

A special meeting of the Beaufort City Council was held on April 17, 2012 at 5:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, George O'Kelley, Mike Sutton, and Mike McFee, and City Manager Scott Dadson. 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.

CALL TO ORDER

The Mayor called the meeting to order at 5:00 p.m.

Councilman McFee made a motion, second by Councilman O'Kelley, to move the Executive Session to end of the work session on the agenda. The motion passed unanimously.

ORDINANCE REZONING TWO PARCELS OF PROPERTY ON BLADEN STREET TO BLADEN STREET REDEVELOPMENT DISTRICT

Libby Anderson described the locations of the properties and their current zoning. Both are proposed to be zoned Bladen Street Redevelopment District. She showed a graphic of those properties that were originally proposed in the Bladen Street ordinance in January 2011. The code is meant to complement vertical development, she said. The rezoning of these lots has occurred over time as the city has worked with property owners in the area. She showed a graphic of when various properties were rezoned in 2011.

Ms. Anderson said the comprehensive plan designates this sector as G3, Neighborhood Mixed Use. In regard to land use in the area, the developed properties are office and residential uses and some retail activity; there are also many vacant lots. Public notice was made and two public comments were received and forwarded to council. The Planning Commission did not recommend approval of rezoning on a 3-2 vote.

Mayor Keyserling said the Bladen Street plan was passed, and it appeared that it was being added to when in fact it is being implemented in steps. No one has been forced to do what they wanted to do; those who wanted the zoning changes did it, and those who originally opted out of the plan, who want to be in it now, are being incorporated as was the plan six months ago. Some property owners have decided to opt in now, Mayor Keyserling said, but they were a part of the plan from the beginning.

Councilman O'Kelley asked if the Planning Commission gave a rationale as to why they had voted to recommend against the rezoning. Ms. Anderson said that public comment seemed to have had a big effect on their perception of the issue. Councilman O'Kelley asked if the cart was being put before the horse in that the public hearing is being held *after* the first reading. Mayor Keyserling said moving it along will make a difference in construction in the area.

Harold Boney said this had been discussed for about a year, and for him, the Bladen Street Redevelopment District zoning and the streetscape project go hand in hand, "particularly part two of it." He said early on "there were problems," so his property was not included. But in the last 6-8 weeks,

“the bugs have been worked out.” He was “kind of shocked” by the public comments at the Planning Commission meeting. The objection seemed not to be with the zoning or the streetscape project but that the HDRB would not be the design review authority. He thinks both the Bladen Street Redevelopment District plan and the streetscape plan are great, and he feels it would be unfortunate not to allow it to occur.

Councilman O’Kelley said the Historic District line “runs sort of through there.” **Julie Goode** gave him a map to show the district boundary and to show that Mr. Boney’s property is in the Historic District.

Councilman Sutton said he believes in the redevelopment of the city, and the redevelopment of the Bladen Street corridor is part of that. He believes there is no question of harm to the Historic District other than whether the HDRB should review architectural components. This is an investment zone and has been blighted for many years; it’s “the center of a rebirth for the city,” Councilman Sutton said, and “needs help going vertical.” Mayor Keyserling asked the original issue was about the HDRB as an appeal body, not as the approving body.

Pete Palmer said that a block and a half of the Historic District was lifted out. There were conversations, he said, that the city would start taking parcels out of the Historic District at will. Mr. Dadson agreed that the appeal process was what was at issue.

Councilman McFee said he understands the concerns of the HDRB and Historic Beaufort Foundation and this is a very important leg of the redevelopment projects. Councilwoman Beer agreed with Councilman McFee and Councilman Sutton and said this is “not a last-minute item that has popped up.” She said she doesn’t understand Historic Beaufort Foundation’s concern. The part of Bladen Street that has been worked on has improved in looks and value.

Ms. Goode said Historic Beaufort Foundation agrees that positive things have happened, and they believe in redevelopment. They are concerned about setting a precedent of “picking away at the Historic District.” The non-contiguous properties that are being touched by the redevelopment ordinance concern them because someone in The Point could ask to be in the Bladen Street Redevelopment District. These properties under consideration are still in the Historic District, but they will lack the HDRB protection as “properties are pulled out to make things more convenient.”

Ms. Goode said her personal concern is why the streetscape plan can’t happen under the current zoning. If these two lots don’t have projects planned for them immediately, they should wait until there is a development proposal made to avoid a potential 55’ tall building next to structures that it dwarfs. Mayor Keyserling said DOT approvals and money that is being spent are what is driving the speed with which the city is trying to get this rezoning. He explained using the example of Mr. Boney’s property.

