



---

## August 2, 2018 , City Council Workshop

Savannah City Government

SUMMARY/FINAL MINUTES

COUNCIL WORK SESSION & CITY MANAGER'S BRIEFING

August 2, 2018 – 10:00 a.m.

**Present: Mayor Eddie DeLoach, Presiding**

**Aldermen: Carol Bell, Julian Miller, Brian Foster, Tony Thomas (arrived at 10:15 a.m.), Van Johnson, II (arrived at 11:50 a.m.), John Hall, Estella Shabazz (arrived at 10:30 a.m.), Bill Durrence**

**Rob Hernandez, City Manager**

**Bret Bell, Assistant to the City Manager**

**Brooks Stillwell, City Attorney**

**Jennifer Herman, Deputy City Attorney**

**William Shearouse, Assistant City Attorney**

City Manager Hernandez welcomed everyone to the meeting.

### **Workshop Agenda Items**

#### [1. Bloomingdale Water and Sewer Agreement](#)

City Manager Hernandez provided a brief history of the Bloomingdale Water and Sewer agreement that was entered into in 2007. He stated in order for the agreement to become effective the City of Bloomingdale needed to request Chatham Area Transit (CAT) services for the area that was going to be developed and the City itself, none of which ever happened. The City of Bloomingdale is currently working with a developer to do a different project in the area and has requested that the City of Savannah provide water and sewer services to the area. Council is being asked to consider approving an amendment to the intergovernmental agreement during the regular Council meeting later today which deletes the original language requesting that CAT provide transit service in the area south of Interstate 16 and within Bloomingdale's boundaries.

City Manager Hernandez stated he has contacted CAT who advised him that they are not in a position today nor in the foreseeable future to provide services in the area of Bloomingdale. City Manager Hernandez stated he also reached out to Chatham County, who also had no objection to the proposed amendment.

Charles Akridge, Bloomingdale City Administrator, briefly spoke stating in 2007 this was an issue of service delivery, and there were proposed developments which never materialized. He concluded stating the City of Bloomingdale respectfully request that Council amend the agreement, as there is a developer interested in the property.

Alderman Durrence stated he supports the amendment. The situation for CAT right now is that the effort for CAT to provide any service to that area would be far in excess of the 1.15 millage rate.

City Manager Hernandez stated the item is on the Council agenda for consideration at the meeting today as item number 28.

## [2. Film Production Briefing](#)

### [Film Production Briefing Presentation.pdf](#)

Marty Johnston, Chief Operating Officer, briefly reviewed how the film office that originated in the City of Savannah has evolved and changed through several years of working together with our partners. She stated the Savannah Economic Development Authority (SEDA) views film as an economic driver for the City of Savannah. She stated film services within Savannah are a great partnership. Ms. Johnston commended Trip Tollison, President/CEO of SEDA, as well as his staff members who she stated are dedicated to film in Savannah. Ms. Johnston briefly introduced the SEDA staff members that were present. She stated staff was present today to discuss a very specific film. She asked Council not to ask questions about the production company, as that cannot be discussed at this point.

Susan Broker, Director of the Office of Special Events, Film & Tourism, introduced Diane Sabatini, Executive Producer with the production company. Ms. Broker began by thanking the Savannah Area Film Office, who has been working for a couple of years getting this film to Savannah. She stated the permitting process is still done by the City however Beth Nelson's team works on attracting films to Savannah. Ms. Broker stated the production company will be in the City for at least seven months, and it will be a great opportunity for the small businesses. She stated although there is a large film impact, there is a small business impact as well. Filming will begin around September 10<sup>th</sup> and will be ending around November 7<sup>th</sup>, barring any major events (weather included). She stated the total local spend is approximately \$20 million and they will be hiring local employees, as well as utilizing local small businesses. Ms. Broker continued stating local staffing will be headed up by local Laura Bryant. Additionally, the production company will be donating unused food and materials to local shelters, and giving back to the community.

Ms. Broker stated a meeting was held with the Downtown Neighborhood Association (DNA) this morning to get the word out and come up with solutions to impacts that are already on the radar. She stated it is their goal to give as much information as they can so questions can be answered when the calls start coming in. Ms. Broker reminded Council that there are several special events taking place in the fall in conjunction with filming, but staff will be sending out a lot of notifications to the community. Ms. Broker stated the City office will step in if mediation is needed with the residents or businesses. She then briefly reviewed the notification steps which included one month, two week out, and 48 hours notifications. Ms. Broker stated staff will be conducting resident surveys, holding one-on-one meetings, and will be ensuring accurate information is being sent in an attempt to prevent and get ahead of any miscommunication. She stated during high impact days there will be 24 hour access to someone associated with the film, either the location team, SEDA's team or the City's team. Lastly, Ms. Broker briefly reviewed the impact areas stating the crew will be anywhere from 45 to 150 people on any given day, and they will be encouraged to patronize local restaurants and businesses. Some of the impacted areas include: Johnson Square; Lower Factor's Walk; and Wright Square. Because this is a period film from the 1910's, it will involve dirting the streets, changing out light fixtures, and street signs, and it will change the look of the squares. She concluded stating staff will be working with the trolley companies to ensure they are still able to provide tours.

Diane Sabatini, Executive Producer of *Goodbye Stranger*, stated the project will be distributed by the Walt Disney Company in late 2019. She stated she was happy to be in the City of Savannah and thanked the Mayor and Aldermen for the hospitality shown thus far. Ms. Sabatini then introduced the team which included Director Charlie Bean; 1<sup>st</sup> Assistant Director Jody Spilkoman; John Myer, Production Designer; and Enrique Chediak, Director of Photography. Ms. Sabatini stated as a professional it is vital and important to have a great film commission. She commended Ms. Nelson for her professionalism. She stated part of what they do is disrupt daily lives, but they want to be respectful. She continued stating some of them will be living here for six to seven months and they want to have a smooth operation. She concluded by thanking everyone and stating they want to do the very best they can to make this a great experience for everyone.

Alderman Miller stated he doesn't believe the City has ever had the producers and directors present to introduce themselves to Council, staff and citizens and he appreciates all the extent that they have gone to. He welcomed them to Savannah and stated he understands lives will be disrupted but he appreciates all they will do to mitigate that. He concluded stating Council will do everything they can to assist.

Ms. Sabatini stated they want to be good partners and asked Director Charlie Bean to speak to why Savannah was chosen.

Charlie Bean, Director, stated this is a period film, it's a beautiful nostalgic romance that takes place in any town USA and Savannah seems like a beautiful, perfect town to represent the U.S. during that time period. Mr. Bean stated the first time he came to Savannah he was awestruck by the architecture and the combination with the oaks and the parks. He concluded stating they kept saying it feels like it's sprinkled with magic dust.

Alderman Durrence stated over the last couple of years he's had conversations with Trip Tollison, Marty Johnston, Susan Broker and Beth Nelson about how to do filming in the City of Savannah without having community backlash. He thanked the four of them, as well as Ms. Sabatini and the production company, for the results of today's discussion. He stated we want to show off the City and the economic impact is

great but we don't want to create situations where the people who live here react negatively. He asked if this is the longest production the City of Savannah has had?

Laura Bryant replied no and stated filming will continue through December 6<sup>th</sup>, the crews will be on the streets until November, but will be continuing on stage.

Ms. Sabatini stated crews will be in Savannah until January.

Ms. Nelson stated she has been working with the production for almost a year. There have been some longer on the ground but to have the entire thing from beginning to end is great.

Ms. Broker stated the gold dome played a huge part.

Ms. Sabatini stated the squares are beautiful and she believes they have chosen the prettiest ones. Mr. Myer stated he was lucky to have been invited to the film festival last year and completely fell in love with the City. He stated after that he made it a personal goal of his to bring a film here.

Alderman Bell thanked Ms. Broker and staff for getting in front of this for the impact to neighborhoods. She also thanked the producers for selecting Savannah. She asked that Ms. Broker not forget the small churches. She also asked if the information will be available on the City's website and that there is a 24 hour hotline. Ms. Broker replied yes.

Ms. Sabatini stated what she loves the most about her job is the opportunity to go in to different communities and be a part of the community. She stated they are guests here and have a job to do, and it is important for them to communicate that they are guests here but that they also want to be respectful to the community and want to be good neighbors.

Mr. Bean stated everyone has made them feel so welcome.

Alderman Miller recognized Savannah College of Art and Design (SCAD) and the effects it has on the community. He stated they bring the Film Festival to the City and don't ask for a lot in return, and wanted to recognize them for the all the work they do with the Film Festival.

### 3. E-Commerce Freeport Exemption

Trip Tollison, President/CEO of SEDA, stated we have the hottest industrial real estate market in the country right now, but it also presents itself with a lot of problems. The vacancy rate is catastrophically low presently in the region, due to the success of the port. He stated e-commerce is changing the market rapidly, and the City needs to do what it can to be successful. Mr. Tollison stated Bryan County adopted the exemption last year and a project was lost to them, which is okay because we no longer fight county by county as we are a region now. He stated they will be approaching the other municipalities with the exception of Tybee Island and Vernonburg regarding this issue to get them on board.

City Manager Hernandez asked Mr. Tollison to explain what Council is being asked to do.

Mr. Tollison stated in the City of Savannah in order for Freeport Exemption to be applied Council has to approve for it to be added to the ballot in November. He is asking that the adoption of the resolution be added to the Council agenda for approval today. Adoption of this resolution would call for a referendum to be submitted to the Board of Elections. Because the general election includes a contested congressional race, the deadline is August 10<sup>th</sup> to approve a special election question on the general election ballot on November 6, 2018.

Alderman Thomas asked is there a financial impact? City Manager Hernandez stated Pat Monahan will present that to Council.

Alderman Miller asked if the changes that were made to the Freeport taxes do not apply to e-commerce. Mr. Tollison replied that is correct. Alderman Miller asked Mr. Tollison to define e-commerce? Mr. Tollison replied point of sale transactions placed online.

Alderman Thomas replied there's a second part to e-commerce, referring to the brick and mortar stores and how many are closing.

Pat Monahan, SEDA, stated most of us have acquired merchandise through the internet. According to the U.S. Department of Commerce, since 1998 e-commerce sales have increased 60 percent in the last five years, which represents about seven percent of all retail sales in the country. Mr. Monahan stated in 2006, the Georgia General Assembly adopted a law to add a 4<sup>th</sup> classification to Freeport which is for inventory held by a fulfillment center. He stated the City of Savannah previously adopted the first three classifications. Since the adoption of the fourth classification

only a handful of counties have adopted it but there are several more on the November ballot. Fulton County was among the first to adopt it and they have attracted ASOS, a British clothing company. Mr. Monahan continued stating Chatham County is on the short list for a prospect in e-commerce and a fulfillment center. He stated the competitive advantage that Chatham County has is that the warehouses are already here therefore an incentive would encourage them to diversify to add a component for e-commerce and fulfillment. Mr. Monahan continued by listing the benefits of e-commerce stating it adds jobs; subsidiary effects per employee are fewer; fulfillment companies pay other taxes such as real property and non-exempt personal property taxes; and any point-of-sale would be taxed, including LOST, SPLOST, and ESPLOST.

Mr. Monahan stated in reference to the question asked by Alderman Thomas about the fiscal impact he can't really answer that as distribution warehouses are not required to segregate between distribution and fulfillment but the best example he can give is in unincorporated Chatham County. He stated mixed facilities are a little hard to provide examples of. He concluded stating the safe guards are that they do not compete with local businesses; they have to be remote sales; and items held in the facility cannot be there for more than a year or they will get taxed. Mr. Monahan stated if Council approves the resolution today, it will be on the November ballot and if approved by the voters the City can choose to do it all at one time or in 20% segments.

Alderman Durrence asked for clarification in terms of the 20% exemption. Mr. Monahan replied the City can start at 20% or 100%. Alderman Durrence suggested to simplify things to put it at the 60% the City is currently at. Alderman Durrence asked about the collection of taxes and distributions as it relates to the inventory in the distribution centers. He asked how it is distinguished and if it has to be taxed at some point? Mr. Monahan replied the owner has to file a personal property return to the Board of Assessors who determines if that property meets the criteria. Alderman Durrence asked if anyone currently has this exemption today. Mr. Monahan replied no and ensured that Council understood that they weren't discussing Freeport on retail, just Freeport on e-commerce.

Alderman Foster stated as an example we have Target, if they decided to take 10% of that facility and make it e-commerce the City wouldn't lose anything, is that correct? Mr. Monahan replied that would be the ideal situation that would make Savannah competitive. Alderman Foster suggested this is on the positive side for the City and recommended we do 100%.

Alderman Miller asked if you have the warehouse here, but the distribution center somewhere else, the sales tax would be paid somewhere else. Mr. Monahan replied that is absolutely correct. Alderman Miller stated the City would lose the taxes but if the fulfillment center is anywhere else then all that the City has lost is the taxes on the inventory and gained nothing? Mr. Monahan replied if we get both the e-commerce and the fulfillment component then we also get both taxes on the sale. Alderman Miller asked if the question can be phrased to give up the inventory tax for those companies that also have e-commerce and fulfillment in the City of Savannah? Mr. Monahan replied Georgia law is very specific and changes are up to the General Assembly.

Alderwoman Shabazz asked how long has SEDA known about this? Mr. Monahan replied since July 2016. He discussed it with Mr. Tollison last year but because of the election schedule they preferred to do it during the general election rather than the special election. Alderwoman Shabazz stated she has not received any information on this and this is her first time hearing about the issue. She stated she has no education on it and feels this is something that is being rushed through the table. She stated it may be a good thing, but we cannot continue to throw things down the throats of our citizens. Alderwoman Shabazz continued stating when she hears SEDA, she hears large business, and great things, but it's just the continuation of things moving around here. She continued stating at this point because she's not clear about all the details, enough to go out and talk to her constituents, she can't support this.

Mr. Tollison replied stating they learned from the Board of Elections of Chatham County when there is a federally contested election Board of Elections needs to be notified 90 days ahead of the ballot referendum. He stated normally it would be 60 days, and they would have taken 30 days to educate Council. He continued stating SEDA has not reached out to any member of Council individually because this just happened a few days ago. He stated they don't want to be in a rushed situation. The purpose of coming to Council today is to get permission to engage the citizens and they have 90 days before the election to do so. Alderwoman Shabazz stated you are asking Council to sign a resolution and asked City Manager Hernandez to explain what a resolution does. City Manager Hernandez replied a resolution is a formal expression of the governing body's formal intent to take a certain action, it is one step below an ordinance, a resolution is an administrative direction. Alderwoman Shabazz replied, so with the resolution you are asking us at this table to give you permission to go out and talk to people. Attorney Stillwell stated the purpose of the resolution is to put the referendum on the ballot so it can be voted on. Alderwoman Shabazz replied exactly, you aren't asking us to sign a document to educate, you want it signed to go on the ballot.

Alderman Thomas stated he understands why Alderwoman Shabazz is asking why SEDA didn't come earlier, but unfortunately e-commerce isn't going to stop and the City can either get in front of it or lose business because of it. He stated he would like to hear from the City Manager as to whether there is a budget impact to this decision. City Manager Hernandez replied at the present time staff isn't sure if they know what the impact will be because we don't know if there are any fulfillment centers operating in Chatham County. Alderman Thomas replied we need to provide the tools to SEDA in our recruitment effort to bring these businesses to the community to provide the level of jobs that they indicated these jobs will pay. City Manager Hernandez replied the ballot question, if it is approved by the voters, merely authorizes you to phase out the inventory tax, in 20% increments should you choose to do so, it does not obligate or mandate you to do so. He continued stating there will still be time to determine what that fiscal impact will be, should it pass. He stated there will be time to survey the business community to determine

if there are in fact any fulfillment centers in the community. Mr. Monahan stated they don't have to differentiate presently. Alderman Thomas stated we have a lot of small businesses in this community that sell specialty products and they ship stuff all over the world, like Savannah Sweets, Byrd Cookie and Savannah Bee Honey, so we have many micro centers in this community and there is some type of impact. He concluded stating he wants to ensure that Council has some time to absorb it with all of the key information.

Mayor DeLoach stated right now it's a zero sum game and we haven't used this money yet and it won't reduce our budget. In the real world it would affect us, but it would have very little impact on the budget right now. Mayor DeLoach stated a decision needs to be made by Council to defer it, move it forward, or whatever. City Manager Hernandez stated the reason the discussion is being held today, is because the item needed to be wrapped up by August 10<sup>th</sup> for the Board of Elections, and Council would not be having another regular meeting prior to that date.

Alderman Miller asked what happened four days ago. Mr. Tollison replied they weren't aware of the 90 day posting requirement.

City Manager Hernandez replied with Council's direction staff will add the item on the 2:00 p.m. Council agenda for a vote.

#### 4. Montgomery Street Partners Rezoning Request

City Manager Hernandez briefly reviewed the Montgomery Street partners rezoning request. He stated the request is to rezone two parcels located at the corner of West 32<sup>nd</sup> Street and Martin Luther King, Jr. Boulevard from the B-G (General Business) zoning classification to the TC-2 (Traditional Commercial, Mid-City District) zoning classification. The properties, comprising a total of 0.25 acres, are currently vacant. This item is related to items 13 and 15 on 2 p.m. Council agenda. The two properties are adjacent to a six parcel tract previously rezoned by City Council.

Harold Yellin, agent for the petitioner, Montgomery Street Partners, stated this item is also related to a previous petition approved by Council in January 2018. The properties were divided between the Victorian District and the Mid-City District into four different zoning types. Attorney Yellin stated the property was zoned TC-2 which made it a part of the Mid-City review process. He stated the TC-2 zoning district allows for more residential units in a corridor where residential units have been essentially lost. The petitioner previously requested that the six properties be rezoned to the TC-2 zoning classification along the Montgomery Street corridor but at the time Council was not ready to approve that request. Attorney Yellin stated originally they asked for three modifications to the TC-2 text amendment that included the entire corridor that would have amendments to the ground floor area, rear yard setbacks, but only along the MLK/Montgomery Street corridor. He continued stating they asked for amendments, because the MLK/Montgomery Urban Redevelopment Plan discussed the B-C and B-G zoning districts being incompatible. A study was conducted which concluded that something needed to be done with this corridor. Attorney Yellin continued stating in 2005, the Mid-City District was created which resulted in the MLK/Montgomery corridor being left out between it and Cuyler/Brownville, which was the property that had the Urban Redevelopment Plan in 2002. Council voted not to rezone the entire corridor without having a study, as there were several members of Council that thought it would be best to do it petition by petition. Attorney Yellin stated he was instructed to work with the City Attorney to draft a text amendment that did not address the entire corridor. He stated only six of the parcels were under contract at the time, but he believes it was clear to Council that they would come back when the other parcels were acquired. He continued stating the petition before Council today is simple, as it is an extension of the approvals from January and April to the TC-2 zoning district. The properties already there that have been rezoned wrap-around those being requested today. He stated he believes in the long-term Council will approve some type of text amendment for the entire corridor. He concluded stating this all began in January with the decision that TC-2 would be the zoning district that would make the most sense.

Alderman Foster asked how does this compare with what's being suggested in the NewZo. Attorney Yellin replied he's not sure he can answer that question but NewZo is designed to encourage multi-family residential in a large number of areas. Regardless of what happens under NewZo, the TC-2, which you typically see along Victory Drive, if it becomes dominate it will be at the southern end of the Mid-City District and the northern end of Anderson and follow the western end along MLK and Montgomery Street.

Alderman Durrence stated he thinks NewZo has it done sort of the way we want to go but he doesn't know the exact details. He stated there are some Planning people present that can better answer the question.

Alderman Thomas asked Alderman Durrence what he means by the comment the way we want to go? Alderman Durrence replied this corridor has been left as a hole in our protection system as far as properties in particular. The Mid-City ordinance was developed, Landmark, Victorian, and Cuyler/Brownville but in between was the Montgomery/MLK corridor which was left unprotected because at the time the Savannah Development and Renewal Authority (SDRA) was supposed to create an overlay for the design characteristics of that district which all fell apart and never occurred, which is why there is a hole in coverage, He continued stating his hope is that we get some protections and some consistency, as this corridor seems a natural for multi-family residential, commercial, retail development.

Alderman Thomas stated he doesn't disagree with Alderman Durrence but wants to ensure that when we are having a "we" conversation, that we are including everyone in the conversation.

Bridget Lidy, Director of Planning and Urban Design, stated staff is currently working on NewZo and will have an update at the next workshop. She stated as part of that process they are looking at this area and how it will be rolled out in the context of NewZo. She stated the plan for the MLK/Montgomery Street Corridor originally started in 1999, and gave a brief history of the developments that have occurred since then. She stated the recommendation for NewZo is to create an overlay district for this area.

Melanie Wilson, Executive Director of the Metropolitan Planning Commission, stated one of the concerns for this area is that each area needs to be reviewed. She stated as you're going down each area should be analyzed per district. She stated the northern portion is covered by the Historic District, she stated as you go down further the next portion is located in the Victorian District, and as you continue to travel down MLK you then have the Mid-City District. She continued stating each one of these districts is unique, which is what makes Savannah so special. Ms. Wilson stated the MPC staff would like to come back in September with a recommendation to amend the district to get rid of no-man's land. She stated they would look at updating the areas that are referred to as orphan areas and have them adopted by existing districts and covered by their design standards, which would alleviate many issues that currently exist. Ms. Wilson concluded stating the area to the south is the true orphan area as it has no district coverage. She proposed that the MPC look at that as a part of its work plan for next year and come back to Council with a strategy and overlay for that corridor to include a comprehensive plan.

Alderwoman Shabazz stated she is happy to hear about the discussions about the orphan area to the south in her district where there is no coverage. She stated this is becoming the most number one blighted corridor in the City, and Alderwoman Shabazz discussed blight in this area.

Alderman Durrence stated there is also a hotel overlay. He asked Ms. Wilson if the recommendation from the MPC is to remove the MLK corridor overlay? Ms. Wilson replied the MLK corridor overlay was never adopted, therefore it doesn't have anything, and she is trying to make sure it is uncomplicated. She stated when developers come in to do developments there are many different overlays and it becomes cumbersome and the question is asked which design standard to use. She stated it is cleaner to do an amendment and have design standards that are comparable. Alderman Durrence stated SDRA is not used any longer, therefore that is not needed. So, south of Gwinnett is where the amendments should begin. Ms. Wilson agreed stating looking at the map that was given to Council it is the areas that are hashed. MPC staff is looking at bringing that into the existing districts, and looking at the appropriate zoning by looking at each specific parcel. She stated she doesn't believe one size fits all. Alderman Durrence asked that a distinction is created between the two different TC-2 zoning classifications. Ms. Wilson replied they will but it might be that TC-2 is not the appropriate zoning classification for that corridor. Alderman Durrence stated he's just asking that there be a distinction between the two different TC-2 requirements.

Mayor DeLoach stated the focus needs to be on the request of the petitioner today and keep it limited to that specific area. Council can then come back and consider the MPC recommendations that have been discussed.

Alderwoman Bell asked if she's oversimplifying the recommendations that will be brought back in the fall by saying the rezoning of the corridors will take on the classification of whichever district that it is in? Ms. Wilson replied that is correct but there are a few things that are in the Urban Renewal plan that would be made a part of the performance standards, but it doesn't have to be a separate district to do that. She concluded stating she just wanted to make Council aware of their strategy before moving forward.

Alderwoman Shabazz asked that Council come together to discuss the area where there is no district to discuss a district name.

## [5. Executive Session: Real Estate & Personnel](#)

Upon motion of Alderman Johnson, seconded by Alderman Durrence, and unanimously carried Council went into Executive Session for the purpose of discussing Real Estate and Personnel.

Upon completion of this session, a motion was made to come out of Executive Session by Alderman Durrence, seconded by Alderman Miller, and unanimously carried.

## [6. City Council Agenda Review](#)

City Manager Rob Hernandez presented the City Manager's Briefing of the agenda items for the Council Meeting of August 2, 2018. The agenda can be found online and will be made a part of the permanent record.

## [Announcements](#)

Mayor DeLoach allowed Gordon Varnedoe to introduce Grant Smith, Deputy Director, National Affairs, Drug Policy Alliance, from Washington D.C.

Attorney Stillwell announced to Council that he will be retiring as City Attorney from the City of Savannah effective December 1, 2018. He stated he will continue practicing law. Attorney Stillwell has been working with the City for 44 years. He was elected as an Alderman at the age of 28 in 1974, and has attended approximately 600 Council meetings.

There being no further business, Mayor DeLoach declared this Work Session adjourned.

The video recording of the Council meeting can be found by copying and pasting the below link in your url:

<https://savannahgovtv.viebit.com/player.php?hash=G9DrF9q7TaJy>

Luciana M. Spracher  
Acting Clerk of Council