PUBLIC NOTICE

On Monday, October 12, 2020, the Aiken City Council will meet in Work Session at 5 P.M. to discuss the following:

1. Discussion of Suburban Fire Fees.
2. Demo 200 Program.

This meeting will be held at 214 Park Avenue SW in the City Council Chambers.

Due to procedures related to the COVID-19 health concerns, capacity limitations and social distancing requirements will be enforced at the meeting. A limited number of citizens will be allowed in the Council Chambers at one time. We ask that citizens leave the Chambers after speaking so others can speak.

The meeting will be streamed live at https://www.youtube.com/CityofAikenSC
Public comment can be emailed to publiccomment@cityofaikensc.gov

Executive Session Notice

At 6:30 P.M. City Council will go into Executive Session pursuant to Section 30-4-70(a)(2) of the South Carolina Code to discuss negotiations incident to a proposed contractual arrangement. Specifically, City Council will discuss a proposed contractual arrangement with a third party.

Aiken City Council Work Session
Agenda

October 12, 2020

5:00 P.M. Council Work Session – Fire Fees – Demo 200 Program
6:30 P.M. Executive Session

THE CITY OF AIKEN
6:30 P.M. EXECUTIVE SESSION
CITY COUNCIL WORK SESSION AGENDA
OCTOBER 12, 2020
5 P.M.

I. CALL TO ORDER

II. PRESENTATIONS:

(1) Discussion of Suburban Fire Fees.

(2) Discussion of Demo 200 Program.

THE CITY OF AIKEN

Memorandum

Date:	12 Oct 2020
To:	City Council
From:	Stuart T. Bedenbaugh, City Manager
Subject:	Discussion of Suburban Fire Fees.

In June, City Council passed an ordinance adjusting suburban fire fees affecting property owners that own parcels that are located outside the City limits and are NOT on City water. For the average property with improvements, the rate was $115.00, typically billed at $28.75 per quarter.

However, staff recognized that all out-of-city fire fee customers were not billed equitably. Out-of-city fire customers who are on City water were paying $41.00 per month, billed on the monthly water bill.

With the new ordinance, rates were standardized and all residential customers are paying $540 per year. Water customers not in the City have the fee paid over 12 monthly payments of $45, and customers not in the City and not on City water pay $135 per quarter.

Stuart T. Bedenbaugh
City Manager

THE CITY OF AIKEN

Memorandum

Date:	08 Jun 2020
To:	City Council
From:	Stuart T. Bedenbaugh, City Manager
Subject:	Second Reading and Public Hearing of an Ordinance to Establish Suburban Fire Fee Rates.

Staff and I periodically evaluate all fees to our fire customers. We would propose adjusting the billing method for our out of City fire customers.

We are not recommending a rate increase; however we would recommend increasing the minimum and maximum amounts for out-of-city customers in our fire district. Currently the minimum for residential customers is $11.50 per month [$138 annually] and the maximum is $41 per month [$492 annually]. We would propose that these change to a minimum of $12 month [$144 annually] and a maximum of $45 [$540 annually] for all residential fire customers.

To improve consistency, we are also recommending that we streamline the billing structure for our commercial customers to be based on a minimum of $12 per month [$144 annually] and 30 cents per $1,000 of appraised value over $20,000. We would have a different rate for structures valued over $1,000,000 of 10 cents per $1,000 of appraised value over $20,000, which will maintain their fees at about the same rate as they pay now.

City Council approved this ordinance on first reading at the May 11, 2020, meeting. For Council consideration is second reading and public hearing of an ordinance to establish new charges for all suburban fire customers as of July 1, 2020.

Stuart T. Bedenbaugh
City Manager

ORDINANCE NO. _____

AN ORDINANCE ESTABLISHING NEW CHARGES FOR FIRE SERVICE.

WHEREAS, Section 16-3 of the Aiken City Code authorizes the city prescribe charges for fire protection service by ordinance for fire customers located outside the City limits; and

WHEREAS, the Council of the City of Aiken, in preparing its FY 2020-2021 budget, has determined that it is necessary to increase the charges presently being made for fire service to its out of City customers; and

WHEREAS, the Council of the City of Aiken has concluded that the adoption of the proposed fire service charges is essential to the general health, safety, welfare and economic stability of the City and is in the best interest of its citizens.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF AIKEN HEREBY ORDAINS THAT:

Section 1: Effective July 1, 2020, the charges for fire service for out of City customers shall be as listed in the attached Exhibit A.

Section 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed or amended to the extent necessary to give this ordinance its full force and effect.

Section 3: This ordinance shall take effect and be in force from and after July 1, 2020.

ADOPTED by the Council of the City of Aiken at its regular meeting held this ____day of _____June__, 2020, at which a quorum was present and voting.

INTRODUCTION AND FIRST READING: May 11, 2020

SECOND READING AND ADOPTION: _____

_____
MAYOR

APPROVED:

_____
CITY ATTORNEY

ATTEST:

_____
CITY CLERK

I:\Ordinances\Fire Service Rates 2020-05-11.doc

Attachment "A"

Fire Service fees as of July 1, 2020:

Residential fire service for out of City customers shall be as follows:

Appraised value of Each Structure	Monthly Charge Per Parcel
Vacant land (no Structure)	$5.00 ($60 annually)
Structure value up to $20,000	$12.00 ($144 annually)
Structure value $20,001 and above	$12.00 plus 30 cents per thousand dollars of appraised value exceeding $20,001 with the total monthly charge not to exceed $45.00 ($540.00 annually)

Business fire service for out of City customers less than $1,000,000 appraised value shall be as follows:

Appraised value of Each Structure	Monthly Charge Per Parcel
Vacant land (no Structure)	$5.00 ($60 annually)
Structure value up to $20,000	$12.00 ($144 annually)
Structure value $20,001 and above	$12.00 plus 30 cents per thousand dollars of appraised value exceeding $20,001 with the total monthly charge not to exceed $160.00 ($1,920.00 annually)

Business fire service for out of City customers over $1,000,000 appraised value shall be as follows:

Appraised value of Each Structure	Monthly Charge Per Parcel
Structure value $20,001 and above	$12.00 plus 10 cents per thousand dollars of appraised value exceeding $20,001 with the total monthly charge not to exceed $730.00 ($8,760.00 annually)

THE CITY OF AIKEN

Memorandum

Date: June 1, 2020

To: Stuart T. Bedenbaugh, City Manager

From: Kimberly C. Abney, Assistant City Manager

Subject: Fire Billing Summary

Currently the City of Aiken bills out-of-city property owners/residents within our fire district for fire protection three different ways:

1 – we bill customers that have a current City water account each month based on the value of the structure on their property. The minimum fire bill is $11.50 each month and a maximum of $ 41 each month.

2 – we bill customers without a City water bill quarterly at the rate of $28.75 per quarter (or $115 per year).

3 – we bill College Acres Water Commission annually for the homes in their district. They each pay $115 annually.

The City last increased fire fees for out-of-city property July 1, 2017. Our current monthly rates are 30 cents per $1,000 of appraised value over $20,000 with the minimum bill of $11.50 and maximum of $41. Commercial fees are based on a scale that was also updated at the same time. I would request that City Council consider setting new minimum and maximum for the fire rates by July 1, 2020, but not increase the rates. If we increased the minimum to $12 per month ($144 annually) and the maximum to $45 per month ($540 annually), without an increase in the 30 cent fee per $1,000 of assessed value, we would estimate approximately $40,000 more from the customers that we bill on their water bills. I used these rates in all calculations above.

I would like to suggest that all customers be billed at the same rate since they receive the same level of fire protection from our ISO Class 2 Department of Public Safety.

We are not billing many of the vacant land parcels within our fire district, so I would like to propose a new rate for vacant land. Vacant land is still susceptible to fires. We have approximately 1,000 vacant parcels in our suburban fire limits that are not being billed.

I would also suggest that the 524 homes in the College Acres Water District pay fire fees based on their appraised value to standardize all parcels in our fire district. This could result in approximately $130,000 additional revenue. The College Acres service area has one of the best response times with our Public Safety Substation 5 at the edge of the neighborhood.

Commercial rates are based on value on a table, not a calculation. Finally, I would suggest that we use the same calculation as residential structures to bring consistency to the fire billing process. The impact on our revenue would be minimal; however, future updates would be much more efficient and simple.

I am proposing a new business rate for suburban fire customers that would equal the residential rate with a higher maximum. Business fire service for out of City customers with less than $1,000,000 appraised value would be as follows: a minimum of $12 per month ($144 annually) and a maximum of $160 per month ($1,920 annually), using the same 30 cent fee per $1,000 of appraised value. For businesses with appraised values over $1,000,000, we would use 10 cents per $1,000 of appraised value exceeding $20,001 with the total monthly charge not to exceed $730 ($8,760 annually). These rates will keep the business fire fees very close to their current fees.

I know this seems like quit a few changes, but in making these changes, we will actually simplify and standardize the rates for all fire customers outside the city limits.

Please let me know if you have any questions or need more information.

THE CITY OF AIKEN

Memorandum

Date:	12 Oct 2020
To:	City Council
From:	Stuart T. Bedenbaugh, City Manager
Subject:	Demo 200 Update.

The Demo 200 program has been suspended since April 2019 at the request of City Council. Staff presented an update to Council in September 2019 and convened a group of interested citizens on January 28, 2020 and February 25, 2020. Planning Director Ryan Bland and Building Official Mike Jordan will be at the work session to discuss the recommendations for Demo 200 going forward.

Stuart T. Bedenbaugh
City Manager

City of aiken PLANNING

MEMORANDUM

To: Stuart Bedenbaugh, City Manager
From: Ryan Bland, AICP, Planning Director
Date: 6 October 2020
Re: Demo Program Recommendations and Considerations

Due to concerns raised by concerned residents and stakeholders, the City Manager made the administrative decision to close the application list to allow for time for the program to be evaluated in light of concerns raised.

The primary concerns raised included but were not limited to:

1. Demolition of irreplaceable resources (potentially historic properties);
2. Assurance that subject properties are in substandard condition;
3. Financial benefit to private property owners through city subsidy (purchase, demolish, and flipping of properties subject to the program);
4. Applicability of the program to commercial properties or properties owned by non-profit organizations.

Demolition of Potential Historic or Otherwise Irreplaceable Properties

Properties located within the Historic Overlay District, properties individually listed on the local Historic Register, or properties within the Old Aiken Overlay District currently require approval of a Certificate of Appropriateness from the Aiken Design Review Board prior to demolition. To use this standard for other properties not included on the local register or in an overlay district raises legal concerns with regard to constitutional equal protection and due process.

In discussions with Building Division staff, few properties that have been demolished thus far under the program would warrant consideration under the characteristics established in the Zoning Ordinance for determining historic significance of a property. In any case, if there is a concern that historic or unique resources may be subject to the administrative Demo 200 program, an expansion of overlay districts could be examined.

Determination of Substandard Condition

Currently, a residential property must be determined to be in substandard condition under the Building and/or Property Maintenance codes by the Building Official to be eligible for demolition under the Demo 200 program. This is a technical determination. It has been argued, and not without merit, that a substandard property can be rehabilitated. Nearly any property, with enough improvement, can be rehabilitated. However, the potential to be rehabilitated should be weighed to the neighborhood impact and civic liability of a known

substandard structure. One possibility discussed was the potential for the determination of substandard condition to be appealable to the Building Code Board of Appeals. However, in consultation with legal counsel, opening up a technical decision to public hearing by a board may inherently bring inconsistencies into decisions, which can also raise equal protection issues. A possibility for some additional clarity in this matter is to add administrative procedures regarding the determination of substandard conditions to ensure consistency in the program.

Financial Benefit to Private Property Owners Through Public Subsidy

Concerns were raised that there could be the possibility of individuals taking advantage of the Demo 200 program for personal financial gain. Specifically, this potential scenario is typically described as an investor purchasing a property at tax sale, using the Demo 200 program to remove the structure, and then selling the land at a profit. Recognizing the potential validity of this concern, staff researched over 10 years of Demo 200 program files, and found no instances of this scenario.

If Council still finds this concern to remain valid, there are two primary ways to address the matter:

1. Creation of a minimum ownership period prior to program eligibility; and
2. A required repayment of funds if property is sold within a certain period of program utilization.

Both scenarios can be installed through a text amendment to the ordinance. However, in consultation with legal staff, either or both could be administratively installed into the program as a result of Council direction to the City Manager. As a result, implementation policies can be amended for the program.

In assessing both scenarios, the first, a “cooling off period” has the lowest administrative cost. A minimum time from sale can be established and determined in a relatively simple manner through digital research of County records. However, this scenario may also be problematic because not only is there the potential for a substandard property to remain for the ineligibility period, but that approach may likely also be found contrary to the City’s property maintenance ordinance in which case the City would need to demolish the structure during that period of time anyway.

A required repayment or “clawback” period has a higher administrative cost. Because staff cannot prevent the sale of a property, this would have be installed as an agreement with the property owner prior to demolition in which the program could require lump sum repayment, or repayment over a sliding scale (i.e. 80% after one year, 60% after two years, etc.). With repayment, the agreement may need to be structured as a forgivable loan on the property.

Other than the administrative cost with monitoring and implementing a repayment requirement, staff has two primary concerns. The first is that this program has been beneficial to many heir properties where families may not have the means or availability to bring a

structure to standard condition. In this case, the neighborhood and city can assist with removal of the dilapidated structure, and heirs may retain the property in the case that something can be done to improve the property in the future. The second concern is the recapture of CDBG funding if used for the demolition. Staff would have to ensure compliance with the associated federal requirements.

Means testing was another avenue mentioned to assure that program participants are not taking advantage of subsidy. While this is possible, and another method allowed by HUD to evaluate eligibility and compliance with HUD National Objectives, it also raises legal concerns where program decisions are made based on the person applying to utilize the program, rather than characteristics of the property. Additionally, legal staff has also raised concerns that this program design may result in disparate impacts with regard to program participants, which is a constitutional equal protection issue where programs may intentionally or unintentionally negatively impact a specific people group. As an example, means testing is difficult to ascertain on properties with multiple owners or heirs, which may decrease program participation from one of the historically significant program participant groups.

Demolition of Commercial or Non-Profit Structures

Currently, the Demo 200 program ordinance only allows for demolition of residential properties. The City occasionally receives inquiries regarding the availability of demolition funds for commercial or non-profit properties, and staff recognizes that a similar incentive program may assist in the removal of substandard non-residential properties. Therefore, such a program may be worth Council consideration.

There are a number of considerations worth noting if a non-residential demo incentive program were to be pursued:

1. Demolition of non-residential properties have the potential for higher demolition costs. Therefore funding eligibility limits may be necessary. Likewise, it may also be appropriate to require a higher contribution from program participants. Finally, overall program funding level increases may be required as part of the budget process.
2. A non-residential program may also pose a higher potential for turnover of property for financial purposes. This may be viewed as a positive as it could increase the likelihood of a more productive use of the property. However, if “flipping” of property is a concern, then one or both of the minimum ownership requirement, or clawback provision may be implemented as part of the program.
3. Non-residential property may have different CDBG requirements if those funds are used in the program.

Due to these differences, if Council decided that a non-residential program is worthy of consideration, staff would recommend it be written into ordinance as a separate program from the residential Demo 200 program.

Staff's Recommendation

When staff has administered the Demo 200 program, is has always been the understanding that the intent of the program has been to incentivize the remediation of blight caused by substandard structures from our neighborhoods, while still providing the owner the ability to maintain ownership and the rights that accompany that ownership. This pause in the program has allowed staff to take the time to research the program history, and for the majority of program participants, the program has been used to the aforementioned effect. It is staff's opinion that the program, used alongside the property maintenance code, provide a balance of tools available for remediation of blight.

Staff acknowledges and understands concerns raised regarding the ability to take advantage of the program for financial gain at the City's expense, although research of past program participants show that has not historically been the case. In that instance, staff would present a minimum ownership period, implemented by administrative policy change rather than ordinance, over a "clawback" provision due to the administrative costs and legal costs of implementing the repayment of program funds when compared to typical residential demolition costs under the program. Likewise, staff has legal concerns with ceding the technical authority of determining a substandard structure to a board or committee, or utilizing a means test for program applicants.

Finally, it is staff's opinion that consideration of a parallel non-residential demolition incentive program may be worth further Council consideration as a tool of remediating blight related to non-residential property dilapidation. However, staff predicts that such a program would be at a higher cost and worthy of considering program expense limitations on applications, and design of such a program would necessitate Council's direction regarding recapture or minimum ownership requirements.