Ms. Goode asked Mayor Keyserling why the review process can’t remain as it is now for the two properties under consideration. Mayor Keyserling said not everyone came in originally because they

didn't want to sell their easement for on-street parking; the city didn't force the issue. At the last minute, these two properties decided that they wanted on-street parking and found benefit in flexibility for their lots so that they can be facing Bladen Street. The city has had an attitude of working as partners with landowners, which is a better way to leverage tax payers' dollars. It would have been smoother if everyone had gone into the district initially, but they didn't.

Ms. Goode said Historic Beaufort Foundation is nervous because they don't know that this will be confined to the now 8-block area. Mayor Keyserling said they will know if they stay in on the front end at various meetings about this. Mayor Keyserling said he understands that Historic Beaufort Foundation has concerns about rehabs and demolitions and the "creeping-ness," but that's different than taking an abandoned block and bringing life into it by such a project. Mayor Keyserling said council believes in the Historic District and its importance, but they "also believe in keeping the city alive and growing."

Conway Ivy said another issue is that council had several times discussed Bladen Street as a site to build vertically. This issue is about mass and scale and maintaining a balance in the Historic District and keep new structures in balance with those that are already there. He reiterated the concern Ms. Goode had expressed about a 55' structure on Bay Street blocking the view or dwarfing another building. This rezoning will allow a maximum of 55' and this disruption of the "patina" on Bay is his concern. Additionally, Mr. Ivy said, there's no specific site plan for these properties, which allows potential exposure for the iconic view. Trying to keep the mass and scale in keeping with the other structures on Bay Street is why they oppose the rezoning. And he said the parking and proposed site plans should be sent to the HDRB.

Mayor Keyserling asked if he meant that the HDRB should approve on-street parking. Mr. Ivy said they want a consistent plan and to know how that would apply to the parcels in the Historic District and the review process of the HDRB for approval. Councilman Sutton said the city has to get guarantees in that area, i.e., a code that is easy to understand and the potential subjectivity that can come from the HDRB can't be in play. No developer would do drawings and work through the process which could be a guess in terms of getting through the HDRB. Councilman Sutton said it would be proper to have the entire area in the same zoning.

In regard to the mass and scale discussion, Councilman Sutton said, "you can't keep your hands on it." He feels sure that the Milner Standards are in play in the Bladen Street Redevelopment District, and said no one wants to harm the Historic District. He added that with redevelopment, the Historic District will thrive and be greater and more protected. He went on to discuss how the Milner Standards were developed but said the road for preservation of the historic areas has been bumpy and 40% of it is empty. Councilman Sutton said he's as passionate about preserving the city as Historic Beaufort Foundation members are, and he'd ask everyone in preservation to work with council to get something tangible done in regard to the infill development and abandoned buildings.

Councilman Sutton asked if anything in the Bladen Street Redevelopment District has caused harm to the Historic District. Mr. Ivy said the Historic Beaufort Foundation is being mischaracterized as being opposed to development, and that's not true as long as it's appropriate to the Historic District. Vertical development will ruin the iconic Bay Street view, Mr. Ivy said. He said these properties that front Bay are important. In regard to the mayor's comment, Mr. Ivy said, other blocks in the city developed under a different code would be lifting sections out of the Historic District and the review process under two different bodies with two different codes and processes will create more problems.

Councilman Sutton said when the HDRB process was developed, there was no intention that the process should stop at the point it was conceived. He said he has no fear that the city will jeopardize the Historic District through the mass and scale matter. The federal courthouse was not brought into the discussion, and it's of a greater mass and scale than those structures adjacent to it, Councilman Sutton said.

Milner shows what the do's and don'ts are, Councilman Sutton said. This gives certainty to what can be done to move things forward. Mr. Ivy said some developers have complained about the time it takes to go through the HDRB process, but that can be improved. When changes in mass and scale are allowed and done, though, nothing can be done about it. Councilman Sutton said the problem with a mass and scale discussion is that it's difficult unless an individual building is considered. He rhetorically brought up the idea of a downtown parking garage because in the master plan it's a possibility, and suggested that they should make an effort to solve the problem of it now.

Mr. Ivy reiterated that Historic Beaufort Foundation is being mischaracterized as being against development. Mayor Keyserling said he supports this concept in order to create predictability. He has had a personal experience of not being able to build because it was in an area in which mass and scale were not defined. When there is form-based code, Mayor Keyserling said, there will be predictability. He went on to discuss other buildings that weren't built because there was not predictability built into the process. This will allow developers to know what they can and can't do. Mayor Keyserling said this is actually going to prevent the randomness that Historic Beaufort Foundation is concerned about.

Mr. Ivy said he has made a significant investment in his home incrementally. He didn't purchase his home until he knew what would be approved by the HDRB. He said if the city has a buyer, they could have preliminary discussions and be approved easily.

Maxine Lutz, Historic Beaufort Foundation, said she wanted to address both Councilman Sutton and Councilwoman Beer. In regard to the Planning Commission meeting, she understood that there was discussion of putting a boundary around the Bladen Street Redevelopment District. She said the Historic Beaufort Foundation's concern is "plucking" properties and putting them into the district because property owners will want to do that rather than be subject to the Milner standards.

David Tedder said he has no problem with these properties being rezoned. He owns property in the area but is not part of the Bladen Street Redevelopment. He said he and his partner have a large

building, and it's aesthetically appropriate to look at the context of what's around the buildings in the district. They would like to blend their office and their sidewalk system with the district's, and they have discussed that with the Office of Civic Investment. He feels the focus shouldn't be on who enforces it but on what is being enforced.

Michelle Knoll with Historic Beaufort Foundation said she agrees with the concerns about excluding certain properties from the HDRB. If there needs to be improvement of the board, they should make those changes instead of creating districts and pulling out individual properties. She feels this sends a message from the city that historic character isn't an important priority.

Councilman O'Kelley said he wouldn't vote for this plan tonight because of procedure; the April 24 public hearing should be had before first reading, he feels, though he supports the proposal. Mayor Keyserling said this is first reading and much can happen between this and second reading. He said the larger buildings on Bladen Street were looking at Mr. Tedder's building as a model. **Councilwoman Beer, second by Councilman McFee, made a motion to approve the ordinance on first reading. The motion passed 4-1, Councilman O'Kelley opposed.**

ORDINANCE REVISING SECTION 6.10 OF THE UDO, "BLADEN STREET REDEVELOPMENT DISTRICT," TO ADD STANDARDS FOR SIDE AND REAR SETBACKS AND FOR BUILDING MASS

Councilwoman Beer, second by Councilman McFee made a motion to approve the ordinance on first reading. Ms. Anderson explained how the site plans for the lots in the Bladen Street Redevelopment District work and said two of the lots zoned for it do not have specific site plans. The two lots discussed in the previous agenda item don't have them either. She indicated the proposed changes in council's packet. There are a minimum and maximum number of stories; the idea is to fill in the gaps in the plan, Ms. Anderson said. She said she went through each site plan and adopted the common standards for these lots to ensure greater predictability for developers. The Planning Commission recommended approval of this at the previous night's meeting.

Mr. Tedder said his earlier point about size and height also had to do with minimum stories; he reiterated that what is in the area needs to be compared to what is proposed. The other buildings should be used for calibration if they are using stories instead of feet. Ms. Anderson said there's a maximum overall height and a maximum number of stories, including a maximum height for ceilings. Mayor Keyserling said stories can be used, but they still have to consider height. Councilman O'Kelley said he'd like an answer from Ms. Anderson before second reading as to why it's 11' instead of 10'. He and Councilman Sutton had a discussion about various reasons for this.

Mr. Ivy said he'd like council to recognize that Historic Beaufort Foundation did not oppose this provision. He complimented Ms. Anderson for aggregating the site specific plans, therefore making them consistent with what has been done with the Bladen Street project. Councilman McFee said he doesn't view Historic Beaufort Foundation as obstructionist and has a good working relationship with them. Councilwoman Beer said there were problems with the HDRB earlier on, but now there are people on the board with better backgrounds and she has high respect for them.

Mr. Ivy said when the Bladen Street project came up, they were concerned, but Historic Beaufort Foundation has worked on integrating form-based code into the Historic District by working with the Office of Civic Investment, and they “have spent resources to reach a common decision.” **The motion passed unanimously.**

RESOLUTION ESTABLISHING JUST COMPENSATION FOR BLADEN STREET STREETScape PHASE II

Councilwoman Beer, second by Councilman Sutton, made a motion to approve the resolution. Mayor Keyserling said the city has negotiated easements for wider sidewalks and on-street parking. These two are for the additional lots earlier under consideration. The southwest corner of Bladen and King is \$15,000 and the other is approximately \$23,000. They used the same appraiser and review process, Mr. Dadson said. **The motion passed unanimously.**

AMEND THE FY 2012 BUDGET

Councilwoman Beer, second by Councilman McFee, made a motion to amend the budget on first reading. Mayor Keyserling explained why the budget might be amended. **Kathy Todd** said this is a normal process in municipal budgets and went on to explain the four reasons for these budget amendments. **The motion passed unanimously.**

MOTION TO ALLOW CITY MANAGER TO ENTER INTO AGREEMENT WITH BEAUFORT COUNTY AND FRIENDS OF SPANISH MOSS RAIL TO TRAIL AND PATH FOUNDATION

Councilwoman Beer, second by Councilman McFee, made a motion to allow the city manager to enter into the agreement. Mr. Dadson said they had modified two sections to more clearly define the city’s role in maintenance and that they will work with the county to maintain the trail. The revised text is as follows:

Section 4: Approval of Project Plans and Design Specifications
(b) a representative from the planning and **public works** staff of the City...

Section 11: Responsibility for maintenance of the Trail “Notwithstanding the obligations of the County under the easement, maintenance of the Trail including the completed Project, ***within its jurisdictional boundaries***, shall be the responsibility of the City. “The Friends agree” ... “periodic basis.” ***As the Trail will have overarching regional appeal, and will be utilized by citizens of Beaufort of unincorporated County, as well as the residents of the City of Beaufort***, the County agrees to assist the City with the maintenance of the Trail, ***including the completed Project, at a mutually agreed upon level, to include funding***, the loan of specialized equipment, and / or personnel as required.

Mr. Tedder said the county administrator had reviewed the changes and agreed that it is a non-substantive grammatical clarification. Mr. Dadson said it “clarifies who’s doing what.”

Mr. Tedder said he foresees no problem with either the Path Foundation or the FOTSMT. He went on to discuss the progress of the project. **Councilwoman Beer, second by Councilman McFee, amended**

her motion to include the city manager's changes as noted. The motion to amend passed unanimously. Councilwoman Beer made a motion, seconded by Councilman O'Kelley, to approve the motion as amended.

Councilwoman Beer made a motion, second by Councilman O'Kelley to move into a council work session. The motion passed unanimously and the special meeting was adjourned at 6:33 pm.

A work session of the Beaufort City Council was held on April 17, 2012 at 6:33 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Mayor Billy Keyserling, council members Donnie Ann Beer, George O'Kelley, Mike Sutton, and Mike McFee, and City Manager Scott Dadson.

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.

Mayor Keyserling called the meeting to order at 6:33 p.m.

UPDATE FROM MAIN STREET BEAUFORT USA ON DOWNTOWN DOLPHIN PROJECT AND MAIN STREET DOLLARS

LaNelle Fabian said that \$12,655 worth of vouchers have been turned in by businesses thus far. 59% of the Main Street Beaufort Dollars went to retail establishments, 33% to restaurants, and 8% to the service industry. She said at least \$3000 in addition to the \$15,000 was added to the downtown economy. Main Street Beaufort would like to do it again. Councilman McFee asked if there were any other negatives apart from selling out quickly. Ms. Fabian said they didn't hear of anyone being angry, and even those who expected to buy more still thought it was a good program.

Ms. Fabian showed the bronze Downtown Dolphins, a partnership with Lowcountry Tourism, to be placed in nine locations permanently. Clue sheets will be given, and the project's purpose is to encourage people to walk downtown. She said they had come before council because they would like council's support for the project, to have them placed on those locations that are on city property, and to have Public Works do the installation. She explained how the installation would take place and discussed the nine locations where dolphins could be placed. She said they might also put a few uptown and one at City Hall.

Mayor Keyserling asked how it would work. Ms. Fabian said she'd done the walk in Greenville, and there were clue sheets in businesses, and it's "a sort of scavenger hunt." She said schools, families and people of all ages will get a personal walking tour of downtown. Mayor Keyserling asked if there was a downside apart from someone stealing them. Ms. Goode said it's important to make sure they're properly affixed to historic structures. Mr. Dadson said the city might not be able to do this kind of work, and Councilman Sutton agreed and told Ms. Fabian how a welding shop could put studs in them in a simple process. He said he'd install them at no cost to the city. Councilman Sutton suggested that they be out of reach so people wouldn't hang on them. There was general discussion about where the dolphins could be put and how to keep them in place.

Ms. Fabian said all of them could be on city property. **Jim Wescott** said putting the clue sheets in many locations would help business, too. There was general consensus among council that it was a good idea.

ACCOMMODATIONS TAX GUIDELINES

Mr. Dadson said the previous year's instructions were put in council's packets to "keep it in front of council." Mayor Keyserling said at the retreat, it was decided that they should have broader goals and criteria; tourism is one tool for ultimately building a city. It needs to be broader than the number of people at an event or who eats in restaurants. While they want that to happen, Mayor Keyserling said, they also need to consider city building as well as encouraging tourism.

Councilman Sutton said the hypothetical criteria are there, and they could consider what changes should be made now. In regard to audits, a marketing entity with a large budget of public money shouldn't have an option to NOT have an audit. He feels some organizations shouldn't be allowed to participate for longer than a certain period of time, e.g., 3 years for a new festival as "incubator money." He feels it "shouldn't be a continuous feeding stream for any entity." He also said that the money shouldn't be used for something provided by another entity. There are currently 3 guidebooks, and council has said they want one guidebook with pooled resources. He added that he's concerned that the Visitors' Center must be continuously in operation regardless of who is at the helm. The Chamber of Commerce is at the helm currently; he would like the money to go to the operations of the Visitors' Center as the first cut of the funding.

Mayor Keyserling said he feels one of the reasons the city is doing the Commerce Park is to grow and provide jobs for people. The city is doing form-based code and redevelopment districts to grow the city. They're investing money in Boundary Street Redevelopment to build the city. He wonders if there are other indices or different kinds of events that are more likely to help build the city than not. Mayor Keyserling said that everything should be around how to build the city, and tourism shouldn't be an exception. Tourism shouldn't just be an end but should be a tool. He feels the cultural festivals fit into that category. He doesn't know if Taste of Beaufort does that, but it could be made to do more. Mayor Keyserling said at the marketing summit, they found that 50 people all had the same interests in marketing and had never met each other or knew that they were doing other things. He said there are viable changes that need to be made in the application, but they also need to get behind a definition of "the right kind of tourism that we should be investing in." This includes people who will want to live here or open a business here.

Mr. Dadson said TDAC is filled with people in the know and those who would make good decisions. He suggested they could "create six or seven metrics that correlate and then say that they give *all* the money to the group that leverages the money the best." As the money is divided, it dilutes leveragability. They've been telling the groups to work together, but they haven't.

Councilman Sutton said he won't vote for any money expenditure until tangible changes are made. He said this year's allocation could be done jointly with TDAC and council. He wants an objective look at the applications. He also wants a Visitors' Center funded somehow. Councilman McFee said the marketing money can't go to operations. The DMO money can be used for operations.

Mr. Dadson said council is clear that they want to put money out that does more than put people back in a bed that created the money in the first place. He wants to see that “what’s being sold is what’s really being sold.”

Mr. Dadson said council also wants to sell Beaufort “holistically.” The money should be put in a place where it best serves the purpose. Councilman McFee said he’s served on the Accommodations Tax committee, but he would park the money for 2 years before he would do another distribution as has been done in the past. It’s been so diffused that it meets few of the criteria council has.

Peach Morrison said she likes the idea of council being part of the process. Regionally speaking, she said it’s about awareness with Beaufort. She feels there’s been some collaboration and networking. Some different avenues need to be explored to showcase Beaufort. They do all need to work together and that can be done, Ms. Morrison said. **Larry Holman** said if council is at the presentations, they will see that the Accommodations Tax committee does what council asks about in its meetings.

Mr. Holman asked Mr. Dadson what the value would be in putting the money in one pot. He asked why Mr. Dadson feels it’s not currently being maximized. Councilman McFee said there are three guidebooks, for example; Mr. Dadson said festivals that are already up and running continue to be funded. Councilman McFee said the Black Chamber of Commerce, Chamber of Commerce, and Lowcountry Tourism have duplications in their guidebooks as well as ones that focus on the targeted group. *One regional book* could be done. Councilman Sutton said they could do that easily. Councilman O’Kelley said more guidebooks could be done with other funds than the ATAX. Council’s mandate is to fund a single guidebook.

Councilman Sutton said festivals shouldn’t be funded indefinitely; he suggested again that they be limited to three years. Ms. Morrison asked what if they aren’t charging admission. Ms. Fabian said that the festivals they have create money that goes back into the Accommodations Tax pie, and they have proved it with two years of USCB studies. They only use the Accommodations Tax money for marketing and then that brings in more marketing money. Councilman Sutton said the marketing plans for the DMO are not set or approved by the council. But if an event is successful, it should be part of the DMO. The pie should be sliced up for new things.

Ms. Fabian said the pieces make up the whole – arts, diversity, historic district, etc. – and if the DMO focuses on history, for example, then the other parts of the whole lose. Councilman Sutton asked why this isn’t in the city’s main marketing plan if each of these parts is important to the whole. Councilman McFee said Greenville distributes its money through its VCB.

Jayson Gardner with the Chamber of Commerce said the VCB is funded through private money and DMO funding. Councilman Sutton said he wants the Visitors’ Center to be operating regardless. Mr. Holman said they get city and county Accommodations Tax for that. Mr. Holman said the DMO doesn’t have to ask for the money it gets and his organization has to apply for everything they get. Councilman

Sutton said the DMO should operate a Visitors' Center without the city operating it, but they should have a solid funding stream. Councilman Sutton said other cities are doing it.

Ms. Fabian said the biggest percentage of Chamber of Commerce money should be spent on tourism expenditures, not marketing and that's what's happening. Councilman Sutton said it was going to staffing, not to regional marketing, which is what the city wanted. Main Street Beaufort, Ms. Fabian said, spends most of its money on downtown, not on marketing its festivals. She said the events are important to downtown Beaufort, and the businesses know people will come through. They are opening up and expanding the next festival with different organizations.

Councilman Sutton said decisions need to be made. Mayor Keyserling said he wants to make the right decisions. He's always wanted one visitors' guide and a common logo. He said they need to say this is a pot of money and this is what we want to accomplish with that. He said he "doesn't know how to take it to a place where they can see how it's helping to build the city." Councilman Sutton said it's difficult to determine how to quantify that it's working. Councilman Sutton said they to go to the basics and make sure the Visitors' Center is as strong as it can be. Mayor Keyserling said that's a discussion with the DMO. Councilman Sutton said they need to know how much they're using today and if it's enough.

Councilman O'Kelley said it seems like this may be an unsolvable problem. Maybe they should divvy it up as the committee tells council to because there may be no "crystal clear solution." Councilman Sutton said he agreed but there are common things they know they *don't* want, though they "may not be able to determine the matrices." Councilman Sutton said the DMO might have to review the applications and that would be a way for them to know what they should be marketing. Mayor Keyserling said if they went that route, the county and the city also need to coordinate what they do with Accommodations Tax money. If it is to be more concentrated and controlled, the city and the county should invest their money in the same way or to the same entity.

Mr. Holman reiterated that the council will benefit from sitting in the Accommodations Tax meetings. Mayor Keyserling suggested they have a workshop with the county and city committees. Councilman McFee said he will make a motion to shelve the money if they don't go further than they have tonight. He said they have to have collective trust that as the DMO, the Chamber works for the city, but they're still a membership organization, and the members drive the direction of their Chamber board, so the requestors of money from them have to feel like they are being prudently represented by that DMO. A city commission, not the Chamber's, gives a layer of transparency and impartiality that the organizations may not feel like they have if the DMO is doing the allocations.

Mayor Keyserling said the city and county's committees would be an instructive meeting. Councilman Sutton asked Mr. Dadson to look at law in regard to parking the funding. Councilman McFee said they have two years. Councilman Sutton asked Mr. Dadson to look into what can be funded for the Visitors' Center from the Accommodations Tax fund. Mayor Keyserling said they will never run like a clock, but can it run better.

EXTENDED PARKING MANAGEMENT PLAN

Mr. Dadson introduced intern **Will Sendor**, who he said has “done some research about the current parking situation in the broader sense.” Mr. Sendor presented a map of the managed, semi-managed, and free-for-all parking, which gets more confusing outside of the downtown core area which Lanier patrols. In the neighborhoods, there are no signs, and some painted curbs, but people parked in front yards, etc. and there is no real direction as to where one can and can’t park.

The issues, he said, are that the area of enforced parking is small and spreads out into the surrounding neighborhoods. Neither residents nor visitors know where they can park and as development continues, there will be more of this and a greater need for parking management.

Mr. Sendor said that possible management elements could be extending the area of enforcement; issuing more downtown parking permits (80 are currently issued and there’s a small waiting list); putting meters on Charles and Carteret Streets; improving signs and curb painting in neighborhood streets; and issuing neighborhood residential parking permits for downtown residents.

In regard to a Carteret encroachment permit, SCDOT has given verbal agreement during a site visit for more spaces, and Public Works has sent a written request for encroachment, but there’s been no response for approximately 8 months. Mr. Sendor went on to discuss the Main Street parking program which is usually designed for downtown employees but can be for customers.

Councilman Sutton asked when the waiting list can be opened up; with 17 on the waiting list, it seems like it would be opened up. Councilman O’Kelley asked where those on the waiting list are waiting to park. Councilman Sutton said the city sets a limit on how many can be sold. Councilman O’Kelley said there are plenty of spaces, but they’re for shoppers and tourists. Councilman Sutton said he wondered if more could be accommodated. Mr. Dadson said they would have to change Lot 4 to something with a limit and increase the number of spaces on Craven, Charles, and maybe other streets. Mr. Dadson said for the managed parking, they’re in a good position, but they might want to add capacity, perhaps on Craven. There was a general discussion about where spaces could be picked up and about where the worst areas were for parking. Councilman Sutton said they should have No Parking areas on the one-way streets.

Councilman McFee said Isaiah Smalls was to study the streets to determine, if it’s not suitable for a car parking, then why it’s being tolerated. There was a general conversation about parking around the churches. Councilman McFee said the Old Commons and The Point residents don’t want parking passes. Mr. Dadson said they need an encroachment permit; so if something is removed on Craven and Charles, they will have to apply for an encroachment permit. Anywhere they say No Parking, they have to say no to *everyone*, whether they live there or not. There will be a cost to enforce management, Mr. Dadson said, and if the rule becomes “one size fits all,” that will have to be enforced. Craven and Charles needs spaces again, and so an encroachment permit will have to be applied for.

Mayor Keyserling said in the managed area, they should first determine where parking is delineated. Mr. Dadson reiterated the need for an encroachment permit. Mr. Dadson said council should also ask itself the various ways the city wants to manage the trouble-issue areas. There can't be metering without enforcement, Councilman Sutton said. He asked about when there's no parking on a street like his, where there *can't* be parking, what a citizen is to do. Mr. Dadson said they could have parking permit programs. Mayor Keyserling said a first step is to survey and see how many spaces the city could gain if Charles and Carteret were picked up.

Mr. Dadson said they know that on Carteret around Kinghorn, there is parking pressure back into the Old Commons. There was a discussion about parking at the free spots at the university. Mayor Keyserling said there should be no parking on Port Republic from New to Carteret. Mr. Sendor said there's a yellow stripe. There was then a discussion about where the parking was worst. Mayor Keyserling said he's considering a combo of No Parking and Residential Parking signs before stickers are gone to as a test. Councilman Sutton said he feels the fire department and police department should look at this as a safety issue. Councilman Sutton said he's concerned that when the DOT does the encroachment permit that they will lose even more spaces.

Mr. Dadson said at next week's work session, this could be back on the agenda. He said the options aren't clear, and they need to determine what they want to manage. Councilman McFee asked if, on streets where having parking makes it unsafe for fire and police, they can say no parking. Mr. Dadson said DOT does not need to approve it. The problem is putting on-street parking within the right-of-way. Councilman McFee said they know there are areas that are severely encumbered by having parking, and that has to be enforced. Mr. Dadson said it's not clear outside the managed area. It has to be clearly marked and then enforced.

Councilman Sutton said he wants parking managed every Sunday on all streets in town. He said they could make one lane of parking on Sunday, or say, "It's illegal," and not tolerate it. Councilman Sutton said funerals could be managed through a permit from the funeral homes. Councilman O'Kelley said "everybody knows that you have to go another way on Sundays unless you're going to church."

Councilman Sutton said in the problem areas, they should investigate potential and maximize it. Mayor Keyserling said there will be side effects of people going into nearby blocks. Mr. Dadson said they have to decide if they want to manage Carteret with meters. Mayor Keyserling said there is a lot of activity going on on Carteret, and they'll want turnover. Mr. Dadson said they could determine how far up they'd like to go and determine how many spaces could be put into that. He said if they manage that, they'll find out the effect quickly. If they just put parking spaces on there and don't manage it, they'll hear about it. Mr. Sendor said the confusing areas are on Port Republic and Bay at New Street, on Port Republic and Craven, and there's some issue on Port Republic between New and East.

Mr. Dadson said council also needs to consider if they want vacant lots to remain parking lots, which they can do through zoning. Councilman O'Kelley said he doesn't have a problem with it. Councilman Sutton said he does. Mayor Keyserling said the ordinance says that if it's to be used, it has to be

improved. Councilman Sutton said there was some enforcement and improvement at first of the “rogue lots,” but they shouldn’t let this continue indefinitely.

Mr. Dadson said if the managed system goes to Duke Street, they need to improve it so that if they take away lots, they still have places for people to park. Staff “will come back with all that council would need to bless on each of these things,” Mr. Dadson said. Mr. Sendor will create a resolution, and “then the chips will fall where they may.” Mr. Dadson said they will also give council a management plan. Councilman Sutton said when the roads are taken back, that will come into play.

Mr. Dadson said Main Street Beaufort’s incentive program is only taken advantage of 50% of the time because it’s \$1 and not free. Mayor Keyserling said they need to break the culture of people refusing to walk an extra block.

REVIEW OF 3RD QUARTER FINANCIALS

Ms. Todd reviewed the financials, beginning with the balance sheet. The second page is a P&L as of 3/31, she said, and it’s a shortfall currently because of business licenses which are due in April. Following was a breakdown of city expenditures, then a page comparing the annual budget with where it would be at 75% if each month equal amounts were spent. The budget amendments were built into the annual budget, Ms. Todd said, assuming that they would be approved. The footnotes are on business licenses and franchise fees; the last quarter of the year has an impact on them. The expenditures are slightly higher legal fees and other departments are slightly over the 75% mark.

Departments have been notified that they need to closely monitor for the last 3 months of the fiscal year so that their expenditures don’t exceed their budgets. Ms. Todd indicated a new schedule that makes a graph of the previous schedule. Mr. Dadson said “people are holding tight.” Ms. Todd agreed and said especially police and fire. Some are way below where they were the year before.

Salaries and wages by department followed, and they’re in pretty good shape in regard to overtime, Ms. Todd said. With the exception of Beaufort Fire and SRO, which are in the 80% range, the others are close to or below 75%. There were some promotions in the police department and fire department which made it somewhat higher than last year.

The General Fund balance is still in good shape at 40%. Ms. Todd said they could compare to cities of comparable size. Other new schedules included permit fees; though the number issued may go up, the size / quality of the permit fee is more telling, Ms. Todd said, and the quality of that is going up. She said within the city, average gross revenues are \$681 million annually and the average business license fee is .275 of the gross revenues generated.

Ms. Todd said two House bills are being discussed: 4993 (reduces property tax ratio) and 4998 (reduces assessments from 6% to 5%). It looks like the city could suffer a \$665,000 loss if they are passed. Mr. Dadson said John Williams is drafting a letter to the legislative delegation on the impact on the city. Mayor Keyserling suggested that it should be done as a press release.

Ms. Todd said the legislature is also considering local funding; it's 76% now and they want to reduce it to 71%. Mr. Dadson said the municipal association has to be concise about how things are done. There was a general discussion about concerns involving the disparities between how data is collected and how things are assessed. If everyone were on the same page, they could go to the legislature and discuss what's "weird," Mr. Dadson said. Councilwoman Beer said the municipal association is not necessarily a big asset to the city. Mr. Dadson said they could be. Councilman McFee said if they put more energy into advocacy, it would help. Mr. Dadson said "home rule" is a mirage and no true reform system has been proposed.

CAPITAL IMPROVEMENT AND CIVIC MASTER PLAN PROJECT BOOK CAPITAL NEEDS

Mr. Dadson said staff needs council direction on what to tell bond counsel to do. The city is in the middle of doing things on its list, and it wouldn't be wise to advise to borrow on an estimate of what is needed. Mayor Keyserling said he thinks it's a huge mistake letting the public confuse general capital issues with the Commerce Park. He feels that the Redevelopment Commission, the project book, etc. should be done separately at a different time. He'd like to put in some cash and look at how the debt is serviced.

Mr. Dadson said there are issues within the assets; he'd advise borrowing the full \$1.85 million. Mayor Keyserling said there are policy issues about what can and can't go in the Commerce Park. They also have to consider who should do the marketing. He named some people whom he thought would be good for this, and he will share those names with Jon Verity. The committee doesn't have to be exclusively Redevelopment Commission members. There was some general conversation about the Commerce Park. Mayor Keyserling reiterated that he feels like the Commerce Park really needs to be separate from everything else.

Mayor Keyserling said the deal worked with the county was that they would pay 80%, so he doesn't anticipate having to give away a lot of land. There was general agreement that this is the most prudent option. Mayor Keyserling said he would have a discussion with Merritt Patterson about what he needs to streamline the Industrial Park process.

Mr. Dadson said the state owns the streets in the Commerce Park. It would be in the city's best interests if they stayed that way. Ms. Todd said the only capital issue they have a solid estimate figure on is the fire department. Mr. Dadson said a second fire station is an example of a future cost that money's not set aside for. The rest may be small things, like the increased parking.

EXECUTIVE SESSION

On motion of Councilman McFee, seconded by Councilman O'Kelley, council voted to move into Executive Session pursuant to Title 30, Chapter 4, Section 70(a) (2) of the South Carolina Code of Laws for a discussion in regard to property leasing. The motion was approved unanimously.

Councilman O’Kelley, seconded by Councilwoman Beer, made a motion to come out of Executive Session and resume the work session. The motion was approved unanimously.

ADJOURNMENT

There being no further business to come before City Council, **Councilman O’Kelley made a motion to adjourn the work session, seconded by Councilman McFee. The motion was approved unanimously, and the meeting was adjourned at 9:35 p.m.**

ATTEST: _____
IVETTE BURGESS, CITY CLERK