

A work session of the Beaufort City Council was held on June 11, 2013 at 5:00 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 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.

EXECUTIVE SESSION

Pursuant to Title 30, Chapter 4, Section 70(a) (2) of the South Carolina Code of Laws an executive session was held to discuss proposed contractual arrangements and purchase of property. The motion was approved unanimously.

Councilman McFee, seconded by Councilman Sutton, made a motion to come out of executive session and begin the work session. The motion was approved unanimously.

CALL TO ORDER

The Mayor called the work session to order at 5:00 p.m.

BUDGET DISCUSSION OF REVENUES

Mr. Dadson said that staff had discussed with council the need to fix shortfalls in current service levels with revenues. He has suggested two fees to council: on to help finance public safety and a vehicle fee. The reason for the fee discussion, Mr. Dadson said, is because council has practiced austerity for a few years and has decided how it wants to run its operations. Stormwater fees are the only fees that have been raised for some time now, and in this budget, stormwater fees are proposed to stay the same.

Mr. Dadson said that with Act 388, the State General Assembly has inhibited the ability to have property appraised above 15% every three years. They "have captured the ability to raise the millage rate." When the original analysis was done to statutory allowances in regard to the millage rate, Mr. Dadson said, the CPI and growth rate would allow it to be raised at 4.32%, which is equal to about \$141,000 – \$145,000, which is shy of the projected shortfall.

The second thing that city council, the county, municipalities, and public service districts are facing is "the historic devaluation in property values," Mr. Dadson said. The assessor assumes a 13% decrease in overall aggregate value throughout Beaufort County. A lot of it would take place south of the Broad, not north of the Broad. For Beaufort, the predicated tax value decrease would be -1% to -5%.

Mr. Dadson said the assessments won't be available publically until August 1, so the debate has been about rolling up the millage rate. The attorney general's opinion is that they must by law roll up, but in a separate action, council can raise or lower the mill. That would have to be a separate action. The budget assumes "even Steven," he said. The city five years ago began to

change service delivery methods: a stormwater fee, sanitation and recycling fee, a paving fee of \$10 per vehicle, and others.

Mr. Dadson said the public safety fee is necessary because 10-11% of the property is non-taxable within the city, excluding the MCAS. Council can determine whether to adopt the fee, and he suggested looking at how staff calculated it. He said council could also consider other methods that are tied to the services delivered as the basis of the fee. There are many of these large structures within the city, he said. These not-for-profit centers are attractive to people and to risk because the public assembles there, and there are fire and safety issues in those structures.

In regard to the transportation fee, the city maintains the rights-of-way owned by the SCDOT. Mr. Dadson described how many of the miles were the county's and how many were the SCDOTs. The city responds to hundreds of calls for service and works with the Department of Transportation, using stormwater fees on stormwater projects. "Cars use roads, not houses," Mr. Dadson said, so this fee is based in that idea. All other revenues have been recommended to stay the same, Mr. Dadson said.

Council could increase the millage rate by 4.32%. A mill is 77,000 today, Mr. Dadson said in reply to Councilman Sutton's question. Until the actual number is revealed August 1, it's difficult to know, he said. It has to be put in before the county puts out the tax bill. The number of people who will file for appeals is an unknown factor as well. The stormwater fees, sanitation, and business license fees all stay the same, Mr. Dadson said.

Kathy Todd said that when the tax assessor did his presentation, he said he expects a higher than normal number of appeals, particularly north of the Broad. Mayor Keyserling said that an owner-occupied residence pays roughly the same amount to the county and the city. He said he considers the fact that Beaufort is the county seat to be very fortunate. Beaufort also has about 50% of properties that are rentals, businesses, or second homes, Mayor Keyserling said, so half the population is already paying more and that's creating an inequity. Property values in the City of Beaufort may have gone down, but only by a little bit, so when the county makes its judgment, the likelihood is that when they raise the mill, if your property stayed the same, taxes go up; if it falls, taxes will go down. Mr. Dadson said that will see a decrease, and north of the Broad will see an increase.

Mayor Keyserling said the reality is that the population of Beaufort is only 12,500 and most are considered to be low- to moderate-income. So the city carries the burden of those who use services in the city but don't live here. If they "roll up and take the increase the state allows," he said, "we're talking about \$450,000 – \$500,000."

Mayor Keyserling said the options are fee for service by some institutions, or the whole community pays as a result of Beaufort being the county seat. Councilman O'Kelley said Mr. Dadson had said that Beaufort is \$600-700,000 below, and "if we do what the state allows ... the roll forward brings things even." If the allowable millage increase were taken, it will still be

short \$450,000, Mayor Keyserling said. Councilman O'Kelley asked about the salary increases (a 2% COLA (cost of living adjustment) and money for the retirement/pension fund) and the fire department asking for a 37% budget increase for O&M and furniture. He suggested that these are places that cuts could be made so that revenues would not need to be raised.

Councilman Sutton said the police department wants \$200,000 for new cars, and Public Works also has asked for more for equipment. Mr. Dadson said council has been creating savings accounts for rolling stock (cars, lawnmowers, etc.), "so those dollars have been put away, and it is designated by statute." A second aspect, Mr. Dadson said, to supplement fixed assets like roads, buildings, infrastructure, etc. is also separate. They are not in the reoccurring revenues.

Councilman O'Kelley said he thinks "things can be cut before a tax is put on a church." Mr. Dadson said again that all of the things he listed as potential cuts have revenue sources. Councilman O'Kelley said the city "will spend a lot of money and regardless of where the money comes from, you shouldn't do it on the backs of churches or not-for-profits."

Mayor Keyserling said most of council has concerns about both fees. He asked if operations are an amortized fee. Ms. Todd said they "don't do cost centers." Mayor Keyserling clarified that there are contract services for building inspections, plans review, codes enforcement, etc., and Ms. Todd said yes. Mr. Dadson said "that comes back through fees." Mayor Keyserling said it's non-specified. Mr. Dadson said the contract for those things is good because there's a fixed monthly fee to have people in the office half a day which amounts to \$12,000. Everything else is only paid if a permit is applied for, for example, and then a fee comes in for it. Mr. Dadson said people have been keeping up the assets and properties.

Councilman Sutton said that the depreciation of property values will lead to a roll forward in the millage rate, but the answer won't be known until August. Some properties could be 1% and some could be 8%, Councilman McFee said. Councilman Sutton said state law caps the city's ability to raise the millage by no more than 4.32%. It would be roughly 2 mills and the deficit is 9 mills, Councilman Sutton said. The TIF district downtown "evaporated." The service contracts are over \$350,000 in value. Part of the number is directly related to the maintenance of Waterfront Park and the three-block area downtown. The county and the school board both said no to another TIF, Councilman Sutton said. The recession led to lower investment in the city, and they have been trying to bring the base back up with infill. Real estate values, the TIF evaporation, and the needs of departments for capital items and their operational budgets require that \$600-700,000 cash be raised somehow.

Councilman Sutton said fees are being discussed; Mayor Keyserling said they can't discuss taxes, according to the state. Councilman Sutton asked about the debt mill, "which is a different tax with no ceiling." He asked "the value of the right-sizing of that." Ms. Todd replied that as of April, it would amount to an additional 4.46 mills in the total debt mill for a total of 20.67 mills. The cash value is \$1,470,663. If that's not done, Councilman Sutton said, the make-up difference would come out of the general fund. If they didn't raise the debt mill, he asked if it

would add to the burden, and Ms. Todd said yes. Councilman Sutton said, "So that is probably going to happen anyway."

Councilman Sutton said city residents are confused by the option of the 1-cent sales tax. The county voted not to take it to a special election. It would be a saving grace for the city, county, and other municipalities to solve problems like TIFs expiring, etc. If fees aren't done, then other things have to be cut. Service contracts could be cut in half. The fire department was held off last year for a lot of equipment they have wanted for awhile and from purchasing uniforms, Councilman Sutton said. There are two police department and two Public Works cars, he added. Mayor Keyserling said those don't come from the general fund. Councilman Sutton said they have to look at operational fees.

Councilman Sutton said they might need to "sequester" the city's budget with across the board cuts. Councilman O'Kelley said he's amenable to cutting council salaries. Mayor Keyserling said that's only \$29,000. Councilman Sutton said it's a drop in the bucket and Councilman O'Kelley said, "Well, once you have a lot of drops, you have a bucketful."

Mayor Keyserling said he doesn't support either of the two fees at this point. He wants to work on a long-term solution. Someone at a meeting had suggested to him that they would be willing to be taxed \$100 to go for Waterfront Park. The county and town of Hilton Head Island are doing a road project, Mayor Keyserling said, so LOST is unlikely. If they do away with maintaining the rights-of-way, they have a stormwater system that's broken. The state isn't doing its work, and the park is a regional asset. He feels they "should get with the churches and the hospital and determine solutions that will make them a part of the solution." Mayor Keyserling said these are fundamental questions they should have been dealing with for a long time. The city has offered to take SCDOT's roads and the parks from the county with stipulations, but no one has come to the table with the city.

Mr. Dadson said that in 2008 and 2009, they had 170 employees and now have 130 employees. They got rid of large expenses and contractual relationships that needed to be fixed, and now they're more efficient. The contracts are less costly over the long run, but when they do that, there's no one on the other side to pick up slack. Mr. Dadson said the city has slimmed down and shared its contracts. "Five years is a long time to go with maintaining that without other things affecting us," Mr. Dadson said. The CPI doesn't consider fuel costs, for example. \$6.9 million of the budget is public safety services. The ISO rating of businesses in Beaufort is lower now, and many of those buildings don't pay anything to the city in taxes, and the homeowner bears the burden to lower the rate for commercial properties. He reiterated what council has done "to stay lean and also to encourage regeneration of assets in place." There's more net value per acre the more it's filled in, Mr. Dadson said.

Ms. Todd said revenues are 5.2% and expenditures are 11%. Councilman Sutton asked about the capital rolling stock fund. Mr. Dadson said they move money into reserve funds like the Land Fund from the transfer of fees. A lot of capital investment has been paid for by grants, Mr. Dadson added.

Councilman Sutton asked what it would do to the operational capacity to freeze the budget at 2013 levels. Mr. Dadson said they would have to find \$600,000 in cuts. Councilman Sutton asked if it's possible to take the reserve capital fund to stock the general fund back the other way, if council were to vote on that. Mr. Dadson said the current policy said they will not use savings for yearly costs. This would be an unwise fiscal move, Mr. Dadson said, because next year they "would find they had only kicked the can down the road." The city has held its own because of investments and services and is having the -1 to -5% as a result. The city has tried to open up regulations, which is against the process orientation to grow the city. It would take a lot to get those funds back if they're used for operations, Mr. Dadson concluded.

Mayor Keyserling asked if there is anything in unrestricted funds after six months, and Ms. Todd said no. Mayor Keyserling said it's frozen and used for savings. Mr. Dadson said they can do those things they're discussing, but it would harm them for the future.

Mayor Keyserling asked Councilman O'Kelley about the vehicle fee, adding that if there's no support for fees, they have to do cuts. Councilman Sutton said "those two fees are split, and the cuts start at \$500,000." He asked about the COLA increase and if there were any other increases other than for a COLA. Councilman McFee said worker's comp goes up when there's a COLA; Mr. Dadson said FICA, pension, etc. go up when salary goes up. Mayor Keyserling said the Office of Civic Investment is out at the end of this month, but there's a placeholder for a project manager of \$90,000.

Councilwoman Beer asked how much money was in the land acquisition fund. Ms. Todd said there's a committed fund balance for that. Mayor Keyserling asked if Councilwoman Beer supported the fees. Councilman McFee said it's too grey an area in regard to the fees for the not-for-profits. Historically there's not been support for fees on vehicles, but if he had to choose between the two fees, he would go with the one for vehicles. Councilwoman Beer agreed with Councilman McFee. Councilman Sutton said historically the city does a lot of work it's not paid to do.

Mr. Dadson said the easiest place to cut is the contract services, beginning with "the big ones in the street and the park areas." The contracts "are designed to have that kind of wind-out or breach," Mr. Dadson said. Councilwoman Beer said they would then go back to the way it was before they had the contracts, and Mr. Dadson agreed that there is no one to replace those contractors.

Councilman Sutton asked where the \$790,000 difference in this park budget and last year's is, since it's not in operations. Ms. Todd said because of the hospitality bond, they moved debt. The bond is budgeted in the parks department. She described the payments in FY 2013 and 2014 and operations increased, primarily because of Waterfront Park. Mr. Dadson said it's out of TIF now and that's where it's showing up.

Councilman O'Kelley said there could be areas of the city – other than the Waterfront Park – that contractors currently do that could be cut. Mayor Keyserling said they will be giving up things like Boundary Street which is a very different street because of the contractors' work, but it isn't the city's street. They need a long-term solution to maintain someone else's assets. The two fundamental problems are maintaining regional assets on the backs of a small number of people, and the state's assets that the city is maintaining.

Mr. Dadson said in regard to the vehicles, the city has taken on 26 lane miles with nothing to cover the maintenance of that asset. The council went on record and SCDOT has sent over conditions but they haven't sat down and talked about the matter yet. Vehicle fees, Mr. Dadson said, are not uncommon in other states. Everyone pays something now to the county, and they don't maintain roads with it. Sidewalks are wholly the city's to maintain, and the maintenance of the Spanish Moss Rail Trail is going to grow as the trail grows. The city has assets, Mr. Dadson continued, but the fee authority has been limited by the state, and they therefore can only deal with the people in this jurisdiction. That's why LOST would have been good.

Councilwoman Beer asked how it will affect stormwater if they have to cut back on services, because the debris gets in the stormwater drains and clogs them. Mr. Dadson said there's a stormwater fee that pays for those things; it was raised last year, Mayor Keyserling said. There will be bigger impacts, though, than with maintenance.

Councilman Sutton asked if the city has to bear the cost of sanitation, and Mr. Dadson said yes, the city does. The rate goes up in the last year of the contract, Ms. Todd said. Councilman Sutton said the costs need to be passed on to the user; he'd "offer no problem with sanitation."

Councilman Sutton said they should hear in the workshop how the amount of \$350,000 in fees to be obtained from the not-for-profits was calculated. Councilman O'Kelley said it was 1/10 of 1%, which is a lot for some properties. Councilman Sutton said "the number is out there," and they should know it. He said council should discuss what they are asking these entities to do, compared to other not-for-profits.

Mr. Dadson said the costs per year are \$150 – \$300 for some, and as large as \$18,000 for others. The percentage of the assessed value was chosen because of what the risk is to the police department or fire department based on size.

"If there's no support to go down that road," Councilman Sutton said, there still needs to be a discussion about getting the not-for-profits on board. Councilman O'Kelley said the church has a budget, and if this is passed, they are asking a church or hospital to pay for a non-budgeted item, and then they may have to cut programs to pay it. Councilman Sutton said that's "the philosophical ideal," and he wants the answers to things like how much it would be to tax the Baptist Church of Beaufort. Mayor Keyserling said it's assessed at \$9 million, so it would be \$9,000. Councilman Sutton said some not-for-profits are not being used for what they were intended, and the status of those properties should be looked into; "there's a huge amount of

non-taxed property in this city,” he said. The “off the tax roll” value is \$228 million in appraised value in a city worth about \$2 billion.

Councilman Sutton asked at what point it’s a good idea to look at the real estate in Beaufort and ask questions about a dead building on a lot that has a non-tax status: are they paying or not, and what’s the use of the land, i.e., a parking lot. Mayor Keyserling said it will take collective thought because of the change in the model of the delivery of medical services. Once the hospital owns a doctor’s practice, there’s a building off the tax rolls.

Mr. Dadson said staff can make considerations about where cuts could go, but revenue has to be increased somewhere for the long-term health of service delivery. Revenues need to be raised in a meaningful way, Mr. Dadson said. Those who deliver the services can make the recommendations.

There was a discussion of the next procedural steps for the budget, which needs to be adopted by June 30, and further discussion about keeping with council’s policies.

There being no further business, the meeting adjourned at 6:52 p.m.

A regular meeting of the Beaufort City Council was held on June 11, 2013 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling and council members Donnie Ann Beer, Mike Sutton, Mike McFee, and 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.

CALL TO ORDER

Mayor Keyserling 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 by Mayor Keyserling.

RESOLUTION COMMENDING THE FRANCISCAN CENTER’S SISTERS SHEILA BYRNE AND STELLA BREEN

Councilwoman Beer made a motion, second by Councilman McFee, to approve the resolution. The motion passed unanimously. Councilwoman Beer read the proclamation, and Mayor Keyserling made a presentation of the resolution to the Sisters.

PUBLIC HEARING: PROPOSED FY 2014 BUDGET

Mayor Keyserling gave an overview of the budget – and revenues in particular – to the assembled public. Properties north of the Broad have lost considerably less value than those south of the Broad. It’s uncertain what will happen with the assessments and the millage at this point, he said. Also, over the last years, “the city has been spoiled”: it’s spent \$450,000 maintaining rights-of-way on a road system that belongs to the state, for example.

Additionally, the mayor said, in recent years, the city has shrunk. It is the county seat, and home to most of the religious organizations, the hospital, and the Waterfront Park which is a regional asset. With what the city has provided to the 60,000 people who live north of the Broad and rely on Beaufort, it has accumulated costs, he said, having cut the budgets to the bone and moving from fixed costs to contract costs. Mayor Keyserling said the city manager would give a budget overview. He went on to explain the procedural matters for council voting for the budget, and said that council is already in consensus about not attaching fees to not-for-profits, at least in the short term.

Mr. Dadson said that two fees have been recommended to add to the city’s revenues. The property tax, which is one of the few times that property in the area has devalued, has had a large effect on the city. The effect on the tax rate is unknown at this time. Act 388 has two provisions that limit the local government’s ability to deal with property value and millage rate. In an assessment, the property cannot increase by more than 3% per year, and the millage rate can’t be raised more than a combination of CPI and population growth, which equals 4.32% for

the City of Beaufort, which means they can raise it about 2 mills, and the debt mill can be raised without a ceiling.

Mr. Dadson said for the FY2014 they have the same level of services as in 2013 but a budget shortfall of \$700,000, so he has recommended two fees: a fee for vehicles and a fee for not-for-profits to help with public safety costs. He reiterated that council doesn't want to do the not-for-profit fee.

The transportation fee, Mr. Dadson said, is due to the City of Beaufort's maintenance of roads in the city that the city doesn't own; they also maintain 450,000 worth of various aspects of the public right-of-way around the city: signs, potholes, sidewalks, etc. on streets owned by the SCDOT. Mr. Dadson said his opinion is that vehicle owners should make up for the shortfall. The budget recommends increasing the debt millage and two fees. They will need to make cuts if both fees are not approved. Mr. Dadson said that the city has had savings over the last five years through contracts to maintain the large infrastructure of the city. In that time, the contract amounts have been reduced, but the cost of benefits and the cost of fuel have both increased. The City of Beaufort has supplemented its public services with contracts, but they will not have capital or personnel to take over if contract workers are cut.

Mr. Dadson said the sanitation fee is on its last year (after five years) Staff recommends keeping the stormwater fee the same. Capital intensive projects in TIF1 and TIF2 were done, and TIF1 is now gone. The park, street lighting, and other improvements have been capitalized, and the maintenance is gone now, too. The contract for service for that area is \$350,000 and if it goes away, there's nothing to replace it. Those dollars account for about half of the shortfall. Council supported LOST (Local Option Sales Tax), but it had failed in a vote by county council the previous night to get on a referendum ballot this year. It would be a penny tax, and 71% of each \$1 raised would go to property tax relief, while the remainder could be a revenue source or for additional tax relief.

Mr. Dadson said that capital improvements for parks come from a savings account and "have been moved over as revenues and expenditures as well."

Mayor Keyserling opened this public hearing. Rick Toomey, president of Beaufort Memorial Hospital, submitted a written statement and read it to council and the public present.

Bill Nettles, chair of the Beaufort Memorial Hospital Foundation, described what the foundation does and explained why he believes a fee will have an adverse effect on the foundation. The foundation receives gifts which are distributed to the hospital, Mr. Nettles said. They had received gifts from more than 2000 sources last year. Additionally, 40+ families are in a society which acts as a trust for the hospital. After 25 years, the endowment fund was able to contribute \$400,000 to the hospital this year. Mr. Nettles said the hospital is the city's biggest employer, and there is a wall with names of contributors at the hospital; there is also the Valentine's Ball as a fundraiser. Those funds are annually determined to go to various places such as the women's imaging center, the cancer treatment center, etc. Mr. Nettles said the

hospital faces “a tidal wave of financial uncertainty,” and “Beaufort Memorial Hospital needs all the help they can get.” He asked what council plans to do with the money from such a fee “that’s more important than curing sick people and keeping people alive.”

Colder Battey, representing St. Peters Church as the chair of its finance committee, said that it is important to realize that the people taxed are the ones who should pay this “tax,” not the not-for-profits. He urged council not to put a fee on churches and not-for-profits because they “enrich our lives.” Businesses and property owners should pay increased taxes, not not-for-profits.

Alan Runyan, Parish Church of St. Helena, said that this is something that is not going to go away and is part of a trend for municipalities to look to not-for-profits to help through fees. He said he has a son on the Columbia City Council, and he understands the state’s restrictions on councils. He also is sensitive to the founding of the city and his church and said that they have engaged in de facto partnerships with the city and provided services to the community. He is glad that not-for-profits will be involved in partnerships with the city and each other in the future. Mr. Runyan said “any non-profit will look at this fee and see a tax.” He doesn’t know that they have a problem paying for services which cost the city, but they “have a real problem paying tax to plug budget holes.” Mr. Runyan added that his parish provides \$46,000 in community services that have a direct impact on the City of Beaufort. He went on to describe some of these.

Paul Infinger, Baptist Church of Beaufort, said the church opposes this and asked if there is statutory authority to take away the not-for-profit status of the church. He also considers this fee to be a tax. The church relies only on contributions, he said. Another fee “could be a real problem for the church.” They want to be real stewards for the church, and they would meet to look at other solutions to determine what is good for the city and the church.

Gina Mounfield, TCL interim president, said she empathizes with trying to put a budget together. There has been a decrease in funding from the state for higher education, so they are more tuition-driven and would have to increase tuition to pay for additional fees. They would like to look at ways to work with the city on this but object to the public safety fee.

Dot Gnann said she has read the budget twice, and “you are in a heck of a mess.” She feels this problem starts with the state of South Carolina and that Act 388 will kill a lot of cities in South Carolina. She asked council not to vote for this fee. She added that St. Peters Church serves 1000s of people per year.

Eddie Rodgers said she also has gone through the budget for hours, and she feels that the city taxpayers have taken on many expenses and feels that “everybody can cut some spending.” Some of the budget didn’t make sense to her, she said. A 2% increase in the COLA “doesn’t really compute with the reduction in staff,” she said. Human Resources wasn’t in the budget in 2012, Ms. Rodgers said, “and now is a nice standalone with salaries and benefits.” She would like to see the bonds they are paying interest and principal on, particularly the bond for the

Mossy Oaks fire station voted on in 2008. Ms. Rodgers would like to see the Commerce Park delineated by itself for interest, liability insurance, etc. She fears “the Waterfront Park is being made the scapegoat here.” She said the fees “don’t sit well” and feel like “money grabbing” because the county already charges a tax for the roads. She added that she is also opposed to the LOST.

Mayor Keyserling polled the room, and said that about half of them live in the city. Mayor Keyserling said that in some of the public comments he felt there was a suggestion that council and staff don’t appreciate the contributions of the hospital, churches, and other not-for-profits. He thinks that would be wrong, and that this is not about the worth of these institutions.

Mayor Keyserling closed this public hearing.

PUBLIC HEARING: ORDINANCE REZONING A PARCEL OF PROPERTY LOCATED AT 1001 HAMAR STREET FROM CONSERVATION PRESERVATION DISTRICT TO NEIGHBORHOOD COMMERCIAL DISTRICT

Mayor Keyserling opened this public hearing. Libby Anderson said the applicant is city planning staff. The parcel is in the Dixon Village neighborhood in the City of Beaufort. The property is the site of the Charles Lind Brown Activity Center, aka the Greene Street Gym. She described what the purpose of the Conservation Preservation zoning is. Very limited uses are allowed in the Conservation Preservation District: parks, cemeteries, community service uses, existing churches, etc. The Neighborhood Commercial zoning is because a charter school is considering being in the Charles Lind Brown building for two or more years, Ms. Anderson said. Staff believes that a less restrictive zoning would be better, even if the school doesn’t locate in this building. She described what is permitted in Neighborhood Commercial zoning. Ms. Anderson showed a map of other properties in the area, and there are a wide variety of uses in the area. This is preserved open space, in the comprehensive plan, which she suggested should be rethought.

Public notice was made, Ms. Anderson said, including to the relevant neighborhood associations; there’s been one public comment which council has received. The Metropolitan Planning Commission will consider this applicant on June 17.

Charlie Calvert, the volunteer board chair of Bridges Preparatory School, the K-6 charter school, said their charter will bring in \$35 million in revenue to Beaufort. The demand has been so strong that they need another facility. They would like to be there for at least a year, and would like to be downtown. County council passed this on first reading to allow the lease.

Joseph Rutter of Thumbs Up said the organization is “concerned about what might develop over there,” and they would like the charter school as a neighbor. **Mayor Keyserling closed this public hearing.**

PUBLIC HEARING: UDO AMENDMENT REVISING SECTIONS 8.2.A, "SUBDIVISION DESIGN STANDARDS; STREETS; SIDEWALKS," TO CLARIFY THE REQUIREMENTS FOR CONSTRUCTION OF NEW SIDEWALKS

Mayor Keyserling opened this public hearing. Ms. Anderson said the purpose of this UDO amendment is to clarify where construction of sidewalks is required as part of the subdivision process. In the proposed Civic Master Plan, every street section that requires sidewalks is 5'. They are required on both sides of new streets, and this clarifies that. There are situations where sidewalks should be required: subdivision of lots zoned commercial or mixed use, and for major subdivision of residential lots. The Metropolitan Planning Commission recommended approval at their meeting last month, Ms. Anderson said. There being no public comment, **Mayor Keyserling closed this public hearing.**

PUBLIC HEARING: UDO AMENDMENT REVISING SECTIONS 7.5, "OFF-STREET PARKING AND LOADING REQUIREMENTS," TO EXEMPT CERTAIN USES FROM PARKING REQUIREMENTS AND OFF-STREET LOADING REQUIREMENTS

Mayor Keyserling opened this public hearing. Ms. Anderson said this amendment applies to parking with a revision to permit small commercial, single-family, and two-family dwellings to be exempted from on-site parking. The streetscape projects' goal is to stimulate private investment in these areas; they are keen on private investment utilizing public investment, Ms. Anderson said. The on-site parking requirements can limit development. Over \$1.2 million of public funds has been invested in the streetscape projects, and private development should be able to use the on-street parking that's been created. The on-site parking areas can be used as building space and for people, not vehicles. Parking lots can create bad stormwater run-off, Ms. Anderson said. Driveways create potential conflicts with pedestrians. Also, driveways cause the loss of on-street spaces and interrupt the streetscape. The impact will be small in the short run because there is not a lot of on-street parking yet, Ms. Anderson said. In the core commercial downtown area, on-site parking is already exempt.

Ms. Anderson indicated the particular additions and deletions to the UDO. The title would be changed, and in paragraph 2, certain uses would be exempted from on-site parking requirements if they have on-street parking available, though they *can* have on-site parking if they want to. She delineated those uses.

Ms. Anderson said staff is proposing allowing other uses to "count" as on-street parking toward the parking requirements. It must be within 400' of the lot. Where on-street parking doesn't exist, and the developer develops some, that will count, too. Vacant and abandoned structures are exempt for the on-site parking requirement, too, Ms. Anderson said. They will allow tandem or stacked parking on single-family or two-family lots. The size of the spaces currently has a minimum size, and they are changing it to add a maximum size and allow compact spaces for compact cars. Finally, they propose to simplify the on-site loading requirements. Staff doesn't feel in a position to determine the number of loading spaces, so it will be determined during the site plan review, Ms. Anderson said.

