

A work session of the Beaufort City Council was held on March 11, 2014 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.

PROPOSED SPECIAL TAX ASSESSMENT ORDINANCE

Libby Anderson said that council had talked before about the Bailey Bill, which allows local governments to freeze the tax assessment on properties that are being rehabbed. It's state legislation. The assessed value of properties can be frozen or kept at the pre-rehab level of tax assessment. In January of this year, **Lauren Kelly** made a presentation to a county council committee, and they were very interested. Other municipalities have been interested as well, primarily the Town of Bluffton and the City of Beaufort.

They then moved on to the assessor's office to see if they were supportive and to get feedback, Ms. Anderson said. At this point, they are on board as well. Tonight, Ms. Anderson said, they have a draft ordinance based on several ordinances already in place. When council has given its blessing, they will go to other places in the county to see if they come on board.

The length of the freezing of the assessment can be 1-20 years, and they have decided on 10 years, Ms. Anderson said. The Town of Bluffton and the county agree. The special assessment can be upped by percentages each year after, but they have decided to try that, to just keep it simple for a ten-year period. The special assessment would only be available to contributing properties in the Historic District, not to just any property. Any property in the National Register outside of the Historic District – there's only the Pickle factory in Beaufort – would be eligible, they propose.

Mr. Dadson asked if they could distinguish between properties "or if it needs to be one size fits all." Ms. Anderson said they could have different minimum thresholds for certain types of property, e.g., income-producing and owner-occupied properties. It has to be in the Historic District, but they have discretion on the kind of properties it can be. Mr. Dadson said they have contributing structures, but also non-contributing that might respond to incentives as well. Ms. Anderson said they could say "any structure in the Historic District that's over 50 years old." Mayor Keyserling said he would want to give as many properties as possible the incentive, as long as it was 50+ years old.

Councilman O'Kelley said the memo from Ms. Anderson mentions the 10 years, and the 50% of fair market value, and he asked if those were "the only discretionary changes." Ms. Anderson said yes. Councilman O'Kelley asked how they determine what a contributing structure is.

Councilman Sutton said they know which are contributing now; the way it's done is through the list of contributing buildings. Councilman O'Kelley said they know all properties that could qualify for the Bailey Bill.

Councilman Sutton asked **Maxine Lutz** about how buildings get to be contributing. She said the list can be added to if someone is nominated. Councilman O'Kelley said how long that process would take if someone wants to be on it. Ms. Lutz said they couldn't just decide they want to be on. Councilman O'Kelley asked what if there were a structure that would otherwise comply. Ms. Lutz said she'd suppose less than a year. Mayor Keyserling asked what the process is. Ms. Lutz said it has to go through the National Park Service. She said they could expand the designation to add to the list in other parts of town beyond the Historic District.

Councilman O'Kelley said he was on Historic Beaufort Foundation years ago, and a woman was going to tear down a house, and it was stopped. He doesn't know if that could happen anymore because the Historic District was new at that time. Councilman Sutton said he's always opposed to extending the Historic District. An area of this bill applies to contributing structures in the county that are outside the city, like in Pigeon Point. If it weren't in the countywide survey, it would be appropriate for this ordinance to apply to that structure. An owner of one of those buildings should have that right, Councilman Sutton feels. They might be able to save it if they had the tax break. Ms. Lutz said the Historic District Review Board could only stop the demolition of buildings like that for a short period of time.

Councilman Sutton said that expanding this might only affect a handful of homes but could be worth it. Mayor Keyserling said the Floyd Heights houses on North Street could be an example of historic structures it could apply to, which were built after WW2 for veterans. Ms. Anderson said they would have to be listed on the register, or they might be able to designate them individually. Councilman McFee said to be a contributing structure it has to be in the Historic District or individually listed as contributing outside of it. Council might be able to qualify houses as historic. Ms. Lutz thought they would need to be added to the list, but Ms. Anderson said she didn't think so: if it's designated as historic by the county and is at least 50 years old, that might bring in the Floyd Heights houses.

Ms. Anderson said everything has been surveyed, so they know what is contributing and what's not. Mr. Dadson said it sounds like they could cover contributing structures that are inside the Historic District or not; they can be saved, and the other front would be to target the things on that list, and if they're rehabbed, that will add value to the neighborhood as well. They have to create opportunities for the rehab to happen. A non-qualifying house next to a qualifying one should have a sort of incentive, too, Mr. Dadson feels. The first target is historic properties, then they "should allow the tide to rise for everyone to fill in the spaces in between that need to be rehabbed" and will bring value back to the whole neighborhood.

Mayor Keyserling asked what makes the owner keep the property up. Mayor Keyserling said a house has to be disclosed by a realtor, if a commitment was made to restore it, because of its historic value, and if the credit runs with the property, not the owner, if they sell it after it's 9

years into the deal, the first year's tax bill might have been \$300, but the realtor needs to disclose that it will go up in a year. Mr. Dadson asked how its recorded, and Ms. Anderson said it's with the assessor and auditor. Mr. Dadson said the conditions are housed in the City Hall.

