A work session of the Beaufort City Council was held on March 8, 2016 at 5:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Councilmen Mike McFee, George O'Kelley, Stephen Murray, and Bill Prokop, city manager.

Councilman Phil Cromer was absent.

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 5:04 p.m.

DISCUSSION OF ESTABLISHING SHORT-TERM RENTALS TASK FORCE

Mayor Keyserling described the history of short-term rentals in Beaufort. Since the ordinance change that gave the Zoning Board of Appeals (ZBOA) responsibility for granting special exceptions for short-term rentals, he said, some short-term rentals have flourished, but "according to some of the neighborhoods, it's had some adverse effects, too." There will be a discussion today about establishing a short-term rental task force. Mayor Keyserling said there was also the matter of someone who was renting a room in their house through Airbnb.

Mr. Prokop said there are many nice short-term rentals, but codes enforcement had received a call that day about a short-term rental "on a porch," which, upon investigation, was actually a tent pitched on a house's roof. People were living in it, but not as a short-term rental. Mr. Prokop said the parking task force had been very successful, and council had implemented 99% of the task force's recommendations. They would like to have a similar task force for short-term rentals.

Libby Anderson said that staff discovered that there was "a gap" in the short-term rental ordinance in regard to renting a room in one's home through Airbnb. They can permit this with "a conditional use permit," she said. Staff is proposing a change to the ordinance to amend the definition of a short-term rental to say it's the short-term "rental of a dwelling unit or a portion thereof." The ordinance amendment will go to the Metropolitan Planning Commission on March 21, Ms. Anderson said, have a public hearing on March 22, and with council's agreement, their first reading could also be March 22, and they could "have that adopted on" April 12. She feels this will be "an easy fix," and in the meantime, council will discuss larger issues, such as the density of short-term rentals in a neighborhood.

Mike Tomy said he is a "part of a new association to the city": Historic Beaufort VRBO Association. They are "establishing guidelines for what we believe should be the acceptable practice for VRBOs" and short-term rentals. They would like to partner with the city to help establish the guidelines and be a part of the task force. Mr. Tomy said people have come to stay at his short-term rental after they had been at another one where, they told him, they "just couldn't stay." The association would like to present its goals and objectives to the city and make a presentation of "what we are providing" in historic rentals. Mr. Tomy said all of the

members of the organization are vetting one another.

Robert Brown said he was the person with the concern about room rentals via Airbnb, and he would like to be involved in the task force.

Mayor Keyserling said there are some substandard long-term rental properties, and when the short-term rental ordinance was being discussed, the need for long-term rental regulations and possibly inspections was raised, but the real estate community complained that this would force them to raise rents. BK said he feels long-term rental regulation should be looked into, though perhaps not as part of the short-term rental task force.

There was general discussion among the public about the difference between renting long-term in furnished and unfurnished homes. Mayor Keyserling said some short-term rentals become long-term rentals (e.g., when people working in Beaufort rent them and their employment is extended).

Maxine Lutz asked if council has decided to appoint a task force and is garnering suggestions as to who should be on it. Mayor Keyserling said that council would welcome any suggestions for volunteers to serve or for qualifications they should look for in those who volunteer, in order to help the board be balanced. Ms. Lutz asked if interested people would fill out the same application as those who apply for a citizen board or commission. Mayor Keyserling suggested that form could be modified to this particular need. **Ivette Burgess** agreed that it could be modified.

Councilman Murray said that for the parking task force, council had discussed stakeholder groups that should be involved in it, then put people into those groups.

John Dickerson questioned the need for a short-term rental task force when 18 months were spent creating the ordinance, and now the objections that have been expressed about short-term rentals are “founded in fear instead of fact.” Short-term rentals are businesses that invest millions of dollars and pay tens of thousands of dollars in property taxes and business licenses, Mr. Dickerson said. Mayor Keyserling said there’s been a proliferation of short-term rentals, and “there are issues,” such as residents on The Point who wanted to be exempt, but now there are people “living on The Point who would like to have short-term rentals.” Mayor Keyserling said, “It’s been operating this way for a couple years,” and now that there’s more experience, council believes they “should bring stakeholders to the table.”

Mayor Keyserling said the number of complaints the city has received is “relatively small.” Several people in the audience clarified that there have been no complaints received about short-term rentals. Mayor Keyserling said that people are afraid their neighborhood will be “consumed” by short-term rentals, thereby changing its character. The Bluff has asked to be exempt from them, he said; people in Pigeon Point supported short-term rentals there, but then they didn’t like having three of them on one street.

Al Hefner said he feels the short-term rentals are "the nicest homes in Beaufort," inside and outside. There are architects and designers who own short-term rentals. Mayor Keyserling said he knows that they have nice properties, and he doesn't see this as "an assault on something." But short-term rentals need to be regulated and their effect on the community determined. The Old Commons neighborhood had a petition asking for a moratorium on short-term rentals, Mayor Keyserling said. Since there is organized opposition, council felt that there should be a "forum . . . to make it better." Mr. Hefner said those living in the Old Commons "should beware what they wish for," because by not having short-term rentals, they might be keeping high-quality properties out of their neighborhood.

Ms. Lutz said she is aware that the ZBOA, which gives special exceptions for short-term rentals, has asked council for "direction" because the board is "overwhelmed" with requests.

Mr. Tomy said this is not something that should be rushed. He feels it will be "an educational process to the communities." Those that do not want short-term rentals in their neighborhoods can be educated by the association, which wants to establish standards by which they govern themselves. They might be able to work with the city to make these standards the city's standards.

Mr. Tomy said his short-term rental opened in September and has "stayed pretty full" since then. In the last couple of weeks, he has had requests from Ivy League professors in the preservation community. A VRBO in London has said they wanted to book people on Mr. Tomy's historic property. Mr. Tomy said they should not be "short-sighted" and "should pick our battles." They also want "to elevate the city" as one that has "these kinds of exceptional properties" to offer to those who want them.

Mayor Keyserling said he's never felt that council has opposed short-term rentals, "but if a neighborhood or a block speaks out, and we know there's a proliferation," there needs to be an education process. He gave the example of a member of the parking task force who had learned so much while serving on it that he changed his opinion about free parking vs. regulation.

Councilman Murray shared his take on short-term rentals: there have been people in the community like Ms. Lutz who have asked council to "address some issues"; there is "misinformation around short-term rentals"; a year ago, staff and the ZBOA proposed changes to short-term rentals, including scrapping the initial inspection, which was found to be unnecessary, so there may need to be more regulation or more deregulation; the ZBOA is designed to handle special exceptions that are very different than these. The board is not meant to have a full docket of short-term rentals, he said. The form-based code might change this, but Councilman Murray would like to look at a process that might work better.

Councilman Murray continued: short-term rentals have brought houses "back online" that had been dilapidated. He said he's curious about the amount of growth in short-term rentals since the ordinance was passed; the Old Commons neighborhood, he feels, is justified in its concerns

about “how many short-term rentals on a block is too many.” Councilman Murray believes this is “a good problem for our city to have,” because it indicates reinvestment in the community and because those who stay in short-term rentals sometimes buy property in Beaufort.

Councilman McFee said council sees a need to educate “all stakeholders and all . . . city members.” There is sentiment that short-term rentals are “running rampant.” He feels having Mr. Tomy’s organization involved is good. He’s concerned about proliferation in those neighborhoods that have “numbers (of short-term rentals) on their streets.”

Charlie Calvert asked if a portal could be set up to post a listing of all of the city’s short-term rentals, the ordinance, complaints, the Old Commons petition, and other information for the public to look at as it relates to the ordinance. Mayor Keyserling said that was a good idea, and Mr. Prokop said it would be “done shortly.”

Mayor Keyserling asked if three weeks was “fair” to collect names. Councilman McFee said it would take Ms. Burgess a week to make the form. Mayor Keyserling and Mr. Prokop said that interested parties could email Ms. Burgess.

Mr. Dickerson said he would like the term “proliferation,” which the mayor and Councilman McFee had used, to be replaced with “‘a significant investment’ in that block.” **Erica Dickerson** said short-term rental owners had “turned these into really nice houses,” and when they are “sick of running them,” they will be nice houses sold to permanent residents. Councilman Murray agreed and said that it would be interesting to see what “the succession plan” is among short-term rental owners; he suggested that this could be something that the task force could look into.

Councilman McFee said, as a realtor, he knows that the investments of long-term rental owners – who might flip or turn over houses – typically do not retain the same value as short-term rental renovation projects. It’s a completely different category of investment, he said. Ms. Dickerson said the owners of short-term rentals have to maintain them, with many people going in and out of their rentals, so if the work is subpar, they “have to fix it constantly.” These repairs not like short-term fixes that someone flipping a house for long-term rental can do.

AMERICAN DEFENSE COMMUNITIES (ADC) CONFERENCE RECAP

Mayor Keyserling said Mr. Prokop, Councilman Cromer, and Councilman Murray had gone to the American Defense Communities (ADC) conference in Charleston the previous week. Councilman Murray said the ADC is a trade lobbying group and is “heavily weighted with consultants,” though there are others with interest in military communities around the country. Beaufort had “a stronger showing” at the conference than Charleston did, with a delegation including 2 TWEAC representatives, several people from the MEC (Military Enhancement Committee), legal counsel for the bases, and others.

They heard from Pentagon spokespeople that no BRAC (base realignment and closure) is anticipated for 5 or 6 years, Councilman Murray said. The Navy spokesperson said that the

Marines' troop numbers are where they need to be, so they expect no fluctuation.

Councilman Murray said "public-public partnerships" were a topic of conversation at the conference. Monterey, California provides support for the military installation there, for example. In 2007, legislation made it easier for local communities to share services with military operations. Here, BJWSA provides water and sewer to all 4 installations, for example. The Air Force and the Army are farther along than the Department of the Navy in forming these public-public partnerships, Councilman Murray said, which are intended to save money for all involved by developing greater efficiencies. The Navy has hired consultants who had advised the Air Force and Army on their public-public partnerships. In the next few years, he said, as they develop programs, the Pentagon "will push things down from the top" to the installations. The base and local community get a great idea, Councilman Murray said, and as they run it up the flagpole, it gets killed by red tape, which is frustrating to everyone, so installation commanders hesitate to invest time and energy in these partnerships. The panel's sentiment, though, was that they would try to overcome the hurdles and provide better training about how to make these public-public partnerships happen.

Mr. Prokop said they had heard good examples of public-public partnerships, such as using solar power to help both the installation and the local community – by creating jobs, among other benefits. Mr. Prokop said **Tom Ruffini** has the job of building these public-public partnerships, and he is creating beta sites where military and communities can work together.

Councilman Murray said that Beaufort had publicly offered to be a pilot site and would come up with a project locally in order to participate. **Jason Mann**, the community plans and liaison director at the MCAS, and others will brainstorm about how they can build strong relationships. It may not be immediate, but keeping lines of communication open between the organizations is imperative, Councilman Murray said.

Mr. Prokop said that the military, state legislators, and county council representatives will be invited to council's May meeting with the Town of Port Royal council, where they can discuss what might be coming up and determine how they can all benefit from "small steps."

Councilman Murray said another session at the conference was about "military value" and how each branch determines that when looking at a BRAC. There's a 100-point scale, he said, on which each installation is scored. The BRAC list is not supposed to be influenced by politics. "Encroachment is weighted very highly on military value," he said. During the 2005 BRAC, some deficiencies were noted. Councilman Murray thinks they should look at those documents from 2005 and identify what the deficiencies were, whether progress has been made, and what they could do to work on those deficiencies in the 5–6 years before the next BRAC.

The MCAS has been using the cross-runway in the last couple weeks, Councilman Murray said. Mr. Mann said the main runway is being paved. Councilman Murray said some local residents had noticed increased airplane noise over downtown. He feels that as the F-35 training squadrons build to capacity, and there continue to be active-duty F-18 squadrons, the volume

of activity will continue to increase. An outlying field "is a 10-year pursuit for us," in Councilman Murray's opinion, and if Beaufort wants one, "there's not a lot of money (from the federal government) for these types of projects," so the community will have to partner or come up with some funding for an outlying field or auxiliary landing field.

Carl Wedler said that there was talk in the past about partnering with the Air Force on North Auxiliary Airfield in Orangeburg, and he asked if that was being explored. Councilman Murray said MEC had formed an outlying field task force about a year ago, and they had looked at North Field and at undeveloped land in Allendale County, as well as at the Department of Energy at the Savannah River site, which is already federally owned. This will not be a complete fix, Councilman Murray said; it will take 10–15% of the traffic volume to another location.

In the last session of the ADC Conference, Councilman Murray said, they discussed leveraging the military installations for economic development. The issues are ones Beaufort is already talking about, he said, adding that the conference was "an invaluable 2 days."

Mr. Prokop said he'd met with **Van Willis**, Port Royal's town manager; Parris Island is doing a large solar installation, and "they'll be totally independent of the grid in several years." Such a project would be a good area for cooperation with the government and the community. Also, an app is being developed for marine grads with schedules, accommodations, local restaurants, etc. This could help area businesses, Mr. Prokop said. The military is also interested in tying into the county's "App 311," which allows the local community to report, for example, a backed-up storm drain.

"Power is a huge issue in the military right now," Councilman Murray said. Brownouts a few years ago lead to questions of self-sustainability "for mission-critical power." In Connecticut, federal, state, and local governments, local economic developers, and others performed "a huge team lift" to create "micro-grids around the base" to tier power demands in the event of a brown out.

Mayor Keyserling said there is "an incredible amount of duplication of services" between communities and military installations because forts were originally located in areas that were formerly remote, and now they don't want to duplicate services that the local community does.

Councilman Murray said studies are being done on the billions of dollars being spent on morale, welfare, and recreation. Younger soldiers don't see the bowling alleys, movie theaters, etc. on base as recreational because they are still on base. They want "mission reset" to refresh themselves when they are not doing their difficult duties. Some of these changes – like that – involve things other than financial savings.

Mr. Mann said he was very pleased that the Navy's principal deputy assistant secretary (PDAS) wants to cut red tape. He's "glad that the leadership is getting behind us." Mr. Wedler asked if there have been any opportunities identified locally yet where the city could assist. Mr. Mann said that there are some small things happening, like a memorandum of understanding

between the military and the county about strays being taken to shelters, for example. The overall legislation, and the policy that's aligning with that, is bringing "this all under one umbrella."

Mr. Mann has asked "our agreement manager to pull together all the agreements we have with the city, the county," etc. Then, when they next get together, they can "lay that out, and see: 'What are we already doing together?'" He expects there might be more than they realize. Councilman Murray said they may come to the table and see that it's being done as efficiently as possible, especially given federal regulations, or there may be small areas where partnerships are possible.

EXECUTIVE SESSION

Pursuant to Title 30, Chapter 4, and Section 70 (a) (2) of the South Carolina Code of Law, **Councilman O'Kelley made a motion, seconded by Councilman McFee, to enter into Executive Session to discuss land acquisition. The motion passed unanimously.**

There being no further business to come before council, the work session was adjourned at 6:15 p.m.

A regular meeting of the Beaufort City Council was held on March 8, 2016 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Councilmen Mike McFee, George O'Kelley, Stephen Murray, and Bill Prokop, city manager. Councilman Phil Cromer was absent.

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.

Councilman O'Kelley said council's executive session was in recess, not adjourned, and would resume at the conclusion of council's regular meeting.

CALL TO ORDER
Mayor Keyserling called the regular meeting to order at 7:02 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE
Mayor Pro Tem McFee led the invocation and the Pledge of Allegiance.

CHARACTER EDUCATION PROCLAMATION
Councilman McFee read the proclamation, and Mayor Keyserling presented it to **Alonzo Bentley**. Mr. Bentley thanked council "for this honorable moment." **Councilman Murray made a motion, second by Councilman McFee, to approve the proclamation of Mr. Bentley**, Coosa Elementary School, as student of the month. **The motion passed unanimously.**

PROCLAMATION OF MARCH AS DISABILITIES MONTH
Councilman McFee made a motion, second by Councilman Murray to approve the proclamation. The motion passed unanimously. Councilman McFee read the proclamation, and Mayor Keyserling presented it to **Beth Dennis**, a long-time client of the Department of Special Needs and Disabilities (DSN).

MINUTES
Councilman Murray made a motion, second by Councilman McFee, to approve the minutes of the special meeting and work session on February 16, 2016. The motion to approve the minutes as submitted passed unanimously.

Councilman McFee made a motion, second by Councilman O'Kelley, to approve the minutes of the work session and regular meeting on February 23, 2016. The motion to approve the minutes as submitted passed unanimously.

ORDINANCE AUTHORIZING THE SALE OF FOUR PARCELS OF CITY-OWNED PROPERTY AT 103 SOUTH HERMITAGE ROAD, 613 ARNOLD DRIVE, 1932 DUKE ST, AND 1209 PRINCE STREET
Councilman O'Kelley made a motion, second by Councilman McFee, to approve the ordinance on second reading. The motion passed unanimously.

REQUEST FOR CO-SPONSORSHIP FOR USE OF THE WATERFRONT PARK FROM DERRICK MOON

FOR GOSPEL FEST

Councilman McFee made a motion, second by Councilman Murray, to approve the request for the June 18, 2016 event. Mr. Prokop said this request is for co-sponsorship of an event with a religious organization, which the city has not done before; Ms. Burgess clarified that the city has not co-sponsored a religious organization's event "of this magnitude." She introduced Pastor **Derrick Moon**, and said that the festival organizers would like to model it on Gullah Festival; like it, this festival will have music, food and craft vendors, and use the marina parking lot. There will be no alcohol and no fencing, as the event is free and open to the public.

Councilman O'Kelley said the application says that the presenting organization is both a for-profit business *and* a nonprofit (501c3). Mayor Keyserling said there is a partnership between a business and a religious organization. Pastor Moon said the presenting organization, Circle of Hope Ministries, is a 501c3; he hosts a morning radio show on WKWQ, which is a for-profit business, but the station is not the festival organizer. Pastor Moon said the church is definitely a nonprofit.

Councilman O'Kelley said the application says there will be sales, and Pastor Moon replied that there would be vendors. Councilman O'Kelley said because the application refers to the "first annual" celebration, he assumes that they will want to do this every year, and Pastor Moon said yes. Councilman O'Kelley said **Candace Glover** is slated to perform, which is likely to draw "a crowd."

Councilman McFee said this event is of a larger scope than the city usually co-sponsors. Organizers expect 2,000 people to attend; he asked how many vendors there would be. Pastor Moon said there will be 20 craft and 10 food vendors, which, Ms. Burgess added, is the limit under the February 9, 2016 ordinance revision.

Councilman Murray said that the city co-sponsored Gullah Festival, but he was told that it did not. Councilman McFee offered examples of city co-sponsored events: Hope Haven's "Take Back the Night," Easter sunrise services, the 9/11 memorial events, and Founders' Night. Ms. Burgess said the city has not co-sponsored an event of this magnitude. Councilman Murray said he's concerned about the size of the event, "not who's hosting it." Ms. Burgess said crowd-controllers are determined "per 500 count," as during Water Festival. A police presence will be required because it's a big event, and because Ms. Glover will be there, more than 2,000 people may attend. Ms. Burgess said she has not heard about costs from the police department yet.

Councilman Murray asked Ms. Burgess if co-sponsorship is "specific to the space rental of the park." Ms. Burgess replied, "Yes." Mr. Prokop said it's also because there has not been city co-sponsorship "with a religious organization at this scale." Councilman McFee said the city has only co-sponsored religious sunrise services.

Mayor Keyserling recalled turning down a revival in Waterfront Park. He said when he had asked Pastor Moon if this festival was intended to be a cultural display of gospel music or if there would be proselytizing, Pastor Moon had told him that "the purpose is cultural." Pastor

Moon said there is also a “community unity purpose,” as organizers hope to “offset some of the violence in the community that has happened of late.” He explained that his radio show plays a mix of gospel and inspirational music.

Ms. Burgess said she would be working on details, but Pastor Moon had come to council because of the request for co-sponsorship. Councilman O’Kelley said he feels that the city shouldn't co-sponsor an all-day event of this size in Waterfront Park. “The park will suffer,” he said, and need repair, even if organizers clean it up well, so he thinks the city should get a payment for its use. Councilman McFee said he has reservations about co-sponsorship “because of the event’s magnitude.” He could see waiving some, but not all, fees.

Councilman Murray said a precedent has been set for the city co-sponsoring events with religious organizations. As long as security is provided, and all other public facility requirements are followed, he’s in favor of co-sponsorship, and organizers will still have to pay for all of the other city services associated with the event, except for park rental.

Ms. Burgess said when the city co-sponsors, a deposit for facility use is still required, and it is retained if necessary. If the city co-sponsored, the $2200 fee for park rental would be waived. Ms. Burgess added that city staff is not opposed to this event.

Mayor Keyserling said this is a religious group that’s having a cultural festival; if they were using a public space to proselytize, they should not have city co-sponsorship. Councilman Murray agreed and said there is a fine line concerning that, but this precedent has been set. He feels the size of the event is irrelevant if the applicant meets all of the other requirements. Councilman O’Kelley said he doesn't feel a sunrise service is precedent for a large, all-day event. **The motion passed 3-1, Councilman O'Kelley opposed.**

CITY MANAGER’S REPORT

Mr. Prokop said he and **Kathy Todd** had been interviewed for the city’s Moody’s and Standard and Poor’s (S&P) ratings. An “A/A2” rating will be maintained with Moody’s; Beaufort is rated “AA” with S&P.

There will be a bond sale next week to reduce the interest costs on current bonds, Mr. Prokop said; $650,000–$750,000 in savings is expected. It will also “provide a little new money to address some of the capital needs” that have been delayed over the past few years, he said.

The dog park at Southside Park is 90% complete, except for signs, Mr. Prokop said. The Southside Boulevard sidewalk project bids have been received, and construction is expected to start in April.

The paid parking lot at 500 Carteret Street “is slightly behind schedule,” Mr. Prokop said, but is expected to open March 15. Those who have been parking in it are getting letters to tell them that paid parking will start next Tuesday. One kiosk is installed, and another will be installed next week. “The movement of the grass,” in order to create employee parking, will start next

week, and employee parking should be complete by the end of the month, he said. Mayor Keyserling asked if the lot would be landscaped, and Mr. Prokop said yes. The shrubs that have to be moved will be utilized elsewhere in the lot.

The marina transient dock looks like it will "be moving along in the fall of 2016," Mr. Prokop said. Activity to add 14 more spaces to the mooring field is expected. The marina facilities have been improved, as well, he said. The city is waiting for a proposal on the dinghy dock, and for permitting for the new day dock.

Mr. Prokop said the planning department's presentations to explain the new form-based code (aka the Beaufort Code) and its effects will be going on through March 23.

Budget preparation is starting, Mr. Prokop said, and councilmen will be invited to meet with department heads to determine what is needed and why. Like last year, he said, there are concerns about revenues because of actions by the state legislature, which are beyond the city's control. There are two bills that would affect South Carolina's municipalities. One concerns the business license tax, which generates 18–20% of the City of Beaufort's revenue, Mr. Prokop said – around $3 million – and 80–90% of that would be lost if the bill under discussion passes, which means city services would have to be cut.

The transportation bill is the other state legislation of concern to the municipalities, Mr. Prokop explained. The amount of money that SCDOT receives to fix roads is important, he said, because most of Beaufort's streets are state-owned. If the city has to cut back on services, when citizens complain to the city about potholes and other road issues, they will be told that they have to call state representatives or SCDOT because the city won't be able to provide the services, equipment, or people to do that work.

Mr. Prokop said the city wants its citizens "to ask your representatives what (they) are considering and why." Some legislators claim the business license tax is leading to economic decline and the inability to attract businesses. State representatives need "to explain (to their constituents) what their position is and why" on business license tax legislation, Mr. Prokop said, "not in theory, but in fact." 38:07 City staff is happy to explain to anyone who's interested "how the business tax really works." They do not feel that it is hindering economic development.

Mr. Prokop said that on March 18, the "city will be full of planners," thanks to the South Carolina chapter of The American Planning Association, which will hold its conference in Beaufort.

In regard to the South Carolina legislature, Councilman O'Kelley said he has written letters about the state's business license bill to Representative **Shannon Erickson**, but he received no response, and to Representative **Rick Quinn**, the original sponsor of the business license bill, who asked Councilman O'Kelley for an alternative to it. When Councilman O'Kelley suggested the local option sales tax (LOST) as an alternative, Rep. Quinn did not reply. Councilman

O'Kelley said if the budget process has to be altered, it will mean more *ad valorem* taxes on citizens who do not have businesses, not on business people.

Mr. Prokop said the Municipal Association and the state's Chamber of Commerce have been working on a bill with Rep. O'Quinn, but "this new bill has . . . been fast-tracked" in. If it passes, "you only pay tax where your home base is," so if it's in Atlanta, but you work in Beaufort, "you don't pay a cent," he said. Also, "all collections go to the state revenue department," which has not provided a good experience for Beaufort with regard to the accommodations tax. State representatives have to start to understand the needs of South Carolina's municipalities, Mr. Prokop said: "Somebody's going to have to pay for the service, or we don't have the service."

Councilman McFee described the state's "subdivision funding." Councilman Murray said there had been "meaningful progress" made on Rep. Quinn's original bill, and Beaufort – like most municipalities – is already doing a lot of things (e.g., using a standardized application, business licenses online, etc.) that are unified changes agreed to across the state. "So for someone in our own delegation to propose a new bill (to) transfer authority from us to the Department of Revenue," Councilman Murray said, ". . . in my opinion is absolutely ridiculous."

MAYOR'S REPORT

Mayor Keyserling said there was a "nice" piece in *Vogue* magazine that named Beaufort "One of South Carolina's Most Charming Small Towns."

Mayor Keyserling said last year's celebration of **Pat Conroy**, "Conway at 70," will now be an annual writers' event to honor the deceased author.

Mayor Keyserling said he will be going with the mayor of Charleston on Monday to meet with White House administration officials to discuss off-shore oil and gas drilling.

REPORTS BY COUNCIL

Councilman Murray said he was proud of the large presence of the Beaufort delegation at the ADC. He had also attended a meeting of the Riley Institute for Diversity Leadership on Hilton Head, at which they discussed bridging the economic opportunity gap and "opportunity infrastructure." Councilman Murray shared figures from an economic analysis that the South Carolina United Way had done by county of the minimum per hour wage needed "to just barely afford to pay for yourself." Laurens County's was the lowest, at about $12/hour, "to just make it," while Beaufort County was the highest in the state at $18.42/hour. He'd also learned from a USC study that during the economic downturn, approximately 100,000 South Carolina households (250,000 people) fell from middle class to below the poverty line.

Councilman McFee said he serves on the strategy committee for the school district, and they had met and discussed how the Beaufort County school district must meet state-determined standards, but the state gives no tools to the schools or school districts. The state regularly looks at what is and isn't being implemented, and if something is not being implemented, the districts have to justify why, and whether there is a socioeconomic effect in their community,

Councilman McFee said (e.g., removing service centers and afterschool activity centers "affects the socioeconomic environment of your city . . . your neighborhoods and communities"). The teachers on this commission, he said, were very aware of the correlation between services such as afterschool venues no longer being available, and classroom agitation, less parent participation, etc.

Steve Harrison said he'd come to discuss short-term rentals, which Mayor Keyserling told him took place during council's work session. He said he's lived here 30 years and pays taxes. There are potholes in Beaufort's streets and buckling sidewalks. The city says repairing them is not its job, and there is no response about the problems from SCDOT. His guests at the Rhett House Inn are paying a lot of money, yet they are tripping on the sidewalks on Craven Street and into The Point.

Councilman Murray said he's not sure about sidewalks, but there is to be paving of Craven Street. Councilman McFee said the sidewalks are also SCDOT's responsibility. Mayor Keyserling said SCDOT is supposed to fix them, and though they don't belong to the city, the city sometimes patches them. He suggested Mr. Harrison talk to the city manager, if guests are falling on the sidewalks.

Mr. Harrison asked about "the poverty stats" Councilman Murray had cited. $18.40 per hour is the lowest wage someone can make in order to live in Beaufort, Councilman Murray said. Mr. Harrison said his inn pays its employees $12–$13 an hour, which "is a lot more than most inns." He knows those employees are living below the poverty line, and he is trying to get to $15 an hour. Mayor Keyserling said the middle class is shrinking, and the city can't raise taxes because of restrictions imposed by the state legislature. Councilman Murray said this is why economic development is so important. That it hasn't yet succeeded is "no reason to give up."

Council resumed its recessed Executive Session at 8:02 p.m.

Councilman O'Kelley made a motion, second by Councilman Murray, to adjourn the Executive Session and resume its regular meeting at 9:23 p.m. **The motion passed unanimously.** Councilman O'Kelley said as a result of the Executive Session, council was taking action on the offer made by **Merritt Patterson** to purchase the strip of land between the existing Barnwell Street and the Depot Building for $11,000, "plus the City of Beaufort retains an easement across that subject property."

There being no further business to come before council, **Councilman O'Kelley made a motion to adjourn the meeting. Councilman Murray seconded. The motion passed unanimously,** and the meeting adjourned at 9:25 p.m.