

A special regular session of Beaufort City Council was held on May 7, 2019 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Councilwoman Nan Sutton, Councilmen Mike McFee, Stephen Murray, and Phil Cromer, and Bill Prokop, city manager.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80(d) as amended, all local media were duly notified of the time, date, place, and agenda of this meeting.

**Councilman Murray made a motion, second by Councilman Cromer, to adjourn the Executive Session. The motion passed unanimously.** Mayor Keyserling said there was “nothing to report” from the session.

#### **CALL TO ORDER**

Mayor Keyserling called the special regular council meeting to order at 7:00 p.m.

#### **INVOCATION AND PLEDGE OF ALLEGIANCE**

Councilman McFee led the invocation and the Pledge of Allegiance.

#### **TIF II BUDGET ORDINANCE**

**Councilman Murray made a motion, second by Councilman McFee, to approve the ordinance on second reading.** There was no public comment. **The motion passed unanimously.**

#### **ORDINANCE AMENDING PART 5 CHAPTER 2 ARTICLE C SECTION 5-2028 PERTAINING TO ANNEXATION INCENTIVES**

**Councilman McFee made a motion, second by Councilman Murray, to approve the ordinance on second reading.** There was no public comment. **The motion passed unanimously.**

#### **REQUEST FROM THE YMCA FOR USE OF THE DOWNTOWN MARINA BOAT RAMP & GRASSY AREA BY THE MARINA STORE FOR BEAUFORT RIVER SWIM EVENT**

**Councilman McFee made a motion, second by Councilman Cromer, to approve the request for the May 18, 2019 <sup>[L]</sup><sub>[SEP]</sub> event.** Ms. Roper said the YMCA has held a river swim for approximately 13 years. They are requesting use of the boat ramp and the grassy area near it, and asking for the assistance of Public Works to distribute some sand on the boat ramp for the participants’ feet after they swim.

**Pete Palmer** said the YMCA gave out 1,500 swimming scholarships last year, and he feels sure that because of that, “we saved at least one life.” Swimmers came in from 12 states last year, he said, and many who’ve already registered this year are from out of town.

Mr. Palmer said Ms. Roper forgot to tell council about their request that the restrooms

be opened at 6 a.m. for the swimmers to use. **The motion passed unanimously.**

**APPROVAL ALLOWING THE CITY MANAGER TO ENTER INTO LEASE AGREEMENT WITH SAFE HARBOR MARINAS (SHM BEAUFORT DOWNTOWN MARINA, LLC)**

**Councilman McFee made a motion, second by Councilman Cromer, to approve the city manager entering the agreement.** [SEP] Mr. Prokop said they are trying to look at what will be important in 10 or 15 years. SHM managed 78 marinas last time they were before city council, he said, and they might manage 80 by now.

SHM is committed to making “a \$1 million investment in the first ten-year phase of this lease,” Mr. Prokop said, and “then [to] a minimum of \$100,000 per year as renewals come up.” The “financial burden” of the marina will be taken “off of the city,” he said, as the company will be responsible for all maintenance. The city will work with SHM on “grants and permitting,” Mr. Prokop said, “but a lot of the cost shifts to them.” He added that the company has “a great reputation for service.”

Councilman Cromer noted a spelling error on 21 (B) in the fourth line, where he said the word “should have been ‘occurring’.” **Councilman Cromer made a motion to amend to correct the error. Councilman Murray seconded the motion. The motion passed unanimously.**

Councilman Cromer asked if “shall contribute” in section G could be changed to “will willingly contribute.” Mr. Prokop agreed. **Councilman Cromer made a motion to amend to change the language. Councilman McFee seconded the motion. The motion passed unanimously.**

**Lolita Huckaby Watson** asked, as a taxpayer and citizen, when the public is “going to be able to see the contract.” Mr. Prokop said, “As soon as it’s signed,” which would probably be within the next 30 days.

