

A work session of the Beaufort City Council was held on January 15, 2013 at 5:00 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Mayor Billy Keyserling and council members Donnie Ann Beer, George O'Kelley, Mike Sutton, and Mike McFee, and City Manager Scott Dadson.

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

The mayor called the work session to order at 5:00 p.m.

### **SECOND QUARTER BUDGET AMENDMENTS**

CFO **Kathy Todd** said that this will go before council next week. There are four amendments this quarter, three of which are "budget neutral." The first, related to municipal court audio-visual problems, is not revenue neutral. The city repaired City Hall's reasonably, so **Linda Roper** asked them to upgrade the court building's, too. There is only \$1,000 in her budget, and the cost is \$4,245. The \$3245 in additional funds will come out of excess insurance reimbursement revenues from the first quarter, according to Ms. Todd.

The second amendment is for a planning vehicle, Ms. Todd said. A 1997 Crown Victoria police car "expired" and cost too much to repair. A new car is more cost-efficient. They searched for a used vehicle in the city but could not find one, so they traded in the Crown Victoria and a Mustang (which was "pretty beat up") and got a brand-new car for less than a used car at \$20,345. They will pull funds from the vehicle equipment fund, she said.

The third item, Ms. Todd said is for a police car that was in an accident which will cost \$10,000 to repair.

Ms. Todd said the final budget amendment item is that police sold old, un-drivable cars for \$6,000. They asked that the funds go to miscellaneous revenue and increase the cops' capital budget by the same amount. The police cars are "in good shape now," Ms. Todd said.

Mr. Dadson said that they will have a report on the entire second quarter at next week's council meeting; tonight's report was to update council on the amendments. These reports will be posted online.

### **MARINA DEVELOPMENT SITE UPDATE**

**Jon Verity** said he and **Alan Dechovitz** were present to talk about the implementation of the Sector One master plan as it pertains to the marina. They are "assessing the site's characteristics"; the budget for the Lawrence Group has a provision for an engineering study "to determine the site's inherent characteristics." Mr. Verity said that they feel strongly that the idea of marina development is a good one, and they should use the current marina parking property, which is very valuable, for a better purpose. The parking aspect of downtown will have to be addressed, Mr. Verity said, as well as what uses make the most sense for this area. They know that a day dock is acceptable and on its way, and they like the idea of a water sports

center, but because the city will not be funding it, a developer “needs to agree that that’s good for the area.”

They have had “casual talks with developers who have shown interest,” Mr. Verity said. The engineering studies will be done within the next month, and they will then seek letters of interest from developers; they will then invite those interested to come to Beaufort and look around and see what the site offers as well as looking at the adjacent properties.

Mr. Verity said they feel this is “an important site for the future” and its development will lead to more people visiting and living in Beaufort and more business volume for the downtown merchants. They expect that as the process goes along they “will engage the public as much as possible” through various meetings. They don’t want to create a large structure that could become unusable in the future, so they want it to have multi-use potential and enhance the downtown area. They have prepared a press release detailing their plans, Mr. Verity said.

Mr. Dechovitz will be the chair of the project for the Redevelopment Commission, Mr. Verity said. Mr. Verity said they realize the site is “sensitive and important for the future.” They know some people won’t want it developed, but they don’t yet know what those developments would look like.

Mayor Keyserling said he saw the release and he’s sensitive to full disclosure about parking. There’s no way any of this can happen until there’s a parking solution to replace it. Also, he asked if they plan to do packages or a project book for interested people; Mr. Verity said yes. Mayor Keyserling said they have a sense of what they think would work, and he doesn’t want them to waste their time with projects that aren’t appropriate and such a book would save them time and energy. The drawings give a sense of acceptable mass and scale that they can share with developers. Mr. Dechovitz said they can give them the materials that council approved for the Sector One master plan. In the public presentations to date, they have made clear that the mass and scale will be complementary to downtown. There are infill projects in other towns that are new construction, but you can’t easily tell.

Mayor Keyserling said he had spoken to the Open Land Trust and to **Charles Kresch** who “said he would be willing to sit down and listen.” Mr. Verity said everyone with neighboring property is interested in talking to a future developer, but it’s unknown “how extensive a developer might want to be.” Mayor Keyserling said the Mixes did a plan for that area at one time, and he “didn’t know if that had been integrated or not.” Councilman McFee said a boutique hotel plan was done that included the Breeze Theater, but it never went far in development.

Councilman O’Kelley said he had voted against this structure and is “still basically against it.” He agrees that a building needs to be an appropriate mass and scale for downtown, and he doesn’t feel a 7000 square foot building is right for downtown. Anything done here has to go “hand in glove with the parking situation.” Councilman O’Kelley added that when the marina parking lot was created, it was filled with a material, and “it’s not natural,” so any engineering study needs to take that into account to determine what can go there, or the types of pilings that have to be

driven to accommodate anything there. Mr. Dechovitz said that's the intent of the studies to be done before soliciting the letters of interest. Waterfront Park had dirt trucked in, but Freedom Park was filled, though he doesn't know with what, Councilman O'Kelley said. Mr. Dechovitz said there are a variety of solutions for fill, depending on the current condition of the soil below the fill.

Mayor Keyserling said there should be baseline material on the Waterfront Park available for consideration; Mr. Dadson said that **Isaiah Smalls** may have some analysis for a baseline. Councilman McFee said when the Chamber of Commerce considered the marina building further up the road, they did some studies as well.

Councilman Sutton said the tide comes and goes under all the buildings along the waterfront every day. Mr. Dadson agreed, but others disagreed, so a conversation about it ensued.

**Maxine Lutz** asked who was doing the engineering study. **Julie Franklin** said the Office of Civic Investment has "received quotes from firms" but they haven't chosen which one they will use. Mr. Dechovitz said there are a number of properties that could experience the impact of future development. They have "limited the notification to properties owned by the city."

Mayor Keyserling said, on a related note, he would "love for someone to do an audit of the marina operation," and suggested that perhaps the Redevelopment Commission could do it. Councilman McFee said he feels that an audit would be a staff matter, not one for the Redevelopment Commission. Mayor Keyserling said he always hears that the marina needs revenue, and according to its contract with the city, the marina is to make capital investments; he wonders if it's in the condition it should be, given the commitments made to it and if it is being marketed. Whoever should do an audit, Mayor Keyserling said, it should be done.

Mr. Dechovitz said the site would be interesting to developers because it's "adjacent to a marina that services an attractive downtown," and there are few spots on the Intercoastal Waterway where this could be done. Mr. Dechovitz said he's "been hesitant to get between the city and Griffin Enterprises." Mayor Keyserling said he feels that the marina audit he suggested is tied to the development matter.

Mr. Dadson said that any worthwhile developer is going to want to see a copy of the marina contract. Mr. Dadson said few of the capitalization issues have been accomplished, perhaps in part because of the economy. Mayor Keyserling said "review" is a better word for what he would like than "audit." Other marinas are operating at a higher capacity than this one is, and he would like to know why. Mayor Keyserling said other marinas "do an aggressive job at marketing and managing"

### **FIRE STATION PROJECT UPDATE**

Mr. Dadson said they will discuss site selection next week in a council Executive Session. Financing is in place, he said, then site selection will be done, and then they will determine how they want the site to work and how it will be built / the process.

**Dave Malushizky**, architect with The Lawrence Group, said he will discuss the methods the process can take for council to decide on. It will be schedule, product, and cost-driven, he said. He's prepared two schedules outlining the process.

One process is a traditional Design / Bid / Build, Mr. Malushizky said. When they decide the site(s) they are interested in, there will be survey work and geotechnical exploration. Then they will commit to a parcel, and "the process is very linear from there," he said. All the sites they have investigated have been vetted to determine if they work with the different delivery models, so building design will not be a risk. He went on to describe the steps that followed, through bidding, permitting, and construction.

A second process engages a contractor sooner, Mr. Malushizky said. The schedule is similar but brings a contractor on board earlier. If they do this, other aspects of the process will begin sooner and the decision-making and bidding processes would be more collaborative with the contractor.

Mr. Malushizky said they want to identify soil conditions early on and what those conditions need to be to accommodate a building. The package chosen will get them from the beginning to the end of the process. He said they are talking about bringing on a contractor and vetting his/her credentials. They factor in that the contractor will commit to a price for the project before the drawings are completed, and this has worked on other projects in the past, Mr. Malushizky said. They identify a guaranteed maximum price before the drawings are complete, which is a benefit, in that the design team is the contractor and the architect. The difference in these options is who chooses the architect, Mr. Malushizky said.

Mr. Dadson said "a pure design model" could lead to a design they don't like, and the other way could lead to over-design issues. Mr. Dadson said the latter happened with City Hall. Councilman Sutton said he doesn't want to get in a similar situation with deciding how a fire station is built. They know what they need and what the chief wants, and it needs to not have maintenance issues that the other fire stations do now, Councilman Sutton said. He feels like they should get the building plans out to bid and see what the cost is to build it. Mr. Dadson said the #2 method eliminates the "shock." They know how the building should function and other basics. Now they need to introduce a contractor who will work with the city and assume the risk.

Mr. Dadson summarized how the City Hall process worked. Councilman Sutton said it seems more economical to go to a firm that specializes in fire stations. Mr. Malushizky said Councilman Sutton is talking about a stock plan approach, but those "are not the goals that have been intimated to the Lawrence Group." They have an expert fire station consultant and have designed a building that is compact and expandable, etc. They "have challenged a lot of the model designs that follow industry trends that are exorbitant." Councilman Sutton said that's his concern: The models they have seen are more extravagant than they need to be.

Mayor Keyserling said public buildings should set a standard for the neighborhood they are in. This is an opportunity to create the standard of what they expect from other people. Mr. Malushizky said they have only seen concept designs. This is a community municipal building that needs to respond to the character of the neighborhoods it is built in, he said. The costs come from what the building needs to be: maintainable, with the systems built into the building, sustainable, etc. These cost money, and that's lost when a bottom-line driven decision is made, Mr. Malushizky said. The building "needs to be substantial and maintainable." The aesthetics are not the expense; the expense is in designing a building that is well-maintained, according to Mr. Malushizky. Neither the GMP nor the construction manager / contractor model is inherently better. The more risk that is shifted to a general contractor, the less value, Mr. Malushizky said. It's less risk to the city, but offers less control.

Mr. Dadson said they have not yet done this sort of process. They want to manage the risk and "have a frugal building with the ability to expand" and one that fits in the neighborhood. Councilman Sutton said he doesn't want a long design bid process. Mr. Dadson said the idea is "to get it built for what (they) know (they) have the money for." Mr. Dadson said they floated a bond for fire department improvements. The priority was to re-do one building and use what money was leftover on the other, he said. Then they changed and centered the building back, rearranging priorities. When they saw the rehabbing prices, they decided to do something better in the spot they thought was best. They debated making it "a neighborhood building" or "a headquarters building," and decided to make it "a neighborhood building that can expand to be a headquarters building."

**Fire Chief Sammy Negrón** said he doesn't see the layout so far of the station infrastructure being changed by the architect or contractor because this is what was decided and council approved. Mr. Dadson explained that "this process is council controlling design and bringing the contractor in earlier." Mayor Keyserling said the contractor is hired on qualifications, not budget. Mr. Malushizky said for the contractor, "it's both in the GMP scenario." In this model, they "can do an open book," multi-bidding all the sub-contractors.

Councilman McFee asked which option is most cost-efficient and effective. Mr. Malushizky replied that the one that gets the contractor on early is. Councilman O'Kelley said he thought that Mr. Malushizky had said that "we know how much money we have," and would then design based on that. He thought they should decide what they want and then find out how much it costs. Mr. Dadson said they did both analyses of money and larger size or neighborhood size already.

Mr. Malushizky said that in the assessment analysis, they tell how much money they have, then design a building that costs that much. In the assessment, it's based on square footage. There's a square foot range of costs, and they also gauge what quality of building they are looking for, "and all those mean something. They base it on square footage and the needs for the building," he reiterated. They "gauge appetite based on the needs of the program." Councilman McFee said Mr. Malushizky has taken the needs assessments and factored in assembly of the process.

Mr. Malushizky said the recommendations will come from the geotechnical firm on sites which might have more subterranean improvements. "Taking a low bid on a geotechnical firm can end badly," he added. A lot of decisions need to be made in the interest of efficiency, so bringing in a contractor early is key. Mr. Dadson said they will recommend to the Redevelopment Commission, which has done the project for council, then council will pick the contractor, etc. The city owns the building, he stated.

Mr. Dadson said he agrees with Councilman Sutton in regard to not elongating the process. They are committed to the funds and the schedule of paying them down to do the project. Council is the decision-maker, and the Redevelopment Commission will deal with the contractors. Councilman Sutton asked if there will be a council discussion on design. Mr. Dadson said if they want it, yes; if they don't and want it to move forward and have it done *for* them, that can happen. The Design Review Board (DRB) will ultimately end up with the design decisions. Councilman Sutton said he doesn't want to see council debating basic design elements as has happened in the past, but he doesn't want the public to perceive that they spent money for things that they didn't need for this project. He feels they may need more clarification on a conceptual drawing so that council can review it, and then they "can let the system roll."

Mr. Malushizky showed Councilman Sutton the plan for the City of Beaufort approval process on his schedule on the overhead projection. Councilman Sutton said there is a public process beyond the control of council which is the DRB. They will have to go through those steps, and "what comes out of there may be different than what council wants." He asked if they could have a joint meeting with the DRB and council. Mr. Dadson said council wants to pull two triggers; staff will outline that and bring it to council, and then they can keep it moving forward. He and Ms. Todd will know where the dollars are going through that process. Council knows where it wants to go and has established priorities, which Mr. Dadson thinks are right.

Councilman Sutton asked what other council members think "about getting this off to the right start." Councilman McFee said they already did some of the fine-tuning. They are keeping the budget in mind. Councilman Sutton asked about giving this project to the DRB and council at the same time. Councilman McFee said he would be cautious about directing the DRB as to what council wants. Mayor Keyserling said he thought that the DRB should do what they do for any other public person coming before the DRB. Councilman McFee said they could have a joint session, but the board "shouldn't be told to do what council says."

Mayor Keyserling asked what the Sector Two master plan says about Ribaut Road; Mr. Dadson said it says that there should be a building on it like the one that's been designed. Mayor Keyserling said they haven't yet passed the Sector Two plans, but if they had Sector Two, there's a place to go to see what the expectation is. Mr. Dadson said the most important lesson learned while getting ready for adopting the master plan for Boundary Street was that they "had people who were in the hopper before first reading." When they negotiated with Walgreens, "a depreciating asset," the most important thing was that the building would be on

the site the way the city wanted it to be. Where the building sits on that site is correct because the roadwork hasn't been done yet but it will work when it is.

Mayor Keyserling said they have to build to the Sector Two expectation. Councilman Sutton said if there are "guidelines for the DRB's judgment," the design should be modeled after that "so that there are no surprises." They don't want a different building coming out of the DRB than what they put there, Councilman Sutton said.

Councilman O'Kelley said 2-3 schools have been built in Beaufort County, and some have "Taj Mahal"-like effects; however, the state education department provides plans for buildings "off the shelf." He feels that this would be the same for a fire station building, and therefore it doesn't need to be drawn from scratch. Mr. Malushizky said he would be happy to speak to that. There is "an effort required in the process that the industry is beholden to, whether it's a stock plan or not," Mr. Malushizky said. He added that "there's not a lot of savings with a stock plan." Councilman O'Kelley said they would save time, too, if they chose a stock plan rather than producing a new design.

Mr. Dadson said he thinks they "are in a good place," and Mr. Malushizky said they "already have a sort of stock plan now." Mr. Malushizky said "it can be simple enough to be pleasing and meet the needs of the fire department. It will be simple and beautiful." That's what he's paid to do, he said.

Councilman Sutton said the fire station should look like a fire station. It's important that people know what it is. Mayor Keyserling said the bones are the same, as Councilman O'Kelley suggested, but it needs to fit into Sector Two plans. Mr. Dadson said they will bring it back conceptually and start the other processes. He wants them to approve the conceptual plan and the RFP. Councilman O'Kelley asked when the conceptual would be. Mr. Malushizky said it's a 7-week process "starting today." Councilman Sutton asked if that could run simultaneously with the DRB approval process. Mayor Keyserling said planning staff also needs to get with the DRB "and teach them Sector Two because there's a new set of rules."

Councilwoman Beer asked who would be in the MLK Day parade.

### **USCB FUNDING PARITY**

There was a discussion about a handout about USCB. Mayor Keyserling said there is a lack of parity in university funding. If they don't get parity, he wondered if they should look at a coastal model like Horry County. This university is heavily dependent on Beaufort County, and if they are committed to the level that is more than double what the state does, he wonders what the value is of being part of the state. The three joining "may give them the opportunity to break out of this." He suggested that this is something that they can get "our legislators to do something about."

**ADJOURNMENT**

There being no further business to come before city council, Councilman O'Kelley made a motion, second by Councilwoman Beer, to adjourn the meeting. The meeting was adjourned at 6:41 p.m.

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