

City Council Minutes
March 5, 2019

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Orangeburg City Council held its regularly scheduled City Council Meeting on Tuesday, March 5, 2019, at 7:00 P.M., in Council Chambers with Mayor Butler presiding

PRESENT:

Michael C. Butler, Mayor

Bernard Haire

Jerry Hannah

Charles W. Jernigan

L. Zimmerman Keitt

Sandra P. Knotts

Richard f. Stroman

Mayor Butler recognized students from Claflin University.

A motion was made by Councilmember Stroman, seconded by Mayor Pro Tem Keitt, to approve the February 19, 2019, City Council Minutes as distributed. This motion was unanimously approved. (Councilmember Haire was not present at the time of voting.)

Ms. Reyne Moore, President of the Chamber of Commerce addressed Council on upcoming Chamber events. She stated, "Thank you for your time, I just want to bring to you upcoming events from the Chamber. For the Christmas Parade, we had a forum and got a lot of feedback. There is no date yet and we will have a poll for the date. We have a program called the LEAP Program that is a Local Entrepreneurial Acceleration Program where we partner with businesses on Accounting/Finance and Management and help businesses pitch ideas to investors and there is a \$10,000 capital award for the best project. The Rose Festival is upcoming, and the dates are May 3-5, we are having planning meetings so far and bouncing around ideas to boost attendance. Thank you again for your support."

Mayor Butler asked, "Is there a date for the parade or a day?"

Ms. Moore replied, "Not yet. We wanted to have the businesses open Downtown on Saturday for the parade to increase shopping potential and on Sunday people have church activities and we have even thought about another weekend."

Mayor Pro Tem Keitt asked, "Were there merchants at the meeting?"

Ms. Moore replied, "Only one"

Mr. and Mrs. Terry Benton of 752 Banning Street, Cope, addressed Council. Mr. Benton stated, "In 2016, my daughter moved on a piece of my property and we buried 400 foot of water line to the road. She was told she could not get water unless everyone on the adjoining properties would sign a covenant for permission, so she could get water. If she can't get City water, then I can't get it as well and I thought that the City water was everyone's water. I didn't think you had to get permission to get it. Mrs. Benton stated, "My brother owns property next to my daughter and she needed water and the lines were put out and we couldn't get water because he wouldn't sign the covenant, we then had to get a well. It would be nice to have city water. When we lived in Orangeburg, we had city water. We own rental property in the DPU area and we do not have an issue there. The water is on the street and you went to a lot of expense to provide the water fifteen miles out. If we sold our property, a stranger could come in and get water, no questions asked. That is my issue. I cannot make my brother sign and we just can't get water and it doesn't seem fair. We are asking you to have your attorney look into revising the Covenant issue. We are not the only customers having this issue. I would think DPU would welcome customers to help pay for the expense of having it out there."

Mayor Butler asked, "Where is the water?"

Mrs. Benton stated, "It is on our street."

Mayor Butler asked, "Your brother's house, is your daughter's house behind it?"

Mrs. Benton replied, "The house is on the same side of the road, but I was told the road has no bearings on the property. She lives across the road and he lives down the road about 300 yards on the opposite side. Why should we suffer and not have water." 2793

Councilmember Jernigan asked, "You can't get water because your brother won't sign the covenant due to the fact that some point in the far future that he may be annexed in the City? How far out are you?"

Mrs. Benton stated, "Sixteen miles."

Councilmember Jernigan stated, "We have addressed covenants years ago and we couldn't get anything done about it. DPU provides utilities to customers and I would like to do something about it in their Terms and Conditions and I think we are meeting on that later."

Councilmember Stroman stated, "We aren't going sixteen miles out, I wish we could help."

Councilmember Jernigan stated, "The chances of the covenant being enforced are slim to none."

Mayor Butler stated, "We will be discussing this in Executive Session in relation to the Terms and Conditions of DPU. We will take this under advisement."

Mr. Walter Curry of 1980 Shillings Bridge Road addressed Council. He stated, "I have very similar circumstances to what has been presented. I am requesting a waiver of the Terms and Conditions for DPU. I have fifteen acres that I am developing into a park and have invested one-half million dollars and need a water tap. I cannot use a well because it is water that the community will drink. I am twelve miles from the city limits which is 1941 Shillings Bridge Road."

Mayor Butler stated, "We will take this under advisement."

Mayor Pro Tem Keitt asked, "Where is this property?"

Mr. Curry replied, "It is out on Shillings Bridge with palm trees around it. My siblings will not sign the covenant. Some live here and some live far off."

Councilmember Stroman asked, "What kind of park is it?"

Mr. Curry replied, "It is for churches to have senior outings and walking trails and kids activities in a secure lighted area."

Councilmember Hannah asked, "Is there a time constraint on this?"

Mr. Curry replied, "We are waiting and the contractors are waiting, time is of the essence."

Councilmember Haire asked, "Do you have sewage?"

Mr. Curry replied, "We are working with DHEC now?"

Councilmember Haire asked DPU Director Harley if there was sewage out there. He indicated no.

Mayor Butler stated, "We will be discussing this later."

Ms. Jeanette Jeffrey came before Council to compliment DPU and their customer service team. She stated, "I was helping a gentleman with his electric bill and called Jonathan who called

Quincy with the Customer Service Team who then spoke to Jennifer. She looked at it and saw what was needed. They were all happy to help and courteous and good employees and it shows. Also, Mr. Dukes is a good employee with the City police and he is super nice. Thank you."

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Mr. Clay Fowler of Longwood Plantation and John Hostetler of Empower Solutions addressed Council regarding a request for a tax credit for their facility. He stated, "I purchased Longwood seven years ago and since that time I have replaced water heaters, furniture, stoves, carpet, air conditioning and other things. Now, I need you to help me save lives in the future. The State of SC has a tax credit specific to businesses who are not required to install sprinkler systems by law to install this fire suppression system. This is our 25th year. Maybe somewhere down the road, the City can recognize us with a Proclamation for 25 years in business. In 1994, we were not required to install sprinkler systems and we are not required to now. This is very important, and I have tried in the past to finance it. I received a HUD loan and due to a clerical error by the lender, we were not approved. This credit is a Godsend. The way this credit works is the cost of the project, which is going to be about \$150,000 and 25% of the cost of the project will be a property tax credit between the City, County and school. The County has already approved the credit for the County and school. Then, if those are approved, the State of SC kicks in another 25% tax credit. If all are approved that will be a \$75,000 tax credit for this sprinkler system, which is not required and doesn't add income to the business. We have created 45 jobs in Orangeburg and 18 in the last six years. We have a payroll of over \$600,000 and pay over \$38,000 in taxes. The approval of this tax credit will help us implement this and have a safer place for our residents."

Mr. John Hostetler from Empower Solutions stated, "I am here because I work with our clients to get tax credits to offset capital investments. The State offers this tax credit and we have gone to the County and have gotten that approved and now we are at the City. The State would then chip in 25%."

Councilmember Jernigan asked, "What is it now that you want the City to do?"

City Administrator Yow replied, "Per State Law, the City would need to adopt an Ordinance to do this and that is what Council would need to decide and direct staff to bring that Ordinance back to you. We would also provide to you how much the credit would be for the City as it relates to City tax dollars. As you have shared to me earlier before the meeting, we can let Council know how the State Tax Credit works and the years that may be involved and the property tax credit amount."

Mr. Fowler replied, "As a small business and from a cash flow standpoint, I am going to have to borrow \$150,000 and the state property tax credit would be a credit on my income tax return and with nearly \$35,000 state income taxes that is going to take me a long time to get that back on my state income tax returns."

City Administrator Yow stated, "The City and the County would grant a property tax credit all in one year."

Mayor Butler stated, "We need to take this under advisement."

City Administrator Yow replied, "We will provide you some numbers on the credit amount."

Councilmember Hannah asked, "How many bids did you receive and is it compatible to others?"

Mr. Fowler stated, "We have gotten three bids for the alarm system and three bids for the sprinkler system. I had to get a professional engineer to get stamped drawings."

Mayor Pro Tem Keitt asked, "Is there a time frame on this?"

Mr. Fowler replied, "Since it is not required, there is no time frame. I have sprinkler contractors though that will be working in the attic and they want to finish before it gets hot."

Mayor Butler stated, "We will take under advisement."

Mr. William Green addressed Council. He stated, "I want to address the skateboarders ²⁷⁹⁵ all over the sidewalks downtown. One Sunday, I came out of the front door of my apartment building and almost got knocked down from the skateboarders on the street. I also work at Evergreen and the owner was almost knocked down as well. I don't know what can be done about this as people shop."

Mr. Mike Adams stated, "We will look at this. We certainly want them to act responsibly. I know we have had some incidents."

Mr. Green stated, "Perhaps a skateboard park is a good idea to solve the issue."

DPS Director Mike Adams accepted the Character Trait Proclamation "Dependability" for the month of March 2019.

City Administrator Yow addressed Council regarding Opportunity Zones Program. He stated, "I know you have seen some presentations of the Federal Opportunity Zones. Staff wants to provide further information for Council and the public. This program is not a grant program. We are going to apply for many grants to leverage investments. A lot of people come up and ask about the new grant. The Federal Opportunity Zone program is a program to encourage long term private investment in low income communities. Opportunity zones can be in affluent communities that have census tracts that are low income tracts. People hear that it is only a program for low income communities. However, there are census tracts in Myrtle Beach, Rock Hill, Hilton Head and Columbia. I point that out to you because we will be competing for investors with those larger cities. I want to mention that Senator Tim Scott was instrumental in getting this passed. The Mayor, John Singh and I went to Columbia about a month ago and met with the Governor and Senator Scott at an event about this issue that was well attended. It is designed to promote economic development in parts of the state that do not have the level of investments as other areas. It can be used for private investment in housing, infrastructure and businesses. The program allows an investor to invest unrealized capital gains in census tracts that have been identified as Opportunity Zones. The investor can shield capital gains and Federal taxes by investing in a community. Depending on how long they invest, they can gain further tax incentives. For five years 10%, ten years 15% and if longer, the capital gains on the investment would not be taxed. It encourages the investor to be a long-term investor. We have some things we have already done as in writing the Governor for Opportunity Zones designation and we were successful. Orangeburg County also requested areas in our County that include acreage on an area on our Airport Property."

Assistant City Administrator Singh stated, "The one thing interesting is that the IRS is still working through the rules for the investor. You will also see changes occur at the same time as it is a self-reporting program. The Opportunity Zones in the state of SC (map shown) are all the zones in blue based on census tracts. We want to show you in relation to the DPU service area. (Another map is shown). There are industrial sites at the Airport. The next map in green is what we applied for and was approved. Our entire downtown is an Opportunity Zone and the railroad corner. The Zone goes down further and ties into the industrial areas in the County. The Prince of Orange Mall is not in the Zone. The bottom line is that there is only so many locations in the Zone. This gives you a highlight of what we have received. We have got to get investors to look at our Zones. The first SC Commerce Grant application deadline was March 1 and we have applied for a grant to work on a prospectus and we will be working with DPU and other partners. The Commerce grant was a grant which we will have to match with additional funds. We will be working with County and other entities as a team effort. We want to highlight what we have available, so we are working on that grant and it would be a great opportunity for us. Another part of it is a web presence where we have a specific web presence in promoting the Zones where we can get investors interested in us. It is a three-prong approach: 1: Prospectus 2: Web Presence and 3: Investors and brokers. A good example in explaining investors is where part of King Street in Charleston is affluent, and one part is not, and it is in the Opportunity Zone. There are some investors that are so large that this would not interest them. Some may

want to look at a developing rural area and we want to put our interest in that. It is almost like interest groups but are investors. There is an article in your packet from Forbes's magazine that sums it up. What we have to do is pair investors with us."

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City Administrator Yow stated, "As you know we have had some property donated to us recently and that would be a part of the prospectus; assets that are ready for investment. It is something that simple."

Councilmember Hannah asked, "Who decides on which investor to take?"

Assistant City Administrator Singh replied, "That is not up to us. The investors choose you and your area. It is not a situation where we pick them."

City Administrator Yow replied, "The investor may be looking for other incentives and that could become where you assist the investor. If someone wanted to locate on the Airport property, we could build a road into that property. If more than one wants to invest, we may have to pick one."

Mayor Pro Tem Keitt stated, "It is a great opportunity. The railroad corner has been talked about twenty years ago, this is the gateway to the City."

Councilmember Stroman asked, "Will this affect private property?"


City Administrator Yow replied, "The investors could invest in either private or public property or both."

There were no utility matters brought before City Council.

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Stroman, to enter into an Executive Session for a Legal Matter/Contractual Matters concerning the Department of Public Utilities Terms and Conditions.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Carrie W. Johnson
City Clerk

