

A work session of the Beaufort City Council was held on July 12, 2011 at 5:00 p.m. in Council Chambers, City Hall, 1911 Boundary Street. In attendance were Mayor Keyserling and council members Donnie Ann Beer, Mike Sutton, Mike McFee, and City Manager Scott Dadson.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80(d) as amended, all local media were duly notified of the time, date, place, and agenda of this meeting.

Mayor Keyserling called the meeting to order at 5:02 p.m.

DISCUSSION REGARDING REGIONAL ISSUES WITH AREA PARTNERS

Visitors Convention Bureau - Transfer of Designated Marketing Organization Status

Jon Rembold, Chamber of Commerce chairman, introduced **Blakely Williams**, the new president of the Chamber of Commerce. He said the Visitor and Convention Bureau (VCB) is the designated marketing organization (DMO) for the City of Beaufort. The Chamber of Commerce split from the VCB in March and gave the VCB control of marketing as the DMO.

Jeff Thomas is the chairman of the VCB board of directors. Mr. Thomas said the boards of both organizations agree that they should focus on their distinct missions for greater efficiency. He reviewed the VCB board members and their professional affiliations. In this transitional period, Chamber of Commerce board members have been invited to be on the VCB board. They are interested in having a council member on the board as an oversight member.

Bob Moquin said after the Gulf War, in 1991, tourism in Orlando came to a screeching halt. Competing attractions came together through their VCB to create a "magic card" that still exists. He went on to make a presentation about the VCB's role as the DMO. He began by saying that the Chamber of Commerce memberships' roles would not change at all. They will continue to deliver the benefits of tourism to its members, and "even add more value." He presented an organizational flow chart.

Having the Visitors' Center in the Arsenal, Mr. Moquin said, is the beginning of a partnership with the city. He described the staff as "lean and mean." He showed revenues from 2009 – 2011. He showed where money came from the city, county, and state, the visitors' center and marketing programs (ad sales). Expenses include 32% for salaries / wages and 28% for advertising. He said the transition and the relocation will reduce operating expenses. The goal is to put more revenue to marketing and less to operations. Tourism is the second largest revenue producer for the city after property taxes. Taxpayers aren't paying the bill, he said; the visitors who come in paid \$2 million, in Accommodations Tax and Hospitality Tax, not locals. Tourism revenue increased 9% in the last two years. The city revenue is collected for the VCB from grants, Hospitality Tax, and DMO funds. He said grants change from year to year and can be hit or miss. Historically, they look at DMO collections because they don't know how much they'll have to spend each year; they must adjust for grants though they have started their fiscal year.

Partnerships and collaboration, Mr. Moquin said, are a great benefit to the community. The vision for tourism is to make Beaufort, Port Royal, and the Sea Islands a year-round destination

for those who want “an authentic experience” of cultural diversity, events, a variety of facilities and “warm hospitality.” A healthy economy will promote partnerships. The VCB vision is to be a tourism leader.

Mr. Moquin showed a variety of goals and objectives that need to be attained, including increasing leisure and group travel. In regard to branding, he said an exercise with TMAC had created elements of a pyramid. They got research and feedback to determine the brand.

Mr. Moquin showed a former logo for the Chamber of Commerce and the VCB. Ms. Williams said the Chamber of Commerce’s tag line is “The voice of business.” The new image and slogan for the VCB is “A stay with us will stay with you.” They got focus group feedback that a visit to Beaufort is very memorable, but the challenge is that it is a pass-through destination. He’s frustrated that people come to Beaufort on their way elsewhere, though Beaufort is less expensive, etc. than Hilton Head Island and other destinations.

In travel trends, people are vacationing closer to home, Mr. Moquin said. The benefit of tourism is that every South Carolina household saves \$700 because of it. The top leisure activities are visiting relatives, shopping, visiting friends, rural sightseeing, and beaches. They have researched media consumption. Women ages 40-65 in “drive-markets” who have a college degree are the target audience for marketing. He said the primary audience is 45-65 years old couples with a \$100,000+ household income and a college degree. Secondly, they seek 35-55 year olds with \$75,000 household income, children and a college degree.

Mr. Moquin went on to discuss the campaign evaluation and analysis process to show “how we bought and where we bought.” He showed the online banner campaign for last fall with a focus on history, the arts, and the outdoors. He said consumers are looking for value when they travel; the industry partners can make their own price points. The ads led to a landing page with 12 partners who the marketing helps drive tourists to. There were 4000 directed consumers to the partners over a 6-week period (October – Thanksgiving) of the campaign. The partners asked the VCB to keep the program going, so it was extended through January. Mr. Moquin said they ran the campaign in four specific targeted markets. They can track which ads perform best, which allows them to optimize their media buys. If it’s not performing well, they will run an ad with a different focus.

Mr. Moquin said the fall marketing campaign led to 3229 conversions from the 24 million impressions and 13,000 hits to the landing page; they had 72 visitors guide requests.

The 300 Campaign Giveaway is meant to increase overnight visits while building new brand recognition for Beaufort, Port Royal and the Sea Islands by leveraging Beaufort’s historic anniversary with a 300-year themed campaign. They created \$300 vacation packages. The campaign runs June 20 – September 30 and will provide free 2-night stays for 150 people, a total of 300 free nights. About 13 out of 26 properties agreed to give those rooms. Accommodations properties can sell packages starting at \$300, and tour operators can offer discounted tour tickets to winners and \$300 package purchasers.

Mr. Moquin showed a “print overview page” and the magazines they appeared in, primarily regional and local publications. They received 6600 entries so far and had a winner from Honolulu. They have a 4000-person database, which has increased greatly owing to this campaign alone. Fifty different media outlets picked up the story when it was put on the news wire from a press release and subsequent local newspaper story. This is valued at \$51,000 already, Mr. Moquin said. They are averaging more than 300 entries per day and a third of all viewers have gone to the “book now” page to view the \$300 offers. 12 more weeks remain in the campaign. Beaufort has been featured in major national publications as a result of the campaign.

Mr. Moquin said Pat Conroy agreed to a full-page interview in the visitors’ guide. They are doing a giveaway of Conroy’s latest book to capture new names. Mr. Moquin thanked the city and county for a contribution of \$10,000 toward a feasibility and economic impact study for a conference center. The Holiday Inn is the only property that can handle 200-300 people at present. If Beaufort could have more conferences, they can have more repeat visitors as well as the conference-goers’ direct dollars. They hope to have “more exciting news” in August.

Mr. Moquin showed an artists’ rendering of the Visitors’ Center / Arsenal that could be used for private functions, weddings, etc. An interactive kiosk allows tracking of information from inquiries. People want restaurant menus, for example.

Mr. Moquin explained the Tourism Works for Beaufort campaign. The micro-site / web site was put together for \$2000 but has economic impact, he said. An eco-tourism and sustainability conference will be held in Hilton Head Island in September. He encouraged those in the audience to attend because he feels Beaufort is perfect for this sort of tourism. He showed other destination initiatives for 2012; the Gullah Geechee Cultural Heritage Corridor will be in one of four states, and they are recommending that the interpretive center be at Penn Center. Also Port Royal will celebrate its 450th anniversary.

Mr. Moquin reviewed the June 2011 Marketing Impact Report including the most-viewed pages, top keywords, etc. The tourism e-news also leads to an increase in hits on the site when it’s sent. They track who comes to Beaufort of those who request materials.

Mr. Moquin showed the occupancy report and said Beaufort’s average daily rate (ADR) is up. Year-to-date, occupancy is flat, as is ADR, but in the last 12 months, they’re up 3%. The ADR is \$85. Total revenue is \$16 million in this community thus far.

VCB needs to increase overall occupancy rates and prepared food sales. They want to increase Accommodations Tax collections through higher occupancy and average daily rate. Every 1% increase in the occupancy rate will generate \$341,000 in room revenue. When the Accommodations Tax goes up, the Hospitality Tax does, too which Mr. Moquin called a “double benefit” of accomplishing this. To increase Accommodations Tax, they need 2008 overnight

visitors to stay an average of 2 nights. He credited the visitors to the military graduations for the current 50% occupancy rates.

Mr. Moquin said they would appreciate more oversight at the VCB and quarterly meetings with the city.

Councilman Sutton said he had looked at the web site and noted that this is the most data he'd seen about marketing Beaufort in some time. Mayor Keyserling said he'd read the ordinance, which his mother wrote with the Hilton Head Island Chamber. The ordinance, he was surprised to find, says that before every fiscal year, the organization should submit a budget of planned expenditures with their annual report. Mr. Moquin said at the end of the month, the city will get a detailed written document that will spell out their intentions.

The fulfillment center for the visitors guide is in Savannah and was going out with Savannah, GA printed on it in the past, Mr. Moquin said. He feels the new guide is more customized to the target audience and entices recipients to want to visit. They saved \$15,000 in postage by reducing the bulky size of the guide, too.

Councilman Sutton said he's encouraged about the VCB and the move of the DMO status to them. Mayor Keyserling said council and staff have learned how to do things with fewer dollars, and they have to continue to reinvent themselves. He said he and Paul Sommerville have discussed the investments by the city and county, and both feel that they should work more closely with the VCB on planning and oversight.

Eddie Rogers asked about the origin of the VCB tagline. Mr. Moquin said it's resulted from collaboration with a marketing firm. She asked how the 300 winners would be chosen, and it was explained as a random sampling. 10 winners a week are chosen.

Laura Von Harten discussed synergy with rural partners like Daufuskie Island. Councilwoman Beer said the presentation was informative and said for years she has heard that people love Beaufort but the first time they didn't even know it was here. Many visitors would love to buy a home here after visiting. Mr. Moquin said there's been work done toward cooperating with realtors to promote opportunities to buy a home to visitors.

Mayor Keyserling said events are a value in bringing people to Beaufort, and asked Mr. Moquin if he thought the VCB should have a bigger role in that. The partnership with USCB's hospitality program has been very successful, Mr. Moquin said, in surveying consumers during Shrimp Festival on spending, accommodations, etc.

DISCUSSION ITEMS

Appointment To Rail Trail Steering Committee

Mr. Dadson said the Northern Region Implementation Committee endorsed creating an ad hoc steering committee. It would be staff advisory capacity and advocacy; they need representatives from Port Royal, the county, the City of Beaufort, BJWSA, etc. He said it's

council's call if they put someone on there. Councilman Sutton asked if there were enough data to support what the role is. Mr. Dadson said all he knows is what's in the council packet that they have before them. The idea is to be a sounding board and to be available to go to public groups to listen and take advice, as well as to come back to council on what its recommendations are. Mayor Keyserling said this effort has been moving rapidly even without full participation. He wants the representative to be a strong advocate, particularly in regard to cycling. He has been excluded from the process to date. There was brief discussion about a candidate for the position.

Cameras Downtown and in Waterfront Park

Mr. Dadson said staff hasn't prepared anything yet. Councilman Sutton said they should discuss the matter. He feels cameras should be more than a reaction to what's been happening downtown lately. They need to determine if cameras are a deterrent to bad stuff or an enticement to good stuff. Mayor Keyserling said it may be able to do both. Using a camera for crime-fighting may tie hands, and it might be better to look at cameras in important venues that could be streamed live, i.e., at festivals. The VCB web site could stream four locations downtown that people could go to in order to "See Beaufort" when they go to the site. Anyone can check the surf in Hawaii on an iPad, but they can't see Beaufort.

Mayor Keyserling said he believes there's a way to do both. He believes the technology can be wireless, which saves money. Councilwoman Beer said when Waterfront Park was redone, the idea of the use of business-supported cameras faded. Mr. Dadson said they could put out an RFQ to solicit input for what companies might do, so *they* could provide the ideas. Councilman Sutton said they would want partners to be tied in, such as with the VCB program. Mr. Dadson said staff could put a draft RFQ together. Groups with an interest in this might bring more ideas forward and provide a whole new approach. Councilman Sutton joked that "Lulu's might sponsor a camera." There was general assent to this RFQ idea.

Speed Reduction in Pigeon Point Neighborhood

Councilman McFee said the neighborhood association had mentioned reducing traffic, especially on the park side, though it may morph to a greater area. They have circulated a survey among neighbors and users of the park to reduce the speed from 30 mph to 25 mph on Pigeon Point Road. They have also heard that people would like this reduction on other interior streets. Stop signs slow traffic, Councilman McFee said. Mr. Dadson said there are "all kinds of ways to calm traffic." Mr. Dadson said council was given a draft of how it's been done before.

Councilman McFee said SCDOT is less resistant about changing speed limits as opposed to putting in obstacles, stop signs, crosswalks, etc. which they are less enthusiastic about. Mr. Dadson said that's because just reducing the speed puts the burden on police, not investment on the part of SCDOT. Mr. Dadson said the tracking of average speed showed it was 24 mph. Councilman Sutton said it can be a matter of perception. Councilwoman Beer said it's been asked for in the past on Pigeon Point Road. Councilman Sutton said he supports reduction along the park. Councilman McFee said the neighborhood association said there's a park at both ends of the street, including that of the boat landing on the other end. Mr. Dadson said he's written

a draft letter, and it could be sent on. Mayor Keyserling asked Councilman McFee to bring it up under council reports.

There being no further business, the meeting was adjourned at 6:59 p.m.

A regular meeting of the Beaufort City Council was held on July 12, 2011 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, Mike Sutton, Mike McFee, and City Manager Scott Dadson.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80(d) as amended, all local media were duly notified of the time, date, place, and agenda of this meeting.

CALL TO ORDER

The Mayor called the meeting to order at 7:05 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

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

PUBLIC COMMENT

Ms. Rodgers wanted to know why Henry Chambers' name had been removed from Waterfront Park a couple months ago, and Mayor Keyserling had told her it was "to consolidate and de-clutter the signs." Now she's also concerned about the big yellow SCDOT signs on community streets, she said. Mayor Keyserling said they were a surprise to everybody, adding that there's "agreement that they're overkill." Ms. Rodgers added that they're also "unsightly." She said she "still thinks it's a mistake to remove people's names from those things that were named after them." She said if money is an issue, she will raise money to replace those signs that now say Historic District Waterfront Park. Mayor Keyserling said the goal was to simplify; Ms. Rodgers said that effort was destroyed by the jarring yellow mustard signs.

Ms. Rodgers said in reference to the reduction of the speed limit on Pigeon Point Road, if the signatures were collected from users of the park, maybe the county should take over Pigeon Point Park. Ms. Rodgers said there's a signature on there from Wilson Drive, and they should be contacted to gauge their support. She's concerned that the residents don't have a voice if the signatures were collected in the park. She also feels it's hard to stay under 30 mph. It's a matter of fairness, she said, to consult Pigeon Point residents, not just those in the county who use the park. Councilwoman Beer said these petitions were begun after the last neighborhood association meeting. Those who had children at the park are cognizant, Councilwoman Beer said, of the need to reduce speed, and she advocates all neighborhoods have 25 mph speed limits. Mayor Keyserling said the parks are being looked at as to ownership to determine "who should do what." Staff is looking at maintenance costs as well to determine greater efficiencies. Ms. Rodgers said if the parks are being used by the entire northern area, there might be a good joint financial arrangement to be made.

Brenda Hood said she wanted to discuss a Pigeon Point issue. They have had a property there for six years. There's a recurrent problem with drainage; there is no proper drainage for the full length of Pigeon Point Road, backing up all the way to Boundary Street. If it's clogged, which it often is, water backs up almost to Calhoun Street. She has e-mailed council and come before it for many times, she said. They have tried to solve the problem with measures of their own, as

have other neighbors and businesses in the area who experience the problem. They need the city to do something, she said. It's a county road, but she pays taxes and stormwater fees and would like to know where they are going. They have had to empty a property to paint and renovate it after a great deal of water had accumulated under the house.

Peter White, Suthern Rose Buggy Tours, offered an update on the carriage companies' operations. He feels there's been no change over the past 20 years. He came before council to say that as the new contracts for slots come up in October and TMAC is working on it, he and his wife have concerns that the new ordinance - whatever it is - won't work and "will be more of the same." After 13 years in the business, the only solution they see is having only one carriage company to alleviate all problems of accountability and to ease the concerns of the citizens and especially council. He offered a packet from the Department of the Interior about a carriage company in Bar Harbor which has one company with a ten-year contract. He added that whether or not his company was awarded the contract, he feels it would be good for Beaufort to have one company. Mayor Keyserling asked that he provide the packet to TMAC as well, and Mr. White said he would.

Walter Gay said he has concerns about the crosswalk where an employee was injured, and he has talked to the Public Works director, SCDOT, and the city manager. What's slowing up the matter is the need for handicap ramps on either side, which the city has done, but seven months have passed, and the effort's at a standstill. He feels it's an accident waiting to happen particularly because of the various tours as well as individuals crossing there. Everything is in place, he's been told, but nothing's been done. Mayor Keyserling directed Mr. Dadson to "get that done."

Lanelle Fabian thanked attendees of Main Street Beaufort's annual meeting. She invited council members to the organization's board retreat August 4 from 4-7 pm. Last Thursday, she said, she gave a presentation to the Redevelopment Commission and would like to give it to council, too.

PUBLIC HEARING: REVISING SECTIONS 5.1 AND 5.3.D OF THE UNIFIED DEVELOPMENT ORDINANCE TO PERMIT SHORT TERM RENTALS IN RESIDENTIAL ZONING DISTRICTS BY SPECIAL EXCEPTION AND AS A CONDITIONAL USE

Mayor Keyserling opened this public hearing. Mayor Keyserling explained that the revisions to the UDO are why they are doing another public hearing on short-term rentals. **Libby Anderson** said there have been many changes to the short-term rental ordinance. She explained what a short-term rental is as opposed to rentals of 30 days or more. Currently short-term rentals are only permitted in commercial zoning districts, not residential districts. The Planning Commission recommended an ordinance, and it's been presented to neighborhood associations. It will permit short-term rentals in all residential zoning districts. Ms. Anderson went on to explain that if the rental is in the primary dwelling unit, it would be done as a special exception. If the owner lives on the premises, and they have an accessory dwelling unit, that would be considered as a conditional use. Ms. Anderson said the special exception process is conducted by the ZBOA and public participation is encouraged.

The proposal would permit short-term rental with conditions: a minimum two-night stay, adequate parking, a property management plan presented, etc. Ms. Anderson said the proposed amendment would be allowed in all districts except in planned communities with covenants that don't permit short-term rental. The other exception is in The Point neighborhood, where the ordinance would not apply. Mayor Keyserling said council would hear this for first reading and invited public comment.

Patricia Cotter, Spanish Point Drive, said she had just become aware of the proposal. She has a cabin in Vermont that she and her husband considered renting via the internet. They had to pay quarterly taxes so they decided against it. She said the income to the city would be important. The idea of the homeowner not being on site concerns her. She's opposed to someone being able to rent without the property owner being there; issues could arise with clean up, pets, etc. She recommended caution in controlling this. Ms. Cotter added that she supports the idea in the workshop of supporting the hotels' occupancy. Mayor Keyserling said Ms. Cotter's questions would be answered in the first reading portion of the meeting.

Monty Hopey said he would prefer the proposal to read that if a homeowners' association's covenants permitted short-term rental, they would be able to do it. Councilman McFee said the Cottage Farm covenants do not address short-term rentals. Ms. Anderson said if the covenants *prohibit* short-term rental, they won't have them there. Councilman McFee said they might be able to change the language, but he's not clear what Mr. Hopey is asking. If the covenants say short-term rentals can be done, it's covered by the language in the ordinance that said the city won't supersede the authority of the covenants. Mr. Hopey said his neighborhood's covenants "place an unreasonable burden on Cottage Farms residents." He was never led to believe that a home in his neighborhood could be a short-term rental. Conceivably vacant houses in the neighborhood could be turned into short-term rentals for military graduation families. Councilman Sutton asked Mr. Hopey if he sat on the homeowners' association board; he said he does but was speaking on his own behalf tonight.

Beth Grace, the new president of The Point neighborhood association said The Point sympathizes with Cottage Farms because their concerns are similar to those of the residents of The Point. The neighborhood association supports the current proposal overwhelmingly.

Richard Seymour, who is on the homeowners' association of Battery Point, said their covenants on short-term rentals are similar to those at Cottage Farms. Their board of directors has been crafting a document in this regard, but that incurs a legal expense, so he would prefer the ordinance say that if covenants are *silent* on short-term rentals, then short-term rentals would NOT be allowed. He would also like a mandate that the homeowners' association also be notified of short-term rentals. If someone is using a property management company to manage the property, they can have problems with improper management. Mr. Seymour said the Battery Point covenants mandate a 30-day minimum for rentals. He said the covenants address businesses that generate traffic. They are looking at a 6-month minimum for rentals.

Ms. Rodgers said she had e-mailed council when she saw the proposal. She's concerned with fairness, and if it's good for all residents, it's good for The Point, too. However, she added, she doesn't think it's good for anyone except those in the areas where it's already allowed. She hopes the property owners' associations understand that if their covenants are silent, they'll have to get a lawyer to change the covenants. Mayor Keyserling said tonight on first reading, they could yet amend the terms of the proposal.

DeWitt Helm told a story to illustrate The Point's perspective on the issue. He said the position of The Point is based on a poll of the entire neighborhood association membership which put them on record as being opposed to short-term rentals by a margin of two-to-one in The Point. They don't feel one size fits all and making it a neighborhood's option fits this situation better. He said residents of Beaufort don't live in Beaufort, they live in their neighborhoods, and his neighborhood voted against short-term rentals at a 2 to 1 ratio because they reject further commercialization.

Harley Laing said he's e-mailed Mayor Keyserling, Mr. Dadson, and Ms. Anderson in support of the proposal. He's a resident of Cottage Farms and "can distinguish it from The Point." Cottage Farms Drive doesn't have carriage tours, narrow streets, or houses as close together as those on The Point. He knows other Cottage Farms residents who support the current proposal. Short-term rentals will be addressed and possibly prohibited as the covenants are being revised. He doesn't envision a rush of residents turning their homes into short-term rentals at Cottage Farms. He thinks the conditions are appropriate. If there's a problem, he feels that it's better that the process be licensed.

David Tedder said he owns multiple properties in the city. He's heard three workshops on this issue. He deals with covenants every day. Changing it to "where allowed by covenants" would allow those old neighborhoods that don't have them to address short-term rentals. A state statute covers the prohibitions. Changing one word as has been suggested would exclude a lot of neighborhoods that don't have updated covenants, so he urged caution.

Dwayne Smalley, 802 Charles Street, is the president of the Northwest Quadrant neighborhood association, but he was speaking as a resident. He said he's in favor of this ordinance by default; "otherwise there would have been willy-nilly commercial development by default" to encourage short-term rentals. This would work for their entire city, unlike zoning that might increase commercial activity in their neighborhood, so they thought this was a reasonable solution for them, if not the entire city. The potential impact is greatest in the Northwest Quadrant, he feels. There are some vacant parcels and blight that this might encourage redevelopment of.

John Dickerson said he and his wife, Erica, supported this ordinance. In the past year, positive things have happened with their short-term rentals, and their two properties have been rented for 300 nights. They have helped sell three properties in Beaufort to their renters. Two guests are looking to move to Beaufort, and they are trying to help them find properties so they can move here and be a part of the community. Short-term rentals allow an extended stay, so

people get to know Beaufort. He added that substantial taxes must be paid, which is beneficial to the city. There being no further public comment, Mayor Keyserling closed this hearing.

MINUTES

Councilwoman Beer made a motion, second by Councilman McFee, to accept the minutes of the June 21, 2011 work session. The motion to accept the minutes as submitted passed unanimously.

Councilwoman Beer made a motion, second by Councilman McFee, to accept the minutes of the council work session and regular meeting on June 28, 2011. The motion to accept the minutes as submitted passed unanimously.

ORDINANCE REVISING SECTIONS 5.1 AND 5.3.D OF THE UDO TO PERMIT SHORT TERM RENTALS IN RESIDENTIAL ZONING DISTRICTS BY SPECIAL EXCEPTION AND AS A CONDITIONAL USE

Councilwoman Beer, second by Councilman Sutton, made a motion to accept the ordinance on first reading. Councilman Sutton said he supports a city-wide short-term rental program. His concerns were brought up in regard to covenants as Mr. Tedder said. He said the question should go to Bill Harvey "as to the pros and cons of the language" before the second reading. He's in no hurry to push this through; he thinks it's more important to get these questions answered. If The Point is opposed to this, and is a homeowners' association without covenants and bylaws that allow it, he's concerned that the city could pass an ordinance that excludes a neighborhood because the neighborhood association opposes it, and excludes the voices of those who were in favor of it.

Mayor Keyserling said they would be voting for it because they understood and accepted the opposition of The Point. He agreed that the city attorney should look at the issue. Councilman Sutton advocated ironing out these issues on a legal level before final approval. Councilwoman Beer agreed with his position on this. She supports short-term rentals but said she would never try to do it herself because of special exceptions, installation and inspection of 33 items for license renewal, etc. Some long-term rentals are "abominable" and have no government oversight to them, unlike the litany of requirements, taxes, etc. for short-term rentals. She said short-term rentals have been going on, and many were unaware that it was for years. She related a story in which she'd told someone opposed to short-term rentals that short-term rentals would be more controlled than a long-term rental she was aware of which made a lot of disruptive noise. She went on to cite the ghost and buggy tours that residents of The Point already have to put up with.

Councilman McFee said he appreciates the position of the homeowners' associations and said the process has been going on for a year. Few homeowners' associations have been represented at the work sessions in that time. What's referred to as homeowners' associations, Councilman McFee said, are really neighborhood associations. A property owners' association is wholly different, "in reference to what's established with the neighborhood action teams." They can be used interchangeably, as lay people, but there are legal differences between them.

He said the needs of neighborhoods must be looked at individually. Councilman McFee had received a suggestion that this matter be put up to a local referendum. He feels there's a need for an ordinance that addresses short-term rentals. There are some that have been operated in his neighborhood for more than two decades. Those short-term rentals he knows of have always been a positive attribute. He feels it needs some fine tuning, but there's a community need. He encouraged homeowners' associations, in looking at their covenants, to address this matter as the majority of the neighborhood feels it should be addressed.

Mayor Keyserling praised the large number of members of the public in attendance. The short-term rental process has been going on since July of 2010. There have been 2-3 Planning Commission meetings; **Alan Dechovitz** said it was more like 6-7, with large crowds of interested parties. There have been dozens of notices and public hearings in various contexts, Mayor Keyserling said. He agreed with Councilman McFee about the neighborhood associations that started crime watches; just about every neighborhood had someone come to meetings where this issue was vetted 2-3 times. Some neighborhood associations are better organized than others, Mayor Keyserling said. The intent was to recognize that there was no way that the city could override a legal entity like a homeowners' association; this is as opposed to a neighborhood association, which is people who come to meetings. Mayor Keyserling said he doesn't like excluding a single neighborhood, but The Point has carried a burden that he wouldn't have the patience for: carriage tours, picnics on the porch of historic homes, people photographing back yards, etc. The Point is regulated more highly than other neighborhoods because of the amount of commercial activity there. He plans to support the proposal when they have more legal clarity. He asked Ms. Anderson about a house in The Point that is zoned commercial. Ms. Anderson said it's zoned commercial, and short-term rental is a commercial use, so that would not change.

George O'Kelley, Glebe Street, said he can see 5-6 rentals from his house. Most are long-term and consistently cared for. He thinks it's wise to send these questions to the city attorney. He concurred with what Councilman McFee said about the property owners' associations. A neighborhood association is a loose association of property owners unless they set up an LLC, which most don't. He thinks in some neighborhoods in the city, short-term rentals would work well, but in Cottage Farms, Spanish Point, and others, it would not.

Mr. Dechovitz assured council that the language in the draft under review relative to homeowners' association covenants has been discussed with the city attorney, and the wording in earlier drafts was intended to ensure compliance with the state constitution. It may not be able to be changed to address the citizens' concerns. Mr. Dechovitz said the Planning Commission asked Ms. Anderson to look at problems in the previous three years with short-term rentals, and she only found a single complaint. Also, he pointed out that no one makes a greater sacrifice for the City of Beaufort than those living in The Point. Individuals lose property rights and gain a burden to maintain their property in a way others think is appropriate, not they themselves. The Planning Commission considered these things, and that's how they came to the solution they did.

Mr. Dadson said the census demographics support the idea that 47% of the residences in Beaufort are rentals. Mayor Keyserling said he feels maybe council and the city should look at the management of ALL rentals in the city. He owns short-term rentals himself on Boundary Street, which is zoned commercial, and he never had any problems or complaints of any kind. In the process of special exception, there's an opportunity for every neighborhood to participate in the process.

Ms. Cotter said she'd read over the requirements for short-term rentals and found them "incredible." She would hope that long-term rentals would have similar requirements. **The motion passed unanimously.**

ORDINANCE REVISING THE AIRPORT JUNCTION PLANNED UNIT DEVELOPMENT TO REDUCE DENSITY, REVISE THE MASTER PLAN, AND REVISE DESIGN AND DEVELOPMENT STANDARDS. THE PROPERTY IS IDENTIFIED AS R123, TAX MAP 18, PARCELS 54, 54D, AND 215

Councilwoman Beer, second by Councilman McFee, made a motion to accept the ordinance on first reading. Ms. Anderson said as part of a lawsuit over the proposed Wal-Mart, four PUDs are proposed to be revised. Density in three of the four PUDs will be reduced. The master plans are proposed to be revised in all four. The development agreements will be modified and extended.

The first PUD is Airport Junction on Lady's Island, Ms. Anderson said. She presented the major changes to the PUD: reduction to 376,000 square feet and 16 residential units; revision of design standards for buildings greater than 110,000 square feet (would have to be screened and oriented with the front toward Airport Circle); reduction of setback requirements to 15'; and others.

Mayor Keyserling suggested that these revisions be voted on individually. Ms. Anderson said the PUD known as Cane Island Retreat would have major changes: reduction of approved density by half; revision of residential units; and updated drainage standards. Hanover Park PUD on Port Royal Island on Highway 170 has no proposed change in density; the development standards and the regulating plan are being revised; highway buffers revised; greater sign specificity, etc. Upper Cane Island PUD on Lady's Island will have reduced density; intensity for commercial and civic space will be reduced by 100,000 square feet and 100 dwelling units; setback changes; buffer requirements clarified; and thoroughfare and drainage standards have been updated. This will be submitted to the Planning Commission next Monday.

Danny Crowe, the city's counsel on the case, said the details of the changes to the PUDs were based on recommendations from council and staff as a settlement to the suit with the owner and the city as to how the parcels might be used. The lower courts ruled against the city; there was no limitation on maximum building size. The city and property owner have since negotiated the terms of the PUDs and the development agreement. He feels the maximum building size and limiting the locations of large buildings is particularly valuable.

Councilman Sutton said the critical line setback changes are in line with incorporated limited setbacks. Mr. Crowe said that was correct. The PUDs were subject to the county setbacks; this was an effort to bring those from the critical line in line with the city provisions and also to address the property line concerns. It brought these into conformity with the city setbacks. Mayor Keyserling said the stormwater standards for future development would be in line with city standards.

Mr. Laing said he doesn't like how this whole thing has worked out. From his perspective and a group that has examined the documents and the master plan, a large building was not originally planned for. Ms. Anderson wrote an opinion to that effect, and the Planning Commission agreed: "Then the whole thing disappeared." The first judge's decision looked like it was written by the landowner's lawyer, Mr. Laing said. He asked if anything can be changed if it's already been decided. Mayor Keyserling said if it's changed, then the meditation goes back, and they try to work out differences. If they accept it, it goes, so unlike a conventional development agreement or PUD, this is different in that the city has flexibility to change it, but there could be legal consequences to doing so. In reference to the "disappearance" of the issue, Mayor Keyserling clarified that "no one had heard anything because Wal-Mart withdrew."

Mr. Laing said there appear to be positive changes overall, though he doesn't like the reduction of the setbacks, which he doesn't understand. Also, he said it was a "conceptual green buffer." The master plan for Airport Junction showed no large buildings; it was conceptual. He said he hopes that its being conceptual doesn't mean it will be ignored. Councilman Sutton said there's no green buffer, only a setback.

Mr. Crowe said one of the principal features of the development agreement that's an improvement over what exists now was "a clear statement that certain types of changes between exhibits and what's on the ground would subject it to review by council." One is in reference to the setbacks and the buffers. The sliding green buffer's exact location is conceptual, but there will be a green buffer. He assured council that the council position was fought hard for, and the case is now in appeal against the judgment. The appeal is still pending. The problem from the city's perspective is, if they lose the appeal, the property owner can bring in another large structure; this way this is in accord with the will of council for limitations on the sizes of buildings which would otherwise be unbridled and at the discretion of the property owner.

Councilman Sutton clarified Mr. Laing's questions about a buffer on the site; he said "it's necessary to be fluid" because they don't know what the setback would be at this point. The buffer is vegetative and for retention. The perimeter buffer of 15' around the property is spelled out, Councilman Sutton added. The large building has to move to the back of the lot; the orientation of the longest side has to face the street; the front along Highway 21 can be developed with smaller buildings which was the old vision. It was written in favor of the landowner. The intent of a PUD and a development agreement is to give the landowner vested rights. Councilman Sutton said this locks in some certainties and hopefully protection of values brought forth in the long debate.

Mr. Laing said he thinks this is reasonable. He felt the language said that the original master plan “was more than a piece of paper they could throw out.” He didn’t understand why there was no public input in that process, but that’s in the past. He feels reassured that “conceptual” means it will stay the same size.

Mr. Tedder represents all the landowners. He said the development agreement had an arbitration option. The landowner’s attorney’s opinion was confirmed in summary judgment. The selective planning mediator helped bring parties together to create a better document than what was there before. This has been a 3.5 year process to get here.

Mr. Dadson said the motion was for the first one. Mayor Keyserling said it made sense to approach them this way. **The motion passed unanimously.**

ORDINANCE REVISING THE CANE ISLAND RETREAT PLANNED UNIT DEVELOPMENT TO REDUCE DENSITY, REVISE THE MASTER PLAN, AND REVISE DESIGN AND DEVELOPMENT STANDARDS. THE PROPERTY IS IDENTIFIED AS R123, TAX MAP 20, PARCELS 1 AND 19, AND R123, TAX MAP 21, PARCELS 1 AND 4

Councilwoman Beer, second by Councilman McFee, made a motion to accept the ordinance on first reading. **The motion passed unanimously.**

ORDINANCE REVISING THE UPPER CANE ISLAND PLANNED UNIT DEVELOPMENT TO REDUCE DENSITY, REVISE THE MASTER PLAN, AND REVISE DESIGN AND DEVELOPMENT STANDARDS. THE PROPERTY IS IDENTIFIED AS R123, TAX MAP 18, PARCELS 76 AND 320

Councilwoman Beer, second by Councilman McFee, made a motion to accept the ordinance on first reading. **The motion passed unanimously.**

ORDINANCE REVISING THE HANOVER PARK PLANNED UNIT DEVELOPMENT TO CHANGE DESIGN AND DEVELOPMENT STANDARDS. THE PROPERTY IS IDENTIFIED AS R123, TAX MAP 29, PARCELS 103, 104D, 215, 475, AND 476

Councilwoman Beer, second by Councilman McFee, made a motion to accept the ordinance on first reading. **The motion passed unanimously.**

ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF THE CITY OF BEAUFORT, SOUTH CAROLINA, HOSPITALITY AND ACCOMMODATIONS FEE REVENUE BONDS, AND OTHER MATTERS PERTAINING THERETO; PRESCRIBING THE FORM OF BONDS ISSUED HEREUNDER; PLEDGING LOCAL ACCOMMODATIONS FEES AND LOCAL HOSPITALITY FEES AND OTHER FUNDS TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE BONDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING

Councilwoman Beer, second by Councilman Sutton, made a motion to accept the ordinance on first reading. Mr. Dadson said previous financing for Waterfront Park at the time didn’t allow for this sort of pledging for revenue streams. Current law allows for this. Now “the city can get rid of that mess” (junior bonds, leasebacks, etc.) The creditor is willing to do that at a lower rate

and extend the term of the note. Mr. Dadson said the life of the asset is longer than a normal asset, so that's why they'd want to do it. **The motion passed unanimously.**

ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF A CITY OF BEAUFORT, SOUTH CAROLINA HOSPITALITY AND ACCOMMODATIONS FEE REVENUE BOND, SERIES 2011, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$3,500,00; AND OTHER MATTERS RELATING THERETO

Councilwoman Beer, second by Councilman McFee, made a motion to accept the ordinance on first reading. **The motion passed unanimously.**

RESOLUTION GRANTING BEAUFORT HISTORY MUSEUM COMMITTEE USAGE OF CITY HALL SPACE

Councilwoman Beer, second by Councilman McFee, made a motion to accept the resolution. **Katherine Lang** thanked council and said Mr. Dadson had asked the committee to prepare a memorandum of understanding. They would like a space as soon as possible. They have discussed using the space called The Loft at City Hall. Mayor Keyserling said the city manager and the group would work out times, and Ms. Lang agreed. Mayor Keyserling commended the group's work, as did other members of council, on this long process. **The motion passed unanimously.**

REPORTS BY COUNCIL MEMBERS

Councilwoman Beer said she works with the Red Cross; there have been six fires lately, three in the city and most were due to negligence. She wondered if all city residents knew that the fire department would provide anyone with a smoke detector and fire extinguisher. She'd like churches and schools to help spread the word.

Councilman Sutton said in reference to the carriage business and TMAC: he had asked in the work session about going forward with a question to the attorney general about the current possibility of having one business. Mayor Keyserling agreed that this should be answered before TMAC comes forward with their revisions. Mr. Dadson said he's asked the city attorney to draft a letter to the attorney general and he will see if that has been done.

Councilman Sutton said he would like an update on the cross walks at the end of Newcastle; Mr. Dadson said he'd find out what's happening and get an update to council. Councilman Sutton would also like an update on the mooring fields. The day dock continues to be an interesting issue. They're not regulated by ordinance, though they could be. Mayor Keyserling said he'd called DNR "to see if there was anyone in the Beaufort River and there wasn't." But he was told that "if a boat is a navigational hazard, you have every right to make it NOT a hazard." There was some dissent from Mr. Dadson and Councilman McFee about this.

Councilman McFee said the Pigeon Point neighborhood association has addressed speed issues, especially associated with the Pigeon Point Park and the boat landing park. A petition was circulated to those using the park and to residents. Not every resident had the opportunity to sign the petition but that was because they weren't at the neighborhood association meeting. A

letter has been drafted to SCDOT requesting the change. Typically, when there's no cost to them, SCDOT doesn't object to a change.

Ron Mattingly, who will be co-chair of the association in September, said it was sent to all the addresses they had in the neighborhood and it was taken around, including to the park, to get signatures. A large percentage of signatures were at the park because those with children at the park had concerns. The objective, he said, is to get DOT to look at it and respond. This was presented at the neighborhood association meeting, and there were a lot of signatures gathered then, too. Mayor Keyserling said there's a consensus to ask the city manager to go forward with this.

ADJOURNMENT

There being no further business to come before city council, Councilwoman Beer made a motion to adjourn, seconded by Councilman Sutton. **The motion was approved unanimously**, and the meeting was adjourned at 9:37 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK