

MINUTES
Town of Lexington
Executive Session and
Council Work Session

March 21, 2022

1

Town Council held an Executive Session followed by the Council Work Session on March 21, 2022 which started at 6:00 p.m. in the Municipal Complex Conference Center located at 111 Maiden Lane, Lexington, South Carolina. The meeting was attended by: Mayor Steve MacDougall, Mayor Pro-Tem Hazel Livingston and Council Members Kathy Maness, Todd Carnes, Ron Williams, Steve Baker and Todd Lyle.

Staff members present were: Town Administrator Britt Poole, Assistant Town Administrator Stuart Ford, Assistant to the Town Administrator Wesley Crosby, Municipal Attorney Brad Cunningham, Transportation Administrative Assistant Laura Hinson, Police Chief Terrence Green, Building and Technology Director John Hanson, Utilities Director Allen Lutz, Utilities Supervisor Billy Gunter, Finance Director Kathy Pharr, Parks and Sanitation Director Dan Walker, Communications Manager Laurin Barnes, Assistant Municipal Clerk Karen Hanner and Municipal Clerk Becky Hildebrand.

There were five (5) citizens present and no news media members were present.

OPENING STATEMENT

Mayor MacDougall welcomed everyone to the Council Work Session and introduced the Councilmembers. He read an opening statement to explain the procedures of a Council Work Session which stated: *“Work Sessions are less formal business meetings that enable Council to obtain and discuss information regarding Town issues from Staff members and/or consultants. Like Regular Council Meetings, citizens are encouraged to attend and observe Work Sessions; however, they do not include Public Hearings, but do allow for public comments at the end of the Work Session unless otherwise called on by Council. Council does not take an action vote on items during a Work Session other than to vote to place an item on Council’s next Regular Council Meeting agenda for consideration and an official vote. Council Work Sessions are taped for use by the Municipal Clerk only and Minutes are taken and posted on the Town’s web page following approval of Council.”*

INVOCATION, PLEDGE AND CALL TO ORDER:

Councilmember Carnes gave the invocation. Mayor MacDougall led in the Pledge of Allegiance. Mayor MacDougall called the Council Work Session to order at 6:27 p.m.

EXECUTIVE SESSION REPORT

Mayor MacDougall reported the *Executive Session* was called to order at 5:30 p.m. after a motion was made by Councilmember Lyle and seconded by Councilmember Maness to go into *Executive Session*. The motion was unanimously carried. Council adjourned from *Executive Session* at 6:20 p.m. after a motion was made by Mayor Pro-Tem Livingston and seconded by Councilmember Baker. The motion was unanimously carried. Mayor MacDougall reported that pursuant to SC Code §30-4-70(a) (1) and (2), Council met in *Executive Session* to discuss: one routine personnel matter; two legal items regarding pending litigation and advice regarding an agenda item; and two contractual items regarding an economic development contract and a retreat planning contract. No vote was taken. A motion was made by Councilmember Maness and seconded by Councilmember Lyle to ratify the Mayor's report. The motion was unanimously carried.

DELETIONS ON AGENDA: Mayor MacDougall recommended that Business Item #4 (*Amended Lexington County Animal Control Ordinance*) be removed following discussion with Town Administrator Poole. There being no objection, Business Item #4 was removed from the agenda.

PRESENTATIONS

1. **Ms. Suzanne Brooks, Executive Director, Central South Carolina Habitat for Humanity – Update on Projects in the Town of Lexington:** Ms. Brooks thanked the Mayor and Council for their continued support. She added that they serve Richland, Lexington and Fairfield Counties. She gave a brief update of their projects and provided a handout to Council (copy attached):

- 272 new and renovated homes completed since 1985
- New homes on George Street, Jessie Street and Hendrix Street in 2020-2022

Ms. Brooks stated that Habitat does not give homes away, but they use all available resources to help obtain mortgages with payments less than 30% of the applicant's income. They not only want to help people have a home, they also find ways to improve their overall quality of life.

Ms. Mary Louise Resch, Director of Philanthropy, Central South Carolina Habitat for Humanity, stated that it is hard to believe that it has been three years since she appeared before Council to ask for their buy in on some projects with Habitat. She thanked Town Staff and Town Council, especially Councilmember Williams who helped them get their foot in the door on the recent projects and Councilmember Carnes who made the purchase of the property possible. Ms. Resch gave a brief update on the Lexington projects located at 104 and 106 Jessie Street. She explained the economic impact of the

MINUTES
COUNCIL WORK SESSION
March 21, 2022

improved properties through property taxes and water and sewer connections. Ms. Resch thanked Council for allowing them to waive their permit fees, which may not seem like a \$1,000 is a lot, but when you are a non-profit organization you cannot pass on the increased cost of building supplies to your clients. She encouraged Council and Staff to come out and help and get to know the homeowners. Ms. Resch described some of their projects in Cayce, some of the many stories about the new homeowners and how they also have a program for emergency repairs, Aging-In-Place, and Veteran Home Repairs. She was proud to report that 92.7 cents of every dollar they receive goes back into the community. She asked everyone to please shop at their ReStore located at 2814 Augusta Road where prices are about half of retail prices. Ms. Resch concluded by saying they have come a long way in three years and she hopes it is just the beginning.

Mayor Pro-Tem Livingston asked how their application process worked. Ms. Resch responded that they have an annual process and just closed out their 2022 application process. She added that she and Mr. Crosby are currently working on a repair project. She asked if anyone knew of someone, including seniors, veterans or single parents, if they meet their financial guidelines, they may submit an application.

Councilmember Carnes asked how many pre-qualified applications are in the pipeline. Ms. Brooks responded 18 and 5 to 6 more will be added by the end of May. She already knew that 4 of those want to live in Lexington. Ms. Resch thanked the Mayor and Council for their time.

Mayor MacDougall thanked Ms. Brooks and Ms. Resch for the information.

2. **Ms. Angelle LaBorde, President and CEO Lexington Chamber and Visitors Center and Mr. Berkeley Young, Young Strategies – Lexington Chamber and Visitors Center Visitor Research Report:** Ms. LaBorde introduced a new member of her staff, Ms. Karen Johnston, Visitors Center Coordinator. She added that they look forward to working with the Town as the official destination management organization. Ms. LaBorde explained that one year ago the Accommodations Tax Committee recommended to Council to fund a visitor research and lodging report. She thought this was important to get the lay of the land as to where we were in serving visitors and their perceptions for the Town of Lexington. Ms. LaBorde stated that she had great news about the report that was delivered to the Chamber in January. Ms. LaBorde introduced Mr. Berkeley Young, President of Young Strategies, Charlotte, North Carolina, who has done custom research and strategies for several years in 35 states, is well recognized in the travel and tourism industry, and one of the top leaders in destination planning and management. She added that Mr. Young was very impressed with what he saw in the report for Lexington.

MINUTES
COUNCIL WORK SESSION
March 21, 2022

Mr. Berkeley Young stated that sometimes he has to deliver bad news to cities but with Lexington, Council did not need him to tell them that it is pretty good to be in Lexington. He explained that if you go back 40 to 50 years, accommodation tax on hotels was put in place as the fertilizer for economic development so you could invite people here, to spend more money and generate more sales tax and jobs. Mr. Young stated that he usually advises towns to not eat the fertilizer but to use it to generate visitors and tourist who will in turn generate more taxes which the town can use for other projects. He added that the report shows that in the case for the Town of Lexington, hotels are at high capacity because there are nice hotels and a good looking town. Mr. Young stated that the only negative they heard was about traffic, but otherwise the Town gets A+'s across the board. The challenge comes from investing those dollars for a smart return on investments and encourages the right growth. He summarized that Lexington has seven lodging properties with 543 rooms and on a typical night they run 72% occupancy which is crazy high compared to the national average of 65% (pre Covid). Mr. Young stated that those numbers show that Lexington gets 2.7 visitors a day in each room and these people go out to eat, shop because they think your downtown is amazing, and they will spend approximately \$80,000 a day. He referred to the handout, "*Lexington Chamber and Visitors Center Visitor Research Report*" (copy attached 71 pages) on page 3, Executive Summary and what they learned during their research. He stated that with the Town of Lexington sitting between two major highways and being a suburb of the State Capital, near a lake, etc., it is not a matter of will visitors come here. The Town has so many things that people find attractive so people are already coming here. Mr. Young stated his maps indicate a compression problem because there are a lot of hotels just across the line. He added that the challenge is you may advertise for visitors, but if they can't get a hotel room they will go across the line and the Town will not make any money. The Town needs to determine the best time for visitors and who they want to bring here. Mr. Young explained that their survey went out to visitors and residents and the Town received high ratings, but the challenge is to not overinvest in events that your hotels cannot house. He did expect, based on the numbers, that it is only a matter of time before Lexington will get new hotels such as the one planned for Main Street which will be a guaranteed success. Mr. Young stated that it is important for the Town to coordinate events with the Chamber and local hotels. Vacation rental properties are high the closer you get to the lake, which can present their own issues of neighbors are not happy about it. He explained several of the charts in the handout that could be used to determine where visitors come from and why are they staying in Lexington. Mr. Young added that the number one reason for people visiting right now is to get outside, so the development of trails and outside activities was strongly encouraged. He stated that he does this all over the country and it is not often that he sees ratings this high from residents and visitors, they just plain love you. Mr. Young directed Council to several maps (page 67) which shows population density where the Town could target visitors because people in Charlotte, Spartanburg, Charleston and others

