

A work session of the Beaufort City Council was held on June 21, 2011 at 5:00 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Council members Donnie Ann Beer, Mike Sutton, and Mike McFee. City Manager Scott Dadson was absent.

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.

BEAUFORT MUSEUM COMMITTEE UPDATE

Katherine Lang, co-chair of the Beaufort History Museum committee, said the committee has gone through the collection and separated out individual artifacts. She presented council with photos of a random sampling of what has been discovered in their work. People from the Columbia Museum and archeologists are planning to come and make an assessment of some of the pieces.

Mary Lou Brewton said the collection needs to be put into categories and classified in that way. After that, there will be a financial assessment. Mayor Keyserling said he'd received a call from someone asking about a portrait of Stephen Elliott that was once in the museum; Ms. Lang said it belongs to the city as long as it is displayed, and it's currently at the Verdier House. Ms. Lang said the website is coming along; there are still defunct sites online. She indicated a story in *Lowcountry Weekly* about a historical piece. They hope to have a monthly article in *Lowcountry Weekly* about the museum's artifacts.

Ms. Brewton asked Mayor Keyserling about the next steps he thought the committee should pursue. She said they're agreeable to any reasonably priced space. 3500-4500 square feet would be ideal. In addition to exhibit space, they'd like 500 square feet of storage and 400-500 square feet of educational space. In terms of a timeframe, they need 6-8 weeks to do the grouping and get some professional guidance. There are 50 boxes that have damaged contents, and they have a project in mind for those pieces.

Mayor Keyserling asked, "Fall?" and Ms. Brewton and Ms. Lang agreed that that would be a good timeframe. They might want to partner with the city or another group on this project. They would like it "to be more than a virtual museum." Even if they didn't have a special place, they might want to do exhibitions around town such as at the hospital or TCL.

Councilwoman Beer said climate control was a problem in the past. Ms. Brewton said City Hall would be a "lovely" location. Mayor Keyserling asked if it could be set up over periods of time, and there was general assent. There's a room unused currently, Mayor Keyserling said, and until there's a tenant for it, temporary exhibits could be appropriate. Or smaller exhibits could be staged throughout the building.

Ms. Lang said if that room could be a central location with smaller exhibits elsewhere, “that would be exciting.”

Councilman Sutton said to expect \$80,000 a year in infrastructure costs to rent a space. He asked their budget; Ms. Brewton said \$95,000 is their current budget, but they don’t have it all yet. Councilman Sutton warned that they need to be realistic about the budget. Security risk value needs to be determined, he said, and some things may have value because they’re unusual, not monetarily valuable. He supports doing something in City Hall. There are few spaces in the city, but the only target shouldn’t be City Hall, he feels. Ms. Lang said it would be an ideal space temporarily and a permanent space would be the goal further down the road.

Councilman Sutton suggested the committee “think in terms of a road show at this stage of the game.” There is possible storage space in the basement of City Hall for things that don’t need as much care, if the climate control is appropriate. He posed various questions for them to consider in planning their future. Museums run by the government have not been successful in Beaufort, so a public-private partnership needs to consider that, Councilman Sutton said. Ms. Lang said their concern is money, but she doesn't feel there's been a “combination of will plus man hours to make it happen before.” Ms. Brewton said that for 5 years, they expect to have no staff other than volunteers. Ms. Lang said they expect to be able to manage a build-out on their own.

Councilwoman Beer said a revolving exhibit in City Hall would show off the building, and “allow school kids to come to and through the building and see how the city works.” Ms. Lang said if it could be stored here in available space, they could do revolving exhibits so each one can be “something wonderful” as opposed to spreading themselves too thin. They can raise funds each time and “make the City Hall a used public building.” Ms. Brewton said they could provide building docents to show off the building, too, with the city’s script.

Ms. Lang said they are still applying for a 501c3. Mayor Keyserling told them as soon as they file they can begin collecting money. Ms. Lang said they know that and are getting the 501c3 to seriously look for grant money. Councilman Sutton said there may be funding available via the city when they have the 501c3.

UDO AMENDMENT ON SHORT TERM RENTALS

Libby Anderson said staff has been working on the short-term rentals’ (less than 30 day rentals) ordinance for about a year. Currently, short-term rentals are not permitted in residential zones, only commercial. The proposal will permit them in residential areas with certain conditions. The Planning Commission in May came to agreement on a new proposal. It proposes no short-term rentals in The Point under any circumstances. In all other residential neighborhoods, short-term rental of the primary unit is by special exception. That way, Ms. Anderson said, there could be a lot of neighborhood input. If there’s an accessory dwelling unit on a property and the owner lives there, that would be allowed as a conditional use. That could be done on the staff level.

