

A work session of the Beaufort City Council was held on August 9, 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, George O'Kelley, 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 5:00 p.m.

DISCUSSION WITH AREA PARTNERS: VERDIER HOUSE COMMITTEE – TRICENTENNIAL AND CIVIL WAR UPCOMING EVENTS

Betsy Kinghorn, Historic Beaufort Foundation, said that the course for the Verdier House is different than it was in the past. It's been a house museum since 1976. It needed repairs, and as they were done, they considered its best use for the City of Beaufort. Representatives from various organizations and communities agreed that it would be good to turn the Verdier House into a "Gateway to Beaufort's History." There, people can find out where to learn about different aspects of Beaufort's history, such as at Penn Center, Parris Island, etc. In honor of the city's tricentennial, they will open up a room September 17 for an exhibit of the Beaufort Volunteer Artillery. There will also be a travelling exhibit on the life of Robert Smalls beginning October 4.

Isabelle Reeves passed out a flier for the Fall Festival of Houses and Gardens and discussed the event, which is the annual major fundraiser for Historic Beaufort Foundation and brings business to local businesses. She added that on Spring Island, the tabby ruins and the Praise House will be opened one evening. There will also be a lecture and lunch at Dataw.

Ms. Kinghorn discussed some of the artifacts that will be in the Beaufort Volunteer Artillery exhibit. Councilman O'Kelley asked what is going on with the little building in the back of the Verdier House. Ms. Kinghorn said it will be the Historic Beaufort Foundation office space; renovation has been a big effort. They have saved historic brick to make a patio.

TMAC PRELIMINARY ADVISORY RECOMMENDATIONS

Heather Winch continued the previous council work session's discussion of what had been agreed to in principle by TMAC in regard to ordinance changes. She invited council's comments on concerns about the revisions that had been proposed. Mayor Keyserling asked if it would make sense to have a single ticket and a single ticket-vendor. Ms. Winch said that is a question that hasn't yet been addressed. Knowing where to get tickets makes the tourists' experience better. Mayor Keyserling said a tourist might find it confusing if there wasn't a tour when they wanted to go, or they had a ticket, but it was for the wrong tour.

Ms. Winch said there are problems with slot rotation departures; the carriages don't always leave on time because, for example, a business might sell tickets, then call to say new passengers are headed there. That's created a coordination issue. If a ticket is sold for a tour

that departs at Waterfront Park, they should cut off ticket sales for twenty minutes before the tour departs to allow people time to get there. Councilwoman Beer said she thinks two businesses selling tickets makes sense to her. Ms. Winch said selling from the kiosk could happen for either tour company; they haven't yet looked at the idea of "outsourcing ticket sales from the kiosk."

Councilman O'Kelley suggested that, in regard to the slot tour embarkation fee, the passenger charge and the monthly report, the monthly report form should be provided by the city for uniformity among businesses. Ms. Winch said they would have a standardized form. Councilman O'Kelley also recommended that the fees be due and payable at the same time the operators submit their report. Councilman Sutton said in regard to the ticket sale location, some have said the Visitors' Center should be looked at for how it works or doesn't. He'd like to hear more about that. Also, the ordinance requires a place of business for the buggies, so if they rent space on Bay Street to be a tour business themselves, he asked if they shouldn't be allowed to sell tickets there. Councilman Sutton said the kiosk location is supposed to be a fixed, user-friendly place of business. There's also the marina as an important location for ticket sales, and the marina wants to keep doing that.

Walter Gay said there are seven downtown locations/businesses, two B&Bs, and seven motels that sell tickets. They are part of packages offered by the hotels. Councilman McFee asked how they're scheduled from the hotels, and Mr. Gay said they have to call and book a seat. **Evelene Stevenson** said they track all of these, and it's convenient for the tour companies to have a lot of different ticket locations. Ms. Winch said they don't want to change the hotels selling them, but the concern is the confusion of having multiple downtown locations that sell tickets and figuring out if the tours have room for more riders, etc. Mr. Gay said the 20% amount that the sellers get for selling a ticket is important to them. Mayor Keyserling said that's nice, but if the system is confusing to tourists, that's a problem.

Mr. Gay said the tour operators all abide now by the tour coordinator's enforcement to only wait for a five minute limit for someone to show up. Ms. Winch said the last quarterly tour coordinator report has these sorts of violations in it. Mayor Keyserling said the kiosk was supposed to resolve this. Councilman Sutton said the kiosk solved a big problem, and they're discussing doing more with it than was originally intended; they did stop "the hawking of tickets in the parking lot" as they'd intended to. **Officer Carter** agreed that it solved that problem.

Ms. Winch said TMAC would like advice on the kiosk; it was designed to sell carriage tickets, but they wondered if it could be open to sell any kind of tour tickets. If the ordinance says that a carriage tour slot made inoperable allows the bus tours to replace it, could they sell bus tickets out of that kiosk? Ms. Stevenson would have no access to that kiosk and therefore would be at a disadvantage, Ms. Winch said. Mayor Keyserling said the slot system would allow anyone there the right to sell tickets on any tour.

Councilman Sutton said TMAC has discussed reducing slots to 6 tours an hour and changing the routes based on the slots bought, so tours are less focused in one area. Ms. Winch clarified the

routes would rotate, but the times would not. Councilman Sutton asked how they would manage that. Ms. Winch said there are currently multiple routes that can be done in the critical areas of the Historic District. Tour operators can keep their time but might have to rotate their routes and run it for that week.

Councilman O'Kelley said the furthest away someone might walk downtown for a tour would be City Loft or the Arsenal; they shouldn't be able to get a ticket for a tour leaving in ten minutes. They should get one for later, and the locations that sell from farther away should get some guidance on how far out to sell them. Ms. Stevenson said this matter is really the responsibility of the people selling the tickets and those who bought them.

Councilman Sutton said the expansion or limitation of businesses is a major question. Ms. Winch said there would be three horse slots per hour and three van slots per hour. Out of town bus slots from Savannah, etc. would not be limited in terms of when they can take their tours; they max out at eight per month. Right now, Beaufort's not getting that many. Councilman Sutton asked how many of these buses don't check in, take the tour, and leave. Ms. Winch said she's observed very few. Ms. Winch said they can only by a maximum of 3 horse or bus slots. Councilman Sutton said "prime spots could be gotten by bidding more," and Ms. Winch said yes. Councilman Sutton clarified that each slot could potentially be a different company. Slots that are not bid on can be available for a whole period, so someone else could come in and bid on them.

Councilman Sutton said he still likes the idea of one carriage tour operator. Ms. Winch said if they recommend that based on what the state's attorney general says, TMAC would agree to that immediately.

Councilman Sutton asked about the per carriage and per head fees in terms of accountability. Ms. Winch said this is better for the operators than the franchise fee is when business is slower. Councilman McFee asked about the fee for carriage clean-up, and Ms. Winch said the bid came in at \$54,000-55,000. Ms. Winch said the following day they would discuss a point system for violations of the ordinance.

Mr. Gay said "this will stop tourism in Beaufort." At this time, "a dozen tour companies won't come to Beaufort because they are charged \$10" for the buses to park. Mayor Keyserling said the bottom line is that this conversation is driven by the two tour operators and their issues with one another which burden the City of Beaufort and are not fair to tourists. The Chamber of Commerce, the hotels, the Sauerses (who bring in tour buses that take the carriages) and the tourists "aren't served by this." Mr. Gay said he follows the ordinance, and "people make reports whether it's true or not," and then "the media blows things up," and "residents like to complain."

Ms. Stevenson said she's given walking tours for seventeen years and with a van for two years. Opening a business and knowing one might not have it in five years may mean that it would be

difficult to invest in a business that might close. She doesn't like the principle behind it and said there aren't similar limitations on other businesses.

Susan Sauer said she doesn't know what the recommendations are, but having to have a fixed place of business in Beaufort concerns her. Councilman Sutton said that's an old piece of the ordinance that relates only to carriages, not buses. Councilwoman Beer said if the number of hours spent on this one issue could be added up, "we could probably pay off the national debt."

