

A work session of the Beaufort City Council was held on March 20, 2012 at 5:00 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 5:04 p.m.

### **AIRPORT MASTER PLAN**

The county has committed to master plans of the airport, Mayor Keyserling said. There was a joint public hearing with county council. **Pete Buchanan** said he would make a presentation about the master plan presented to the councils in regard to the expansion of the Beaufort County airport. The next step is approval or rejection by county council and the advice of the city, and then it goes to the FAA.

Mr. Buchanan said the FAA would give \$14.7 million (95%), private funding would be \$8.6 million, and the state of South Carolina will give about \$400,000 with a match from Beaufort County. Areas of concern, Mr. Buchanan said, have been Lady's Island Middle School; there will be no excursions of airplanes over that school. Mr. Buchanan pointed out the sound contours and said all sound stays within the airport property.

Mr. Buchanan described the topics that the airport is involved in. In regard to public health, there is mosquito control; currently they're using a helicopter and an OV10 for aerial spraying. The airport can be used for emergency services; disaster relief exercises have taken place at the Lady's Island airport. If the bridges are wiped out, airports recover almost immediately. Mr. Buchanan said the airport can offer medical support to various hospitals such as Duke, who use the airport weekly, and MUSC.

Mr. Buchanan said there are two cargo flights a day in a normal week for local business support. The approaches, he said, are better than on Hilton Head Island because of the weather. It's also used for marine recruiting / base support. Mr. Buchanan said aerial surveys are given to real estate clients who are interested in property acquisition. The airport offers a small flight training operation and supports tourism.

In regard to tourism, Mr. Buchanan said the airport is given passes to Hunting Island to give to tourists who stay on Fripp. The airport also supports hunters and charter fishers who would rather go to Lady's Island airport than Walterboro because it's closer to where they want to end up. They also bring in golfers who bring money into the local economy.

Mr. Buchanan showed a list of customers who support the airport in a non-revenue supporting way. The number of revenue supporting customers is even more extensive. He went on to describe some of these customers who use the airport.

The Beaufort County regional plan (2006) predicted 53% growth in population in Northern Beaufort County alone. Many aircraft owners and charter operators can't sue the facility due to runway length constraints. Aircraft operators can't fully serve customers in Beaufort and are redirected to other airports. In the future, the county and City of Beaufort will need better infrastructure support, e.g., the hospital, military and private sector. Also, tourism is expected to increase with greater population growth.

Mayor Keyserling said he'd heard that if planned future growth doesn't occur, the FAA has to be repaid. Mayor Keyserling said he assumes the hangars pay for themselves. Mr. Buchanan agreed. Mayor Keyserling asked, to keep it safe for recreational pilots, how much extension would have to be done. Mr. Buchanan said the runway is currently 3434'. The FAA picked out the most typical plane flying into the airport, which is the King Air; the FAA would like to see them on runways no shorter than 4400'. Councilman McFee asked if there were a restriction in regard to insurance, and Mr. Buchanan said the insurers have criteria they like to see there in order to write insurance for the airport. A company that violates those rules is not covered.

Councilman Sutton said he doesn't hear anything that makes him think they'd go down this road "except the FAA will give us money." He asked how many King Airs there were; Mr. Buchanan said they hit many more than the 5000 that are required with golfers, health care providers; the King Airs are most of the traffic. He said they'd probably have about 1000 take-offs and landings per week.

Councilman Sutton said the city owns the land, but funding isn't contingent on whether the city likes the plan or not. Mr. Buchanan said the airport doesn't want to be regional like Charleston or Savannah. Councilman Sutton said a lot of money has been spent on land preservation, and the projected population growth was "based on bad math." He's interested in hearing what the airport "wants to be when it grows up."

