City of Spartanburg; and

WHEREAS, the City Council of Spartanburg has caused an investigation to be made of said property and has found that said property is contiguous to the City of Spartanburg and that it would be in the best interest of the City of Spartanburg if said property be annexed hereto in accordance with Section 5-3-150 of the Code of Laws of South Carolina, 1976; and

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

Section 1: That the Petition of Rick J. and Judy Ann Krueger, dated July 14, 2017, for the annexation of the property hereinafter described to the City of Spartanburg be accepted.

Section 2: That the property hereinafter described is hereby declared annexed to the City of Spartanburg and a part and parcel of said City with full privileges accorded to and responsibilities required of said area.

Section 3: That said property is described as follows:

All of that lot or parcel of land in the County of Spartanburg, State of South Carolina, being known and designated as Lot No. 7, Block K, Plat 4, Hillbrook Forest Subdivision, dated September 10, 1962, surveyed by Gooch & Taylor, Surveyors, recorded in Plat Book 44, page 550 through 552, RMC Office for Spartanburg County, South Carolina, and more recently shown on a plat of survey prepared for Rick J. & Judy Ann Krueger by Gooch & Associates, P.A., Surveyors, dated July 10, 1992, to be herewith recorded, reference being hereby specifically made to said Plats in aid of description.

This is the same property conveyed to Ruth E. Tingley and Alfred G. Tingley by deed of Mary Jane M. Stott, dated July 31, 1987, and recorded August 3, 1987, in Deed Book 53-L, page 303, said RMC Office.

The County Block Map Number of the above tract of land is 7-09-16-068.00. (See attached plat).

(continued on page 2)

Section 4: That upon annexation, the property shall be zoned as Zone R-15 (Single Family Residential District).

Section 5: This Ordinance shall be effective upon its adoption by the City Council of the City of Spartanburg, South Carolina.

DONE AND RATIFIED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2017.

\_\_\_\_\_  
Junie L. White, Mayor

ATTEST:

\_\_\_\_\_  
Connie S. McIntyre, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Cathy H. McCabe, City Attorney

\_\_\_/\_\_\_/\_\_\_ (First Reading)

\_\_\_/\_\_\_/\_\_\_ (Second Reading)





## MEMORANDUM

**TO:** Mayor and Members of City Council

**FROM:** Ed Memmott, City Manager

**SUBJECT:** Public Hearing Regarding Proposed Residential Rental Property Registration Program

**DATE:** August 10, 2017

A public hearing regarding a proposed Residential Property Registration Program is scheduled for the August 14 Council meeting. A draft ordinance is attached.

In advance of the public hearing, I would like to review changes made to the proposed ordinance as a result of the discussions with Council on July 24. I will also review a draft inspection form being developed for the program. I believe this form and grading scale is reflective of staff's intended inspection methodology where the emphasis is placed on basic safety and livability standards. Other code requirements that deal mostly with property appearance will be given less weight.

Council will note that nuisance ordinance violations (derelict vehicles, overgrown conditions, junk and debris) are not included on the property registration inspection form. Nuisance code violations will be checked during inspections. Should there be violations, the tenant would be cited outside of the property inspection process. Additionally, should an inspection of an occupied property reveal other conditions (unsanitary living conditions, insect/rodent infestation) that are attributable to the tenant, enforcement staff will cite the tenant through the standard code enforcement process. I look forward to the discussion with Council on August 14.

# DRAFT

## AN ORDINANCE

TO AMEND THE CODE OF THE CITY OF SPARTANBURG 1988, CHAPTER 5, ARTICLE XI, BY ADDING A RESIDENTIAL RENTAL PROPERTY REGISTRATION AND INSPECTION PROGRAM.

WHEREAS, the City of Spartanburg (City) wants to provide safe, clean and healthy living environments for residents; and

WHEREAS, the City has determined it is in the public interest to reduce response time for the correction of housing code deficiencies; and

WHEREAS, the City has determined that efforts to improve neighborhood conditions and reduce blight will benefit from improved compliance to minimum property standards by the owners of rental properties; and

WHEREAS, the City has determined it to be in the public interest to set additional requirements and procedures associated with the operation of residential rental properties as set forth in the Rental Property Registration Program.