The owner would be the primary management entity. If the owner doesn't live in the primary unit – or on the property in any scenario - that would be a special exception. There are other conditions such as no unattended pets, minimum two-night stay, adequate on-site parking (hopefully on the side or rear of property, Ms. Anderson noted) etc. The conditions have been simplified, she said. Failure to live up to the property management plan will lead to revocation of license. There will be inspection before the renewal of the license. There is a checklist for the property maintenance code.

Ms. Anderson said whatever laws apply to short-term rental, the owner will be compelled to follow. Special exception or conditional use goes away if the property changes hands. homeowners' associations that have covenants that prohibit short-term rentals may not have them.

Heather Winch asked about short-term rentals to accommodate those filming movies or locations in The Point that are needed for filming on a less than two-night basis. Ms. Anderson said until 2006 there was no definition of what short-term rental was and where it could be. There's a filming ordinance, but for people living in The Point during filming, it would fall under this ordinance. Mayor Keyserling said this "locks The Point down pretty clearly." Councilman McFee said for accommodations purposes, there are statutes in the filming ordinance that would allow the city manager to allow filming there, but they can't have short-term rentals for films' accommodations there.

Councilman McFee said short-term rentals weren't favored in The Point, but he thought those with accessory dwelling units might be permitted for short-term rentals. **DeWitt Helm** said that there were few accessory dwelling units on The Point, and those that are renting now are longer-term. Other accessory dwelling units haven't qualified because they're not fitted with cooking appliances, etc. He said, "As far as we can determine, it's a no-problem problem."

Councilwoman Beer said they'd have to look at the movie ordinance to see if something would be permitted under that ordinance that this ordinance would not permit. Ms. Anderson said staff can look at that. She asked council's direction on proceeding.

The original public hearing on the matter was for an ordinance that was substantially different than this one. She suggested another public hearing on the new ordinance. Councilman Sutton said he felt they could take the first reading and see if there are issues and then do the same with the second reading. Ms. Anderson said that the original public hearing was exclusively on short-term rentals in the Historic District.

Councilman McFee said he doesn't approve of the ordinance not being city-wide. He thinks the ordinance is good for the entire city. He'll support it the way it's written, but he's not happy about the exclusion of The Point.

Mayor Keyserling asked if there had been a reading of the new ordinance in neighborhood meetings. Mayor Keyserling asked what Ms. Anderson had heard, and Ms. Anderson said “nothing recently.” Mayor Keyserling said he’d heard that the Northwest Quadrant would do short-term rentals but only if the ordinance were citywide. “They don’t want to be the guinea pig,” **David Easton** said. He added that there were many people at their last meeting.

Mr. Helm said The Point “wants to be an integral part of the city.” The Point participates in the activities in the city and plays a role with tourists, but these activities don’t occur in other neighborhoods in the city. They want to be a part of the city, but they have real reservations about the neighborhood being any more commercial than it already is, which is substantially commercial. Councilwoman Beer said she feels they feel like the tours have an impact on the neighborhoods already, and they don’t want to be subject to even more.

Councilman Sutton said everyone who lives there had a choice when they came to the community and chose to live in The Point. Mr. Helm said they “believe in self-determination in all things,” including choosing elected officials, and the ordinance has always precluded short-term rentals everywhere, including The Point. Councilman McFee said the conversation on it has been “long and varied,” and it’s been vetted through various neighborhoods. He feels they need to move forward. Mayor Keyserling said he’s always wanted to wait until the civic master plan was completed, but after reading this, he feels it’s well-done. He asked **Maxine Lutz** about the Old Commons neighborhood’s feelings on short-term rentals and he asked **Ron Petit** about Spanish Point.

Ms. Winch said she understands why the neighborhoods in The Point have concerns. She has an accessory dwelling unit, and she could do two-night rentals in her guest house if she wanted to, but she’s not interested in it. She said she just wants to make sure that if people want to come to Beaufort and make movies, it’s easy for them to do business here.

Mayor Keyserling said he thinks with the exception of the movie issue and how to work through it, and the issue of the exclusion of one neighborhood, it’s well done and ready to move forward. He disagreed with Councilman Sutton in that he feels they should have another public hearing and first and second readings. He thinks “the safest way to go is to have another reading of a new ordinance.” Ms. Anderson reiterated that the Planning Commission had recommended approval of this.

Mr. Helm said The Point commended the Planning Department and the Planning Commission for the work they have done. Mayor Keyserling said “that’s a part of public process.” Councilman Sutton said there is a process through which they have to do business, and he doesn’t feel that it’s right to have one neighborhood that has an exception to that. Mr. Petit asked how many facilities there might be short-term rentals in. Mayor Keyserling said “a dozen are out there” that would like to continue doing it as they were doing before. He said he could think of three off the top of his head with accessory dwelling units in Pigeon Point and Mossy

Oaks which were unknowingly operating in contradiction to the ordinance. The VRBO website led the city to learn that short-term rentals had been going on much more than anyone realized.

40-45% of houses in Beaufort are rentals, Councilman Sutton said, and it's better for them to have someone in them than to remain empty. Councilman Sutton said there are steep application requirements for short-term rentals. Mayor Keyserling said the Planning Department and Codes felt a handle needed to be gotten on short-term rentals, which is what's happened.

Councilwoman Beer asked about defining the number of occupants per short-term rental; Ms. Anderson said it will be considered on a case-by-case basis because some houses will accommodate more than others. The property management plan needs to be well-defined. A member of the public said he feels everyone needs to understand the property management plan, and in the public hearing, the public needs to hear about the requirements that must be met, including the expense, "to take the emotion out of it." Mayor Keyserling said the management plan needs to be a template of some kind. Ms. Anderson said they have a checklist that will ensure certain points are covered. She said they will encourage people to come to a pre-application conference to learn things like building code requirements. A monitored fire alarm system, for example, may be an expense they're not counting on. Councilman McFee said they should also explain the taxes at a pre-application conference.

PROPOSAL FROM SOUTHRN ROSE BUGGY TOURS REGARDING INCLEMENT WEATHER IMPLEMENTATION PLAN

Peter White said Southurn Rose carriage tours shut down at 11:30 a.m. Monday and Tuesday at noon. They use horses, and with the extreme heat, they deal with a problem every year that seems to be worsening. They may be compelled to shut down operations more than 40 times this year. Shutting down at noon is frustrating, he said. They may be shut down half the day for three months, and their slot fee payment is coming up. In order not to lose their daily income, they asked that when their carriages are pulled because of heat, they be allowed to substitute with "a horseless carriage" (tour bus) for the remainder of the day. They have a tour license but can't use it presently for the whole day. There would be no ordinance changes; they would just change out horses in the slot for buses, Mr. White said. This would only be for inclement weather, in the carriage time slots they already have. They would use the same tour route, which wouldn't add any new vehicles.

Mayor Keyserling said he had concerns. If TMAC weren't involved, and the Carriage Wars hadn't become the Bus Wars as well, it makes common sense. In the context of these relationships and TMAC's work in the middle of a new ordinance, he feels it's not fair "to jump out in front of TMAC." Two buses are allowed by ordinance, and this would put three on the road.

Councilman McFee said TMAC was charged with revamping, and they “are mid-stream.” He said he hesitates to add more confusion. He understands the need Southurn Rose has; weather variations and limitations have always been there in the Lowcountry, and this change would add “more mire.” Councilman Sutton said it should have been done a long time ago as a positive step for a business that has to deal with inclement weather. He said the timing is tough, given the history of the whole process. A bus opportunity came and went in the past until a license was sold to **Walter Gay**. The carriages should be married to an alternative means; Ms. Winch said it’s being entertained in the ordinance re-write and “being taken into consideration as part of the ordinance re-write in its entirety.” She explained the issues that prevent TMAC from modifying it now for the Whites.

Councilman Sutton said they will look at the ordinance re-write closely and he “wants the alternative option to be there.” Mr. Gay can do both carriages and buses because he has two businesses. Councilman Sutton said an ordinance change may let bus slots open up, and someone could have one business that does both, instead of two businesses. Councilman Sutton said ticket sales have to be from the same location every time. There are many questions which will come up, and detail needs to be determined, but he truly feels this is a good option for bad weather.

Mayor Keyserling said he agrees, but if the temperature drops after lunch, are they going to run a bus or a carriage replacement? He said they’ve raised a huge question that is about business survival and also about tourists having options. Mr. Gay said he sees both sides because he has two businesses. In the spring, the buses sit unused. When it gets hot, the person paying the bus fees, insurance, etc. can make up some of those costs. The walking tours, too, would like to have buses, but they have paid the fees, so they should be allowed this and others should not be allowed buses.

Councilwoman Beer said only one kind of tours would be run by each company at a time. Mr. Gay said if Southurn Rose is eligible to run a bus when it’s hot, he should be allowed to “bring out a second bus.” Councilwoman Beer said the ordinance will read that if they can’t run a buggy, they can run a bus. Ms. Winch said the change will be “wholesale in how they deal with the buggies and the buses”; what’s put in the slot may determine what the business owners pay. There may be a fixed and a variable piece. They might not have to worry about a slot fee if business is way down, Ms. Winch explained. They are researching what Savannah and Charleston do with an eye to adopt their practices and take away a lot of problems, including forcing people to use different routes at different times.

Evelene Stevenson said she’d love to have another carriage and only started bus tours two years ago. She’d like to intertwine carriage, walking, and her bus tours. Revamping the ordinance, she said, according to Savannah and Charleston models, is not appropriate because they are so much larger and have so many more tourists. She wants an opportunity to have horses herself. Councilwoman Beer said they won’t know until the ordinance is complete if that

will be available. Councilwoman Beer hears that it will be “If you can’t run THAT, *then* you can run THAT.”

Mayor Keyserling introduced a visiting Boy Scout, **Jerrod Weiss** of Troop 213, who attended the work session “to write a report to get a badge to be an Eagle Scout.”

Ms. White said the slot fees are lopsided according to the kind of tours, and that is part of their suffering. She reminded council that this substitution would be temporary until the TMAC ordinance rewrite is accomplished. She said the carriage tours are very expensive, and they are used to some time off, but not used to shutting down in May. She reiterated their history with trying to get a bus for their company. She knows that TMAC has tabled new business to work on the ordinance; she would like them to put something in it so this won’t happen again next year.

Mr. Gay said he knew there would be adjustments when he took on his business. He added that if each tour company ran to their maximum load, there would be a tour passing the houses in The Point every six minutes. Ms. White responded that there’s never been such a time where they were anywhere near this type of maximum Mr. Gay described.

Mayor Keyserling said no decisions would be made at a work session, but he polled council to see whether they would put it on the regular session agenda. Councilwoman Beer, Councilman McFee and Councilman Sutton agreed that they wouldn’t support it until TMAC did. Mayor Keyserling suggested the 3 tour companies could work it out together so tourists could get bus tours from the companies that run them, and the carriage tours could get a percentage for referring them. Mayor Keyserling said they need to serve the tourists. He said one business could give a tour to the customer and give a portion of the tourists’ fee back to the carriage company as a marketing fee.

Mayor Keyserling explained to Mr. Weiss how work sessions and regular council meetings work, the vagaries of the Carriage Wars, and the Tour Coordinator’s job.

ECONOMIC DEVELOPMENT RESOLUTION OF SUPPORT FOR ALLIANCE

Mayor Keyserling said Beaufort is part of the Lowcountry Economic Network. The Network at its last meeting voted to start the process of going out of business with the exception of a shell that would own the business park property, if they can work that out with the banks. If they file a petition to annex into the city, Mayor Keyserling told them that the city would support that, but that vote was postponed until further conversations with the banks. There is a general belief that the park should be in the city; the land is still under negotiation. Without Lowcountry Economic Network, there is not a marketing arm.

The Alliance will continue, Mayor Keyserling said; it’s two counties, unlike the Lowcountry Economic Network, so it can belong to an associational alliance. The county’s waiting for a

study, the Alliance is in place, and there is discussion of moving the city funding that went to Lowcountry Economic Network to the Alliance and possibly structuring a seat on the board. Mayor Keyserling has suggested to other mayors that they may want their councils to look at it.

Mayor Keyserling said the bankers who met with Lowcountry Economic Network had no questions about annexation which adds value to the land, and doesn't detract from it. They need to determine what the park is worth; Lowcountry Economic Network can't afford the payments, and the county's moved away from it. Mayor Keyserling feels it's a long-shot for the Network to work something out, though there could be private sector entities who could come in. Mayor Keyserling said the mayors feel they can't leave economic development exclusively to the county, and the various municipalities do different things, competing for very little.

Councilman Sutton said they need to discuss the Alliance set-up. He asked how much the city would put aside of the current funding stream, if it's not supported by the county; it's currently \$15,000, Councilwoman Beer said. Mayor Keyserling said it's less without the county, but Jasper County "is in it pretty aggressively." What the city gives would be a match against state dollars, so it would create leverage. Councilman Sutton said he wants to know where the money would go, but he agreed that he could pass the resolution before he knows how that would work.

There being no further business, the meeting was adjourned at 6:50 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK