

Aiken City Council Minutes

July 14, 2003

WORK SESSION

Present: Mayor Cavanaugh, Councilmembers Cuning, Price, Smith, Sprawls and Vaughters.

Absent: Councilwoman Clyburn

Others Present: Roger LeDuc, Gary Smith, Lex Kirkland, Anita Lilly, Ed Evans, Sara Ridout, Philip Lord of the Aiken Standard, Josh Gelinas of the Augusta Chronicle, and about 5 citizens.

Mayor Cavanaugh called the meeting to order at 6:20 P.M. He stated Council had two items that they would like to discuss in the work session.

BUSINESS LICENSE

License Ordinance

Mr. LeDuc stated Councilwoman Vaughters has received some calls concerning our business license procedures and in particular, the request for tax returns being required for all city businesses. This practice was started last year to ensure that the correct license fee was being paid. Prior to this the city would ask for the gross receipts for the year. During the year the city would occasionally do an audit of several firms to verify the accuracy of figures. By requiring a tax return which consists of the first page of the return, or a 1099, we have been able to greatly reduce two common errors: 1. Reporting the wrong number. Sometimes the person completing the renewal notice did not report the correct information. If they made a mistake, many times it was in favor of the business. Without some formal backup, the City of Aiken had no way to catch the mistake. 2. Some businesses were reporting inaccurate information on their renewal notice. By submitting a tax return this type of reporting is less likely and truthful reporting is encouraged. The individual or business does not need to leave the return, but just present it so Lex Kirkland or a staff member can record the proper number. If the return is sent to the City, it is immediately shredded once the license fee has been determined. Tax returns tend to be the best form of backup for the majority of businesses operating in the City of Aiken. The gross receipts figure is easily determined, and we can reasonably be sure that the figure is correct. When the tax return has not been completed or the business cannot supply the needed figures, we have worked with the businesses. When an extension has been filed or the return is consolidated, we have used income statements, profit and loss statements, statements from accountants of the anticipated gross receipts, and certified statements from the owner when none of the other three options are available. This procedure is used only when a tax return has not been prepared or will not supply the gross receipt figures. The logic behind using the gross receipt figure is for a business that has multi-locations in Aiken or the state and files one large return. We feel, however, that a business is less likely to present inaccurate information within their tax return, whereas inaccurate information is more likely to occur with one of the above statements. For that reason a tax return is required whenever possible.

The City established the rates that are currently being used in the early 80's, and they have not changed since that time. These rates are by a classification category for each business based on the Standard Industrial Classification System (SIC) used by the vast majority of cities throughout our state and region. The only change made to the business licensing system was in the early 1990's, when City Council decided to double the rate for outside businesses. Currently the City of Aiken's rates are below the average for the State of South Carolina, with some cities having a rate twice as high as the City of Aiken.

He said when the Inspector finds businesses operating without a license, the businesses are first given a warning letting them know that within a specified period of time they need to obtain a license. To date we have never required a business to go back and

purchase a license for work done before they were notified. Lex Kirkland, our Business License Official, stated we usually are not aware of their operations and it would be very difficult to prove a business operated within the city unless we can get that information from them. Since it is difficult to go back and charge the businesses it has been our practice to focus on bringing all businesses in compliance with the ordinance. It would be difficult to treat businesses equally if we go back and charge for previous work on some but not on others. It is our goal to try to treat all businesses fairly and for that reason we have not gone back on these businesses in the past.

The Business License Ordinance also provides a cap for any business that is in the city that serves as the corporate headquarters for that corporation. The maximum fee that the corporate headquarters would pay is \$1,500 per year. This was approved in the mid 1990's to encourage corporate headquarters to establish their business within the city limits. The ordinance has a number of requirements that must be met to qualify for the exemption, and only one business to date, RCS, has met these requirements.

One of our major goals over the last several years has been making sure all sub-contractors operating inside the City of Aiken have purchased a business license. One of Carrol Busbee's main jobs is the enforcement of this requirement by patrolling the city three days a week. To date several hundred sub-contractors have now purchased business licenses. Lex Kirkland, Business License Inspector, is present to answer any questions that Council may have concerning business licenses. If Council would like to change any of the policies, procedures, rates or any other aspect of the business licensing procedures, we can certainly do so in the future.

Council discussed the license renewal at length. There was concern that in the case of using 1099's that a person may have more than one 1099 and the city would not know it. It was also pointed out that the city will accept a letter from an accountant verifying the gross receipts of a business when there is a tax extension. Lex Kirkland pointed out the other information on a tax return can be blocked out. All he needs to verify is the gross receipts number.

Councilwoman Vaughters expressed concern about a person having to submit the first page of the tax return. She felt there was a lot of information on that page and people were concerned about others having that information.

Mr. LeDuc stated since Mr. Kirkland is on the board of directors for the state licensing officials, he would ask that Mr. Kirkland check with other cities to see what they will accept to verify the gross receipts for a business license, and also how they handle verifying gross receipts for businesses located outside the city, as they only pay on gross receipts earned inside the city.

Councilwoman Vaughters stated she wanted the inspectors to be sure to check that all persons doing business with the City of Aiken have business licenses. She said she felt that when it is discovered that a person is doing business in Aiken and they do not have a license that the city should go back and try to collect the back years license fees.

Mr. Kirkland responded that the city policy had been for many years not to try to collect back years, but to try to be sure that all businesses are licensed.

Councilwoman Vaughters also expressed concern about the corporate license and stated she felt the corporate license fee was not high enough and that small businesses sometimes almost pay the amount of the corporate license. It was pointed out there has only been one corporate business license. Council asked that the city check with other cities regarding their charge for a corporate license fee.

Councilwoman Vaughters also expressed concern that the City of Aiken do business with businesses that have a business license with the City of Aiken.

Councilwoman Vaughters stated she was concerned about businesses, and she would like some direction by Council that a notarized statement from a CPA stating the gross receipts of a business would suffice as a statement of gross receipts.

Mr. LeDuc stated he is asking the License Inspector to consider accepting, through the end of July, a notarized statement from an accountant for gross receipts until the question regarding a copy of the tax return is settled. He said the staff will come back to Council with a recommendation after getting information from other cities. Also, the staff will be asked to go back and look for businesses that have worked for the city to be sure they had a license and if not try to collect the back fees. The staff will check with other cities regarding their corporate business license fee. Lastly, the staff will check with other cities to see how they are handling businesses outside the city and how they collect and verify the amount of business done within the city.

TRAFFIC IMPACT ANALYSIS

Country Homes

Nordahl Builders

C.P. Price

Mr. LeDuc stated on tonight's agenda are two projects which required a traffic impact analysis as per the Planning Commission. This traffic study was completed following the procedures as outlined in our draft Traffic Impact Ordinance. The first project by Country Home Builders (Gerald Waters) was approved by the Planning Commission in January, 2003, and required the rezoning of property along Stratford Hall Drive at Whiskey Road, and consists of a residential and commercial development facing Whiskey Road. The other development is the annexation of the former C.P. Price property, now being developed by Nordahl Builders. The back portion facing Powderhouse Road consists of single-family residential units, with the front portion facing Whiskey Road as commercial. This project was approved in May by the Planning Commission. The traffic study was combined to review both of these Whiskey Road locations as they relate to the signalized intersections at Chukker Creek, Citadel, and Powderhouse/Stratford Hall in relationship to the developments. Roger Dyar, our Traffic Consultant, is present to discuss these projects and the results of the traffic analysis. Copies of the first sixteen pages of the Traffic Impact Analysis and the three page review by Roger Dyar were included for Council's review. Mr. LeDuc stated Mr. Dyar felt the study was a very good study. The study was done for two different developments at one time.

In the Traffic Consultant's review of the engineer's study there are basically three things he is recommending, based on the results of the engineer's study. The study was done for two different developments at one time, both located basically across from each other on Whiskey Road. The consultant states that a left-hand turn arrow will be needed in the southbound direction at Citadel and Powderhouse Road, whether or not the two developments get constructed, and should be a requirement of the Highway Department to get this completed. Based on the volume leaving these developments, an additional lane on Stratford Hall at Whiskey Road for a left-hand turn, a through movement and a right-hand turn can be made approaching Whiskey from these developments as well as on Powderhouse Road. These improvements could be tied to the development as a reason for the need for an additional lane. In discussing this further with Mr. Dyar, the residential portion of the Country Homes development will generate 361 trips in a 24-hour period. The 361 trips of the 6,000 projected for the whole development is 5% of the trips. To add another lane on Stratford Hall Drive at this point in time for residential development is not really needed. It will be needed once the commercial development gets started. He said Council may want to consider, as one of the conditions for the development, that prior to getting a building permit for the commercial development that the developer obtain a bond, cash, or build the right-hand turn lane, as that is when 95% of the traffic will be generated. For the Nordahl development, 760 trips per day will be generated from the residential development, out of 5,668 from the total development. Again, a little over 10% of the total traffic volume is generated from the residential unit. Therefore, at Powderhouse the widening could be a requirement at the time of the commercial development. The other recommendation is that a right-hand turn lane northbound be installed on Whiskey Road approaching Powderhouse. The major reason for this is that with the left-hand turn arrow southbound on Whiskey Road at Powderhouse, this adds another signal cycle and during this time traffic is continuing to back up on Whiskey Road. However, if there was a right-hand turn lane a number of

these movements could move into the right-hand turn lane and relieve some of the congestion on Whiskey Road. The third area of the traffic study did not look at the commercial development that will be constructed on Stratford Hall Drive at Whiskey Road, and a turn lane going into the area. When the commercial development is ready to begin, a right hand turn lane will probably be needed at Stratford Hall. The study did not review whether a right-hand turn lane is needed. At this point in time it probably is not necessary, but when the commercial starts it may be necessary. Going northbound on Whiskey, a left turn into Stratford Hall Drive needs to be studied, as it probably will be needed. At this time, the Traffic Consultant feels it is not necessary, but feels that before a building permit is issued to the commercial development in this area that these two areas be studied. If the recommendation from the engineer says they are needed the cost should be borne by the development. They are not needed for the residential development, but may be needed when the commercial area is developed. The recommendation to Council is that in considering the rezoning that Council tie these requirements to getting a building permit for the commercial development the developer would need to study the traffic into Stratford and determine whether turn lanes are needed, and, if needed, should be tied to the commercial development.

Council then discussed the traffic analysis for the two proposed developments with Roger Dyar, Traffic Consultant, answering questions of Council. Mr. Dyar pointed out that there were some movements in the area that are predicted to have an "E" or "F" level of service without the developments. Council felt that they probably did not want to have a level of service lower than a "D". Mr. Dyar stated "D" is generally the accepted standard in most urban areas.

Councilman Smith pointed out that it was clear what the prediction is for 2008, but the improvements are needed before that time. He said once Council approves the commercial he felt they needed to move ahead and have the improvements made almost immediately. He also pointed out that there are safety as well as traffic concerns, even before the commercial area is developed at both Citadel and Powderhouse, and these should be addressed as quickly as possible.

Councilwoman Vaughters asked whether the city plans to pursue the recommendation that the city annex Whiskey Road and coordinate traffic signals. It was pointed out that is not part of the proposed developments, but the city does plan to consider the issue later this year. She also expressed concern that traffic impact is also contributed to by residential development, as well as commercial development. She expressed concern about the commercial development having to bear the entire cost for development of turn lanes when residential also contributes to the traffic.

Mr. LeDuc stated it was hard to determine when the improvements should be made. He said the matter had been discussed at length. He said it was hard to determine at what point you trigger these improvements to be made. He said that the developments in either case are owned by one party and they could either develop the commercial or they could sell the property. He said if they sell the property and when a building permit is requested it triggers the improvements. This would have to be a consideration on the seller and the buyers part, knowing that the improvements will be a cost in development. He said in essence they may not be paying for it today, but it will be reflected in the price of the land that they sell.

Councilwoman Vaughters pointed out that the only lane proposed to be required at this time in the residential development is at Powderhouse Road.

Councilwoman Price pointed out that whatever traffic improvements can be made now will make the situation much better than waiting until the problem becomes a crisis. She said she would like to see the city be proactive in this matter.

Council continued to discuss the study and the proposed improvements.

Mayor Cavanaugh questioned the emergency lane in the Nordahl development to Whiskey Road until the commercial is developed. It was pointed out that one of the conditions for the development was that an emergency connector from the residential

portion to Whiskey Road would be made until a permanent connecting road is built through the commercial portion.

Councilman Smith pointed out eventually there will be a signal in that area. He said if there is a road there without a light and it is used, that will be a safety problem.

Mr. Dyar stated the potential signal was not addressed by the engineers who did the traffic impact study. He said the study shows about 450 to 500 cars at the peak hour using the main entrance. He said if Council considers this to be a major entrance, a lot of people who may live in the residential may want to use the access. He said with that many trips the entrance probably will have to be signalized. He said it will tend to split up some of the residential traffic, and many people will use it opposed to going out Powderhouse Road.

ELECTION

Redistricting 4-2-1 Plan

Mayor Cavanaugh stated he had talked with Jim Holly regarding the progress of the redistricting and if there had been any comments from the Justice Department. Mr. Holly stated the Justice Department has until July 20, 2003 to make a decision on the submittal.

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REGULAR MEETING

July 14, 2003

Present: Mayor Cavanaugh, Councilmembers Cuning, Price, Smith, Sprawls and Vaughters.

Absent: Councilwoman Clyburn

Others Present: Roger LeDuc, Gary Smith, Ed Evans, Larry Morris, Anita Lilly, Wendell Hall, Glenn Parker, Sara Ridout, Philip Lord of the Aiken Standard, Josh Gelinas of the Augusta Chronicle and about 40 citizens.

Mayor Cavanaugh called the meeting to order at 7:30 P.M. Mayor Cavanaugh led in prayer, which was followed by the pledge of allegiance to the flag.

APPROVAL OF AGENDA

Mayor Cavanaugh stated Council needed to approve the agenda. Councilman Smith moved, seconded by Councilwoman Price and unanimously approved, that the agenda be approved as presented.

MINUTES

The minutes of the work session and regular meeting of June 23, 2003 were considered for approval. Councilman Sprawls moved that the minutes be approved. The motion was seconded by Councilman Smith and unanimously approved.