

A work session of the Beaufort City Council was held on May 24, 2011 at 5:00 p.m. in Council Chambers, City Hall, 1911 Boundary Street. In attendance were Mayor Keyserling and council members Donnie Ann Beer, Mike Sutton, 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 5:00 p.m.

## **DISCUSSION WITH REDEVELOPMENT COMMISSION AND METRO PLANNING COMMISSION**

### **CHAIRS**

Mayor Keyserling discussed with Redevelopment Commission chairman **Jon Verity** plans to partner with the Town of Port Royal to work with the Lowcountry Housing Trust. Mayor Keyserling said Bluffton is working on similar projects and suggested that they “might be good to bring on the team.” Mr. Verity asked if the city would be comfortable with Bluffton’s participation in such projects. Mayor Keyserling and council members said they would be interested in Bluffton participating at some level. Mr. Verity said “the more participation the better.”

Mayor Keyserling explained to those assembled that the county, the city, and the housing consortium have talked about becoming a part of the Lowcountry Housing Trust. He went on to explain what the Lowcountry Housing Trust does. He said the town manager of the Town of Port Royal was “enthusiastic.” The NSP in Bluffton “was a beginning,” and they had a difficult time. Mayor Sulka seemed generally interested, Mayor Keyserling said. He said the administrative fee could be split if three groups went in on the \$100,000 investment amount as well.

Mr. Verity distributed the Redevelopment Commission’s project list. They are listed as “policies” and “initiatives and projects.” He reviewed each of them in a handout given to council. He said the overall goal is “to get as many rooftops underway in the city as possible.” The Redevelopment Commission wants to get things “underway and done in the short-term.”

Councilman Sutton said Mike McNally “has been trying to keep a project alive”; the Duke Street project seems to be being put off for now. He asked what the next step was. Mr. Verity said they are “leaning to vacant lot projects rather than renovations.” What they want is projects that make sense and can get done. Mayor Keyserling said Habitat For Humanity “has located a place for 3-4 houses.” Councilman McFee said there are continuing conversations with lot owners who want renovation and the add-on of a vacant city lot. Councilman Sutton said he’d like to see maps of those lots that Office of Civic Investment has put together. He would like council to see it, too, and he’d like to offer input. He knows of properties that should be “put into the equation” to see if they will work.

Mr. Verity said there might be a chance to market some opportunities through the Historic Beaufort Foundation nationally to people potentially interested in coming in to renovate.

Councilman Sutton said “at the end of the day, it’s about vertical growth.” Speculation without a commitment to that is of no interest to the city. Councilman McFee said that’s the way the thinking on the Redevelopment Commission is, too.

Mayor Keyserling said the Lowcountry Housing Trust is developer-oriented. He asked if loans can be gotten through that process by an individual family. Mr. Verity didn’t know. **Josh Martin** said “it could be one person or a corporation or whoever.” Mr. Dadson said they’re “in leverage with other entities.” It’s generally not one-on-one because Lowcountry Housing Trust is not in competition with other groups that do that.

Mayor Keyserling asked about the status of the vacant lot, park inventory, and Open Land Trust open spaces. Mr. Dadson said the city had mapped civic and open spaces, etc. before the Office of Civic Investment’s Sector One mapping. It’s now been supplemented into the Sector One plan’s inventory.

Mr. Verity said the project book will update the commission’s various projects as there are changes. The project book they have will enable each Redevelopment Commission member to be up-to-date. A discussion ensued about the Office of Civic Investment book’s status and content.

Mayor Keyserling asked about the bus livability grant. He explained that it was a grant to study bus viability in the city. He had read “that USCB was working on something,” but when he asked about it at the Northern Beaufort County Implementation Committee, “It just sort of died.” Mr. Martin indicated where it was in the Office of Civic Investment binder, and Mayor Keyserling added, “It’s in process with the county.”

Mr. Verity said the Redevelopment Commission has had meetings with the hospital about their expansion. They have met with them twice to get in tune with what they’ll want to do and how it fits in with Redevelopment Commission plans.

Mayor Keyserling asked where they are in Sector One. Mr. Martin said they’re working on the project book for the Redevelopment Commission. They are also finalizing the Sector One charette book, code, and other items that will come through the process. The code will have to go through various steps that he described preceding its adoption. They “are also working with the real-time folks, like Steve Tully,” to look at retaining the community garden space with the Open Land Trust “to look at master planning those areas as well.” They’re getting daily calls asking what to do with pieces of property.

Sectors Two and Three will be combined in one charette, he said; that will happen at the end of September, beginning of October. Mayor Keyserling asked if they will come back to the public when Sector One is completed. Mr. Martin said there will be different groups for different items. Mr. Verity said “the goal is to get out there and demonstrate what the vision looks like”; they are approaching various forums and Demetri Baches and Mr. Martin are creating a 15-minute slide show for that, which they will show council first.

Mr. Martin said a SCAD intern has created a complete model of Sector One and they can now look at existing conditions. They also led students from Clemson through the process, and they'll have students working for them this summer as well.

Mayor Keyserling asked about the "paint can projects" and Mr. Martin said they're working with the DOT to "maintain the paint." Mr. Dadson said they have an encroachment agreement application based on the Office of Civic Investment's work. He explained the future steps in these processes. Council's approval will be required. Mayor Keyserling said he got a nice letter from the chair of the commission. Mr. Dadson said DOT was involved in the charette process thanks to the Office of Civic Investment and that is helping.

**Alan Deschovitz** represented Joe DeVito on behalf of the JMPC. Mr. Deschovitz said the JMPC feels as if it's been working together for a long time. There are only minor differences of approach to issues that come before the commission. Mayor Keyserling said he was pleased to see the county's Natural Resources committee quoting the JMPC and following its recommendation. A discussion followed of the particulars of this between Mr. Deschovitz and Mayor Keyserling. Mayor Keyserling said that indicates respect for what the JMPC is.

Mr. Deschovitz said if the Redevelopment Commission is doing projects on Bladen and Duke that hinge on form-based code, they have been asked their general attitude. The JMPC is favorable to continued expansion of it, assuming its success in the smaller area. They have had numerous rezonings in the Allison Road area, in regard to the hospital projects. They have concern about commercial zoning beyond the thoroughfare for the sake of residents; they "don't want it to encroach on stable private properties." Mr. Verity said he understands what Mr. Deschovitz is saying, and it will be a challenge for the hospital.

Mr. Deschovitz said the JMPC finished a proposed draft of the short-term rental ordinance for Council, and it will be coming to them. This recommendation has the potential to solve the problems raised over the last 6 months.

Mayor Keyserling asked how the Planning Commission dovetails with the development of the form-based code. Mr. Martin and **Libby Anderson** came to the table to explain. Mr. Martin said it would be an administrative rezoning of properties. It depends on how the form-based code is applied, he said. In the Sector One charette, there were 4-6 zoning districts proposed. Ms. Anderson said there would be rezoning and the adoption of new code. It will go to the Planning Commission for rezoning and adoption of code, then to council for public hearing and first and second readings. Mr. Dadson said "a steering committee will litmus test blocks to see what works." The Office of Civic Investment with the Redevelopment Commission will test a lot of things with various markets so that by the time it gets to the Planning Commission, it has gone through an extensive vetting process and then a strategy can come out of it.

Development, application, and monitoring of the code are all potential pitfalls to the form-based code, Mr. Martin said. Other codes shouldn't be imported to Beaufort, and when going

through the code, many municipalities will adopt first, then try out later, and that's a pitfall. Commission and council members and other parties need to be educated and walked through "pseudo-applications." Finally, after adoption, the code must be monitored following its adoption.

Mr. Deschovitz said the City of Beaufort has proceeded in such a way as to avoid these pitfalls thus far. Mr. Martin said that's correct. Mayor Keyserling asked "if Midtown is testing." Mr. Martin said it could be, and they are learning about the technical aspects of infill because they have been in on it from the beginning. The barriers to infill development can be seen and then incentives designed. Mr. Verity said they are doing nothing that would risk the historic designation. They are pleased that their initial concerns were assuaged. It's an important issue, and they meet with the Office of Civic Investment and Pete Palmer regularly to stay up to date on these issues.

Mr. Martin said the National Landmark District has principles of integrity it must follow. He asked if they are at risk by adopting form-based code and new zoning and was told that only if the integrity of the Historic District was at risk. The structures being built at Midtown don't damage that integrity. Also, the Certified Local Government status process is the same as Bluffton's, and they haven't lost theirs. He's not heard that the Historic District Review Board will be dismantled or will not have a part in the adoption of this process.

Mayor Keyserling said "some boards and commissions will have to change the ways they look at things." Historic Beaufort Foundation and the Historic District Review Board "will participate on the front-end instead of the back-end." Mass, scale, placement on lot, and relationship to existing structures are the main obstacles, and those will be really gone with form-based code. They "won't wait to react to something and will have their shot on the front end."

Councilman Sutton said "this is a paradigm shift that has to happen." He said that no one has answered his questions about available grant monies. He thinks they should maintain their historic status. Councilman Sutton said the boards need to get out of the way and help solve a bigger problem. The city has to be steadfast in their desire to change the coding. Councilwoman Beer said they're going into the future.

Mr. Deschovitz said he sees form-based code as a redevelopment code, not a historic preservation vehicle. He has heard that people find the Northwest Quadrant unacceptable in terms of its blight, which is not historic. In the absence of development around the properties that are desirable to preserve, they will not be able to do that because they will fall to the ground. Councilwoman Beer said "this was not done in secret" and stated that "those who didn't participate in the process shouldn't gripe."

**Vicky Verity** said she's surprised there isn't more buzz around town about what the Redevelopment Commission is doing. Mayor Keyserling said next month they will have the board and commission chairs meeting monthly "to discuss these kinds of issues," so the committee chairs will know what their roles are in this "paradigm shift" and "how their roles

will need to adjust.” Mayor Keyserling said the Zoning Board of Appeals can find out what, if any role, they’ll have, as will the Design Review Board, Historic District Review Board, and the Tree Board.

**BOARDS AND COMMISSIONS INTERVIEW – TREE BOARD**

**William Waskiewicz** was interviewed for a position on the Tree Board. **Liza Hill** updated Council on what the Tree Board is doing currently. They have delineated areas and discussed with providers undergrounding utilities for tree issues. They are looking at the individual trees’ health. She explained how the areas were chosen, i.e., which are easiest to loop. Ms. Hill went on to explain what Mr. Waskiewicz’s job would be on the Tree Board if he were appointed to it.

There being no further business, the meeting was adjourned at 6:15 p.m.

A regular meeting of the Beaufort City Council was held on May 24, 2011 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, Mike Sutton, 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 7:00 p.m.

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

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

### **MINUTES**

The minutes of the work session and regular meeting on May 10, 2011 were presented to council for review. **On motion by Councilwoman Beer, second by Councilman McFee, council voted unanimously to approve the minutes as written.**

### **ORDINANCE REZONING PARCEL OF PROPERTY LOCATED AT 804 WILMINGTON STREET, FROM GENERAL COMMERCIAL DISTRICT TO GENERAL RESIDENTIAL DISTRICT**

Councilwoman Beer, second by Councilman McFee, made a motion to approve the rezoning on second reading. Councilman Sutton said this was a land-locked, commercially zoned parcel, and this brings it back to residential, reversing a trend that may never have actually worked. **The motion passed unanimously.**

### **ORDINANCE REZONING A PARCEL OF PROPERTY LOCATED AT THE CORNER OF BLADEN, PRINCE, AND NORTH STREETS, FROM OFFICE COMMERCIAL DISTRICT, TO BLADEN STREET REDEVELOPMENT DISTRICT**

Mayor Keyserling said the revised ordinance is for two lots. Councilwoman Beer, second by Councilman McFee, made a motion to revise the rezoning to both parcels – 657 and 658 – for this second reading as was passed on the first reading. Ms. Anderson said both lots are undeveloped. Both parcels were included at first reading with the overall Bladen Street Redevelopment District. Councilman Sutton asked if the city owned a parcel near it. Ms. Anderson said 14 parcels were originally for rezoning. She indicated one of them, zoned Office Commercial, that the city owns. **The motion passed unanimously.**

### **ORDINANCE ADOPTING FY 2012 BUDGET**

Councilwoman Beer, second by Councilman McFee, made a motion to adopt the budget on first reading. Mr. Dadson said council will have work sessions on the budget the following Tuesday, followed by public hearings and a proposed second reading on the June 28.

Mr. Dadson said this budget is very similar to last year's budget; a rise in costs due to health care is attributable for a 7% increase. It keeps the same millage rate for General Fund

operations. Staff assigns a series of expenditures in the fund balance for certain purposes, e.g., fire equipment, ABC permits, etc. On the expenditure side, expenditures are higher than revenues, which are flat. There's not a lot of movement in permits, fees, or taxes. The garbage fee stays the same per household.

Mr. Dadson said Council can discuss the items they want to have long-term and short-term debt on. They are continuing to work with the county on form-based code, transferring money to the Redevelopment Commission, and finishing the Sector Two and Three planning process. They will "actualize projects in their capital funds," such as mast arms, so they'll be moved over to the General Fund. Whether to convert capital expenditures to debt will be their most important decisions. There are the same number of employees as last year and various contractors to pay, Mr. Dadson said.

The 2013 budget will be the biggest challenge for council, Mr. Dadson said. Since revenues will be less, they "probably will want to expense things out." The following fiscal year for revenue is the greatest concern. 15-17% property value may be where they are, but they won't know until an assessment is done.

The cost structure has been lowered the last couple years. While the price of gas is up, and is likely to stay that way, they have budgeted for that cost adjustment, but they don't know what it will do. Carrying over debt without an assigned revenue source will be a question in the future. There is a lot of uncertainty past this fiscal year. They will continue with the Boundary Street and Bladen Street projects and other things already accounted for in the budget.

Another concern is how business licenses will react, and they feel right now they're at a stable point. They have been budgeting it lower, Mr. Dadson said, but there's uncertainty. Licenses and permits includes building permits, and they're up some, and that's encouraging. It's being buoyed by larger tract permits by builders like DR Horton.

Mr. Dadson said the next two work sessions will include department heads. There will be no tax increase, no increases in stormwater or garbage fees, and the same level of services and employees they currently have. Mr. Dadson said "a lot of hard work" enabled the city to accomplish this.

Mayor Keyserling asked about a few items that are increasing, and Mr. Dadson said those are for streets. Mayor Keyserling added, "rolling in the costs and fee structures, \$77 million is the total mill value" in response to a question from Councilman Sutton. Mr. Dadson said tax collection rates are fairly good for the city. Councilman Sutton said it looks like an increase in some line items, and Mr. Dadson reviewed where those are. He said council "has done a good job watching your pennies." **The motion passed unanimously.**

#### **ADOPTION OF LEVY OF TAXES FOR FY 2012**

Councilwoman Beer, second by Councilman McFee, made a motion to adopt the levy. **The motion passed unanimously.**

**RESOLUTION SUPPORTING BEAUFORT COUNTY'S EFFORTS TO ESTABLISH A PILOT TRANSFER OF DEVELOPMENT RIGHTS (TDR) PROGRAM**

Councilwoman Beer, second by Councilman Sutton, made a motion to support the resolution. **The motion passed unanimously.**

**PUBLIC ASSEMBLY/PARADE REQUEST FROM THE MEMORIAL DAY PARADE COMMITTEE TO HOST PARADE MEMORIAL DAY PARADE**

Councilwoman Beer, second by Councilman McFee, made a motion to grant the request for the May 30, 2011 event. **The motion passed unanimously.**

**REQUEST TO UTILIZE THE DOWNTOWN MARINA FOR THE ANNUAL RIVER SWIM EVENT**

Councilwoman Beer, second by Councilman McFee, made a motion to grant the request for the June 18, 2011 event. **Pete Palmer**, 1401 North Street, is the chair of the committee behind the event. He said the River Swim is 2.3 miles. In 2007 they had 30 swimmers, and they hope to have 150 this year. Councilman McFee asked the entry fee and Mr. Palmer said it's \$30, but it goes up closer to the day of the swim. On the day of the event, it is \$50. **The motion passed unanimously.**

**ADJOURNMENT**

There being no further business to come before city council, Councilwoman Beer made a motion to adjourn, seconded by Councilman Sutton. **The motion was approved unanimously,** and the meeting was adjourned at 7:26 p.m.

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