Mayor Keyserling said Lady's Island will not grow as it was projected to. Population growth will be in a different direction than was previously predicted. Potential airport users would be in the Burton area, and Walterboro is closer to Brays Island than Lady's Island is. He feels that what they have is fine for what it's used for. If it becomes bigger, there will be a subsequent fight over intrusion into the marsh. Mayor Keyserling said he feels it "should be made safe for what it does today." As a long-term solution, should Beaufort one day become more needful of a more corporate airport, there are millions of acres of ACUIZ, some of which has already been purchased. Industry and development are likely to grow that way, and if they might at some point want a bigger airport, they should build it somewhere where they can and should build a bigger airport, rather than on a largely residential island.

Mr. Buchanan said County Councilman Steven Baer had told him that a plan he had looked into would jeopardize the MCAS. Mayor Keyserling said even if it can't be done somewhere else, what they're proposing seems like a huge investment for little return.

**Graham Kerr** said that the FAA trust fund is funded by the sale of gas to airliners and through passenger taxes; it's not tax money per se. Mayor Keyserling disagreed that it's not tax money. Mr. Kerr said the additional runway, he suspects, will offer minimal impact on the marsh, and the sound issue has been addressed. Thirdly, the insurance requirements preclude bigger planes that could bring affluence to the community: people who would spend more money downtown, etc. It's the people's money but not the city's money, he said.

Mayor Keyserling asked how much it would cost to build a 4400' runway in Burton. Mr. Buchanan speculated that it would be "a very expensive proposition," upwards of \$100 million, because they would have to acquire land and displacement. Mayor Keyserling said there are easements on some of the land already. Mayor Keyserling asked about it as a long-term solution. Mr. Buchanan said they would go to Hardeeville for that. He agrees that using MCAS would be ideal, but he doubts it will happen. Mr. Buchanan and Mayor Keyserling discussed how Charleston and Savannah managed to do that.

Mr. Dadson said he has no record of asset ownership of the land the airport is on. It's in the city limits, but the city doesn't own the land. Mr. Buchanan said it's shown as in the city's jurisdiction.

#### **REZONING WHITEHALL-HARBORVIEW DRIVE**

**Libby Anderson** brought **David Tedder** and **Jeff Ackerman** to the table. Ms. Anderson said six outparcels on this property are currently zoned R4 residential. The applicant, Aslan Whitehall, LLC, is the property owner and wants it all to be one zoning designation, Neighborhood Commercial. The Planning Commission recommended denial with a vote of 4-1.

Mayor Keyserling asked if there is a development plan and time frame being put together. Mr. Tedder said no development plan can be done without a financial plan, which is being hindered because they can't show what it would be worth as a single parcel. Mayor Keyserling said the Planning Commission and he feel that if there's no plan in place, waiting for a form-based code to be in place would be a more consistent way to handle the property. The comprehensive plan shows where the city is headed, and they believe the plan is similar to this plan. The form-based code would help to answer the questions of the doubters. He agrees that it's the best use for the property, but because it will affect existing land-owners, the form-based code will help assuage concerns about the unknown.

Mr. Tedder said a problem has been maintaining ownership of the land. With a significant delay, this could become a distressed property, in which case it will be chopped up and sold

out. Neighborhood Commercial is being made to look like “the big bad bugaboo,” Mr. Tedder said; he compared it to the Midtown development which he feels is similar and received no objection from Pigeon Point residents.

Councilman Sutton asked why there was no lot subdivision plan brought forward. Mr. Tedder said he’s been told “No” and to wait on form-based code. Councilman O’Kelley said the last time this came up, the neighborhood was opposed to it because they wanted to put duplexes and multiplexes near their homes. The master plan calls for residential and mixed use. He said he agrees with Councilman Sutton that they want to see that plan, and they would likely agree to it. Mr. Tedder said the order is a comprehensive plan, then zoning, then site planning. The comprehensive plan says to do a site plan, but zoning prevents him from doing so. He also can’t do a PUD.

Councilman Sutton said the land was bought, and he likes the plan. If they have R4 zoning, and the parcel is bigger than R4 requires, he feels Mr. Tedder should show a plan with where the R4 would be and where a buffer for the adjacent neighborhood would be. Councilman Sutton said he lives in Neighborhood Commercial, and it can be “unpleasant” to have commercial vertical growth on each side. A buffer is not a bad way to go; he doesn’t know if that would be in the form-based code. He doesn’t like PUDs, and if it’s not going to be successful, it won’t be successful. The amount of Neighborhood Commercial vertical building right now is unknown. No matter how many plans are brought to council, “none of it will go vertical.” Councilman Sutton said they have a parcel that they can do Neighborhood Commercial on.

Councilman O’Kelley said a PUD is not necessarily totally bad using as an example a residential one like Battery Point. Mayor Keyserling said a perfect example of why a PUD doesn't work is Factory Creek Landing, where there are two warring factions in a PUD. He said this piece of property under discussion has a history of being bought and flipped repeatedly. To allow them to hold it, he assumes, is being done to satisfy the investors. Mayor Keyserling asked rhetorically if that is council’s business, or if they should stick to the position they’ve established.

Mr. Dadson said council is not obligated to act on a request for a rezoning. Mr. Dadson said the issue is “how long they should hold off calibrating something.” Council’s job is to create value for the community as a whole, not to react to every request in a positive manner. They have no obligation to do that. The amount of time it takes to get it calibrated is unknown. In any comprehensive planning process, people will try to get in under the wire and try to change things.

Mr. Tedder said the planners have mapped out the property, and his clients have tried to do it the way the city wants them to do it. It’s “come down to a man from Lady’s Island on the Planning Commission who was concerned about the neighbors,” he said. He thinks this is a concern for council members as well. The property will be developed in compliance with the

comprehensive plan. Mayor Keyserling said the way it matches with what's around it is what calibration is about, which is his concern. He said the density it will have and how it will affect the properties there now is what he is concerned about. Mr. Tedder said it's based on what the consultants of the Office of Civic Investment had said their plans will be.

Councilman O'Kelley asked if the current zoning in the package was accurate. Mr. Tedder said it is. Councilman O'Kelley said there appears to be more Neighborhood Commercial than R4; Ms. Anderson said those are only lots shown that are in the city. Councilman O'Kelley said the parts surrounding Harborview are all R4. Councilman Sutton said there are no complaints about it being R4 size lots on one side; he asked if the other would be a green buffer between that and a Neighborhood Commercial area, or if they would not have a buffer and build Neighborhood Commercial. Mr. Tedder said allowing the best use for the city and the amount of open space the city is envisioning along the riverfront, council needs to help the owner to assist the city. Every owner he knows of has tried to save the best views for the public, Mr. Tedder said.

Councilman Sutton said he has a problem with going Neighborhood Commercial along the full depth of the lot. He said 40 x 100 would create a lot of wasted land. Mr. Tedder said the Planning Commission's problem was with having neighborhood up against commercial. Councilman Sutton said he hasn't seen it work 100% yet. Mayor Keyserling said he feels that Mr. Tedder has answered the Planning Commission's questions, but he would be more comfortable with planners working with them to bring the council something to look at. Mr. Tedder said he thought they had already met with planners such as Ms. Anderson and done just that. Councilman McFee asked if they'd sat with **Josh Martin** and **Demetri Baches**. **Mr. Ackerman** said they had met with them and talked about different strategies for the property, but they didn't come up with a plan.

Mayor Keyserling said there's less stability than he's comfortable with; the property could be being developed to be flipped. He believes there should be a middle ground through meeting with the Office of Civic Investment.

Councilman McFee said he understands the added value of doing it and of being adjacent to the residential development, but there's no question that it's more valuable to do the R4 zoning with greater density. He feels the council's issue is with ensuring the proper buffer.

Councilman Sutton said it's fine to talk to the Office of Civic Investment, but if they come back with something like a drawing with anything without a buffer, he won't support it. Mayor Keyserling described possible buffers that might be palatable to council and the neighborhood's concerns. In regard to the timeline, staff will have to determine that.

### **STRATEGY FOR ECONOMIC DIVERSIFICATION AS ANOTHER ELEMENT OF CITY BUILDING**

Mayor Keyserling said in the past 3 years, the council has been uniquely consensus-building and has accomplished more than most councils. The fire and police chiefs didn't want to do things

differently, so have left, but their departments are great; bold things have been done. At the retreat, he said, council determined that tourism is a tool, not an end in itself. To build the city, the city needs jobs. Building properties is important, but there have to be people who can afford to live in them. Mayor Keyserling said he recalls many plans in his lifetime to keep or bring people back to Beaufort. He described many investments in the city, but the kids in school can't see jobs in their future here in Beaufort. Money spent on open space is also important, but if millions can be spent on those things, there needs to be diversification to the economic base of Beaufort.

Mayor Keyserling said there have been conversations with many leaders and efforts to look at the assets that Beaufort has. They are looking at a concept of creating skill-specific jobs for military. There is a breakdown between higher education and corporate America. They need to form an organization; there needs to be trust among all the players. Prospective industry can't be brought to Beaufort if there's no place to put it. He went on to describe some history of a poor track record with the Department of Commerce. The alliance that is necessary to get finances from the Department of Commerce is "holding on." Mayor Keyserling said he's pitched the idea to municipalities of throwing in \$10,000 each to continue the alliance as a regional approach. Mayor Keyserling feels strongly that this will happen.

Mayor Keyserling said there's nowhere to put a number of people who are interested in coming to Beaufort. Workforce is important, and they need higher skilled employees from the beginning, those who are specifically trained for a job. He said the mayors are in process, and the alliance will be alive and well, which will please commerce. The alliance can produce and has done two projects in Jasper County. The areas where there is going to be growth will be met by training. This won't help everyone, but it can help improve the environments in school and let kids see their parents doing better and believe that they can, too.

Working with the Redevelopment Commission, they can create a complementary group of people; they need to find those people in the county to help network with industrial types. Mayor Keyserling feels the Commerce Park should be purchased to show prospects. This can be bought at a fair price for less than the bank paid for it at auction. It appraised for \$1.6 million to \$3.6 million with infrastructure. He's concerned that if it's not done, no one will do it. It can be done without impact on taxes, Mayor Keyserling said. There's enough fund balance to sustain at least the debt service for many years to come.

The next step is to talk to the county about being a partner, Mayor Keyserling said; there's a will there, but it would be safer for them to work with the city project-by-project. This will give them the accountability they want: money for jobs and the city takes the risk.

Mayor Keyserling said this is the right thing to do; there will be detractors, but he wants to not be someone who promises something that he doesn't deliver, as has happened for the 64 years of his lifetime in Beaufort. He said those invited to the table are important players. His plan, if

council agrees, is to move forward with a series of ordinances that will put the plan into place as early as next week.

Councilman O'Kelley said he feels this plan has long been in the works, and he complimented Mayor Keyserling, Mr. Dadson, staff and the partners who have worked on the plan. He is fully behind this plan. Councilman McFee said he concurs and feels there is progressive, appropriate movement forward that should have been taking place for decades. Councilwoman Beer said she has been through many councils, city managers, and mayors, and she believes this plan and the hard work will ensure that children and grandchildren will come home to Beaufort or stay here to begin with. She feels more has been done in the last 4 years than has been done in the last 15.

Councilman Sutton said this is a big deal for the community, and he's been frustrated by discussions about economic diversity, etc., that lead nowhere. He said it can't be done without the regional partners. The city can't do it alone, and the mayor's work and meeting with regional partners has given him hope that this could work. The purchase price for the commerce park is small in comparison to all that it will lead to economically and in terms of keeping people in Beaufort and bringing them in.

Mayor Keyserling said they have learned how set people are in their ways and how difficult it is for them to change. He said there was a meeting with the provost of USC, and the provost doubted that they could have a school of engineering in Beaufort. They explained that they didn't need to do that; **Dr. Jane Upshaw** might be able to provide research jobs in her facility at USCB.

Mayor Keyserling went on to discuss the BMW story and how no one went to BMW and asked what BWM needed. BMW had to teach Clemson how to train an engineer by putting them on an assembly line to learn to improve cars. Mayor Keyserling said he believes that Beaufort is uniquely situated and has a potential for a work force like no other. He feels this could be a legacy for all of them.

Dr. Upshaw said of the assembled group, she's been here the longest and is committed to education. She feels that for education to affect where they live, there has to be a place for students to work when they finish. USCB has baccalaureate status because there was once-in-a-lifetime support for it, but there's been a waste for many years because so many students graduate and go elsewhere where there's an opportunity, because there's not one here. She sat on the economic development board for years, and they heard repeatedly that they needed to have product to get the businesses they dreamt of getting. She assured council that USCB is with the city on this collaboration.

**Dr. Thomas Leitzel** said USCB and TCL have a good partnership. 94% of TCL graduates are employed in their field, or they transfer to a senior level institution, and many choose USCB. He

said Valerie Truesdale should be a partner too, because they need to improve the number of high school graduates and those who go on to higher education. He thinks the plan for economic development is smart, creative, and ambitious.

**Blakely Williams** said these plans are right in line with what the Chamber of Commerce is discussing, and she expects that the city will receive unanimous support from the Chamber.

**Jon Verity** said in regard to the projects developed over the last couple of years, they hear, “Who’s going to fill all this space?” He feels this is “a mandatory evolution of this planning process,” and everything they do will benefit them. He said everyone agrees that this is needed, and he feels it’s the right time economically to do it. People are looking at the Commerce Park as a place to do the things they want to do.

Dr. Upshaw said if the diversification happens, the development that’s needed will be a by-product. Primary economic development is what needs to be focused on, she feels. Mayor Keyserling said he spoke to the mayor of Hilton Head Island and told him that many North of the Broad people have had to travel South of the Broad to work, and he doesn’t know why there’s not an institute in Bluffton that will figure out how the hospitality industry can become more productive. The economic alliance will bring what they have to the table, and the collaboration will offer huge possibilities.

**General Garry Parks** said he and Mayor Keyserling have been talking for a year about building this collaboration. He said learning from what wasn’t done right in regard to the BMW model and looking at the workforce, he feels, will produce “a gem.” Mayor Keyserling added that this will happen if they are disciplined and stick together. He said that in every meeting he’s been in, people have been excited to hear more.

**Bill Harvey** said he too recalls the days of promises that didn’t happen, and he’s excited about clean industry, which is what’s right for Beaufort County. Dr. Upshaw thanked council for Mr. Dadson. She went on to describe a “partnership of academics, workforce and problem-solving that Mercer has under one roof” and said Mr. Dadson was instrumental in showing them this research center, in which, Dr. Upshaw said, if Warner-Robbins has a problem, “then this group is on it.”

Mr. Dadson said they were interested in the idea of collaboration. Dr. Leitzel and Dr. Upshaw have a relationship with each other and with the military in an elite-to-elite program for higher education. Collaborative relationships are essential now, Mr. Dadson said. When LEN collapsed last year, Mr. Dadson said, council began discussing how to do what they had done and needed to have done. Mayor Keyserling said the property will be annexed when it is purchased. They will commit to making decisions within 30 days.

## **ADJOURNMENT**

There being no further business to come before city council, the meeting was adjourned at 7:20 p.m.

ATTEST: \_\_\_\_\_  
IVETTE BURGESS, CITY CLERK