

Walterboro City Council
Public Hearing
Tuesday, March 14, 2006

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A Public Hearing of Walterboro City Council was held at City Hall on Tuesday, March 14, 2006 at 6:15 P.M., with Mayor Charles H. Sweat, Jr. presiding.

PRESENT WERE: Mayor Charles H. Sweat, Jr. and Council Members Charles Lucas and Johnnie Thompson. City Manager Tuck McConnell, City Clerk Betty Hudson and City Attorney George Cone were also present. Council Members Bill Young, Ted Parker, Franklin Smalls and Mary Anne Cannady were out of town attending a National League of Cities Meeting in Washington, D.C.

The Mayor called the meeting to order and gave the invocation. Council Member Lucas led the pledge of allegiance to our flag.

The Mayor announced that the purpose of the public hearing was to receive public comment on two proposed ordinances:

Ordinance # 2006-04, An Ordinance to Establish a Tax Increment Finance District for the Purpose of Providing a Method of Financing Public Improvements in an Area to be Known as the Downtown Revitalization District.

Ordinance # 2006-05, An Ordinance to Establish a Tax Increment Finance District for the Purpose of Providing a Method of Financing Public Improvements in an Area to be Known as the 2006 Tourism Project District.

The Mayor opened the floor for public comments. He noted that one person, Mr. Donald Davis, had signed in for public comment.

The Mayor opened the hearing by stating that the TIF ordinances were designed to set up a method of financing possible projects in the City of Walterboro. With the limited way the city can raise funds, this is one way that is still open to the community for projects. With the thought of some of the actions that will be taking place in the General Assembly this year on property taxes, Council thought it would be a good idea to go ahead and get the two districts set up, because once the districts are set up, we'd have ten years in order to do projects in those districts.

Mr. Donald Davis, a downtown property owner, expressed concern that the area identified in the downtown TIF district would be designated "predominantly slum or blighted." He quoted SC State Law Section 31-6-10: "where the redevelopment area is agricultural, blighted or conservation area, and the private initiatives are unlikely to alleviate these conditions without substantial public assistance."

Mr. Davis said he was concerned that his property is designated as "blighted or slum." In other words, if something isn't done, it will get worse, according to South Carolina Law 31-6-80.

Attorney Cone stated that in the second paragraph of the preamble, it talks about the areas which are, or threatened to become blighted. He explained that downtown areas in all our cities tend to deteriorate and the City of Walterboro wants a vehicle, as far as downtown is concerned, which will not raise

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taxes, but will give a vehicle to dedicate money due to increased property values, for reinvesting money in that area, and for paying back that money invested in that area. He said, in other words, your property taxes would be the same whether or not you had the TIF district. This provides that when the amount of taxes goes up from what they are when the TIF district is created, the tax increase incremental amount would be reinvested in that area.

Attorney Cone further explained that in the past, the city has put in new sidewalks downtown, which is the type of project that increases the values of the properties in that area. It allows the taxes from increased property values in the downtown area to be reinvested in the downtown area.

Mr. Davis then asked if the boundary from Hampton to Wichman was an actual boundary of the downtown district. Mr. Lucas explained this was the central business district overlay which has restricted uses within the overlay.

Mr. Davis said he was not here to raise opposition to the TIF, but it seems as if all properties in the downtown district would be categorized as being in a blighted area according to the ordinance.

Attorney Cone stated, it's "threatened to become blighted," not just "blighted."

City Manager McConnell stated there are no plans at all to do anything with the downtown TIF district. The city was advised by our bond counsel that they were very afraid of what the General Assembly would do with all this property work this year. They told us if you think you might ever have a need for (a TIF), you'd better get it set up before it's too late. So, what you're reading about "blighted," it does not mean that every building in the area is blighted. Part could be blighted, but it does not mean all is blighted.

Mr. McConnell further pointed out that this is just one of the hoops the city has to jump through. There are three ways for us to borrow money - one is a general obligation bond, where you would obligate all the people of Walterboro to repay a bond we might issue. The other way is a revenue bond - which is water or sewer, which is paid by its own revenue. The last is the tax increment financing district (TIF). He said he believed there are hundreds of TIF districts in use in the state now. They are used when you want to do localized improvements, and that's the only method the state allows us to use to borrow monies to make localized improvements. But there are no localized improvements on the drawing board for the downtown area at all.

Mr. Davis then asked if Council were to pass this ordinance, how long would it stay in effect before it's to be acted upon. Mr. McConnell stated it would be 10 years. Mr. Davis then asked if the bond could last another 15 years. Mayor Sweat responded that this depends on whatever we'd do, and the kind of indebtedness we'd go into as to what the effects would be.

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Mr. McConnell told Mr. Davis to keep in mind that the name is tax increment financing. The project has to be designed to be a success to pay for itself. So, as a business owner, the TIF can hardly do anything, except be in your favor. These projects are designed to "raise" the value of the property in that district.

Mr. Courtland Rizer, also present at the hearing, asked if this was the ordinance the county wanted to opt out of. Mr. McConnell responded that the city did ask the county and the school to opt-out of both ordinances.

No further comments were received, and the hearing was closed.

The Mayor adjourned the meeting at 6:35 P.M. Notice of this public hearing was distributed to all local media and posted on the City Hall bulletin board at least twenty-four hours prior to meeting time.

Respectfully,

Betty J. Hudson
City Clerk

APPROVED April 4, 2006