

A work session of the Beaufort City Council was held on September 27, 2011 at 5:00 p.m. in the Planning Conference Room, City Hall, 1911 Boundary Street. In attendance were Mayor Keyserling and council members Donnie Ann Beer, Mike Sutton, Mike McFee, George O'Kelley, and Acting City Manager Kathy Todd.

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

Jon Verity, Redevelopment Commission Chair, said the commission has been busy, beginning with a meeting with local bankers in regard to the Lowcountry Housing Trust. Despite initial trepidation, Mr. Verity felt that the bankers were more enthusiastic at the meeting's end, thanks to Michelle Mapp's presentation. Each bank has reassured the Redevelopment Commission that they want to work with it.

The housing committee has reviewed homes identified for marketing. 1405 Duke Street has been sold. **Libby Anderson** has helped list four homes that are continuing violations, including one that is a Historic Beaufort Foundation priority to preserve. Higginsonville representatives were met with; the city owns a piece of property on Lafayette Street. There has been discussion about a variety of home types that might be appropriate for that property. Habitat for Humanity is looking at historic houses to see what might fit in their program. Also, Commissioner Keith Waldrop had investigated a receivership law in Baltimore that might be of value in Beaufort. Ms. Anderson said there's a law in Walterboro that is very similar to that one. Mr. Verity said the objective is to get to the properties and "not just let them sit."

On the commercial committee, the Lipsitz building has been purchased by a professional real estate developer. The Redevelopment Commission will provide him with as much help and information as possible, Mr. Verity said. The upper floors may be apartments.

The Office of Civic Investment has been conducting focus groups for Sectors 2 and 3. Mr. Verity feels the participation has been good. There's been interest in utilizing vacant and abandoned buildings as well as comments about stormwater, sidewalks, and undergrounding wiring. The charette started today, Mr. Verity said, and he showed a map of Sectors 2 and 3. The hospital and TCL both plan to expand and have shared some of that information for the charette. He said he has "high hopes" about the results of the planning.

Craig Lewis, Office of Civic Investment, discussed the Sectors 2 and 3 map. After this charette, the Office of Civic Investment expects to have plans for "80-90% of the key areas in the city." Councilman Sutton said he encouraged continued partnerships with Historic Beaufort Foundation, etc., "on the residential piece to keep focus on the dead properties." He challenged the Redevelopment Commission to find a fund for stabilization money to preserve structures

that could be saved, not just wait for a volunteer to do it. Many of the owners can't afford to do it themselves, he said. A funding stream could be created to help preserve these houses that the city wants to save. This is the third generation of planning to save buildings, but "there's still not the most basic funding." There needs to be a plan to save these buildings, Councilman Sutton said, or when the owners say they can't comply with code requirements to make the building sound, and want to take it down, they should be allowed to do so.

Mayor Keyserling agreed and said when **Josh Martin**, Julie Goode, and Brenda Dooley did a walk around Beaufort, Mr. Martin presented the most critical homes to save from a historic point of view. This was about 60 days ago. Mayor Keyserling has spoken to a Historic Beaufort Foundation representative. \$100,000 in private money could be found to save the most important houses to be stabilized, and there's interest in contributing to this sort of effort.

Maxine Lutz said the historic house that came down this week has been a matter of concern and much communication with the owner since the 1980s, but "you can't work with an owner who doesn't want to be worked with." Mayor Keyserling said money is an issue for many owners. Either Historic Beaufort Foundation can get involved, or if their plate's too full, someone should go out and find others to do it. Ms. Lutz said they have "money tied up in other houses." Mayor Keyserling said that's fine, and the city can find other sources for funding support, then. Having an agreement on which houses are priorities is a good first step.

Councilman Sutton said city council might need to change the ordinance so that if a house is being stabilized or boarded up, there should be a sign on these non-habitable structures with the name of the legal owner and information to show who owns the property.

Mayor Keyserling asked about a house at Broad Street and Burroughs Avenue where there was a fire. Ms. Anderson said they have a demolition permit for the structure. Neighbors are concerned. The owner wants it to come down, but there are ongoing insurance issues. There's a house on Frazier that needs to come down from a fire, too, but the phone number they have for the owner isn't working. Ms. Anderson said they will track him down. Councilwoman Beer said she thinks the owner is in the Marine Corps.

Mayor Keyserling said city council is asked frequently about the neighborhood's perception or expectations of Southside Park and the linear park / Rail to Trail. Mayor Keyserling has heard that there is less interest in a passive park and more in an active one, i.e., ball fields. The original group who spoke out about it was dead set on a passive park, he said. Mr. Lewis said the recent "population at Mossy Oaks Elementary was a different one than they've heard from before," so they "need to explore that a little bit." He's heard "overwhelming support for Rail to Trail."

Councilman O'Kelley said those against the trail are concerned about "undesirable people," but that is likely to happen *without* the trail, now. Mayor Keyserling said they need to enlist those who will oppose this and need to be educated about it.

Harley Laing said he wants to ensure that the Planning Commission does what it can to facilitate the projects that have been discussed and to ensure that the Planning Commission and the comprehensive plan “don’t become irrelevant.” He advocates the Planning Commission listing year by year projects, which are now in the comprehensive plan, but said that is “already outdated, I’m sure.” The Planning Commission can have a facilitation role. Mayor Keyserling said the HDRB and DRB will have to reinvent themselves, and so will the Planning Commission, over the course of this planning. The new code will allow the Planning Commission to “take the bigger picture” when form-based code is in place, because they won’t have to do what they used to. Mr. Lewis said the Planning Commission will be busier than ever when they go through drafts of the form-based code. There’s a draft from the county consultant that’s being pared down and then distributed in the next 6-9 months to the boards. Mr. Laing said the sector planning discussions provided different ideas than the focus areas in the comprehensive plan planning. **Demetri Baches** said the comprehensive plan language is behind all of the planning; the “internal philosophy” of the comprehensive plan doesn’t change.

John Dickerson asked, when the presentation for the Planning Commission is made, if they would invite the DRB and HDRB. Mr. Lewis said yes.

Mayor Keyserling introduced **Kathy Todd**, the city’s new Finance Director.

PRESENTATION: TIGER III GRANT FOR BOUNDARY STREET REDEVELOPMENT DISTRICT

Mr. Lewis said the TIGER funding is stimulus funding for which they are applying with partners including the county. They will put together a \$12-14 million grant application. They have “a very strong story” to tell, and they hope that they can “build out the whole Boundary Street plan” with it. SCDOT has told them that the information they need on curb cuts is “imminent.” They expect notification about whether they receive the grant in February or March. Mayor Keyserling said the city has about \$12 million already; Mr. Lewis said they are matching it “at at least \$7 million.” Possibly, in the next few years, they could have Boundary Street and the Rail to Trail completed.

Reed Armstrong asked about the traffic circle on Boundary Street that had been discussed in the past. Mr. Lewis said a T-intersection would work better, the Office of Civic Investment feels, from a “civic design standpoint” and in regard to pedestrians, but they have to “rehash the traffic model.” Mr. Baches said for pedestrians, it’s “like walking across an off-ramp” to cross a traffic circle.

Councilman O’Kelley said when he was on city council in the past, and they passed the Boundary Street development plan, it was thought to be a 50-100 year project, so he’s surprised to hear that it may be done in 3 years, as well as the parallel roads. Riverview Baptist Church is of interest to Councilman O’Kelley, as are some other areas where the property has not been acquired; he’s curious about what will be done with those properties when building the parallel road. Mr. Lewis clarified that he meant there will be a parallel road *for those properties that they have ownership of* or can acquire the land for “substantial pieces” of the

parallel road, though the road will “meander a bit” around those properties they don’t have. Mayor Keyserling said 2 -3 blocks were taken at Hogarth to gain control of right-of-ways.

Councilman Sutton told Councilman O’Kelley that because there wasn’t enough funding, they had decided to just do the Boundary Street redevelopment in phases, and city council agreed. They’ll use the areas that the city either owns or has access to own to make it work. Councilman O’Kelley asked about “the status of the Trask family and the triangle” and if that would be a part of this. Mayor Keyserling said yes, and they would start there to show what it could one day be like. There’s an anxious developer, Mayor Keyserling said, who’s ready to build. The problem, Mr. Lewis said, is with the DOT, which doesn’t want to slow down traffic as much as the Thomas and Hutton engineers do.

There was general conversation about speed limits in different parts of the city. Mayor Keyserling said there’s a desire to paint the sharrows (shared lane markings) but some want vinyl which is in the code but is more expensive and potentially dangerous to bike riders because it’s slippery.

DISCUSSION OF DESIGN EXCEPTIONS UDO AMENDMENT

Ms. Anderson said at the last public hearing the UDO amendment was discussed, and the chairs of the boards and commissions were asked to join the work session. **Joan Sedlacek** (ZBOA), **Joel Newman** (HDRB), and **Mr. Dickerson** (DRB) were present for that purpose. Ms. Anderson said there were two proposals of interest: design exceptions and non-linear additions. Mayor Keyserling explained what the proposals are.

Councilman Sutton said the closeness of the lot lines in the Historic District will make the encroachment proposal of most interest. There can potentially be larger structures there; currently they’re limited to the furthest projection aft of the house. Ms. Anderson said they can’t go into the setback area. The HDRB can say, based on design, if it makes sense, that they will grant a 35% waiver. The board could approve it through a design exception. Mayor Keyserling said this is an example of making life “simpler and more predictable for property owners.” The ZBOA wouldn’t see these cases anymore, and HDRB would have another consideration in its design approval.

Mr. Newman said he doesn't know the regulations well, but his impression is that this “makes it more elastic” and gives more opportunities for these properties because of the change. The “guardian of it” will be if it’s “the appropriate use of their rights.” Councilman Sutton imagined a scenario for a lot *outside* the Historic District and said he feels this is an important step forward, and the 35% would be the design standard that would allow this. Councilman Sutton said developers go to private landowners to increase the properties’ value. Mayor Keyserling said the issues are the space and the form; there will be fewer guesses as to form. Problems occur outside the Historic District where there’s “not been calibration down to the form for the future form,” which means there can be a lot of guessing.

Mr. Lewis said two models were looked at. In the transition period, there's no code yet. There were requests going to ZBOA for new development which in legal terms are difficult to justify. It's a design matter, and the Office of Civic Investment thought it would be better for that to go into the hands of the design boards. Also, in the code today, the zero lot line development allows for most of this already, but has "a couple of funky provisions," e.g., the "need to provide open space." In two lots in the Historic District, this doesn't make sense. Ms. Sedlacek said she only remembers one subdivision / group of houses coming before the ZBOA. She recalled the discussion and decision in regard to garage placement. Mr. Lewis said the hospital was another project that came before the ZBOA. It's a design issue and not a variance issue. It should be in the purview of the DRB.

Mr. Dickerson said the hospital "really was a design issue." The proportions were correct, and the height was appropriate for what it is to be used for. The ability to make a minor change in the variance would have eliminated the need to go before the ZBOA. This would improve the process without having an impact on standards. Councilman Sutton said that had lots in the Historic District been subdivided, it would change them dramatically. Ms. Anderson said that would be a perfect example of a case that would come to the HDRB now. Mr. Lewis said they wouldn't have to go through a "hardship test" now. The ZBOA is bound by the hardship test, but the design boards won't be, plus they can look at it in context. Mr. Newman said all the covenants need to be more elastic and individually judged, without concern for "precedent" but instead for "context." Mr. Dickerson said the design boards can and do look at properties in context.

Councilman McFee said the design boards still must see that the design standards are met, which makes more sense than the ZBOA looking at it. Mr. Dickerson said with Milner, HDRB has clear guidelines, but the DRB has some guidelines but not the incentive for creative design that Milner allows. The DRB has asked Office of Civic Investment to come up with a concept for what the Lowcountry look and feel *are*.

Councilwoman Beer thanked those who participated in the 9/11 ceremony and the Lt. Dan Weekend, the latter of which she said drew an older crowd than many festivals and had "less irritating music" than other events. The veterans were very appreciative, she said, and shared a story about a vet whose interactions with other severely disabled vets helped him.

Councilman McFee said the parade for the Tricentennial is on the county channel. Mayor Keyserling thanked Councilman McFee for "pulling teeth" for the parade.

Mayor Keyserling said there's been work with USCB to demonstrate interest in them growing. There's been a scholarship drive to raise money for 25 full-year scholarships, and to-date 54 have been raised for \$216,000 worth of scholarships for the community.

Mayor Keyserling said that Bill Harvey has asked to have included in the regular session agenda an item about the city giving up its rights to a parking spot behind the former Beaufort

Bookstore on Bay Street. Permission for the CAPA / Exchange Club ghost tours has been added to the agenda as well.

There being no further business, the meeting was adjourned at 6:28 p.m.

A regular meeting of the Beaufort City Council was held on September 27, 2011 at 7:00 p.m. in Council Chambers in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, Mike Sutton, Mike McFee, George O'Kelley, and Acting City Manager Kathy Todd.

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.

Councilman McFee made a motion to add items to the original agenda items in regard to permission for ghost tours, the presentation on the fund balance policy, and a request for the release of property on Bay Street that the city currently owns. Councilwoman Beer seconded the motion. The motion passed unanimously.

PUBLIC HEARING: REVISING SECTION 5.1 OF UNIFIED DEVELOPMENT ORDINANCE TO PERMIT SINGLE-FAMILY DWELLINGS AND TWO-FAMILY DWELLINGS IN THE CORE COMMERCIAL ZONING DISTRICT IN EXISTING STRUCTURES.

Mayor Keyserling opened this public hearing. Ms. Anderson said this is an amendment to the UDO. The downtown area is bounded by Bay, Charles, Craven and Carteret Streets. The ordinance doesn't allow single-or two-family-uses in the downtown area. There are at least 2 historic structures originally built as residential structures. They've been converted over time to various commercial uses, but there's been recent interest in reconverting a building's use to that of a residential structure. The Planning Commission recommended approval earlier this month.

Edward Zimmer said he lives at 807 Scott Street and has a contract on a former single-family home that he wants to convert back to a residence, so he supports the approval of this UDO revision.

Councilman O'Kelley asked Ms. Anderson if at one point this was permitted and "there was something on the books" about it. He referred to apartments above the jewelry store on Bay Street. **Jeff Evans** said there are offices on the water side of Bay and living spaces "on the street side." Ms. Anderson said "upper story residential development" is permitted in the downtown area and all commercial districts. This allows a building's *primary use* to be a single-family dwelling. Mayor Keyserling closed this hearing.

MINUTES

Councilwoman Beer made a motion, second by Councilman McFee, to accept the minutes of the September 13, 2011 work session and regular meeting. Councilman McFee noted that on page 10 of the minutes, under the ordinance for the tax levy, in the 4th line down, the minutes say that “in the last two years, the city has approved...” and it should read “the city has *improved...*” **The motion to approve the minutes as corrected passed unanimously.**

Councilwoman Beer made a motion, second by Councilman McFee, to accept the minutes of the September 20, 2011 work session as submitted. The motion was approved unanimously.

AMENDMENTS TO TOURISM MANAGEMENT ORDINANCE

Councilwoman Beer, second by Councilman Sutton, made a motion to approve the ordinance on second reading. Mayor Keyserling said what is before city council now includes the TMAC recommendations from city council’s last meeting. **Rose White** said some changes are needed “to help us with these big bus groups that come in.” They have to turn some of the business which they bring in away, or else turn some of it over to their competition. She asked for help with this. She said she realized that there were issues in the past of actions taken in violation of ordinances, but those ordinances weren’t enforced. She asked city council to consider helping their carriage company with this issue. If council did so, their company “can bring in more ships and buses that will spend money downtown,” and she would like those they bring in to be on her tours, not her competition’s. She said she assumes her competition would want the same things for themselves. She also asked, when city council is setting minimum bids, that they consider the poor state of the economy.

Councilman O’Kelley asked Ms. White about the big bus groups and how many of them come in daily, weekly, or monthly. She said in March, there may have 3-4 a day, not all of which take tours. In April, May, and October, there are more. In July and August, there are none.

Councilman O’Kelley asked how long these visitors stay in town. She said 2-3 hours, usually.

Councilman O’Kelley asked the rotation time between the two companies’ tours. She said tours are every 20 minutes. Councilman O’Kelley said then they could get three tours out an hour, and in an hour and 10 minutes, each company could get out two, carrying 16 people. He said between the two companies they could all get the tourists out on tours during the 3-4 hours they’re in town. He said tourists also have other touring options. If that many buses are coming to town, it seems like between the two companies, everyone could be happy with the rotation. Ms. White said if *she* has a contract signed with a bus company, *she* would like to put them in *her* buggies. Some people don’t want to get in another bus or are too elderly to walk.

Councilman O’Kelley asked, if a bus company says there are 48 people coming on a given day, how the tour companies handle it. She explained how the schedule works. She said if she pays to advertise, she doesn’t feel she should have to lose money by putting it in someone else’s pocket.

Councilman Sutton said there’s not yet a single buggy company, and there may not be. If they’re marketing something that they don’t have the right to sell, “what’s happening is what will happen.” He said it seems impossible to say one company can have *all* the rights to any of

the people on the buses that they have marketed to. He said he hears Ms. White's plea, but feels like the rotation problem is already difficult enough, and it's "almost impossible" to help her on this issue. Ms. White said cutting off tours after 5 pm also limits the tours they can do for both companies except on Thursdays.

Mayor Keyserling asked **Heather Winch** if this matter had been discussed at TMAC and this was the only solution that had been arrived at. Ms. Winch said yes, this was discussed. There was a problem in the past with a company that isn't in business anymore and violations in terms of greeting these buses. 48-passenger buses can be put, 16 people at a time, on a buggy, so the time period has to be an hour and 20 minutes or so, if they're on time. Mayor Keyserling said ideally, Main Street Beaufort would meet the buses and work together as a community and give shopping tours. He said he finds it regrettable that in this industry, there's fierce competition, and the personalities involved have made it impossible to come up with solutions that everyone can agree on. The past abuses have added to that difficulty.

Councilman McFee clarified the Thursday expansion of carriage tour hours. Ms. Winch said the wording changes weren't made following the last TMAC meeting; it was in a memo and will be changed in the final ordinance. In regard to the 3-block separations, if a non-local company is involved, Councilman McFee asked if they are subject to the three-block rule. Ms. Winch said yes. Councilman Sutton asked if the VCB made the tour operators from out of town aware of this. Ms. Winch said they could ensure that the VCB was making them aware that it applies to ALL vehicle tours.

Councilman O'Kelley said this document is a living document and is subject to change. There will be oversight and input, and city council and staff can revisit it if necessary. If the committees, tour vehicle coordinator, etc. see the need to fix something that is wrong, appropriate matters can be brought to the city manager, and then they will come to city council. Ms. Winch said when the final equine veterinarian recommendations come in, they will be changing the ordinance in a month if there are additional animal welfare items that need to come up.

Ms. Winch went on to say that there will be an access/egress point at the VCB for mid-sized vehicles. Vehicles are allowed to pull over at various points throughout the city.

Councilman McFee said his motion would be based on the memo of adjustments following the first reading that referenced the discussions at a TMAC meeting. He said he's "good with the removal with bidding for the bus slots." Councilman Sutton said that's not part of the original ordinance. Mayor Keyserling said they are incorporating an ordinance that has passed first reading plus additional TMAC recommendations since then; Councilman McFee said, "That is with the exception of that one recommendation." Ms. Winch said the changes and additions were not incorporated into a revised document. Councilman Sutton suggested keeping them separate. Ms. Winch said it was item 1 on the follow-up to the TMAC meeting.

Mayor Keyserling said the motion would be to amend what was passed on first reading by adding the TMAC recommendations, with the exception of the first one that refers to bus rotation. Mayor Keyserling said the documents haven't been put together; they need to be merged, and then they can take out the concern in the final version.

Peter White asked Councilman McFee what led him to change his mind on this disputed item. Councilman McFee said he didn't have a change of heart. There's no reason, he feels, to have a different process for the non-buggy vehicles. He doesn't feel they need to regulate something which doesn't need regulation. Councilman McFee said the bidding process is a regulatory process, and they have not had problems with the buses. Councilman Sutton said the Whites might have an opportunity to apply for a bus slot just as their competitors got theirs with the increase from 4 slots to 6. Councilman Sutton said he hopes the Whites are first to put a blue bus on the street during inclement weather.

Councilman McFee said this is a fluid document, as Councilman O'Kelley said. They may reconsider putting bids on the buses in the future, but there is no need to regulate something *now* that they haven't had regulatory issues with. Mayor Keyserling said he feels this will give the Whites what they've wanted.

Mr. White asked when the amount of the minimum bid will be determined, and Mayor Keyserling said at tonight's meeting. Ms. White asked when they will be able to apply for a bus license. **Ivette Burgess** said it would follow the same course as with the buggies, meaning January 1. Ms. Winch said by ordinance there's a bid process that will commence relating to buggy tours on October 1. That's the standard procurement process for those bids. In regard to the buses, they would mimic the carriage tours, Ms. Winch said. She said the ordinance would take effect as of second reading. Awarding of bid slots would be effective January 1.

Mayor Keyserling said people who want a bus slot "could apply tomorrow." Ms. Winch clarified that yes, there will be potentially two additional slots available for in-town bus slots as of tomorrow. Councilman Sutton asked how this will work. Ms. Winch said those interested in applying were discussed at TMAC meetings. She didn't know whether public notice was required. Councilman Sutton said the bidding process is what's proposed. There are other criteria in play, though.

Ms. Winch said there will be other requirements for being a mid-size vehicle operator that "must be ready to go." Those who are ready would have priority over those who "might eventually have those things," but they didn't address it from that point of view, she said, because "people were just interested in the additional slots."

Councilman Sutton said they should have a letter of intent to operate. Ms. Winch said they could submit it but would have to go through inspection requirements and other elements of the process. Councilman Sutton said the 9/14/11 document will be merged with the changes and additions.

Councilman Sutton amended his motion to merge items 2, 3, 4, and 5 in the 9/14/11 memo with the TMAC recommendations to create one document. Councilwoman Beer seconded his amendment. Councilman Sutton read those items to be included. Item 1, in regard to the bid process for the mid-size vehicle slots, is to be omitted. **The motion passed unanimously.**

Councilman Sutton made a motion, second by Councilman O’Kelley, to pass this amended memo and ordinance on second reading. Evelene Stevenson asked if part of the application was to come to city council. Councilman O’Kelley said a application would come to staff. Mayor Keyserling said “it’s whatever the ordinance says.” Councilman Sutton said it was for a taxi license that Ms. Stevenson came to city council. Ms. Stevenson asked about the out-of-town companies. Councilman McFee said that would remain the same.

Adam Sauers asked about the original revision to the ordinance in regard to electric carts. He said he can’t apply for a bus license if he doesn't know if carts qualify. Councilman Sutton said they're not creating a separate electric vehicle tour business opportunity. They are trying to allow a mid-sized vehicle to operate in one of the four bus slots. Section 711024, Ms. Winch said, applies to electric vehicles. Ms. Winch said all it says in the ordinance is “electric vehicles.” Councilman McFee said an electric vehicle could be a mid-sized vehicle, and inspections, etc. apply. Mayor Keyserling asked if the requirements for a van were the same as for a cart. Ms. Winch said yes. Mayor Keyserling said city council can get the checklist to Mr. Sauers.

Ms. Stevenson said when she got her taxi permit, she did so voluntarily. If she was only running downtown, she wouldn’t have needed it, but she planned to go on county and state roads, so Mr. Sauers wouldn’t need to meet limousine / SC state regulatory requirements if he’s staying downtown. Ms. Winch said there’s a section in the ordinance that a taxi permit would be affixed to every mid-sized vehicle if they are licensed under the ordinance. Mayor Keyserling asked if a golf cart can meet those standards for mid-sized vehicles. Ms. Winch said there are pictures of the vehicles being proposed. It was discussed in TMAC but it’s not in the ordinance. **The motion was approved unanimously.**

Mayor Keyserling said the city manager’s recommendation on carriages minimum bid was that it should be \$35,000. Councilman Sutton made a motion that the minimum bid be \$35,000, second by Councilman McFee. Mayor Keyserling said the city manager suggested that these are the “true costs” of enforcing the ordinance. Mr. White said he’d “be amazed if you get a bid” at that minimum. Councilman McFee said they’d have to revisit it, then. Councilman O’Kelley said the amount gives him “heartburn.” Councilman Sutton questioned what value the city places on the carriages if this is the true cost to manage the tour businesses and is not otherwise subsidized. Five years ago, the minimum bid was \$10,000, Councilman Sutton said.

Mayor Keyserling said it seems exorbitant, but if people are going to call eight times in a day in regard to violations of the ordinance, as happened the prior week, and the tour vehicle coordinator has to respond, that’s the city’s cost, and he feels the city manager is saying he “will not subsidize this childish behavior.” If the behavior is going to be there, and “they need a babysitter,” the tax payers shouldn't have to pay for that baby sitter; the carriages should pay

for it. Councilman O’Kelley said he agrees, but Officer Able will be paid whether she’s working in the city or as a tour vehicle coordinator. He asked if her salary were considered in this and said he assumed it wasn’t. He drew the analogy of “rowdy drunks in bars” and how those are handled in regard to the police and payment for enforcement. Tour operators will lose their licenses for individual offenders, or businesses (like bars) can lose their licenses for serving. It seems unfair to him to punish the tour operators.

Councilman Sutton said the tour operators both won slots at \$25,000 5 years ago. He could support that level that they self-bid at before. Ms. Winch clarified that that is an annual fee, so it would be \$25,000 a year, not \$5000 a year over five years. Councilman O’Kelley said he didn’t think the city should set a high minimum bid like that. Councilman Sutton said he feels city council is responsible for recouping expenses. Councilman McFee said he agrees it’s high, but it’s a free market, and that’s what they bid to 5 years ago.

Councilman McFee made an amendment to his motion that the minimum bid be \$25,000. Councilwoman Beer seconded the amended motion. Ms. White said the economy is a lot different today than it was 5 years ago. There are fewer riders and carriages going out. Ms. Stevenson said she agrees with Councilman O’Kelley and Ms. White that the minimum at \$25,000 is still too high. There are fewer cruise lines coming in because they aren't getting the numbers of tourists. Bus companies are “dropping Beaufort increasingly since about 2005.” She agrees that the costs to the city are high, but \$25,000 seems too high. The carriage companies had to go to \$25,000 for their bids last time in order to keep their businesses. They were willing to pay it “to protect their investments.” Councilwoman Beer said the only reason city council is going through this process repeatedly is because the companies can't get along. Council has dealt with this issue for 20 years, she added.

Councilman O’Kelley said the bid amount is not on the agenda. Councilman McFee said it was supposed to be added but that wasn’t done. **Councilman Sutton withdrew his motion to set a minimum bid rate, and Councilwoman Beer withdrew her second. The motion passed unanimously.**

Councilman McFee, second by Councilwoman Beer, made a motion to add to the agenda the city manager’s request to establish minimum bid amounts on carriage tours. The motion passed 4-1, with Councilman O’Kelley opposed.

Councilman McFee made a motion to approve a minimum bid requirement of \$25,000. Councilwoman Beer seconded the motion. Councilman O’Kelley said he thinks “that’s too high.” There was otherwise general agreement among city council, but Councilman McFee said if no one bids on it at that rate, council will have to revise it. **The motion passed 4-1, with Councilman O’Kelley opposed.**

Mayor Keyserling answered Ms. White’s question, saying that, if only one company bids, the second slot would be open until it’s taken, and a second company would have to pay as much

or more for a slot. Ms. White asked if they can make quarterly payments as in the past, and Councilman O'Kelley said, "It's in there."

AMENDING THE CODE OF THE CITY OF BEAUFORT, SOUTH CAROLINA, ARTICLE 5, CHAPTER 2, PLANNING, TO ADD A NEW ARTICLE E ENTITLED "LOWCOUNTRY HOUSING TRUST"

Councilwoman Beer, second by Councilman Sutton, made a motion to approve the ordinance on second reading. Mayor Keyserling said he believes Port Royal has had first reading, and Ms. Burgess said they have done so. Mayor Keyserling said "we were just waiting for first (reading)." **The motion passed unanimously.**

MOTION TO APPROVE ACCOMMODATIONS TAX FY 2011 DISBURSEMENT RECOMMENDATIONS

Councilwoman Beer, second by Councilman McFee, made a motion to approve the recommendations for discussion. Mayor Keyserling said two years ago, he and Mr. Evans, TDAC chairman, had talked about the DMO (Designated Marketing Organization), and also colleagues in the Beaufort County Council "have had an ongoing feeling that the system was broken." To follow the law, money from hotels and restaurants is used to get people to go to hotels and restaurants in a self-perpetuating cycle. Mayor Keyserling said he has also had this conversation with Main Street Beaufort and the Chamber of Commerce Tourism division about finding a better way to do it.

Mayor Keyserling reviewed some of the requests and the awards the organizations were given and why. "The approach is fragmented," he feels, and no one is forced to talk to each other like the police department and fire department are. He doesn't believe that having three visitors' guides is as good as having "one exceptional guide." He proposes to table this and sit down with Mr. Evans and the tourism commission, plus one person from marketing to see if they can take the \$155,000 to be allotted and get \$300,000 worth of benefit from it. So the film festival, for example, would mail out promotions about the Gullah Festival, etc. Because what's being done is "just advertising, rather than showing people who we are." This way, there could be quarterly e-mail packages, some of which could be personalized with banners from the organization that is contributing the list. He said other city groups are asked to share dollars. He feels that every year it's said that "it's too late in the process to change the way things are done" and they should change that this year. He proposed a 2-week minimum to work on it.

Mr. Evans said the committee sees the need to leverage the available funding in a way to use it most efficiently and create the most possible from it. Organizations have certain constituencies, and if they're putting out the word in their publications, "this could be related to an organization that can do it in 15 minutes." Over the years, it's gotten complicated. The use of the Accommodations Tax money has become Balkanized, and with a few exceptions, it's not enough money to help anyone in a meaningful way, so he would welcome such a discussion.

Councilman Sutton said he feels that the organizations won't be adversely affected by tabling the approval for now for the suggested review. He feels that in this case, if it's not too late, he "could consider discussion." The VCB is being reinvented. The "ways DMOs spend money has

been resonating for months now.” That won’t solve this issue, he said. “The smaller pot in the bigger picture is stumbled on every year,” Councilman Sutton feels. He would like this funding stream to be married into the DMO somehow without taking it away from a public committee as the law requires. Councilman Sutton said it’s time to end the multiple guide books. He said he can’t continue to support this money paying for print ads that go out without any measurement of their effectiveness. The DMO should have a piece of group advertising as the mayor has suggested. He will support Mayor Keyserling’s tabling and hope that it can be made to work better.

Mr. Evans said everyone agrees that this can be done better. He feels the DMO must be included, and Mayor Keyserling said he saw that.

Councilwoman Beer took the gavel. **Mayor Keyserling, second by Councilman O’Kelley, made a motion to table disbursement of the Accommodations Tax recommendations. The motion passed unanimously.**

AMENDING THE CODE OF THE CITY OF BEAUFORT, SOUTH CAROLINA, ARTICLE 5, CHAPTER 2, PLANNING, TO ADD A NEW ARTICLE E ENTITLED “LOWCOUNTRY HOUSING TRUST”

Councilwoman Beer made a motion, seconded by Councilman McFee, to amend the code on second reading. The motion passed unanimously.

REVISING SECTION 5.1 OF UNIFIED DEVELOPMENT ORDINANCE TO PERMIT SINGLE-FAMILY DWELLINGS AND TWO-FAMILY DWELLINGS IN THE CORE COMMERCIAL ZONING DISTRICT IN EXISTING STRUCTURES

Councilwoman Beer, second by Councilman Sutton, made a motion to revise the UDO on first reading. The motion passed unanimously.

REVISING SECTION 9.2.E OF THE UNIFIED DEVELOPMENT ORDINANCE TO PERMIT LINEAR BUILDING ADDITIONS ON NONCONFORMING STRUCTURES

Councilman Sutton, second by Councilwoman Beer, made a motion to revise the UDO on first reading. The motion passed unanimously.

REVISING ARTICLE 3, “DEVELOPMENT REVIEW PROCEDURES,” BY ADDING A NEW SECTION 3.17 ESTABLISHING A PROCEDURE FOR ALLOWING “DEVELOPMENT DESIGN EXCEPTIONS,” AND DELETING SECTION 9.4.F PERTAINING TO SUBDIVISION

Councilwoman Beer, second by Councilman Sutton, made a motion to revise the article on first reading. Councilman O’Kelley said he has always had a hang up about notice being mailed to property owners within 200’, which he feels might be too restrictive and not tell everyone “who might have a dog in the fight” what is proposed. Ms. Anderson said the ordinance says 200’, but it’s the city’s policy to do 200’ or 20 different property owners, whichever is greater. Councilman O’Kelley asked Councilman McFee, if he were to do something at his house, if everyone within 200’ who would be affected would be notified. Councilman McFee said the 20 property owners option would cover all of them. Councilman O’Kelley said that’s not a requirement. In a densely populated area, it would be easy to have 20, and someone over 200’

wouldn't be included. Ms. Anderson said that's why it's whichever measurement generates more properties. Mayor Keyserling recommended a work session discussion on the matter of notification. **The motion passed unanimously.**

RESOLUTION AUTHORIZING FINANCE DIRECTOR, KATHY TODD, TO SIGN ON ALL CITY OF BEAUFORT FINANCIAL ACCOUNTS

Councilwoman Beer, second by Councilman O'Kelley, made a motion to approve the resolution. The motion passed unanimously.

MOTION TO APPROVE FUND BALANCE POLICY

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

REQUEST FOR STREET CLOSURE FROM MAIN STREET BEAUFORT FOR TRICK OR TREAT DOWNTOWN BEAUFORT EVENT SLATED FOR OCTOBER 27, 2011

Councilwoman Beer, second by Councilman McFee, made a motion to approve the request for the event. Androula Weiland said the time has been changed from 4:30 p.m. to 5:00 p.m. The motion passed unanimously.

REQUEST FROM THE EXCHANGE CLUB TO HOST THE 18TH ANNUAL GHOST TOURS

Councilwoman Beer, second by Councilman McFee, made a motion to approve the request for the event taking place October 14 - October 30. The motion passed unanimously.

Councilwoman Beer made a motion, second by Councilman McFee, to relinquish the city-owned parking space behind 808 Bay Street. The former bookstore property on Bay Street is being sold, Ms. Anderson said, and the parking spot in the back has traditionally been used by whoever owned or occupied the building. Part of it belongs to the 808 Bay Street owner, and part is owned by the City of Beaufort. The city has gained no revenue from it for decades, and the owner wants to be able to legally utilize the parking space on the property if the upstairs is converted to residential. In 5 years, it will belong entirely to the owner of 808 Bay Street. Councilman Sutton asked how much they are willing to pay for it. Mayor Keyserling said the incentive to get the upstairs developed is worth its \$10,000 value to the city. **The motion passed unanimously.**

REPORTS BY COUNCIL MEMBERS

Councilman McFee thanked participants in the parade and said he's looking forward to Founder's Night, the final Tricentennial event. Mayor Keyserling asked Councilman McFee where things are with the Beaufort 300. Councilman McFee said he doesn't have an update on those numbers. Mayor Keyserling asked Ms. Burgess for a current update to be e-mailed to him. Mayor Keyserling said if they're "going to proceed with monuments, we've got to get there."

ADJOURNMENT

There being no further business to come before city council, **Councilwoman Beer made a motion to adjourn, seconded by Councilman O’Kelley. The motion was approved unanimously,** and the meeting was adjourned at 9:04 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK