

A work session meeting of the Beaufort City Council was held on April 10, 2012 at 5:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Pro Tem Donnie Beer, Council members George O'Kelley, Mike Sutton, and Mike McFee and City Manager Scott Dadson.

Mayor Billy Keyserling was absent.

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

Mayor Pro-Tem Donnie Beer called the work session to order at 5:00 p.m.

BOARDS AND COMMISSIONS INTERVIEWS FOR THE ZONING BOARD OF APPEALS

Linda Bridges, Joseph Noll, and Donald Starkey were interviewed for positions on the ZBOA.

REVIEW OF SPANISH MOSS TRAIL INTERGOVERNMENTAL AGREEMENT

David Tedder said he has had a client interested in accelerating the Rail to Trail process and has asked PATH Foundation, an Atlanta group, for help with Beaufort's Rail Trail. They have been working with county and municipality staff. Friends of the Spanish Moss Trail and others have made a request to a foundation and have a reward of \$567,000 for Phase One to design and build the first mile. A \$600,000 challenge grant has been issued for a second mile. The county has the ability to match that. The Phase One area will be from Allison Road to Depot Road. There are three different jurisdictions the path runs through. PATH will help with other aspects of the process as well. The intergovernmental agreement has been presented to County Council. Mr. Tedder feels that there is time before the Metropolitan Planning Commission needs to be involved. This is not just a city or county project, he said, so he wants to avoid "a turf war." He said he's requesting that the city manager be allowed to get the intergovernmental agreement be signed as soon as possible. He went on to discuss the possibilities of tying in other areas into the Phase One area.

Dean Moss said that having professional assistance for this phase will be helpful for successive phases, and they should be less expensive than Phase One. Mr. Tedder said when PATH came to town with their engineers, the proposal was not focused on the one mile, but focused on Port Royal to the Whale Branch. He called the PATH Foundation very supportive.

Councilman Sutton asked if the initial mile covered the trestle; Mr. Moss said it does behind TCL. The DOT crossings will begin at the site of the right-of-way on Allison; they have to cross Hermitage to get to Depot. He doesn't know about the easement that exists there. The railroad was there before Hermitage was, so there may be an underlying easement that BJWSA owns. Albergotti Creek's trestle will be a challenge, Mr. Moss said.

Mr. Tedder said Metropolitan Planning Commission might be better to work with initially than the county's Planning Commission. Staffs in the county and the city will need to work together.

Councilman Sutton suggested that they have it go to Metropolitan Planning Commission and then to county council. Mr. Tedder said the county Planning Commission has offered to call special meetings to stay on the plan; he said Metropolitan Planning Commission will do the same thing. The design includes all interested parties. Mr. Dadson said the county has the easement on this one section, and that's why they want to see it before it's constructed. Mr. Dadson said the local jurisdictions will have to weigh in on it as well because of politics.

Mr. Dadson asked if council could give him the nod to write a cover letter and then to add certain elements that will be looked at in the future that are important to council in terms of understanding and management.

Mr. Moss said the trail at Depot will terminate at the old Depot building, which the city holds the lease for. They have discussed this with the Redevelopment Commission. Discussion continued about the areas the trail would go through ultimately and the involvement with the DOT and the various municipalities. The TIF for the property includes the promenade; when it's constructed it's turned over to the town. Mr. Tedder said PATH is good at what they do and encouraged council to look at their web site.

Councilman O'Kelley said the city of Charleston has a great Rail Trail west of the Ashley, and he feels sure the staff there would give them assistance if they meet road blocks of any kind.

Isaiah Smalls said there is a grey area in terms of maintenance, and he wants to ensure that it's clear. Mr. Tedder said they tried to make the distinction between the model mile and the rest of the project. Mr. Tedder said he hopes approval will be as quick as possible.

Mr. Dadson said they might be able to do so at a special meeting next week, which is already needed for administrative matters.

UPDATE ON ELEMENTS OF THE SECTOR ONE PLANS AS THEY PERTAIN TO BEAUFORT RIVER; MOORING FIELDS, DAY DOCK, AND ACCESS POINTS

Libby Anderson said there is a memo prepared April 6 about the mooring fields. The applications are completed. During the research, the consultant found an existing permit from 2005 for day docks. They suggested a revision to that existing permit to add the mooring field to it. They presented that to the Corps.

Ms. Anderson said that DHEC has said they are ironing out details with Fish and Wildlife. They need signatures on permit applications. **Rick Griffin** said they have a permit with OCRM for the day dock. The consultant added it to the Corps permit; it was approved by OCRM, but it was pulled by council before it went to the Corps of Engineers. Mr. Griffin said it's good until 2015, according to the consultant.

The mooring field will show the benefit of a future day dock, Councilman Sutton said. If the river can be managed, they can understand the other pieces, like the day dock. He said the

design won't fly, but they can get a modified design from the OCRM, if they want to. **Jon Verity** said the plan assumed a different day dock than the one that's there. He passed out a graphic of a possible design for a day dock at the park itself. A mooring field, were it to take place, could expand this day dock into a dinghy dock. The concept is similar to Savannah's design, Mr. Verity said.

Councilman O'Kelley said the plans show a proposed day dock in front of the pavilion; he's had concerns about the open area along the promenade where children can go and gates might not stop children or adults from the potential hazard. During an activity at the pavilion, motor boats could be disruptive to that activity. He said there's potential future development at the southern end which could add another area for boats. The small dock ramp to the right already exists, and he suggested that might be the day dock. Mr. Griffin said that's for 16-25' slips.

Councilman O'Kelley said he's in support of the day dock but against putting the day dock "hard by the pavilion." Councilman Sutton said he disagreed with Councilman O'Kelley. Councilman Sutton said council will not design the day dock. Mr. Griffin said this was an alternative plan to what was there before. Mr. Verity said when it's been discussed, no one assumed that Mr. Griffin would be interested in administrating a non-revenue producing dock.

Councilman Sutton summarized the issues in regard to the day dock and the mooring fields. He said the marina was built backwards, with the boat ramp at the small end of the marina. He's hoping someone will get the city a day dock and get the mooring field built. Councilman O'Kelley said for him it's just a question of where it's put, but he agrees with Councilman Sutton. There was further discussion of the history and the current state of the dock and the sea wall. Mr. Verity said the growth of the downtown is tied in with the growth of this day dock. The best solution seems to be at the end of the sea wall.

Councilman McFee said the day dock is *not* a non-revenue producing effort; "who manages what" is going to be an issue. The ideal of the installation and management of the mooring field is a revenue-producing source and will bring people who come to Beaufort who have been missing. Mr. Verity said there are options such as Lanier issuing tickets there. Combined resources can be applied, he feels. Mr. Verity said there will be more discussions with Mr. Griffin.

Councilman Sutton asked to have Mr. Griffin come back with a model to coincide with the mooring field development in regard to the dinghies and the cruising boat day-trippers. Councilman Sutton said they know that they will need these things at some point in the process, and Mr. Griffin needs to help make it work. Mr. Griffin said he is happy to help. Councilman Sutton said other communities use their waterfront for more accessibility than Beaufort does.

Councilman McFee said he supports the day dock. He asked about the pull-out on the drawing. Mr. Griffin said the dock has 16 slips; every other finger has a pylon for support. If the fingers

are taken out, it won't affect integrity, so he is thinking about that as a future investment down the road for three drive-ons in the area where there are two slips.

Mr. Dadson asked if council was okay with him signing the permit, and there was general agreement that they were.

REVIEW OF ACCEPTANCE OF CERTAIN SCDOT STREETS AND CONDITIONS REQUIRED

Mr. Dadson said in order to make improvements in coordination with the county, the city will need to take some streets. An MOU has been written that conditions any acceptance of these streets by the city. Mr. Smalls said this was part of a larger discussion about taking over the streets and described what the city would require before it would take more streets. The City of Beaufort didn't want to limit their ability to take over the streets around Basil Green, so they took that out for those streets, but with a caveat that if funding becomes available later, the local detail will do some repairs to the streets that have already been taken over. Mr. Dadson said this would attach to a letter of acceptance about the streets around the park.

Mr. Smalls said they didn't want to have to go up the chain, because there's a time limit on the fund. Councilman Sutton said if they have this MOU and a request is made to take streets, this MOU is triggered and they would accept it locally, then it is pushed to the state, and if they say no, the City of Beaufort doesn't get the street. Councilman Sutton said just because they say no, he doesn't like to see projects stopped. Mr. Dadson said if council lets him sign it, a condition will be, if they say no, they need to say why. Councilman Sutton said they need room for further negotiations. Improvements are difficult to get because the city is not in control of those items.

Mr. Dadson summarized the concerns, and said he looked at the PDO/UDO in North Carolina and Virginia and "the acceptance of streets at a standard you want is not unusual." The DOT is always glad to turn something over, but it's unusual *here* to put maintenance standards that it *should* be at on it.

Councilman McFee said on Lafayette Street, the terminus is Boundary Street, and Mr. Smalls said it's not. It is Magnolia, and the DOT understands what they want. Council generally agreed that they like this as-is.

DISCUSSION REGARDING FINANCING FOR PURCHASE OF COMMERCE PARK

Kathy Todd said staff is meeting with Paul Trouche, bond counsel, later in the week in regard to bond financing for Commerce Park. There are several options available, and they are 3% or below. \$1 million has been committed for land or green space and can be made for making payments, but she wouldn't recommend that "since the money is so cheap." She described other possible options that could be used. Proceeds from sales to businesses have to be applied to the bond to maintain its tax exempt status.

Councilman Sutton asked for amortization schedules. Ms. Todd said if \$2.5 million is borrowed, the annual debt payment for ten years is \$293,000 at 3%; 15 years is \$209,500. If they got \$3.5 million in bond financing, it would be \$410,307 for 10 years and \$293,183 for 15 years.

Councilman O'Kelley asked if it all had to be used in the Commerce Park, and Ms. Todd said no, as long as it was used for a public purpose. Councilman Sutton described other possible public uses that a million could be used for. Councilman McFee said the \$1 million land fund is protected from arbitrage, but in regard to the extra million in the \$3.5 million, they would have to decide how it will be spent pretty quickly. Mr. Dadson said depending on the life of the asset, they should be aware of their borrowing terms.

Councilman Sutton asked if staff could provide a list of projects currently in front of council that have land acquisition needs to make them work. Councilman O'Kelley said if the \$2.5 million were borrowed, they would have \$650,000 extra. Councilman Sutton said he's talking about park access and fire departments, Southside Park, the day dock, a mooring field, Rail Trail land acquisition, etc. Councilman Sutton included the 20 year CIP. Councilman McFee said any project that would be a shortfall and may need surplus funds should also be considered.

Mr. Dadson said he and Ms. Todd will need to bring council into the perspective of revenue sources and cash flows. Ms. Todd described the cash flows that have been contributed historically. \$250,000 is the average.

Merritt Patterson said with the million that will service the debt, and if a property wasn't sold in the Commerce Park, he presumes that the capital in the account has to be used to service the debt. Mr. Dadson said that assumes that's the only revenue stream. Mr. Dadson said things added in outside the fund would mean other revenue sources need to be added to that.

Mr. Patterson said that some industrial development projects donate land in which case there will be no revenue, so he asked what the bonding company is in that case. Ms. Todd said that to maintain tax exempt status, the land can't be given away by the city. Mr. Dadson said they could not forgo the taxes or abate the taxes when the land is sold; there has to be a revenue stream to deal with that.

EXECUTIVE SESSION

On motion of Councilman Sutton, seconded by Councilman O'Kelley, council voted to move into Executive Session pursuant to Title 30, Chapter 4, Section 70(a) (2) of the South Carolina Code of Laws to discuss contractual matters. The motion was approved unanimously.

Councilman McFee, seconded by Councilman O'Kelley, 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 work session ended at 6:42 p.m.

A regular meeting of the Beaufort City Council was held on April 10, 2012 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Pro-Tem Donnie Beer, Council members George O’Kelley, Mike Sutton, and Mike McFee and City Manager Scott Dadson.

Mayor Billy Keyserling was absent.

CALL TO ORDER

Mayor Pro-Tem Donnie Beer called the meeting to order at 7:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation and Pledge of Allegiance were led by Mayor Pro Tem Beer.

PROCLAMATION OF APRIL 2012 SEXUAL ASSAULT AWARENESS MONTH

Councilman Sutton made a motion, second by Councilman McFee to approve the proclamation. The motion passed unanimously. Mayor Pro Tem Beer read the proclamation and Shaw Chin Capps, Executive Director of Hope Haven, accepted the proclamation and made a brief statement.

RESOLUTION RECOGNIZING JERRY ASHMORE’S TIME SERVED ON THE DESIGN REVIEW BOARD

Councilman McFee made a motion, second by Councilman Sutton to approve the resolution. The motion passed unanimously. Mayor Pro Tem Beer read the proclamation and Jerry Ashmore accepted it.

RESOLUTION DESIGNATING APRIL AS FAIR HOUSING MONTH

Councilman McFee made a motion, second by Councilman Sutton to approve the resolution. The motion passed unanimously. Mayor Pro Tem Beer read the proclamation; there was no one present to accept it.

MINUTES

The minutes of the work session and regular meeting on March 27, 2012 were presented to council for review. Councilman McFee noted that the Starkeys live on Otter Circle, not Hunter Circle; Councilwoman Beer was referred to by her initials, Mayor Pro Tem Beer; and “Lady’s Island” should have been “Light Industrial.” **On motion by Councilman McFee, second by Councilman O’Kelley, council voted to approve the minutes as corrected. The motion passed unanimously.**

ORDINANCE REVISING PART 5, CHAPTER 1, OF THE CODE OF ORDINANCES TO REQUIRE CARBON MONOXIDE ALARMS IN NEW RESIDENTIAL CONSTRUCTION

Councilman O’Kelley made a motion, second by Councilman McFee, to approve the ordinance on second reading. The motion passed unanimously.

ORDINANCE REZONING 7 PARCELS OF PROPERTY LOCATED IN AND NEAR THE BEAUFORT COMMERCE PARK, FROM INDUSTRIAL PARK DISTRICT (COUNTY ZONING) TO INDUSTRIAL PARK DISTRICT (CITY ZONING)

Councilman Sutton made a motion, second by Councilman McFee, to approve the ordinance on first reading. Ms. Anderson showed the parcels on a map. SCB&T owns six of the parcels and Clarendon owns the other. All seven comprise 205 acres, and all are proposed to be zoned "IP," Industrial Park.

Mr. Patterson said there has been discussion about this park being in competition with other industrial parks in the area. He discussed his purchase of an industrial park and the development of it. In the last comprehensive plan process, he said, there was a parcel of which 12 acres remain which has Light Industrial zoning. He said the city is buying the Commerce Park and making a new special zoning for it, which seems to him to imply that there is a problem with Light Industrial zoning. He said the Industrial Park zoning is much easier to work with than Light Industrial is. He feels it's inequitable to himself and others, and all should have the opportunity to have Industrial Park zoning, or the city's Commerce Park should have Light Industrial zoning.

Mr. Patterson described other business parks he's developed. This Commerce Park "has a distinct advantage over anything" he has, he said. He asked hypothetically how many leads were generated in his park, the answer being zero. Everyone who's doing industrial development should have the same zoning, he feels, to be fair. Mr. Patterson provided another example of an overheard conversation wherein a prospect was sent to the Commerce Park and not to the others available in the area.

Councilman O'Kelley said if Mr. Patterson feels his zoning should be Industrial Park, there's a process he can use to apply for it. He said Mr. Patterson's is 70% built out and added that this is not a competition; any business coming into any business park is going to help the city.

Mr. Patterson went on to provide another example in regard to BJWSA. He asked what incentives were available, and he was told that they were available through the former Lowcountry Economic Network (LEN). He said past history in regard to economic development "has made people untrusting." He said he wants the City of Beaufort to buy the Commerce Park, but he is requesting equitable treatment in regard to zoning.

Councilman Sutton said that Mr. Patterson had sold 70% of his property under zoning that he has said "is burdensome" to him. Councilman Sutton said the council is trying something different, and he hopes Mr. Patterson will continue to be a partner so that *all* the areas zoned Light Industrial can be successful. Councilman Sutton said the city's attitude has changed, and he feels Mr. Patterson is a change-maker, too. Mr. Patterson reiterated that his request is for the Commerce Park to have Light Industrial zoning so that all the parks have the same zoning. **The motion passed unanimously.**

CONSIDERATION OF AWARD OF EXTERNAL AUDIT SERVICES FOR THE CITY OF BEAUFORT

Ms. Todd said by state law, the city is required to have an external audit. An RFP was issued and six firms offered proposals; five attended a pre-proposal conference. March 12, the proposals were all due, and four were received. A committee scored the two highest firms, Elliott Davis and Malden & Jenkins, and they were interviewed last week. Malden & Jenkins's fee was lower. Staff is recommending that the council authorize the city manager to sign a three-year contract with them with an additional two-year option. Councilman McFee clarified that the price is locked in for all five years. **Councilman Sutton made a motion, second by Councilman McFee, to support the committee's recommendation. The motion passed unanimously.**

RESOLUTION REGARDING RELEASE OF COMMITTED FUNDS FROM FUND BALANCE

Councilman Sutton made a motion, second by Councilman McFee, to support the resolution. KT said the resolution releases \$20,000 from committed funds from Land Acquisition to be used as current year resources as reflected in the FY 2012 Budget Amendment #2. **The motion passed unanimously.**

APPOINTMENTS TO BOARDS AND COMMISSIONS

Councilman McFee made a motion, second by Councilman O'Kelley to appoint Gwen Myers to TMAC. The motion passed unanimously.

ADJOURNMENT

There being no further business to come before City Council, **Councilman Sutton made a motion to adjourn, seconded by Councilman O'Kelley. The motion was approved unanimously, and the meeting was adjourned at 7:37 p.m.**

ATTEST: _____
IVETTE BURGESS, CITY CLERK