City of Cayce
Special Council Meeting
March 11, 2013

A Special Council Meeting was held this afternoon at 5:00 p.m. at the Cayce Tennis and Fitness Center. Those present included Mayor Elise Partin, Council Members Tara Almond, Eva Corley, Tim James, James Jenkins, City Manager Rebecca Rhodes, Assistant City Manager Shaun Greenwood, Municipal Clerk, Mendy Corder, Public Safety Director Charles McNair, Special Projects Coordinator Teddy Luckadoo and City Attorney, Danny Crowe

Call to Order

Mayor Partin called the meeting to order and Council Member Jenkins gave the invocation and the assembly recited the Pledge of Allegiance.

Other

A. Discussion of Council Priorities and City Opportunities

Ms. Rhodes asked each Council Member for their top three priorities for the City so she would have a clear direction for staff.

- Mayor Partin - transparency, to be responsive, and proactive. She stated she feels the City has made great strides in all three under current staff.
- Council Member Corley – upgrade water and sewer infrastructure, upgrade stormwater drainage, and economic development.
- Council Member James - city revitalization, economic development, and better support for employees (financial, training, etc.).
- Council Member Jenkins – acquiring more revenue (address hospitality tax), hiring a lobbyist, salary for the Museum Director, temporary help needed at the Museum and the Museum needs African American history.
- Council Member Almond – New City Hall, water and sewer line improvements, stormwater drainage improvements.

Ms. Rhodes stated the City paid American Engineering to do a Capital Improvement Plan a few years ago and the total cost for water and sewer line improvements was $10.4 million dollars. Stormwater improvements costs would be approximately 5? million dollars. Ms. Rhodes explained that if Council would like to start tackling the utility infrastructure projects then the City would need to apply for SFL loan funds or a revenue bond. She stated utility rates would have to be raised to pay

back the money or an area in the City could be designated a Municipal Improvement District and every resident in that area would pay more in taxes to cover the cost of the loan. Ms. Rhodes stated she would research ways to fund utility infrastructure and bring those options back to Council.

Council then listed their top three challenges to the City's success:

- Mayor Partin– lack of revenue, economic development and telling our story. She feels that no one outside of the City's residents has any idea what a great City Cayce is.
- Council Member Corley – lack of funding, economic development, more public relations needed
- Council Member James – public relations needed to educate the community, they need to hear both the good and bad news. Once the community is educated and understand all the issues they are more likely to be on board with projects. He suggested staff and Council could speak at committee meetings, the neighborhood leader's meeting, crime watch group meetings, churches, and the American Legion Hut to educate the local community.
- Council Member Jenkins – communicate more with customers and residents
- Council Member Almond – lack of funding, economic development, public relations and communications

Mr. Crowe suggested training Council on a 12 minute talk/Power Point they couldpresent at community meetings to educate the public on current issues and projectsin the City. He also suggested having inserts in water bills to get messages out tothe residents.

Ms. Rhodes stated the RFQ's for PR firm are due soon. She stated the City needs a PR Firm that can get information out every week to the community. Mr. Greenwood stated there are other issues the City can work on to help with economic development. For example, not allowing Sunday alcohol sales hurts the City since most big chain restaurants will not locate in a City that doesnot allow Sunday sales.

Council's list of top three opportunities that the City of Cayce has over others:

- Council Member Jenkins – location, annexations
- Mayor Partin – location (close to the river, the Riverwalk, close to the Airport and downtown), culture/history (12,000 Year History Park), residents (great people who care about the City and are invested)
- Council Member Corley – annexations (accruing land) , location/history, motivated and cohesive Council & staff
- Council Member James – community, location, an aligned Council and staff

- Council Member Almond – affordability (affordable place to live), location, history

B. Discussion of Hospitality Tax and the Capital Penny Sales Tax

Ms. Rhodes stated in order for the City to fund large projects but also keep our utility rates and taxes the same Council needs to look into either a hospitality tax or the County's capital penny sales tax. She explained a hospitality tax is a City wide tax on prepared foods that can be used for tourism related capital and operational expenses. A 2% Hospitality tax would bring the City approximately $669,744 per year.

Ms. Rhodes stated the Hospitality tax funds could be used for the operation and maintenance costs for the Cayce Museum which would take pressure off of the General Fund. The funds could also be used for operation and maintenance of the Cayce Riverwalk and Public safety's direct costs resulting from facilities and events.

Ms. Rhodes stated other Hospitality Tax projects could be all City festivals and events, streetscaping, intersection improvements, city signage, city parks, public relation costs, the construction and maintenance of the 12,000 Year History park and the cost of the City Sesquicentennial party and events.

Ms. Rhodes explained that the Capital Penny Sales Tax is a County wide sales tax on all goods except food items that can be used for capital projects throughout the entire County. A 1% Capital Penny Sales Tax will bring Lexington County approximately $30 million per year to be split into projects throughout the County. A Committee would be formed to decide on these projects. The Committee would consist of six members; three members from Lexington County, one member from the Town of Lexington and the other 2 members will be appointed by the four that are already appointed. This committee comes up with the projects that then go to Lexington County Council for approval.

Ms. Rhodes stated the Capital Penny Sales Tax funds could be used for water and sewer line replacements in the older part of the City, stormwater lines and improvements, Public Safety Sub Stations, the City Administration building and streetscaping projects.

After discussion, it was decided to set-up a meeting with Ms. Rhodes, Mayor Partin and Mayor Pro-tem Jenkins and West Columbia's Mayor and Mayor Pro-tem to discuss future projects that would benefit both municipalities.

It was decided that staff and Council need to start working on educating the community about the Hospitality Tax and what can be accomplished with these funds. Mr. Luckadoo will work on a PowerPoint presentation that staff and Council can present

at meetings. Ms. Rhodes will work on creating a list of projects that the funds can be used for so the residents will know what can be accomplished with these monies. Council Member James suggested talking to the restaurant owners and getting their opinion on having a Hospitality Tax. Ms. Rhodes stated the first meeting would be with the restaurant owners to gauge their interest and hear their concerns. After discussion, it was decided the first vote for the Hospitality Tax will take place at the September 2013 Council Meeting.

C. Discussion of City Hall Options

Ms. Rhodes stated the three options for a New City Hall are the Brickworks Property, the two properties in front of the current City Hall and the old Western Sizzlin' property on Knox Abbott Drive. Council decided they would like staff to focus on the Brickworks Property location. Ms. Rhodes stated the pros of this property are the location and visibility, TIF funds can be used for the project, locating City Hall there could spark development at the Brickworks and it could be the beginning of a new Downtown Cayce. The cons to this location are the price of the property and the fact that it is valuable commercial property where another business could locate.

Ms. Rhodes explained that the City does have some room for negotiation which could affect the overall price associated with this property. There are some incentives that are available when selling property to a municipality. The City could assume responsibility for certain aspects of the infrastructure, the property owner could gain possible tax write offs, and the City could remove the claw back requirements established in the TIF agreement.

Ms. Rhodes discussed the financing options for a New City Hall. There are several different funding options. The cost of a new building can be split between the General Fund the Utility Fund and TIF Funds. The TIF District runs out in 2017 and if those monies are not spent then it has to be given back to the tax payers. Currently there is approximately 1.2 million dollars in the TIF account and as more development occurs in the TIF District more money comes into the TIF account.

Mr. Rhodes explained the different ways to get a New City Hall built. The property owner can lease the site to the City. Another option is an Installment Purchase. A nonprofit LLC would have to be created. The non-profit would then borrow the money to build the facility. The City would be required to make yearly installment payments. Essentially, the City would be purchasing a portion of the building each year. This option is preferable because it does not overburden the City's debt capacity limit.

Council Member James voiced concern over using all the TIF Funds for the City Hall. Ms. Rhodes explained that the entire project would not be funded with just TIF Funds and funds will be available for economic development projects.

After discussion, Ms. Rhodes stated that Council needed to approve a Reimbursement Resolution at the next Regular Council Meeting and authorize the City Manager to negotiate with the property owner. Once the property is under contract, staff will need to put out an RFQ for an architect to design the new building so that the true cost of the building could be determined. Staff cannot truly move forward with funding options until the cost is determined.

D. Discussion of the Five Year Plan for the Cayce Fire Department

Ms. Rhodes stated the City of Cayce currently has a Pure Public Safety Model. Every officer is trained in fire as well as police. Currently, when the fire fighters arrive at a fire, they have to wait for other Public Safety Officers to arrive before they can start actively fighting the fire. The City has a two-in two-out policy.

A Five Year Plan was discussed which included adding three new fire personnel each year for four years. Council Member James voiced his concern for the officer's safety with the Public Safety model. He stated he felt it was best to add twelve new personnel all at once rather than in increments.

After discussing various finance options, Ms. Rhodes stated the sanitation fee could be increased to take pressure off the General Fund so new firefighters could be funded. She stated mils could be raised each year as well to fund new personnel in the Fire Department. She explained that twelve new fire fighters have been in each of the last three budgets but have been cut each year. If Council decides to make this a top priority, staff will do everything they can to find a way to fund new fire personnel.

After additional discussion, it was decided to add twelve new firefighter personnel to Public Safety's budget.

E. Discussion of Annexation Agreements in Reference to City Utility Services

Mr. Crowe stated prior Council's policy was to not force anyone to become a resident of the City even though the City's ordinance states "as a condition for the provision of water and sewer service to property outside the city limits, the property owner shall execute an agreement to petition the city for annexation of the property when it is or becomes contiguous to city limits."

Ms. Rhodes stated most municipalities currently require the owner of the property to sign an annexation agreement when requesting utility services. The annexation agreements require restrictive covenants recorded at the office of the Register of Conveyance. She asked Council what they would like to do regarding the City's Annexation policy. Council Member James asked staff to research how many existing customers are surroundedby the City limits but have not been annexed in (donut hole customers).

After discussion, it was decided Mr. Crowe would draft an amendment to the City's ordinance to bring it in line with recent court decisions. Mr. Luckadoo will research the number of existing customers and report back to Council his findings so that council can decide on their next step in the Annexation process.

Adjourn

There being no further business, Council Member James made a motion to adjourn the meeting. Council Member Corley seconded the motion which was unanimously approved by roll call vote. The meeting adjourned at 8:15 p.m.

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Elise Partin, Mayor

ATTEST:

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Mendy C. Corder, Municipal Clerk