



CITY OF SPARTANBURG
SOUTH CAROLINA

CITY COUNCIL AGENDA

City Council Meeting
County Council Chambers
366 N. Church Street
Monday, August 26, 2024
5:30 PM

- I. Moment of Silence**
- II. Pledge of Allegiance**
- III. Approval of the Minutes of the August 12, 2024 Meeting**
- IV. Approval of the Agenda of the August 26, 2024 Meeting**
- V. Public Comment**
Public Comment forms are available inside Council Chambers on the front podium. Please turn in completed forms to the City Clerk prior to the start of the meeting.
- VI. Update on AmeriCorps VISTA Program**
Presenter: Hannah Jarrett, Vice President of Community & Collective Impact-United Way of the Piedmont
- VII. Boards and Commissions Appointment-Airport Advisory Committee**
Presenter: Christie Lindsey, City Clerk
- VIII. Ordinance**
 - A. An Ordinance Authorizing the City Manager to Enter Into a Development Agreement with VanRock Holdings, LLC for a Project Located at 1017 Florida Avenue, Spartanburg**
- IX. Staff Updates**
- X. City Council Updates**
- XI. Executive Session**
 - A. An Executive Session to Discuss a Contractual Agreement Pursuant to Section 30-4-70 (a) (2) of the SC Code of Laws**
- XII. 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

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

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
County Council Chambers
366 N. Church Street
Monday, August 12, 2024
5:30 p.m.**

(These minutes to be approved at the August 26, 2024 Council Meeting)

City Council met this date with the following Councilmembers present: Mayor Jerome Rice, Jr, Mayor Pro Tem Janie Salley, Councilmembers Jamie Fulmer, Ruth Littlejohn, Erica Brown, Meghan Smith and Rob Rain. City Manager Chris Story, Deputy City Manager Mitch Kennedy, and Assistant City Manager Kevin Limehouse and City Attorney Robert 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 July 22, 2024 City Council Meetings

Councilmember Littlejohn made a motion to approve the minutes as received.

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

IV. Approval of the Agenda for the August 12, 2024 City Council Meeting -

Councilmember Littlejohn made a motion to approve the minutes as received.

Councilmember Fulmer 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. LaRaven Twitty-Spoke regarding the Pride Parade

2. John Moore-Spoke regarding 395 Gentry Street Nuisance

3. Julie James-Spoke thanking Council and the City for supporting the Dr. T.K. Gregg Summer Swim League

4. Tashma Glymph-Spoke thanking Council and the City for supporting the City's swim team.

VI. Recognition of City of Spartanburg Retiree, MPO Javan King, Spartanburg Police Department

Presenter: Jerome Rice, Jr., Mayor

Mayor Rice presented Javan with an award in honor of his 40 years of service and dedication to the City of Spartanburg and students in Spartanburg. Mayor Rice along with fellow Councilmembers shared their congratulations with Javan on his retirement.

VII. Recognition of City of Spartanburg Retiree, Lt. Leslie Smith, Spartanburg Police Department

Presenter: Jerome Rice, Jr., Mayor

Mayor Rice presented Leslie with an award in honor of her 30 years of service and dedication to the City of Spartanburg. Mayor Rice along with fellow Councilmembers shared their congratulations with Leslie on her retirement.

VIII. Special Presentation and Update by ReGenesis Health Care
Presenter: Cierra Kelly, Chief of Staff & Community Engagement

ReGenesis Health Care

Cierra Kelly with ReGenesis Health Care provided Council with an update on the progress and success that ReGenesis Health Care has had over the past year. Ms. Kelly also presented Council with a Stakeholder Appreciation award for being a community partner with their organization.
Council received the update as information only.

IX. Parks and Recreation and Special Events Update
Presenters: Kim Brown, Jasmine Patin, Reggie Geter, Wanda Cheeks and Liz Walker
City of Spartanburg Parks and Recreation Team

Members of the City of Spartanburg's Parks and Recreation Team and Special Events Team provided information and updates regarding Special Events, 50+ Programming, Early Childhood & Family Programming, Youth Programming, Community Center Programming, SAIYL Program, Exploring Youth Programming, Dr. T.K. Gregg Tigersharks Swim Team to Council. They discussed the successes of each program and opportunities for future programs.

X. Presentation Regarding the New "MySpartanburg" App
Presenters: Christopher George, Communications Director, City of Spartanburg
Jes Sdao, Marking Manager, City of Spartanburg

Christopher and Jes shared the new app "MySpartanburg" with Council. They advised how the app works and how it aids an individual in reporting issues such as a tree down, a pot hole in a road, overgrown yards/lots, etc. The app allows the reporter to track the resolution of their issue and to communicate with staff during the process.

XI. Consent Agenda

A. An Ordinance to Authorize the City Manager to Execute an Agreement for the Transfer of Scattered Site Properties Located in the Northside Neighborhood.

Presenter: Martin Livingston, Community Development Director

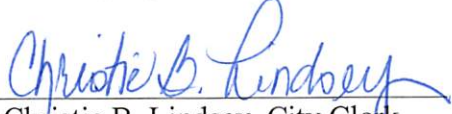
Councilmember Fulmer made a motion to approve the ordinance as presented.
Mayor Pro Tem Salley seconded the motion, which carried unanimously 7 to 0.

XII. Allocating Remaining ARPA Funding

Presenter: Chris Story, City Manager

Councilmember Smith made a motion to approve the allocation of ARPA Funding
Councilmember Brown seconded the motion, which carried unanimously 7 to 0.

- XIII. Staff Updates-**Chris Story provided a brief update on progress in downtown and capital Projects.
- X. City Council Updates-** Each Councilmember gave updates on their activities since the previous council meeting.
- X11. Adjournment –** *Councilmember Smith made a motion to adjourn the meeting. Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0. The meeting adjourned at 7:44 p.m.*


Christie B. Lindsey, City Clerk



REQUEST FOR COUNCIL ACTION

TO: Spartanburg City Council

FROM: Chris Story, City Manager

SUBJECT: Ordinance to Authorize Development Agreement for Village Grove Townhomes

DATE: August 22, 2024

The attached ordinance would authorize the execution of a development agreement for Village Grove Townhomes, a 95 unit mixed income development. This \$23 million investment would be the first significant residential development in many years in this part of our community. It would be located between North Church Street and Florida Avenue on the northern edge of the City limits near the intersection of N. Church Street and Whitney Road. We hope this new investment will prove to be a catalyst for additional investment on this gateway corridor.

The 95 townhome units will average 1,550 square feet in size with three bedrooms and two baths and modern amenities. Consistent with prior precedent, ten of the units will be restricted to tenants at or below 80% area median income with rents limited according to HUD standards. The site plan anticipates an easement for future trail connections linking to Berry Field/Cleveland Park which is a few blocks to the west of the site.

The project would generate annual local government revenues beginning at over \$250,000 in the first year to over \$600,000 in year 10.

We recommend your approval and welcome any questions you may have.

AN ORDINANCE

AUTHORIZING THE CITY MANAGER TO ENTER INTO A
DEVELOPMENT AGREEMENT WITH VANROCK HOLDINGS, LLC FOR A
PROJECT LOCATED AT 1017 FLORIDA AVENUE, SPARTANBURG

WHEREAS, VanRock Holdings, LLC (“VH”) a project developer desires to enter into a development agreement with the City of Spartanburg to construct single family townhomes; and

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

WHEREAS, the proposed project furthers the City’s goal 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 VanRock Holdings, 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 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 _____, 2024.

MAYOR

City Clerk

APPROVED AS TO FORM:

City Attorney

____ 1st reading/ _____ 2nd reading

STATE OF SOUTH CAROLINA)	CITY OF SPARTANBURG AND
COUNTY OF SPARTANBURG)	VANROCK HOLDINGS, LLC
)	DEVELOPMENT AGREEMENT FOR A
)	PROJECT LOCATED AT 1017 FLORIDA AVE,
)	SPARTANBURG, SC 29303

This Agreement (the “Agreement”) by and between VanRock Holdings, LLC, a South Carolina limited liability company (authorized to conduct business in South Carolina) duly authorized by the Secretary of State of South Carolina to transact business in the State and/or its assigns (the “Project Developer”) and the City of Spartanburg, a municipal corporation under the laws of South Carolina (the “City”), is entered into this ____ day of _____, 2024.

In consideration of and for the mutual exchange of promises set forth in the Agreement, the parties covenant with one another to perform as follows:

1. Project Developer Commitments:
 - a. *Development Size and Purpose.* The Project Developer, its agents or assigns, shall be responsible for the design and construction of a single family attached “*townhome*” *for rent* community on two parcels currently owned by Project Developer (_____.) (the “Property”) as more fully referenced in **Exhibit A (Tax Map) and Exhibit B (Site Plan)**. The development, hereinafter referred to as the “Project” shall consist of approximately *ninety-five (95)* townhome units and no less than Two Thousand (2,000) square feet of retail/restaurant/commercial space. Ten percent (10%) of the residential units shall be made available as workforce (income restricted) housing units which shall be blended into the Project and shall be of the same quality as the market rate units. The available workforce housing units shall consist generally of the same unit mix (3 BR units) as the other units in the Project and shall be made available for lease to tenants whose incomes are at or below 80% of the area median household income (“AMI”) in the City of Spartanburg. Rents for the workforce units may increase from calendar year to calendar year throughout the term hereof at the rate of the greater of two percent (2%) or 80% AMI.

- b. *Intended Market and Relevance to City.* Significant redevelopment and conversion of vacant and underutilized land into mixed use and single family for rent housing uses is occurring in downtown Spartanburg. The City has significant interest in seeing the construction of large scale “new” single family rental developments in the North Church Street corridor. Project Developer acknowledges that a significant City motivation in providing the Project with incentives is to achieve market goal. Project Developer further acknowledges that the City seeks the development of single-family townhome rental housing that will increase the product offerings available to City residents. The Project will be designed, constructed, and finished with fixtures, materials, and amenities of comparable quality design and construction as those example projects contained in **Exhibit C**, attached hereto and incorporated by reference. The target market is a blend of young, middle-aged and senior residents whether the same be working professionals, families, workforce employees or retirees.
- c. *Architectural Design.* Project Developer acknowledges that the architectural design is a key consideration for City. Project Developer has experience in developing single family housing projects in urban locations and has provided City with examples of other single-family projects it has developed. Information regarding these other projects is contained in Exhibit C, attached hereto and incorporated by reference. The examples contained in Exhibit C are representative of Project Developer’s work and indicative of its emphasis on high quality design and construction. Project Developer acknowledges that its commitment regarding the Project’s comparability to its other projects in Exhibit C are key considerations in the City’s provision of development incentives to support the Project. Design will emphasize an urban look and feel commensurate with the Project’s vicinity.
- d. *Investment Required.* The Project Developer covenants that it shall make an investment through equity, loans, and other sources anticipated to be not less than Twenty Two Million and 00/100 Dollars (\$22,000,000.00) in design, development and construction (the “Project Development Investment”) in the Project as evidenced by documentation which is reasonably acceptable to the City.

- e. *Public Infrastructure Improvements.* The Project Developer agrees to install public infrastructure improvements along Florida Ave, Dakota Street, West Wood Street, and North Church Street in the right of way immediately adjacent to the Project as required by the City's Development Code, which shall include, but are not limited to, landscaping and sidewalks (the "Public Improvements") to the satisfaction, in his reasonable determination, of the City Manager based on plans approved by the City, in accordance with this Agreement and in accordance with all applicable laws and regulations.
- f. *Maintenance.* The Project Developer agrees to maintain at its sole expense the landscaping located in the public right-of-way around the Project in accordance with the City's Code of Ordinances for a period of ten (10) years from date of this Agreement. Any irrigation associated with this landscaping will be connected to the Project Developer's meter as part of these maintenance obligations. These maintenance obligations shall apply to any and all future owners of the Project for the foregoing period of ten (10) years which shall be accomplished by way of a recorded assignment. In a form reasonably satisfactory to the City, a copy of which shall be provided to the City upon each transfer of the real property comprising the Project.
- g. *Compliance with Law.* Construction of the Public Improvements shall be performed in a good, safe and workmanlike manner and in accordance with all applicable laws, rules, orders, ordinances, regulations and legal requirements of all governmental entities, agencies or instrumentalities relating to the Public Improvements including, without limitation the Americans with Disabilities Act as well as all building code requirements then in effect.
- h. *Performance Data.* Because City is interested in continuing to provide quality affordable, workforce housing options to its residents, Project Developer agrees to share with City upon the City's request (such requests to be made no more frequently than twice each calendar year) its data indicating the Project's performance as it relates to the workforce housing units which comprise a portion of the Project, including but not limited to rent rolls and financial performance related to such units, income criteria, etc. City shall keep

and protect said data in a confidential manner, exempting it from Freedom of Information Act requests pursuant to the economic development exceptions.

- i. *Insurance Requirements.* The Project Developer shall procure and maintain insurance coverage for occurrences during the term of the Agreement against any claim for injuries to persons or damages to property which may arise from, or in connection with, Project Developer's construction of the Public Improvements or maintenance of the same pursuant to this Agreement by Project Developer's employees, agents, contractors, or representatives. Such insurance shall be in the following minimum amounts:
 - A. Commercial General Liability \$1,000,000.00 per occurrence
 - B. Comprehensive Motor Vehicle Liability \$1,000,000.00 per occurrence
 - C. Workers Compensation – Statutory limits
 - D. Employers Liability \$500,000/\$500,000/\$500,000

Within fifteen (15) days of written request by the City (such requests to be made no more than once per calendar year), Project Developer shall deliver certificates of insurance to establish proof of current and ongoing coverage to the City's Risk Manager via email at cwright@cityofspartanburg.org.

The City of Spartanburg must be shown as an additional insured / loss payee with notice of cancellation by delivery to the City in one of the above referenced means of contact.

The General Liability Coverage must list the City, its officers, officials, and employees as additional insureds for activities arising under the Project Developer performance under the Agreement. The coverage shall be primary as to the Project Developer's negligent acts and omissions or willful misconduct. It shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability coverage.

The Workers' Compensation Coverage shall apply to all of the Project Developer's employees who are in any way connected with the Project Developer's performance under

the Agreement. The coverage shall comply with all applicable state laws and provide a waiver of subrogation from the Project Developer against the City, its officers, officials, agents and employees, unless otherwise approved by the City.

The Project Developer must obtain insurance coverage from insurers with a current A. M. Best's rating of net less than A: VII. The insurers must be licensed to do insurance business in the State of South Carolina, unless otherwise approved by the City. The Project Developer cannot be a self-insured in order to meet these requirements, unless the City in writing consents for the particular named Project Developer for the specific Agreement.

The Project Developer shall be solely liable and the City in no way shall be responsible for any coverage deductible, co-insurance penalty, or self-insured retention (if applicable), including any loss sustained because of the operation of the deductible, penalty, or retention.

Further, the Project Developer has an affirmative duty, and shall carry out that duty, to see that any subcontractor performing on the Project Developer's behalf shall also have the same insurance obligations as are borne by the Project Developer under these general terms and conditions.

2. City Commitments:

- a. *Maintenance of Public Improvements/Completion of Certain Additional Improvements.* The City shall maintain the Public Improvements, if any, (other than those items which are the responsibility of the Project Developer under Section 1(g) above) upon completion, dedication and acceptance by the City.
- b. *Real Property Tax Abatement.* City will provide its consent, upon request prior to the issuance of a Certificate of Occupancy of the permitted plans, for a Fee-In-Lieu of Tax Payment (FILOT) through a Multicounty Industrial Park, or similar mechanism. Furthermore, City will use its best efforts, acting in good faith, to secure Spartanburg

County's approval of a Multicounty Industrial Park mechanism to abate the annual real property taxes in accordance with the schedule attached hereto as **Exhibit D**. The first FILOT payment shall be due for the tax year following the year that Project Developer receives its Certificate of Occupancy for the Project. By way of example, if the CO is received in 2024 the first FILOT payment would be due for tax year 2025 to be paid on or before January 15, 2026.

- c. *Certification of Property as an Abandoned Textile Mill Site*. Intentionally Omitted.
 - d. *Annexation of Property into the City of Spartanburg*. Currently, the Property is located outside the City of Spartanburg. The Project Developer has agreed and applied for the Property to be annexed into the City as part of the Development Plan.
3. No Assignment Without Consent.

Prior to completion of the duties set forth herein, neither the City nor the Project Developer are authorized to assign its respective duties under the Agreement to third parties without first having received from the other party a written consent, which consent shall not be unreasonably withheld, executed with the same formality of the Agreement. Notwithstanding the foregoing, City does acknowledge and agree that Project Developer may be utilizing a general contractor to perform the work on the Project and may assign this Agreement to a to-be-formed special purpose entity created for the purpose of owning and operating the Project; which entity shall be owned and/or controlled by Project Developer. Additionally, in the event of a third-party sale of the Project by Project Developer, the rights and obligations of Project Developer hereunder may be transferred by Project Developer to such third-party purchaser with notice to the City.

4. Modification.

No modification of the Agreement shall be binding upon the parties unless the same is first reduced to writing in a document having the same formality as the Agreement and executed by the duly authorized officer for each party. However, minor changes and modifications

to the Development Agreement are authorized as may be necessary or appropriate to allow for a final version mutually acceptable to the parties, with said minor changes and modification being 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 warranted further action by Council, then the matter shall be presented to and reviewed by City Council before the final execution.

5. Merger of Negotiations.

All prior negotiations and representations of both parties are merged into the Agreement, and no prior statement, whether written or oral, shall be binding upon either party unless reduced to writing and contained in the Agreement.

6. Applicable Law.

The Agreement is entered into under the laws of South Carolina, the City is a political subdivision of South Carolina, and the subject of real property and improvements are located in South Carolina. The Agreement shall be construed in accordance with the laws of South Carolina.

7. No Joint Venture.

The parties acknowledge the City is acting solely in a governmental capacity in expanding/enhancing the City's public infrastructure and spaces, in approving the Agreement and in providing any other approvals related to the Project. Accordingly, the parties further acknowledge that no joint venture is intended or created between the Project Developer (or its affiliates or principals) and the City, and the parties expressly disclaim the same.

8. Indemnification.

The Project Developer shall indemnify, defend and hold harmless the City, as well as its officers, officials and employees, from and against all claims of any nature whatsoever, at law or in equity, arising out of, or related in any manner to the Agreement, the design and construction of the Public Improvements, or the Project Developer's maintenance obligations, excluding only those claims resulting from the breach of this Agreement by the City or the gross negligence or willful misconduct of the City, its officers, contractors, agents, officials and/or employees. This provision shall survive termination of the Agreement.

9. Notice.

All notices and communications hereunder shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested, addressed to the parties as follows:

CITY:

City of Spartanburg
Attention: City Manager
P.O. Box 1749
Spartanburg, SC 29304
Phone: 864.596.2712

PROJECT DEVELOPER:

VanRock Holdings, LLC
333 Wade Hampton Blvd
Greenville, SC 29609
Phone: 864.672.4675

WITH A COPY TO:

De Bruin Law Firm, LLC

16 Wellington Ave

Greenville, SC 20609

864.982.5930

Miscellaneous.

If any part or provision of this Agreement is held invalid or unenforceable under applicable law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining parts and provisions of this Agreement. The waiver of a breach of this Agreement by either party shall operate as a waiver of any subsequent breach, and no delay in acting with regard to any breach of this Agreement shall be construed to be a waiver of the breach. Headings are inserted for convenience only and shall not be considered for any other purpose. All exhibits referenced above (including all attachments thereto) are attached hereto and incorporated herein as part of the Agreement.

[Signatures Follow]

WHEREFORE, in consideration of the foregoing, the parties do bind themselves by terms and conditions of the agreement by providing below the signature of their authorized officers.

WITNESSES:

VanRock Holdings, LLC

By: _____
Name: Brian DeBruin
Its: _____

STATE OF SOUTH CAROLINA)
)
)
COUNTY OF SPARTANBURG)

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this _____ day of _____, 2024 by the duly authorized officer for _____ whose name and title appear above.

Notary Public for South Carolina
My Commission Expires: _____
Printed Name of Notary: _____

WHEREFORE, in consideration of the foregoing, the parties do bind themselves by terms and conditions of the agreement by providing below the signature of their authorized officers.

WITNESSES:	The City of Spartanburg
_____	By: _____
_____	Name: _____
	Its: _____

STATE OF SOUTH CAROLINA)	ACKNOWLEDGEMENT
)	
)	
COUNTY OF SPARTANBURG)	

The foregoing instrument was acknowledged before me this _____ day of _____, 2024 by the duly authorized officer for _____ whose name and title appear above.

Notary Public for South Carolina
My Commission Expires: _____
Printed Name of Notary: _____

APPROVED AS TO FORM:

City Attorney

Exhibit D**Fee-in-lieu of Tax Payment Schedule**

Year	Payment
1	\$ 256,675.00
2	\$ 277,921.25
3	\$ 299,566.75
4	\$ 321,617.37
5	\$ 344,079.05
6	\$ 464,147.58
7	\$ 501,509.62
8	\$ 539,572.49
9	\$ 611,724.70
10	\$ 617,841.95