The Metropolitan Planning Commission recommended approval of this amendment. Mr. Dadson said that he "sees a proposal for a truly urban form of parking." He encouraged council to support this. Ms. Anderson reiterated that a property owner *can* have on-site parking, but

thus is to encourage the use of on-street parking. There being no public comment, **Mayor Keyserling closed this public hearing.**

MINUTES

The minutes of the work session May 21, 2013 were presented to council for review.

Councilwoman Beer made a motion, second by Councilman McFee, to approve the minutes as submitted. The motion passed unanimously.

The minutes of the work session and regular meeting May 28, 2013 were presented to council for review. Councilman McFee said that, in the section pertaining to council's discussion with the Redevelopment Commission, he believes the minutes read incorrectly in that **Wendy Zara** said she knows the work with Habitat for Humanity "has" been done, though the minutes incorrectly state that it "hasn't." **Councilwoman Beer made a motion, second by Councilman McFee, to approve the minutes as submitted with a check on this matter. The motion passed unanimously.**

ORDINANCE REZONING A PARCEL OF PROPERTY LOCATED AT 1001 HAMAR STREET FROM CONSERVATION PRESERVATION DISTRICT TO NEIGHBORHOOD COMMERCIAL DISTRICT

Councilman O'Kelley made a motion, second by Councilwoman Beer, to approve the ordinance on first reading. Councilman McFee asked about doing the first reading before the Metropolitan Planning Commission has heard the matter. He said he has no direct opposition to it, but would like to hear what council has to say. Mayor Keyserling said county council has sometimes passed something on first reading just to get the process started. Councilman Sutton said with a citizen board, this feels as if it's shooting them in the foot to vote on a matter before they have made a recommendation.

Mayor Keyserling said Ms. Anderson can pass on to the Metropolitan Planning Commission that council voted on it to get the process going but wants to hear their feedback. Councilman Sutton feels they haven't been presented with all of the details they need to make a decision. If it becomes excess property to the county, Mayor Keyserling said, it reverts to the city, if the charter school should leave. Mr. Dadson said that's correct. He said he would instruct the city attorney to advise council on this matter.

Councilman Sutton said he finds it awkward to change zoning for one entity. Mayor Keyserling asked if the school could technically get a variance. Ms. Anderson said they don't allow use variances. She feels in the long run, a different zoning designation is appropriate there. There are a variety of zoning uses in the area. Ms. Anderson said the Metropolitan Planning Commission will hear this next week, and she would relay that council awaits their recommendation. **The motion passed unanimously.**

MOTION AUTHORIZING CITY MANAGER TO ENTER INTO A CONTRACTUAL AGREEMENT FOR ENGINEERING SERVICES FOR DAY DOCK

Councilman Sutton made a motion, second by Councilwoman Beer, to authorize the city manager to enter into the contract. Mr. Dadson asked council to table this. **Councilman Sutton**

withdrew his motion and Councilwoman Beer her second. Councilwoman Beer made a motion to table the matter, seconded by Councilman O’Kelley. The motion passed unanimously.

MOTION AUTHORIZING PURCHASE OF PROPERTY AT 1120 RIBAUT ROAD

Councilwoman Beer made a motion, second by Councilman Sutton, to approve the purchase of property. Councilman Sutton said this will cost \$320,000, using funding from the fire department bond, and they “finally have an agreement for the right piece of land for the right price,” Councilman Sutton said. **The motion passed unanimously.**

MAYOR’S REPORT

Mayor Keyserling expressed disappointment in county council’s unwillingness to collaborate on the LOST. City of Beaufort and the Town of Port Royal passed a resolution favoring it. Bluffton is still planning on passing a resolution. Mr. Vaux, Mr. Sommerville, Ms. Von Harten, and Mr. Dawson supported it, Mayor Keyserling said.

REPORTS BY COUNCIL MEMBERS

Mayor Keyserling asked Councilwoman Beer to discuss her organization, “Healing Heroes of the Lowcountry Fund.” She said it is being formed to raise money for seriously wounded veterans and first responders. There are volunteers from the Independence Fund on the new group’s board, and they “will start small and work our way up to concerts.”

ADJOURNMENT

There being no further business to come before City Council, **Councilman McFee made a motion to adjourn, seconded by Councilwoman Beer.** The **motion was approved unanimously,** and the meeting was adjourned at 8:52 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK