

GREENWOOD CITY COUNCIL

February 27, 2006 - 5:34 p.m.

MINUTES

PRESENT

Council Members: Mayor Nicholson, Niki Hutto, Linda Edwards, Betty Boles, Herbert Vaughn, Johnny Williams and Barbara Turnburke; City Manager; Assistant City Manager; City Attorney; and Vic MacDonald from the Index-Journal.

The City Clerk arrived at 5:40 p.m.

CALL TO ORDER

The meeting in Council Chambers was called to order by Mayor Nicholson at 5:34 p.m. and he welcomed everyone to the meeting.

The Mayor then gave the invocation.

STATEMENT AND
QUORUM

Mayor Nicholson read the following statement, "In accordance with the Freedom of Information Act, Chapter 4, Title 30, Code of Laws of South Carolina, 1976, an agenda has been posted on the front door of City Hall and notification of this meeting has been given to the news media."

The Mayor then asked the Assistant City Manager, Charles Barrineau, if a quorum was present. He said, "Yes, Mr. Mayor, we have a quorum."

APPROVAL OF
CONSENT AGENDA

Mayor Nicholson asked for a motion to approve the consent agenda.

Motion to approve the consent agenda was made by Barbara Turnburke, seconded by Betty Boles.

The Mayor asked, "Is there any discussion or corrections? All in favor raise your right hand. So moved."

Motion passed unanimously.

PUBLIC
APPEARANCES

Under Public Appearances, Mayor Nicholson recognized Mr. Jason Van Driesche.

Presentation
from Jason Van
Driesche,
Director of
Watershed
Conservation,
Upstate Forever.

JASON VAN
DRIESCHE

"Thank you all, ladies and gentlemen, for taking the time to listen to me this evening. I'd like to tell you a little bit about the project and talk about a couple of things that we're doing. I'll try to be as quick as I can.

I'd like to start off by reading an e-mail we got last week that really sums up what we're trying to do with the project I lead, which is the Saluda-Reedy Watershed Project. The e-mail said, 'Keep up the good work. I fish in the Saluda and Reedy Rivers where they come into Lake Greenwood. I caught a mess of crappies last Thursday night right where the rivers come together. Both of these rivers are peaceful when you get up on them and fun rivers to fish in, but the Reedy is very difficult to get into from Lake Greenwood. I think this must be the sediment that you were talking about. The Reedy is also trashy. Both rivers seem to have good catfishing. I live in Saluda and fish in the Saluda River, below Buzzhard's Roost Dam, a lot. I read about your organization in the Index Journal. What y'all are doing is good. I played on Lake Greenwood all my life and we need to keep it clean for future generations. If y'all are looking for people to help in this cause, let me know. I'd be glad to help.' So that's an e-mail we got from a gentleman who clearly knows the Lake and cares about it a lot. It's really heartening because these people know a lot more what this Lake means than I do. If we can make that kind of connection, then we're heading in the right direction.

I'd like to give you a little bit of information. First off, I prepared a packet for each of the Council Members about what I'm going to talk about tonight.

I'll walk you through what's in here. Hopefully, this will explain a little better of what we're doing and what the whole point of this is. As I'm passing this out, I'd just like to acknowledge that Mayor Nicholson has been involved with this project from the start. He graciously agreed to be on our advisory council as a representative of the City of Greenwood. He has given us great advice and assistance throughout, so none of this should be new to him. I also recognize a couple of faces from the meeting a couple of weeks ago. It's very good to see you again.

If you take a look in the packet, I'd like to call your attention first to the piece on the right side with the orange boxes on it. This is some feedback we got above and beyond the e-mail I just read. The comments are from the event we held about two weeks ago at Lake Greenwood State Park about water quality and the future of the Lake. There were about 170 to 180 people present and the response was tremendous. It clearly showed that a lot of people are concerned about the future of the Lake. That's really the whole point of this project.

The Saluda-Reedy Watershed Project is funded largely by the Rasmussen Foundation and Fuji Photo Film. They asked Upstate Forever, the nonprofit conservation organization I work for, to be the coordinator for a very broad group of folks from Lander and Furman Universities, the State DNR and Pinnacle Consulting Group, which is a private consulting group in Greenville. They will work together to identify what the key trends in water quality are in the watershed of Lake Greenwood, the Saluda and Reedy Rivers, everything that feeds the Lake. There was research on some of the main threats and what we can do about them because it has been a concern for quite a while. I know there was a report done several years ago on the Reedy River, but there was no major concerted effort that brought the Greenwood and Greenville areas together. This isn't a problem that y'all can solve on your own because a good portion of what's happening to the Lake comes from upstream. That's really the key of this project, to figure what's going on, make those connections, and help us to move forward together to improve the water quality throughout the region and protect this key resource.

This gives you an idea of what we do in addition to research, policy analysis and everything we need to get our facts right.

We really try to do a lot of outreach to help people understand why water quality is important and connect them with other people who already know its importance to figure ways to work together.

The reason why I'm here tonight, in addition to giving you this basic overview of the project, is because Mike Monaghan of Greenwood CPW suggested that I approach the City about the possibility for a contribution to support one specific project that's a part of this effort. He said that CPW has a major interest in this project because the water quality of Lake Greenwood is of critical importance to what they do and the services they provide to the community. I'm not sure of the specifics, but they're prohibited by their set up. He basically said they can't support anything outside the CPW on their own, but could make a donation through the City. He suggested that I approach the City and talk a little about the project to see what y'all might think of this.

Specifically, what I'd like to propose to you is this event that we did at Lake Greenwood. It was the second in a series that we had planned. The first one was at Furman University in November regarding flooding, the impacts of flooding on low-lying communities and strategies for reducing the impacts of new development on flooding problems. As we continue to develop, it shouldn't make the flooding problems worse. The meeting was very well attended because that's obviously a major issue in the Greenville area. The meeting in Greenwood was the second one. We'd like to do six more over the next year and a half at every three months. The Rasmussen Foundation and Fuji gave us seed money for this project, but challenged us to find the rest of the support needed to continue the series of bringing information about the importance of protecting our water resources to the broader community. The second thing you see on the right side is an overview of a proposal. I'll let you read what we propose to the City, and how we'd like you to help us with this project, at your leisure.

As you can see, we're off to a good running start with this effort. The folks who were there, Mayor Nicholson, Ms. Hutto and Ms. Boles, saw how that event was quite a success. We really would like to be able to continue alternating each meeting between the upper part of the watershed, the Greenville area, and here in Greenwood. The future meetings will be hosted at Lander.

They are our partner in this project and already agreed to host them for us, so please do take a look at that when you get a chance.

The one other thing that I'll call to your attention is the third item on the right side which says, 'Strategic Plan 2005 to 2007'. This is just a two page outline of everything that the Saluda-Reedy Watershed Project and Saluda-Reedy Watershed Consortium are doing over the next year and a half. We're already well launched into much of this but, as you can see, it's pretty broad based. The thing that ties it all together is sending better water down to yours.

I very much hope that you will be able to work with CPW to find a way to help us continue with this work. The Rasmussen Foundation and Fuji have made it a top priority as they put a total of \$2.5 million into it over five years. Most of their support has gone towards research and developing a clear picture of what's going on and what we need to do. We need your help if we're going to make maximum use of that investment and put it to best possible use for Greenwood and Greenville. This is about the whole watershed and water quality across the whole region.

What it all comes down to, though, is what goes down to the Lake. If you have any questions, or anything I can answer right now, I'd be happy to. Otherwise, I'll let you read this when you get a chance."

MAYOR NICHOLSON

"Okay. Does anyone have any questions for Jason?"

NIKI HUTTO

"What other entities are you asking donations from?"

JASON VAN
DRIESHE

"I've made a presentation to the Greenwood Partnership Alliance. I also made a request to Greenwood Metro Sewer. Although they discharge below the Lake, they have a strong interest in the overall economic vitality of the community that ties them, in some ways, to the health of the Lake. I also made presentations to several private companies in the Greenwood area that we're hoping to get on board as well."

NIKI HUTTO

"Have you made a presentation to the County as well?"

JASON VAN
DRIESHE

"I'm working on that."

We've been trying the last six months to get a presentation set up for the County and are hopefully going to have something in the next month or two. That's an obvious place to go. They have several projects that they committed \$60,000 to funding and we're hoping to see it come through."

MAYOR NICHOLSON

"Okay. Are there any other questions? Jason, we want to thank you for sharing this information with us. We appreciate everything that you and the organization are doing because the Lake is a great concern for the entire community. I know we got to work together with various counties and everyone affiliated with the Lake. We appreciate what you all are doing."

JASON VAN
DRIESHE

"Thank you, Mr. Mayor. Thank you all very much. I will leave this last copy that we handed out at the Lake Greenwood Forum a couple of weeks ago. It's a status report and the next step of water quality in the Lake. There is also a summary of all their research written in a very straight forward and accessible format to give you a sense of what we're doing about the Lake. I'll leave that with the City Manager if anybody would like to see it."

MAYOR NICHOLSON

"Okay. Thank you, Jason."

CONSIDER

Ordinance No.
06-006 Amending
the City of
Greenwood's
Official Zoning
Map (Ordinance
No. 04-020) by
Rezoning
Property
(Approximately
0.3 Acres)
Located at 536
Cambridge Avenue
East from R7
(Residential-
High Density) to
NC (Neighborhood
Commercial)

Under public hearings, Mayor Nicholson said, "The format that we employ at the public hearings is, if there is anyone here to speak, we ask that you come to the podium, state your name and address for the record and try to limit your comments to not more than three or four minutes."

Mayor Nicholson then read the first public hearing and asked, "Do I have anyone here to speak in favor of this zoning request? Is there anyone here to speak in opposition to this rezoning? Mr. Brown, do you have any comments?"

(1st reading)

STEVEN BROWN

"Mr. Mayor, it is my understanding that this property was commercial prior to the adoption of our new zoning ordinance. It was zoned residential in error and we're trying to correct that mistake."

MAYOR NICHOLSON

"Okay. I see the Planning Commission recommended approval of this. Do I have a motion from Council?"

A motion to approve the request was made by Betty Boles, seconded by Barbara Turnburke.

"Are there any questions or further discussion? All in favor raise your right hand. So moved."

Motion passed unanimously.

- attach -

CONSIDER

Ordinance No.
06-007 Amending
the City of
Greenwood's
Official Zoning
Map (Ordinance
No. 04-020) by
Rezoning
Property
(Approximately
3.35 Acres)
Located at 105
Dargan Avenue
from R4
(Residential-
Medium Density)
to R12
(Residential-
High Density).

(1st reading)

JACKIE GODSEN

Mayor Nicholson read the second public hearing and said, "Again, if you look at the overhead you'll see the property on Dargan Avenue that we're talking about. Is there anyone here to speak in favor of this zoning change?"

"Hello, I'm Jackie Godsen and I live at 105 Dargan Avenue. I am requesting this so that I can continue to operate as a bed and breakfast.

I really don't care how it's zoned as long as I can do what I want with this property. It has been a bed and breakfast in the past, so I'm going to leave it up to you as to what you would recommend."

MAYOR NICHOLSON

"Okay, thank you. Is there anyone else to speak in favor of the zoning change? Is there anyone opposing the zoning change?"

NIKI HUTTO

"May I make a comment? In looking at this, if this property was changed to an R12, you could have 12 units per acre. That's a total of 36 units on that piece of property in a residential area of single-family houses on a quarter acre each. In order to best suit the neighborhood and accommodate the property owner, I think we might have a better solution. We could table this request at this present time and propose that the Historic Overlay would designate her to keep it as her residence in R4. It would offer her broader use of the property where she could do her B&B and actually protect the integrity of the community as well."

MAYOR NICHOLSON

"Okay."

BETTY BOLES

"But she can still operate a bed and breakfast under R12 as it is now?"

NIKI HUTTO

"No. She's zoned R4."

BETTY BOLES

"She can't operate under R4?"

NIKI HUTTO

"She cannot operate under R4, but she could with a Historic Overlay. If they sell the property under R12, you can basically have over 36 units on that piece of property in an inner city residential area surrounded by R4 property. With the Historic Overlay, you can get the B&B and protect the area. It's more in line with the whole scheme of what we're doing downtown and residential areas within the City. We can have the best of both worlds, and it would offer her some other incentives she wouldn't have unless it was zoned historic, which is really what it was."

MAYOR NICHOLSON

"Mr. Brown or Phil, what can we change in order for her to operate her B&B?"

STEVEN BROWN

"Under the present ordinance, R12 is the only zoning that allows her to operate as a B&B."

We're proposing you to use a part of your ordinance which allows the establishment of the Historical Overlay, use your Board of Architectural Review which is on your agenda tonight and send it back to the Planning Board.

I think this house was constructed in 1848. It is on the historic register and has been well maintained through the years. We've lost a lot of homes in Greenwood that had historical significance. They have already made significant changes up to this point. What brings us here tonight is, under the old H1 zoning, it allowed the B&B. The previous owners shut the facility down for more than 6 months and lost its grandfather status. There's some debate as to what was told to someone when it was purchased. We weren't involved and don't know what was said, but the understanding of the new owner was that it could continue to be used as a B&B.

I have to agree with Ms. Hutto. I think the B&B is the best use, when you consider the surrounding community, and not putting 36 or 45 units on that 3 ½ acres. This will be a class facility if she can use it. She's talking about living there and having three rooms in the house to use as a B&B, for receptions and things of that nature.

I would suggest that we use your ordinance, which is the Historic Overlay, and allow the BAR (Board of Architectural Review) and Planning Commission to work out the overlay conditions, specifics of the overlay, and bring it back to you. Your ordinance allows you to take this one block and have it as an individual overlay. In the future, you could be able to expand this to include other properties in that area that would have historical significance. There's nothing being asked of you that would be considered an exception. It's really the first piece of property brought to us that qualifies under your historical overlay. We just haven't had anything up to this point to establish the first one.

I think we can get the use qualified under the ordinance other than R12. The scary part about R12 is we don't know who will purchase the property in the future and what they would do with it. We can use the historical overlay and limit what can be done. One of the uses under the historic overlay would be residential, but it would be single family

residential.

You could eliminate any concern about multi-family and have the B&B as a use under that historical overlay. You could also have the use of the reception area and anything else that is related to the operation of this historical structure. It has potential and I would recommend that you consider going that way.

We propose to you that if you pass the ordinance tonight establishing the BAR, you could do one or two things at your work session. You can discuss who you want to appoint or have a special meeting to make your appointments to the BAR. Once it has been established and appointed, the BAR could meet and start working on this process, which would eventually lead to the overlay being brought back to you for final approval. We think it could take four months for this to happen. If everybody approves, then she would have full use of the property as a B&B at a minimum of about 120 days.

I want Council to understand that we're not making an exception for this lady. It's legitimate what we're proposing to you but what makes it kind of strange is it's new. If you haven't seen this structure, or been around it, I would ask you to visit. It's unique to Greenwood and we need to do everything we can to protect these types of structures for the generations that are going to follow behind us.

This family is prepared to spend their own money to make the revisions and do what's necessary to bring it into compliance. I think the City should do everything we can to enhance their efforts. It falls in line with what we're doing in other areas in town. We get upset when people tear down these types of structures. We have an opportunity to help someone protect a structure and I think City Council should consider it."

NIKI HUTTO

"Not only protect, but improve with fencing and that kind of thing. You're looking at an improved structure because she'll be able to use it at its highest and best use."

STEVEN BROWN

"We went to a meeting Friday and everybody asked, 'Why can't we be like Abbeville, Aiken, and ...?' Well, they have a lot of structures like this and have done things that we're talking about doing tonight. It's time for Greenwood to move to that point and I encourage you to consider it."

MAYOR NICHOLSON

"Okay. Is there anyone else with comments while we're having the public hearing? Okay. Seeing and hearing none, we will close the public hearing.

Now, do I have a recommendation coming from Council?"

A motion to consider a historic overlay for this property and refer back to the Planning Committee was made by Niki Hutto, seconded by Barbara Turnburke.

"Are there any questions or further discussion?"

LINDA EDWARDS

"What committee?"

MAYOR NICHOLSON

"The Committee we're going to appoint under New Business."

STEVEN BROWN

"It's the Board of Architectural Review. They would make a recommendation to the Planning Commission and the Planning Commission will make a recommendation to us. It'll pretty much go back through the process."

LINDA EDWARDS

"But we are going to discuss this in work session? I have a couple of questions before I could vote."

MAYOR NICHOLSON

"Are there any other questions? All in favor raise your right hand. So moved."

Motion passed unanimously.

CONSIDER

Under new business, Mayor Nicholson read the first item and recognized the City Manager.

Ordinance 06-010 Approving a Five-year Exemption from Ad Valorem Taxes for Personal Property Purchased by Greenwood Fabricating & Plating, LLC Pursuant to Article X, Section 3 (g) of the South Carolina Constitution.

(1st reading)

STEVEN BROWN

"Mr. Mayor and City Council, you have had a previous presentation made to you by Jeff, of the Partnership, regarding this project. We've explained to you in detail what the company, or new owners, are facing with the recapitalization of the inventory. Right now, our present ordinance allows a two year exemption. Before you tonight, is an ordinance that is specific to the Greenwood Plating. The City Attorney will address that later, if you will allow him to do so. The new ordinance would allow, instead of a two year exemption, a five year exemption. Mr. Treeter and Mr. Hinkle are here representing the company and will make a presentation to you."

DOUG HINKLE

"We appreciate you giving your time tonight for us to further elaborate on our situation. I represent Greenwood Fabricating and Plating from the standpoint of property tax issues. The plant sold, as you know and have been informed, in February of 2005 to a partnership in North Carolina. When that occurs, there is no automatic exemption by the Department of Revenue in South Carolina."

Because the company continued operations that flowed through the old company to the new company and purchaser, an exemption requires action to be taken at the County level rather than at the State level.

Floyd and I went through the general idea of this and spent some time talking about it also. Technically, you have a new company with new equipment. Accounting wise, it went from a very low floor of property taxes back to 100% again. Without any exemptions given to all manufacturers in the State, the property taxes would have increased to 175% of what they were originally before the sale. That's the reason the exemptions are given in this respect because you couldn't operate like that.

To put it in another perspective, 20% to 30% of the operating and fixed income would've been property taxes. So the company went to the various entities involved such as the County of Greenwood, which has one reading remaining in granting the exemption, and Abbeville County. We have completed both readings for the small plant in Abbeville County and the exemption has been granted. A portion of it is in the Town of Ware Shoals, which is closely comparable to the City of Greenwood, except for the size of the town.

The situation here is the same that came up when we covered this in Abbeville County. We went to the City first and talked with the Mayor and the people that were involved. One of their main considerations was, they got one manufacturer closing and are trying to redevelop the old Ware Shoals Printing and Finishing operation. In looking at those situations, Ware Shoals needed this little company to continue operating, if possible, and asked what they could do to help the situation. I suggested that we needed to make sure we had a good contact with the County. They quickly brought in key people and we were able to get together with the County people. The big situation there is they needed the company there. While the city is small, it is very critical to the whole operation and entity of Greenwood Fabricating and Plating. So Abbeville County welcomed it with open arms and has completed it. One more reading is required at the Greenwood County level.

We're approaching you tonight as the last leg of granting an exemption on the property. Now, what does the exemption here consist of?

We know that within your statute you would grant a two year exemption on the property, relative to the 101 mills that is required under that premise. We're asking for a five year period rather than a two year period. Generally, the statutes across the State are granted on a five year basis. We're asking for an additional three years in that situation.

Again, the reasoning behind doing that is because it's a new facility, as far as accounting is concerned. Yes, it's an older plant, but all the equipment is back at the 100% level. It would be very tough to operate with a 175% increase in property taxes if we didn't have the exemptions. The levy in a town is much higher than it would be outside of a town for a viable industry growing like this is.

While I'm in different manufacturing plants every week, I saw a personal situation that Mr. Treeter and I talked about. He likes to meet the people to find out about the plant, and that impressed me a little. We talked to an 18 years old employee just out of high school and expecting a new baby. The company did their best to bring him on as an employee carrying two jobs. That's the kind of thing I saw that impressed me about the facility. As Mr. Treeter may tell you later, a lot of people who work at that facility on Mill Avenue walk to work. It's a solid company with solid employees.

Why did the company sell? Well, I was involved in some of the negotiations, talking with attorneys and so forth. What I see, as an outsider looking in, is a stronger company with stronger management, and more new capital going into it than you had before. You'll note that we indicated about \$300,000 of new capital will be put in each year at that facility, which is a solid base in town.

Mr. Treeter will probably discuss this, but when it comes to waste treatment operations and water usage, the company has to have a lot of that for chemical operations. As I see it, I think they have solid support of the town relative to that. In looking at the part of town where the company is, I just feel good about going over there and seeing the type of viable facility they got. As I see other facilities around South Carolina, there are not many that touch the uniqueness of the operation that Greenwood Fabricating and Plating does. Unless you've been in it a good bit, you can't appreciate that.

Mr. Treeter will probably relate in that respect also.

I'm not to try to create any confusion on this but, previously before this sale, the City of Greenwood was receiving no funding from a portion of that package of taxes called a fee. Now, the fee is gone on that property, so the City will participate to the future with property taxes from now on. The Company chose to go this direction because there's a lot of hassle in transferring from one company to another. They chose to go with straight property taxes, meaning you benefit from it. The City did not benefit at all under the previous fee structure, so we wanted to make sure that you understood that type of procedure. Are there any questions you might have?"

MAYOR NICHOLSON

"Any questions from Council? Okay, thank you. Mr. Treeter?"

ALLEN TREETER

"I'll just make a couple of comments and keep it brief. Doug is the property tax expert. I'm just going to talk about our relationship to the community, not just in the City, but in the County. We are the only plating company in the southeast that has the capability of plating what we call bussbar, which are twelve foot long bars. The closest competitor to that is in Kentucky. Westinghouse, which is now Eaton, actually invited two gentlemen to open this manufacturing facility in 1986.

When I started helping in 1989 as their outside CPA, Westinghouse represented about 90% of their business. Since then, fortunately, that's not the case anymore. Twenty-five percent of our sales are to the Eaton Plant on Highway 72. Eaton actually has two facilities next door to ours on Mill Avenue. Mr. Williams can remember the shape of that whole street before we took it over. It was just real dilapidated. Eaton has another facility on the other side of the hospital that we're plating for. We also do business with Anderson Metals. I guess the point I'm trying to make is we provide plating services to companies in Greenwood that represent up to 5,000 jobs in the County.

Eaton has 150 employees running an epoxy process that we provide plating to. So we consume 60,000 gallons of water a day that we buy from CPW.

We emit back out roughly 55,000 gallons a day into Greenwood Metro and the other 5,000 gallons gets consumed in the operation. We pay a very handsome license every year and are glad to do it. The Eaton facility inside our business and the facilities next to us, which are in the City, pay very handsome license fees and property taxes also.

I think we've tried to be good citizens. We've also brought a company, called Gindre Copper, to town which is located in one of those little houses across the street from us. It is a French company that's the world's largest producer of copper bar and sheet. This almost sounds silly to say, but one of those old mill houses are their US headquarters. The City is getting the benefit in the license fee for the sale, which represents about 7 million pounds of copper that flows through Greenwood and into the United States shipping as far away as Canada. Those sales are generated inside the City Limits.

That company was in Newark, New Jersey, for four years. The goal of Mr. Gindre, who is from France where they make all the products, was to sell 5 million pounds of copper in the United States. They stayed in Newark, New Jersey, for four years and got up to 1½ million because most of the copper is sold in the southeast. I'm not sure why he went to New Jersey, but they were ready to leave the United States, go back to France and give the market place to a company called, Hussey Copper; the company in Kentucky that is the United States largest producer of copper bar. We were able to entice him to come down here. They've been here for three years and we house, plate, and fab their copper if it needs that or just ship the raw bar. Now, they're up to 7 million pounds and all that goes through Greenwood City. I don't know what that equates to in a license fee, but it's got to be a lot. The plating we do is sales and that's subject to licensing fees also.

I think we're a wonderful citizen for Greenwood. Our employment here in Greenwood has grown just as this new group has taken over, which has provided us better resources and money. We were pretty tight on our ability to expand under our previous ownership, but I think we want to stay here and continue to grow in Greenwood. We do have choices between Greenwood and Ware Shoals on where we grow and are trying to spread that fairly equally among Abbeville

County, Ware Shoals, and Greenwood County. I appreciate each of your consideration."

MAYOR NICHOLSON

"Thank you, Allen. Mr. Brown?"

STEVEN BROWN

"Mr. Mayor and Council, according to the amendment that was adopted to the State Constitution, municipalities granted a totally discretionary exemption to industrial companies. When you adopted your first ordinance, you decided to grant it for a two year period of time. You could have made that a one or five period, but it's totally discretionary. It's not the same with the county. They have an automatic five years and yours is whatever you want it to be.

I think everything they have said about Greenwood Plating is accurate. They have been a good company. They have started out very small and have grown to benefit the City of Greenwood. If we were at a time in our history where the economy was booming, we had low unemployment and things of that nature, maybe you would not be so apt to consider this. But we're not there. We have high unemployment, the economy is on a down turn but hopefully getting a little better. They have added some jobs since the purchase and are anticipating spending an additional \$300,000 of improvements in the company over the next five years. It doesn't seem to be much in a lot of people's minds, but I think it shows their intent.

I want to show you the financial impact. Just for your information, Mr. Hinkle showed the County tax. This is void of any school tax because it just clouds the issue. In dealing with city and county operation millage, the operation millage for the County is 57.5 mills. In 2005, they generated \$11,792. The City, at 101 mills, as getting \$5,421. Your ordinance says that you will grant it for two years so, if you look at 2006 and 2007, we would not collect the \$5,400. If you increase it to a five year exemption, then you would also zero out on 2008, 2009, and 2010, but in 2011 your tax would increase to \$23,800. If you keep your ordinance as it is, in 2008 you would go to \$35,200; \$32,500; \$29,300 and \$23,800.

There are two more things you may want to consider. One is, I had Steffanie to look at the real property tax that would be on their land and buildings. They paid the City a little over \$17,000 in real

property tax last year.
I don't have that figure on the business license,
but they also had to pay a business license.

The other consideration is that the City Attorney has an opinion from the State Attorney General stating that you cannot grant an exemption for a specific company. So, if you are of the mind to increase this to five years, anyone who qualifies from this point forward would also be granted a five year exemption. There are not a lot of industrial people inside of the City who qualify but certainly Eaton, which is a partner with Greenwood Plating, could qualify. NSO Resins, Greenwood Packing Company even Glasgow Printing could qualify. There are some criteria under this law for which a company, such as the Index-Journal, could qualify if they spent sufficient capital, which the minimum is \$50,000. Those are basically the entities inside of the City.

If you change this to five, my recommendation would be not to pass this ordinance here, but amend your present ordinance from two to five. I would give this strong consideration because we need jobs in this City. I'm not saying the company is going to close, and they haven't even insinuated they are, but we have an opportunity to partner with this company.

Allen, what is your present number of employees?"

ALAN TREETER "There is 98 in Greenwood and 12 in Ware Shoals."

STEVEN BROWN "I think you said in our previous meeting that you felt like you were going to add more."

ALAN TREETER "Well, the news I heard yesterday would probably make this double but I think we'll have at least 10 more employees in Greenwood this year."

STEVEN BROWN This is purely a policy decision on your part. I don't think your staff, City Attorney or anyone else can give you something to say why we ought to do this except that you're partnering, not only with these folks, but with any other industrial facility in the City for three additional years of the exemption. If that increases jobs, businesses and makes a difference in a decision whether to stay and expand, then what taxes we would lose is very well worth it.

You can't look into the future and know everything that's going to happen, but I would ask you to strongly consider the five year exemption by changing the ordinance to five years. You may ask Mr. Welch to respond to the legal side of it."

MAYOR NICHOLSON

"Steve?"

STEPHEN WELCH

"There are two things that you got to keep in mind for an entity to take advantage of this; they got to spend \$50,000 in new equipment, capital and that type of thing. The forms you have before you were actually performed and assisted by an attorney that was representing the company and we talked to them thoroughly. My concern is the same as what Mr. Brown said. In looking at the constitutional provision that it's based on, it uses the word, 'All', and when it uses 'All', that's not discretionary. It says the municipalities 'May', and that is discretionary, but it says that if you're going to do it, you got to do it for all.

So the solution would be, as I explained it to somebody today, you can go to Greenville up Highway 25 and get there real quick, but if you got a bad wreck, you may have to take a detour and go around some of the country to get there. You're going to get there but not in this direction. Rather than this ordinance, you probably would have to amend the existing ordinance. If you do that correctly, it won't give these other companies an automatic three year extension. They will have to invest \$50,000 to petition for another five years.

You can always change it. If you find a problem, you can go back and lower it. I made sure I got the Attorney General's opinion today, which are not controlling like court opinions, but are pretty much predictable of some good research. Now, we will more than likely have to give the companies the five years that they have relied on, but you could lower the new companies back to three or whatever you want. So it's not like casting concrete for revenue."

JOHNNY WILLIAMS

"Also, the place can't expand to \$50,000 when the old part keeps paying the same amount of taxes."

STEPHEN WELCH

"It's got to be \$50,000 in new investment."

JOHNNY WILLIAMS

"Yes, new investments are the only time they get

off."

NIKI HUTTO

"How do we compare to other counties, municipalities and entities in South Carolina? Can this make us more competitive in soliciting new business?"

STEPHEN WELCH

"I can't tell you every county or city but, in the constitution, the counties go five years. The County is five years anyway. When you get to the smaller towns, they really don't have any hope of getting manufacturing inside the city limits. To get manufacturing in the city limits you have to be larger.

ALLEN TREETER

"I would say that our facility in Ware Shoals is in the city limits and they granted it."

BETTY BOLES

"Do I understand you correctly to say that it has to be \$50,000 invested, plus new jobs?"

STEPHEN WELCH

"You got to invest \$50,000 in new equipment, plants and that type thing. Typically, if you spend \$50,000 in a new plant, somebody's going to get hired. Sometimes you invest \$50,000 and lay off two people. That does happen, but that's the requirement under the constitution. It says, 'All additions to the existing manufacturing establishments including additional machinery and equipment..'"

DOUG HINKLE

"To answer the question regarding the other jurisdictions, I've dealt with Spartanburg, Greer, and Greenville who are very aggressive in this way. A year ago, we did one of these operations in Spartanburg. The industry was not going to expand in the area because they just couldn't afford to do it unless they get some emphasis to do that. It was granted and they did put on a big expansion in a national company in the Greer/Spartanburg area. So they're aggressive there at Greer, Spartanburg and Greenville; to give you an idea of other interests."

STEPHEN WELCH

"Like I said, if you find that you amend the existing statue from two years to five, in two or three years you'll find out if it doesn't work out."

MAYOR NICHOLSON

"Thank you, Steve."

JOHNNY WILLIAMS

"Well, knowing the company for the past 20 years, I remember when they wanted to build a warehouse on

the side of it.
So I got no problem redoing the old ordinance and amending it to five years."

MAYOR NICHOLSON "Would you like to put that in a form of a motion?"

A motion was made by Johnny Williams to change the present ordinance from two to five years, seconded by Niki Hutto.

JOHNNY WILLIAMS "I will say that they've never had a complaint on the plating company since they've been there."

MAYOR NICHOLSON "Are there any other discussion or questions? All in favor raise your right hand. Six voted to approve and one abstained. So moved."

Mayor Nicholson, Niki Hutto, Betty Boles, Herbert Vaughn, Johnny Williams and Barbara Turnburke voted to change the present ordinance. Linda Edwards abstained from voting.

Motion passed.

- attach -

CONSIDER Mayor Nicholson read the second item and recognized the City Manager.

Ordinance No.
06-008 Amending
Ordinance 03-
010, Zoning
Ordinance,
Chapter 11,
Zoning District
Regulations,
Section
11.9.2.,
Membership of
the Board of
Architectural
Review.

(1st reading)

STEVEN BROWN "Mr. Mayor and City Council, you have a

recommendation from the Planning Commission that we discussed at your work session.

The Planning Commission recommended that the BAR remain a joint committee and to possibly have representatives from Ninety Six, who has the same ordinances we do. We discussed how that Board would be appointed and composed. I'm recommending you to consider a seven member board with one member recommended by each City Council member. There's nothing in my proposed recommendation that would require you to pick someone from your ward. They could be from anywhere in the City, but you would be recommending that person.

It also deals with the expertise that these people may have. Let me read the ordinance to you."

The City Manager then read the proposed ordinance.

"Those are the requirements of the Board, and my recommendation tonight. The reason there is language regarding reasonable attempts to appoint persons who reside within the City is because you may have a developer who owns a lot of property and is involved in a way that you would want them to serve on your committee, but may not necessarily reside in the City. They could have a huge interest in what happens in the City and can contribute to this committee. The ordinance doesn't say you have to, but the option is there if there is such a person. The Architect may have a business and own property in the City, but may not necessarily live in the City. So that's my recommendation. I'll be glad to answer any questions that you have."

MAYOR NICHOLSON

"Okay. Does anyone have any questions for Mr. Brown? This is just for the City because we don't know what the County is going to do right now and we want to proceed with this. Do I have a motion?"

A motion to adopt the draft ordinance recommended by the City Manager was made by Niki Hutto, seconded by Barbara Turnburke.

"Are there any questions or discussion? All in favor raise your right hand. Six voted to approve and one abstained. So moved."

Mayor Nicholson, Niki Hutto, Betty Boles, Herbert Vaughn, Johnny Williams, and Barbara Turnburke voted to table the request. Linda Edwards abstained from voting.

Motion passed.

- attach-

CONSIDER

Mayor Nicholson read the third item and recognized the City Manager.

Ordinance 06-009 Amending Ordinance 03-010, Zoning Ordinance, Section 6-2-15 (1) c, Greenwood City Land Development Regulation, so that the Minimum Standards for Design of Private Streets Meet the Public Road Standards.

(1st reading)

STEVEN BROWN

"Mr. Mayor, in the past you have had roads that were intended to be private from the initial design. There was no intention from the developer to place these roads into the City road system and were built to standards not comparable to City standards. You have inferior storm drainage pipes installed under roads and inferior base being constructed. Even though the City would not be responsible for maintaining these roads, folks are calling us when they fall apart. What happens is, after the developer has built the subdivision and roads, they leave town. It's private property that's not owned by the City. There's been a lot of concern by our staff, residents, and the

Planning Commission.

The Planning Commission has recommended that you change your regulations for private road construction to have the same standards. Meaning, if we have to standardize this type of construction, it will go a long way in eliminating a lot of the complaints that we're receiving on private roads."

NIKI HUTTO

"You think it would also eliminate the call for private roads?"

STEVEN BROWN

"I don't necessarily think they would build them less. One of the reasons could be because a private road right-of-way is usually narrow. Also, a lot of people choose to have a private road because they have control over who enters and leaves that property. Once it is a public road, nobody can deny a citizen from access into that facility. Wesley Commons is a good example. Their roads are private because they choose to retain control. If they ever wanted to have a gate, you must have a decal to come in and go out. I'm not saying it's all of the reasons, but there are various reasons why people want private roads.

I think the City/County Engineer has attempted to remedy some of these situations but felt the ordinance didn't give him the legal authority. This will absolutely give him the authority to review plans for private roads and require that they meet certain standards. There are a lot of cheap, inferior supplies used in road construction. It may last well for 10 years but, after that, certain types of pipes can rust, corrode and fail. We need to have these roads lasting a lot longer than some of them have."

MAYOR NICHOLSON

"Okay. Are there any questions for Mr. Brown? Do I have a motion?"

Motion was made by Niki Hutto, seconded by Barbara Turnburke.

"Are there any questions or further discussion? All in favor raise your right hand. So moved."

Motion passed unanimously.

- attach-

CONSIDER

Mayor Nicholson read the fourth item and recognized the City Manager.

Appointing one
(1) Motel
Representative
and one (1)
Restaurant
Representative
to the
City/County
Visitors &
Tourism
Advisory
Committee.

STEVEN BROWN

"Mr. Mayor and City Council, you have an agreement with the County Council of Greenwood establishing an advisory committee to provide input in the new visitor and tourism program. Four of the people who will serve on the committee are restaurant and hotel representatives from both the City and County. You have appointed Ms. Hutto to be your City Council representative. We now need hotel and restaurant representation for the City. While there's nothing imperative about you doing it tonight, the quicker we can get these appointments made the sooner we can begin implementing that program."

MAYOR NICHOLSON

"Okay. Has anyone spoken with anybody?"

NIKI HUTTO

"I did speak to Joey Bagwell of Capri's and he would be willing to serve. It also brings in those entities that are not in the square because there was some concern at these meetings that all we were doing was promoting the Triangle Project in the downtown. He basically brought up the point of the other businesses in the City too."

MAYOR NICHOLSON

"Okay. Is there anyone else? Well do I have a motion on anyone?"

BETTY BOLES

"What restaurant?"

NIKI HUTTO

"He owns Capri's on the 72 Bypass. I think he's owned that restaurant for 18 years."

Motion to appoint Joey Bagwell of Capris Italian Restaurant was made by Niki Hutto, seconded by Johnny Williams.

MAYOR NICHOLSON

"Are there any questions or discussion? All in favor raise your right hand. So moved."

Motion passed unanimously.

- attach -

"We'll get a hotel representative, maybe, if we have to have a short meeting before the work session."

CONSIDER

Mayor Nicholson read the fifth item and recognized the Assistant City Manager.

Authorizing the
City of
Greenwood to
Apply for CBDG
Funds for Water
System
Improvements
off East
Cambridge.

CHARLES
BARRINEAU

"Mr. Mayor and Council, as we informed you at the work session, the Department of Commerce has notified us that an infrastructure round for the Community Development Block Grant is now available. The grant is up to \$500,000 per applicant. Over the last few weeks, we have worked with the staff of CPW and identified the need for water system improvements around the neighborhoods of Booker T. Washington and College Heights off of East Cambridge Avenue. We're still working to develop the full scope of that project such as upgrading the waterlines, fire hydrants, and such. At this point, we need your permission for us to submit a letter of intent to the Department of Commerce and apply for those funds. Before the final application is submitted, we will bring you a

complete budget request and project scope. If you wish for us to proceed, a letter of intent is due to Commerce by March 10th."

MAYOR NICHOLSON

"Okay. Do I have a motion that we authorize him to write a letter of intent for the area?"

Motion was made by Johnny Williams, seconded by Betty Boles.

"Are there any questions or discussion? All in favor raise your right hand. So moved."

Motion passed unanimously.

CONSIDER

Mayor Nicholson read the sixth item and recognized the Assistant City Manager.

Allocating
\$20,000 for
City of
Greenwood
Sponsored
Events.

CHARLES
BARRINEAU

"Mr. Mayor and Council, as you know, our staff worked very closely in 2005 with groups, such as the Partnership Alliance, to improve and expand upon our sponsored events. These events contribute significantly to the quality of life and the economy of Greenwood by bringing visitors from all surrounding counties into our area. Tonight, our staff is asking you to allocate up to \$20,000 from your local hospitality taxes to sponsor the promotion, growth and expansion of these events.

These funds will allow us to better promote such events as the Festival of Discovery, Pro Cycling Challenge and, instead of a Taste of Uptown, a much larger Taste of Greenwood. We will continue to seek private sponsorship efforts; however, your approval of this request will allow staff to proceed with the scheduling and planning of these many events. I will tell you that Regina Berry is doing an incredible job seeking private sponsorships as we speak. It's a daily on-going journey to get those funds."

MAYOR NICHOLSON

"Do I have a motion that we authorize \$20,000 for the Greenwood sponsored events?"

Motion was made by Barbara Turnburke, seconded by Johnny Williams.

"Are there any questions or discussion? All in favor? So moved."

Motion passed unanimously.

CONSIDER

Mayor Nicholson read the fifth item and recognized the City Manager.

Allocating
Funds to
Demolish
Substandard
Structures
within the City
of Greenwood.

STEVEN BROWN

"Mr. Mayor, many of you have come to me concerned about certain structures that have been dilapidated for a long period of time. We have been working with Mr. Welch and Mr. Cain to have a legal review on a number of these. In fact, I probably have 10 or 12 that are active.

I know of one that Mr. Cain has given us clearance to demolish. There are probably four or five that he feels we need to serve another final notice. There is one or two that we must start all over again because they were involved in an estate. That estate has been settled so, to make us legal where we won't have any liability, we got to start it over.

I'm asking you to give me the authority to spend \$20,000 of CDBG monies to demolish these structures upon Mr. Cain's and/or Mr. Welch's clearance so that I wouldn't have to wait 30 days for the next Council meeting. I will not spend a dime over \$20,000 and I will not demolish a structure until we have a legal review by the City Attorney. It's just to help us expedite some of these problems.

We've got two on Hackett Avenue that I know Ms. Edwards is very concerned about. Mr. Cain's recommendation is that we serve that lady one more time because she's moved out of town. The letter I got was, once we serve that notice, we can move to demolish that structure if we have no response. So that's where we are.

If City Council doesn't feel free with that, then I can bring each case back to you, one at time, as we are given the clearance to tear them down. I just thought it may help to speed up the process.

Once he gives us the clearance, we'll try to get a minimum of two bids. Right now, we have Mr. Simpkins and S & T and we'll go with the lowest bid. I think we have a \$4,000 bid on that one house. Already, we're trying to get some bids on some of the other structures."

MAYOR NICHOLSON

"I think it's good that we expedite this. You know how good it is when a lot of these structures are torn down. We've removed a lot of buildings and it really has enhanced the entire City."

STEVEN BROWN

"What happens is, we'll send the owner a bill and, if it's not paid within a certain period of time, it is placed as a lien against the property. If you've been looking at your information from the Municipal Association, the State MASC is attempting to get some new legislation to give us a better position in collecting our liens. The law has been very vague and, when a property is sold or whatever, we haven't had good standing in the pecking order of liens. I think this new law will help us so, after the General Assembly hopefully passes it, this year we'll have a better way of collecting our monies and return it back to the CDBG funds."

MAYOR NICHOLSON

"That's a great way to use some of these funds. Do I have a motion that we authorize the City Manager to proceed?"

Motion was made by Niki Hutto, seconded by Johnny Williams.

"Are there any questions or discussion?"

BETTY BOLES

"I would like to know the location of the homes set for demolition."

STEVEN BROWN

"I'll be glad to furnish that."

MAYOR NICHOLSON

"Are there any other questions or discussion? All in favor raise your right hand. So moved."

Motion passed unanimously.

CITY MANAGER
COMMENTS

Mayor Nicholson asked, "Do I have any City Council comments? Mr. Brown do you have any?"

STEVEN BROWN

"Mr. Mayor, I know it seems as if we throw a lot of issues at you during these meetings but we don't do that purposefully to confuse you. I know it seems like we do that often, but one of the reasons why you're seeing a lot of new things happening is because there's some good opportunities in Greenwood. We never know what is going to be brought to us. I was not aware of the full extent of the five year tax exemption until two weeks ago. There's a deadline where they have to know your decision by the end of April to file their taxes. So, if you feel we that throw a lot at you, and I know we do, please know that it's not always controlled by us.

There are some good things happening in Greenwood that causes opportunities to surface only for a little while, so we try to take advantage of it. Please know that at any time we need to meet with you, bring staff together and gather people in the community to explain issues, we're here to do that. All you have to do is let us know and we'll do whatever we can. So we're apologizing. It seems like we cover you up, but that's not our intention."

MAYOR NICHOLSON

"Okay, thank you. As you know, work session will be next Monday because we go back to meeting on the third Monday of March. It's only in January and February that we meet on the fourth Monday. So, we will meet next Monday, two weeks prior to our regular Council meeting."

NIKI HUTTO

"Do any of you know the actual date?"

MAYOR NICHOLSON

"It's March 6th at 5:30. Again, I want to thank you all. Mr. Welch and Mr. Cain, thank you all very much for the information. The meeting is adjourned."

Meeting adjourned at 6:59 p.m.

Floyd Nicholson, Mayor

ATTEST:

City Clerk and Treasurer