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

Section 1. To amend Chapter 5 by adding Article XI, “Residential Rental Property Registration Program” which shall read as follows:

### **ARTICLE XI. REGISTRATION OF RESIDENTIAL RENTAL PROPERTIES**

#### **Sec. 5-496. Authority**

**The City Manager or his designee shall implement and enforce this article and may by written order establish such rules, regulations or procedures, not inconsistent with this article, as the City Manager determines are necessary to discharge any duty under or to effect the policy of this article.**

#### **Sec. 5-497. Effective Date**

**The effective date for property registration shall be January 1, 2018 for properties with residential rental unit(s) which do not have a City Business License.**

#### **Sec. 5-498. Definitions**

- (a) *Owner* means one or more persons, jointly, severally, or in common, or any organization, including a corporation, trust, estate, partnership, or other legal entity listed as owner of record in the county Register of Deeds Office as owning the real property; provided, however, that the City of Spartanburg Housing Authority is not an owner because it is subject to federal housing inspection.
- (b) *Residential Rental Unit* means a housing unit or residential structure within the City of Spartanburg containing at least one sleeping unit, which is/are leased or rented from the owner or other person in control of such unit, but does not include hotels, motels, dorms, medical long-care facilities and bed and breakfast establishments.
- (c) *Housing Unit* is defined as a single-family residence, duplex unit, boarding room or apartment.
- (d) *Director* is the designee of the City Manager.

**Sec. 5-499. Registration Required**

As of the effective dates, all residential rental properties in the City must be registered in accordance with this article.

It shall be a violation of this article to operate, collect rent, or to occupy a residential rental unit(s) without complying with requirements of this article.

**Sec. 5-500. Expiration and Renewal of Registration**

- (a) Residential Rental Property registration shall operate on a January 1-December 31 registration year.

**Sec. 5-501. Registration Application – Information Required**

- (a) To obtain registration for a residential rental property, a person must submit an application on an application form established by the City Manager. The applicant must be the person who will own, control, or operate the residential rental property. The application must contain the following information:
  - (1) the name, address, email, and telephone number of the applicant or the applicant’s authorized agent and owner if not the applicant;
  - (2) the name (if applicable), legal address, and main telephone number, if any, of the residential rental property;
  - (3) the name, address, email, and telephone number of a person or persons to contact in an emergency;
  - (4) the form of business of the applicant and owner, and if the business is a corporation, association, trust, or limited liability company (llc), a copy of the documents establishing the business;

- (5) the number of units, buildings, or if a boarding house the total number of bedrooms located on the property; and
- (6) the names, addresses, emails, and telephone numbers of all owners, operators, property managers, and other persons in control of the residential rental property.

**Sec. 5-502. Obligation to Notify the City of Changes in Registration Information**

The owner or operator of the residential rental property shall notify the Director within ten (10) days of any change in the emergency response information or any other changes of information in the registration application.

**Sec. 5-503. Legal Agent**

All owners of a residential rental property must assign a legal agent who resides in South Carolina to receive legal service of process. Owners residing in South Carolina may assign themselves. The legal agent cannot be the tenant.

**Sec. 5-504. Registration Fees**

- (a) The initial fee for registration for a residential rental property is \$25.00 per housing unit.
- (b) The maximum registration fee for any one residential rental property, regardless of the number of housing units, is \$250.00.
- (c) No refund of a registration fee will be made.
- (d) Properties having a valid City of Spartanburg Business License are exempt from registration fees but must provide all registration information. The City Manager shall incorporate registration information in the City Business License application for license applications for rental properties subject to this ordinance.
- (e) Newly constructed or renovated rental housing units that have been fully inspected and approved by the City's building inspection department for occupancy within the year are required to register but are not required to pay the registration fee for the balance of the first year's occupancy.

**Section 5-505. Issuance of Property Registration or Business License**

- (a) Upon payment of all required fees and completed application, a property will be registered if it is determined that:
  - (1) the applicant has complied with all requirements for issuance of the certificate of registration;
  - (2) the applicant has not made a false statement as to a material matter in an application for a certificate of registration;

- (3) the applicant has no outstanding fees assessed under this article or any other article of the City Code; and
  - (4) the operation of the residential rental property would not violate the City's zoning ordinances.
  - (5) the property has passed inspection if required as determined by the Director.
- (b) If the Director determines that the requirements of subsection (a) have not been met, the Director shall deny registration to the applicant or renewal of the business license, whichever process applies.
- (c) If the Director determines that an applicant should be denied registration or business license, the Director shall notify the applicant and the owner in writing that the application is denied and include in the notice the reason for denial and a statement informing the applicant of the right of appeal.

**Sec. 5-506. Denial of Registration Renewal or Revocation of Registration or Business License**

- (a) The Director shall revoke any registration or business license for residential rental property if the Director determines that:
- (1) the registrant failed to comply with any provision of this chapter, any City ordinance, or any state or federal law applicable to the operation of a residential rental property;
  - (2) the registrant intentionally made a false statement as to a material matter in the application or in a hearing concerning the certificate of registration;
  - (3) the registrant failed to pay a fee required by this article at the time it was due;
  - (4) operation of the residential rental property violating the City's zoning ordinances; or
  - (5) the property, after inspection, has failed to meet the minimum standards required to meet the requirements for registration.
- (b) Before revoking a registration or business license or denial of a registration or business license renewal, the Director shall notify the registrant and owner in writing that the certificate of registration is being considered for revocation. The notice must include the reason for the proposed revocation, action(s) the registrant or owner must take to prevent the revocation and a statement that the registrant or owner has 10 days to comply with the notice.
- (c) If, after 10 days from receipt of the notice required in subsection (b), the registrant or owner has not complied with the notice, the Director shall revoke the registration or business license and notify the registrant in writing of the revocation. The notice must include the reason for the revocation and

the effective date of the denial or revocation. The revocation notice shall contain directions regarding the appeals process.

**Sec. 5-507. Appeals**

If the Director denies issuance, renewal or revocation of a certificate of registration or revokes a certificate of registration or business license issued pursuant to this article, this action is final unless the applicant or registrant files a written appeal within ten (10) business days with the City Manager. The City Manager will consider the appeal and may reinstate the registration. If the City Manager denies the appeal within ten (10) business days, the property owner may submit a written appeal to the Housing Board of Adjustments and Appeals which will provide a hearing such that the owner can be represented by counsel and provide evidence in the form of testimony and documentation. The hearing shall occur within fourteen (14) business days.

**Sec. 5-508. Non-transferability**

Registration of a residential rental property is transferable only to new owners of the property as long as the new owners update its business license or registration.

**Sec. 5-509. Inspections**

General - Properties may be selected for registration or business license renewal inspection by the Director.

Inspections staff should strive for consistency in the inspection process.

Inspections should emphasize identification of deficiencies that pose an immediate safety threat. Priority should then be given to significant code violations that (while not presenting an immediate safety hazard to occupants) compromise the overall livability of the unit or have a significant detrimental impact to the surrounding neighborhood. Minor and/or cosmetic violations may be noted in the inspection process and will not, unless combined with other more serious deficiencies, result in property registration denial or revocation.

**Section 510. Inspection Process/Property Evaluation**

Each property will start the inspection process with a score of 100.

Points will be deducted for code deficiencies identified in the inspection.

A unit will fail the Residential Rental Property Registration standard and result in the denial or revocation of the property registration or business license should it receive a score of less than 70.

### **Section 511. Exterior Conditions**

**Exterior Inspections will assess the outside perimeter of the structure including all of the buildings and common areas on a residential rental property.**

**Types of Exterior Violations - Exterior violations include, but are not limited to: Foundations/Cross Vents; Roof/Chimney; Windows/Doors; Rotted/Exposed Wood; Hazardous Stairs/Balconies/Rails; Walkways/Landings; Holes/Cracks in Walls; Inadequate Security Lighting; Missing Building/Unit Numbers; Open/Illegal Outside Storage; Trip Hazards; Missing Sewer Caps.**

### **Section 512. Interior Conditions**

**Interior Inspections will assess the interior of the housing units.**

**Types of Interior Violations - Interior violations include, but are not limited to: Holes/Cracks in the Walls/Floors/Ceilings; Insect/Rodent Infestation; Not Weather/Watertight (Windows/Doors); Hot Water less than 120 degrees; Missing Security Devices (peephole, deadbolt, locking door knob); Missing T&P Valve; Non-operating A/C and Heat; Subflooring/Flooring/Trip Hazards; Plumbing Fixtures/Faucets/Holes under sink; Leaks/Pipes; Exposed Electrical Wiring/Outlets/Switches**

### **Section 5-513 Life Hazards**

**Life Hazards are defined as any deficiencies that could cause bodily harm or immediate danger, whether on the exterior of the property or inside a unit. Life hazards are exemplified, but not limited to, the following: Sewage Discharge; Exposed Electrical Wiring; Non-Working Smoke Alarms; Structural Failure; Lack of Heat (cold months); Serious Roof Leak; Insect/Rodent Infestation.**

### **Section 5-514 Life Hazards – Immediate Response and Failure of the Rental Unit**

**Any life hazards found will result in immediate failure of the unit.**

**Any life hazards found should result in immediate action by the owner to correct or vacate the property.**

### **Section 5-515. Inspection of Units Based on Complaints and Obligations of Owners**

**The City may conduct inspection of units based on complaints. Should an occupant of a unit grant the City access to the interior of the unit, a full inspection will be conducted without notice to the property owner. If the occupant of a unit denies the City access to a unit, the City may demand reasonable access to the interior by notice to the property owner or owner designee. The owner or owner designee must**

exercise reasonable cooperation to assist the City to obtain interior access for inspection purposes. Failure to reasonably assist the City to gain access may result in the City seeking registration revocation.

**Section 5-516. Inspection of Units Based on Proactive Code Enforcement Efforts and Obligations of Owners**

The City may from time-to-time conduct proactive code enforcement efforts. If during these inspection efforts, an occupant of a unit grants the City access to the interior of the unit, a full inspection will be conducted without notice to the property owner. If the occupant of the unit denies the City access to a unit, the City may demand reasonable access to the interior by notice to the property owner or owner designee. The owner or owner designee must exercise reasonable cooperation to assist the City to obtain interior access for inspection purposes. Failure to reasonably assist the City to gain access may result in the City seeking registration revocation

**Sec. 5-517. Inspection and Re-Inspection Fees**

Initial inspection fees are set as follows:

Should the property fail to meet minimum standards at the initial inspection and first re-inspection, the property owner or his authorized agent will be required to pay the following re-inspection fees:

- (1) \$75 for the second re-inspection;
- (2) \$100 for the third re-inspection;
- (3) \$125 for the fourth re-inspection;
- (4) \$150 for the fifth or more re-inspection.

Re-inspection fees may be adjusted by Council from time-to-time.

**Sec. 5-518. Inspection of Multi-family Units**

Multi-family inspections will be conducted under procedures established by the City Manager with the intent of conducting interior inspections of a representative sample of apartment units to reasonably determine the condition of the apartment complex as a whole. Should inspections indicate code violations that would likely be applicable to other units, the Director may require additional inspections as is reasonably necessary to determine safety and compliance to the requirements of the Residential Rental Property Registration Program for the entire multi-family complex.

Registration will be denied or revoked only for units which have failed to meet inspection requirements

**Sec. 5-519. Obligation to Comply with Building Codes and Obtaining Necessary Approvals from City Building Official**

**Nothing in this article relieves any property owner or owner's contractor from complying with requirements to obtain necessary electrical, plumbing, HVAC, roofing, or building permits and inspection approvals of any applicable building code.**

**Sec. 5-520. Penalties and Fines**

**If this matter comes before the Municipal Court and the party is in violation, the Court may impose penalties of up to Five Hundred Dollars (\$500) per day against the person(s) responsible, for each day from the day the initial notice was issued until such time it is confirmed that the property is no longer in violation, and/or thirty (30) days in jail, any other alternative remedies under local or state law, and the City seeking any other relief authorized by law.**

Section 2. This Ordinance to become effective January 1, 2018.

DONE AND RATIFIED this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Junie L. White, Mayor.

ATTEST:

\_\_\_\_\_  
Connie S. McIntyre, City Clerk.

APPROVED AS TO FORM:

\_\_\_\_\_  
Cathy Hoefer McCabe, City Attorney.

\_\_\_/\_\_\_/\_\_\_ 1st Reading

\_\_\_/\_\_\_/\_\_\_ 2nd Reading

# DRAFT



## RESIDENTIAL RENTAL PROPERTY REGISTRATION INSPECTION FORM

Check one of the following:

Initial

Follow-up

### INSPECTION INFORMATION:

1. Date of Inspection: \_\_\_\_\_
2. Time of Inspection: \_\_\_\_\_
3. Inspector: \_\_\_\_\_
4. Tenant Name: \_\_\_\_\_
5. Owner Name: \_\_\_\_\_
6. Present During Inspection: \_\_\_\_\_
7. Registration No.: \_\_\_\_\_

### MAJOR SYSTEMS (Maximum Deduct – 10 points each)

CONDITION INSPECTED	SCORE	COMMENTS
1. <b>Roof Membrane</b> - Must be standard materials (no tarps, plastic, or other temporary coverings) that prevent water infiltration. <i>IPMC Chapter 3</i>		
2. <b>Electrical</b> – All wiring and equipment in safe working order, all protective covers in place, required outlets must be installed and operating properly. <i>IPMC Chapter 6</i>		
3. <b>Plumbing</b> – All fixtures must operate without leaks or backups. Required fixtures must be installed and operating properly. <i>IPMC Chapter 5</i>		
4. <b>Structural – Foundation, Floors, Walls, and Roof</b> – Must be sound and support the structure without excessive sagging or collapse. Foundation Walls should be free of holes or excessive cracks that would allow rodents to enter structure. <i>IPMC Chapter 3</i>		
5. <b>Heat/Ventilation</b> – Unit must have approved source of heat capable of maintaining 68 degrees. All heating devices, including fireplaces, must be properly vented. <i>IPMC Chapters 4 &amp; 6</i>		

# DRAFT

## OTHER CONDITIONS (Maximum Deduct – 5 points each)

CONDITION INSPECTED	SCORE	COMMENTS
6. <b>Exterior Walls</b> – Must be free of rotted wood. Siding material(s) must be firmly attached to structure. Untreated or exposed wood must have approved coatings or coverings. <i>IPMC Chapter 3</i>		
7. <b>Gutters, Downspouts</b> – Must be securely attached to structure, free of holes, and function as intended. <i>IPMC Chapter 3</i>		
8. <b>Porch, Porch Steps/Handrails</b> – Porches, landings, or stoops must be structurally sound and provide safe walking surfaces free of tripping hazards. Hand and guardrails must be installed per code. <i>IPMC Chapter 3</i>		
9. <b>Windows</b> - Must be operable, weathertight, and have screens. <i>IPMC Chapters 3 &amp; 4</i>		
10. <b>Interior/Exterior Doors</b> – Entry doors must be weathertight, operable knob set, and approved locking device. Interior doors required for bedrooms and bath(s) with operable knob set. <i>IPMC Chapter 3</i>		
11. <b>Interior Ceilings/Walls</b> – Must be free of holes or cracks, with no significant sagging or buckling. <i>IPMC Chapter 3</i>		
12. <b>Interior Floor Surfaces</b> - Must be free of holes, tripping hazards or missing materials, with no significant sagging or buckling. Kitchen and bath(s) must have impervious coating or material. <i>IPMC Chapter 3</i>		
13. <b>Interior Lighting</b> - All habitable rooms must have light fixture in safe working order. <i>IPMC Chapter 4</i>		
14. <b>Smoke Detectors and House Numbers</b> – Operable smoke detectors must be installed. Street numbers 4” in height must be installed. <i>IPMC Chapter 3</i>		
15. <b>Accessory Structures, Fencing, Retaining walls</b> –Detached garages, fences and retaining walls shall be structurally sound and in good repair. <i>IPMC Chapter 3</i>		

Notes: \_\_\_\_\_

\_\_\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature of Inspector