

A regular meeting of the Beaufort City Council was held on December 8, 2009 at 6:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, Gary B. Fordham, Mike Sutton, Mike McFee, and City Manager Scott Dadson, and Shirley Hughes. In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80(d) as amended, all local media were duly notified of the time, date, place, and agenda of this meeting.

CALL TO ORDER

The Mayor called the meeting to order at 6:13 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Dr. Steve Keeler of Sea Island Presbyterian Church. The Pledge of Allegiance was led by the Mayor.

PUBLIC COMMENT

Carlotta Ungaro, Beaufort Regional Chamber of Commerce, informed the council that the Chamber of Commerce supports TIFs 1, 2, and 3. They see them as an investment that will yield more funds for municipalities in the long run and consider them a great tool for infrastructure.

Matt McAlhaney commended council on the lease offer to the Beaufort Regional Chamber of Commerce for the Arsenal building.

PUBLIC HEARING

APPROVAL OF THE TAX INCREMENT FINANCING (TIF) PLAN FOR REDEVELOPMENT OF THE BOUNDARY STREET PROJECT AREA

Mayor Keyserling opened this public hearing. Mr. Dadson presented an overview of TIF 3 and delineated its boundaries. It's a 30-year TIF that would have its base set on January 1, 2010 and stay stable until TIF 2 is finished. The matter has been discussed with the school board and the county finance committee; both have opted out at this time to protect their legal position but would like to continue discussion.

Bill Smoak, president of the Express Lane (formerly Hess) on Boundary Street, said he has no problem with the concept of TIF 3 but over time he fears its dilution. He said it's being sought now for money to complete the Boundary Street project. He believes it will be a negative for his business in that it will isolate it and make ingress and egress difficult. He believes traffic patterns will change negatively. He has a problem with his site being affected negatively. He also urged council to cease or reduce reliance on the use of consultants.

Merritt Patterson said he has experience with TIFs, how they work, and what their effects are. He said they invariably lead to the issuing of more bonds. He predicts that the story of inadequate budgets for projects will continue. The TIF will only satisfy the short-term need for money today. There is a 30-year obligation, and once the source of revenue is given away, it can't be gotten back again. This takes away growth potential and income from future councils and administrations. He said that, in regard to rising values, they may be declining, and people are moving out of Beaufort, not into it. \$55 million worth of infrastructure will need to be maintained. He said "it's a delusion to think that a TIF is not a tax." Taxes won't be increased today, but over the next 30 years, everyone outside the TIF will be paying for this TIF. There being no further public comment, the mayor closed this public hearing.

UDO AMENDMENT REVISING SECTIONS 8.1.B AND 9.4 PERTAINING TO LOT RECOMBINATIONS AND LOT CONSOLIDATIONS

Mayor Keyserling opened this public hearing. Libby Anderson said the staff is proposing 2 changes to the zoning ordinance for subdivisions. She explained when lot recombination occurs and the ordinance restrictions on non-conforming lots, which will be allowed to move to recombination as long as it moves the lot closer to conformity.

The second revision is to the ordinance that currently requires non-conforming lots, undeveloped and owned by the same individual, to be combined before development. They're recommending that this section of the ordinance be deleted. There being no public comment, the mayor closed this public hearing.

MINUTES

The minutes of the council work session meeting on November 17, 2009 were presented to council for review. Councilman McFee said that in the minutes, in the second paragraph under BTAG meeting, the word "exist" was recorded as "exits." On motion by Councilwoman Beer, second by Councilman Fordham, council voted unanimously to approve the minutes as amended

The minutes of the regular council meeting on November 24, 2009 were presented to council for review. On motion by Councilwoman Beer, second by Councilman Fordham, council voted unanimously to approve the minutes as written.

After some discussion with the mayor, Mr. Patterson suggested that he felt the agenda would read more accurately if the heading relating to the TIF ordinance read "Consideration And Approval Of An Ordinance To Create A New TIF 3 District."

ORDINANCE ADOPTING "VISION BEAUFORT 2009 COMPREHENSIVE PLAN"

Councilwoman Beer moved and Councilman Fordham seconded adoption of the comp plan ordinance on second reading. Ms. Anderson said that at the workshop, 12 recommendations for changes from the Planning Commission and two recommendations by council had been made and an additional change relating to the hazard mitigation plan has been suggested. The plan is county-wide. Ms. Anderson said it's important for grants to have an adopted hazard mitigation plan, so the suggestion is that the wording be strengthened with an added sentence saying that it may be revised from time to time and changes made by reference. Councilwoman Beer moved and Councilman Fordham seconded approval of the amendment. The motion passed unanimously.

The motion to adopt the comp plan on second reading passed unanimously.

ADOPTION OF THE REVISED BOUNDARY STREET REDEVELOPMENT PLAN

Mr. Dadson said the redevelopment plan has been approved and is recommended to be revised at this time. It will complement the TIF 3 ordinance for the redevelopment of Boundary Street to invest in the public infrastructure. The improvements are all of a public nature in the right-of-way. It will serve as an addendum to the TIF 3 ordinance when it's revised. Councilman Sutton moved and Councilwoman Beer seconded adoption of the plan on second reading. The motion passed unanimously.

APPROVAL OF AN ORDINANCE TO CREATE A NEW TIF 3 DISTRICT

Councilwoman Beer moved and Councilman Fordham seconded approval of the ordinance on second reading. Mr. Dadson told Mr. Patterson that it would set the base, and as cash flows become apparent

and predictable, a budget forward can be created. A TIF allows a *series* of bonds when the cash flows are sufficient to pay the first of whatever number of bonds, and then council can choose to issue the bonds against that because the cash flows will be there to do it. Mr. Patterson suggested a pay-as-you-go plan instead, as TIFs allow one to exceed indebtedness. He wanted to make it clear that he feels it's possible to do the project without doing bonds. Mayor Keyserling said that while it's commendable not to raise taxes, the way budgets are structured, capital improvements can't be done with what they have. They're not borrowing money or issuing bonds. It will be a likely option. While TIFs may not have worked elsewhere, the city needs to find a way to capitalize over time. He said he's come to the conclusion that everyone says growth needs to be controlled with a network of roads, and money is being spent to retire capital debt that shouldn't have been done that way. The city budget should provide services as growth is controlled. If a bond were being issued tonight, he wouldn't support it, but he thinks this vehicle makes sense and admitted this is a change in position for him. Mr. Patterson said from a different perspective, Beaufort shouldn't forget "who we are" and cited Waterfront Park, city buildings, etc. He said the town's population is small, many people have lost their properties, and many are looking for work. The city may be taking on projects that a normal town of 14,000 would never consider, and he feels it's out of scale. He sees no plan for the long term.

Chris Damgen, 1111 Woodward Avenue, said for public record that statute states that TIFs must cover "a blighted area," and he asked what 5 or more terminologies of blight were used in considering this TIF. Paul Trouche, city bond counsel, said it can be "a conservation area," which requires 3, but they used 5: deterioration, obsolescence, lack of necessary transportation infrastructure, deleterious land use or layout, and lack of community planning.

Angela Hegstrom said she is opposed to the TIF because she feels "30 years is way too long" and it will eventually affect other taxpayers outside the area who might have to "pick up the slack." She told Mr. Dadson that the Boundary Street Master Plan (6.6) cautions against "stacking" TIFs and says that cooperation and approval is *required* by the county and school board.

The motion passed unanimously.

AMENDMENT TO THE FY2010 BUDGET TO ADD AND FUND A BUDGET UNIT FOR THE REDEVELOPMENT COMMISSION

Councilman McFee moved and Councilman Sutton seconded approval of the amendment on first reading. Ms. Hughes said as part of the process to be used on the parking plan, authority for overseeing of parking was given to the Redevelopment Commission. They will have revenues and expenditures. The amendment will carry them from January to June of 2010 based on estimated revenues and expenditures including payment to Main Street Beaufort and equipment fees. Mayor Keyserling added that this isn't new but is being moved from one part of the budget to another. The motion passed unanimously.

MOTION APPROVING CITY MANAGER ENTERING INTO LEASE AGREEMENT WITH THE BEAUFORT REGIONAL CHAMBER OF COMMERCE FOR THE USE OF THE ARSENAL AS THE VISITORS CENTER

Councilwoman Beer moved and Councilman Sutton seconded approval of the agreement. Mayor Keyserling recused himself because he and his brother own a building across the street, and he doesn't want the perception of a conflict of interest. Mr. Dadson showed the highlighted terms in a presentation of the particulars of the lease. Councilman Sutton asked about utility costs, and Mr. Dadson said those that are linked are pro rata and what's theirs will be clearly differentiated. Mayor Keyserling said the likely next use of the Carnegie building will make it better to separate utilities.

Councilman Sutton asked for a review of what the city's offering for parking. Mr. Dadson said the lease has a parking diagram with bus parking on Carteret Street and 30-minute parking in front of the Arsenal, and bus parking on the other side for drop-off, check-ins, etc. Councilman Sutton asked how many spaces that will have an impact on. Mr. Dadson said Lanier will look at it to ensure it's done optimally.

Holly Davidson said there will be 2 bus parking places and 30-minute short-term parking. Councilman Sutton said the 8-hour meters along the library will be lost. That's the only part of the plan he doesn't like: the parking isn't suitable for the kind of operation it *could* be unless it's managed very well. He feels there will be a parking enforcement issue, and he hopes all players understand their obligation to make this successful. Mr. Dadson said the idea is to move people through the Visitors Center. Councilwoman Beer said she's excited about this.

William Palmer asked what happens to the Beaufort Museum in the Arsenal. Mayor Keyserling said it hasn't been a museum for 8-10 years. Everything was packaged and put in storage. Part of the inventory team said there might be display pieces in the new city hall. Councilman Sutton said the city hasn't had the museum in a long while and probably won't in the near future. Mayor Keyserling said Historic Beaufort Foundation leased the building to operate a museum and couldn't do it, as the city had been unable to prior to them and the county prior to the city. So council made a judgment to inventory, pack materials to protect them, and eventually, and make them available in certain circumstances in certain places. Mr. Palmer replied that it doesn't make sense to have a historic town without a museum. Councilwoman Beer said the cost is extremely high to maintain a museum. The motion passed unanimously with Mayor Keyserling abstaining.

NAME APPOINTEES TO CENSUS 2010 COUNT COMMITTEE

Councilwoman Beer moved and Councilman Fordham seconded approval of the appointees. Mayor Keyserling said the initial four names were submitted to the city manager and more are forthcoming. The motion passed unanimously.

MAYOR'S REPORT

Mayor Keyserling said he'd been sent an e-mail about the public light trespass/pollution issue on Ribaut Road which had previously come before council. Mr. Dadson said it hadn't been worked on it yet. Ms. Anderson said SCE&G had worked with the property owner who'd complained about it. Mayor Keyserling said the property owner had been shown where the box was and told he could turn it off, then told by the police that he couldn't turn it off. Mr. Dadson said he'd craft language for council to consider.

REPORTS BY COUNCIL MEMBERS

Councilman Sutton said he continues to focus on Waterfront Park and asked Mr. Dadson to keep council abreast of the sinkholes. Mr. Dadson said they're in new places than before. The engineers and staff are working to try to find the problems and a solution.

Councilman Sutton said a parking lot created on the site of the former Kendrick's furniture store on Charles Street had been acquired by one of the churches for parking. At the time the building was torn down, a comment was made to council about the run-off of sediments on that property due to it's not being designed for parking, and now it happens every time it rains. He asked Mr. Dadson for "someone to put their eyes on that." Mr. Dadson said he'd see what they can do.

Councilman Sutton said there's a spot on Port Republic Street across from Beaufort Inn where the utility boxes have sunk into the ground on the walk zone. Mr. Dadson said others have been repaired further down and he'd look into it.

Councilman McFee shared that he went to the Arbor Day program at Beaufort Middle School and it was a great example of partnering among many groups to create a beautiful courtyard. Councilwoman Beer said she'd been to Riverview Charter School on Arbor Day, and it also had an excellent program.

ADJOURNMENT

There being no further business to come before City Council, Councilwoman Beer made a motion to adjourn, seconded by Councilman Fordham. The motion was approved unanimously, and the meeting was adjourned at 7:20 p.m.

ATTEST: _____
Councilman Sutton. SHIRLEY HUGHES, ACTING CITY CLERK