Councilman Murray described the lease agreement, saying the initial term of the contract is 3 years. At the end of that term, “it converts to a 7-year lease,” he said, with a requirement that in that 7-year period, SHM would put in \$1 million in “waterside infrastructure,” which would trigger a second ten-year term, with “a total of up to 40 years” in 10-year increments. SHM is required to invest money in marina infrastructure in each of these 10-year periods, he said, with an additional \$100,000 investment required “in the third term.”

“What the city gets back” is “very similar to the structure that we have now,” Councilman Murray said: 15% of gross proceeds for all slip rentals, 7.5% of all retail store proceeds, and 20-cents of every gallon of fuel sold. The City of Beaufort is required by the lease “to handle maintenance on the shore side, like we do now,” he said, but “the lessee would be responsible for up to \$1,000 while repair happens.”

Ms. Watson asked if the lease applies to the marina parking lot, too. Councilman Murray said it's just for "the marina itself"; the city would maintain the parking lot, but, similar to the lease agreement with the former operator, it allows 1 parking space per slip, and the pass system that is in place would remain. The new operator would work with the city on parking during festivals and events, he said.

There is a customer service clause, Councilman Murray said, and if there were complaints about customer service, the city would "meet with the operator and give them the opportunity to cure," but after utilizing "that and a number of other options," if the problem isn't solved, "we can terminate the contract."

Ms. Watson asked if the boat fees would stay the same. Mr. Prokop said, "We don't set the fees." Councilman Murray told Ms. Watson that SHM would also manage the mooring field, the dinghy dock, and the boat ramp and existing ramps, while the city would manage the day dock until the grant conditions expire, after which SHM would be required to manage it, too.

Councilman Murray said he understands that there was a conversation about potentially expanding the marina through expansion of the docks or the mooring field at some point. "That's where it's important to remember that the lessee would be responsible for all waterside improvements," he said, and SHM has committed to "at least \$1 million worth of improvements over the next 10 years." There are many critical infrastructure needs around the city, Councilman Murray said, and "very little revenue" with which to make those infrastructure improvements, so this "will help us improve the marina, improve the experience for boaters coming in," which the past operator wasn't able to do, and "hopefully generate more money long-term from that facility."

Councilwoman Sutton said she has heard from a boater who travels up and down the coast that Safe Harbor Marinas are the best-run marinas and the ones where he chooses to stay. Ms. Watson said she's heard that, too, but she is curious "about the financial picture," such as whether the rates would be the same as at SHM's other marinas. Mr. Prokop said the city never set the rates when **Rick Griffin** was the operator. Ms. Watson asked if Mr. Griffin didn't come to the city when he wanted to make changes. Councilman McFee said, "Not for rates." Mr. Prokop said things like prices for fuel or items sold in the marina store are up to the operator: "We only lease the facility."

Ms. Watson asked if the lease agreement wouldn't be made public until both parties have signed it. Councilman Murray said if council approves the agreement tonight, "it would be made available." Mr. Prokop said it wouldn't be "official" until both parties have signed it. Councilman Murray said it wouldn't be official, but it could be released to "the public this evening." Mr. Prokop said, "Sure."

There being no further public comment, **the amended motion was approved**

**unanimously.**

### **CITY MANAGER'S REPORT**

Mr. Prokop said the Washington Street Park restrooms are open. He thanked **Deborah Johnson**, who worked on the PARD (Parks and Recreation Development) grant, and the state legislative delegation, who helped the city to be able to reallocate part of the grant funds that were meant for benches at the Duck Pond to the restrooms; the Duck Pond element is being put off until after the Mossy Oaks stormwater work is complete, when city funds will be used for the benches.

Mr. Prokop said construction started today on the roof of The Arsenal, but as soon as the roof was opened up, rain (a.k.a. "liquid sunshine") poured in, "and a few things got a little wet," but **Robb Wells** and the CVB staff "took it well."

Permits have been issued for some stormwater maintenance in Mossy Oaks, "particularly on the Jane Way canal," Mr. Prokop said. City staff and members of the Coastal Conservation League have been going door-to-door to "get property owners' easements" in order to go into their backyards so their ditches can be cleaned out, he said.

Mr. Prokop said construction will get underway this week or next on the Greenlawn Drive project, and the goal is to have it completed by the end of the year.

This week is National Travel and Tourism Week, Mr. Prokop said, and he thanked everyone who was "involved in coming for our picture-taking and little celebration," especially Mr. Wells for "his leadership in the tourism that we have here in Beaufort."

Mr. Prokop said Taste of Beaufort was "great," and restaurants competed for the "prestigious Golden Fork award." There was more liquid sunshine during Taste of Beaufort, but they got a good start on establishing the Piccolo Spoleto performances here, thanks to the mayor, his family, and the Cultural District. He thanked the Downtown Operations staff, staff in all city departments, the members of BAHA (Beaufort Area Hospitality Association), and all of the volunteers who helped make Taste of Beaufort a success.

This coming Friday at 6:30 p.m., Mr. Prokop said, TCL's graduation will take place in Waterfront Park.

The Cultural District is hosting a reception to unveil 6 benches in its bench project on Friday from 6:00 to 8:00 p.m. at the USCB Center for the Arts, Mr. Prokop said. Local artists painted each bench with a different design, and they will be placed at six different shuttle stops in "a first for Beaufort."

Mr. Prokop said the Gullah Festival is coming up at the end of May in Waterfront Park.

## **MAYOR'S REPORT**

Mayor Keyserling thanked those who stayed through the rain at Taste of Beaufort and all of the volunteers who worked at it. He said he was also thankful for the opportunity to showcase the Piccolo Spoleto musicians, and he feels the support is there “to continue with it, one way or another.”

## **COUNCIL REPORTS**

Councilman Cromer said admission to the Beaufort History Museum would be free on Thursday from 10:00 a.m. to 4:00 p.m. in honor of National Travel and Tourism Week.

Councilman Murray also thanked staff for “a job well done” on Taste of Beaufort, particularly Ms. Roper, **Rhonda Carey**, and Ms. Todd, as well as **Donna Smith**, and **Lisa Sundrla** of BAHA.

Beaufort County Economic Development Corp. (EDC) had an executive committee meeting today, Councilman Murray said, and received an update from its executive director. There’s been just over \$42 million in “committed capital investment this year, county-wide,” he said, plus “just over 300 committed jobs, [and] just over \$4 million from the state Department of Commerce to Beaufort industries in the last ten months.” The EDC is setting its goals for the upcoming fiscal year, and he will bring those to council.

Councilman Murray shared two Beaufort Digital Corridor (BDC) events: This Friday from 12:00 to 2:00 p.m., they’re hosting “Find Us Friday,” in which a number of BDC members will be available to answer questions about all things tech. Also, this summer, BDC will offer two sessions of Game On! because of the high demand for the video game design camp for middle- and high school students, he said. Sessions will be June 10 through 14 and July 15 through 19. Some scholarships are available.

Councilman McFee also thanked “everyone who worked so hard on” Taste of Beaufort, and the mayor and his family for their contribution that brought the “Little Taste of Piccolo” to Beaufort. There will also be three other Piccolo Spoleto events held in town in May and June, Councilman McFee said.

Mayor Keyserling said at the end of this month, they’re working with congressional offices “to do a formal celebration” – probably in the Town of Port Royal – of the Reconstruction Era National Park. The kids’ program has started, he said, and he’s recruiting middle schoolers who want to be trained by a team from Apple, and middle- and high school students interested in being in the Reconstruction choir, as well as teachers who would like training in Reconstruction curriculum.

The Heritage Tourism Development Corp. met, Mayor Keyserling said, because there has been discussion with the county about “vacating heritage cultural museum kind of

activities from the former [federal] courthouse and making” it into administrative offices for the county. The Heritage Tourism Development Corp.’s position is that the building should be maintained as a building accessible to the public and “perhaps as a center for history” for small organizations that don’t need museum space but do need places to hold meetings or to put on seminars, he said.

**There being no further business to come before council, Councilman Cromer made a motion, second by Councilman Murray, to adjourn the regular council meeting. The motion passed unanimously,** and the meeting was adjourned at approximately 7:30 p.m.