



## **CITY OF SPARTANBURG**

**SOUTH CAROLINA**

# **CITY COUNCIL AGENDA**

**City Council Meeting**  
**City Council Chambers**  
**145 W. Broad Street**  
**Monday, September 25, 2023**  
**5:30 PM**

- I. Moment of Silence**
- II. Pledge of Allegiance**
- III. Approval of the Minutes of the September 11, 2023 Meeting**
- IV. Approval of the Agenda of the September 25, 2023 Meeting**
- V. Public Comment**  
\*\*Public Comment Forms are available at the door and should be submitted to the Clerk prior to the start of the meeting\*\*
- VI. Presentation of Proclamation Recognizing National Night Out**  
**Presenter: Jerome Rice, Jr., Mayor**
- VII. Presentation of Proclamation Recognizing the 150th Anniversary of the Spartanburg Fire Department**  
**Presenter: Jerome Rice, Jr., Mayor**
- VIII. Presentation of Proclamation Recognizing September 2023 as Sickle Cell Awareness Month**  
**Presenter: Jerome Rice, Jr., Mayor**
- IX. Consent Agenda**
  - A. An Ordinance to Amend the City of Spartanburg, South Carolina Zoning Ordinance and Comprehensive Plan Land Use Element, By Amending Section 206, Changes to District Boundaries, Specifically, the Property Located at 831 John B. White Sr., Blvd, and is Further Identified as Tax Map ID: 6-21-11-114.01 on the Spartanburg County Tax Map, as a Part and Parcel of the City of Spartanburg Which is Zoned R-12, with a Land Use Designation of General Residential District to be Assigned a Zoning Designation of LOD, with a Land Use Designation of Limited Office District and Providing for Severability and an Effective Date.**  
**Presenter: Martin Livingston, Community Development Director**
  - B. An Ordinance to Amend the City of Spartanburg, South Carolina Zoning Ordinance and Comprehensive Plan Land Use Element, By Amending Section 206, Changes to District Boundaries, Specifically, the Property**

As required by the Americans with Disabilities Act, the City of Spartanburg will provide interpretive services for the City Council Meetings. Requests must be made to the Communications & Marketing Office (596-2020) 24 hours in advance of the meeting. This is a Public Meeting and notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information

Located at 249 E. Blackstock Road, and is Further Identified As Tax Map ID: 6-21-13-002.00 on the Spartanburg County Tax Map, as a Part and Parcel of the City of Spartanburg Which is Zoned LOD, with a Land Use Designation of Limited Office District to be Assigned a Zoning Designation of B-1, with a Land Use Designation of Neighborhood Shopping District and Providing for Severability and an Effective Date.  
Presenter: Martin Livingston, Community Development Director

**X. Resolutions**

- A. A Resolution Authorizing the City Manager to Execute an Agreement with Midwest Maintenance, Inc. for the Provision of Professional Services in the Form of Repair and Conservation of Brick Masonry on the Federal Courthouse Located on Magnolia Street.  
Presenter: Robert P. Coler, City Attorney**

**XI. Ordinance**

- A. An Ordinance to Enter into a Development Agreement with Johnson Development Associates, Inc. to Redevelop a Site for Multi-Use Projects.  
Presenter: Chris Story, City Manager**
- B. An Ordinance to Authorize the City Manager to Sell Property Located on Henry Street Bearing Tax Map Parcel Numbers 7-12-14-036.00, 036.01, 7-12-14-004.02 and the Road Located Between Tax Map Parcel Numbers 7-12-14-005.000 and 7-12-14-037.00  
Presenter: Chris Story, City Manager**

**XII. Staff Updates**

**XIII. City Council Updates**

**XIV. Executive Session**

- A. Executive Session Pursuant to Section 30-4-70 (a)(5) of the South Carolina Code to Discuss Matters Relating to Economic Development “Project Core” a Potential Mixed-use Development in the Downtown Area**

**XV. Adjournment.**

*City Code Sec. 2-57. Citizen Appearance. Any citizen of the City of Spartanburg may speak at a regular meeting on any matter pertaining to City Services and operations germane to items within the purview and authority of City Council, except personnel matters, by signing a Citizen’s Appearance form prior to the meeting stating the subject and purpose for speaking. No item considered by Council within the past twelve (12) months may be added as an agenda item other than by decision of City Council. The forms may be obtained from the Clerk and maintained by the same. Each person who gives notice may speak at the designated time and will be limited to a two (2) minute presentation.*



**City Council Meeting  
City Council Chambers  
145 W. Broad Street  
Monday, September 11, 2023  
5:30 p.m.**

**(These minutes to be approved at the September 25, 2023 Council Meeting)**

**City Council met this date with the following Councilmembers present: Mayor Jerome Rice, Jr, Mayor Pro Tem Rob Rain, Councilmembers Erica Brown, Jamie Fulmer, Ruth Littlejohn, Meghan Smith and Janie Salley. City Manager Chris Story, Deputy City Manager Mitch Kennedy, Assistant City Manager Kevin Limehouse and City Attorney Robert P. Coler were in attendance. Notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information Act. All City Council meetings are live streamed/recorded. To view the video for a complete transcript, please visit <https://www.cityofspartanburg.org/city-council>**

- I. Moment of Silence – observed**
- II. Pledge of Allegiance - recited**
- III. Approval of the Minutes of the August 28, 2023 City Council Meeting –**  
*Councilmember Smith made a motion to approve the minutes as received.*  
*Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0.*
- IV. Approval of the Agenda for the September 11, 2023 City Council Meeting -**  
*Councilmember Fulmer made a motion to approve the agenda as received.*  
*Councilmember Brown seconded the motion, which carried unanimously 7 to 0.*
- V. Public Comment –**  
\*Citizen Appearance forms are available at the door and should be submitted to the City Clerk  
**1. James Jones**
- VI. Presentation of Proclamation declaring September 17, 2023 though September 23, 2023 As Constitution Week**  
**Presenter: Jerome Rice, Jr., Mayor**
- VII. Update Regarding Redistricting Notification and Voting Precincts Change**  
**Presenter: Mitch Kennedy, Deputy City Manager**  
Mitch Kennedy, John Baucom (Director of Voter Registration for Spartanburg County) and Christopher George (Communications Director-City of Spartanburg) presented Council with Information regarding the redistricting of City Council Districts, the Precincts names and locations, and advised how they are notifying voters of all changes to ensure they know the Correct location to vote.  
*Council received the presentation as information only.*

## VIII. Consent Agenda

- A. **An Ordinance to Grant a Franchise to Lumos Fiber, LLC to Install and Maintain Fiber Optic Cable and Accessories for the Provisions of Telecommunications Services in the Streets and Public Rights of Way in The City.**

**Presenter: Robert Coler, City Attorney**

*Councilmember Fulmer made a motion to approve the Consent Agenda.*

*Councilmember Smith seconded the motion, which carried unanimously 7 to 0.*

## IX. Public Hearings

- A. **An Ordinance to Amend the City of Spartanburg, South Carolina Zoning Ordinance and Comprehensive Plan Land Use Element, By Amending Section 206, Changes to District Boundaries, Specifically, the Property Located at 831 John B. White Sr., Blvd, and is Further Identified as Tax Map ID: 6-21-11-114.01 On the Spartanburg County Tax Map, as a Part and Parcel of the City of Spartanburg which is zoned R-12, with a Land Use Designation of General Residential District to be Assigned a Zoning Designation of LOD, with a Land Use Designation of Limited Office District and Providing for Severability and Effective Date.**

**Presenter: Martin Livingston, Community Development Director**

*Councilmember Smith made a motion to open the public hearing.*

*Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0.*

*Mayor Rice opened the floor for those who wanted to speak in favor of the ordinance.*

*No one spoke in favor.*

*Mayor Rice opened the floor for those who wanted to speak in opposition of the ordinance. No one spoke in opposition.*

*Councilmember Fulmer made a motion to close the public hearing. Councilmember Salley seconded the motion, which carried unanimously 7 to 0.*

*Councilmember Smith made a motion to approve the ordinance as presented.*

*Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0.*

- B. **An Ordinance to Amend the City of Spartanburg, South Carolina Zoning Ordinance and Comprehensive Plan Land Use Element, By Amending Section 206, Changes to District Boundaries, Specifically, the Property Located at 249 E. Blackstock Road, and is Further Identified As Tax Map ID: 6-21-13-002.00 on Spartanburg County Tax Map, as a Part and Parcel of the City of Spartanburg which is Zoned LOD, with a Land Use Designation of Limited Office District to be Assigned a Zoning Designation of B-1, with a Land Use Designation of Neighborhood Shopping District and Providing for Severability And Effective Date.**

**Presenter: Martin Livingston, Community Development Director**

*Councilmember Littlejohn made a motion to open the public hearing.*

*Councilmember Fulmer seconded the motion, which carried unanimously 7 to 0.*

*Mayor Rice opened the floor for those who wanted to speak in favor of the ordinance.*

*1. Greyson Furnas-Colliers International Brokerage Associate-Spoke in favor of The ordinance.*

*Mayor Rice opened the floor for those who wanted to speak in opposition of the Ordinance.*

*No one spoke in opposition of the ordinance*

*Councilmember Fulmer made a motion to close the public hearing. Councilmember Smith seconded the motion, which carried unanimously 7 to 0.*  
*Councilmember Fulmer made a motion to approve the ordinance as presented. Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0.*

**X. City of Spartanburg Boards and Commissions Update**

**Presenter: Christie Lindsey, City Clerk**

**Council** voted on the following appointments:

**Construction Board of Adjustments and Appeals-***Councilmember Smith made a Motion to appoint Yury Naumovich to the Construction Board of Adjustments and Appeals. Councilmember Brown seconded the motion, which carried unanimously 7 to 0.*

**Hospitality Tax Committee-***Councilmember Smith made a motion to appoint Quianna Poole to the Hospitality Tax Committee. Councilmember Salley seconded the motion, Which carried unanimously 7 to 0.*

**Accommodations Tax Advisory Committee-***Councilmember Littlejohn made a motion To appoint Susan Meyers to the Accommodations Tax Advisory Committee. Councilmember Smith seconded the motion, which carried unanimously 7 to 0.*

**Planning Commission-***Councilmember Salley made a motion to appoint Kevin DeMark To the Planning Commission. Councilmember Littlejohn seconded the motion, which Carried unanimously 7 to 0.*

**Bicycle and Pedestrian Committee-***Councilmember Smith made a motion to appoint Colby King to the Bicycle and Pedestrian Committee. Councilmember Littlejohn seconded The motion, which carried unanimously 7 to 0.*

**Public Safety Committee-***Councilmember Salley made a motion to appoint David Williams, Taylor Cash and Ed Epps to the Public Safety Committee. Councilmember Smith seconded the motion, which carried unanimously 7 to 0.*

**Airport Advisory Committee-***Councilmember Salley made a motion to appoint Eddie Gantner to the Airport Advisory Committee. Councilmember Littlejohn Seconded the Motion, which carried unanimously 7 to 0.*

**XI. Staff Updates-****Mr. Story** updated Council on the new Police Facility, the new City/County joint building and the temporary location for City Hall in the interim.

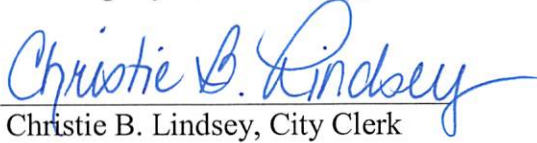
**XII. City Council Updates-** Each Councilmember gave updates on their activities since the previous council meeting.

**XIII. Executive Session-**

**A. Executive Session Pursuant to Section 30-4-70(a)(5) of the South Carolina Code to Discuss Matters Relating to Economic Development “Project Core” a Potential Mixed-use Development in the Downtown Area.**

*Councilmember Fulmer made a motion to enter into Executive Sessions at 6:52 p.m. Councilmember Brown seconded the motion, which carried unanimously 7 to 0.*

**XIII. Adjournment – Councilmember Smith made a motion to adjourn the meeting. Councilmember Brown seconded the motion, which carried unanimously 7 to 0. The meeting adjourned at 8:28 p.m.**

  
Christie B. Lindsey, City Clerk



## REQUEST FOR CITY COUNCIL ACTION

**TO:** Chris Story, City Manager  
**FROM:** Robert Coler, City Attorney  
**SUBJECT:** Contract for Brick Mason Repair upon Federal Courthouse  
**DATE:** September 22, 2023

### BACKGROUND:

City Council has previously approved a land swap with the Federal Government wherein the City will receive the parcel of land that housed the former Post Office in exchange for performing brick mason repair on the Federal Courthouse located on Magnolia Street.

Through our customary procurement process, City staff has identified a qualified contractor to perform the mason work, Midwest Maintenance, Inc.

The attached Resolution, if approved, would authorize the City Manager to execute a contract with Midwest Maintenance, Inc.

The value of the parcel of land to be received by the City and the value of the service performed by Midwest Maintenance, Inc. are both valued at \$500,000.00. The City will recoup any and all of its out of pocket costs through the eventual sale of the parcel of land to a qualified developer.

### ACTION REQUESTED:

Approval for the City Manager to execute an agreement with Midwest Maintenance, Inc. for the provision of brick mason repairs on the Federal Courthouse in the amount not to exceed \$500,000.00

A RESOLUTION  
AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH  
MIDWEST MAINTENANCE, INC. FOR THE PROVISION OF PROFESSIONAL  
SERVICES IN THE FORM OF REPAIR AND CONSERVATION OF BRICK  
MASONRY ON THE FEDERAL COURTHOUSE LOCATED ON MAGNOLIA  
STREET

WHEREAS, the City Council has previously approved a land swap with the Federal Government wherein the City will receive the parcel of land that previously housed the former Post Office in exchange for brick mason repair services upon the Federal Courthouse; and

WHEREAS, Through its customary procurement process, City staff has identified Midwest Maintenance, Inc. as a brick mason repair contractor with the knowledge and skills to perform the aforementioned brick mason repairs.

NOW, THEREFORE, BE IT RESOLVED By the Mayor and Members of City Council of the City of Spartanburg, South Carolina, in Council assembled:

Section 1: The City Manager is hereby authorized and empowered to execute a contract, materially similar to the condensed version which is attached hereto and identified as Exhibit 1, and any ancillary documents, with Midwest Maintenance, Inc. for the provision of brick mason repairs on the Federal Courthouse.

Section 2: This Resolution shall become effective upon the date of enactment.

DONE AND RATIFIED this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



## REQUEST FOR COUNCIL ACTION

**TO:** Spartanburg City Council

**FROM:** Chris Story, City Manager

**SUBJECT:** Ordinance Authorizing Execution of Project Core Initial Development Agreement

**DATE:** September 22, 2023

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The attached ordinance would authorize the City Manager to execute the attached agreement that outlines the key terms for Project Core, the largest economic development project in history of the City of Spartanburg. The project involves a minor league baseball stadium and over \$300 million in private development including 200,000 square feet of office space, over 350 apartments, a hotel, and 1,500 structured parking spaces. It is a transformative project for this community.

This agreement will likely be edited over the coming days. However, we are comfortable recommending first reading approval. In addition, there will likely be subsequent necessary City Council actions in coming months.

We are excited to see this project reach this point. We look forward to any questions you may have.

AN ORDINANCE

TO ENTER INTO A DEVELOPMENT AGREEMENT WITH JOHNSON  
DEVELOPMENT ASSOCIATES, INC TO REDEVELOP A SITE WITH  
MIXED USE PROJECTS

WHEREAS, Johnson Development Associates, Inc., a project developer desires to enter into a development agreement with the City of Spartanburg to redevelop a prominent site into a mutli-project development; and

WHEREAS, the City of Spartanburg believes this project will meet a need within our downtown and help to accelerate our progress; and

WHEREAS, the proposed project furthers the City’s goals of economic development and population growth.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SPARTANBURG, SOUTH CAROLINA:

Section 1. City Council approves entering into a Development Agreement with Hub Development, LLC in substantially the same form as that Development Agreement, which is attached hereto and incorporated herein by reference as Exhibit 1 (“Agreement”). Minor changes and modifications to the Development Agreement and attachments are authorized as may be necessary or appropriate to allow for a final version mutually acceptable to the parties; said minor changes and modifications shall be approved by the City Manager and the City Attorney. Should the City Manager or City Attorney, or both, determine that any modification of previously negotiated terms is significant and warrants further action by Council, then the matter shall be presented to Council for further review and further action before the final execution, if Council so chooses.

Section 2. This Ordinance shall become effective on the second and final reading.

DONE, RATIFIED AND PASSED THIS THE \_\_\_\_ DAY OF \_\_\_\_\_, 2023.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ (1<sup>st</sup> Reading)  
\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ (2<sup>nd</sup> Reading)

## DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the “Agreement”) is entered into by and between the City of Spartanburg, South Carolina (the “City”) and Johnson Development Associates, Inc. (“JDA”) as of the \_\_\_\_ day of \_\_\_\_\_, 2023.

WHEREAS, the City has encouraged economic redevelopment of its downtown; and

WHEREAS, the City has from time-to-time entered into public-private partnerships which have resulted in substantial private investment; and

WHEREAS, the economic development projects resulting from these partnerships have improved the economic vitality, increased the tax base, increased employment opportunities, and improved the physical appearances of the City’s downtown; and

WHEREAS, the City remains committed to the continued redevelopment of its downtown and continues to seek opportunities to achieve positive results for the City and the surrounding community; and

WHEREAS the City now has the opportunity to secure significant additional private investment and economic benefit by entering into an agreement with JDA; and

WHEREAS, JDA has expressed to the City its intention to develop a significant mixed-use project on certain parcels of property located in the City (the “Project”) to include the design, construction and development of a minor league baseball stadium (the “Stadium”), public infrastructure, office buildings, multi-family housing, and a hotel, among other improvements; and

WHEREAS, the City has determined that the provision of certain economic development incentives and establishing certain terms and conditions are necessary to secure the investment commitment from JDA with respect to the Project;

NOW THEREFORE, KNOW ALL BY THESE PRESENT that JDA and the CITY in consideration of the promises and the mutual covenants and agreements herein contained do hereby agree as follows:

### **1. JDA Commitments**

**a. Project Design.** JDA acknowledges that the Project design (including architectural and site layout) are key considerations for the City. The City is seeking a Project which maximizes economic benefit and which serves as a catalyst for future business activity and vibrancy for downtown. City agrees that JDA shall maintain the right to approve the architect and general contractor for all components of the Project, including the Stadium.

**b. Project Location and Description.** The Project will be located on (i) lands bounded by West Main Street, the AC Hotel, Daniel Morgan Avenue, Henry Street and the CSX Railroad, (ii) lands bounded by West Main Street, Daniel Morgan Avenue,

Spring Street and West Broad Street and (iii) the City-owned lots west of Spring Street and south of West Broad Street (the “Project Boundaries”). Within the Project Boundaries, JDA, through itself or certain affiliates, anticipates construction of the Project components described in the table attached as Exhibit A. Modifications to the Project and/or extensions of completion dates may be provided at the request of JDA with the approval of the City, which the City will not unreasonably withhold. The parties agree that they will cooperate and work in good faith to negotiate and enter into any necessary subsequent agreements (“Subsequent Agreements”) which may be necessary to more fully describe, among other things, the scope, timing of delivery, and public and private investment represented by the Project. Unless specific legislative authority or this Agreement requires otherwise, the Subsequent Agreements referenced throughout shall be negotiated and authorized by City Manager on behalf of City.

**c. Design, Construction and Financing of the Stadium and Public Infrastructure.** JDA intends to design and develop the Stadium as a minor league baseball stadium (“Stadium”) within the Project Boundaries. The Stadium shall be constructed in a manner which meets all facility standards prescribed by major league baseball for a Class A minor league team, and shall contain approximately 3,500 seats, twelve corporate boxes, a large club lounge/indoor event space, a children’s area, a grass seating berm, and concession facilities. Further JDA agrees to design and develop public and private infrastructure within the Project Boundaries of a scale sufficient to serve the Project including, but not limited to the following public infrastructure: a large plaza/outdoor event space, pedestrian walks, sidewalks and other improvements necessary for attractive and functional pedestrian connections to the stadium from Main Street, Daniel Morgan Avenue, and Henry Street, as well as a vehicular access drive connecting Main Street and Henry Street providing access to the Grain #1 Parking Garage referenced herein (the “Public Infrastructure”).

The City intends to defray the cost of the initial construction of the Stadium and the Public Infrastructure from the following sources: (i) grant funds appropriated by the State of South Carolina to the City for investment in downtown Spartanburg (not yet received but anticipated to be received) in the amount of \$54,000,000 (“State Grant Funds”); (ii) local accommodations tax revenues of Spartanburg County, South Carolina (the “County”) in the amount of \$1,873,010 (“Accommodations Funds”); (iii) accumulated revenues allocated to the Downtown Partnership Committee Nonprofit Corporation (the “Downtown Partnership Committee”) pursuant to that certain Agreement for Development of Joint County Industrial/Business Park between the County and Cherokee County and that certain Intergovernmental Agreement between the City and the County, each dated as of December 31, 2018, in the amount of \$3,610,319 (“DDD Funds”, and the State Grant Funds, Accommodations Funds and the DDD Funds, collectively, the “Pay-Go Funds”); and (iv) proceeds of installment purchase revenue bonds (“Bonds”) to be issued by a nonprofit corporation to be formed on behalf of the City in the estimated amount of \$58,600,000 (“Bond Proceeds”). JDA acknowledges that the City does not yet control or possess all Pay-Go Funds, and ultimate receipt use or availability of Pay-Go Funds currently depends upon approvals of third-parties not under the City’s control. Further, JDA acknowledges that the City’s ability to issue Bonds and the

ultimate amount of Bond Proceeds available to defray costs of the Stadium and the Public Infrastructure, will depend upon several factors not within the City's control, including, but not limited to, market conditions and costs of issuance of the Bonds at the time of issuance. The City shall use commercially reasonable efforts to issue Bonds in an amount sufficient to result in Bond Proceeds available to pay costs of the Stadium and Public Infrastructure estimated to be \$58,600,000; provided, however, that the City shall not be required to issue bonds or obligations of any type other than installment purchase revenue bonds, and shall not be required to pledge the full faith and credit of the City to the repayment of the Bonds. Pay-Go Funds and Bond Proceeds are anticipated to be made available to defray the costs of the Stadium and the Public Infrastructure pursuant to the terms to be set forth in a Subsequent Agreement, which are anticipated to include, but not be limited to, inspection and verification rights, and other processes for submission of disbursement requests by JDA, and approval thereof by the City and/or such other parties as may be required pursuant to Bond documentation and any requirements imposed on Pay-Go Funds by third parties.

The City intends that debt service on the Bonds will be paid solely from the following sources: (i) two thirds of the Spartanburg County local accommodations tax annual collection, (ii) a variable annual grant beginning at \$1,528,130 in fiscal year 2024 from the Downtown Partnership Committee from revenues allocated to the Downtown Partnership Committee pursuant to that certain Agreement for Development of Joint County Industrial/Business Park between the County and Cherokee County and that certain Intergovernmental Agreement between the City and the County, each dated as of December 31, 2018; (iii) a portion of the City annual Hospitality Tax collections beginning in fiscal year 2026 in the amount of \$550,000 and escalating by 3% thereafter, (iv) sublease payments received from the Stadium tenant, and (v) a ticket facility fee generated at the Stadium. JDA acknowledges that Bond financing for the Stadium and the Public Infrastructure is limited to the capacity of those sources to provide for the payment of debt service on the Bonds. The City acknowledges and agrees that JDA's obligations described in this Agreement and any Subsequent Changes are contingent upon the City providing the funding for the Stadium, Public Infrastructure and the contributions toward debt service described in this Agreement.

The City Manager shall have the right to approve the final architectural design and engineering plans of the Stadium and Public Infrastructure, and over the design, engineering and construction contracts to be entered into in connection with the Stadium and Public Infrastructure, such approval not to be unreasonably withheld. The parties contemplate that the Stadium and Public Infrastructure will be constructed by a general contractor under a "guaranteed maximum price" contract. The City Manager shall have approval rights over any change orders and reasonable rights to inspect construction of the Stadium and Public Infrastructure during construction and prior to issuance of a certificate of occupancy or conveyance to the City or its designee to ensure construction in accordance with approved plans and specifications. The architectural, engineering and construction contracts for the Stadium and Public Infrastructure shall contain provisions giving the City the rights of a third-party

beneficiary thereunder and provision shall be made for assignment of such contracts to the City to enable the City to complete the Stadium and Public Infrastructure in the event of a default or nonperformance by JDA or other related JDA party under such contracts. All the foregoing shall be more specifically described in a Subsequent Agreement.

The Stadium and Public Infrastructure shall be completed and delivered on such timeline as may be required in the lease of the Stadium between the City and the end user of the Stadium (the “Stadium Lease”), such delivery currently anticipated to occur in the Spring of 2025, or at such other time as may be provided in a Subsequent Agreement. The Stadium Lease shall be subject to approval by City Council.

JDA will agree to forego any (i) development fee associated with the development of the Stadium and Public Infrastructure and (ii) reimbursement for land costs related to the Stadium site. Upon completion of the Stadium, JDA agrees to ground lease the property under the Stadium (the “Stadium Site”) to City or the nonprofit Bond issuer for a term of not less than 30 years and for such longer term as may be necessary to facilitate the issuance of the Bonds, at a rate of One Dollar (\$1.00) per year. The Stadium Site shall remain free and clear of all liens and encumbrances other than the ground lease (the “Ground Lease”) while the Bonds and any refunding bonds remain outstanding. City shall be entitled to all revenues generated by licensing the Stadium to an end-user. The Ground Lease and a Subsequent Agreement shall contain such other terms and conditions as the parties may agree, and as may be necessary to facilitate issuance of the Bonds, and shall be subject to approval by City Council.

**d. Private Investment in Infrastructure.** JDA will agree to privately develop parking garages (the “Garages”) within the Project Boundaries. The Garages shall be available for public use at such times and on such terms as are determined between JDA and the City. JDA’s investment in the Garages is expected to be made at such time and in such amounts as shown in the chart below. Modifications to the number of stalls, investment among, start date and completion date of the Garages may be provided at the request of JDA with the approval of the City, which the City will not unreasonably withhold. In all cases, JDA agrees to complete the Garages and make a sufficient number and quality of spaces available to the end user of the Stadium (the “Team”) as required pursuant to the Stadium Lease. In the event JDA fails to provide such number and quality of spaces to the Team as required pursuant to the terms of the Stadium Lease, JDA shall indemnify the City for any and all liability or damages asserted against or incurred by the City resulting from the City’s failure to make such number and quality of spaces available.

| Garage       | Stalls (range)     | Investment      | Start date | C/O date |
|--------------|--------------------|-----------------|------------|----------|
| Grain #1     | 550-650            | \$13.5-18M      | 6/2024     | 3/2025   |
| Grain #2     | 400-550            | \$9.5-14M       | 1/2025     | 7/2025   |
| W. Broad     | 400-550            | \$9.5-14M       | 7/2026     | 1/2028   |
| <b>Total</b> | <b>1,500-1,600</b> | <b>\$35-40M</b> |            |          |

## 2. City Commitments

**a. Sale of City-Owned Land.** City will convey the related properties to JDA for \$1.00 as follows: (i) Parcels 7-12-14-036.01; 7-12-14-036.00; 7-12-14-004.02; and a former road right of way lacking a parcel ID# that is located between 7-12-14-037.00 and 7-12-14-005.00 are part of the Stadium footprint and shall be conveyed immediately. (ii) Parcel 7-12-14-030.01 shall be conveyed at such time as requested by JDA. (iii) Parcels 7-12-20-050.00; 7-12-20-049.00; and 7-12-20-049.02 are anticipated to remain in public use until opening of the new joint County/City administration building, and they will be conveyed at that time. City shall have the right to reacquire parcels 7-12-20-050.00; 7-12-20-049.00; and 7-12-20-049.02 for \$1.00 should development on those parcels not commence within 36 months of acquisition by JDA. Parcels 7-12-23-013.00 and 7-12-14-125.00 are anticipated to be sites of complementary development that is yet unplanned and will be conveyed at such time as requested by JDA so long as JDA has any completed any of Multi-family #2, Hotel, or Office #2. .

**b. Special Source Revenue Credits.** The City will cooperate with the County to establish a new Multi-County Industrial Park pursuant to Section 4-1-170 of the S.C. Code (the “MCIP”) containing the following parcels: 7-12-14-037.00, 7-12-14-036.00, 7-12-14-036.01, 7-12-14-005.00, 7-12-14-004.02, 7-12-20-030.00, 7-12-20-048.00, 7-12-20-049.02, 7-12-20-049.00, and 7-12-20-050.00, and will cooperate with the County to facilitate a Special Source Revenue Credit (“SSRC”) sized to achieve net (remaining) property tax (or fee-in-lieu of tax) payments on behalf of all real property located therein in the amount of \$379,851 each year for 30 years, commencing with the first property tax payment (or fee-in-lieu of tax payment) which would otherwise be due with respect to the first component of the Project placed in service for property tax purposes; provided: (1) 50% of such SSRC in any year is in consideration of JDA’s anticipated investment in the Garages identified herein, and such portion of the SSRC shall be reduced on a pro-rata basis to the extent that such Garages are not completed on the timeframe set forth herein; and (2) 50% of such SSRC in any year is in consideration of JDA’s anticipated taxable private development in the Project, and such portion of the SSRC shall likewise be reduced on a pro-rata basis to the extent that such taxable private development in the Project is not completed in the timeframe set forth herein. The parties acknowledge that the creation of the MCIP and the provision of the SSRC described herein is subject to the approval by the County Council of the County. At any given time, the cumulative dollar amount of SSRCs granted to JDA may not exceed the dollar amount that JDA has invested in the development of the Garages. The City Manager is authorized to provide the consent of the City to the creation of such MCIP.

**c. State and/or Federal Tax Credits.** The City agrees to cooperate with JDA in obtaining any applicable state or federal tax credits available for the Project.

**d. Redesign of West Main at Spring Street.** As part of the future redesign of Morgan Square, the City will be altering the course of West Main Street at Spring Street. As part of the redesign, the City agrees to transfer any additional land to the south of West Main and west of Spring Street created by such redesign to JDA. The City agrees to approve the redesign on a time frame that will not impede the development of the lands

bounded by West Main Street, Daniel Morgan Avenue, Spring Street and West Broad Street.

e. **Use of Adjacent Lands for Parking.** In acknowledgement of the substantial investments being made by JDA and its affiliates in the Project, the City agrees to waive any restrictions on charging for parking on properties owned and controlled by affiliates of JDA adjacent to the Project for events at the Stadium.

f. **Restrictions Regarding City Provision of Economic Development Incentives for a Competing Project.** The City has and expects to continue to incentivize certain desirable private investments via a combination of (i) tax abatements or special tax status, (ii) new publicly funded amenities, infrastructure, or other public improvements, (iii) donated or discounted land, (iv) parking provided below costs and (v) grants or other similar arrangements. The City pledges that for a period of at least five (5) years from the date of this Agreement, no private development in the City will benefit from a higher ratio of incentive valuation (the present value of all incentives at project initiation) relative to the private capital investment than this Project and for a period of three (3) years from the date of Hotel opening, no incentives will be granted to a competing hotel project to be located within the Downtown Development District.

3. **Invalidity.** Should any of the provisions of this Agreement be held invalid in whole or in part, it shall not affect or invalidate the balance of such provision or any other provisions.
4. **Amendments.** This Agreement may not be amended, modified or changed, except by an instrument in writing and signed by all the parties.
5. **Entire Agreement.** This Agreement supersedes all prior discussions and agreements between the parties with respect to the Project. This Agreement contains the sole and entire understanding between the parties, and all other promises, inducements, offers, solicitations, agreements, representations and warranties heretofore made between the parties, if any, are merged into this Agreement. Nothing in this agreement exempts JDA from compliance with all local, state, and other authorized jurisdictional permitting processes, building codes, or other development standards of the City. To the extent of any conflict between the terms of this Agreement and the terms of a Subsequent Agreement, Ground Lease or other agreement subsequently entered into between the City and JDA, the terms of such Subsequent Agreement, Ground Lease or other subsequent agreement shall control.
6. **Notices.** All, notices, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be addressed and delivered by hand or by certified mail, return receipt requested, or by overnight courier, or by fax, with evidence of delivery, to each party at the addresses set forth below. Any such notice, request, demand or other communication shall be considered given or delivered, as the case may be, on the date of delivery. Rejection or other refusal to accept or inability to deliver shall be deemed to be receipt of the notice, request, demand or other communication. By giving prior written notice thereof, any party, from time to time, may

change its address for notices hereunder.

- a. **JDA:** Chief Executive Officer, Johnson Development Associates, Inc., 100 Dunbar Street, Suite 400, Spartanburg, SC 29306
  - b. **CITY:** City Manager, City of Spartanburg, PO Box 1749, Spartanburg, SC 29304.
  - c. **Copy:** City Attorney, City of Spartanburg, PO Box 1749, Spartanburg, SC 29304.
7. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.
  8. **Successor and Assigns.** This Agreement shall be binding on the parties hereto, their heirs, successors and assigns. This Agreement shall be assignable by the City in whole or in part to a nonprofit corporation established by the City in connection with the Bond issue without consent of JDA; any other assignment of this Agreement by the City shall require the prior written consent of JDA. This Agreement shall be assignable by JDA in whole or in part to an affiliate or subsidiary under common control with JDA without the City's consent, provided that JDA remains primarily liable hereunder or unconditionally guarantees the obligations of such affiliate or subsidiary hereunder; any other assignment of this Agreement by JDA shall require the prior written consent of the City.
  9. **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.
  10. **No Continuing Waiver.** The waiver of any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.
  11. **Cooperation.** The City and JDA acknowledge that issuing the Bonds will require the City and JDA to work closely together and consider issues relating to various items, including, without limitation, the timing of issuance and appropriate disclosure. The City and JDA agree to cooperate in the preparation of any studies or reports necessary or desired by the underwriter of such Bonds (the "Underwriter"), disclosing the nature and extent of JDA's obligations to develop the Project, including but not limited to, the Stadium and Public Infrastructure, and drafting marketing materials to reflect such investment.

[signature page follows]

IN WITNESS WHEREOF, the parties to this Agreement have hereunto set their hands and seals and executed this Agreement this \_\_\_\_ day of \_\_\_\_\_ 2023.

WITNESSES:

\_\_\_\_\_  
  
\_\_\_\_\_

**Johnson Development Associates, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
  
\_\_\_\_\_

**CITY OF SPARTANBURG,  
SOUTH CAROLINA**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
\_\_\_\_\_  
City Attorney

## Exhibit A

## Project Description

| Asset           | Size         | Expected Investment | Start date | C/O date |
|-----------------|--------------|---------------------|------------|----------|
| Office #1       | 140K sq ft   | \$70M               | 10/2024    | 3/2026   |
| Multi-family #1 | 250 units    | \$75M               | 3/2025     | 8/2026   |
| Hotel           | 150 keys     | \$60M               | 7/2026     | 1/2028   |
| Multi-family #2 | 140 units    | \$60M               | 3/2027     | 5/2028   |
| Office #2       | 60-80K sq ft | \$40M               | 10/2029    | 3/2031   |
| <b>Total</b>    |              | <b>\$305M</b>       |            |          |





## REQUEST FOR COUNCIL ACTION

**TO:** Spartanburg City Council

**FROM:** Chris Story, City Manager

**SUBJECT:** Ordinance Authorizing Conveyance of Parcels to Enable Development of Public Amenities

**DATE:** September 22, 2023

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The attached ordinance would authorize the City Manager to convey several unused city-owned properties in the Grain District so that they might become part of planned public amenities to be developed on the site.

We recommend your approval. Please let me know if you have any questions.

AN ORDINANCE

AUTHORIZING CITY MANAGER TO SELL PROPERTY LOCATED ON HENRY STREET BEARING TAX MAP PARCEL NUMBERS 7-12-14-036.00, 036.01, 7-12-14-004.02 AND THE ROAD LOCATED BETWEEN TAX MAP PARCEL NUMBERS 7-12-14-005.00 AND 7-12-14-037.00

WHEREAS, the City of Spartanburg (the "City") is seeking to promote revitalization and economic redevelopment by making public improvements and providing certain development incentives; and

WHEREAS, the City from time-to-time may dispose of property it owns to further these goals; and

WHEREAS, the City has determined it to be in the public interest to sell Tax Map Number 7-12-14-036.00, 036.01, 7-12-14-004.02 located on Henry Street and the road between tax map numbers 7-12-14-005.00 and 7-12-14-037.00 to Johnson Development Associates to enhance the development and or use of the property.

NOW, THEREFORE, BE IT ORDANINED BY THE MAYOR AND MEMBERS OF COUNCIL OF THE CITY OF SPARTANBURG, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

Section 1. The City of Spartanburg is hereby authorized to sell Tax Map Numbers 7-12-14-036.00, 036.01, 7-12-14-004.02 located on Henry Street, and the road between tax map numbers 7-12-14-005.00 and 7-12-14-037.00, to Johnson Development Associates. Furthermore, the City Manager is hereby authorized to execute any documents necessary to accomplish the transfer of the herein identified parcels of land on terms and conditions materially consistent with those terms and conditions set forth during the presentation of this Ordinance to City Council.

Section 2 This Ordinance shall become effective upon the date of enactment.

DONE AND RATIFIED this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

First Reading: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Second Reading: \_\_\_\_ / \_\_\_\_ / \_\_\_\_