

A work session of the Beaufort City Council was held on December 10, 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.

CALL TO ORDER

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

CIVIC MASTER PLAN

Craig Lewis distributed a compendium of the meetings held related to the Civic Master Plan process throughout the beginning in January 2011. He also provided a list of the changes made to the drafts throughout the process for council to use as they read the Civic Master Plan during the holidays. He said most of the desired changes have been made, so this draft differs from the last draft in that it's thinner, has supporting drawings, and some drawings have been removed. They tried to underscore that this is "a location map for the community to know where the opportunities are."

Mr. Lewis said that many are looking forward to the Civic Master Plan's adoption, and other things such as the code and projects can move forward once the Civic Master Plan does. This is not the Comprehensive Plan, **Jon Verity** said, and is designed to identify the areas in the city that are ripe for development. Nothing in it supersedes anything else that is actually regulatory, he said. It's not meant "to be a plan for everything." In regard to the discussion of the Historic District and The Point, he thinks the right balance has been struck, now that there has been extensive discussion. He thinks it will make sense now to the developers, whom he said will "not be coming into the city in a vacuum."

Mayor Keyserling asked Mr. Lewis for clarification of words used interchangeably; he said he interprets this Civic Master Plan to be a "vision" that is brought into a plan piece by piece. Mr. Lewis said they used drawings because different people understand information in different ways. They tried to keep the architecture as light as they could: Beaufort, Lowcountry, or "fairly generic." There are massing and form concepts for detached and attached buildings, number of floors, etc.

As Mayor Keyserling said, developers might have a plan that deviates, but the code requirements come in then and determine what can actually be done. Mr. Lewis said this is a marketing tool, and none of the pictures is exactly how something is going to be built. Mr. Verity said he would be surprised if anything is built exactly as its drawn in the Civic Master Plan. The Civic Master Plan is a good marketing tool for the Redevelopment Commission to use for those coming into Beaufort.

Councilman McFee said the staff and Mr. Lewis's team have addressed a lot of the issues

brought forth. There are conceptual points that everyone wants to be clear on, but he's very pleased with the end result. Councilman Sutton said the plan has evolved very little over time, in his opinion. The final version raised a few questions, but they will be answered in "many other documents that are used to get things done." Councilman Sutton thinks it's been a fantastic journey and the staff, Redevelopment Commission, and other planners have put together an easy-to-read 280-page document. He feels it's time to move forward, get into a public hearing, and "get some votes going on this thing."

Mr. Lewis said everything is now online in its very most current version. The Metropolitan Planning Commission made no changes. Mayor Keyserling said January 14 would be the public hearing and first reading of the Civic Master Plan. There will be a work session, Mr. Dadson said, in case council needs it.

Maxine Lutz said she understands the process but asked council to consider as they read the "integrities and design guidelines that we asked to be included in this." She gave out copies to the council members. She said Historic Beaufort Foundation "is for *appropriate* infill in the Historic District." She asked that council make sure that that concern is in the document.

John Dickerson said he thinks it's important that there is a good plan, and that "it move through with some alacrity" to, among other things, help improve the economy here. He doesn't want the process to slow down and reminded council that there is a possibility of mid-course corrections.

BAILEY BILL

Libby Anderson said there was a work session on this in November. Council was receptive. Ms. Anderson said it's a tax assessment freeze on properties that undergo extensive renovation. The mayor had a question about current incentives, and Ms. Anderson said there are tax credits available, but Mayor Keyserling had wanted to know if they could be sold. She said they are not sellable, but the property owners can take advantage of credits on the state and federal level.

It's important to get the county on board, Ms. Anderson said, since that's where the majority of taxes are. LK met with Ms. Lutz and **Ian Hill**, the county preservation planner, and they are encouraged. They are trying to get a meeting of all the municipalities together and they are interested in going together to the county finance committee.

Councilman O'Kelley said this deals with renovation of historic properties. He asked if it has to be on Historic Beaufort Foundation's list or how it is determined if it's a historic property if it's not in the Historic District. Ms. Anderson said they need to be in the Historic District. Ms. Lutz said they have to be on the National Register or be in a recognized Historic District. Councilman O'Kelley said if they're not in the Historic District but have a historic structure, he asked if they "could get that qualified somehow." **Cynthia Jenkins** said it qualifies if it's a contributing structure in a Historic District or is listed on the National Register. Councilman O'Kelley said there is a procedure, then. Ms. Anderson said there is a survey of all the historic properties in the city limits.

Councilman McFee said a non-contributing structure, he thought, was not excluded, as long as it's in the district. Ms. Lutz said it needs to be 50 years old. Mr. Dickerson said it has to do with the year it was constructed. Ms. Jenkins said the South Carolina Department of Archives and History is who would be worked with to determine its status. Ms. Anderson said Hilton Head Island has 6 properties on the historic register, but they may be supportive. Councilman McFee asked if they should talk to the county delegation about this in January as an agenda item.

MILITARY ENHANCEMENT COMMITTEE (MEC)

Mayor Keyserling said they have had a meeting where they discussed their future; they have recommended 4 acceptable people to be representatives, and Mayor Keyserling named them. He said that, having gone to the meetings, the focus of the MEC is unclear. It was built around the reality of BRAC and has been successful at rallying the community when there was a BRAC. But this year, they spent more than \$100,000+ to hire lobbyists to help them understand sequestration.

Mayor Keyserling said he's talked to the chair of county council and both mayors "because it's founded in large part by Beaufort County." MEC's agenda is to brand Beaufort as the home of the F-35, and they had shown a billboard they're posting. Mayor Keyserling said that would be better served in Southern Beaufort County because there's a sense of mistrust now North of the Broad, as it's 6 months away and there has not been information forthcoming. He said he's not sure putting up pictures of it would be good; "Welcome, Lockheed," he thinks would be better.

Secondly, Mayor Keyserling suggested that MEC should rally and support an outlying field for practice take-offs and landings so that Beaufort doesn't get the brunt of 24-hour take-offs and landings. He suggested that they go to the Secretary of Commerce. Mayor Keyserling said at this point, Beaufort will be the only training center. The Air Force and any other branch of the military will come here. Sequestration and budgets have changed what was originally anticipated, Mayor Keyserling said. He doesn't see that a group of volunteers who are hiring lobbyists will support the current needs. He feels they should stay in place for future BRACs, however, where they have been very effective. Mayor Keyserling said groups that can't fund a lobbyist have been benefitting from the current lobbyist. Mayor Keyserling went on to describe a scenario in Sumter County with their lobbyist and how he works among the groups and the "captains of industry." He said he feels that they should use the money to look at the field and look at the land available in isolated, rural areas

Councilman O'Kelley said that the commissary employs locals and could be saved, if they want to do a "save our bases" kind of thing. Mayor Keyserling said with a strip on the military ID card, families could get a discount everywhere they shop. He said they will be looking at commissaries, education (new schools at Laurel Bay vs. integration into community schools), etc. Mayor Keyserling said there are many issues that need to be addressed in a conversation, and he thinks that's what MEC ought to be thinking about: not just saving the commissaries but discussion about the need for them. Mayor Keyserling asked for direction for discussion with

the other mayors.

Councilman Sutton said he doesn't feel that the role of MEC is to do marketing or branding. Councilwoman Beer agreed. Councilman Sutton said he doesn't know enough about MEC and what they do and what their impact is. He said, "following the dropped apple is not the way to go." He shops off-base because he thinks there's less service there, only a tax savings. Councilman O'Kelley said he feels differently, and the people who work there are local and need the jobs. Councilman McFee said he feels it warrants a discussion. Mayor Keyserling suggested that council go to MEC meetings and told them how to find out when the meetings are. Mayor Keyserling said the Beaufort School District could create a charter school for military children with all the vacant seats (40%) in local schools, at a considerable savings to them.

Mayor Keyserling said there has been discussion of having round table-style meetings to help the military find ways to save money. Councilwoman Beer said the board was mainly civilians when it was formed. Mayor Keyserling said they've raised no public dollars and operate as a standing committee of the Chamber of Commerce, "which is why some people are not acceptable to them." Councilwoman Beer said they've changed focus.

Conway Ivy asked if the practicing for the F-35 would require building a new air strip. Councilman O'Kelley said it depends on where they go. Mr. Ivy asked if that will harm the position of Beaufort in the economy by shifting the practice to other locations. Mayor Keyserling said it could have an impact on the frequency of flights. Mr. Dadson said they would still have to fly from here to the outlying field. Everything else would be done here, e.g., the simulator.

LOCAL OPTION SALES TAX (LOST) AND PARK FEES

Mayor Keyserling said during the budget process, a resolution was passed in Beaufort, the Town of Port Royal, and Bluffton to consider the LOST on the ballot. The county refused to do it because, they said, it was an off-year election and not enough people would vote. The second issue was that the county might want to do another penny capital sales tax, and third, the state legislature at the urging of the Hilton Head Island realtors, wants a penny tax to undo the inequities of Act 388. Mr. Dadson said the penny tax raised about \$30 million a year. Mayor Keyserling said the municipalities feel slighted because the county went off and did something without consulting them. The municipalities share a lot of common issues.

Councilman Sutton said it might be time for a joint meeting with the Town of Port Royal, City of Beaufort, Bluffton and Hilton Head Island to go to county council for a meeting about LOST in order to have more impact. Mayor Keyserling agreed but said Hilton Head Island is still undecided. Councilman McFee said they want to specify it with regard to the 4% and 6%. Mr. Dadson said they can apply their portion any way they want. They can choose to give all tax relief or use it on spending in their capital funds, which is what the City of Beaufort wants to do. Councilman McFee said the non-discretionary part is ALL tax relief and that has to be agreed to; the small portion that remains can go to that which he feels "would not be popular."

Mr. Dadson said in an era of devaluation of property value, LOST and the park fee are a more regional approach for raising revenue and redistributing it back fairly. "Act 388 has done so much damage," he said, including property devaluation. LOST has no sunset provision. It doesn't tax food, only non-perishable items. 65% would be paid for by people who don't live here. In a consumer society, this is a way to keep the tax burden in check and to diversify the portfolio, which staff has said for two budget cycles. There's an automatic benefit to the taxpayer, Mr. Dadson said. The park fees approach is different and is more like a stormwater fee.

Mayor Keyserling said the Northern Regional Plan Implementation Committee has talked about this for a long time, and it's been concluded that the parks fee is not just for Northern Beaufort County, and Hilton Head Island has been invited to the table. He described ways that could be used for many of the parks to get county support.

Councilman Sutton said they need to be clear on what city expectations of LOST would do. He'd like to see it tied into the funding issues for Waterfront Park and other parks. He said council seems to be saying that there's clarity on what the money will be spent for. The public will want to know how it will help them and what impact it will have their community. Councilman O'Kelley said the key to presenting it to the public is that it is "found money." Councilman Sutton said when they had this conversation before, there was contention that the numbers were wrong for proving that it was on the backs of tourists. He thinks they need to know how whatever money comes in will be spent, at varying amounts. Councilman O'Kelley said the ATAX and HTAX are good figures to show how tourist dollars work. Mr. Dadson said LOST is used extensively in South Carolina, and Beaufort County is one of the few tourist areas in the state that doesn't have it.

Mayor Keyserling said they have squeezed on business taxes, but they can't lower them. The city has learned that when a COLA is put in and increases are needed for repairs, fuel, etc., even with a lower level of service, they "come back to the same money." They need an alternative source of revenue to grow. Councilman Sutton said he would like to see the Town of Port Royal's and Beaufort's councils go as a group. Mayor Keyserling said they need real, precise numbers, because people are "pulling numbers out of hats" now. Councilman McFee said the 65% of LOST coming from visitors number was a support for LOST, but if you're in opposition, then you say it generates less and more comes from property owners. Councilman McFee said it would be incongruent with tourism dollars/numbers to say that the tax wouldn't be born by tourists. Councilman Sutton said this should be on the ballot for next November.

Mayor Keyserling shared a letter from a woman whose house value went down by half but her taxes increased. **Edie Rodgers** said the LOST "is not a new fundraising scheme." She thinks they need to stop increasing debt service. She said people don't need to be taxed more in order to offer tax relief and at the same time use the taxes to pay the debt service and then use money raised for capital improvements. Ms. Rodgers said the capital improvements option was the best thing the state legislature did, e.g., improvements on roads in Beaufort County.

On another topic, Ms. Rodgers said she had noticed that Open Land Trust areas such as the Bluff have been called “parks” and she wondered why they are being called that now. Councilman Sutton said he assumed Ms. Rodgers wouldn’t support a LOST, and she said she wouldn’t. Councilman McFee said from a capital improvement standpoint, the city is paying for things that the state should pay for because the state refuses to do its job. The city is helping to abet the state (e.g., the gas tax to take care of the roads) with local taxes. Mr. Ivy asked if what Councilman McFee was saying was that what the state is giving is not all coming back. Councilman McFee said this state is the most antiquated in terms of gas taxes, so the county takes on the burden to build the roads that the state owns but won’t maintain and then the county and municipalities have to pay for those improvements. Ms. Rodgers said she approves of higher gas taxes. Councilman Sutton said he’d rather have out-of-towners help pay for the park than continue to put it on the citizens of Beaufort.

Mr. Ivy asked, in regard to the Civic Master Plan, if the public should make comments at the public hearing that the council would agree to, how the process would be handled. Mayor Keyserling said they can comment at the public hearing, but public comments can *always* be made. Mr. Ivy said at the public hearing, what the process is if there’s a comment about the plan that the plan isn’t reflecting, and council agrees. Mr. Dadson said if council hears things they do or don’t want to include, they can direct that changes be made in session. After first reading, they can make an amendment to the ordinance and debate that. At the work session, they may totally modify something and direct staff to do so, and it will be read into the second reading. Mayor Keyserling said typically, the public hearing, as opposed to an agenda item, is “not a back and forth”; the intention is for council to listen. Councilman McFee said, even after it’s adopted, it can still be amended.

Mayor Keyserling said **Liza Hill** is recruiting families to adopt intersections of the Spanish Moss Trail, so if council knows anyone who lives near an intersection, she has a fact sheet that can help. Ms. Rodgers asked about rescheduling the dedication of the Spanish Moss Trail date that was cancelled. Mayor Keyserling said the Cox Foundation wasn’t consulted when it was cancelled, so a ribbon was cut in the rain with **Jim Kennedy** because people had come from Atlanta for the ceremony.

Mayor Keyserling said the director of the PATH’s foundation drove people on the trail, and the Beaufort police stopped them at the end, and “they were glad that there are eyes on the trail.” He said the numbers of users are impressive on the trail. Ms. Rodgers complained about the direction the trail is going in. Mayor Keyserling said the next connection goes to Laurel Bay, which is “a big chunk of people.” Mayor Keyserling asked if the people of Port Royal Island would provide a challenge grant for crossing Ribaut Road. Port Royal has a grant that needs to be matched, so the next goal is to get down to the Sands.

There being no further business, the meeting was adjourned at 6:31 p.m.

A regular meeting of the Beaufort City Council was held on December 10, 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.

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

Councilwoman Beer led the invocation. Mayor Keyserling led the Pledge of Allegiance.

PUBLIC HEARING: DECLARATION OF 814 NEWCASTLE STREET AS UNFIT FOR HUMAN HABITATION

Mayor Keyserling opened this public hearing. Ms. Anderson said staff recommends that the city take action to demolish the property. She showed photos of the property and said it was severely damaged by fire and there's been no protection from the elements. The Historic District Review Board approved the demolition, but the property owner has been having trouble securing insurance funds for its demolition. The owner was notified of the hearing and discussed the situation with Ms. Anderson. Mayor Keyserling closed this public hearing.

MINUTES

Councilwoman Beer made a motion, second by Councilman McFee, to accept the minutes of the work session and regular meeting October 22, 2013 as submitted. The motion passed unanimously.

Councilman McFee made a motion, second by Councilman Sutton, to accept the minutes of the work session and regular meeting November 12, 2013 as submitted. The motion passed unanimously.

Councilman McFee made a motion, second by Councilman Sutton, to accept the minutes of the work session November 19, 2013 as submitted. The motion passed unanimously.

DECLARATION OF 814 NEWCASTLE STREET AS UNFIT FOR HUMAN HABITATION

Councilman Sutton made a motion, second by Councilman McFee to approve the declaration. Ms. Anderson said staff recommends that council declare the property as unfit for human habitation. If the owner doesn't apply for a permit in 15 days and take action to demolish in 30 days, they will be billed for the city's costs for demolition of the property. Ms. Anderson showed the findings of fact in the case. To date no action has been taken to secure the structure from the elements or to demolish the structure.

Councilman Sutton said the owner of record made an application to the city for demolition. Ms.

Anderson said the owner was approved for demolition with the Historic District Review Board. Ms. Anderson said there's been a lot of activity between the property owner's representative and the contractor he said he had. Councilman Sutton said it looks like the city is about to buy off \$12,000 to demolish it and put it in the landfill. Ms. Anderson said they would prefer the property owner, who has permission, would demolish the property himself, but he's had 6 months to do it and hasn't. Councilman O'Kelley said it sounds like an insurance company is involved and won't pay anything. He feels the insurance company should hear from the city that the city will put a lien on the place and want to be paid back. Councilman Sutton said insurance companies are slow to react, and he hasn't seen anything about an insurance company in this case. Ms. Anderson said there's not one to her knowledge, but they have been helping with the bank in regard to the mortgage and the insurance company. There is a second mortgage on the house.

Councilman Sutton said the burden of demolition shouldn't be taken too quickly; he'd like to know if it was an insured building if they "can go after someone" other than putting lien on the property. The ordinance only allows a lien for recouping costs. He feels the ordinance should be re-written to put a lien on something like the insurance plan. Councilman O'Kelley said they can't do that. There's a contract between the owner and the insurance company, and the owner needs to go after the insurance with the caveat that if there's a mortgage, that's where the first cut of the insurance goes - for the mortgage. The city needs something for its own protection.

Ms. Anderson said the owner has given the city phone numbers and email addresses for the insurance company, but they've been non-responsive. Mr. Dadson said they are budgeted for 2 demolitions a year, and the law says they can put a lien on it. Councilman O'Kelley said the owner needs a lawyer to go after the insurance company. Mr. Dadson said they can't make the owner do that. Councilman O'Kelley said there's no harm in encouraging the owner to do it.

Councilman Sutton said as a community, they don't want this process to go on and on. Councilman McFee said he can't open it, but there is a mortgage. Councilman Sutton asked if the ordinance says they have the ability to do this but it doesn't mean they will. Ms. Anderson said if the contractor comes in with a permit to demolish, they would prefer that. Councilman McFee said he knew of an owner who took a building apart by hand to avoid the lien when this process with the city for demolition happened to him.

Councilman O'Kelley said they need to find out if there's a mortgage; they need to be put on notice and get involved. Mayor Keyserling said if the city "has a lien behind there, they can't move it either." Mr. Dadson recommended that they do an amendment to accept the findings of fact as submitted. **Councilman Sutton made a motion to amend his original motion to include the facts related to ownership, insurance and the mortgage lien on the property. Councilman McFee seconded. The motion passed unanimously.**

The original motion passed unanimously. Ms. Anderson said they expect an estimate of about \$5000 for the demolition.

ANNUAL PARADE REQUEST FROM BEAUFORT COUNTY MINISTERIAL ALLIANCE TO HOST MARTIN LUTHER KING PARADE

Councilman Sutton made a motion, second by Councilman McFee to approve the request for the January 20, 2014 event. **Ivette Burgess** said it's the traditional parade route. **The motion passed unanimously.**

REPORTS BY COUNCIL MEMBERS

Councilwoman Beer thanked council for its support of the Healing Heroes event at Waterfront Park.

Councilman Sutton asked Mr. Dadson about getting back to council about the boats on the Lady's Island side of the bridge. Councilman McFee said he had information. **Chief Matt Clancy** responded that the sailboat registration has been obtained, and the owner said he'd sold the boat and gave the new owner's contact information. He was contacted, and he said he couldn't move the boat because of high winds last weekend. He said it had a light, and the boat is anchored to not drift further.

Councilman Sutton said the streets downtown, on Bay Street in particular, don't seem to be being cleaned. Mr. Dadson said it's less frequent because the contract with the Greenery was cut back. Councilman Sutton said he swept the block in front of his shop last weekend.

Councilman Sutton said the parking tokens are in, and he wondered if anyone had heard if they were working. Lulu Burgess and **Kevin Cuppia's** store have both had positive results.

EXECUTIVE SESSION

Pursuant to Title 30, Chapter 4, and Section 70 (a) (2) of the South Carolina Code of Law, **Councilwoman Beer made a motion, second by Councilman Sutton to enter into Executive Session for receipt of legal advice. The motion passed unanimously.**

Councilman McFee made a motion, second by Councilwoman Beer, to come out of Executive Session and resume the regular session. The motion passed unanimously.

Councilman Sutton made a motion, second by Councilman McFee, to authorize a letter by the city attorney in response to a letter from the NAACP on single member districts. The motion passed unanimously.

ADJOURNMENT

There being no further business to come before City Council, **Councilwoman Beer made a motion to adjourn, seconded by Councilman O'Kelley. The motion was approved unanimously,** and the meeting was adjourned at 7:44 p.m.

ATTEST: _____

IVETTE BURGESS, CITY CLERK