Mayor Keyserling said if this were in place, and a house is assessed at \$160,000, and when it's restored, it's worth \$500,000, and if someone buys it, they need to know that when the period is over, the tax value will rise. Councilman O'Kelley said that would be the seller's duty to disclose it. Councilman McFee said POS does the same thing in terms of caps on values.

Councilman McFee said there is a de-certification process, but it demands local government authority to determine that it meets the criteria. Ms. Anderson said everything in Beaufort requires a permit: to change siding, etc., so "the permitting software would stop the permitting if certain boxes weren't checked." She said there are no exterior changes that can be done without permitting, so she feels they can handle it.

Ms. Anderson said the state requires a minimum investment to qualify of 20-100% of the value of the house, and staff is proposing 50%.

Councilman Sutton asked about page 3C. He said the trigger mechanism needs to be discussed. Ms. Anderson said everything will go through the Historic District Review Board, and they will make changes according to the standards that are already in place for evaluating projects. For the fair market value, what's easiest is to use the tax assessor. Ms. Anderson said this would be as simple as it could be. Councilman McFee said the point is to choose an appraiser if the assessor's benefit doesn't benefit you, and if any of the three in the triad gives you the best deal, you should be able to choose that one.

Ms. Anderson showed a problem property assessed at \$47,000 for the residence; the land's not included in the cost. Mayor Keyserling said value is driven by where the property is. Councilman Sutton said at first he thought 50% was too high to qualify, but in this case, \$23,000 to qualify "thrown at this (house) is scary." Ms. Anderson said that's why they started at 75%. Councilman Sutton said it could go two ways. Ms. Anderson said state law says that they can only deal with the value of the building.

Mr. Dadson proposed a scenario in which this building is in a different place and if that would value it differently. Councilman O'Kelley said the assessor gives the value of the house, not including where it is. Councilman McFee said they use an averaging process for land; the fee should be on the improvements to the structure or the structure itself. Ms. Anderson said they could differentiate between income-producing or owner-occupied. Ms. Anderson said for 6%-ers, they could set it higher, and for owner-occupied set it lower.

Councilman O'Kelley said, "Plenty of limited income people have property they can't afford to rehab." Councilman McFee said owner-occupied homes are more likely to use the opportunity to rehab their property. Councilman Sutton said 4% and 6% should be left out of the equation. Councilman O'Kelley said if people meet roadblocks, the city could go back and expand this

ordinance.

Mr. Dadson said whether it's renter- or owner-occupied is not the driver; it's the improvement on the property. How people use it can be controlled in other ways. He would rather it be improved on its value first. Once it's useable, how its used is another matter. Councilman McFee asked Ms. Lutz about people who do investment and asked if owners and residents are skewed. Ms. Lutz said **John Dickerson** might have some thoughts. Mr. Dickerson said on little cottages with a low value property, you want to establish that it can get a tax credit and encourage investment, so a low percentage is concerning. How the property is used might influence people to invest. 712 Prince/Charles Street is abandoned and condemned; the whole building moves when you walk in it, Mr. Dickerson said, yet the value is more than \$250,000 as assessed. If he could buy it for \$50,000 he could put \$200,000 in it and add real value to the neighborhood. Mid-level properties could be brought up to \$100,000, he feels; the incentive can tell an investor that they will have a property worthy of an investment that will offer a return.

Councilman McFee said people will know that a lower value will require more investment to rehab it. Mr. Dadson said the value of property assessed for taxes is one concern, and the other is willingness to pay in the marketplace for a piece of property, and only an appraiser can make a fair assessment of that. Those are two different numbers. They want to encourage investment in the property, Mr. Dadson said. The city will give up the assessed value position for a property. Assessors do their assessments mathematically for fairness. They want the spike of value after ten years, so they will hold off until then. They also want as many people as possible to take advantage of the program. A home's value goes up when other homes are also increased because they are *all* improving. They are trying to pick the proper value for a minimum threshold, he reiterated. Mr. Dadson said the threshold minimum should be as high as possible without discouraging investment.

Councilman Sutton said the trigger needs to be that the house has to transform. The certificate of occupancy (CO) has to trigger the tax. Mr. Dickerson said the Historic District Review Board could look at a structure and see that \$23,000 wouldn't do anything on the \$47,000 house, so then there's no incentive. **Don Starkey** said they want this to have a spike at 10 years, so the amount of money should be an amount that raises the assessed value to something of value. "You're looking to get the money back by having enough money invested in the house," he said. Mayor Keyserling said the value is to the neighborhood and the neighbors, not just the tax spike. It will bring the neighborhood to what it should be; it's not just about the money.

Mayor Keyserling said as a practical matter, this is the smaller of federal incentives. 50% is probably the right number. He's done 8 – 10 rehabs and never looked at the tax credits, so they probably want to reach the owner-occupied houses first. Mr. Dadson asked about the housing on the contributing list and if anyone is living in them; Ms. Anderson said yes, probably in 75% of them. Mr. Dadson said the 4% and 6% is tripping it up; he thinks it should be tiered some way. Mr. Dadson argued that the 4% and 6% is a different matter and confusing. Councilman McFee said it could be 6% because it's a second home. Councilman Sutton said they should

ignore the 4% and 6%, he feels.

Mayor Keyserling proposed an example of a house in The Point, assessed at \$1 million with \$500,000 in incentives; all the changes might be interior, and the owners won't spend as much, and they are doing it for making the house better to live in, not making it habitable. Mr. Dadson said if it's working for those houses on the contributing list, then they could revisit it.

Mr. Dadson said he'd questioned if it could be tiered; Ms. Anderson read from the ordinance but said that's all she knew. She said, "You can say any percentage, though." Mayor Keyserling said this would mean more to the city or the Town of Bluffton or the Town of Port Royal than it does to the county. "Ms. Kelly's presentation was great and the committee would have voted for it," he felt. Mayor Keyserling said the county usually looks at the return to the county, and they won't look at which neighborhood will be "better" because they don't get the residual value the city gets. He thinks they need to pick numbers that are palatable to the county to get them on board, and "not worried about how much money they might lose."

Councilman Sutton quoted a section that was confusing to him in regard to "real property" and how to get a tax break on it. Ms. Anderson said it's frozen, both the building and the land it's on. Councilman McFee said he thinks "multi-tiers would freak out the assessor." Mr. Dickerson said he supports the concept of keeping it simple. He thinks people need to be encouraged to buy a house that they might not have even looked at before. He thinks the 3 ways of determining should be kept, too. Mr. Dadson said from a taxing perspective, it stays even through the 10 years; "the built-in incentive is the rising tide": you want infill and for the other neighborhood properties to rehab, too. Mr. Dickerson said every time it's appraised, and a house in the neighborhood is a trigger, owners of many of the other houses in the neighborhood will also want to rehabilitate.

There was general agreement to go with 50%. Councilman O'Kelley asked if they still have an incentive where someone can apply to the city for \$7500, and Councilman Sutton said, "That went away with the block-by-block." Councilman Sutton said it was just a Band-Aid.

Mr. Dickerson said he requested that when someone applies, they should be able to apply once with one application and be done. There was a discussion of the process. Mr. Dadson said "the city will trigger it to the county." Ms. Anderson said the county has to be gotten on-board. Mr. Dadson said the county and the city only add up to 50% of property taxation; the rest is the school district. Ms. Anderson said these structures aren't contributing to anyone's coffers as-is. Councilman Sutton said the Historic District Review Board process concerns him because they have never traditionally looked at economics. Ms. Anderson said the city would handle that, not the board.

Mr. Dadson asked about next steps. They will do a first reading and then have the other reading once the county comes on board, etc. Councilman McFee asked if each jurisdiction's ordinance would be different. Ms. Anderson said Beaufort and the county should be the same; Councilman McFee said it would be simplest to keep everyone at the same percentages.

Councilman O'Kelley asked on p. 2 about eligible rehab. He asked if any of that would be different. Ms. Anderson said the items he referenced are Secretary of the Interior standards for rehab that have already been adopted here. It's a problem with having used someone else's ordinance for an example. She showed what would be deleted.

PROPOSED PARK AND TREE ADVISORY COMMISSION

Mr. Dadson said that they had suggested to council to expand the Tree Board into also being a park board. Staff has reviewed this with the Tree Board and the Southside Park committee, too. The most important section for staff is the duties and responsibilities of this board. The Civic Master Plan has a lot of detail about some things such a board would handle (e.g., street trees, park design, acquisition and de-acquisition of parks and open spaces, etc.) Integrating these boards would help with giving them an ability to have broader discussions about their responsibilities.

Mayor Keyserling said they had asked **Barb Farnior**, Tree Board chair, about this, and she said the board was OK with it, as long as they have more people. Ms. Anderson said they had looked at this internally and this is the staff recommendation, not the Southside Park's or the Tree Board's; the Tree Board has 4 members and there's a Southside Park committee. There's no park committee for any of the other parks. "The Comprehensive Plan says they should think comprehensively," Ms. Anderson said. Councilman McFee said they had discussed having two committees in one. Ms. Anderson said they have to have a higher quorum if the size of the committee is higher, so they will need to manage more people. The larger committee need not have six certified arborists; they need to be sure they can keep the committee running. They want it to be efficient and productive, too, so they need to keep this issue in mind.

They began with 5, Ms. Anderson said, and said they could have certain categories of individuals: 2 design professionals, 1 certified arborist, and 2 citizen reps, and they could also be certified arborists. They thought they should keep it small. She thinks they shouldn't get too specific. There are 3-year terms and appointment for unlimited terms if you meet the qualifications. Mr. Dadson said the duties and responsibilities would be the biggest change; Ms. Anderson said parks, plantings, playgrounds, etc. is all new material. The takeaways are combining boards, keeping it small, 3-year terms with reappointments, and explaining the duties to include ALL parks.

Councilman O'Kelley said under "definitions," he is concerned that the phrase "ornamental woody plants" will create confusion. Some trees aren't ornamental and are on private and public property. He thinks "it should be clearly defined as a woody plant, including ornamentals."

Mr. Starkey said the Southside Park has had 4 members out of 5 for 9 years, and the committee was supposed to be only until they had a park. They all want to be on the park committee until they get a park, and then turn it over to the Parks committee. He "would like to see our service end at some point." Mayor Keyserling said this board wouldn't preclude a special committee.

Mr. Dadson said all of these things are interconnected, and if they worry about one park, they forget about other parks' needs; if they think of all the parks, they may have a more comprehensive view, and an integrated group could do that. Mayor Keyserling said his only concern is the number of people on the committee, and he thinks someone should talk to Ms. Farris.

Mayor Keyserling said they are planting trees that can create the same sorts of problems that they have now with being under lines. Ms. Anderson said those are under the low-voltage lines, not the power company's. Councilman O'Kelley said he has seen trees "where the low-voltage lines go over and under branches." Mayor Keyserling said the parks committee went away at one point, and he doesn't want the Tree Board to lose their longer-term focus, yet he agrees with the integrated approach. Councilman Sutton said they could tell the Southside Park committee that they will be a sub-committee under the Tree & Park committee.

Mayor Keyserling suggested that they come up with workshop topics. One would be a discussion about getting form-based code work going again. Also Compassionate Beaufort communities would like to make a 20-minute presentation, and a work session is the most appropriate place for that. He explained what a Charter for Compassion is. Councilman Sutton said they might have a workshop on ongoing projects, at least updates that could happen in workshop: Waterfront Park and the mooring field, etc. Councilman McFee suggested the retreat agenda.

There being no further business, the meeting was adjourned at 6:45 p.m.

A regular meeting of the Beaufort City Council was held on March 11, 2014 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 7:05 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

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

PROCLAMATION OF MARCH AS DISABILITY AWARENESS MONTH

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

PROCLAMATION OF MARCH 9-15, 2014 AS GIRL SCOUT WEEK

Councilwoman Beer made a motion, second by Councilman McFee, to approve the proclamation. The motion passed unanimously. The Girl Scouts provided council with cookies. Councilwoman Beer read the proclamation.

PUBLIC HEARING: ORDINANCE REZONING PROPERTY LOCATED AT 1011 AND 1015 BAY STREET FROM OFFICE COMMERCIAL DISTRICT TO CORE COMMERCIAL DISTRICT, AND REZONING PROPERTY LOCATED AT 310 AND 314 CHARLES STREET FROM OFFICE COMMERCIAL DISTRICT TO NEIGHBORHOOD COMMERCIAL DISTRICT

Ms. Anderson described the properties proposed to be rezoned and their purposes. All the lots in the area are zoned Office Commercial, and all types of residences and offices are permitted there, but not banks, inns or hotels, so the Wells Fargo bank and the Sea Island Inn are non-conforming now. They propose to zone the Bay Street lots Core Commercial District, which permits all retail uses, all types of offices, and multi-family dwellings. She went on to explain the uses permitted in Core Commercial and Neighborhood Commercial (the 2 Charles Street lots). This is within the ideas of the Civic Master Plan and the Comprehensive Plan. The Metropolitan Planning Commission unanimously recommended approval of the proposed change.

Mr. Dickerson said he owns 314 Charles, and given the changes on Craven and Charles, he supports this and finds it appropriate.

MINUTES

Councilwoman Beer made a motion, second by Councilman Sutton, to approve the minutes of the work session on February 18, 2014 as presented. The motion passed unanimously. Councilman McFee abstained from the vote because he was not present at the meeting.

Councilman Sutton made a motion, second by Councilwoman Beer to approve the minutes of the work session and regular meeting on February 25, 2014 as presented. The motion passed unanimously.

ORDINANCE REVISING SECTIONS 6.5.I AND 7.3.E OF THE UDO PERTAINING TO THE CRITICAL AREA SETBACK

Councilwoman Beer made a motion, second by Councilman Sutton to approve the ordinance on second reading. Ms. Anderson gave an overview of this ordinance change. It pertains to the Boundary Street Redevelopment District. The Metropolitan Planning Commission recommended approval. **The motion passed unanimously.**

AMENDMENT TO FY 2014 BUDGET

Councilwoman Beer made a motion, second by Councilman McFee to approve the amendment on second reading. Ms. Todd said this is about a JAG grant; a Duke Street Phase 1 project; the fire truck/tower that was sold and the proceeds from the sale and the fee for selling it and the net amount of the proceeds committed to the project; a grant for the city's 50% match on the Battery Creek Headwaters; Basil Green Park; an increase in the size of the mooring field and the grant and the increase for the additional moorings to be paid back over the next 22 months by Griffin Enterprises. **The motion passed unanimously.**

APPROVAL OF ATAX FY 2013 RECOMMENDATIONS

Councilman Sutton said that TDAC had recommended funding for the Beaufort Regional Chamber of Commerce for designated marketing. **Councilwoman Beer made a motion, second by Councilman McFee, to approve the recommendation. The motion passed unanimously.**

Councilman Sutton said that TDAC had recommended \$30,000 for Visitors Center operations to the Beaufort Regional Chamber of Commerce. **Councilwoman Beer made a motion, second by Councilman McFee, to approve the recommendation.** Councilman Sutton said this is the Visitor's Center's third year in the Arsenal; there was no long-term maintenance funding for the building. **The motion passed unanimously.**

Councilman Sutton said that in regard to the infrastructure changes at the Visitor's Center by the Beaufort Chamber of Commerce, TDAC recommended \$20,000 for the elevator to the second floor. **Councilman McFee made a motion, second by Councilwoman Beer, to approve the recommendation.** Mayor Keyserling asked if they could build 2/3 of an elevator; **Chip Dinkins** said that they have "extra money" remaining. **Councilwoman Beer made a motion to amend the original recommended amount to \$30,000; Councilman McFee seconded the motion. The motion passed unanimously.**

Mr. Dinkins said TDAC recommended that Penn Center be awarded the full amount applied for for general marketing and Heritage Days. **Councilwoman Beer made a motion, second by Councilman McFee, to approve the recommendation.** Councilman McFee said after the work session they had researched to determine if some functions were eligible for ATAX funding, which is why they are doing the recommendations one-by-one. **The motion passed**

unanimously.

TDAC recommended that the Black Chamber of Commerce be awarded \$30,000, Mr. Dinkins said. **Councilwoman Beer made a motion, second by Councilman McFee, to approve the recommendation.** The motion passed unanimously.

Mr. Dinkins said in regard to Artworks/the Arts Council and the Compassion project that **Lisa Rentz** had applied for TDAC funds for, the new director of Artworks can't use the funds as originally requested, so Mr. Dinkins had recommended that they reapply in September. Therefore, that \$5000 is zeroed out.

Historic Beaufort Foundation requested Verdier House improvements; \$4800 was recommended by TDAC. Mayor Keyserling said it was questioned, but because it was a destination museum, it's acceptable. **Councilman McFee made a motion, second by Councilwoman Beer, to approve the recommendation. The motion passed unanimously.**

Mr. Dinkins said Friends of Hunting Island had requested \$12,000; TDAC recommended \$6000; **Councilwoman Beer made a motion, second by Councilman McFee, to approve the recommendation.** Mayor Keyserling said that this one was under dispute; this is for an audio tour of Beaufort by a partnership of Friends of Hunting Island and City Trex. Staff wondered how this would fulfill the guidelines for an ATAX grant. Mr. Dinkins said they would market this product *outside* the area in order to draw tourists *to* the area and encourage them to come visit. "TRC would make the ultimate ruling," he said. Mayor Keyserling said someone could buy the audio and listen to it without coming to Beaufort. He wanted to know if this could be "a fulfillment thing" for the Visitor's Center. Mr. Dadson said it should be "set aside and re-packaged," and see if it fits the guidelines so it's not a liability later on.

Bruce Doneff from Friends of Hunting Island asked what the complaints are about this project. He asked why, if anyone buys the digital media and didn't come here, it would create a liability. Mr. Dadson said that with an app, you don't know where it's downloaded from, so it's unclear how this application would fulfill the requirements. They fear, Mr. Dadson said, that the money will be expended on this grant, and then the state committee will say it's not fundable, and the city will be liable for the money. If Mr. Doneff and **Robb Wells** work together to "re-package" it, they will take another look at it. Mr. Doneff said when it's bought off the City Trex platform, they will know specifically from where it's purchased.

Ms. Todd said they have a dilemma with state reporting, and there's no way to measure how many people come to the city from its purchase. Mr. Doneff said realistically, out of 100 purchases of the audio, how many people would download it and then not come to Beaufort to take the tour? Mr. Dadson suggested "re-packaging" again. Mayor Keyserling said it's a good idea, but they need to "repackage" it.

Mr. Doneff asked what "set aside" means. Mayor Keyserling said, "They would get together and figure out how to make it work." Councilman Sutton said there's no way to definitively quantify

how many people ANY of these projects bring in. He thinks they “should fund this thing and see what happens.” Mayor Keyserling said no one is opposed to it. Mr. Doneff said they want to move ahead, so he asked what could be done to move it ahead. Councilman O’Kelley clarified that it’s a one-time request. Mr. Doneff said yes. Councilman Sutton said he would pass it. Mayor Keyserling said they could do that, and then ask staff and the committee chair to repackage it. **The motion passed unanimously.**

Mr. Dinkins said that for SC Lowcountry Tourism for 2013-2014, TDAC recommended \$8000. **Councilwoman Beer made a motion, second by Councilman McFee, to approve the recommendation. The motion passed unanimously.**

Mr. Dinkins said Lowcountry Habitat for Humanity wanted funds to help to promote the High on the Hog Festival outside of a 50-mile radius. The committee recommended \$2000 **Councilman Sutton made a motion, second by Councilwoman Beer, to approve the recommendation for discussion.** Mayor Keyserling asked Ms. Todd to explain the problematic applications. Ms. Todd said the Tourism Expenditure Review Committee (TERC) questioned this one; they would like to know the number of tourists, the overall budget, and how it’s a tourism-related expenditure. Ms. Todd said she went back to the application and the expenditure review and noticed that first, they had revenues that exceeded their expenditures, and second, they had receipts for advertising but no copy, so they can’t confirm it was advertising for 50 miles outside the City of Beaufort. They have no counting mechanism for their attendees, and they will capture zip codes, they indicated, but based on what they provided in the way of information, it seems like a local activity.

Mayor Keyserling asked if it’s a problem that it’s a fundraiser. Ms. Todd said it’s not as long as it’s not an only-local event and they are drawing people into the city. Mayor Keyserling said the Main Street Beaufort festivals are like that and make money. Ms. Todd said making money isn’t a problem. Mr. Dinkins said the committee had requested that the group work with the Chamber of Commerce on acquiring data about bringing in out of town guests.

Ms. Todd said she wants council to know that TERC is questioning the validity of the expenditure from last year. Mayor Keyserling said they need the ad tear sheets. Mayor Keyserling said the vendors that they bring in from elsewhere are significant – 3-5 people with each vendor from around the state – so if the Chamber of Commerce is willing to invest in helping the group, he could approve it. Mr. Wells said they are, and this year, they “will be on the list for being a research project.” Councilman McFee said if 25% of their attendees are from outside the area, he thinks it’s worth the risk. Councilman Sutton called the question. **The motion passed unanimously.**

In regard to a funding request to restore and bring a historic flag to the Beaufort History Museum, **Councilman Sutton made a motion, second by Councilman McFee, to approve the recommendation.** Mayor Keyserling said “it will go to the museum, so it should be OK.” **The motion passed unanimously.**

Mr. Dinkins said that for the Exchange Club of Beaufort, TDAC recommended \$1500, solely for the purpose of marketing outside the 50-mile radius. **Councilman McFee made a motion, second by Councilwoman Beer, to approve the recommendation.** Mr. Dinkins said that last year, the Exchange Club wanted to partner to develop a digital media strategy, and they asked for funds again, for a tour, but TDAC hasn't seen the results of that last year, so it chose not to grant the funding requested for that.

Councilman Sutton said he was going to recommend increasing funding for the Exchange Club, but having heard what Mr. Dinkins said, he had changed his mind. Councilman McFee said they are honoring their needs for the \$1500 but not the \$2000 until they have confirmation that what they had requested for digital marketing Phase 1 was done; then Phase 2 may be funded.

Councilman Sutton said he wanted to make a motion to increase the funding for outside marketing for the Exchange Club. Ms. Todd said it wasn't questioned because they didn't specifically call out the digital media. **Councilman McFee made a motion, second by Councilwoman Beer, to amend the original motion to change the amount from \$1500 to \$2500 funding for outside marketing for the Exchange Club. The motion passed unanimously; the original motion passed unanimously as well.**

Mr. Dinkins said this was a request for \$5000 for the Port Royal Sound Foundation Maritime Center. Mayor Keyserling said the concern is that it's not in the city, and the TDAC request is for construction, not marketing, as he understands it, i.e., if Penn Center asked for funding to paint their buildings, they couldn't grant it. **Councilwoman Beer made a motion, second by Councilman McFee, to approve the recommendation. The motion failed 0-5.**

Mr. Dinkins said Main Street Beaufort had requested and been recommended \$11,225 for web site design and Internet in the Waterfront Park. **Councilwoman Beer made a motion, second by Councilman McFee, to approve the recommendation. The motion passed unanimously.**

Councilman Sutton said \$10,000 wasn't awarded, and Councilman O'Kelley said, "There is money left over."

RESOLUTION ADOPTING LOCAL OPTION SALES TAX (LOST)

Councilwoman Beer made a motion, second by Councilman McFee, to approve the resolution. Mayor Keyserling said this is the third time the city council has gone on record in support of the LOST; the county subcommittee on this reported it out of committee on a 6-1 vote, so it will go on the county council agenda; they have worked with the Town of Bluffton and the Town of Port Royal and discussed it in workshop last week.

Councilman O'Kelley said there was a letter in the *Beaufort Gazette* against the municipalities and the council for supporting the LOST, which said that instead, the budget should be cut back. Councilman O'Kelley said they are austere when they can be – "money isn't spent just to be spending it" – and this will save tax money and come back to the public in a direct savings in property taxes. Councilman O'Kelley said he wants that known.

Mayor Keyserling said that for an owner-occupied residence in the City of Beaufort valued at \$200,000, the reduction in the city portion of the tax is about 20%. There would be a credit on the tax bill; this doesn't count on the county part of the property tax. All things currently exempt on the SC sales tax will still be exempt. Councilman Sutton said a *Beaufort Gazette* editorial "referenced itself as 'we,' as a group," and he'd like to know whom they represent. There was a question as to what the money will be spent on, and it was said that there's a capital plan that's not funded. They won't raise taxes, so this is the only way the citizens will see a rollback in taxes; councils in the future can't lower property taxes. If this isn't supported, it won't put money back in anyone's pockets, and the return is greater than any elected body will give to citizens. **The motion passed unanimously.**

ORDINANCE AUTHORIZING CITY MANAGER TO ENTER INTO LEASE AGREEMENTS FOR LIMITED USE OF SMALL AREAS OF WATERFRONT PARK PROPERTY FOR EXPANSION OF WATERFRONT BUSINESSES

Ms. Anderson said this lease agreement applies to the two agenda items that follow. Luther's has a lease agreement with the city in regard to its waterfront activity. The Waterfront Park Master Plan encourages this. Plums would like to develop a patio in the mulched area in front of the park. The lease is for \$3 per square foot per year, and it should benefit the city with increased activity in the Waterfront Park. Yoyo's agreement is smaller – 70 square feet – to accommodate steps on the side of the building. This authorizes the city manager to enter into these lease agreements with the two restaurants. **Councilwoman Beer made a motion, second by Councilman O'Kelley, to approve the ordinance.**

Councilman McFee said he's inclined to support the city manager with lease agreements. He has concerns about noise complaints. Most restaurants adhere to the guidelines, but having this plan, with residences upstairs, "provides more of a trajectory for sound to second levels." Councilman Sutton said there was language in the notes about the amplified sound. Ms. Anderson said there is no outside amplified music allowed in this area. Councilwoman Beer said she thought the new ordinance on bands and entertainment in the park was in place unless there was a festival waiver; the music was not to be too loud outside, and the speakers can be turned inside so it wouldn't be so loud. She asked if that were in the ordinance. Ms. Anderson said she doesn't recall, but it gives a decibel threshold level. Inside vs. outside music, she feels, has been handled. Ms. Anderson said the police department is aware of that concern.

Mayor Keyserling said it should be workshopped before moving forward with this; they don't want to slow businesses down, but it could set a precedent. Mayor Keyserling said Luther's was done in the context of re-doing Waterfront Park. Councilman Sutton said that it's been leased in part is news to him, though he's "OK with it." It's unusable land. He's not opposed to it but would like "the process to be clear and up front."

Councilman O'Kelley said if it were not approved, the ice cream place would have to get rid of its steps. Councilman McFee said he's OK with workshopping it, but he can vote for it to move forward. Mayor Keyserling said they could do first reading, and then workshop it.

Mr. Dinkins, Plums' general manager, said this was brought forward in October, and they are ready to move into a lucrative time of year and would like to be ready. The mulched area has nothing but cigarette butts now, and the lease agreement has anticipated all questions and states clearly that the lease is terminated if they go out of business. Councilman McFee asked why it took from October to now. Ms. Anderson said staff has looked at it from the Historic District Review Board perspective, and they "have looked at a lot of documents." Yoyo's was approved at the staff level.

Councilman Sutton said he understands what Plums wants, but he has concerns about the patios protruding into the park, and even if the bands are inside, they can have the doors open. They need language to ensure that the music is not aimed outside, and a future manager could "turn the tables on us." He doesn't think the intent is to make the space into an after-dinner gathering area. Mr. Dinkins said they just want to utilize the area and gain from it, as does the city.

Bill Cotter said Plums is a successful enterprise, and he's a customer. This matter "could be interpreted as anti-business" if council doesn't approve it. The porch at Plums is popular, but they don't have much room; Saltus, he said, is "great, but noisy as hell," so they sit on the terrace there, which extends closer to the river than what's being contemplating here. It's not well maintained and is muddy and should be taken care of for it to be considered part of the Waterfront Park. He said he has no opinion on Yoyo's, but Plums wants to do this, so they should be allowed to make good use of it. Al fresco dining is popular, he added. He wondered "if Luther's has a dog in this fight." **The motion passed unanimously.** Mr. Dadson said it would be on next week's agenda for the work session.

APPROVAL OF LEASE AGREEMENT WITH PLUMS, INCORPORATED FOR 328 SQUARE FEET OF WATERFRONT PARK PROPERTY & APPROVAL OF LEASE AGREEMENT WITH YOYO'S ICE CREAM FOR 70 SQUARE FEET OF WATERFRONT PARK

Mr. Dadson suggested tabling these and "then bringing everything into second reading."

Councilman O'Kelley moved to table the approval of leases with Plums and Yoyo's.

Councilwoman Beer seconded. The motion passed unanimously.

MAIN STREET BEAUFORT TO INSTALL WI-FI

Councilman McFee made a motion, second by Councilwoman Beer to approve the measure.

LaNelle Fabian said the kilowatts would equal a couple of dollars a month if it runs 24-7; if no one accesses it, it won't pull any power. **The motion passed unanimously.** Ms. Fabian said, "this has been years in the making," and "this is monumental." They will have a wire-cutting ceremony, and she's thrilled it's going to happen.

REQUEST FOR CO-SPONSORSHIP FROM THE PARRISH CHURCH OF ST. HELENA FOR REVIVAL IN THE PARK EVENT

Councilwoman Beer made a motion, second by Councilman McFee, to approve the request for the September 19-20, 2014 in Waterfront Park. Joe Cavallaro, a member of St. Helena

Church, residing at 101 Bull Point Dr., said other churches have offered their support for this as well. They are appealing interdenominationally. They are 501(c)3 and everyone involved is. This is "intended to support anyone," and everyone in the public is invited to attend. There will be no alcohol or food prep. It's from 6-8 PM, and people might bring picnics or snacks. Mr. Cavallaro went on to enumerate the benefits of doing this for attendees or for those who don't go to church. They will seek support from the business community and individuals, and this waiver would help them move forward in their financial plan. Mr. Cavallaro said parking concerns will be assuaged with a parking plan in the government parking area, shuttles, area churches, Beaufort Elementary, etc. in addition to on-street parking in downtown Beaufort. They will have local talent participating and will have a world-class evangelist and one from a small African American local church. They will also have a choir and a praise band from people at many different churches. They hope to capture media attention and showcase Beaufort for this event. It's a religious event, Mr. Cavallaro said, and "it's for the love of God and to love your neighbor as yourself."

Mayor Keyserling said he supports it but doesn't feel that the city should be a co-sponsor of such an event because of the precedent it will set. Mayor Keyserling said co-sponsoring and letting them use the park are different. He has no concerns about the event, but he does about the city co-sponsoring any religious event. He encourages the use of the public space but not co-sponsoring it. Councilman O'Kelley asked if they have to co-sponsor to waive the fee. Mayor Keyserling said historically that's true, but the city can waive that fee without co-sponsoring.

Councilwoman Beer made a motion to amend the original motion to approve the event and waive the fees; Councilman Sutton seconded. Councilman Sutton asked if the application was for 2 days use of the park, Mr. Cavallaro said yes. Councilman Sutton confirmed the hours of the request. Mr. Cavallaro said so as not to have security all night, they will tear down the equipment and then set it up again the next day. Councilman Sutton said this is a Friday and Saturday night, and he wondered if there are other events. Mr. Cavallaro said they're open. Councilman Sutton asked if he knew that there will be "three restaurants with music right against them," and the revival is going until 8 PM. Mr. Cavallaro said they would have speakers midway and at the flagpole. Councilman Sutton asked if he would hear the revival on Craven Street. The last revival was three times louder than any other event in the park. Mr. Cavallaro said he'd take that under advisement. Councilman Sutton said "the other group *wanted* it loud, but it's not set up for that amplification in the park." The venue and the pavilion aren't set up for this. Mr. Cavallaro said there would be no Jumbotron, and he appreciates the advice. **On the vote on the amendment, the motion passed unanimously. On the vote on the amended motion, the motion passed unanimously.**

REQUEST FOR CO-SPONSORSHIP FROM FIRST SCOTS INDEPENDENT PRESBYTERIAN CHURCH FOR A SUNRISE SERVICE ON APRIL 20, 2014

Councilwoman Beer made a motion to approve the request with no co-sponsoring, though the city will waive Waterfront Park fees. Councilman O'Kelley seconded. The motion passed unanimously. Henry Chambers said the event is open to the public.

Councilman O’Kelley said staff drafted the application for anyone who wanted a co-sponsor, and there’s not a form to address this concern when a religious entity wants to use the park. Mayor Keyserling said what these groups were seeking was to have the fee waived, and that’s why they wanted co-sponsorship. Councilman O’Kelley and Mayor Keyserling agreed that there needed to be a different form in such cases.

APPOINTMENT TO BEAUFORT COUNTY CAPITAL PROJECTS SALES TAX COMMISSION

Mayor Keyserling said he’d like to recommend **Bill Robinson**. No vote was needed.

MAYOR’S COMMENTS

Mayor Keyserling said he had gone to the celebration at Beaufort Elementary School for its TAP program. It’s a big step forward for them. Monthly they have an assembly, and he recommended it. The very energetic principal does presentations that he recommended.

Council received a draft of the city attorney’s response to the assistant counsel for the NAACP Education Fund, Mayor Keyserling said. Council was asked to move to a single member district to guarantee minority representation. **Bill Harvey** responded that they didn’t believe a district could be drawn under the rules because continuity is required. If the city did anything, they would put it on the ballot, because the citizens in a referendum must vote on changes to the city government. The NAACP responded with the same information about drawing a district, Mayor Keyserling said, and Mr. Harvey in turn wrote again that they couldn’t draw a district that would satisfy legal requirements. If they draw it up and show the city how it can be done, the city could consider it. The law requires that a majority minority district must be contiguous, so they can’t get 55% without pulling from various districts that aren’t contiguous. If they can show how it can be done, they will consider it, Mayor Keyserling said.

Councilman O’Kelley said there are still boats in the mooring field. Councilman Sutton said a troubled one left over the weekend, and one is abandoned. He asked if they “have started a trigger for boat abandonment.” He wants to know who the trigger is; Mr. Dadson said the harbor master is responsible for it. Mr. Dadson said the boats in the mooring field are gone. Councilman O’Kelley and Councilman Sutton said that’s not the case. One is abandoned. Mr. Dadson said he’s only aware of one, and they are in communication with them. Councilman Sutton said they have been notified, but they haven’t taken the steps to legally remove it. Mr. Dadson said they have done all proper notification and are moving forward. Councilman O’Kelley said they could discuss it at next week’s work session. Councilman Sutton said RG had acknowledged that there are boats there that have no owner, and the 45-day notice hasn’t taken place.

ADJOURNMENT

There being no further business to come before City Council, **Councilman O’Kelley made a motion to adjourn, seconded by Councilwoman Beer. The motion was approved unanimously**, and the meeting was adjourned at 9:05 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK