

A special meeting of the Beaufort City Council was held on April 3, 2012 at 6:30 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 6:30 p.m.

EXECUTIVE SESSION

On motion of Councilman O'Kelley, seconded by Councilman McFee, 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 of contractual review. The motion was approved unanimously.

Councilwoman Beer, seconded by Councilman Sutton, made a motion to come out of executive session and resume the regular council meeting. The motion was approved unanimously.

CALL TO ORDER

The Mayor called the special meeting to order at 7:02 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was led by Councilwoman Beer, and the Pledge of Allegiance was led by the mayor.

ORDINANCE REGARDING THE PURCHASE OF LAND FOR ECONOMIC DEVELOPMENT PURPOSES

Councilwoman Beer made a motion, second by Councilman McFee, to approve the ordinance on second reading. Mayor Keyserling explained to those assembled that there is an unsigned agreement to purchase what is commonly called Beaufort Commerce Park from the banks for \$1,850,000 with proper due diligence and closing within 60 days.

David Buie said he thinks the purchase of the park is a good idea. The city needs to start economic development which will hopefully spread to the county. He applauded council's leadership.

William Henry said he would like to laud council and Mayor Keyserling "for sponsoring this bill." He said he was very impressed by the mayor's promise to answer promises which have been unanswered for 30 years.

John Perrell said he was not clear about why there was a "rush was on purchasing the park," which has been there since 1962. The county offered \$1.5 million and decided against purchase. Mr. Perrell said he doesn't understand why the city would purchase it with fewer people (taxpayers) than the county has among whom to spread the debt. Furthermore, Mr. Perrell said, the park hasn't been appraised in a year, and he doesn't know if this cost is the best that could be negotiated. There isn't a strictly

commercial real estate person in Beaufort County, Mr. Perrell said, and he asked who would be marketing the park.

He feels affordable housing would be a better use for this money to be paid for the park. He said the citizenry was told there would not be a tax increase, "and now it's \$850,000." He went on to ask why land should be bought that would "put them in the middle of MCAS land and create them as an enemy." Mr. Perrell asked how much the additional costs for public safety would be with the annexation. He reviewed some history of the area in the commerce park. He said the fast approval in 30 days seems unlikely, so he expressed again concern about the rush to purchase it. The appraisals, Mr. Perrell reiterated, are a year old; he said the property went down in value \$1 million per year over the last two years. He stated that there are a lot of vacant properties in Beaufort and questioned again why the city is "in a hurry" to purchase the park.

Mayor Keyserling said 167 acres are available; 135 or so are buildable. 30 day permitting is a commitment they can make, Mayor Keyserling said; they can't control state permitting, but most has been done. The cost of infrastructure already in the park – roads, stormwater drainage, gas, sewer, etc. – has a greater value than \$1.6 million. The zoning is as it is because housing and public gatherings can't be there, but an industrial base is permitted, though that can be changed.

What is different about it now, Mayor Keyserling said, is that it's clear the county can't take a leadership role in economic development. He'd rather create families who can afford to buy homes, he said, rather than creating affordable housing. The price for the park has been negotiated, and this is the best they can do; given the cost of the infrastructure, Mayor Keyserling said, this is "clearly an okay deal." The banks said they couldn't do better.

Mayor Keyserling said they've been working on this for 9 months. The prospects are not secret except to the extent that this is the nature of competition and when the deal is made, it will all be transparent. Agents have to sign non-disclosure agreements. Mayor Keyserling said last summer, the city offered to partner with Beaufort County, and at the time, city council authorized Mayor Keyserling to meet and "to offer to take political heat." The county and city "are two different cultures," Mayor Keyserling said. The Lowcountry Economic Network was "killed," and so was the park. Mayor Keyserling said he went to council and said he felt passionately that this is the city's time to take the lead. He admitted that it could be risky, but other risks have been taken that have been successes.

A group including the USC graduate school of engineering, TCL, USCB, and Beaufort County School District is working on a technology program. Staff has brought people to Beaufort County, but the leadership hasn't embraced people who have shown interest in Beaufort; he listed other opportunities the county has passed up that might have brought business to Beaufort.

Buying the land and working with prospects is not "talked about on the street." Mayor Keyserling said he'd like to recommend purchasing the land, annexing it into the city, making the zoning more user-friendly, and partnering with others to develop an integrative approach to conquer this problem.

Councilman Sutton said economic development has been a difficult subject in his six years on council. Most people don't understand it – he compared it to TIF districts in this way – so people don't like to talk about it. Learning about and discussing this subject can be difficult. He explained that council had coined the term “city building” instead of economic development. City residents pay county taxes. Councilman Sutton went on to say that people paid into an alliance to bring in jobs, but it's a slow process; city-building is important to the council, and they understand it better than they ever have before. There are not jobs to keep young people here or for people to come back to once they go to college or leave the military. Few people who serve their country stay in Beaufort when their time is up because there are no jobs here. He said his dream for the long-term is that they as a region entice business and create long-term jobs.

Councilman Sutton compared the purchase price to the schools' bond referendum, which is paid for by second homeowners and businesses. \$3 million has been spent in one neighborhood of 12 city blocks in Beaufort to try to build it up and support it. Bluffton bought a piece of land for \$1 million for a fire department to serve existing taxpayers. Councilman Sutton said taxpayers have spent more than \$40 million for open land preservation. They need to spend money to generate a future. This park could be a catalyst for other things to happen. He said this is an important step, and he will support its purchase and will push the mayor to make use of the connections Mayor Keyserling's been working hard on. He said fear of not getting re-election can keep people from doing important things, normally. He said no one on council is taking it lightly.

Councilman McFee said he grew up in Beaufort, and when he graduated in 1976, 90% of his class left for college and left Beaufort forever because there was nothing for them here. He has heard a great deal of talk about job production and economic development but has seen no action. From 1968 forward, there was a lot of talk about economic development, but a lack of incentives from a state and federal level. Beaufort also lacked the connection with the Commerce Department “for additional depth and breadth to bring in economic development.” There has to be an attempt made, Councilman McFee said, or they “will be doing the same amount of nothing that has been done for 42 years.” He concluded that he thinks the purchase is worth the risk.

Councilwoman Beer said she wants her grandchildren and great-grandchildren to come to Beaufort and have a good job.

Laura Von Harten, Beaufort County Council, congratulated council on its vision and said she supports it. She said she's learned a lot about economic development while serving on County Council, and one of the keys is to have land owned by the county or a municipality. She called it a deal-breaker. She said she looks forward to the county partnering with the city for success. She noted that the park also has natural gas which will attract businesses that are looking for that.

Blakely Williams, president of the Beaufort Regional Chamber of Commerce, said they support the purchase and annexation of the park. She introduced **Frankie Denmark** who said the Chamber

endorses the purchase and annexation of the park. He said the stakes are high, and this purchase is important for the area to prosper.

Kim Statler, Lowcountry Economic Alliance, said that she has encountered prospects for seven years and feels the park is a very good piece of property. It's been hard for them not to negotiate. The relationship with the area has been difficult in regard to commerce because they felt that "the area didn't know what it wanted." She feels council has been bold and aggressive and knows what it wants as a community and will stand together to make it happen.

KS explained that business prospects come in and give her a list of what they are looking for and ask her to present prospective properties. Business isn't based on politics, she added. Having this park will bring people here to begin with, whether they choose Beaufort ultimately or not. She said Mayor Keyserling has been relentless in pursuing prospects. She said the LEA will be here for support. **The motion was approved unanimously.**

ADJOURNMENT

There being no further business to come before City Council, **Councilwoman Beer made a motion to adjourn the special meeting, seconded by Councilman O'Kelley.** The motion was approved unanimously, and the meeting was adjourned at 7:42 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK