

A work session of the Beaufort City Council was held on September 17, 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, and Section 70 (a) (2) of the South Carolina Code of Law, **Councilwoman Beer made a motion, second by Councilman McFee, to enter into Executive Session for the purpose of discussion of proposed contractual agreements. The motion passed unanimously.**

**Councilwoman Beer made a motion, second by Councilman O'Kelley, to come out of Executive Session and resume the work session. The motion passed unanimously.**

### **CALL TO ORDER**

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

### **BOARDS AND COMMISSIONS INTERVIEWS**

**Buffy Camputaro** was interviewed for a position on the Election Commission.

### **UPDATE ON CODES ENFORCEMENT PROGRAM**

Mr. Dadson introduced **Dawn Boren**, the contracted code enforcement specialist. Ms. Boren has been with the city for 3 years. **Libby Anderson** said they would make a Power Point presentation. She said Ms. Boren had been working on getting vacant lots cleaned up, and **Lauren Kelly** had been making an inventory of them citywide, beginning in the Historic District. It's meant to be an analysis and general planning tool but also will be used for marketing vacant lots in the Historic District and will enable people to contact the owners. The sooner the lots are filled in, the sooner they can stop illegal parking, etc.

Ms. Boren presented a count of the violations, e.g., lack of property maintenance. She described how negligent owners are ticketed. They work in partnership with the police department on unlicensed vehicles, she said.

Ms. Boren compared figures for 2011-2013; in 2012, for example, there were 150 overgrown lots. In 2011, 168 violations were sent out to property owners for rubbish. They receive the violation notices 3 times before they are ticketed. They have gone up in zoning by one, but they "usually don't have a lot of zoning issues or signage." Overgrown lots are the main issue in the city, Ms. Boren said, and Ms. Anderson said this is why they want to focus on infill.

Ms. Anderson said tracking down the owners is the main difficulty, and they are working with the city attorney on this. There are two lots in the Northwest Quadrant that have no known

owners; churches that are no longer there own them. Ms. Anderson said that one of the challenges they face is having no church and no owner address. She has discussed it with the assessor, and stormwater is not assessed on these properties. Councilman Sutton said he constantly debates about not-for-profit-owned properties that are no longer servicing the public in that way that have fallen off the tax map and are causing the problem that is being discussed. He would like to see the city start a conversation with the auditor about getting such properties back on the tax rolls. It would behoove both the county and the city to do so.

Councilman O'Kelley said Ms. Boren had mentioned the high amount of rubbish in 2011 and that tickets had been sent out; he asked how many owners responded to the letters and cleaned up the lots before they were ticketed. Ms. Boren said she has only written about 4 tickets in total. In 2011, one person went to court and paid a fine, and another person cleaned it up before court. Ms. Anderson said the decrease in the rubbish category is the result of Ms. Boren's efforts, and "people know we're serious," so they clean rubbish up.

Councilman McFee asked Ms. Boren if a lot of people are repeat offenders, and Ms. Boren said yes, they were. Heirs' property creates situations where she gets "the run-around a lot." She'll track people down, but they'll give her someone else's contact information and often tell her no one even wants the property. Councilman O'Kelley said even with heirs' property, there should be an ultimate owner who could receive a ticket. Ms. Boren said the assessor's office doesn't update as often as she'd like. One heir who was listed as an owner had passed away, for example, and she's now trying to track down other relatives. Councilman O'Kelley said often someone lives in town and others live in other states, and those others don't care what happens to property in Beaufort when the local owner dies.

Councilman Sutton said they are being pro-active, which is why he wanted the presentation, and he hopes they can determine a next step. Ms. Anderson said they mentioned the 2 vacant lots that they are seeking help with from the city attorney.

Ms. Boren said she had conducted a study when she began her work, and she really thought renters were the issue with violations. However, she gave an example of unlicensed vehicle violations from September 2010 to March 2011, and said only 3 of 16 violations were by renters. In regard to rubbish, the violators were also mostly owner-occupied, as with debris, e.g., lawn clippings. Many renters, when they leave a property, leave things on the curb, and the owner leaves it there. Ms. Boren said she sends the owner *and* the renter letters letting them both know they are in violation.

She showed "government outreach" efforts. She went through the process to determine an easy way to track code enforcement. Government outreach is web-based and can be accessed with all types of devices. Citizens can download the app and photograph violations that then come straight to her. They will be trying the system out in October. They can customize reports as someone needs them. She described other things the system allows her to do, including time-stamping her photos while she's in the field. Ms. Anderson said she feels citizens will really benefit from the program. Ms. Boren said a lot of citizens want to know updates on matters

they've complained about, and this system allows them to know she is working on an issue. Mayor Keyserling said when they get closer to rolling out the application, he will put it in his newsletter.

In regard to vacant and abandoned buildings, Ms. Anderson said that she, **Lauren Kelly**, and Ms. Boren have been working hard on the matter, especially in the past year. She showed a map of vacant and abandoned properties in the Historic District. They started a watch list for both contributing and non-contributing properties that they are concerned *will be* vacant or abandoned so they need to have reminder letters sent to them.

Ms. Anderson showed 14 properties that are either completely rehabbed or in progress that were on the vacant or abandoned properties list. Four are "pending" rehabilitation, and three are being worked on with the Lowcountry Housing Trust. Some buildings can't be saved, and there are 28 demolitions and two are pending; one had a fire and had one a tree fall on it. Demolition is easy, Ms. Anderson said, but it's more difficult to keep them from being demolished.

She showed buildings they have been working on. Ms. Boren described the progress on the Von Harten building and said they have gotten the owner to agree to stabilize the building. Ms. Anderson showed a property on Church Street that the Historic District Review Board had agreed to demolish. Habitat for Humanity had planned to rehab it, but there was a federal lien on the house so they couldn't do that. It's locally owned, and Ms. Boren is continuing to work with the owner on it; it's actively for sale. Councilman Sutton said he thinks the lien has been cleared.

Ms. Anderson showed properties owned by local individuals whom they have contacted. One building that the Historic District Review Board denied demolition wasn't high on their list, but is again. Councilman Sutton said the owner is in Savannah, and the property is "eaten up" with termites. He was surprised that the Historic District Review Board had denied its demolition. It was listed at \$75,000 five years ago, and "hasn't gotten any better," he said. Ms. Boren said the owner had cleaned around the property, but she thinks it still looks bad. Ms. Anderson said they need to get on it, and "it's back on our radar."

They have had a little progress with 1401 Duke Street, Ms. Anderson said, but not as much as is needed. Both owners are local – one is a contractor – and they have been given final notice that there needs to be activity by the end of the month, or they will be ticketed. It's a blight on the streetscape, and "their time is up," Ms. Anderson said.

Ms. Anderson said the situation with a Greene Street house is similar. The owner doesn't want to sell the property, but she has no money to repair it. There's not been any progress, and she's received final notice that's due at the beginning of October if there's no activity. They have been reluctant to do court summonses, but they are trying it. Ms. Anderson said they may need to come up with a plan such as putting the property up for sale at a reasonable price. Councilman Sutton said he's tried to help the owner. This family has one person who wants to

hold onto the property but hasn't gotten agreement from her siblings to help. He described other properties surrounding this one that also have problems and said the neighbors of other decaying properties are not helping this owner. Ms. Boren said she tried to work with the owner by saying she should replace "small stuff," as it's a safety problem for the neighborhood. There's a lot of trash there, and a lot of people hang out there. She did not work with the city, though, Ms. Boren said. The Lowcountry Housing Trust reported back that the owner said she wasn't interested in their help and to not bother her further. They are out of options, Ms. Anderson said, and "three years is long enough."

Ms. Anderson showed another property and said the owner had been sent a notification. The owner would like to demolish the property, has applied to do so through Historic District Review Board, and has been "very cooperative." It's not on the historic survey.

Another property has been worked on for three years, Ms. Anderson said. The daughter is local, and there may be title issues. Ms. Kelly applied for a Keep America Beautiful grant for \$5000 to help stabilize this Historic District structure. If the rear addition comes off, the whole building may go, so they offered the grant but got no response. They have given a final notice, and Ms. Boren will write a court summons if they hear nothing. Ms. Boren clarified that the owner had heard about the grant but never responded.

Ms. Anderson said another project at 605 West Street came up in a historic two-story house at which a tree had fallen on the double-porch "and really destroyed it," so the Keep America Beautiful grant from Lowe's was applied to it, and the Lowe's "heroes" would be working on the house in the coming weekend to stabilize the house and do improvements on the property under Councilman Sutton's supervision. The money will be put to good use to help out this family. Councilman Sutton said the house is for sale for \$125,000.

Ms. Boren said she had tried with another owner, and she's "not very nice" and had laughed at her. Councilman Sutton said they need to look at the property value as assessed and determine if the taxes are appropriate. They need to know if the system is working. Ms. Boren said the city has now told the owner that she must repair or demolish, and she has applied to demolish through the Historic District Review Board, but they did not approve it.

Ms. Anderson showed another house; the owners live in New York. There may be title problems. They have final notice due in November. She fears "it may be beyond help." Ms. Boren described the issue with the siblings. Ms. Anderson said they haven't submitted an application to demolish. Someone local "sort of keeps the lot clean," Ms. Anderson said.

Another property with a local owner got a building permit to do repairs but no actual work was done, Ms. Anderson said, so they will be receiving a letter.

Ms. Anderson showed a piece of heirs' property in which someone local is very interested. They have tried to put her in touch with the Centers for Heirs' Property. Councilman Sutton said the house is degrading very quickly. He said there's a house across the street for sale that's

“viable,” but no one will buy it because of this house. Ms. Boren said all the original owners’ grandchildren, numbering more than 30, are all owners. Councilman Sutton said maybe they should solicit a lawyer who specializes in heirs’ property as they did at one time. Ms. Anderson said that the planning department has sponsored two workshops by the Centers for Heirs’ Property, and they are trying to get the word out. Councilman Sutton said the people they are trying to reach don’t go to the seminars. He once took the brothers who own a house on Greene Street to such a seminar, and they “got” the process but couldn’t see themselves going through all the steps. He said if an attorney isn’t working on it and narrowing it down to one heir who will sign that they are the responsible party, they won’t get anywhere. Ms. Boren said in this case, a granddaughter is paying the taxes and maintaining the property as well as she can.

Ms. Anderson showed properties that **Walter Dennis**, who’s died, owned. Someone was paying the taxes, and finally **Shirley Wilkins** from Lowcountry Housing Trust was able to track down his son in California. He has cleaned up the property, but it’s not occupied and needs to be. Councilman Sutton said one hasn’t been occupied for 20 years and is much worse than is shown in the picture. Mr. Dennis’s house, he said, had two cycles of grants put into it for repairs. When they contacted the son, they asked if he would sell the property, but nothing has happened. The son “doesn’t have a lot of interest,” Councilman Sutton said, and isn’t maintaining the home. Ms. Anderson said the property is cleaner, and now they have to try to get it occupied. Both properties are on one parcel. Councilman Sutton said Habitat for Humanity could be a source of information because of the work done there through grants.

Ms. Anderson summarized that many of the houses that are in the Historic District are contributing and the Historic District Review Board has said it won’t approve some demolitions. Councilman O’Kelley said some houses are probably salvageable, but the termites may be all that is holding them up. He said **Fred Washington**’s sister’s property was knocked down, and it wasn’t able to be saved, but now there’s a nice-looking house there whereas the other one was caving in. Councilman Sutton said the demolition by neglect ordinance is worded so that people think they can tear it down, but it goes to the Historic District Review Board, and they are told they can’t, so they end up at the same place they started. If they had the money and wanted to do something about it, they probably would have by now, so now they have a legal challenge, but the worst the city can do is take them to court, and the judge can fine them. Councilman O’Kelley asked, if they are fined, if the city can file a lien if the fine is not paid. Councilman Sutton said the ordinance says the city can place a lien on the title, and with heirs’ property that they can’t clear themselves, the heirs are happy to let the city do it. Ms. Anderson said they haven’t gone all the way through with it.

With the 1207 Prince Street property, Ms. Anderson said she couldn’t recommend that the city spend money on stabilizing it because it may not be able to be stabilized. There are several such houses “that wouldn’t necessarily be a good use of public money.” Ms. Anderson said the grant programs have to be for owner-occupied houses, not vacant and abandoned properties.

Ms. Boren said people will call her angrily about an overgrown lot and bring up other properties like the Prince Street property that are worse than theirs. She sends the violations, and if the owners don't have money to fix it, she takes it to Historic District Review Board, and the board says it can't be demolished, then she doesn't know where to go with it. Ms. Anderson said if it's contributing, they know what the Historic District Review Board will say: they will tell the owners that it might not be approved if it's contributing. They go on to give the owners a list of resources in the letter. They ask people to call them and put the property up for sale, showing a contract with a realtor, not just *saying* it's for sale, and they can see what the price is. She thinks maybe a judge will do the same thing. Ms. Anderson offered to bring an update to council on these properties at the end of the year.

Councilman Sutton said he feels it's up to this council to solve the problem through regulation and changing the ordinance. But he doesn't know how to offer advice as to how to fix it. If they had a pool of money for stabilization, they could have staved off demolitions years ago. Councilman McFee said there was talk at the state level about receivership at one point. Mr. Dadson said that may be in the works. Councilman Sutton said the good news is that there's reinvestment in the community. He sees "a big vibrancy in the historic realm," but warned that they can't go backwards.

Mayor Keyserling asked what policy changes, if any, are necessary, if they can't tear down a house. Houses will be lost because they will tumble down. Councilwoman Beer said they have had this discussion for years and no one has the answer. People who will put a run-down house on the market, Mayor Keyserling said, will think it's worth more than they can get, and if they're offered less, they feel it's being taken from them, and also, for most of them, the cost to save the structure is more than makes sense. Ms. Anderson said through concentrating on infill, they may find that "those angel investors are out there." Mayor Keyserling said every time one is saved, it brings more attention to the matter.

**Maxine Lutz** said Historic Beaufort Foundation has developed a group of appraisers who will offer discounted appraisals if they can get someone to the point where they will consider selling. Ms. Anderson said they also mention Historic Beaufort Foundation as a resource of places that people could go to in their letters. **Alan Dechovitz** said he didn't know this effort was going on and said Ms. Anderson's presentation was "important." There's a lot of frustration with the amount of blight in the historic core, Mr. Dechovitz said. He suggested that an appointed volunteer board shouldn't be able to refuse demolition of a property without offering any recourse for council to overrule that board. Councilman O'Kelley told Mr. Dechovitz that this is by state statute. Mr. Dechovitz called it "amazing that the state would stop a council from managing its property within a city" if it's blighted. He said there's a lot of frustration about the Northwest Quadrant because people won't invest in a historic property, move there themselves, or build an infill property as long as there is blight and disinvestment.

Councilman O'Kelley said the reason for the statute is to take politics out of historic review activity, and the appeals are to the courts, not the council, to remove politics. Mr. Dechovitz said the management of blight is an inherently political issue, as is the protection of historic

properties. He asked the Redevelopment Commission in regard to policy options for redevelopment, how much heirs' property there was, and where the property is controlled. They asked the auditors and found it's not searchable and isn't even on a block-by-block survey, so this information that they have been presented is "incredibly valuable." Ms. Anderson said in regard to heirs' property, they often don't know if it is heirs' property until they come upon it, so they are doing a separate inventory of heirs' property so they will know what they are doing with it.

Ms. Lutz said she would like to echo Councilman Sutton "that a lot is going on." Councilman Sutton is working on three properties that could be on the list, and a fourth one is at the point of sale. Historic Beaufort Foundation is working on two properties in the Northwest Quadrant, too, so "there's hope out there." Some heirs' property issues and recalcitrant owners have been overcome, she said. Mayor Keyserling said while it can be difficult to convince a buyer, the more that's done, the pressure gets greater on those who are fighting. He's curious about the ones that are now for sale, and he knows that those who are invested in these homes are helping Ms. Boren by reporting. He said he's seen 5-7 projects recently that are finished or going to be soon. Ms. Lutz said she's seen two properties near hers in the Old Commons that are finally being saved.

Ms. Anderson showed properties that are success stories. Councilman Sutton said they probably ought to be seeking grants to add to what they are already doing as far as identifying owners. Apathy and heirs' property are two of the issues. The pool is small, Councilman Sutton said, at less than 1000, maybe even less than 500 and they can win this fight. They are narrowing down the issues, and they need to find out who the people are and map it so they have a target; these properties are flagged as having activity to try to turn the property around. The heirs won't come in the door.

Mayor Keyserling asked **David Easton** if Ms. Boren and Ms. Anderson did the presentation to the Northwest Quadrant Neighborhood Association if they might garner any more help from the members. Mr. Easton said he's "interested in the awareness of it"; people feel helpless about what to do and how to do it. It would open their eyes if such a presentation were made, he feels. He thanked them for the difference that 3 years' work on cleaning up lots has made.

Ms. Boren said she has seen a lot of improvement by introducing herself in the Northwest Quadrant, and the residents have given her "more information than any computer" research. The people of the Northwest Quadrant have given her most of the information she needs. Mayor Keyserling suggested that a lot of people who grew up in the Northwest Quadrant had moved to Lady's Island, and if they could figure out a way to get them back, they could help them realize that "this is an exciting place to live again." He suggested they be invited to a neighborhood meeting and said that some of those who've moved out own property in that neighborhood.

Councilman O'Kelley said the Northwest Quadrant is a name conceived by a planner "just a few years back." This "made-up name doesn't sound good," he feels. Someone suggested calling it

“the cottage district,” he said. Mayor Keyserling said he’s talked to the last 3 principals of Beaufort Elementary about getting kids to interview people in the neighborhood and write a history and have a contest to come up with a name for the neighborhood. He’s also suggested this to the Bridges school. Ms. Lutz said she doesn’t hear African-Americans complaining about the name; when she hears complaints, “it’s from white people.” Councilman O’Kelley said maybe no one complains about it except him, but he thinks it’s a fairly new name for the area “that’s not representative.” Ms. Lutz said a long-time resident had said it was always referred to as “the West,” meaning west of Charles.

### **DOWNTOWN AND WATERFRONT PARK MAINTENANCE**

**Isaiah Smalls** showed a picture of the boundaries of the core commercial district. He compared Sector One of the Civic Master Plan to the core commercial district. He showed the costs associated with Sector One. He compared the annual costs since 2010 in the Waterfront Park and the core commercial district. There will be challenges in funding maintenance of the Spanish Moss Trail, especially as it grows. For FY2014, the contract has been reduced. The impact of the revised contract on Waterfront Park and the core commercial district was shown.

Some places had no changes but due to a reduction in service level, there is, for example, less mowing. There will be a reduction in top-dressing and aeration, and he showed additional reductions and changes in services such as in planting. The plant beds have been reduced from 3000 square feet to 800 square feet. The seasonal color and holiday décor will be less in the Waterfront Park and along the seawall. The restrooms were open dawn to dusk and now they are from 8 a.m. to 5 p.m. The scrubbing of the walks is less frequent. Mayor Keyserling said in regard to the restrooms, he asked if a group like Main Street Beaufort could close them at dusk and maybe mop them. Mr. Dadson said he would guarantee Mayor Keyserling that this is a public safety and a vandalism issue and would incur liability. Mayor Keyserling said he’s talking about daylight hours. Mr. Dadson said they just have to cut it off; “if bathrooms aren’t open, bathrooms aren’t open.” Councilwoman Beer said in Pigeon Point, there were problems with the volunteers doing the job when the city didn’t at Pigeon Point Park.

Mr. Smalls said the contract has two components, Waterfront Park and the core commercial district. Tree trimming, weeding, trashcan emptying, and other services in the core commercial district have been reduced to zero. The holiday decorations done by the city will still be done but not those that The Greenery was doing. They got estimates from Waste Pro about emptying the trashcans, and it was twice as much, so they had to go back to The Greenery about getting trash emptied in the core commercial district. “Sprucing up downtown” after festivals, parades, etc., is no more, and Mayor Keyserling asked if it would mean recovery would be longer; Mr. Smalls said yes.

Councilman Sutton said Mr. Smalls did a good job “whittling down the fluff,” and he observed that some of the things negotiated for the price reduction “were in the best interest of The Greenery.” He said The Greenery did a good job, but some of the things didn’t happen that are on the list that they were supposed to do, so he doesn’t feel that the city has “lost anything.” Crepe myrtles don’t need to be cut back four times a year, for example, nor do palm trees. Mr.

Smalls said they didn't do all the trees every time of the four times. Councilman Sutton said they are not trimming trees per the contract so it might be a challenge and will have to go back to someone to do.

Councilman Sutton said he only saw them scrub the sidewalks on Bay Street twice, and they were supposed to do it four times. The degree of scrubbing that was being paid for wasn't getting done, so it's out of the contract, but who's going to do it now, he asked. The park's in decent shape, Councilman Sutton said, but the swings need to be repaired, and they need to talk about who's doing it since The Greenery isn't. In regard to mulching, the city wants to know who's taking it away because stormwater issues are related to it. They can't plant gardens in the Waterfront Park and not mulch them properly. Mr. Smalls agreed it needs to be done. He said he wanted to make sure that council understands the challenges that are faced due to the reduction in services.

Councilman Sutton said he doesn't think that insect killing was a major issue. They *have* to have the trash can emptying. Main Street Beaufort bought some trashcans years ago, and there were none before that. "Some cans migrated into the park," and some were added there. He asked how many there are, and if it's worth \$12,000 a year to have them emptied. Councilman Sutton said dumping them twice a day isn't realistic for *all* the cans. Councilman Sutton said they allowed cans to be added, and so the problem is worse. Citizens should be doing it, but they're not necessarily doing it, just as some merchants clean up in front of their stores, but some don't. Councilman Sutton said there are challenges down there in the core, and they need to determine if they are putting the dollars in the right spot for what they want the end result to be.

Mr. Smalls showed historical costs, and noted that they need to be prepared for those things, even if they're not annually recurring. He enumerated various issues and their costs. There are 83 trees at Waterfront Park, and some need to be removed because they are distressed. All of them need care such as fertilizing, though some more than others, to the tune of \$31,000. There are trip hazards in the paving stones at the West Street entrance and other places, Mr. Smalls said. Waterfront Park furniture has to be replaced or refurbished. Some ballasts were not waterproofed that were put in by a former contractor, so that's another maintenance challenge.

Street resurfacing needs to start soon, Mr. Smalls said. Hazard tree removal has been an ongoing matter. Some are half on public and half on private property. Urban forest maintenance has to be done. Earlier this year, they requested an amount to address the live oaks that hang over the right-of-way; trucks hit them and break off limbs. There's also sidewalk repair and replacement, Mr. Smalls said. They have partnered with SCDOT in the past on some sidewalks. Property owners often don't do access and easement maintenance, but they will try to address it neighborhood by neighborhood.

Mr. Smalls said in regard to street name signs, they have to go through the process for revised sizes with SCDOT. They are going to Phase 2 on streetlights; Phase 1 is complete but Phase 2

will be a challenge. Mr. Dadson said it's important to be clear that this is going 5 years out for maintenance. He stressed that it's important to remember that *most* parks are *outside* the downtown area. They "can't just get someone to go downtown and fix something" because much of it's not downtown. These things are harder to budget for year over year, Mr. Dadson said, because they can't adequately "estimate the maintenance on a cantilevered park over water." When other revenue sources came into being, mill rates were lowered, not maintained. Council now has tough challenges because they didn't have as much revenue as they had in the past and they instructed staff to cut these costs to make up for that.

Councilman Sutton described what the revised contract with The Greenery covers and said they should take another look at that contract. \$640,000 still isn't there, he said. There's no budget for things that were related to Waterfront Park, Councilman Sutton said. Mr. Dadson said they "actualized this stuff through their CAFIR and audit and it's generally pretty close to what these sectors cost" the city. The contractors were the only place they could cut costs, so five years out, they were "squeezing down contracts, not people." From a management perspective, that's great, and when they go out to bid again, they will see what the market tells them. The cost of delivery of services still has "a tremendous amount crowding you out in the form of debt service" which in 15 years will have to be done again.

Mr. Dadson agreed that they did have a TIF district opportunity at one point, but said "there are a lot of factors that go into Sector One and where the downtown is and where the core is." They "need to grow revenues by growing rooftops ... and people ... and making retail experiences better," etc. If core businesses succeed more, it also improves receipts, he said. Until then, all they can do is contain costs.

Councilman Sutton said "we have a shortfall of \$600,000 downtown to maintain the service delivery that we're used to." And no one is saying where that money may come from in the future, he added. Mayor Keyserling asked how much of that was the TIF. Councilman Sutton said it looks like it was probably almost \$500,000. Mayor Keyserling said the lesson they learned was about living off of TIFs, which they had said they wouldn't do. Councilman Sutton said that happened some councils back as a great tool and with the Waterfront Park renewal, it folded in as a way to pay for things.

Mr. Dadson said they did a tremendous level of investment and maintained their assets, so he advised against "dissing the TIFs too much." As per the first presentation, he said, they are starting to see results from targeted investment on Bladen Street, etc. Mayor Keyserling asked if the recession is worse than 4 years ago when they went to contracts. Mr. Dadson said the real estate increased in value but business revenue stayed flat. Councilman Sutton and Mayor Keyserling said the downtown core hasn't grown in taxable property or business licenses. Mr. Dadson said, however, hospitality tax went up and offset decreases in the balances.

Councilman Sutton said there's a plateau in the corridor unless changes are made. Mr. Dadson said the Civic Master Plan and the Comp Plan "are about how capital is targeted and how groups work together to create economic growth." However, costs will always be there. You

still have to send someone to the trashcans or the bathrooms to check them, whether they need to be emptied or cleaned or not, Mr. Dadson said. Without growth on the revenue side, all they can do is contain costs.

Councilman Sutton said he feels council knows about downtown and isn't surprised but the question has to be how to make it up or what else to cut. People in Beaufort will start to notice the lack of color in the park, and the trash on the side of the streets. He doesn't mind the trees growing into the streets because the city doesn't own them. Mr. Smalls said that doesn't relieve the city of liability. Councilman Sutton said they need to give SCDOT's phone number when they get phone calls about matters DOT should be handling and aren't.

Councilman Sutton said Mr. Dadson has done great things, but they need to look at things that they are not funded but that they are providing. If they take garbage cans off the streets, the garbage will end up *in* the streets. He feels that The Greenery picked some things in negotiating that they knew would cause the city to feel an impact. Councilwoman Beer said people are beginning to notice the cutbacks. Mr. Dadson said they need to hear that people notice. Councilwoman Beer said she tells people what council has done, and they want to know what can be done to fix it. Mr. Dadson and Councilman Sutton debated the closing times of the bathroom.

Councilman McFee suggested opening the bathrooms at 10 a.m. when people are actually out and keeping them open until 7 p.m., and Mr. Dadson said they asked that question and can ask the contractor again, but "they pay their people to be there when the most work gets done." Other things close at 5 p.m., so bathrooms can close then, too, he feels.

Mr. Dadson agreed with Councilman Sutton that there will be a competitive bid when the time comes, but that contractor "will give up something else to make you happy," which is the way it works. Councilman Sutton said they can make up some of the shortfalls through partnerships. It's the decoration on the park that most people will notice. They will keep throwing money at the sinkholes, though. There was a general discussion as to what can be done about that, particularly filling them all in with concrete.

Mayor Keyserling asked about the steps on Bay Street at Church Street and said he would be afraid to go down them himself. Councilman McFee joked that a chunk is coming off, but "if you know where to step, you're fine." Councilman Sutton said he is going to work on the chimneys on the Cuthbert House, and if someone will remind him, he will go to the steps and fix them. Mr. Dadson said that kind of thing is the city's exposed risk, and assets need to be maintained to lower that risk.

Councilman Sutton asked about the possibility of another TIF. Councilman McFee said they want it for reinvestment, but not for asset maintenance. Mr. Dadson said in that district, he doesn't believe that a TIF is the answer. Local Option Sales Tax is the best, but the county wants a capital-project specific tax, and Mr. Dadson feels "that's kind of an inane way to do it." The cities went to battle for it, he said, but the county and Hilton Head Island didn't want to do it.

Mayor Keyserling said they didn't want to forgo the option of a road tax and the Hilton Head Island realtors wanted another penny tax "that they'll never get" to offset the property tax. Mayor Keyserling said it's "totally nuts" because "it's a growing tax relief and a growing source of revenue." Councilman McFee said there needs to be education on it, and they need to put pressure on the county constituency.

Councilwoman Beer thanked Public Works, the fire department and the police department for their help with the 9/11 celebration. There was a discussion about the turn out for the Lt. Dan concert in Charleston.

**Councilman McFee made a motion, seconded by Councilman Sutton, to go back into Executive Session. The motion passed unanimously.**

There being no further business, the work session adjourned at [REDACTED] p.m.

There being no further business, the meeting was adjourned at 7:02 p.m.

**ADJOURNMENT**

There being no further business to come before City Council, \_\_\_ **made a motion to adjourn, seconded by \_\_\_**. **The motion was approved unanimously**, and the meeting was adjourned at \_\_\_ p.m.

ATTEST: \_\_\_\_\_  
IVETTE BURGESS, CITY CLERK