LOWCOUNTRY HOUSING TRUST ORDINANCE AND AGREEMENT

There was general discussion as to whether this issue should be discussed at both the work session and the regular meeting, where it is up for first reading, and it was decided that to remain consistent to the council's practices, it would be done as first reading at the council meeting.

EXECUTIVE SESSION

On motion of Councilman McFee, seconded by Councilwoman Beer, 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 discussion of contractual matters and personnel. **The motion was approved unanimously.**

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

There being no further business, the meeting was adjourned at 6:55 p.m.

A regular meeting of the Beaufort City Council was held on August 9, 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 tour operator ORDER

The Mayor called the meeting to order at 7:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

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

MINUTES

Councilman McFee made a motion, second by Councilman Sutton, to accept the minutes of the July 26, 2011 work session and regular meeting. Councilman O’Kelley said a motion was made after the Executive Session to _____. The motion to accept the minutes as amended passed unanimously.

ORDINANCE REVISING PART 5, CHAPTER 4 OF THE CODE OF ORDINANCES, “FLOOD DAMAGE PREVENTION ORDINANCE,” PERTAINING TO BUILDING ADDITIONS

Councilwoman Beer, second by Councilman McFee, made a motion to accept the ordinance on second reading. Ms. Anderson said the ordinance revision would permit additions to existing structures to be built at the same level as an existing structure, even if it were originally built at below the base flood elevation. The original wording said additions could be built, but they were proposed at the time to limit those to 33% of the original structure. At the July meeting, council suggested soliciting input from the Board Of Realtors and Homebuilder’s Association. Now, based on that input that was received, staff is recommending eliminating the limit to additions as long as the addition is below 50% of the market value of the structure (a “substantial” addition). They are also proposing changes to the language used in the ordinance.

Councilman O’Kelley said initially it dealt with the size of the addition, but in the ordinance it goes to 50% of market value, as opposed to size. He asked why it was changed. Ms. Anderson said the 50% rule is based on value. She clarified that the National Flood Insurance requirements mean the improvements need to be elevated or the entire structure needs to be. 50% is considered over a 5-year period. If there is work done over that period of time to various rooms, it all counts toward the 50%. Councilman O’Kelley said he felt that should be clarified.

Councilman Sutton asked the problem with someone doing an addition to an expensive house that might double its size; the property owner still will have to have the setting, setbacks, lot size, etc. Few in the high price range would be able to meet these other requirements. Councilman O’Kelley said he is not opposed to it, but he thinks it’s confusing without the over a five-year period clarification. Ms. Anderson said they’re just looking at specific aspects of a

lengthy ordinance, but that provision for 50% of the home's value over 5 years is in the ordinance. The change being made comes from the county, which has a better flood insurance rating than the city does, Ms. Anderson said, as does Hilton Head Island. As long as the city complies with NFI requirements, which don't address the 50%, they're OK. This doesn't better or worsen the rating, and neither did 33%.

Councilman McFee asked about the definition for "new construction" and whether it is a mirror of the county ordinance, too. Ms. Anderson said it's when the current flood regulations were adopted. **The motion passed unanimously.**

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

Councilwoman Beer, second by Councilman Sutton, made a motion to amend the code on first reading. Mr. Dadson said this is a first reading on an ordinance that allows council to enter into an agreement with Lowcountry Housing Trust, to define what that relationship is, and to allow Mr. Dadson to enter into agreements as well. It will allow the current ordinances to be amended. Staff recommends that after first reading, council hold until Port Royal has done its first reading. Money is allocated for both parties, but the ordinances of both partners need to be in line, Mr. Dadson said.

Michelle Mapp, Executive Director of the Lowcountry Housing Trust, gave an overview of the organization and what it does. She went on to explain the legal history of the organization as well which said that local governments can designate local housing trust funds and commit funding to them. There are two other local housing trust funds in addition to the Lowcountry Housing Trust. In return for the city's investment, they have a rate of return of \$12 for every \$1 invested by state and federal matching funds which they make available to developers in the city's service area.

Councilman O'Kelley asked how much money is allocated for this. Mr. Dadson said it's \$100,000 to join the organization, and Port Royal is partnering, so it's a \$50,000 split for each. There's also an administrative cost of \$35,000 that the city and Port Royal will split as well. If another party comes in, the price stays the same, but is divided among the partners. Councilman O'Kelley asked about other past efforts to partner with other housing organizations. Mr. Dadson discussed Lowcountry Housing Trust as providing the ability to organize players in the market that might otherwise be missed. It coordinates "under one strategic intent" all the housing efforts the city wants to make.

Councilman O'Kelley said he understands that at any time the city can unilaterally terminate the agreement. Mr. Dadson said that's right. Councilman O'Kelley clarified that the city is holding to ensure that Port Royal is in. Mr. Dadson said yes. Ms. Mapp went on to explain further what the Lowcountry Housing Trust does; it has access to federal and private financial institutions. They just got a \$1.5 million award from the US Treasury. They have access to capital for housing that the city would otherwise not be able to utilize.

Councilman McFee thanked Ms. Mapp for educating the city repeatedly; the leverage capability allows a far better investment of the public money for housing needs, he said. Councilman Sutton said it provides the right pieces to incubate the initiatives that have been discussed for many years. There has been a lot of stopping and starting through the years at the mercy of state funding initiatives and grants with shelf lives. They also have the Redevelopment Commission now that can partner with Lowcountry Housing Trust and do the hard work of brick and mortar. If they had had such a partner earlier, they could have stretched the dollars they had even further. The money can provide a lot of vertical opportunities when the city partners with others in the field.

Councilwoman Beer echoed her support. Mayor Keyserling said affordable housing is always about money, and now they'll have someone who knows how to find money for this kind of housing. Now there's someone qualified to give guidance; he described the Lowcountry Housing Trust as "specialists acting as bankers specializing in affordable housing stock." **The motion passed unanimously.**

RESOLUTION REVISING THE FEE SCHEDULE TO ESTABLISH A FEE FOR REVIEW OF CONDITIONAL USE PERMITS

Councilwoman Beer, second by Councilman McFee, made a motion to accept the resolution.

Ms. Anderson clarified that there are two paths for short-term rentals. With the special exception process, a fee is already established at \$300. There's no fee for the other path, in which someone owns an accessory dwelling unit and wants to rent it out short-term. They need a conditional use permit, and there was no application fee for that. They are recommending a set fee for all conditional use applications. Staff time may cost more than \$50, but part of the staff's job is to smooth the path for development. There are also business license fees and an annual safety inspection. She said they are starting to get short-term rental applications, so they need to get a conditional use fee established. **The motion passed unanimously.**

REQUEST FROM THE INDEPENDENCE FUND FOR CITY CO-SPONSORSHIP REGARDING PARK FEES, WAIVER OF NOISE ORDINANCE, AND APPROVAL TO SERVE ALCOHOL FOR LT. DAN 2011 CONCERT

Councilwoman Beer, second by Councilman McFee, made a motion to approve the request for the September 16, 2011 event in Waterfront Park. Councilman O'Kelley said he hasn't seen the form for approval in some time. He recalled the fee would be waived and the event co-sponsored only if no alcohol was to be served or sold, and he didn't know if it was different now. He has some concerns, he said. Mr. Dadson said it's a ticketed event, raising money for a not-for-profit purpose, and there's alcohol, which requires more emergency personnel, so "it will be dear" if the city is to co-sponsor.

Lanelle Fabian said Main Street Beaufort paid those park expenses for last year's show because it was part of the Shrimp Festival. Ms. Fabian said in regard to the movie night, it will be part of the Independence Fund's weekend because they are bringing in their own screen etc., so it's not a "Main Street movie."

Councilwoman Beer said the expenses of the concert are not for money for anyone who works the show. There was general discussion of the dates in the request. Mr. Dadson said anyone can come to the movie, and there's no charge. He said the application is for the use of the park for the whole weekend.

Ivette Burgess said they want the fence up for the ticketed event/concert. Mayor Keyserling said they got \$10,000 from the county, and the organization told the county that the city was co-sponsoring. Ms. Fabian said the police bill was over \$7000 the previous year, and she couldn't recall the amount of the fire bill.

Councilman O'Kelley asked "if the park was messed up after the last concert" by this band. Mr. Dadson said it got normal wear and tear. Ms. Fabian said they paid The Greenery about \$3000 to get the park back in shape after the whole festival weekend, including the concert. Ms. Burgess said it will be more than \$10,000 in expenses over the whole weekend.

Councilman Sutton asked about just co-sponsoring part of the weekend. Mr. Dadson said council could waive any part of it they wanted to. Council can do it all, just pieces, or nothing. The Independence Fund is a not-for-profit group, but they are serving alcohol, which complicates the application because of the need for more public safety and the erection of the fence. Councilman Sutton said he has a problem with this going against "the consistency of the process."

Councilwoman Beer said she filled out two forms herself for this event and for the 9/11 ceremony. She said she followed process. Councilman Sutton said he feels they need to do all of the events consistently. There's an event fee, Councilman Sutton said, as he reviewed the form; it was filled out as saying that there was not a fee. The Independence Fund doesn't meet the criteria for co-sponsorship. Councilman O'Kelley said he felt he could say yes to the movie screening as a co-sponsor but say no to the co-sponsorship for the concert night.

Mr. Dadson said it's easy to waive the park fees, and the police fee for the run and the movie night. This is an easy in-kind donation to make. The concert is more complicated for public safety because of the alcohol and having a ticket charge. It's not open to everyone. There would be no public exposure if they didn't have alcohol. Councilwoman Beer said they were charging for tickets because there were 5000 people downtown for the last concert. The money doesn't go to employees but only to the veterans.

Mayor Keyserling said Gary Sinise is now the grand marshal at the parade. Mr. Dadson said it's beyond staff's capability to reign in the entire issue. A fee for the concert and serving alcohol, he feels, involves a charge. Councilman McFee said the events are inextricably tied together; "if one part of it goes, it's all going to crumble." There can be a paid event with a not-for-profit, and they get co-sponsorship - that's been done - but the alcohol-serving has never been done and may be against policy.

Mr. Dadson said if fees are waived, they would be in-kind donating \$10,000. Councilman Sutton said he doesn't "like the message here." Mayor Keyserling said this is in motion, and the city wants all three events, but they're "stuck." Councilwoman Beer said the Independence Fund pays the band's expenses and those of some of the veterans. Councilman O'Kelley said it "flies in the face of why the criteria were established," and he wouldn't vote for the whole thing. They're serving alcohol and charging, and though it's a worthy cause, he wouldn't vote for it. Mr. Dadson said the checklist on the form lists the criteria for co-sponsorship: the event is free to the public, a not-for-profit, etc.

Councilman Sutton asked if the organization was ever told that council might have concerns. Councilwoman Beer said she "didn't know what the end result would be." Ms. Fabian said Main Street Beaufort wasn't partnering with the Independence Fund this year because Shrimp Festival was popular in its own right, and they felt the Lt. Dan Band event could stand on its own and be "another great event for Beaufort" and "be separate."

Councilman McFee said the parade and the race are at virtually the same time. Mr. Dadson suggested that council should take a stand with the Independence Fund group and have the race move to another venue. There are complications to closing roads and setting everything up. It could be done somewhere else. Councilman McFee explained the "logistical nightmare" of them being at the same time. A discussion ensued about other venues for the race.

Mayor Keyserling said he's inclined to give an in-kind contribution "to cover the inconsistencies so as to make them not inconsistent." He'd rather call it a "contribution" up to \$10,000 rather than a waiving of the fees as a co-sponsor. He's uncomfortable with the amount of money, but he's aware of how long it's been going on, and it would be difficult to change directions at this point "because of its velocity."

Councilman McFee made a motion to modify the previous motion to do an in-kind contribution of no more than \$10,000 in lieu of the co-sponsorship and also to change the venue of the run to another location. Councilwoman Beer seconded. The motion passed 4-1, with Councilman O'Kelley opposed.

REQUEST FOR CO-SPONSORSHIP FROM THE BEAUFORT COUNTY FRIENDS OF THE LIBRARY FOR THEIR ANNUAL BOOK SALE

Councilwoman Beer, second by Councilman O'Kelley, made a motion to approve the request for the September 23-25, 2011 event in Waterfront Park. The motion passed unanimously.

STREET CLOSURE AND PARADE PERMIT REQUEST FROM THE BEAUFORT TRICENTENNIAL FOR THE TRICENTENNIAL PARADE

Councilwoman Beer, second by Councilman McFee, made a motion to approve the request for the September 17, 2011 event. The motion passed unanimously.

APPOINTMENTS AND REAPPOINTMENTS TO BOARDS AND COMMISSIONS

Councilman McFee said they have received four applications for positions on the Historic District Review Board (HDRB) and the Metro Planning Commission, and they should do interview the applicants in a work session. Mr. Dadson said tonight council should approve the Rail To Trail seats.

Councilman McFee, second by Councilman Sutton, made a motion to approve the appointment of Kim Gundler and Harley Laing as Rail To Trail commissioners. The motion passed unanimously.

Ms. Anderson said that David Karlyk would like to be reappointed to the DRB. **Councilwoman Beer made a motion, second by Councilman McFee, to reappoint Mr. Karlyk to the DRB. The motion passed unanimously.**

REPORTS BY COUNCIL MEMBERS

Councilwoman Beer said she's working on a 9/11 ceremony. There will be no fence, no beer, and no charge, she joked, adding that there are 20 churches involved. It will be at Waterfront Park, and it will last from 8:30 to about 12 p.m.

Councilman Sutton said he would like to continue discussion about mooring fields and get an update. Mr. Dadson said staff has been working with the harbormaster on permit and grant applications and all the paperwork that goes with it. There should be a status report for council soon. Mayor Keyserling made a recommendation for a possible in-kind survey team.

Councilman Sutton said the crosswalk at Newcastle also "needs to be front-burner." Mr. Dadson said they met with SCDOT representatives, who said "it should happen."

Councilman Sutton said he has heard Design Review Board (DRB) members saying they "have concerns about making appointments," and there are "questions about their policies and the review policies which may require the right tools." Mayor Keyserling said DRB members have said "there's a lot of subjectivity in their process," as opposed to HDRB. Councilman Sutton said he doesn't "understand what 'The Beaufort Look' is," and he has concerns that they don't have correct information. He doesn't want the DRB to be "like the old HDRB." He would like staff to review what the DRB guidelines are in a work session and how their process can be improved.

Ms. Anderson said form-based code will substantially change the ways projects are reviewed, and the standards will be very specific. The development and review process will be changed greatly over the next 12 months. Mr. Dadson said also "at the appeals level it will be a hybrid of some sort," and ambiguity and subjectivity will go away. When form-based code is written, the Planning Commission, HDRB, and DRB will be brought together for a discussion. Also, there are continual conversations with "the direct actors": DRB, HDRB, and neighborhood improvement groups, etc. who are interested in specific outcomes. Jon Verity and city staff continue to have a dialogue with all of these players, Mr. Dadson said.

Ms. Anderson reviewed current projects before the DRB. She said there should be draft code for the City of Beaufort by the end of the month.

Councilman McFee said the Redevelopment Commission has moved beyond the old City Hall project, the residential committee is continuing to look for cost-effective potential projects, and there's been work done to partner with the Lowcountry Housing Trust. The "think-tank" in the Redevelopment Commission and the city staff impresses him, he said, and their work is very positive.

ADJOURNMENT

There being no further business to come before city council, **Councilwoman Beer made a motion to adjourn, seconded by Councilman McFee. The motion was approved unanimously,** and the meeting was adjourned at 8:40 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK