



**Special City Council Meeting
The Franklin School
100 Howard St.
Spartanburg, SC 29303
Wednesday, December 19, 2018
5:00 p.m.**

**(These minutes were approved at the
January 14, 2019 City Council meeting.)**

City Council met this date with the following Councilmembers present: Mayor Junie White, Mayor pro tem Jerome Rice, Councilmembers Sterling Anderson, Alan Jenkins, Ruth Littlejohn and Jamie Fulmer. Councilmember Erica Brown was out of town. City Manager Chris Story and city Attorney Robert Coler 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. Call to Order – Mayor White called the meeting to order.

II. Ordinance

A. Authorizing and Providing for the Issuance and Sale of a Not Exceeding \$3,000,000.00 Aggregate Principal Amount Federally Guaranteed Note of the City of Spartanburg South Carolina Pursuant to Section 108 of the Housing and Community Development act of 1974, as Amended, and Section 6-1-30, Code of Laws of South Carolina, 1976, as Amended; the Application of the Proceeds of Said Note to Provide Financing for the Northside Commons Project; the Entering into of Certain Covenants and Agreements and the Execution and Delivery of Certain Instruments Relating to the Issuance of the Aforesaid Note, Including a Contract for Loan Guarantee Assistance Between the City and the Secretary of Housing and Urban Development (“HUD”); Appropriating Funds to Pay Certain Fees to HUD; and Other Matters in Connection with the Foregoing (First Reading)

**Presenter: Martin Livingston, Neighborhood Services Director
Mr. Livingston presented the item to Council as follows:**

“Staff is requesting approval of an ordinance authorizing the issuance of a note and loan for the Community Development Block (CDBG) Grant Section 108 Loan Guarantee. In August 2017, the City approved a resolution to submit an application to the U.S. Department of Housing and Urban Development for a CDBG Section 108 loan for the Northside Commons Development. The loan is

not expected to have any net cost to the City – the project owner will repay the loan. Two public hearings and comment period were held prior to the submission of the application for the loan. The Northside Development Corporation (NDC), a designated local 501(C)3 non-profit organization is partnering with a for-profit entity to develop the Northside Mixed Use development as part of the implementation of the Northside Initiative. Northside New Market Mixed use development is a new construction, mixed use development providing housing and commercial space in the Northside of Spartanburg. The development is consistent with the Northside Transformation Plan approved by Council on January 26, 2015.

This project is an economic development project and funding would be provided to a third party borrower, a development entity consisting of the Northside Development Group. The City will be pledging 5 years of Community Development Block Grant (CDBG) Funds. The development team will be making scheduled payments to repay the Section 108 Loan for a 20 year period. The loan could be repaid earlier than scheduled. The developers will be required to pledge additional collateral to secure the City’s investment in the project. The loan is not expected to have any net cost to the City.

ACTION REQUESTED: Approval of an ordinance authorizing the City Manager to issue a note and loan guarantee in connection with the CDBG Section 108 Loan Guarantee.

BUDGET & FINANCIAL DATA: \$3,000,000 in CDBG Section 108 loan guarantees. The loan is not expected to have any net cost to the City.”

Mayor pro tem Rice made a motion to approve the ordinance as presented on first reading. Councilmember Jenkins seconded the motion, which carried unanimously 6 to 0.

III. Consent Agenda

A. Ordinance Consenting to the Inclusion of certain Property Located in the City of Spartanburg, South Carolina, in a Joint County Industrial and Business Park Established by and Between Spartanburg County, South Carolina and Cherokee County, South Carolina; Authorizing the Execution and Delivery of an Intergovernmental Agreement Between the City of Spartanburg and Spartanburg County; and Other Matters Relating Thereto (Second Reading)

Presenter: Chris Story, City Manager

Councilmember Jenkins made a motion to approve the Consent Agenda on second reading. Mayor pro tem Rice seconded the motion, which carried unanimously 6 to 0.

IV. Adjournment – Councilmember Jenkins made a motion to adjourn the meeting for the tour of the school. Mayor pro tem Rice seconded the motion, which carried unanimously 6 to 0. The special meeting adjourned at 5:25 p.m., followed by the tour of the school.

- V. **Tour of The Franklin School – Ms. Shawna Bynum, Director of The Franklin School**, lead several members of Council in a tour of the school.



Connie S. McIntyre, City Clerk