MINUTES
COUNCIL WORK SESSION
March 21, 2022

have people who have not heard of Lexington, South Carolina. He wished to leave Council with the following thought:

*“If you build a place people want to visit,
you’ll build a place where people want to live.*

*If you build a place where people want to live,
you’ll build a place where people want to work.*

*If you build a place where people want to work,
you’ll build a place where business has to be.*

*If you build a place where business has to be,
you’ll build a place where people have to visit.”*

-Maura Gast, Irving, TX, CVB and DMAI Chair
July 2009

Mr. Young stated that this research confirms Council’s instinct and it is beneficial to help with confidence when investing tax dollars in the future in those things that you now know through research that are driving visitation. He added that the lodging reports would help determine when are slow times when you want to invite people here in order to get the biggest return on investment. Mr. Young commended the Town on doing a great job and making wise investments. He added that the next step would be a strategic plan for the future. He asked if Council had any questions.

Mayor MacDougall thanked Mr. Young and stated that this is a lot of great information and it is exciting and feels good to read the positive comments.

BUSINESS ITEMS: (For discussion and recommendation for Council’s April 4, 2022 Regular Council Meeting.)

1. **Boards and Commissions Application – Municipal Clerk Becky Hildebrand:** The Town received an application from Mr. William Lafferty who expressed an interest in serving on the Town of Lexington Traffic Committee which currently has three resident vacancies. Mr. Lafferty currently serves on the Building Codes Board of Appeals and previously served on the Board of Zoning Appeals. Mr. Lafferty is a Town resident.

A motion was made by Mayor Pro-Tem Livingston and seconded by Councilmember Maness to place the item on Council’s April 4, 2022 agenda for consideration of appointment. The motion was unanimously carried.

2. **“It’s All About Herbs Festival” Sponsor Request – Municipal Clerk Becky Hildebrand:** Ms. Beverly Kleckley, Cofounder of the Herb

**MINUTES
COUNCIL WORK SESSION**

March 21, 2022

Bunch, a nonprofit club affiliated with the Clemson Extension Service, contacted the Town regarding their 10th Annual “It’s All About Herbs Festival” to be held on Saturday, March 26, 2022 on the grounds of the Lexington County Museum. (Copy of letter attached.) She requested sponsorship support from the Town. In the past Council contributed \$150 and no request was received for the past three years.

No motion was made.

3. **Deleted.** (*Amended Lexington County Animal Control Ordinance #21-20, Chapter 10 – copy attached.*)
4. **Amendment to Ordinance Section § 132.04, Loitering – Municipal Attorney Brad Cunningham:** Staff asked Town Council to consider amending Town of Lexington § 132.04 of the Town of Lexington Code of Ordinances regarding Loitering in an effort to clarify the definition of loitering under the Code.

A motion was made by Councilmember Williams and seconded by Mayor Pro-Tem Livingston to place the item on Council’s April 4, 2022 agenda for consideration of First Reading.

5. **Resolution Authorizing Saxe Gotha-Lexington Public Facilities Corporation Bond Anticipation Notes – Icehouse TIF – Assistant Town Administrator Stuart Ford:** The annual refunding roll-over of the Icehouse TIF BANs, which come due on May 6, 2022, requires a Resolution from Town Council. The attached Resolution authorizes the BAN roll-over and matters related thereto. This authorization is necessary due to the project delay from the 2015 flood which resulted in the roll-over period extending beyond the time provided in the original ordinance. This process ensures the BANs are properly issued as tax-exempt notes. The TIF Bonds and related Saxe-Gotha Public Facilities Corporation Bonds and BANs are financed by incremental TIF property tax revenues in the specified TIF district. The financings are secured by an appropriations pledge to cover any potential short-fall in TIF revenues. (Copy attached.)

A motion was made by Councilmember Williams and seconded by Councilmember Lyle to place this item on Council’s April 4, 2022 agenda to adopt a Resolution to Authorize Saxe Gotha-Lexington Public Facilities Corporation Bond Anticipation Notes-Icehouse TIF and matters related thereto. The motion was unanimously carried.

(Mayor Pro-Tem Livingston was excused from the meeting at 7:06.)

MINUTES
COUNCIL WORK SESSION
March 21, 2022

6. **American Rescue Plan Act Lost Revenue Election – Assistant Town Administrator Stuart Ford:** The U.S. Treasury issued the Final Rule for the American Rescue Plan Act of 2021 (ARPA or Act). One of the key new provisions allows the Town to elect a standard \$10 million lost revenue amount instead of applying the lost revenue formula. The standard allowance makes compliance with the Act much easier since all lost revenue can be used to provide governmental services as broadly defined in the Act and Final Rule. The original required calculation of lost revenue using the formula is exceedingly complicated with numerous variables and is designed to be applied over several years. With the formula-based calculation a risk exists for an inadvertent miscalculation, incorrect interpretation or failure to comply with specified timelines for expenditure of funds. Any resulting calculation errors could require a return of funds to the Treasury. The standard allowance is simple and likely to result in a higher lost revenue amount than would otherwise be calculated with the formula. The attached Resolution would provide for the Town to elect the \$10 million standard lost revenue allowance. (Copy attached.) The Town was awarded approximately \$11 million of ARPA funding in two distributions the first of which occurred in October, 2021 and the final expected by October, 2022. All funding under ARPA must be expended in accordance with the Act and regulations issued by the U.S. Department of the Treasury.

A motion was made by Councilmember Maness and seconded by Councilmember Williams to place this item on Council's April 4, 2022 agenda for consideration to adopt the ARPA Final Rule Lost Revenue Resolution. Councilmember Williams asked if they would be provided with a list of how the money would be used including the amount difference between \$10 million and \$11 million. Mr. Ford responded that Council appropriated the money and there was a general outline of how it would be used which was discussed during the year. He added that the first portion was used this year in the budget to replenish capital projects. Mr. Ford stated that the amount between \$10 million and \$11 million has to use the rules that are out there which can include water, sewer or storm water and a number of others things. He added that they have a strategic plan to discuss regarding how the money is used to maximize the positive impact for the Town. Town Administrator Poole wished to add that before the Town was going to have to follow the set rule for approximately \$6 million and now they would only have to follow it for \$1 million which is what the standard deduction allows. Councilmember Williams stated that would mean that Utilities would get \$1 million toward water and sewer. Mr. Poole explained that he didn't know if that was part of the plan they discussed specifically, but funding would have to follow the rules regarding storm water, etc., plus there would be another \$10 million from the State that would also be available for

MINUTES
COUNCIL WORK SESSION
 March 21, 2022

water and sewer that goes through a competitive process and the Town would also pursue that funding. Councilmember Carnes asked about the process to allocate approximately \$9 million, minus \$700,000 going to capital. Mr. Poole responded that it would be on the agenda at the Council Retreat including all the projects and essentially it will go through the budget process. The motion to place this item on Council’s April 4, 2022 agenda for consideration to adopt the ARPA Final Rule Lost Revenue Resolution was unanimously carried by all those present.

7. **Accommodations Tax – 2022 Applications – Assistant to the Town Administrator Wesley Crosby:** On March 10, 2022, the Accommodations Tax Advisory Committee reviewed 2022 Accommodations Tax projects requesting funds from the 65% A-tax fund allocation. Twelve applicants submitted requests totaling \$227,045. A spreadsheet was provided for Council’s review listing the requests and the Accommodations Tax Committee’s award recommendations. (Copy attached and summarized below.) Award amounts equal this year’s available funds of \$104,000.

<u>Organization</u>	<u>Project</u>	<u>Amount Requested</u>	<u>Committee Recommendations</u>
Capital City Lake Murray	Marketing	\$15,000	\$ 5,000
Cola Met Conv & Visitors	Advertising	\$40,000	\$ 10,000
Cola Museum of Art	Marketing	\$10,000	\$ 0
Cola Reg Sports Council	Marketing	\$10,000	\$ 5,000
Crossover Athletics	Run Hard Half Marathon	\$15,000	\$ 0
Jamil Shriners	Shriners Circus	\$17,820	\$ 0
Cola Ed Adv Foundation	Chick-fil-A Basketball	\$20,000	\$ 15,000
Lexington Chamber	Lodging/Visitors Analysis	\$19,725	\$ 10,000
Lex Cty Museum	Advertising/restoration	\$ 8,000	\$ 5,000
Lex Cty Rec & Aging	Lex Cty stadium upgrade	\$17,500	\$ 10,000
River Alliance	Tartan Day South Festival	\$14,000	\$ 14,000
Town of Lexington	Amphitheater Marketing	<u>\$40,000</u>	<u>\$ 30,000</u>
	TOTALS	\$227,045	\$104,000

A motion was made by Councilmember Baker and seconded by Councilmember Lyle to place the item on Council’s April 4, 2022 agenda for approval. The motion was unanimously carried by all those present (5). (Councilmember Williams was not present for the vote.)

8. **American Legion Post 7 Sponsor Requests – Municipal Clerk Becky Hildebrand:** The Town received a request from Ms. Linda Roemer with the American Legion Auxiliary Unit 7 requesting sponsorship support for the ALA Palmetto Girls State Program scheduled for June 12 – 18, 2022 at Presbyterian College. The cost per girl is \$340. The Town also received a request from Mr. David Griffith with the American Legion Post 7 requesting sponsorship support for the South Carolina Palmetto Boys State

MINUTES
COUNCIL WORK SESSION
March 21, 2022

Program scheduled for June 13 – 19, 2022 at Anderson University. Cost per boy is \$300.

A motion was made by Councilmember Maness and seconded by Councilmember Baker to place the item on Council's April 4, 2022 agenda for consideration. Councilmember Baker confirmed that Council would make a recommendation as to how many boys and girls they would sponsor at the April 4, 2022 Council meeting. The motion was unanimously carried by all those present.

COUNCIL/STAFF COMMENTS

Town Administrator Poole reminded everyone about the ground breaking to be held on the property in front of the Icehouse Amphitheater on March 23, 2022 at 10:00 a.m. He added that this is the final portion of construction for the Icehouse Concept Project.

PUBLIC COMMENTS

Ms. Angelle LaBorde, President and CEO Lexington Chamber and Visitors Center, invited everyone to O'Hara's Bakery tomorrow morning from 8:00 a.m. to 9:15 a.m. for a Chamber Morning Mix. She stated that approximately 50 Chamber Members would be in attendance so they could bring something to downtown Lexington.

NEWS MEDIA COMMENTS: None.

ADJOURNMENT: Mayor MacDougall thanked everyone for attending the meeting. There being no objection from Council, Mayor MacDougall adjourned the Council Work Session at 7:16 p.m.

Respectfully submitted by:

Becky P. Hildebrand, CMC

APPROVED BY:

Steve MacDougall
Mayor

MINUTES
COUNCIL WORK SESSION
March 21, 2022

FOIA COMPLIANCE – Public notification of this meeting was published, posted and mailed in compliance with the Freedom of Information Act and the Town of Lexington requirements.