

A regular meeting of the Beaufort City Council was held on May 26, 2009 at 6:00 p.m. in the County Administration Building, Ribaut Road. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, Gary B. Fordham, Mike Sutton, 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.

CALL TO ORDER

The Mayor called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

The invocation was given by Donnie A. Beer, City of Beaufort Councilwoman. The Pledge of Allegiance was led by the Mayor.

PROCLAMATION

Shirley Hughes introduced Kathy Todd, of Karp, Ronning, and Tindol, who awarded the Government Finance Officers Association (GFOA) Award to the City of Beaufort. Mayor Keyserling then presented the award to Ms. Hughes.

PUBLIC COMMENT

Jacob Holcher, who is renting commercial space at 907 Boundary Street, and **Nancy Carey**, owner of the property Mr. Holcher is currently leasing, informed Council that he experienced heavy flooding in the area around Bellamy's Curve at Pigeon Point and Boundary during recent heavy rains. He felt that there needs to be cleaning of the storm water drainage system. Ms. Carey said that this has been occurring for some time in the area, owing to clogged storm water drains. **Brenda Hood**, of 1206 Pigeon Point Road, said that she had brought this matter to Council's attention 3-4 years ago; she was compelled to sandbag to prevent rising waters from damaging her business and inventory. She said flooding occurs because of blockage in all the drains on Boundary Street. Attempted efforts at improvements have further complicated the problem for citizens. In the short run, she would like the drains cleaned and also feels DOT should do remediation of the engineering in the drains.

Elizabeth O'Brien, Executive Director of the Beaufort/Port Royal Convention and Visitors' Bureau, informed council of online maps developed by the group and available at www.visitbeaufort.org.

PUBLIC HEARING

Budget FY 2010

Mayor Keyserling opened the public hearing. The city manager offered a brief presentation to review the budget, agreeing that it is "very lean" and a decrease from last year's budget but tries to accomplish council's goals. Accommodations and hospitality taxes have been affected by tourism, housing, and consumer spending decreases, yet they "seem to be holding their own," he said. There being no public comment, the mayor closed this public hearing.

Amendment to UDO – Revising Section 6.8 To Tie Street Locations in the Boundary Street Regulating Plan to Final Engineering Plans

Mayor Keyserling opened this public hearing. Libby Anderson made a brief presentation about the history and purpose of the amendment. Council had no questions. **Reed Armstrong** of Coastal Conservation League said that under this proposal, the Redevelopment Commission would be able to make changes on its own to the street sites in the BSP. The Master Plan and the regulations were developed in an open public forum. The planning commission recommended that minor changes could be made administratively but major changes in street location and design should go back to public input and review by the Planning Commission. He proposes that council the Planning Commission's recommendations. There being no further public comment, the mayor closed this public hearing.

Amendment to UDO – Revising Section 2.8 C Regarding Expiration of Terms for Members of the Design Review Board

Mayor Keyserling opened this public hearing. Libby Anderson made a brief presentation about the history and purpose of the amendment. Council had no questions. **Don Starkey** of the Design Review Board commented that members have been appointed very recently, and he feels they should be staggered so that 3-4 members are not lost in a year. Otherwise, he supports the amendment. There being no further public comment, the mayor closed the public hearing.

Community Development Block Grant Needs Assessment – Northwest Quadrant

Mayor Keyserling opened this public hearing. Michelle Knight, of Lowcountry Council of Governments, explained how the Community Development Block Grant (CDBG) process works. Community Development and Business Development programs are primary; the rest is for regional planning grants. The 3 national objectives are to benefit a majority of low income people, to aid in slum or blight areas, and to meet an urgent health threat or need, such as following a natural disaster. In Beaufort, low- to moderate-income is under \$52,000 for a family of four, based on census data. Applicants can compete in 3 competitive set-asides and one that is non-competitive:

- \$8 million is available for community infrastructure - water, sewer, road and drainage improvement projects. Health threats take precedence, then regional infrastructure solutions are the next priority, then needs that cross city or county boundaries, then access to significantly improved infrastructure.
- \$5 million is available for funding to construct and equip facilities to strengthen the community and a higher quality of life in priority areas (i.e., workforce development) such as libraries in low-income areas and to overcome obstacles to economic development.
- \$3.5 million has been set aside for Village Renaissance grants for projects that actively involve neighborhoods, encourage interaction, community pride, infrastructure and community needs, sustainability and conservation of resources, improve appearance and value of the neighborhood, i.e., public facilities like sidewalks and lighting, walking trails, housing construction and rehab, including workforce housing, and the acquisition, demolition, and clearance of nuisance houses. Village Renaissance projects require citizen involvement.
- \$2 million is available for “ready to go” projects which are designed to address the Administration's stimulus program for shovel-ready projects. The state will look at a project that fits under the other 3 grants, in which the up-front work has all been done.

The expectation is that these projects will therefore move quickly once they receive grant money.

- Business development set-asides are for a businesses starting up that have a public infrastructure need that will create or save jobs. Typically, projects are water and sewer infrastructure extended to an industrial park, sometimes road and drainage infrastructure. There's no application deadline and it's non-competitive. Projects are scored by eligibility criteria. Availability ranges from a minimum of \$50,000 to a maximum of \$500,000+ for infrastructure and \$200,000 - 300,000 for housing. Matches of more than 10% help with the applicant's score.

Because the city is 48% low-to moderate-income, Ms. Knight said projects will require a defined area, like the Northwest Quadrant, not something of city-wide benefit to get these grants. The city has 5080 households; 4600 are occupied, 2690 by owners, 1890 by renters, and 500 are vacant.

Ms. Knight said that the council needs to prioritize the needs following a public hearing. Because the city currently has no grant projects, the state says it's eligible for two, and then it needs to close that project before applying again. The community in the 4 eligible neighborhoods has been informed through various means.

Mr. John Gadsden commented that deteriorating housing in the Northwest Quadrant is a priority, and he would like to see both housing repair and demolition for those who would like to do so but can't afford it. Many land-owning Northwest Quadrant low-income residents and possibly **Higginsville** residents have an issue with "heirs' property" but no money to go through the process, so help getting started with that would be welcome. Dying small businesses might be able to revive in the Quadrant as well as helping those with skills but who can't start their own business.

John Trask said that the Bladen Street Streetscape Project ended at Duke Street and in his opinion, it's a great entranceway to Beaufort and makes Beaufort more attractive to businesses. He hopes the city will apply for funds to continue the project from Duke to Bay Street. Matching funds may come from labor, if that's possible. 10% vacant houses seems high to him, and in the Quadrant it may be even higher, which could be a tool to use to leverage the application.

Larry Holden of the Beaufort County Black Chamber of Commerce said there's still interest in completing the project on Bladen Street, and he feels it would fit into one or more of the categories that Ms. Knight discussed. It would create jobs and add moderate-income housing.

Ms. Knight said that there can be private and public collaboration. There has to be a 10% local cash match. Beyond that, a private investor could do additional leveraging and collaboration, which "would help your score." Ultimate ownership would need to be the unit of local government or a non-profit. A member of the public asked if DOT/ISTEA funds could add to the 10% and Ms. Knight replied that T-21 dollars could be used for additional leveraging, but \$200,000 from them, for example, couldn't be called part of the 10% match. The match for that project, though, might be able to be utilized that way. She concluded that "We'd have to ask."

There being no further public comment, Mayor Keyserling closed this public hearing.

MINUTES

The minutes of the regular city council meeting of May 12, 2009 were reviewed by council. Councilwoman Beer pointed out that on page 3 of the minutes, the invitation to Drug Court “graduation” should just be to Drug Court, as graduations do not occur there weekly. On motion by Councilman Fordham, second by Councilman Sutton, council voted unanimously to approve the minutes as amended.

The city manager asked council to add the Preserve America designation under New Business on the current agenda. The council voted unanimously to approve the addition to the agenda.

A-TAX SUBCOMMITTEE PRIORITIZATION REPORT

Councilman McFee gave out a handout for review following an A-Tax sub-committee meeting. He said that in the required A-Tax criteria, the committee wants to increase the criteria priorities for more results-oriented data in the application process. The committee wants to add requirements for Form 990 to be attached with the application and specific result data for state, regional, and national audiences being drawn into the marketplace in order to benefit A-Tax funding sources. Also they’re extending the application process; the application will be completed by mid-June, with the application deadline at the end of July, and presentations on August 10 before the council meeting August 11.

ORDINANCE ADOPTING THE BUDGET FOR FY 2009-2010

Councilwoman Beer moved and Councilman McFee seconded to adopt the budget on second reading. Councilman Sutton asked about an increase in Port Royal fire spending. Ms. Hughes said that following a meeting with Port Royal Fire they decided on a \$6500 increase in budget unit 115, and a corresponding increase in revenues, “so it’s a wash.”

Mayor Keyserling asked Ms. Hughes if there was any way to use cash not being spent on the municipal complex to mitigate some of the debt mill. Ms. Hughes replied no. Mayor Keyserling then asked if there is a way to transfer cash into the general fund to be able to reduce the millage on the operating side. Ms. Hughes replied no.

At the city manager’s suggestion, Councilwoman Beer amended her motion and Councilman McFee seconded to adopt the budget on second reading “with amendments.” The motion was approved unanimously.

ORDINANCE SETTING OPERATIONS AND DEBT MILLS FOR FY 2009-2010

Councilwoman Beer moved and Councilman Fordham seconded to approve the ordinance on second reading. The motion was approved unanimously.

AMENDMENT REVISING SECTIONS 3.1, 3.5 OF THE UDO TO MAKE EXPIRATION OF APPROVALS CONSISTENT WITH THE VESTED RIGHTS ACT

Councilman Fordham moved and Councilman Sutton seconded to approve the ordinance on second reading. The motion was approved unanimously.

CONSIDERATION OF REQUESTS REGARDING WATER FESTIVAL 2009

Councilwoman Beer moved and Councilman McFee seconded consideration of the requests. Wilmot Schott said that the Water Festival committee had presented their requests to staff. As he enumerated them to council, the city manager indicated that staff recommended approval of them all except for alcohol sales, which only council can approve. Regarding waiving the noise ordinance, Councilman Sutton informed Mr. Schott that it was a non-issue because the recent ordinance didn't affect the park, so it's the same as last year. Councilman Sutton moved and Councilman McFee seconded to accept all of the requests of the Water Festival as submitted and read to council. The motion was approved unanimously.

Mr. Schott said that the Water Festival committee would like to put a plaque in the pavilion or on a lighting pole to thank the city and county for its support of the festival. Mayor Keyserling said that he supports the offer and asked if there was a process that should be reviewed for putting plaques in Waterfront Park; Councilwoman Beer said she only remembers the plaque installation at the park entrance and feels the placement could be determined after the plaque is made. The city manager said he thought the Design Review Board should look at it after council agreed to the idea. Mayor Keyserling told Mr. Schott that everyone approves and it's a generous offer, but the question is where it should be placed.

Councilwoman Beer moved and Councilman McFee seconded to support acceptance of the gift. The motion was approved unanimously.

Councilman Fordham said that he has a problem with the business advertising on the RE/MAX balloon. Councilwoman Beer said that Water Festival sponsors are allowed to indicate their sponsorship. Councilman McFee added that it's allowed at the sponsors' expo "only for that day" on business sponsor day.

MOTION REGARDING BEAUFORT COUNTY OPEN LAND TRUST ACQUISITION OF "THE GREEN"

Ann Bluntzer, Executive Director of Beaufort County Open Land Trust (BCOLT), said the organization is seeking support in their efforts to purchase The Green. BCOLT has it under contract for \$685,000 for half; the rest is being privately donated. The group is responsible for raising the rest in the next 18 months. The County Land Committee will give \$342,000 if there's a BCOLT match and city participation. Open Land Trust asked the city for a fiscal contribution of 10% of the contract - \$68,500 toward the purchase price - in lieu of maintenance on the property, which takes the city out of a long-term financial commitment and "the maintenance business."

The city manager said that he and Ms. Bluntzer had agreed on this recommendation. Councilman Sutton said that he supports 10% of the full value and strongly supports "no maintenance." Councilman McFee asked the city manager if there was a benefit to the city "to structure it... toward the acquisition price then setting up funding sources" as the city manager had done in his recommendation. The city manager said his strategy was longer term. The city and BCOLT have been good partners in the past, especially The Bluff. He's not opposed to outsourcing the cost to control it better and be more competitive. His motion is structured to create a fund to the side to create a future maintenance issue. He thinks the issue "isn't going to go away." An option is to

set up a “perpetual care fund” as in a cemetery. He feels that the 10% in lieu of maintenance is fine, but in the future, council and staff should consider how to partner and do it fairly. Councilman Sutton said that the city’s present-day costs for parks and open space will help to determine the course in the future. The city manager responded that staff has already begun collecting that data.

Councilman Sutton moved and Councilwoman Beer seconded approval of a contribution of 10% of the contract - \$68,500 toward the purchase price - –in lieu of maintenance on the property. The motion was approved unanimously.

RESOLUTION REGARDING MOVEMENT OF HWY. 21 DESIGNATION

Councilwoman Beer moved and Councilman Sutton seconded adoption of the resolution. The motion was approved unanimously.

APPOINTMENT – ZONING BOARD OF APPEALS (ZBOA)

The city manager told the council that there was no recommendation but if they had names to submit for consideration, they could do so that evening; otherwise it will remain on the agenda until the vacancy is filled.

MOTION TO CONSIDER APPROVAL FOR A JUSTICE ASSISTANCE GRANT (JAG)

Councilwoman Beer moved and Councilman Fordham seconded consideration of approval. The city manager wanted to “say something about grants and growth.” He said they would have had to “pull from (the city’s) CIP to do this. Because of the way they organized needs, they were able to meet a current need by going for this grant. This is a replacement of current rolling stock using grant dollars that wouldn’t have been funded in the current economic downturn. This keeps rolling stock fresh which keeps maintenance down. Councilwoman Beer moved approval and Councilman Fordham seconded; the motion of support was approved unanimously.

PRESERVE AMERICA RESOLUTION

Councilwoman Beer moved approval and Councilman Fordham seconded adoption of the resolution. The motion was approved unanimously.

MAYOR’S REPORT

Mayor Keyserling invited anyone interested to attend the ceremony on May 27, 2009 in which he would kiss a pig to commemorate raising approximately \$20,000 for the American Diabetes Association through pledges based on his weight loss.

COUNCIL REPORTS

Councilman Sutton said he had not received follow-up on an inquiry about The Arsenal inventory. Mayor Keyserling said the museum’s objects were cataloged and in storage at The Arsenal and in a climate-controlled space. To whom the items belong has not been addressed. A conversation ensued about responsibility for and ownership of the artifacts, given that The Arsenal has been run by the county, a private owner, and the city operating through a non-profit. Councilman Sutton’s concern is that while the artifacts may not belong to the city, the city “made a deal to manage a museum with a group and now there’s no museum” so the city may be

responsible for them until they're given back. Other concerns include who is paying for the climate-controlled facility.

Councilman Fordham suggested that the matter be taken up at the next council work session. He also noted that when the new city hall and police facility are occupied, the school board, county, and others might be interested in leasing the police facility. He said that especially in the current economic climate, a long-term lease of 10-15 years "seems like sound business." The city manager said that 11,000 square feet are available; Councilwoman Beer said the city manager is exploring avenues to get it rented.

Councilwoman Beer said that her trip to Beaufort, NC was great and there were almost a 100 representatives of various Beauforts. The 2010 meeting is in France, and she'd like to be able to go. Mayor Keyserling said that the council never appropriated the funds to be made a formal member of the Council of Beauforts. Councilwoman Beer said she "thought we were in already," and Mayor Keyserling said the city "should look into it at some point." Beaufort is scheduled to host the event in 2015.

There being no further business to come before City Council, Councilwoman Beer made a motion to adjourn, second by Councilman McFee. The motion was approved unanimously, and the meeting was adjourned at 7:58 p.m.

BILLY KEYSERLING, MAYOR

COUNCILWOMAN DONNIE ANN BEER

COUNCILMAN GARY B. FORDHAM

COUNCILMAN MIKE SUTTON

COUNCILMAN MIKE McFEE

ATTEST:

SHIRLEY HUGHES, ACTING CITY CLERK