

A work session of the Beaufort City Council was held on April 23, 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, George O'Kelley, Mike Sutton, and Mike McFee, and City Manager Scott Dadson.

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

CALL TO ORDER

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

DISCUSSION WITH REDEVELOPMENT COMMISSION AND METROPOLITAN PLANNING COMMISSION CHAIRS

Jon Verity said the Redevelopment Commission has divided up its work in groups; one is housing and consists of **Keith Waldrop**, **Wendy Zara**, and **Henrietta Goode**. They feel there's a gap that can be filled between what the Housing Authority does, and they hope to fill that gap. Mr. Waldrop has a plan that they are considering. **Mike McNally** is focusing on an area of vacant commercial and residential properties and the Baptist Church; **Martin Goodman** is focusing on northern Carteret Street and Boundary Street, Jr. **Alan Dechovitz** is working on the marina, and **Stephen Murray** is working on the industrial park.

Mr. Verity said the designs for the Lafayette Street development are attractive. The marina request for letters of interest will go out by the end of this week. They expect information back by June 14. They have a complete website of information for developers.

The Redevelopment Commission has made presentations on the Civic Master Plan asking for feedback, Mr. Verity said; the Sector Two group was "pretty heated," but they got information they needed from the meeting. Other groups also gave the feedback that they wanted. May 1 is the next meeting. After that, the Redevelopment Commission will compile all of the comments that have been made from all the meetings, then will put them together as a discussion at the Redevelopment Commission meeting. They "will decide which comments should move forward," pass them on to the Lawrence Group, and then do an updated version of the Master Plan. They will then schedule another public meeting to review that draft for additional comments. It will then be sent to the Metropolitan Planning Commission and council for the "normal process" for its adoption. The meetings were generally productive, he said. He said he thinks they "know what the major issues are."

Mayor Keyserling discussed another grant with **Isaiah Smalls** pertaining to the marina. Mr. Dadson said there has been a conversation with DOT and the federal granting people about the boardwalk; before the cemetery, "it will just be a sidewalk," and they will create a pedestrian crossing. They "don't have to do a boardwalk." The pedestrian orientation will move to the other side of the street. It will be "a crossing that will at some point warrant a light," but will be a pedestrian crossing for now.

Councilman Sutton said there has been discussion of incentives for years, and he asked “if anyone has gone anywhere with the tax abatement question.” Mr. Verity said Ms. Zara is heading that up, and Mr. Dadson said the committee is on their fifth draft of all of the incentives. Councilman Sutton said he’d like to see the Redevelopment Commission “turn stones over” on a Bailey Bill-type of incentive and do some modeling to see how that works on a state statute level. They need to do some math to prove it works, Councilman Sutton said. He’s recently had four inquiries “on bringing dead properties back to life.” Mr. Dadson said the biggest bump they have hit in incentives are utility costs - capacity fees - which are “the most prohibitively large” costs. Councilman Sutton said they need to do the homework, and go before the county and the school board; they should be able to roll the number down to a reasonable number and then it will fall back to full tax rate after a number of years. Mr. Dadson said that’s what the Bailey Bill does. Councilman Sutton said there’s no incentive now to take a house worth \$60,000 that was assessed in the past at \$200,000. The assessed value only rolls back 15%, Councilman Sutton said in regard to housing depreciation.

Alice Howard said the Planning Commission had a recent workshop on the Civic Master Plan which went well, and that’s all they have done thus far since the last meeting.

Mayor Keyserling said he believed Mr. Dadson had sent out the first set of comments from the first 2 meetings yesterday. Mayor Keyserling asked if everyone on council has a copy of the working plan. He said there was “dummy copy” in parts of his plan. Mr. Dadson said he has an up-to-date version; the one they got at the retreat is not the most current. Mr. Dadson said he would make sure that council get up-to-date copies.

SUMMARY OF BUDGET REVENUE OPTIONS AND CONTINUED DISCUSSION ON CIP (CAPITAL IMPROVEMENT PROJECTS)

Kathy Todd began her presentation by saying that yesterday departments had completed their first rounds of budgets. This is a summary of the revenue options discussed in the past four weeks:

Revenue options:

- **Reassessment and its affect on property taxes** – Estimates will continue until the tax assessor finalizes them in August 2013. The impact of them is uncertain and can change significantly between now and then. The rollback calculation must be used in a reassessment year to determine the roll forward number to calculate a millage rate as was generated in the previous year. Ms. Todd said council can set a millage rate for operation and debt different than the mill rate as calculated, “but you have to do the first part first.” So if council decides on a different rate, they have to look for other sources of revenue.
- **Local option sales tax (LOST)** – This would require county approval on a referendum ballot on November 12, 2013. Mr. Dadson said clarifying discussions with the county have begun. If it passes, collections would begin on May 2014 and be applied to all

county and municipal taxpayers in the county beginning with 2014 tax bills. Revenues generated would have no impact on the FY 2014 budget adoption and would have no effect until 2015.

- **Park fee** – This would require partnering with the county and other municipalities.
- **Transportation fee** – This would be against all registered vehicles in the city that would offset the cost of maintaining roads in the city and provide a funding source for streetscapes identified in the Civic Master Plan. A fee of \$25 - \$50 per registered vehicle would generate \$248,000 to \$496,000, Ms. Todd said.
- **Fire / EMS fee** – An option would be a fee on all non-tax-paying entities (hospital, churches, schools, etc.) in the city to help offset costs of emergency response. A .1% - .3% fee against appraised value could generate \$200,000 - \$600,000.

The Capital Improvement Plan (CIP) identified numerous projects from the Civic Master Plan as having an anticipated implementation period of 1-3 years.

- **Stormwater Drainage Projects** – Ms. Todd said she summed up the projects from the CIP and then added the drainage components of Allison Road and Duke Street. She's anticipating \$44,000 in stormwater resources to carry over for 2014. The FY 2014 revenue is estimated at \$800,000; \$50,000 will be reserved for MS4 implementation, so there is an estimated deficit of \$143,591 in stormwater resources. There was a discussion with Mr. Smalls of Public Works about areas that need stormwater drainage work, particularly at North and West Streets at the post office. Mayor Keyserling asked if each drainage project is possible, and Ms. Todd said that "they have all been in the hopper for awhile." The suggested ones are in the General Fund and Fund Balance columns.
- **Other projects by area** – At the close of 2012, the city reported \$785,000 of committed fund balance for capital projects and \$2 million of assigned fund balance for capital projects. None of it is yet obligated, Ms. Todd said, and Mr. Dadson said they will assign that \$2.8 million to capital projects this year.
 - **Sidewalk repair, upgrade and replacement**
 - **Street and street resurfacing**
 - **Mast arm at Craven and Carteret**
 - **Streetlight project**

Ms. Todd elaborated on the sources of funding for these including TIF 1, the total for which is \$565,000 that is sitting in the TIF 1 restricted fund balance.

The fire station at Mossy Oaks is funded through \$2.3 million in bond proceeds. For Allison Road improvements, \$80,000 is committed and will come from the General Fund of stormwater funds and \$740,543 from the fund balance. Mr. Smalls said this would only be work on the southern side of Allison. If state funds come through, it frees up the fund balance for other things, Ms. Todd said.

Funded by grants:

- **Duke Street** - \$400,000 has been obtained from CDBG; stormwater funds will cover the city's match and the net would come from committed funds or is fund balance.
- **The day dock** – The application has not been done yet, but if awarded, it will be \$100,000. Mayor Keyserling said the combined grants on this equal \$300,000. Mr. Smalls said yes, if they get the DNR funds and match federal funds at a 3-1 match. Ms. Todd said they are acting for the federal grant piece until they know they have the grant.
- **The mooring field** - There is a \$100,000 secured federal grant, and the match is from Griffin Enterprises / the marina.

The General Fund and fund balance totals include the stormwater drainage projects that were presented previously, Ms. Todd said.

Councilman Sutton asked for a work session specific to Southside Park. He said he doesn't know what money has been left sitting there, and he doesn't know what's been finished. Mr. Dadson said the park committee met a few weeks ago, and he can get the information. Councilman Sutton said there were specific goals, and he would like to know what's happened. Mr. Dadson said he'd be happy to do that. The grant application, Mr. Dadson said, "was for \$2 million over time." Every year, things are being done, he added.

The proposed revenue strategy

- Roll forward the millage
- Increase debt mil to cover debt payment
- Adopt the transportation fee and the fire / EMS fee, both of which could be short-term and replaced if other revenues are approved
- Other revenues contingent on county approval:
 - Local option sales tax
 - County-wide parks fee

The proposed CIP strategy

- Adopt the CIP for projects with a 1-3 year time frame for implementation, adding the projects from the 3-5 year time frame to the plan as projects are completed and roll off the plan
- Adopt the capital projects budget contingent on management's pursuit of grant funding and / or other partnerships

Mayor Keyserling asked "how much is attributable to doing new things and how much is the roll forward." Mr. Dadson said "it's what we have now," and Ms. Todd said the roll forward is to bring things to the level at which they are now. Mr. Dadson went on to explain why they need other revenue sources such as the fire / EMS fee. Everything has been kept in line for five years, Mr. Dadson said, but they need to be diversified because the state's Act 388 "limited the city's

ability to do things.” He recommends a LOST and a county-wide tax fee to offset other fees and give tax relief to the taxpayer as well as having a future growth mechanism. They can capitalize growth as well with these other revenue sources. Mr. Dadson said they are in reality maintaining assets that are not theirs.

Mr. Dadson said the county and school board didn’t want to participate in TIFs 1 – 3. They didn’t want to extend TIF 2 or do TIF 3. “The TIF increment distribution changes if the city rolls,” for example, and no one else does. Mr. Dadson explained what TIF 1 was created for, i.e., downtown improvements. Councilman Sutton asked if they could create a TIF 4 in that district, and Mr. Dadson said they could, but the city might be the only player. Councilman Sutton said participation in TIFs “should be another plate on the table.” Mr. Dadson said the LOST and the recreation fee in a county with 65% of its sales tax generated from people outside the county “is the least intrusive.” It can be subject to going up and down, but “it diversifies the portfolio” and offers a property tax relief component. It’s already being paid, too, he said, and distributed by the state. The county and the other municipalities are talking about it, Mayor Keyserling said.

Mayor Keyserling said he’s for LOST, but the other “bridge fees” concern him. Mr. Dadson said they “need to bridge their way to FY 2015.” Ms. Todd said since they don’t know the rate, recommending a millage other than the full roll forward to maintain what we have in the current year is “a stepping stone of that bridge.”

Mayor Keyserling said he hates to create new fees because of their uncertainty. Mr. Dadson said the city has tightened its belt for five years, but inflation will eventually beat them. The City of Beaufort will have \$55 million in capital in this community when the TIGER project is complete, and most of it was paid for in other ways; aside from that, the city “hasn’t overly capitalized.” Mayor Keyserling said they created a dependency on TIFs. Mr. Dadson agreed and said to Councilman Sutton that rather than having a conversation with the county about another TIF, a LOST “has the most bang for the buck” because tax relief is built into it for property owners.

Councilman Sutton said “management is giving council options”; Mayor Keyserling said even if they do a LOST, it won’t help in FY 2014. Mr. Dadson said they “need to run between now and November.” Councilman Sutton said the most important one is a LOST, and the municipalities and the county should get on board with the resolution. Councilwoman Beer said the city passed it 3 times, but the county wouldn’t. Mayor Keyserling said the county is moving that way, though it was “resistant after losing twice.” Mr. Dadson said he would draft a memo to all city managers and the county manager.

DUKE STREET PHASE II ENGINEERING CONTRACT

Ms. Todd said the notice was published in February. The submission deadline was March 8, and the answers were posted March 14. March 22, five responses to the RFP were received.

Thomas East, Mr. Smalls, and **Lamar Taylor** recorded and logged the respondents and began to

review the RFPs. A couple firms didn't include pricing, so they were contacted and allowed to include that and to be evaluated. The recommendation is for Andrews and Burgess, who were the lowest bid and had "the quality and the past experience with the city." They would like to move forward with the city manager being able to authorize that contract. Mayor Keyserling asked if it requires a council vote. Mr. Dadson said this is just an opportunity for council to ask questions.

Mayor Keyserling said *Southern Living* has selected Midtown as a community of the year and will be doing a story and photos on it. Councilman Sutton said increased code enforcement has made a difference in these neighborhoods; Mr. Dadson said so have the neighborhood improvement teams. Councilman Sutton said Duke and Bladen Street improvements and greater private investment have also helped.

PROPOSED REVISION TO UDO CLARIFYING DEFINITION OF OUTDOOR DISPLAY

Libby Anderson said there was an appeal of a decision about outdoor display to the ZBOA and the applicants are present. Ms. Anderson said the current ordinance divides merchandise into indoor and outdoor merchandise. Indoor merchandise must be displayed within 5' of the building and is taken in during non-business hours. Outdoor merchandise has different requirements. The ordinance didn't anticipate or address merchandise that is *used* outdoors but stored indoors on existing developed sites.

The Randels moved their business into an existing space within city limits and wanted to display their lawnmowers near the street. Staff said they couldn't because they bring the mowers in at night, making them indoor equipment. The evening before, Ms. Anderson said, the ZBOA had granted the Randels' appeal, and they can now display their mowers outdoors under certain conditions.

This application "brought the gaps in the ordinance to light," Ms. Anderson said. Staff didn't feel that moveable items were intended to be put on the street and then taken back for storage at night. The current ordinance creates no difference between merchandise like lawnmowers and clothes and furniture, Ms. Anderson said. Staff doesn't feel that "unscreened merchandise is consistent with the visual feel the city is trying to foster." This revised ordinance will not be applied to these applicants; they will be grandfathered in through language in the ordinance.

Ms. Anderson said this could come up again; the ZBOA has said that the ordinance says that this is permitted. Ms. Anderson said another change is the design review. For new development, you have to include on the site plan to show where you plan to display outside: where the buffer is, etc. The ordinance is silent on existing tenant spaces in regard to a site plan. Ms. Anderson said they have had golf cart sales wanting to display their wares outdoors come up before; the same thing could happen with bicycle sales and outdoor furniture.

Councilwoman Beer said if it can be stolen, an owner wants it to be displayed outside but to be able to take it in at night to protect it. Ms. Anderson said if you store inside, and it's not a

permanent display (it's moved around daily), it has to be displayed up by the building. Councilwoman Beer said to her the difference would be about allowing an owner to display outdoor furniture outdoors as opposed to the outdoor display of indoor furniture.

Councilman Sutton said he has a problem with "the way it's regulated based on the way it's being moved around." He thinks the site plan is important. This owner has had the business it for 11 years, Councilman Sutton said, and is new to the city limits. Outside of the city limits, the Randels had outdoor display with no issues. In the city, "it's an awkward piece of property"; the buffer prevents the building from being seen. The 5' rule for indoor merchandise would further keep the merchandise from being seen. Councilman Sutton feels that a car or boat dealer moves a car or boat outside from the showroom all the time. Mr. Randel moves the mowers inside "because they are easier to steal than a car."

Councilman Sutton said he understands "the visual ideal." The business could leave them outside all the time chained up instead of bringing them in. The applicants have said they will landscape their property. If it were a new business with a DRB plan, they would be subject to different rules than the Randels were subject to.

Councilman O'Kelley said he's concerned when the ordinance specifically says lawn maintenance equipment is allowed, and then when a business opens that sells those, they want to change the ordinance.

Ms. Randel said that the ordinance also says "typically stored outdoors," not *always* stored outdoors. They looked into this prior to buying the property and the buffer. Mayor Keyserling said he feels they "should be careful about realizing that they are talking about tomorrow, not yesterday," and they need to learn from the Randels' lesson as to how to go forward in the future.

Councilman Sutton said they could compare Lowes and the merchandise they take in and put out every day; Councilman O'Kelley said that's different because they have a landscape buffer and a parking lot. Councilman Sutton said yes, but they aren't penalized for taking it in at night to keep it from being stolen. The issue of thrift stores has yet to be decided, he added.

Mayor Keyserling said when they get into sectors, there might be places where it's appropriate versus other places where it might not be. They will have to deal with it in the new code. "The redevelopment district is a new world in the new code," Mayor Keyserling said. With buildings up next to the street, it's a different issue than in existing buildings on Highway 21 or Highway 170, for example.

Mayor Keyserling asked if it's urgent to do this if it is going to be considered in the new code. Councilman McFee say they "could default it to the code." Ms. Anderson said it come up as a surprise, but they have had a golf cart dealership that wanted to display outdoors in the past, and she can see something coming up tomorrow. If something were to happen tomorrow, "it's

wide open.” Councilman Sutton said he likes the site plan idea for display areas for redevelopment. He feels it shouldn’t be tied in to whether the merchandise is moved around or not.

Ms. Anderson said she would like to talk about a site plan for existing development. They didn’t discuss this with the Randels in their application process. Mayor Keyserling said “a change in occupancy” could be the trigger rather than just “new development.” Councilman McFee said “it would soften the ambiguity between new development and move-in situations.” Councilman McFee said re-use in Beaufort is higher than new development.

Mayor Keyserling said even if they’re non-conforming to the Boundary Street Plan, they still want to control it and to be predictable to whoever is moving in or buying a property there. The business owners need to have a sense of what they can or can’t do.

There being no further business, the meeting adjourned at 6:56 p.m.

A regular meeting of the Beaufort City Council was held on April 23, 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, George O'Kelley, Mike Sutton, Mike McFee, and City Manager Scott Dadson.

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

CALL TO ORDER

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.

PUBLIC COMMENT

Students from Riverview Charter School made a presentation about a service project that they participated in.

MINUTES

The minutes of the work session and regular meeting on March 26, 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 on April 9, 2013 were presented to council for review. **Councilwoman Beer made a motion, second by Councilman Sutton, to approve the minutes as submitted. The motion passed unanimously.**

ORDINANCE ANNEXING THE RIGHT-OF-WAY OF INLET ROAD ON LADY'S ISLAND

Ms. Anderson said Inlet Road will be acquired by the City of Beaufort and then transferred to a private owner to be incorporated into the Publix site. Access agreements have been agreed to by the adjoining owners and signed. **Councilman Sutton made a motion, seconded by Councilman McFee, to approve the annexation of the right-of-way on first reading. The motion passed unanimously.**

ORDINANCE ZONING THE RIGHT-OF-WAY OF INLET ROAD ON LADY'S ISLAND TO GENERAL COMMERCIAL DISTRICT

Councilwoman Beer made a motion, seconded by Councilman Sutton, to approve the ordinance on first reading. Ms. Anderson said General Commercial zoning is consistent with those businesses around this site. **The motion passed unanimously.**

ORDINANCE REVISING SECTION 6.8.G OF THE UDO, "BOUNDARY STREET REDEVELOPMENT DISTRICT; STREET TYPES," BY CHANGING THE DESIGNATION OF GREENLAWN DRIVE FROM A MAIN STREET TO A NEIGHBORHOOD STREET

Councilwoman Beer made a motion, seconded by Councilman Sutton, to approve the ordinance revision on first reading. Councilman Sutton said some property owners were at the public hearing on the matter. Ms. Anderson said this has been discussed with the property owners for the better part of a year, so they have had no feedback except being asked how it's going. Councilman Sutton said he is referring to the private property owners, and Ms. Anderson said **Angela Childers** of the Beaufort Housing Authority had expressed support and a private property owner was "tracking it." **The motion passed unanimously.**

REQUEST FROM MEMORIAL DAY COMMITTEE TO HOST ANNUAL MEMORIAL DAY PARADE

Councilwoman Beer made a motion, seconded by Councilman Sutton to approve the request for the May 27, 2013 event. Councilman O'Kelley wanted to ensure that it has been coordinated as far as blocking streets. He was told this isn't the run. **The motion passed unanimously.**

REQUEST FROM TABERNACLE BAPTIST CHURCH TO HOST ANNUAL RUN/WALK FOR CHRIST

Councilman Sutton made a motion, seconded by Councilwoman Beer to approve the request for the May 25, 2013 event. Councilman O'Kelley said this race's route crosses Carteret Street twice, etc., and he wondered what has been done to coordinate police to ensure racers' safety. **Ivette Burgess** said Chief Clancy has approved it, and he has said that the patrolmen will provide security. Also, the race starts early. **The motion passed unanimously.**

REQUEST FROM THE GULLAH FESTIVAL FOR WAIVER OF NOISE ORDINANCE

Councilwoman Beer made a motion, seconded by Councilman Sutton, to approve the waiver request for the May 24 and 25, 2013 event. Mayor Keyserling said this event is at TCL instead of at the Waterfront Park. Councilman Sutton said he wants to talk about it; they are asking for the waiver from 9 p.m. to 10 p.m., and he can't recall having a noise waiver in that area. Ms. Burgess said they have never had one in that general area, but they've done The Point, behind USCB, and other neighborhoods, including for Historic Beaufort Foundation's soiree this past weekend. Ms. Burgess said it's on the parking lot side, where it backs into the neighborhood on the Battery Creek side. The entertainment will take place in the auditorium inside, but "they are doing this just to be safe." Councilman Sutton said if they're outdoors, the sound will travel, but dispatch will know that it's been extended to 10 p.m. **The motion passed unanimously.**

MAYOR'S REPORT

Mayor Keyserling said again that *Southern Living* magazine is coming to Beaufort. He added that he had had a meeting in regard to a partnership with the Boys and Girls Club, and he suggested that they look at the crossing of Boundary Street to go to the Teen Club. The Charles Brown Lind Center is being threatened with closure again, and he's suggested that they take it over. They are going to go downtown and are excited about it.

REPORTS BY COUNCIL MEMBERS

Councilwoman Beer met with a group of 26 different organizations dealing with veterans and the wounded to join with one another to benefit vets.

EXECUTIVE SESSION

On motion of Councilwoman Beer, 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 for discussion of pending contracts and sale of property. The motion was approved unanimously.

Councilman McFee, seconded by Councilman O’Kelley, made a motion to come out of executive session and resume the regular council meeting. The motion was approved unanimously.

ADJOURNMENT

There being no further business to come before City Council, **Councilman Sutton made a motion to adjourn, seconded by Councilwoman Beer. The motion was approved unanimously, and the meeting was adjourned at 8:50 p.m.**

ATTEST: _____
IVETTE BURGESS, CITY CLERK