

A regular meeting of the Beaufort City Council was held on September 14, 2010 at 6:00 p.m. in City Council chambers, Beaufort Municipal Complex, 1911 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.

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.

At a work session prior to the regular meeting, **Ken Singleton** was interviewed for a position on the Election Commission.

CALL TO ORDER

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

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was led by Councilwoman Beer, and the Pledge of Allegiance was led by the mayor.

PROCLAMATION OF SURGICAL TECHNOLOGIST WEEK

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

RESOLUTION COMMENDING MARGARET LANGFORD FOR HER COMMUNITY SERVICE DURING THE 2010 WATER FESTIVAL

Councilwoman Beer, second by Councilman Fordham, made a motion to approve the resolution. The motion was approved unanimously. Councilwoman Beer read the resolution aloud, and Mayor Keyserling presented it to Ms. Langford.

RESOLUTION COMMENDING MIKEL SWINTON FOR HIS VOLUNTEER SERVICES DURING THE 2010 WATER FESTIVAL

Councilwoman Beer, second by Councilman Fordham, made a motion to approve the resolution. The motion was approved unanimously. Councilwoman Beer read the resolution aloud, and Mayor Keyserling presented it to Mr. Swinton.

PUBLIC COMMENT

Walter Mack, Executive Director of Penn Center, addressed council regarding the implementation of the City ATAX process this year. Penn Center applies for ATAX annually for funding for the Heritage Festival advertisement and promotion. He said the event has a large economic impact on the city and county, and the ATAX money is very important to the implementation of the festival. He was surprised to find out that the ATAX funding had been completed. He met with the ATAX board in July to report on the 2009 ATAX spending and wasn't informed of the deadline at that time. Former recipients were supposed to receive

notification of the new application deadlines, but Penn Center did not. He appealed for council to reconsider allowing Penn Center to reapply and possibly others as well who didn't receive notification. Mayor Keyserling said the matter would be addressed later in the agenda.

PUBLIC HEARING: COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION

Mayor Keyserling opened this public hearing. **Michelle Knight**, LCOG, presented the parameters and details of the Village Renaissance project in the Northwest Quadrant for which a CDBG grant is being applied. She said it is a first phase project, and if the work is finished before the next round of bi-annual grants, the city can apply again immediately. The work will benefit 62.5% of people in the Northwest Quadrant who are low- to moderate-income. **Mike McNally** of the Redevelopment Commission said he's on a sub-committee that is working with the city, the Northwest Quadrant neighborhood association, and other groups to refurbish homes in the Northwest Quadrant, and he said he feels the Northwest Quadrant and the city "deserve a renaissance." **Pete Palmer**, chairman of Historic Beaufort Foundation, reiterated the work that is being done, and expressed his excitement about it.

There being no further public comment, Mayor Keyserling closed this public hearing. Ms. Knight said the funds are primarily for infrastructure, and the budget is \$7500 per house, though a consortium project could be looked at as well. Councilman Sutton said they should look at repair funds. Ms. Knight said they can look at other sources to work on that; there are limits to what can be done with a \$500,000 grant. This grant only covers 3 blocks and throwing in the housing component would shorten it even more. Councilman Sutton asked if the infrastructure includes the burial of lines. Ms. Knight said there will be more consistent lighting, rather than having the large poles. Councilman Sutton said they're adding streetlights but not taking out poles and power lines. Ms. Knight said they are taking poles out. She said they "can't go inside the house with this money." Councilman Sutton said other money could augment the process; in reality some of the houses in the neighborhoods can't be upgraded now. Ms. Knight said other sources could address the systems' deficiencies. Councilman Sutton asked "how to pull the trigger." Ms. Knight said the consortium has no deadline, so they can pull the trigger whenever the city is ready to ask it for money.

MINUTES

The minutes of the regular council meeting on August 24, 2010 were presented to council for review. On motion by Councilwoman Beer, second by Councilman Fordham, council voted unanimously to approve the minutes as written.

The minutes of the work session on August 31, 2010 were presented to council for review. On motion by Councilwoman Beer, second by Councilman Sutton, council voted unanimously to approve the minutes as written. Councilman Fordham excused himself from voting because he was not present at the work session.

Councilwoman Beer, second by Councilman Sutton, made a motion to move up the TDAC discussion up on the agenda. The motion was approved unanimously.

APPROVAL OF ACCOMMODATIONS TAX FY 2010 DISBURSEMENT RECOMMENDATIONS

Jeff Evans said the committee had wondered about the absence of an application from Penn Center. As the chairman of the committee, he didn't know the grant applications were available until he received a call from someone when the deadline was a week away. He said the committee feels remiss in not getting the application out to everyone who wanted to apply; since they look at the applications on behalf of city council, he stated he would be willing to follow council's recommendation.

Councilman Sutton referred to the listing of approved applicants council had received at the work session and asked if there were others than Penn Center who didn't apply owing to a technicality. Mr. Evans said he's not aware of any others. Councilman McFee, asked, with the exception of the time difference between last year's due date and this year's, if there was the same amount of advertising about the availability of applications as in the past. Mr. Evans said he doesn't read *The Beaufort Gazette*, so he didn't know. Mayor Keyserling said the city did advertise the application date. Councilwoman Beer said it's a shame; she assumes since everyone else got their applications, they were aware of the deadline. She said she didn't know about *The Beaufort Gazette*, either.

Councilman Fordham said he'd like council to consider giving Penn Center funding. Councilman McFee confirmed that Mr. Mack had attended the preliminary TDAC session. Mr. Evans said yes. Mr. Mack said he got a letter about the preliminary meeting, which he attended, but nothing else. Councilman Sutton asked if anyone had a copy of the letter. Councilman McFee clarified that Penn Center staff had called about the deadline; Mr. Mack said they had called several times. Councilman McFee said the time frame hasn't changed radically in the last 5 years. Mr. Mack said there was no notification whereas they're usually sent it by mail. Councilman McFee said that in the past, the applications haven't been mailed to his knowledge.

Looking at Mr. Mack's copy of the letter about the preliminary meeting, Councilman Sutton said it doesn't reference any further activity, only the mandatory meeting. Mayor Keyserling said the issue is not about Penn Center, it's about process. Something is out of synch if the chairman is surprised the applications are out. Mr. Evans said a number of people heard about the applications being out via word of mouth.

Councilman Fordham made a motion, seconded by Councilwoman Beer, to reconsider Penn Center as an applicant for TDAC funding. Councilman Sutton said he's frustrated that technology continues to be an issue. They sent out a letter for a mandatory July meeting, but there was nothing sent providing notice of application. Councilman Fordham clarified that his motion would allow anyone to re-apply.

Mr. Dadson said many applicants may have read the ad; the applicant from Penn Center went to the mandatory meeting which was sent by letter. If council were to pass Councilman Fordham's motion, "the process will have to be done again for everybody." Councilman Sutton suggested could they do it for only those who attended the preliminary meeting. Mr. Dadson said that many had gone through the process fairly, and if council changes the rules, it's not fair to them. The city has done nothing different except to require last year's applicants to come in for the preliminary meeting. The ads were done as usual within that month period. He feels that organizations that depend on that money would be looking in the paper for when it is time to apply. He feels it's unfair to those who followed the rules.

Councilman Sutton said he would not support the motion. Councilwoman Beer clarified that if they decide to allow another applicant at this stage, it would have to be clear that only those who met the criteria could be reconsidered. Mayor Keyserling said if someone started the process, and the chair didn't know the applications were available, there's a communication breakdown. Mayor Keyserling asked if Councilman Fordham would amend the motion so that it would be limited to anyone who had started the process this year "and thought they were in the loop and part of the group that was applying."

Bob Moquin of the Beaufort Chamber of Commerce's Convention and Visitors' Bureau said Mr. Evans had done everything to address what's been put before him; they value Penn Center. To help resolve these issues, he said the Chamber of Commerce would be willing to put up \$2500 if the Black Chamber would be willing to match it. He said he'd spoken to his staff; there was a lack of communication and the Chamber of Commerce nearly missed the information part of the process themselves. Mayor Keyserling asked, if the Black Chamber didn't agree to match the monies, what would happen. Mr. Moquin said the other recipients could continue a conversation.

John Moore, a board member representing the Black Chamber of Commerce, said the group is not willing to give \$2500 to match the Chamber of Commerce because they were "shorted" on the ATAX funds they applied for. He said not doing the paperwork is the Penn Center staff's responsibility.

Mayor Keyserling said the motion should be amended to include a review of the Penn Center application "in the mix with the rest of them." Mayor Keyserling reiterated that the Chamber of Commerce had exhibited interest in helping. Mayor Keyserling recommended working on this in the next work session.

Councilman Sutton said the ATAX board could review whether the criteria were met. Mayor Keyserling said the purpose of the compliance meeting was to make sure that the money given last year was spent correctly. Councilman Sutton asked if there were any reason why Penn Center wouldn't have received money. Mr. Evans said there were none. Councilman Sutton said

council makes final review of the process; the board will have to whittle down funding for others to make funding for Penn Center.

Councilman Fordham withdrew his motion and Councilwoman Beer withdrew her second. Mayor Keyserling said at next week's work session they will review what has been given to them by the committee and Penn Center. **Lanelle Fabian**, Main Street Beaufort, said they would offer \$1000 to Penn Center if Mr. Mack were willing to accept a \$3500 total.

Mayor Keyserling moved to the review of the recommendations. Councilman Fordham, seconded by Councilman Sutton, made a motion to consider each request individually. Mr. Evans reiterated that the committee didn't fund any group at 100%.

Regarding the Beaufort Film Society, Councilwoman Beer made a motion, seconded by Councilman Fordham to reduce funding by \$200 to \$7300. The motion passed unanimously.

Regarding Beaufort Black Chamber of Commerce, Councilwoman Beer made a motion to reduce funding by \$200. The motion died for lack of a second.

Councilman Sutton made a motion to take \$5000 from the Black Chamber of Commerce's funding and give it to Penn Center for marketing. The motion died for lack of a second.

Councilman Fordham reiterated his concerns about having a Black Chamber of Commerce. He feels its existence is "segregation," and feels the Chamber of Commerce should be "an equal opportunity Chamber of Commerce." He thinks if the Chamber of Commerce were referred to as the White Chamber of Commerce, it would be reminiscent "of Jim Crow days." He said he doesn't understand why others don't have the same concerns he does. He feels that to exclude them would let the Black Chamber of Commerce know that this council is "one for all, all for one." He said he hopes his colleagues will agree to exclude separate funding for the Black Chamber of Commerce.

Councilman Fordham, seconded by Councilman Sutton, made a motion not to fund the Black Chamber of Commerce at \$10,000.

Mayor Keyserling said in his experience, this is an annual discussion. He has had discussions with the presidents of the separate chambers, and he is not convinced they *need* separate chambers. Mayor Keyserling reiterated that Mr. Holman was not present. Mayor Keyserling's understanding is that there is no duplication in the marketing to the two chambers' different demographics. He said that this finding is to be used for marketing events, and if the two chambers have worked on a marketing program, he will support it this year, but he would hope to move it forward. He said that all of the other Black Chambers of Commerce's in South Carolina have shut down. He will support funding because he has been assured that this year it is *collaborative* funding.

Councilman Sutton said he appreciates delaying the discussion another year, but times are tight, and he doesn't understand why there are so many people marketing the city separately; he doesn't understand why there should be marketing money given to two separate entities. He feels it's political in nature. He knows marketing is tough, and the dollars should be spent wisely. Penn Center and the Black Chamber of Commerce are both heritage-based, and the Black Chamber of Commerce doesn't want to share any money. He feels they need *one* marketing group for the money.

Mayor Keyserling said a similar discussion is going on at the state level about designated marketing agencies getting a disproportionate amount of funding. He said the groups are working together better. **John Gadsden** said the Beaufort has made a lot of racial progress, "but we're not there yet." The existence of the Black Chamber of Commerce is not part of "a racial divide." He said the group "puts out an excellent directory," and has a role to play in the community. He feels that the direction communication is going is a positive one. Mr. Gadsden is concerned the money will be disproportionately given. He suggested the issue be taken to a work session to work it out. He said "there's not a level playing field yet." He said they're fighting over \$15,000 out of millions of dollars. He feels the point is being missed. He wants to continue the positive communication.

Councilman Fordham said because of his stance on the issue, he's been accused of being a racist, and the delays are continuous, so he wants to make a decision, not delay something simple. He stated that he wants to be able to read back the minutes of this meeting to Mr. Gadsden in a year to show him exactly what he said and that there were only more delays, not progress.

Mayor Keyserling said the issue is whether there should be two Chambers of Commerce. Councilman Fordham said he doesn't want the matter "to be studied anymore." He wants to vote. Mayor Keyserling said he's not saying it's the council's decision. The Black Chamber of Commerce can be whatever it wants. His understanding from Carlotta Ungaro, Mr. Moquin and Mr. Holman is that they have a coordinated effort for funding for marketing.

Councilman Sutton withdrew his motion regarding withdrawing funding for the Black Chamber of Commerce, in deference to further understanding of the pertinent issues.

Councilman McFee asked Mr. Mack if the \$3500 offered from the Chamber of Commerce and Main Street Beaufort was acceptable. Mr. Mack said yes. Councilman Sutton said no money has been allocated to anyone yet. Councilwoman Beer clarified that it had been allocated to the Film Society.

Councilman Sutton said there are two marketing arms: Main Street Beaufort and the Chamber of Commerce, and they have offered money to help Penn Center, but the Black Chamber of

Commerce refuses to do so. Mr. Moore said money is tight, “and just because Penn Center is black, they don’t have to give them money.” He said Penn Center had violated the rules and didn’t get their application in on time. Councilman Sutton said it was a process error, not a violation of rules. He asked if the Black Chamber of Commerce would ante up anything to help Penn Center do marketing. Mr. Moore said Mr. Holman had said there was already a cut in their funding, so they would not give up any money from ATAX funding, In the future they “will go into their funds and help Penn Center with a check to help” with the disparity. Mayor Keyserling noted that in the previous year, Mr. Westcott had given money from their request to help the Black Chamber of Commerce reach a higher amount.

Councilman Sutton made a motion that the percentage be taken from each line item to fund Penn Center and to get this matter resolved. No entity he knows of was awarded 100%. He asked Mr. Evans the average amount given. Mr. Evans didn’t know it. The motion died for lack of a second.

Councilwoman Beer said that if each recipient gave up \$200, the total would be \$2500 from the Chamber of Commerce, \$1000 from Main Street Beaufort, plus another \$1200 from the other recipients for a total allocation of \$4500. Councilwoman Beer made a motion to accept the offers from Chamber of Commerce and Main Street Beaufort and that \$200 be deducted from the remaining applicants’ allocations and that that money be given to Penn Center. Councilman Sutton seconded the motion. The motion passed 4-1, with Councilman Fordham voting against it.

AMEND FY 2011 BUDGET TO ADD JUSTICE ASSISTANCE GRANT OF \$16,394

Councilwoman Beer, second by Councilman Fordham, made a motion to adopt the amendment on first reading. **Shirley Hughes** said the grant is allocated based on stats that the police provide. The city received notice that they would receive these funds to purchase additional equipment and supplies they would not otherwise have purchased this year. Ms. Hughes said that any time council makes a change to the budget as adopted, they do an amendment so the budget is clear. The motion passed unanimously.

AMENDING ARTICLE 7, SECTION 11044 OF THE TOUR BUS SLOT ORDINANCE TO REFLECT PERFORMANCE STANDARDS

Councilman Sutton, second by Councilwoman Beer, made a motion to adopt the amendment on first reading. The motion passed unanimously. **Evelene Stevenson**, Spirit of Old Beaufort, asked to speak after the vote was made. Councilwoman Beer read the amendment. Ms. Stevenson recounted her history with the bus issue. She started doing bus tours 3 months ago. She wanted clarification of what the issue was that led to the amendment. Mayor Keyserling said it was pointed out that within the horse carriage ordinance one has to be a regularly operating company but that was not a requirement in the bus ordinance. The vote was to apply similar language from the carriage ordinance to the buses. Councilman Sutton said the ordinance was as a result of applications for tour business that don’t happen, and then it’s not

competitive, and the license is blocked from being used. This way no one can buy a license and sit on it so others can't use it. They have to be an active participant in the process or they lose their license.

Ms. Stevenson asked what happens if the operators don't get a tour; Councilman Sutton said there only need to be 6 tours in a year. Ms. Stevenson indicated where there could be greater clarification for the tour operators. Ms. Stevenson asked, if her van broke down, if she could hire others' vans while her van was broken down. Councilman Sutton said it's all about communication, and if there's a problem with the business operation, she can go to the city manager and it won't be a council matter.

Rose White, Suthern Rose Buggy Tours, asked if sharing others' vans was collusion between the companies. Councilman Sutton said "Let's not go down that road." He said the reality is the city manager manages the tour operations for the city. He chastised Ms. White for saying that Ms. Stevenson "had a monopoly" in the past and now accusing her of being in collusion with another operator. Councilman Sutton said if Ms. White has a problem, she needs to go to the city manager.

Walter Gay said this matter has come before council because council has been given the wrong information. There was an open bus tour license for two years and no one wanted it. He hasn't put his bus on the road for 3 months because there hasn't been enough business. His shop sells Ms. Stevenson's tickets for a percentage. He's had one contract in 3 months, and insurance would cost too much. He has contracted tours for the fall. He's been doing the tours "since the trolley days." As a business person, it makes sense for him to sell tickets for Ms. Stevenson. He said all of this stems from him not running a bus, but his bus is ready to go on the road next week. Mr. Gay said they need an operating TMAC committee to meet with quarterly. He and Ms. Stevenson are friends and work together. He asked when the 60 days starts and was told that it is as soon as the ordinance passes. He has been using his tour license and he feels they have been given misinformation.

Councilman Sutton said that the city had an ordinance with a weakness, so no matter how it got to them, it's repaired now. Mr. Gay said they received no notice that an ordinance was changing that affects them. The motion passed unanimously.

RESOLUTION COMMITTING MATCHING FUNDS FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FOR NORTHWEST QUADRANT INFRASTRUCTURE IMPROVEMENTS

Councilwoman Beer, second by Councilman Sutton, made a motion to adopt the resolution. The motion passed unanimously.

AMENDMENT REVISING SECTIONS 5.1 AND 5.3.D OF THE UDO TO PERMIT SHORT TERM RENTALS BY SPECIAL EXCEPTION IN THE HISTORIC DISTRICT

Councilwoman Beer, second by Councilman Sutton, made a motion to adopt the amendment on first reading. **Libby Anderson** said there was a public hearing on this issue at the August 24 council meeting. She clarified what a short-term rental is. They're not currently permitted in the residential districts. This change would allow them to be only in the Historic District by the special exception process. She detailed the special exception process. The Planning Commission recommended approval at their August 30 special meeting.

Councilman McFee said he has concerns and would like to hear more from the neighborhoods. He's in favor of going forward personally, but would like to hear neighborhood representatives. Councilman Sutton said he agrees that the neighborhood associations should be heard from; however, he dislikes watching the homes decay and seeing that other communities are uniquely using similar neighborhoods for short stays. He said this has "a positive, revitalization aspect." He wants to see the dead houses utilized for short-term rentals, but he understands the concerns of the neighborhoods.

Ms. Anderson said this seems to be benefitting the neighborhood, the owners, and rehabbing historic structures. Councilwoman Beer said she has no problem with it because they have to do it by special exception, but she, too, would like to hear from the neighborhoods at a workshop before the second reading. Mayor Keyserling said the impact of short-term rentals can destroy a community, too, and he is aware of lawsuits elsewhere. He supports short-term rentals, but said the city needs to take care so that "the neighborhood isn't overrun by them." The motion passed 4-1, with Councilman Fordham voting against it.

APPOINTMENTS TO BOARDS AND COMMISSIONS

Councilman Sutton, seconded by Councilwoman Beer, made a motion to appoint Ken Singleton to the Election Commission. The motion passed unanimously.

Councilman Sutton, seconded by Councilwoman Beer, made a motion to appoint Joel Newman and Inez Neal to the HDRB. The motion passed unanimously.

Councilman McFee, seconded by Councilman Sutton made a motion to appoint Mr. Gadsden to the Housing Authority. The motion passed unanimously.

Councilman McFee, seconded by Councilwoman Beer, made a motion to appoint Anthony Baxter to the Redevelopment Commission. The motion passed unanimously.

Councilwoman Beer, seconded by Councilman Fordham, made a motion to appoint Patrick Kase to the Redevelopment Commission. The motion passed unanimously.

Councilwoman Beer, seconded by Councilman Fordham, made a motion to appoint Keith Waldrop to the Redevelopment Commission. The motion passed unanimously.

Mayor Keyserling said Mr. Mattingly will be interviewed in the next couple of weeks for a position on the ZBOA.

MAYOR’S REPORT

Mayor Keyserling said he had taken a personal position that, as a former state legislator who fought to keep USCB open, and as someone who believes there are opportunities to make it grow, he has supported the administration’s position to change the school’s name. He feels that when Chancellor Upshaw leaves, it will “close the window on the chance to grow” because another administrator might not think the school is fiscally sound.

Mayor Keyserling said that, at the BTAG meeting, they didn’t vote against the will of Port Royal and Beaufort, but Port Royal, the Joint Planning Commission, and the city are going to have to weigh in as the matter will now go to Herbert Glaze’s county council committee.

REPORTS BY COUNCIL MEMBERS

Councilwoman Beer said the 9-11 ceremony was very good. Next year’s will be bigger. The Lt. Dan Weekend is going to be “huge and amazing.”

Councilman Sutton thanked the police department for showing up when there was a purse-snatching incident downtown. He was happy to see officers ready to do the job.

Councilman McFee said representatives from the police department were at a meeting about Rogers Drive, where they have “a tremendous parking problem.” He thanked them for seeing that the no parking signs are “clearer.” He added that he was able to attend Military Appreciation Day and it was great.

Mayor Keyserling thanked council and Councilwoman Beer for making the 9/11 ceremony what it was. He also thanked Chamber of Commerce and Main Street Beaufort “for displaying diplomacy this evening.”

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 7:59 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK