SPECIAL MEETING/WORKSHOP OF CITY COUNCIL
NOVEMBER 30, 2017 – 4:00 PM
MUNICIPAL COURTROOM
GEORGETOWN, SOUTH CAROLINA

1. CALL TO ORDER

Notice of this meeting has been made in accordance with the 1976 Code of Laws of South Carolina Freedom of Information Act.

MEMBERS PRESENT
Mayor Jack M. Scoville, Jr.
Mayor Pro Tempore Brendon M. Barber, Sr.
Council Member Sheldon A. Butts
Council Member Carol R. Jayroe
Council Member Al Joseph
Council Member Edward S. Kimbrough, Jr.
Council Member Clarence C. Smalls

ALSO PRESENT
Mr. Paul A. Gardner, City Administrator
Ms. Ann U. Mercer, City Clerk
Mr. Orlando Arteaga, Engineer
Mrs. Debra Bivens, Director of Finance
Mr. Tim Chatman, Streets and Sanitation Manager
Chief Charlie Cribb, Georgetown Fire Department
Mr. Glen Dixon, Fleet Superintendent
Mr. Alan Loveless, Director of Electric Utilities
Mrs. Gloria Bromell-Tinubu, Economic Development Director
Chief Kelvin Waites, Georgetown Police Department

ABSENT
Miss Suzanne Abed-El-Latif, HR Manager
Mr. Will Cook, Water Utilities Director
Mrs. Elise Crosby, City Attorney
Mr. Rick Martin, Building Official/Zoning Administrator

MEDIA
Georgetown Times - Mr. David Purtell
GAB News - Mr. Scott Harper

2. ANNOUNCEMENT CONCERNING ELECTRONIC DEVICES

Mayor Jack M. Scoville, Jr. called the Special Meeting/Workshop of City Council to order at 4:00 PM and requested all cell phones or electronic devices be turned off or placed on mute so as to not interrupt the meeting.

3. ECONOMIC DEVELOPMENT UPDATE

Mr. Lawrence Flynn, the City's bond attorney, began with a broad overview of Economic Development in a municipal setting. Economic Development in South Carolina at the municipal level is still an evolving concept. In talking about development of downtown corridors, most areas do not want big industrial development. Municipal development is looking to drive commercial and retail development. Given the historical limitations on public finance, it should be no surprise that significant efforts have been made to get around them. Municipalities must make sure funds spent at the public level meet what is truly a public purpose. In addition to police, fire, solid waste and utility services, through the years people have voted for quality of life assets, i.e. promoting downtown redevelopment, parks and recreation. Factors have been identified as a baseline to decide whether or not the money being spent is ultimately going to benefit the public at large. Does the public benefit outweigh the private benefit? What are you ultimately trying to accomplish? In the Inducement Resolution adopted by City Council earlier this month with respect to the development, the factors were specifically laid out and specific findings were made as to why it is believed the development currently being considered meets these factors. The intended goal or benefit to the public is to promote an asset or the development of an asset that benefits the public at large. Are public parties or private parties the primary beneficiaries? The idea is, there is a private benefit to providing incentives to that private party but it is being done for the greater good. Is it a speculative benefit? This has to be weighted: does the developer have the assets behind them, is this something that would otherwise be successful absent the incentives or public participation. What is the probability that the public interest will be ultimately served and to what degree? This is the same as the speculative determination.

The City has previously adopted an Economic Development Incentive Ordinance. How the City applies the incentives can be done on a subjective basis. Mr. Flynn said the Resolution adopted for the potential development of the hotel facility is a robust set of incentives. The thought is it needs to be robust in order to be able to have the level of development that is otherwise anticipated.

Weighting the factors: catalytic effect, contribution on employment, property tax base growth, sales taxes/fees, future development, preservation, other indirect public benefits/costs, unique niche fulfilled, likelihood of development absent incentives, benefits to key area, compatibility with organization goals.

The following questions need to be asked. How does the project affect the City at large? What services will I have to provide? How will my existing customers/taxpayers be affected? What will it cost me to provide service? Do I have the capacity/infrastructure to support growth? Does this fit within my capital improvement plan? Do I have a rate structure that meets a business/industry's needs?

Discussions and questions followed.

The City needs to have a good relationship with the County and the School District. As the process continues to evolve this is a game changing potential development in the community. If City Council is not all onboard you won't be able to sell this with the degree of success that will ultimately be required. In order to make the project successful, the County must first be willing to put it in a multi-county park, subject to the City's consent to establish a business/industrial park within the City limits. A necessary step in forming the park is an intergovernmental agreement between the City and County. The County is the governing body with the power to create the park. Mr. Flynn presented a detailed explanation of how the MCP would work relating to the hotel. The County would dictate how the property tax revenue from the park is distributed between the County, City and School District, as well as how much is rebated back to the developer. The State requires counties to partner with a neighboring county that would receive a small portion of the property tax revenue derived from the park throughout its existence.

Tax increment financing (TIF) is allowed by the South Carolina Constitution. It authorizes a city to borrow money for redevelopment within its incorporated boundaries, with debt service to be provided from the incremental property tax revenues resulting from the value added by the redevelopment project. Unlike the multi-county park, in order to put the TIF in place, the City has to have the School District's consent to borrow their mileage. A preliminary map developed by City staff outlining the proposed TIF area was reviewed. Paul Gardner said the City has been in informal conversations with the County and School District and has received positive comments from both. Mr. Flynn reiterated the importance of a strong working relationship with the City, County and the School District. Further lengthy discussions followed.

4. PURCHASED POWER COST ADJUSTMENT CREDIT PERCENTAGE FOR PEAK SHAVING PROJECT DEBT SERVICE PAYMENT

Mr. Alan Loveless updated Council with a status report on construction of the project. He reported Coastal Structures work is ongoing. The first few weeks included site preparation. Since then they have formed the concrete pads for the fuel tank, the main building housing the generators and transformer. Several thousand feet of conduit have been installed under the pad of the building for the electrical wiring, control wiring, fuel lines, water lines, etc. Concrete should be poured in the upcoming weeks. The diesel engines and generators are scheduled for delivery in early January. This permanent site is being set up to provide automatic backup power for the wastewater plant.

Mrs. Debra Bivens noted at the June workshop discussions were held regarding the revenue bond. The bond was secured and the City is using the funds to pay for expenses associated with the Peak Shaving Project. The term is for 10 years and the annual debt service payment is $670,000 which will begin June 18, 2018. This was not budgeted because the City planned to use the savings from the Purchased Power

Cost Adjustment (PPCA), which is the portion of the credit that is passed on to the customers. Staff is recommending 75% of the savings be used toward the debt service payment and 25% will be passed on to the customer beginning July 2018. With this option, the balance of $126,300 annually will be budgeted in the Electric Fund to go toward the debt service payment. She asked for Council's consensus on the 75%/25% allocation of the PPCA. The current PPCA average monthly credit to the customer is $5.50. The revised PPCA average monthly credit to the customer would be $1.37. In addition, staff is requesting approval to use 100% of the PPCA savings through June 30, 2018 for the debt service payments. The City is half way through the fiscal year and no portion of the PPCA has been allocated for the debt service payment.

Mr. Loveless said when the City executed the last agreement with Santee Cooper, our demand rate was locked for the first five year. This will expire November 2018, and the demand will increase to what their normal rate for our class is at that time. This also means our savings from operating the plant will increase.

Mrs. Bivens reminded Council $1,000,000 of the $6,000,000 Revenue Bond is for the Front Street underground project.

Council Member Butts said solar power is becoming more popular for load shifting and power shifting. He stated there are plenty of federal and state benefits, etc. to utilizing solar power and asked staff to keep this in mind going forward. Mr. Loveless said if peak shaving is expanded, solar power will be considered.

Council's consensus was move forward with staff's recommendation; 75% of the savings be used toward the debt service payment, 25% will be passed on to the customer beginning July 2018 and approval to use 100% of the PPCA savings through June 30, 2018 for the debt service payments.

5. FIRE ENGINE LADDER #1 UPDATE

Waccamaw Regional Council of Governments assisted the City to obtain a $500,000 USDA grant to offset the $800,000 cost for a new ladder truck. A few roadblocks have occurred. Fire Chief Charlie Cribb updated Council on the current status. The City will be advertising for bids for the third time. This is due to requirements of processing the grant. The truck is built specifically to the City's needs and some of the specifications are upgraded. The City received one bid on two separate occasions; this did not satisfy the requirements of two bids. Because it is a ladder truck the market is narrowed down. In order to satisfy USDA requirements, the specifications were revised to include 'or equal to' 177 times. The revisions were sent to USDA for approval before advertising for bids. The deadline has been extended for a length of time to get through the process. He reminded Council there is a 10 month build and there will be a manufacturer's increase.

6. EXECUTIVE SESSION

Motion to adjourn Special Meeting/Workshop and enter Executive Session pursuant to Section 30-4-70(a)(2) to receive legal advice related to potential resolution of 2014-CP-22-0863 and Sec. 30-4-70(a)(5) to discuss matters relating to proposed location, expansion, or provision of services encouraging location or expansion of industries or other businesses in the area served by the public body.

Council Member Joseph moved, seconded by Council Member Butts.

Mayor Scoville called for the question.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Al Joseph, Council Member
SECONDER:	Sheldon A. Butts, Council Member
AYES:	Scoville Jr., Barber Sr., Butts, Jayroe, Joseph, Smalls
ABSENT:	Kimbrough

The Special Meeting/Workshop adjourned at 5:26 pm.

Motion to adjourn Executive Session and reconvene the Special Meeting/Workshop.

Council Member Jayroe moved, seconded by Council Member Joseph.

Mayor Scoville called for the question.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Carol R. Jayroe, Council Member
SECONDER:	Al Joseph, Council Member
AYES:	Scoville Jr., Barber Sr., Butts, Jayroe, Joseph, Smalls
ABSENT:	Kimbrough

Executive Session was adjourned and the Special Meeting/Workshop was reconvened at 6:47 pm.
Mayor Scoville announced no formal action was taken in Executive Session.

7. COUNCIL MAY TAKE ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

8. ADJOURNMENT

Motion to adjourn the Special Meeting/Workshop of City Council.

Mayor Pro Tempore Barber moved, seconded by Council Member Joseph.

Mayor Scoville called for the question.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Brendon M. Barber Sr., Mayor Pro Tempore
SECONDER:	Al Joseph, Council Member
AYES:	Scoville Jr., Barber Sr., Butts, Jayroe, Joseph, Smalls
ABSENT:	Kimbrough

The Special Meeting/Workshop of City Council was adjourned at 6:48 pm.

Ann U. Mercer
City Clerk

Date Approved: 12/21/17