



GREENVILLE COUNTY COUNCIL

Minutes

Committee of the Whole

February 6, 2018

4:04 p.m.

County Square – Suite 400

Council Members

Mr. Butch Kirven, Chairman
Mr. Willis Meadows, Vice Chairman
Mrs. Xanthene Norris, Chairman Pro Tem
Mr. Joe Dill
Mr. Mike Barnes
Mr. Sid Cates
Mr. Rick Roberts
Mr. Bob Taylor
Mrs. Liz Seman
Mr. Ennis Fant, Sr.
Mr. Lynn Ballard
Mr. Fred Payne

Pursuant to the Freedom of Information Act, notice of the meeting date, time, place and agenda was posted on the bulletin board at the County Square and made available to the newspapers, radio stations, television stations and concerned Citizens.

COUNCIL MEMBERS ABSENT

Rick Roberts, District 21

STAFF PRESENT

Joe Kernell, County Administrator
Mark Tollison, County Attorney
John Hansley, Deputy County Administrator
Regina McCaskill, Clerk to Council
Shannon Herman, Assistant County Administrator
Bob Mihalic, Governmental Relations Officer
Paula Gucker, Assistant County Administrator, Public Works
Hesha Gamble, County Engineer

OTHERS PRESENT

None

CALL TO ORDER

Chairman Butch Kirven

INVOCATION

Councilor Xanthene Norris

Item (3) **APPROVAL OF MINUTES**

ACTION: Councilor Seman moved to approve the minutes of the January 23, 2018, Regular Committee of the Whole meeting.

Motion carried unanimously.

Item (4) **DOLLARS AND SENSE OF LAND DEVELOPMENT**

Chairman Kirven stated in the near future, Greenville County would be embarking on the preparation of a new, ten-year Comprehensive Plan. He added that development, planning, infrastructure and other related issues were very important to all of the citizens of Greenville County. Council was always hearing about the cost of infrastructure and who was responsible for paying for it. Mr. Kirven introduced Joe Minicozzi and stated he would be able to shed some light on infrastructure costs.

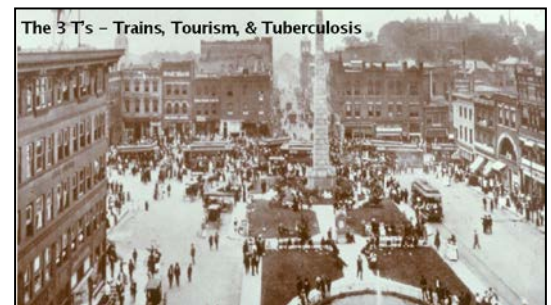
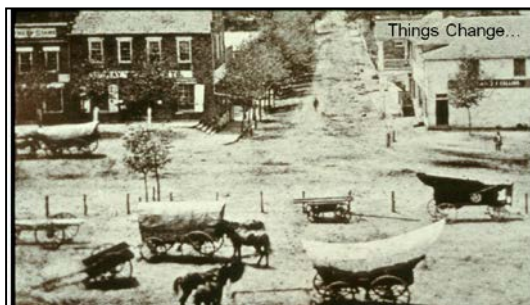
Presented by: Joe Minicozzi
Urban 3




Mr. Minicozzi stated a study was completed with Greenville Area Board of Realtors and Upstate Forever to review data and determine how the County functioned financially. He asked Council to look at the region as growing and ask what they wanted the model for Greenville to be and what they didn't want it to be.



Mr. Minicozzi stated he was from Asheville. The first picture showed Main Street in Asheville "back in the day" and the next picture showed the same street 15 years later. He stated the 3 T's affected Asheville's growth: Trains, Tourism and Tuberculosis. Asheville had the second largest street line car system in the country.





During the 1920's

- Asheville grew by 20% population/year
- Second largest city in NC, (larger than Charlotte!)
- Achieved the highest debt per capita in the entire US
- City thought it had \$5M in bank, but when the audit on the bank happened, it was discovered to only be \$18,000
- 3 days after the elected officials were indicted, the Mayor committed suicide

During the 1920's, Asheville's population grew by 20% each year and it was the second largest city in North Carolina. Also, during that time, Asheville achieved the highest debt per capita in the entire United States. At the onset of the Depression, the city thought it had \$5 million in the bank but an audit revealed the balance to be \$18,000. Elected officials were indicted and the Mayor committed suicide.



Asheville has squandered fabulous sums. They've flung away the earnings of a lifetime. They've mortgaged those of a generation to come. They have ruined a city, and in doing so, have ruined themselves, their children, and their children's children.

Thomas Wolfe

Thomas Wolfe, a famous American author and native of Asheville wrote in his novel *Look Homeward, Angel* wrote: "Asheville has squandered fabulous sums. They've flung away the earnings of a lifetime. They've mortgaged those of a generation to come. They have ruined a city, and in doing so, have ruined themselves, their children, and their children's children."



THE ASHEVILLE CITIZEN

Fifth Victim of McDowell County Prison - Unit Fire Dies

Court Strikes Consent Rule In Abortions

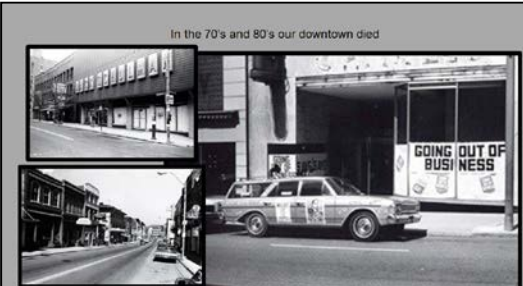
\$56 Million Debt Is Officially Paid

Asheville chose to pay off its \$56 million in debts and was one of only a few cities in the country that chose to do so; taking part in the New Deal Program. In 1976, the last bond was paid off. After paying off the debt, Asheville did what other cities were doing in order to "keep up with the Joneses."



The Decline Began in the 50's & 60's
Development outside of downtown was encouraged by the new expressways.

Asheville's decline began in the 50's and 60's. Development outside of the downtown area was encouraged by new expressways and in the 70's and 80's the downtown died.

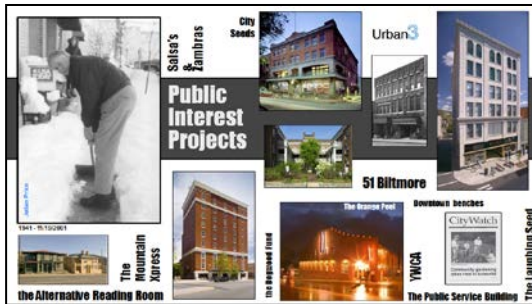
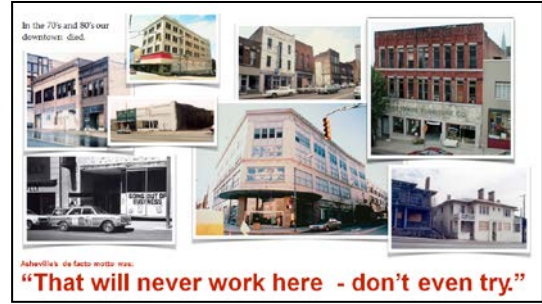


In the 70's and 80's our downtown died

GOING OUT OF BUSINESS



Buildings were left abandoned and boarded up. The city could not take advantage of urban renewal plans.



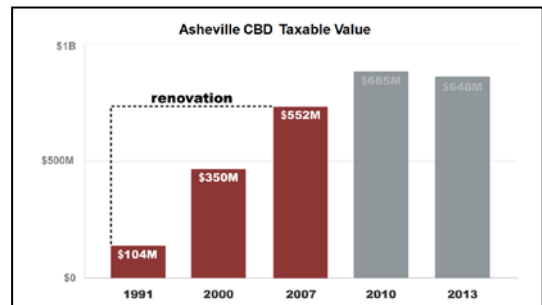
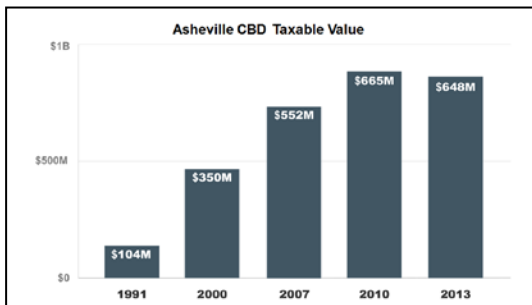
Julian Price was heir to the insurance and communications giant Jefferson-Pilot, based in Greensboro, Price's hometown. Price moved to Asheville and he put \$15 million into a revolving fund of which 75% was used to revitalize downtown buildings and 25% was used to seek businesses for the area.

Example of before and after of a revitalized building:

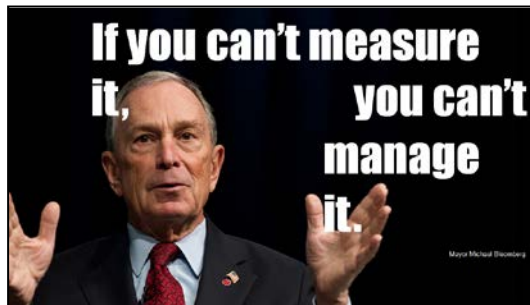
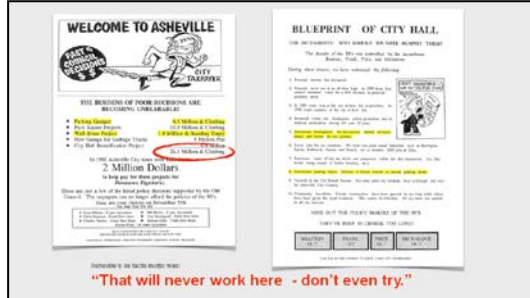
BEFORE



AFTER



The value of Asheville's downtown increased from \$104 million in 1991 to \$648 million in 2013 just by "fixing up" the area. Renovation of the buildings occurred between 1991 and 2007. The City of Asheville started special projects for the downtown area – parking garages, streetscapes, etc. A total of \$26 million was invested in the downtown area which caused dissention among political parties, even though the area's value had increased to \$552 million.



Mr. Minicozzi stated citizens have asked Council Members for solutions to problems they encounter such as lack of parking spaces which exemplifies a clamoring for needs to be met. He explained that cities were not measuring what was needed in order to actually function as a municipal government.



Mr. Minicozzi stated cities were actually legal corporations and so were counties, states, etc. He added that the United States was the largest corporation in the world and the City of Asheville was a \$12.8 billion dollar taxable entity.



Mr. Minicozzi stated the City of Asheville consisted of a finite boundary of land and the State of North Carolina had made it illegal to annex. Therefore, the city must function in a fiscally proven way and think about land the same way a farmer would think about his land to determine maximum return based on the resources available to him.

For 40 years this building remained vacant... its tax value in 1991 was just over \$300,000

Today the building is valued at over **\$11,000,000** an increase of over **3,500%** in **15 years**. The lot is less than 1/5 acre

Example: For 40 years this building remained vacant and its tax value in 1991 was just over \$300,000. The City of Asheville developed the building and it now has a tax value at over \$11,000,000, which represents an increase of over 3,500% in 15 years. The actual lot is less than 1/5 of an acre.

Walmart	Downtown	My House
34.0 Acres 220,000 sq Building \$20,000,000 Tax Value	0.19 Acres 54,000 sq. Bldg \$11,000,000 Tax Value	0.13 Acres 1 unit (2 people + 2 dogs) \$232,000 Tax Value

Comparison:

Building	Acres	SF or Unit	Tax Value
Walmart	34.0	220,000	\$20,000,000
Downtown	.19	54,000	\$11,000,000
Home	.13	1 unit	\$232,000

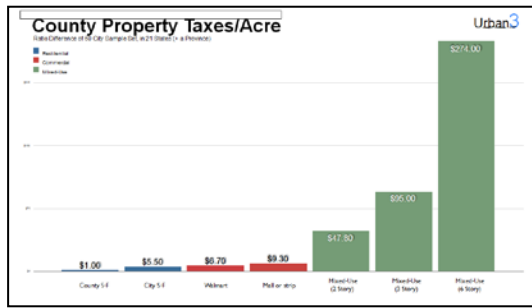
Walmart	Downtown	My House
34.0 Acres 220,000 sq Building \$20,000,000 Tax Value Property Taxes/Acre \$6,500	0.19 Acres 54,000 sq. Bldg \$11,000,000 Tax Value Property Taxes/Acre \$634,000	0.13 Acres 1 unit (2 people + 2 dogs) \$232,000 Tax Value Property Taxes/Acre \$19,542

Below is a comparison of the two retail areas. The building in downtown includes both retail and residential.

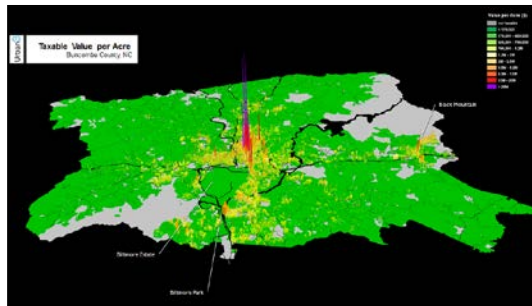
Property + Retail Sales Taxes	Downtown
\$77,000,000 Annual Sales (avg/yr) \$6,500 Total Property Taxes/Acre \$3,300 to the City	\$634,000 Total Property Taxes/Acre \$330,000 to the City

Urban ³	Asheville Walmart	Downtown
Land Consumed (Acres):	34.0	00.2
Total Property Taxes/Acre:	\$ 6,500	\$634,000
City Retail Taxes/Acre:	\$ 47,500	\$ 83,600
Residents per Acre:	0.0	90.0
Jobs per Acre:	5.9	73.7

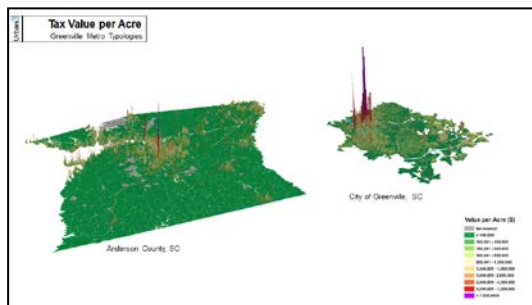
The average Walmart building was built to last for only 15 years.



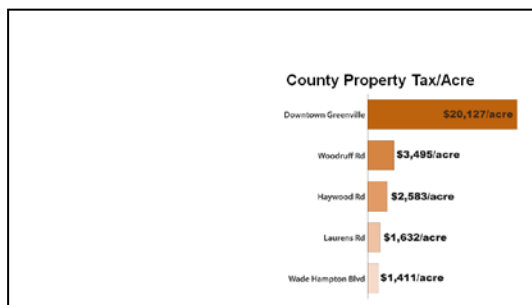
For every dollar of property taxes paid by a single family in the county, a resident of the City of Greenville would pay 5 times that amount. Mr. Minicozzi stated multi-storied buildings on small lots would bring in more money than single-story buildings that encompassed a large amount of space.



A 3-D model of Taxable Value per Acre for Buncombe County (includes Asheville) shows areas in gray that were non-taxable (ex. Pisgah National Forest). The downtown area of Asheville was represented by the red spikes; multi-storied buildings on small land plots.

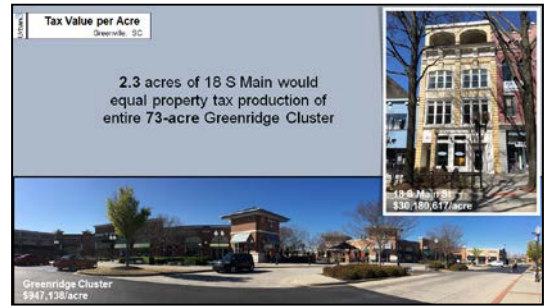
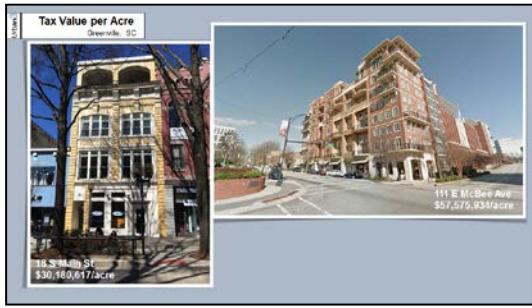


A 3-D model of taxable Value per Acre for Anderson County and the City of Greenville. This showed the same correlation between multi-storied buildings on small land plots and the taxable values. The City of Greenville made up 3% of the County's land but contributed 19% of the County's property taxes.



Examples of areas in Greenville County and the tax value per acre of each:

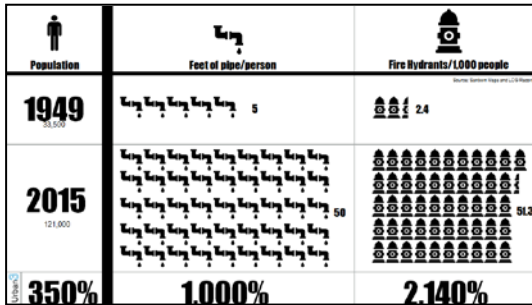




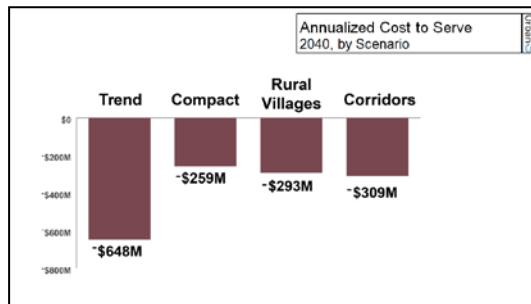
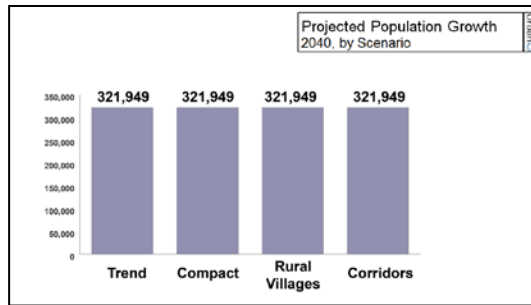
Councilor Taylor inquired about manufacturing buildings.

Mr. Minicozzi stated manufacturing buildings were normally very large in size and the value would be much lower than a building with several stories.

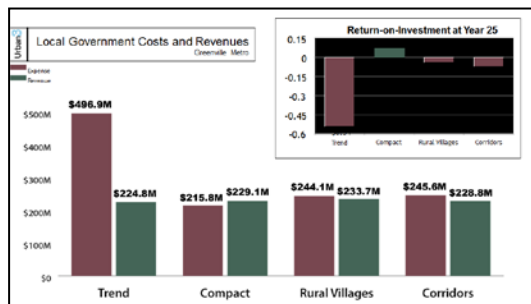
Mr. Minicozzi stated the cost of infrastructure continued to rise as cities spread outward, not upward. In 1949, a city with a population of 33,500 used 5 feet of water piping per person. In 2015, the same city with a population of 121,000 used 50 feet of water piping per person which represented an increase of 1,000 %. In regards to fire hydrants, in 1949 there were 2.4 fire hydrants per 1000 people and in 2015 there were 51.3 fire hydrants per 1000 people which represented an increase of 2,140%. The city's median household income only increased 160% from \$27,700 to \$45,000. Mr. Minicozzi stated the value of infrastructure was not keeping up with cost of infrastructure.



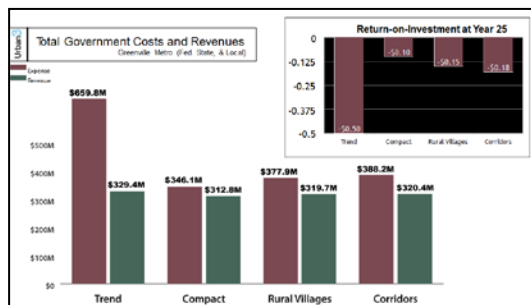
Mr. Minicozzi stated Greenville County was expected to increase its population by 321,949 by the year 2040. He stated the next few slides would demonstrate the costs involved with the projected growth by 4 different scenarios: trend, compact, rural villages and corridors.



This slide demonstrated the annualized cost to serve the anticipated growth. The cost for the compact scenario was the lowest with the trend scenario the highest.



This slide demonstrated the local government cost and revenues for each scenario as well as the return-on-investment at Year 25.



This slide demonstrated the total government cost and revenues for each scenario as well as the return-on-investment at Year 25.

Mr. Minicozzi stated to continue on trend and make no changes would cost the County billions of dollars. He added that cities were not paying to attention. Greenville County was a very valuable corporation with a net worth of approximately \$60 billion of value and there would be very uncomfortable choices to make in the future in terms of growth and development. He asked if the County could afford the infrastructure costs it was faced with if growth continued on trend.

Councilor Dill stated Greer was the largest city in the state, geographically.

Mr. Minicozzi stated Greer should be very careful not to waste land with infrastructure costs. PVC pipes generally last up to 60 years.

Councilor Ballard asked if the County and the municipalities should work collectively and not independently.

Mr. Minicozzi confirmed they should work collectively, not independently.

Councilor Ballard asked what that would look like.

Mr. Minicozzi stated the County would be competing with other areas for the new people that were expected to move to Greenville County by 2040. They could reside in areas that needed infrastructure and would cost everybody additional money. It was in everybody's best interest, both City and County, to do more with less. He added there were trade-offs to living in compact, corridor and rural village areas such as smaller yards and smaller homes; however, the money that was saved on infrastructure could be used for education, parks, affordable housing, etc.

Mr. Minicozzi stated the Aloft Project in downtown Asheville consisted of a taxable hotel along with a non-taxable parking deck. The City of Asheville took four years to sign the contract. He added that cities often do not realize the need for more immediate action.

Councilor Payne inquired how would the County make all of this happen; currently the County limited the density of houses per acre. He provided an example of the road situation; the residents did not care who owned the roads, they just wanted them fixed. All the entities who owned roads needed to find a way to work together collectively to collaborate on the roads.

Councilor Cates stated it appeared the best route for Greenville County was to consolidate with the municipalities.

Mr. Minicozzi stated that was a tough question. If that was the path taken, he advised everyone to be prudent, honest and understand the math involved.

Councilor Cates stated Charlotte was attempting to consolidate. They tried to consolidate legally through a referendum and the people voted it down, twice. Now, they have consolidated the schools, the police department, parks and recreation, fire departments, etc. He asked if this was monetarily beneficial to the residents.

Mr. Minicozzi stated he believed it was beneficial to the residents to consolidate and was probably the model for negotiating.

Item (5)

ADJOURNMENT

ACTION:

Councilor Taylor moved to adjourn.

Motion carried unanimously and the meeting was adjourned at 5:05 p.m.

Respectfully submitted:

Regina G. McCaskill, Clerk to Council