

A work session of Beaufort City Council was held on March 17, 2015 at 5:00 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Mayor Billy Keyserling and council members Mike McFee, Stephen Murray, George O’Kelley, and Phil Cromer, and Interim City Manager Bill Prokop.

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 work session to order at 5:00 p.m.

#### **EXECUTIVE SESSION**

Pursuant to Title 30, Chapter 4, and Section 70 (a) (2) of the South Carolina Code of Law, **Councilman O’Kelley made a motion, second by Councilman Murray to enter into Executive Session** for a legal briefing regarding a property transaction. **The motion passed unanimously.**

**Councilman O’Kelley made a motion, second by Councilman McFee to end the Executive Session and resume the work session. The motion passed unanimously.**

#### **CONTINUED DISCUSSION REGARDING LOVEJOY SEWER RELOCATION PROJECT**

**Courtney Worrell** said there is no third building planned currently, but one could be added, in response to a question from Mayor Keyserling.

#### **BATTERY CREEK VISTA PROJECT**

Mayor Keyserling said Rural and Critical Lands had agreed to recommend approval of the concept of a partnership between the city, the Open Land Trust, and Rural and Critical Lands in regard to the south side of Boundary Street between Applebee’s and the cemetery. They also agreed to recommend approval of a parcel of that property. They sent a memorandum of understanding (MOU) among the county, the Open Land Trust and the city. Mayor Keyserling said the MOU basically says that the Open Land Trust and the City of Beaufort will come up with \$1.5 million and then the county will match that parcel-by-parcel. Rural and Critical Lands and county council must approve each parcel. Mayor Keyserling said he couldn’t recall when Rural and Critical Lands didn’t approve one. The tax consequences of losing property will be something that needs to be worked out. The property the Open Land Trust will acquire “will pay full freight” and “the credit will accrue toward the city’s side,” assuming it lines up the properties, Mayor Keyserling said. The Open Land Trust will not use their credit to purchase, so it’s transferrable to the city.

Money from the county can’t be used for improvements or maintenance, Mayor Keyserling said, only purchase; Open Land Trust would own their land, and the city would own (and maintain) its own. There are “hybrids,” but the maintenance will be the city’s responsibility. Councilman Murray asked if the land money could be used for demolition of what’s on the properties. **Kathy Todd** said no, but they could use fund balance for demolition. Mayor Keyserling said he’d recommend keeping the maintenance to a minimum, “not build(ing) a

fancy park.” Councilman O’Kelley said they would have to see if there are septic systems there. Mayor Keyserling said anything they buy “would have to have a Phase 1.”

The MOU will come to council next week, Mayor Keyserling said, if council is ready for it. Councilman McFee said he didn’t see clarification about the matching funds on the acquisitions. It also refers to an exhibit, but he didn’t see that, either.

Councilman Cromer asked if there were a demolition plan, because it’s called for and is time-specific. Mr. Prokop pointed out that Part B. in the exhibit covers what Councilman McFee was asking about. Mayor Keyserling said they keep taking on assets without a maintenance plan, but he recommends taking over the property, seeding it, and “doing the minimum” for now. Mayor Keyserling said, with the county, they have to apply of each project separately. Councilman Murray asked if there had been contact with any other property owners. Mayor Keyserling said the one he and Mr. Verity had visited and hoped for hasn’t yet responded. Huddle House thinks their property is worth more than the tax appraiser does, Mayor Keyserling said, and so does the old firehouse. Sea Eagle Market is interested. Until there is a sense of the basic maintenance costs, they will go one at a time. The city is interested in leasing the property to the contractor for an amount to pay for the demolition, or possibly the contractor would just do the demolition. Mr. Prokop said adding in the demolition is more complex because of DOT’s involvement in all the city does. The environmental assessment would be a contingency in the contract. It would only pay for Phase 1. The likelihood, Mayor Keyserling said, is that they will have to deal with asbestos somewhere, rather than underground tanks.

### **DISPOSITION OF SURPLUS CITY LAND**

PTAC has said that for any property the city sells, the funds should go into PTAC, Mayor Keyserling said, and he was reminded that the Tree Fund ordinance needs to be put back on a council agenda.

**Libby Anderson** showed an analysis of city-owned property that might be eligible for deacquisition. The list doesn’t include land that has active properties, any commerce park parcels or active city parks, or city-owned land that has a deed restriction on it that would cause it to revert back to the previous owner if it’s no longer a city park.

Ms. Anderson said most of the properties on the list are vacant. Six are “remnant parcels,” and most of those are up near the MCAS; one is on Lady’s Island. One has a water tank on it that needs to be disposed of. Others may have leftover equipment on them as well. A thorough on-the-ground inventory hasn’t been done on most of the parcels. She said they are producing no money, are paying a small stormwater fee, and if they are unwanted, they should be gotten off the city’s books.

Ms. Anderson said some properties – like the Prince Street Shop – have buildings on them that are being actively used. Other properties have an active park on them, like Annette Bryant Park.

Calhoun Thomas Park and others, she feels, should be run by PTAC if there are active parks there. They will need to check of deed restrictions, too. Looking at the values of the properties – i.e., the tax assessor amounts – the \$500,000 “must have a conservation easement on it,” Mayor Keyserling said. Councilman O’Kelley said that the little pieces of property could be offered to the adjacent property owner. Councilman Cromer said some of the props might have old equipment on them that “make them a liability.” The property that was assessed at \$32,500, Councilman O’Kelley said, “must be a mistake.”

Councilman O’Kelley said Parcels 41 and 42 are buildable lots, #2 and #3. He thinks that they should save the Prince Street Shop and Calhoun Thomas Park. #279 is a right-of-way and could be given to the person who owns the lot adjacent to it. Mayor Keyserling asked what Metz Field is and was told that it’s near City Hall. Mayor Keyserling asked if it were used. PALS uses the field, but the playground is not the county’s, Ms. Anderson said. Ms. Anderson showed the parcels in a graphic.

Councilman O’Kelley said he feels they should sell these properties or offer them to the property owners adjacent when they’re very small or are a right-of-way. Ms. Anderson said there’s a right-of-way on the list that is on Hermitage Road with no parcel number. It’s platted and extends to Battery Creek. PTAC had looked at it and recommended deacquisition. Mayor Keyserling said **Skip Von Harten** built a fence across it and landscaped it. Councilman McFee said if there were deed restrictions on it, they would have to look at them. Ms. Anderson said it’s not come up. **Bill Harvey**, the city attorney, had looked into it. Mayor Keyserling said there was the deed restriction in Wilson Park, so they may have done them elsewhere.

Mr. Prokop asked if they should put an RFP out for an appraiser and also for realtors to handle the properties they don't want to keep. Mayor Keyserling said that’s been done before, but nothing happened. Mayor Keyserling said anything on this list that isn’t serving the city would be good to get rid of and give the money from the sale to the Boundary Street vista project.

Ms. Anderson said there are pieces on the east and west side of Ribaut Road, and one has a deed restriction on it. Mayor Keyserling said you could get two residential lots on the west side, at 410 Ribaut Road. Ms. Anderson said it’s zoned residential now, but it’s one lot from Office Commercial. Councilman O’Kelley said if it’s made palatable (less expensive) for a residence, they might be able to get someone to buy it to build a house on.

Councilman McFee said his real estate firm could do a broker’s opinion letter, which he called “one step below an appraisal,” free of charge.

Mayor Keyserling said the synagogue yard next to the Arsenal came up; he thought that the synagogue had quick claimed it; Ms. Anderson said it’s still listed as belonging to the City of Beaufort. Councilman O’Kelley and Councilman Murray said they feel the city “should leave it alone.” Councilman O’Kelley said they shouldn’t put anything there, but the city could give it to the synagogue. Councilman Murray said it adjoins a city asset. Mayor Keyserling said the city has cleaned up the synagogue lot because of stuff coming off the Arsenal.

Mayor Keyserling asked if the Pine Court lot (871) was buildable. Ms. Anderson said it was going to be an office subdivision, but it was never given a final plat. Ms. Anderson said she would check the dimensions and let council know. Councilman O'Kelley said it "doesn't look like it could support anything."

Mayor Keyserling asked what PTAC has done with these. Ms. Anderson said she'd asked them to look at Calhoun Thomas, the fire station and the playground next to it, and the Ribaut Road road property that had been discussed. They had just met that day, and she had no report yet. Mr. Prokop said Mr. Harvey had checked on the fire station in regard to a deed restriction, and Ms. Anderson said it is clear.

In regard to the Prince Street Shop, Mr. Prokop said if it were sold, Public Works could use the basement of City Hall for the same purpose, and Councilman Murray suggested they could do any other work that they can't do there at their Burton Hill facility. Mayor Keyserling said the shop doesn't add to the neighborhood, and they could put something there that *would* add to the neighborhood. Councilman O'Kelley said they would probably have to do a Phase 1 on it because of what has gone on there that could be harmful environmentally.

Mayor Keyserling asked for a strong recommendation from PTAC; he suggested that "the little pieces off Laurel Bay Road should be looked at." Ms. Anderson said the city got a call about someone wanting to use the water tank for scrap, so they went and looked at it. Mayor Keyserling said they should look at getting "out of burdens and liabilities" and get what they can for properties to apply to the Boundary Street land acquisition project.

In regard to the federal courthouse parking lot, the Santa Elena Foundation has asked if the city would consider letting them use it. Mayor Keyserling said the two lots to the west of the Federal Building belong to the Dowlings, and the county is leasing it from them to use for dedicated parking for the Santa Elena Foundation, to whom the county leases it in turn for \$1. The city's is the improved lot, and the other is not. **Dr. Andy Bell** has asked Mayor Keyserling about using the city's lot for parking, but they wouldn't see it as exclusive to them, Mayor Keyserling said. Councilman O'Kelley said **Jim Moss's** office uses it every day. Mayor Keyserling told Dr. Bell that there could be all-day parkers there, and he suggested that the Santa Elena Foundation may want to think about managed parking in a year or so, when it's ready. Mayor Keyserling said its value would be when it's tied to the other lots at some point in the future, but the foundation is "building a destination there," and the city should let them use it.

Ms. Anderson asked what council was thinking about Metz Field. Mayor Keyserling said when the city got out of the parks business, it deeded everything to the county, but this might have been missed. When the Green Street Gym was going to be closed, it was to revert back to the city, and this may be the same way. Mr. Prokop said maybe it should be put on the agenda for the city to talk to the county about this. Mayor Keyserling said he thinks whether the county has to give back the city's land should be in the deeds, rather than asking them, which could

“open a can of worms.” Mr. Prokop said he was thinking of trading it for demolition, or something like that.

Ms. Anderson showed a place near the Spanish Moss Trail, and **Maxine Lutz** said there is some old tabby there. Mr. Prokop asked if staff should approach people about small lots (i.e., ones with things on them like water tanks) while they are checking them out. Mayor Keyserling said he’d prefer to just get rid of them before people get hurt there and lawsuits ensue.

Councilman O’Kelley said “Big Calhoun” had restrictions “all along” on Spanish Point; the residents were up in arms about it, he said, because “everybody was always under the impression that it was supposed to be a buffer.” Mayor Keyserling said when that came before council, the Spanish Point residents “for whatever reason...believed it’s a buffer to protect them.” It was for sale for a long time, abuts back to the houses on the inside, and is one lot deep. Spanish Point was prepared to buy them, but then that movement died out. Councilman O’Kelley said he recalls, too, that Councilman Murray, Mayor Keyserling, and Councilman Cromer all agreed that this should be left alone. Mr. Prokop said they should document that in the city’s records in case there’s an issue in the future

#### **REDEVELOPMENT COMMISSION COMPOSITION DISCUSSION**

Mayor Keyserling said council had discussed restructuring the Redevelopment Commission with four members of the public and five council members on it. Council passed this on first reading. Councilman Murray said he had consolidated council’s notes from various discussions. The goal set for the near future:

- Boundary Street project – moving businesses
- Economic development
- Infill and redevelopment
- Parking garage/Marina parking lot
- Streamlining permitting licensing communication
- Beaufort Code committee
- Housing (to be spun off to the Beaufort Housing Authority)

In regard to council membership, Councilman Murray said he is proposing four council members and five private sector members, with the mayor not serving on the Redevelopment Commission. Ideally, each council member would pick a goal to work on, chair that committee, and work with **Jon Verity** to interview the new commission members in order to ally their skills with council’s goals. They would also need to budget for staff support in the coming year.

Councilman Cromer said he has some concern about council being on the commission; if a project comes through that is given tacit approval by councilmembers serving on the commission, that could put council in a bind if they then decide they don’t want it. He has concerns about being “that involved at the front end.” Mayor Keyserling said if council were not involved with the RDC, the commission wouldn’t go out on a limb without knowing that council is behind them. Councilman Cromer said he wants to give them support, but he doesn't want

projects, which have a quorum of council, to have tactic approval before coming to council. Councilman O’Kelley said they did this before when he was on council, and it worked. It was an open process. A lot of people don’t see what happens in the Redevelopment Commission, unlike council.

Mr. Verity said this configuration of the Redevelopment Commission “isn’t something that is permanent,” and it needs to be effective now for the goals and tasks before it today. The Marina project, for example, needed more city involvement. The Civic Master Plan has taken hold – most of the city’s current projects that are being worked on are mentioned in the plan. He likes the idea of commissioners being involved “in a slot where they spend time.” Mr. Verity thinks having council on the RDC might be a more effective way to get things done. If they can get additional lending capability, they can make more impact in the Northwest Quadrant, for example. Mr. Verity said they also need to revitalize the public’s interest in serving on the commission. He thinks they “could take another look at this,” and people should be recruited who have an interest in these matters that Councilman Murray had named. He thinks it would work for the next three-five years while Boundary Street “takes hold.” It might be an independent group in the future but one that is still supported by the city. Mr. Verity said the public was suspicious of the Redevelopment Commission when it was independent of the council.

The RDC has resources that can be helpful to the city and ought to be used, Mr. Verity said. Councilman O’Kelley said the support for the referendum to do the City Hall building was 70%-plus, and that was because the RDC was able to get a better rate of interest and to educate the public about it to get that support.

Mayor Keyserling said change isn’t easy, and to make change, council has to be on board and needs to be out there with the volunteers and supporting their efforts. A priority at the retreat was that council had to exert itself to generate revenues for the Civic Master Plan. Council and the Redevelopment Commission need to be involved in bringing forth the good ideas that are in the Civic Master Plan. Council has a role on Boundary Street, for example. Mr. Verity said when the Spanish Moss Trail was completed in the near future, they have committed to coming back to the community to see how they want to participate.

Councilman Murray said the Redevelopment Commission has been effective. He said Councilman McFee and he had met with Ms. Todd, and the city’s revenues are flat and expenses are up. Council’s focus is being turned toward revenues and finding the opportunities to focus on and helping them along. All of these priorities for Redevelopment Commission do just that. Most of the priorities for the commission are about tax-base expansion and job growth, Councilman Murray said, which is what the city needs.

Mayor Keyserling said on second reading, Councilman Murray would propose to amend to have four councilmembers on the RDC, not five. Councilman O’Kelley said he wouldn’t support that because he doesn’t “think the mayor should sit on the sidelines.”

Mr. Verity said council should consider whether it wants to have someone else chair the commission. Mayor Keyserling said if they did that, they would be giving up the background and relationship-building that Mr. Verity has done. Mr. Verity said it's up to council, but he's served five years and "new blood is not a bad idea, either." Mayor Keyserling said there are things that council wants done that he wouldn't send "civilians" out to do alone without those people knowing what council has in mind.

Councilman Cromer said everything that comes through the Redevelopment Commission would have to be funneled through the usual process. Councilman Murray said that when the Lawrence Group was here, that was staff support, and that's why there is a need for that again. Councilman Murray said with five council members and four non-council members, the private sector could be overshadowed, and it might appear that the Redevelopment Commission is "council lite." Councilman O'Kelley said he doesn't see that "as a big speed bump." Mayor Keyserling said he felt that way when council was on the commission before, but at that time, they "didn't have a plan." Now a direction has been set because they have the Civic Master Plan. **Bob Pinkerton**, when he was chairman, and some commission members felt that way, Mayor Keyserling said, but now that the city is "five years into it, things are very different." Mr. Verity said the mayor isn't on the RDC today, but "he's very much a participant." Some people may prefer to serve on a commission where there is a quorum of public participants, and it gives them one more slot to serve in. The mayor will be involved, either way, he feels.

Councilman McFee asked Councilman Murray about staff support, from a budget standpoint. Councilman McFee said his position is that there needs to be designation of staff for the Redevelopment Commission, even if a full-time person is beyond the city's reach now. Councilman Cromer said that "would have to funnel through" the city manager, or Mr. Prokop could delegate. Mr. Verity said when **Josh Martin** from the Lawrence Group was the liaison, all the constituents, as well as the commission members, were kept informed, and that's a very important element. It can be hard for volunteers to stay in touch with all the people who are interested in a project or issue. Mayor Keyserling said he feels strongly that they spent so much money on the Civic Master Plan, and if they can't find a way to go all the way and pay for a full-time person to implement the plan, "then phooey on us." Councilman O'Kelley said he would make a motion that the councilmen give up their salaries, which would pay for someone; it's a substantial amount, including insurance, etc.

Councilman Murray said that they also have a \$1.8 million commerce park, and without the LEA, as of January 1, no one to market it or put together a complex development deal. Mayor Keyserling said what's changed is that without the alliance, it has to be council. "And then there is the housing program," he added. Mr. Verity said, "The only part of the Civic Master Plan that focuses on lower-income folks is the housing aspect," and "jobs are part of that, for sure." Grant money is available for that purpose, he said, but there's no one currently to look for and get it.

There being no further business to come before council, the work session adjourned at 7:14 p.m.