



Richland County Council
Transportation Ad Hoc Committee
December 5, 2017 – 3:00 PM
4th Floor Conference Room
2020 Hampton Street, Columbia 29204

COMMITTEE MEMBERS PRESENT: Jim Manning, Chair; Bill Malinowski, Yvonne McBride, Paul Livingston, and Norman Jackson

OTHERS PRESENT: Michelle Onley

1. **CALL TO ORDER** – Mr. Manning called the meeting to order at approximately 3:00 PM

2. **APPROVAL OF MINUTES**

a. November 13, 2017 – Mr. Livingston moved, seconded by Ms. McBride.

Mr. Malinowski stated for the record since he just received his agenda he will be voting no on everything.

The vote was in favor.

3. **ADOPTION OF THE AGENDA** – The vote in favor was unanimous.

4. **ATLAS ROAD WIDENING PROJECT: RIGHT OF WAY ACQUISITION** –Mr. Manning stated right-of-way acquisition for this project is nearing completion. Right-of-way agents have been unsuccessful in concluding negotiations with three (3) tracts. We started with 15. Twelve of those were approved Council. The recommendation of staff is to concur with acquiring right-of-way under Council authority and to forward to full Council for consideration.

Mr. Livingston moved, seconded by Ms. McBride, to approve this item.

Mr. Malinowski stated the backup documentation does not detail how the County is going to acquire the right-of-way and does not list the parcel.

Transportation staff provided the committee with the requested information.

Ms. Myers stated one of the parcels is the one she offered to help with. No one contacted me. She has spoken with the owner and they are happy to talk with staff.

Mr. Kevin Shephard with the PDT Office stated they provided a little bit of inconsistency regarding Tract 94 at the last meeting. It had indicated that we had not heard back from the property owner, which was

Transportation Ad Hoc Committee
December 5, 2017

miscommunicated that we did not know how to get in touch with him. They have gotten in touch with him multiple times. The property owner will not return the County's calls. The issue is not that we couldn't get in touch with him. He was unwilling to make a counteroffer. Therefore, after 10 unsuccessful attempts he was alerted the County was going to go forward with condemnation. The other issue is that he has a mortgage discrepancy that can only be settled legally. Based on those two instances we are requesting to go into condemnation.

Mr. Livingston inquired if this was one of the ones Ms. Myers had them pull in a previous meeting.

Ms. Myers stated she talked with staff and told them whenever they contacted her she would assist them with working through it, but no one contacted her.

Mr. Livingston inquired if Ms. Myers recommendation would be to hold this item in committee.

Ms. Myers stated she would like to work with staff to talk to the property owner.

Mr. Livingston stated he wanted to revise his motion to move forward with Tracts 216 and 231 and hold Tract 94 in committee until Ms. Myers and staff can meet with the property owner.

Mr. Shephard stated he is willing to do that, but what he is trying to explain is no matter how much discussion we have with this property owner, we cannot settle it outside of a legal process. We can meet with him and talk with him again, as we have 10 other times, but it is not going to result in anything else but coming back to this committee and asking to go into condemnation.

Mr. Manning stated he thought before Mr. Shephard said he had tried to contact him 10 times and now he is saying he met with him 10 times.

Mr. Shephard stated he has contacted the gentleman over 10 times, have met with all the Taylor brothers, offered \$400 for the property and the property owner has not yet gotten back in touch. We indicated we were going to go through the condemnation with Mr. Willoughby. The property owner knows Mr. Willoughby and has been in touch with him. He is trying to prevent coming back to the committee for the 4th time, with the same request. No matter how much we meet with him, we cannot settle this because it is a legal matter. There is a mortgage discrepancy with the property.

Ms. Myers stated we can settle how much we pay the property owner in terms of a counteroffer. That is what been outstanding with them and they are delighted to discuss that with staff. She understands the portion Mr. Willoughby has to handle and that cannot be handled with her assistance.

Mr. Willoughby stated he is not sure what the mortgage issue they are speaking about. There are some other condemnation matters with the Taylor brothers that are already in progress and he has met with them. He stated he will be happy to work with them in any way they may require.

Mr. Livingston inquired if it was possible for the committee to make a motion regarding Tract 94 contingent upon something happening so it does not have to come back before the committee.

Ms. McBride inquired if there can be a timeframe for an answer.

Mr. Livingston inquired if counsel can suggest some language for the motion, so the committee can move

forward with Tract 94.

Mr. Willoughby stated the following language is suggested: "We would ask that this matter be that Mr. Shephard coordinate with Ms. Myers about setting up a meeting with Mr. Taylor and that be done within the next 2 weeks."

Ms. Myers stated she would coordinate a meeting by Friday.

Mr. Manning stated by Friday Ms. Myers will directly communicate with Mr. Taylor.

Mr. Willoughby stated if the communication results in the matter being resolved, short of condemnation, the matter would not go forward. If the legal issue cannot be resolved through discussion it would go forward.

Mr. Manning restated the motion to move forward on Tracts 216, 231 and 94 at the December 12th Council meeting. Tract 94 is contingent upon Ms. Myers coordinating communication amongst the parties to resolve the legal issues prior to the meeting. If the parties are not able to communicate prior to the Council meeting, Tract 94 will be removed during the adoption of the agenda.

Mr. N. Jackson stated he understands there is a maximum the County can offer.

Mr. Shephard stated the maximum that can be offered is the appraised value.

Mr. N. Jackson inquired if we have reached the maximum offer, what else can we do?

Mr. Shephard stated we have offered him the maximum appraised value of \$400.

Mr. N. Jackson stated from his understanding with condemnation if you have offered them the maximum and they do not agree then you have condemn. He does not know what kind of discussion we can have to do anything and hold the process up.

Mr. Manning stated the matter is not being held up. We are moving forward. We are allowing one of our colleagues, who wants to try one more time to have discussion with the involved parties.

Mr. N. Jackson stated that all 3 of the tracts could be approved at tonight's Council meeting, but we are delaying one until next week.

Ms. Myers stated it will go forward to Council just like the others.

Mr. N. Jackson inquired if all 3 will be approved at tonight's Council meeting.

Mr. Manning stated not according to the motion.

Mr. N. Jackson stated if the PDT offered the maximum and you cannot...

Mr. Manning stated not if, they did.

Mr. N. Jackson stated you cannot offer them anymore, but a Councilmember is going to meet with them about the \$400. We cannot offer them more \$400.

Ms. Myers stated if we can avoid the expensive condemnation that is in the County's best interest, and theirs. That is why she suggested working with Mr. Willoughby to get the property owner to accept or come to the table and tell her what their concerns are so the County can save money on condemnation. Save the property owner the embarrassment of condemnation.

The vote in favor was unanimous.

5. **OPTIONS TO STAY WITHIN REFERENDUM AMOUNTS** – Mr. Manning stated the PDT Team is in attendance to discuss the different options for staying within the referendum amount.

Mr. Beaty gave a snapshot of the program to date. He stated it was germane to the topic and issue at hand to discuss the level and issue of bonding before they can address with projects can be modified. We have to address how it can go about structuring the program.

Mr. Ott stated the cost of building is a function of the duration it takes to build it and when you bid the project. Transportation projects are unlike vertical construction. Typically we can design a building and build it in 3 years. Road projects sometimes take 3 years to develop, design, and acquire right-of-way permits before we start construction. If the project is pushed out further you have to add inflation to that. It comes back to whether or not the County is going to issue bonds for these projects. We attempted to show the effect of bonding on the program and not bonding on the program.

1. Bonding does not add funds to the program but advances the money available for design and construction. The bonds are paid back with future penny sales tax revenues.
2. Most capital programs utilize bonds as typically interest rates are lower for bonds than anticipated construction inflation. Currently bond interest rates are approximately 3% vs. 7-8% for annual construction inflation.

Mr. Ott stated they chose to look at the last 5 years of SCDOT projects in Lexington and Richland County. They tracked what the escalation in cost is. Those projects have been experiencing over and above 8% inflation, so they are being conservative.

Mr. Pearce stated the issue of inflation is very important.

3. The Program and CTIP were designed around issuance of \$250 million of bonds which was first approved by Council in January 2015.

Mr. Ott stated it would be impossible to forecast what costs would be out 15 – 20 years in the future.

Mr. Manning inquired if that was why there were 2 questions on the ballot.

Mr. Ott responded in the affirmative. He further stated the PDT was initially told by the County to base the program schedule on a \$250M bond sale. The first CTIP Council approved in 2015 was structured around a \$250M bond sale and successive iterations of the CTIP have also been based on that. In Spring 2017, they started hearing different numbers from County Administration.

4. The PDT has run several bonding models including \$250M, \$100 M and No Bonds. In our professional

opinion, a bond sale in the amount approximate to \$250M yields the most efficient use of money for the taxpayers.

5. Total penny revenues are forecast to be \$62.6M for 2018 and \$63.2M for 2019. The portion of the revenues for the roads greenways, etc. is forecast to be \$44.4M for 2018 and \$44.9M for 2019 with the balance going to the COMET.
6. Current forecasted cash requirements for the Roads, Greenways, etc. are \$118M in 2018 and \$125M in 2019.
7. If bonds are NOT sold then the Penny program is projected to run out of money in the second quarter of 2018 requiring infusion of \$ from the General Fund or other sources of funds. New projects will be suspended until such time as sufficient revenues are collected, approximately 18 to 24 months. The exception would be Leesburg Road. Leesburg Road is a SCDOT project and the County's contribution is simply writing a check. The construction program will be extended a number of years. Buying power will be reduced due to construction inflation.

Ms. McBride inquired if the no bond plan would be pay as you go.

Mr. Ott stated if the County does not sale bonds before the window of opportunity expires the County will have no other option other than pay as you go. If the County goes pay as you go, there will be no new projects let for the next 2 years. As a fact, the County will run out of money May/June 2018 before the projects already bid are completed. Collections will not catch back up again until 2019.

Ms. McBride inquired about the \$13M interest if the County bonds.

Mr. Ott stated the Administrator and bond counsel answered that question in Council Memo 11.1. They have estimated the interest and issuance costs of the \$250M as \$16M. He asked the committee, in terms of buying power, if you issue bond you are going to lose \$16M in buying power because you have to pay interest back. However, if you do not sale bonds, we are estimated the escalation impact to your buying power to be \$50 - \$60M.

Ms. McBride inquired if that is based on SCDOT figures.

Mr. Ott responded in the affirmative. In fact, they are taking a very conservative approach. In all likelihood it is higher. This is germane to the question Mr. Livingston asked, which is how do you keep these projects in budget. We have a very good handle on how to keep these budgets within the budgeted amount if the County issue bonds. If the bonds are not issued, all bets are off because he does not know what costs will be forecast over the next 10 years. In all likelihood your program will be extended out at least 7 – 10 years.

Mr. Malinowski inquired if bonding with these projects allow all the projects to be completed within the referendum dollar amount.

Mr. Ott responded in the affirmative. There are several options on how to do that and Mr. Beaty is going to speak to that.

Mr. Beaty stated the PDT looked at dirt and asphalt, which are 2 of the primary components of road costs. They pulled about 100 jobs and averaged them.

- ◇ Transportation Program consists of 10 major categories totaling \$737M; \$301M – COMET; \$32M-Administration
 - Widenings, Intersections, Special, Bikeways, Sidewalks, Pedestrian Intersections, Greenways, Neighborhoods, Dirt Road Paving, Resurfacing. All categories are at or under budget except the Widenings.

- ◇ Only Widening Category Cost Estimates Greater in Total than Referendum
 - 4 of 14 projects are under original referendum amount and scope (Hardscrabble, Leesburg, North Main, Clemson)
 - Hardscrabble and Leesburg are cash only. If SCDOT overruns the projects, it is the SCDOT's money.
 - North Main is under construction and it has come in right at the referendum amount.
 - Clemson is forecasted to come in under the referendum amount.
 - 10 projects are estimated to exceed referendum amount/scope.

- ◇ Total Program Cost Estimates are \$131M Greater Than Referendum Amount based on current CTIP with County issuing bonds.
 - Polo Road has not gone to construction and has not overran, but the cost of asphalt today is greater than it was when the referendum was put out. The cost estimates for the project are higher because of the increase costs of asphalt.
 - The bulk is in widenings.
 - SCDOT fully funding I-20/Broad River Road Interchange allowing \$52.5M “credit” to Program
 - \$131M minus \$52.5M = \$78.5M
 - Approximately 10% estimated Program funding shortfall

- ◇ Identify Additional Outside Revenues
 - Program previously brought in \$36 million through grants/earmarks
 - Mitigation Bank credit sales
 - State Infrastructure Bank Application
 - COATS funding (Columbia Area Transportation Study – COG)

- ◇ Revise County Contingency Procedure
 - County is currently adding a 10% construction contingency to all projects
 - PDT suggests a reduction to a 5% construction contingency results in potential funding shortfall reduction of \$22 million

- ◇ Construct Widenings in Order of Priority
 - Continue to Identify Additional Outside Revenues Opt. 1 and/or Savings in Opt. 2
 - Potential of 2-3 projects deferred
 - Specific projects to be identified and approved by Council

- ◇ Design/Construct Widenings with Referendum Amount
 - Continue to Identify Additional Outside Revenues Opt. 1 and/or Savings in Opt. 2
 - Each project receives full referendum amount (Council Districts keep all \$)

- Scopes reduced by shortened termini, intersection improvements, other as approved by Council

Mr. C. Jackson stated they are doing widenings in Charleston and Greenville, so he is assuming they have had some of the same challenges. He inquired if Mr. Beaty knows how they are handling the increased costs for asphalt, etc.

Mr. Beaty stated they are handling the issues in much the same way as he has outlined. York County just passed their 4th eight year program. Their 1st program they went down the order. They did not finish the last 2 or 3, so they did not get done. Then another penny was passed and they went back and picked up those 2 or 3 and they brought in outside funds to make their program whole. Charleston County bonded their program. After they passed it, they came back to the voters and the voters decided to bond it to accelerate the projects. Florence County got a tremendous infusion of cash when they did their program.

Mr. Beaty stated whichever way Council eventually decides to go they will still be putting in TIGER Grant applications and looking for other grants. They are thankful for the CTC for partnering with them on other projects.

Mr. Malinowski stated even with the \$22M reduction in the shortfall by reducing the contingency to 5% and accounting for the \$36M received in grants/earmarks, there is still a \$20M shortfall. He inquired if the only 2 options to cover the remaining \$20M is to reduce the projects as we go along or eliminate some.

Mr. Beaty responded in the affirmative. He stated, if they are directed to do so, they will still try to get a SIB application, TIGER Grants, etc. He is sure Council and staff will encourage that.

Mr. Malinowski stated what is not here is the \$16M in interest on the bonds, which has to be made up somewhere.

Mr. Ott stated that was included in the forecasted numbers.

It was reiterated that the PDT is not managing the dirt road program. It is being handled by another entity.

Mr. Ott stated when reducing scope is discussed a good example is Bluff Road Phase II. There are 2 sidewalks running all the way down to I-77. Maybe we only need a sidewalk on one side. One of the cost drivers on that project is the stormwater requirements that have changed since the flood, which will require them to raise a part of the road 5 feet. So there may be some additional funds they can get from the stormwater fund to help pay for that. He further stated that overcoming a \$55M hurdle in a \$700M building program does not scare him at all. Running into these kind of project overages early on is standard operating procedure.

Ms. Dickerson stated the committee heard from Mr. Beaty, but they did not hear the Transportation Director's thoughts on the matter. She believes that is a part that is always missing. She has not seen the Transportation staff compare what the PDT is saying as being factual or non-factual.

Mr. Edwards stated this is the first time hearing this presentation. He has not had a chance to digest it and develop any thoughts about it. From what he has been hearing and what he has been understanding so far, is that there is a need to bond if we are going to continue with projects on the schedules we currently have.

- ◇ Should the County NOT issue bonds then it's highly likely the shortfall will be substantially higher and other options will have to be considered. Issuance of new projects will be suspended and we would

suggest the issue be studied in 2020 when the program resumes.

Mr. Livingston moved, seconded by Ms. McBride, to forward to Council for consideration. The vote in favor was unanimous.

6. **BLYTHEWOOD ROAD WIDENING PROJECT REVISION** – Mr. Beaty stated the referendum took the project from I-77 to Syrup Mill, which $\frac{3}{4}$ of a mile. There is another red light a $\frac{1}{4}$ mile down the road at Muller that goes to a school and they said it would be nice if we could go all the way to Muller. Now that the OET is designing it and costs are increasing, they are coming back to the County and saying they should stay within the original termini referendum and not let the designer design the extra $\frac{1}{4}$ mile and spending money beyond what was in the original termini of the referendum.

Mr. Livingston moved, seconded by Mr. Malinowski, to approve this item.

Mr. Malinowski inquired as to who originally changed the original termini of the project.

Mr. Beaty stated after the public meeting it was brought to this committee and he believes it was forwarded on to Council.

Ms. Dickerson inquired as to what public meeting was held.

Mr. Beaty stated the meeting was held at the elementary school off of Muller.

Ms. Dickerson stated she was at that meeting. She inquired if the meeting was held after the referendum was passed.

Mr. Beaty responded in the affirmative.

Ms. Dickerson stated that is why she has a problem. When these public meeting are held outside of what transpired in the ordinance that is when we start having a problem.

Mr. Manning inquired if what is being brought before the committee is what was originally by the bond. Somewhere along the line we said do not go by that and now we are taking to Council to go back to what we had originally.

Mr. Malinowski inquired if it was correct to say to revise the project termini.

Mr. Beaty responded in the affirmative to Mr. Manning and Mr. Malinowski's inquiries.

The vote in favor was unanimous.

7. **MAINTENANCE OF SHARED USE PATHS ON SCDOT R/W** – This item was not taken up.

8. **ALPINE ROAD SIDEWALK PROJECT REVISION** – This item was not taken up.

9. **POLICY DECISION: ORDINANCE CHANGE/PROJECT PRIORITIZATION** – This item was not taken up.

10. **GILLS CREEK GREENWAY PROJECT: MAINTENANCE AGREEMENT AND FUNDING TRANSFER** – Mr. Malinowski inquired if this is the project that does not have the final design on.

Mr. Edwards stated there is no design.

Mr. Pearce stated this project was frozen because of the conflicts with the neighbors. We have been trying to facilitate getting key points worked out with the City, so it could proceed to design. We do have an approved, by form, agreement from the City. It seems to satisfy the parameters of their willingness to take over security and maintenance. The agreement is to be taken up by the City on December 5th.

Mr. Pearce previously made a motion to provide documentation to the homeowners that the greenway would only be constructed on the west bank. He further stated by adding additional language to the proposed agreement it would provide the homeowners the documentation promised. If Council approves the amended language, it will need to go back to the City. He does not believe the City will object to the proposed language.

Mr. Malinowski stated the proposed language is, “The parties agree that in no event will the proposed greenway alignment include any connection to the Hampton Estates neighborhood. Nor will the greenway alignment be located, in whole or in part, in the Hampton Estates neighborhood. With the entirety of the system to remain on the west bank.

Mr. Livingston moved, seconded by Mr. Malinowski, to add the proposed language to the agreement.

Ms. Dickerson inquired if this will alter the ordinance in anyway.

Mr. Pearce stated this is not an ordinance. It is an agreement.

Ms. Dickerson stated she is talking about the greenways.

Mr. Pearce responded in the negative.

Ms. Dickerson stated that is all she needed to know. If it did then we would need to go back to Three Readings and a public hearing.

Mr. Manning stated an ordinance would be over top of this. The ordinance could affect this. This cannot affect the ordinance.

Mr. N. Jackson stated he read somewhere they may have to shorten the path because of funding. Would that affect the ordinance?

Mr. Edwards stated if Mr. N. Jackson is referring to Gills Creek section b then it will not affect the ordinance.

Mr. Pearce stated if we can do this then we would have the document from the City agreeing to do security and maintenance. Once the two Councils approve the agreement, he would have a legal document he could give to the neighbors.

Ms. McBride inquired about the costs.

Mr. Pearce stated there will be no cost.

The vote in favor was unanimous.

11. **PDT PROGRAM UPDATE** – This item was not taken up.
12. **OTHER BUSINESS** – No other business was taken up.
13. **ADJOURN** – The meeting adjourned at approximately 4:00 PM