

A work session of the Beaufort City Council was held on December 7, 2010 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, Mike McFee, Gary Fordham, Mayor Keyserling 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 work session to order at 5:04 pm.

### **DISCUSSION REGARDING SHORT TERM RENTALS**

**Libby Anderson** said the proposal is to permit short-term rentals under special exception, considered by the Zoning Board of Appeals (ZBOA) after proper public notice. The Joint Commission approved the ordinance change in the Historic District. The city council had a workshop to establish a focus group to study the issue in more detail. It represented neighborhoods in the Historic District: the Point, the Old Commons and the Northwest Quadrant and representatives from the Planning Commission, Historic Beaufort Foundation, and the Redevelopment Commission. The group agreed the scope should be broadened city-wide and other neighborhoods have been invited. Conditions that might be applied if the ordinance proceeded have been developed. At the last meeting, there was discussion of the ordinance applying only to some neighborhoods and not others. There is no consensus from the group at this time. Last week a public meeting was held. There was good attendance. The minutes will be available before the end of the week. The city council asked that the Planning Commission reconsider this amendment since it would be considered city-wide now and that's not what they voted on.

Councilman Fordham said that after reading the packet that council was given, he feels the neighborhoods should be left as they are. Short-term rentals, he feels, in neighborhoods that aren't designed to accommodate them, will hurt the character of some of the neighborhoods, so he's opposed to short-term rentals. He doesn't feel policy should always be changed to accommodate a certain group's interests.

Councilman McFee said he understands the concerns of the neighborhoods. There are already short-term rentals being done that are non-conforming, and council is hearing both about a need in some areas for short-term rentals and concerns which are also well-warranted. He doesn't feel the status quo could be followed since it's not being done according to form now.

Councilwoman Beer said it's a lot of work to have a short-term rental: licensing, state requirements, fire code adherence, retro-fitting for fire extinguishers, etc. She's not against it personally. She hopes all will have the chance to read the conditions before decisions are made. Long-term rentals have more problems because they have fewer requirements; they may not be kept up, have too many people living there, etc. Short-term rentals have more restrictions than most other businesses.

Councilman Sutton said a lot of information has been gathered. He's focused on the amount of 6% property, which is predominant in the city, which means the neighborhoods have many second home residents. There are a number of empty houses there. He feels in his neighborhood that empty homes or long-term rentals can lead to a higher crime rate. The trade-off for "eyes on the street" is a risk that the properties won't be well-taken care of. He feels a business license agreement will keep people within the guidelines or risk being out of business. He'd rather see out of state visitors than an empty yard. He doesn't see a reason not to support short-term rentals with strict enough regulations so if "you foul, you're out of the game."

When looking at Vacation Rentals By Owner online, they found 14 rentals in the city, and 9 were in non-compliance. Councilman Sutton said there are likely more short-term rentals that aren't listed on the same web site. He's interested in the Planning Commission's input on this. The negative comments seem to be more vocal, but on the positive side is preservation. The Historic District is large and the biggest potential is in the city core, where "we still have a lot of work to do." Given the economy, new second home sales seem unlikely unless they have the tools they need, so economics come into play. He'd like to tie in the penalties to the complaints. He's not clear on how legitimate complaints will be tracked to the business license office and followed up on.

Councilman Sutton said there are three potential ways it might work: one short-term rental every 400'; regulation by commercial corridors; and only in a secondary unit with the resident living on the property. He thinks the third scenario is ideal but may be overly restrictive. He reviewed some of the proposed minimum standards. He said 2009 was a banner year in other cities for short-term rentals given the economy and the need for property owners to supplement income.

The number of occupants is a concern. The maximum occupancy would be 6, a minimum 2-night stay, and adequate parking on-site. Regarding on-site signs, Councilman Sutton said some cities mandate that an emergency contact number be on a sign. Short-term rentals could be prohibited from being used for anything but sleeping, to keep out partiers, etc. There would need to be a property management plan. Councilman Sutton said in regard to administrative review, there would need to be a sequence the owner had to go through in order to renew; it wouldn't be automatic. If a neighbor were to call and complain about a short-term rental owner, the complaint would be looked at as part of the annual renewal.

Mayor Keyserling said he built five such units that he rented only for a week or more. He believes short-term rentals are an integral part of real estate and "recruitment of people to come to Beaufort for a quality experience." He is very much for them. Since they are working on form-based code and block-by-block redevelopment, he wishes he had the time to wait for "perfection" on this matter, but he doesn't, so he takes a more conservative approach and sees "a huge amount of regulation." He believes the city is a collection of neighborhoods, and there ought to be input from the neighborhood associations.

Mayor Keyserling said they have been encouraging accessory units, which are different from an independent house owned by someone who lives many miles away. He is not ready to come to a conclusion yet; he feels the corridors should be looked at and strengthened. He doesn't believe this is a question of competition and market in the existing hospitality arena. He said they should also consider the question of property rights vs. neighborhood rights. He feels he's in between Councilman Fordham's stance and that of others. He feels the regulations are important. He's focused on the commercial corridors.

Mayor Keyserling said the council is on-board for mixed-use, but until the block-by-block process is started on, some neighborhoods are different than others. A lot of houses on the Point are 6% because they are second homes. Spanish Point and Cottage Farm, like some other neighborhoods, have their own covenants. Mr. Dadson said covenants can be more restrictive than zoning.

**Robert Achurch** said what's being discussed is not about allowing short-term rentals anywhere in the city. This would allow people to make that request later. He has heard that some believe short-term rentals will decrease property values, but "it's a quantum leap to assume that something will move a property value one way or the other." There's no evidence that having an adjacent short-term rental will decrease property value. Short-term rentals are for less than 30 days. Mr. Achurch said, in reference to those who say, "Not in my backyard," he has an short-term rental "in his backyard," and they have had a great experience. The potential qualifications of what the city wants an owner to meet to do a short-term rental are things a property owner wants to do anyway to make the property habitable and desirable. Practically speaking, someone is not going to rent a mansion on the Point for 2 days. That's not the market this serves. He has a 2-night minimum with 3 bedrooms, but singles and even some couples aren't interested in that. He said the property he rehabbed was a mess, and by doing so, he has enhanced the neighborhood. If it's not kept up, his place won't be rented. They don't want wild parties. Mayor Keyserling said Mr. Achurch is there to oversee the property, and many short-term rentals have owners who are far away. Mr. Achurch asked Councilman Fordham and others to keep an open mind. Councilman Fordham asked if Mr. Achurch has a business license, and Mr. Achurch said he does.

Mayor Keyserling said he's heard about the Northwest Quadrant as an issue; there are opportunities there with vacant land. Families could have the chance to have income if they had a dependency unit. He wants to be sensitive to the diversity of the neighborhood. **David Easton** said the neighborhood association feels that this would enhance the Northwest Quadrant, and they support the ordinance change and want it to be city-wide.

Battery Point's covenants don't speak to short-term rentals, a representative of its neighborhood association said. They have polled residents who are against it. The majority are against rentals of less than 1 month, and most want a minimum of 3-6 months. They have a fairly large military population and about 25-30% non-resident owners. Another Battery Point resident whose name wasn't given said someone in the neighborhood bought a property and acts as an absentee landlord. The current city ordinance is all that keeps him from renting it as

an short-term rental. In response to a query, he said Battery Point has a few dependency units but they're not really suitable for rental.

**Dave Radford**, Pigeon Point, said they began doing short-term rentals when a realtor had asked him and his wife to do a short-term rental for a couple to whom he was selling property, and they have been doing so ever since 1994. He doesn't have a business license and wasn't aware he needed to have one. They have rented to neighbors who want to have family close; those neighbors are aware of what the Radfords are doing. They have had few problems. The accessory dwelling unit is the best case scenario for short-term rentals, he feels. They now have a couple staying with them in their rental for four months. Many of their guests are return guests.

Mr. Achurch said the approval could allow for this to be considered neighborhood by neighborhood and interested parties could offer input each time. Battery Shores or other planned neighborhoods have the same concept for their area, as opposed to the city neighborhoods. Councilman Fordham asked if the city could say it's ok in this part of the city and not ok in this part. Mr. Achurch said he didn't know about the legality of that. Because it is allowed in some mixed use zoning, it might be fine, but it might not pass constitutional scrutiny to say it could be in one place but not another. He recommended that each applicant be considered individually.

**Brenda Hood** said they had researched property to make sure they could do short-term rentals. Most of the people in the Pigeon Point neighborhood appreciate what they're doing because the Hoods are keeping up a property. Her primary concern is that "everyone needs to have a clear understanding of goals and objectives of the city." She thinks short-term rentals are good – though they should probably not be everywhere – and said not to doubt that it's a business.

Councilwoman Beer said the way she's looked at short-term rentals and spoken to others about them is that the restrictions and cost of the investment is huge if it's done legally. The problems may be more with long-term rentals. She doesn't feel there will be a rush of people who want to do short-term rentals and are willing and able to jump through all the hoops. The licensing, the A-Tax, and so forth are very onerous for those who aren't serious and or don't have the money to start up such a business.

Mayor Keyserling asked **Bob Moquin**, Convention and Visitors' Bureau (CVB), to discuss the market "from a data-driven perspective," and asked him who is likely to be the tenant in a short-term rental. Mr. Moquin explained the CVB mission, which he said is economic development. He said a case can be made that visitors have come here, stayed in short-term rentals, and had great experiences they wouldn't have had otherwise. They can become business owners in Beaufort or buy a second home. Regulation and enforcement is very key to the success of this. The CVB has taken no position on this; he is here to listen and will take a position based on the decision of the board of directors of the CVB. Mayor Keyserling said before the economy fell apart, a real historic town is a destination like the ocean, and with an appropriate and managed short-term rental market, people would come here.

**DeWitt Helm**, with the Point neighborhood association, said where the Point stands isn't as clear as some may think. A survey has been done of the neighborhood, and the results are contradictory. They learned that the majority of the people who responded are opposed to short-term rentals. The executive committee of the neighborhood association came up with a unanimous position. He read that position aloud; council had copies in their packets. The executive committee supports the concept of short-term rentals *in certain neighborhoods* in the city as potentially beneficial and appropriate. A determination of where it would be appropriate must be done neighborhood-by-neighborhood and have majority support of the neighborhood's residents. One regulation does not fit all, he said.

**David Tedder** said he owns land in the city and is not affected by this issue, but he wanted to comment. Whether short-term rentals are allowed or not, he would hope house-swapping scenarios would be exempted. That's not really commercial enterprise, he said; it's accommodation. He went on to say that it has to be consistent within each zoning district city-wide.

**Conway Ivy**, the Point, referred to some of the regulations Councilman Sutton had shared, and said "this is a complex process." Some estimate of the cost to enforce these regulations vs. the franchise fees should be considered, he feels.

**Sarah Tetley**, St. Louis, has a short-term rental in the Old Commons and before she bought it had stayed in many short-term rentals in Beaufort. She researched and found a property in the proper zone to do the rental. She got her state license, and received a Beaufort business license 2 years ago. She explained what they had gone through in regard to fire regulation. She wanted to do the right thing because she loves this town. She has also dealt with the county. She wants it to be fair and thinks other short-term rental owners should have to pay the fees she pays, too. She said there needs to be a document that tells people what steps they need to do to have an short-term rental legally. She has a contract for her guests with a lot of rules, and they can enforce it by taking a deposit.

**Matt McAlhaney**, City Loft Hotel owner and Point resident, owns properties in the Northwest Quadrant as well and is in support of Option C. He doesn't know that short-term rentals won't hurt him via empirical data. This is a zoning issue, he feels. He feels they "are risking spot zoning by determination." He thinks the special exception process could be problematic. The integrity of the town could be at risk.

Councilman Sutton asked about the determination to go to ZBOA instead of council. He isn't sure why it wouldn't come to council instead. Mr. Dadson asked if special exceptions have to go to the ZBOA; Ms. Anderson said the special exception process is determined by state law. Mr. Dadson said council has the occasional business license that it takes out for review. City council has the ability to review a particular license. Councilman Sutton said he's concerned about passing a hard decision from the city to the ZBOA. He asked if that's the end of the road or a first step when it goes to ZBOA. Councilman McFee said it has to go that avenue if they do it by

special exception. Councilman Sutton said “you have a zoning right but you have a type of business that requires a license.” Maybe it needs to go to council but not be a zoning issue. Councilwoman Beer said she thinks that they might get in deep legal water and would want to avoid getting involved in that. Mayor Keyserling said you have to have proper zoning *before* you can have a license.

Mr. Dadson said zoning is discriminatory but no exclusionary. You can allow it everywhere or discriminate based on corridors, etc. They can allow it by right with conditions, allow it with conditional use or by special exception, or it can be restricted to a particular type of zoning and then the individual properties must be rezoned. It is an allowed use in certain districts now, and the question is whether it would be allowed in other types of districts.

Mr. Helm asked the state’s definition of a short-term rental. Someone said it’s 90 days or less. Councilman McFee said he thinks it’s 30 days or less and said it should be looked up.

### **BOARDS AND COMMISSIONS – INTERVIEWS**

Cheryl Neison was interviewed for a position on TMAC, representing Historic Beaufort Foundation.

### **DISCUSSION OF BLADEN STREET REDEVELOPMENT DISTRICT**

**Wayne “Cooter” Ramsey** reviewed changes to the form-based code that will be made in reference to the HDRB appeals process. The standards are the code first, then the Northwest Quadrant’s design principles. Language will be added to cover that. He said section 10 is missing from the document and needs to be added back in.

**Steve Tully** said that on page 8, the document states that buildings SHALL be mixed use and there was an agreement that it should be SHOULD, not SHALL. This allows for residences on the parcels. Mr. Tedder said *shall* means that it’s mandatory. Councilman Sutton cautioned that the language be clear. Mr. Dadson said this is a staff-level review, and if it’s worked out, it moves on. If there’s disagreement, it moves to HDRB “and that’s where words become more important.” Mayor Keyserling recommended footnoting the contentious paragraph.

Mr. Ramsey said regarding porch depth, there was a request to change it from 8’ to 7’; he likes 8’ himself, and a porch is not required to be built. Mr. Tully said a porch *is* required on a residence. Prescribing 8’ is like prescribing the foundation. Councilman Sutton referenced the conservation manual regarding porch depth. Mayor Keyserling said they’re being sent to a reference point when it was decided that 4-6’ porches don’t work, but “now today we know they do.” Mr. Tully said the minimum is 8’.

Mr. Tedder said, according to section B, in a conflict, the form-based code standards override others. Councilman Sutton said if they appeal, they have that document and will look at prevailing conditions as they exist in the neighborhood. Mr. Tedder said “the form-based code is the ten commandments unless there’s an ambiguity in the document.” Mr. Dadson said the properties that are farther away from the main corridor are different. He’s not sure he’d get

bent out of shape about this. He doesn't have a feel for the distance, but this won't apply all the way down the streets that shoot off of the area that the standards have been adopted for.

Mr. Tully said if it goes to appeal, it defeats the process of using form-based code. Councilman Sutton said they should use the conservation guideline regarding porch requirements compared to current conditions and see if there's a middle ground. Councilman Sutton asked if the lot size doesn't dictate the size of the porch already. There are comparisons to other properties in the district. He feels the Northwest Quadrant guidelines need to be compared to the new form-based code written. Mr. Dadson asked if it would be easier to make no reference to the quadrant guidelines and just say, "This is the document if you want to appeal." Councilman Sutton said the Planning Commission was cautionary about not wanting to go through the Milner process. He feels Mr. Dadson has a valid point. Mr. Ramsey said the staff architect or another staffer approves the project; the next step is to the HDRB who uses the form-based code and then secondarily the Northwest Quadrant design principles *if the matter is not covered in the form-based code*.

Mr. Dadson said if they were dealing with blocks further off of Bladen, this would be written in the form but they're looking at 3 different types of blocks. Form-based code says they will continue to mitigate on a block-by-block basis. Councilman Sutton asked if this would cover renovation and repair to properties that may yet come in. Mr. Ramsey said they have tried to cover everybody on this first pass. Councilman Sutton said the idea is to create this code to make it seamless enough and give clear direction. They don't want it to have to go to appeal.

Mr. Tedder asked about the limits to the authority for the city architect. Mr. Dadson said the standard should be set; it's not about 8' porches. It's about creating an adequate porch to the building. Architects will come in with different ways to do it. Mr. Dadson feels there is a minimum standard here, but there should be architectural flexibility. Mr. Ramsey said he believes the city architect has the authority to make the changes for a project to allow those types of variances without the applicant having to go through a huge process.

Mr. Tully said building an 8' porch on every house might not work or look good. Councilman Sutton said the HDRB's charter will have to change. Cookie cutter design is not desirable. Mr. Tedder said it *has* to have a porch or a stoop. Mayor Keyserling asked if they allow for variation on that. Councilman Sutton said it's practical to have one, but the designer should have flexibility to avoid an exact line of virtually identical residences. Mr. Tedder said this is site-driven. Mayor Keyserling asked Mr. Ramsey if he needed more direction, and Mr. Ramsey said it sounded as if it needed to be made 7' and they could move on.

**Roxanne Windise** asked if it wouldn't make more sense to work with the 2 existing guidelines rather than setting up a new system. Mayor Keyserling said many of those guidelines don't allow growth or rebuilding what they already have today. Ms. Windise said the other guidelines can't be amended to make exceptions of the new Bladen Street. Mayor Keyserling said, no, they need to meet existing forms in the middle. Mr. Dadson said Mr. Ramsey knows the forms well and has been part of the other processes. Bladen Street is a different set of blocks than

one block over on Adventure Street. It's a more commercial, mixed use corridor. Councilman Sutton said the architecture in this is similar to the current Quadrant guidelines, but the streetscape is barren, and they want to keep building up on the street. It's complimentary to the existing guidelines. They are trying to keep it at a staff level.

Mr. Tully brought up the need to change the requirements on building entrances to COMMERCIAL building entrances. There was some debate as to the merits of the language as it is now. Mr. Tully said it is a requirement now, and commercial buildings should have it but not residential. There was agreement to change it.

Mr. Tully said on page 10, there's a designation of a build-to line and then exceptions; he wants to add *for existing power lines or setbacks for safety* particularly for Duke Street. There was agreement to this.

On page 14, in reference to 2-car garages, Mr. Tully said they are allowed where alleys are NOT present but it should be when they ARE present. Mr. Ramsey said the garage can be 2-car as long as it's in the back, with or without the alley. Mr. Tully said if that's what it says, and they agree.

**Mayor Keyserling had to leave the meeting and passed the gavel to Councilwoman Beer.**

On page 17 of the document, in reference to commercial mixed use buildings, Mr. Tully suggested taking out *to the sidewalk* because of building(s) he has fronting Bladen and North Streets. On his property there is a sidewalk and an open common area. Councilman Sutton said every building's not the same. Mr. Ramsey said he has no problem with taking it out. Councilman Sutton said covered walks aren't approved in Milner or Quadrant guidelines.

Mr. Tully said on page 8 of the regulating plan, specifically for his property, "on the big block," there's a parking minimum on the site that needs to be defined between commercial and residential. Mr. Ramsey said they've talked about it; Mr. Tully said it's not been changed. Commercial is fine. Councilman Sutton asked the residential requirement now. Mr. Ramsey said on-site for residential, 2 spaces per unit will be allowed in addition to the maximum. Mr. Tully said ok, he didn't want to have to use the commercial standard.

On page 9, Mr. Tully said the document says that parking MUST be located in the rear of a property; he thinks it should be SHOULD, not MUST. Mr. Dadson said he doesn't feel it should be allowed in the front unless it's on-street. Mr. Dadson said he's fine with parking on the side. Mr. Tully said he's okay with MUST but not SHOULD. Mr. Dadson said they want the house at the front. Mr. Dadson said if they change it, they should also have that parking CAN'T be in the front. Mr. Ramsey said it should be SHALL be located in the rear or side and should be accessed by the alley.

Mr. Tully mentioned another change that he said should have already been made, and Mr. Ramsey said it was "a carry-over" and would be removed.

Councilman Sutton asked when Mr. Tully is going to break ground. Mr. Tully said if it passes in the next two readings, they're ready to go.

Mr. Tedder says **Steve Patterson** and he are in total support of Mr. Tully's project. They haven't come to agreement on their redevelopment property and will work with the city on it.

Councilman Sutton asked if demolition had been discussed. Mr. Ramsey said every site with a building on it is already dealt with for all these properties under discussion. There's nothing, though, if the zoning is asked to be extended into another area. It's not an issue for this area of Bladen unless the document is expanded. Mr. Ramsey said the changes will be made by next week for the first reading.

### **DISCUSSION ABOUT PARKING**

Councilman Sutton said he and Councilman McFee had made a summary of the first 40 responses. Councilwoman Beer met with the parking management group. Lanier has now generated a report on parking recommendations. **Lanelle Fabian**, Main Street Beaufort, said she has 104 surveys out to downtown businesses and has received 61 back. They asked if there should be more than 2-hour parking on Bay Street, about short-term on Bay, about first time offenders receiving a warning, rather than a ticket, about adequate signs on Bay, about the kiosks on Bay and in the lots, and whether the cost for parking should be less as one moved away from Bay. Councilman Sutton said given the data, they determined that the majority downtown believe that 2 hours is not quite enough, most said they wanted 3-4 hour limits. 64% believed it should be longer than 2 hours.

The opinion on the short-term drop off period was evenly split, and Councilman Sutton said there were good comments on that. As far as extended hours, "the overwhelming response" was to extend *some*. The only restrictive areas were whether the playground and the library would be kept at two hours if other areas were lengthened. Councilman Sutton said he feels that the library is within walking distance of much longer than 2-hour parking, so they should encourage turnover in that lot. He feels it should be left alone. People can walk a half-block to Craven and then study at the library for 8 hours. The playground at Waterfront Park seemed like the same idea because of limited space. Councilman McFee said two hours is adequate for the parents of the kids at the playground.

Councilman Sutton said the idea of the warning ticket is being driven by the kiosks and the rise in the penalty for staying past the paid-for time. If it were posted that the fines are \$10, there may be more incentive to park properly. The merchants "overwhelmingly" felt that a warning for first-offenders would be apt, Councilman Sutton said.

The majority of those surveyed felt there should be "a cascading cost" for parking away from Bay.

Regarding signs, respondents feel that there are enough, but 53% said some areas have too many and others don't have enough still. Councilman Sutton said there's a remedy in the works. Marking the stalls on the curbs seems to work much better than marking in the street. The survey split on whether there are enough kiosks. The marina and library needed more signs and more pay stations, according to the survey. The painting on them is split. The marina doesn't have sidewalks for curb marking and will need to continue to be looked at. In response to the last question about enforcement hours, the majority of merchants didn't want to extend enforcement past 6 pm, Councilman Sutton said.

Councilman Sutton said the answers received were what they already had heard on the street. He felt the entire process doesn't need to be thrown out; there are changes that can be made.

**Brent Phillips** of Lanier Parking said Lanier recommends:

On Bay Street, Option A) add twice the current number of pay stations, which would mean six. There is one per block now on Bay Street. This would cost approximately \$78,000. OR,

Option B) take the 6 kiosks off Bay Street and relocate them to the marina lot, the waterfront playground and the library and replace them with double meters. They are called "Victorian" and have period-looking bases. Mr. Dadson said if 70-something percent of parkers are using bills and credit or debit cards, meters are a step backwards. Councilman Sutton said when the option was available they used it, but if it went back to meters, people would have to go to the shops to get quarters, which he thinks would be good for those businesses. Meters would require 12 quarters for the three hours of parking. Councilman Sutton asked if there are options for meters that could take tokens, bills or cards. Mr. Phillips said some newer meters can use credit cards or cash. This option to return to meters would cost approximately \$450 per meter or \$34,200.

#### Recommendation #2 Time Limit Alterations:

Mr. Phillips said Lanier recommends that Bay Street should be changed to a 3-hour parking limit which will solve a lot of complaints. **Alice Wallace** said 17 downtown employees were counted parked on Bay Street on Friday between 10 am and 1 pm. **Tony Royal** commented negatively about employee parking. The playground and library lots would stay at 2-hour parking limits to encourage turnover. The Marina and Craven Street would have no time limits. All other remaining streets would have 4-hour limits. Scott Street, Lanier suggested, would either be moved to a monthly parking pass area or have a pay station with a 3-hour limit.

Councilman Sutton said the number of passes may need to be discussed at some point for the Trask lot.

#### Recommendation #3 Rate Structure

Lanier recommends that the most sought-after parking remain at \$1.00 an hour. Port Republic to Craven (all side streets up to Craven) should be 75 cents an hour; Craven should be 50 cents per hour. Some areas of the Marina and Scott Street lots would be designated as monthly parking only.

Other recommendations:

- Change to pay-by-display, not pay-by-space – the parked car would display a receipt, not put in a space number into the kiosk. Some debate that ensued about whether parkers would like this option better. Mr. Phillips said this is Lanier’s only location where they do pay-by-display. Someone in the public said it could potentially be a problem when the paper would black out in the sun. Ms. Wallace said they have new paper that has proven so far to work well.
- Adding green “P” signs to indicate parking on surface lot areas on top of the pay stations. Lanier recommends against warning notices; if they go back to meters on Bay Street, parking in front of a meter is notice that one has to pay to park.
- They could do short-term parking easily if they go back to meters.
- They would propose the yellow drop boxes to pay fines that they eliminated when they went to pay stations.
- Lanier can discuss the token program in the near future for both meters and pay stations.

Mr. Royal said Bay Street Outfitters does less business in the summer; it’s different for different merchants. They’ve never offered free parking in January, Mr. Dadson said. Mr. Royal said they may want to this year. He said he’s in the third year, second month of the recession at his business. The city is losing businesses on Bay Street and will continue to. They need to figure out a way to keep Bay Street alive. Free parking in January with aggressive work on parking might be a good idea. Mr. Royal said the survey of businesses was a very good idea, though it was 18 months too late.

Some people don’t come as often to Mr. Royal’s store and some have not come back because they reject the parking kiosks, he said. The merchants want turnover, but then they say they want more time. He understands that council is put in a tough position because of this. Mr. Dadson said if merchants are concerned, council can change rates and times by ordinance in a more timely fashion than they can change technology, and they can do all that by January. Councilwoman Beer said she just doesn’t want to drag it out. Mr. Dadson said at least those pieces (rates and times) would be put together and the technology issues can be debated. Councilwoman Beer said if the merchants see movement forward, it will give them comfort that council is working on their behalf.

**Randall Burch** asked what the time frame is on installing meters and taking out kiosks. He thinks the statement needs to be made in January that there is a new improved parking system. He would like to see an estimate of the cost in manpower of putting up the meters in stock. Alice said the poles were damaged when taken out and they would have to be replaced. Councilman Sutton said if they go to slot meters later, they have the same pole.

**Nan Sutton** said the technology is the problem, and she hopes it’s moved along quickly or at the same time. Her customers are not coming downtown because of the kiosks. They are a daily problem for a lot of people. Councilman Sutton said he likes the recommendations he sees

from Lanier. Parking isn't controlled by council at this time. Mr. Dadson said agreements and documents need to be changed. They can be drafted by the attorney. The ordinance needs two readings; the first could be next Tuesday. This would be to change rates and times. Councilman Sutton said ordering poles and installing them is a manpower issue. Councilwoman Beer said if they go with new meters, where will the money come from? Mr. Dadson said it would come from future revenues for the Redevelopment Commission and Main Street Beaufort.

**Charles Aimar** said the survey left off the question of whether the majority of merchants in the core commercial area want permanent free parking on Bay Street and maybe on Scott and West Streets as well. He feels the overwhelming majority would say yes, with 3-hour limits and a reasonable ticket. He cited other business owners who agree that they should study putting up meters again on Bay Street, especially during the economic downturn, and "bagging the fees temporarily." He thinks the council, through the Redevelopment Commission, "could stall and study and talk to everyone on Bay Street."

Councilman Sutton said they "won't wait another day to fix problems on Bay." Councilwoman Beer said since 1937 there's been a debate about paying for parking on Bay Street. They've had 3 different opportunities to do away with meters, and merchants have said they won't support it because customers won't have places to park because of employee parking. Mr. Aimar said he'd canvass Bay Street the following day because of his concerns, including that the Redevelopment Commission's funds will go elsewhere than the downtown core and into place private investors should fund. Councilman Sutton said downtown is bigger than 2 blocks. Getting people to live down there will allow it to thrive. Transient customers with a finite number of parking places is what they have had for 50 years.

Closing businesses are because of the market, Councilman Sutton said, which has booms and busts. Council is responsible for the parking problems, not the Redevelopment Commission. Mr. Aimar asked, if there's not a policeman giving out tickets, how much would it cost to not have Lanier. Could the city manage it at a better price? **Rob Bowden** said the downtown merchants have had a tough couple of years for various reasons other than parking. He feels it's important for the patrons and customers to know that council is listening and trying to do something.

Councilman Sutton said the enforcement change on the 76 spaces is the real issue. The comments include that the meter gave a sense of where the car was supposed to be aligned. Councilman Sutton said the tickets have to hurt in order for people to pay attention. Mr. Aimar said \$10 is "extremely high." Councilman Sutton said he's gotten no complaints about the amount of the fine but *did* receive complaints about people who got a ticket because they couldn't understand the process.

Mr. Aimar reiterated his support for the idea that the meters remain bagged for another month. Mr. Aimar said a merchant had claimed that they cannot dictate where their employees park. Councilman Sutton said this doesn't make any sense to him, when they can dictate other things to their employees such as dress codes: "The restaurants are messing everyone up by

not insisting on them not parking downtown.” Mr. Royal said he pays \$3200 a year for parking spaces downtown for his employees. He would terminate an employee who parked downtown.

Mr. Bowden said with free parking, tourists won’t know that the spots are taken up by employees. Councilwoman Beer said council constantly hears complaints because there’s no parking.

Mr. Moquin said he’s not been to all the parking discussions, but he thinks council needs to look at sales tax revenue generated in the commercial district and the revenue generated by the parking. The parking money generated is negated by those people who are lost as downtown consumers. He feels that the proper perspective is to look at tourists and customers.

Ms. Wallace said the instructions on the pay stations have been simplified, but she hasn’t gotten approval to do it on all the kiosks and asked if that could be done at the work session. Mr. Dadson said that’s an administrative matter, and Lanier staff could go ahead.

Councilman Sutton asked what the next step is. First reading and change of agreements should be on the next agenda, Mr. Dadson said. The financials need to be reviewed. Data is reviewed all the time. Turnover is what they expected it to be, and the number of transactions indicates people are downtown, but whether they’re parting with their money after they park is another matter. There are other bigger picture issues. The downtown has lost the city money over the last 3 years. People who live in other neighborhoods foot that bill. The Redevelopment Commission and council “are trying to broaden what is called ‘our town’.” Parking is only one piece of this. He added in response to a contention by Mr. Aimar that “Georgetown would die to have a parking problem,” not be worrying about how to get people downtown in the first place. Places who give parking away are doing so because no one wants to park there. Councilwoman Beer said council understands the problems of business owners and the cost of doing business is spread out throughout the city.

### **EXECUTIVE SESSION**

On motion of Councilman Sutton, seconded by Councilman McFee, council voted to move into Executive Session pursuant to Title 30, Chapter 4, Section 70(a) (2) of the South Carolina Code of Laws for receipt of legal advice. The motion was approved unanimously.

Councilman McFee, seconded by Councilman Fordham, made a motion to come out of Executive Session and resume the work session. The motion was approved unanimously.

### **ADJOURNMENT**

There being no further business, Councilman McFee made a motion, seconded by Councilman Fordham, to adjourn. The motion passed unanimously and the meeting was adjourned at 9:12 p.m.

ATTEST: \_\_\_\_\_

IVETTE BURGESS, CITY CLERK