

A work session of the Beaufort City Council was held on March 8, 2011 at 5:00 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Council members Donnie Ann Beer, Mike Sutton, Mike McFee, Gary Fordham, Mayor Keyserling 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.

Mayor Keyserling called the meeting to order at 5:08 p.m.

DISCUSSION REGARDING REGIONAL ISSUES AND PARTNERS

Kim Statler, Lowcountry Economic Network (LEN), made a presentation to council about economic development.

Mayor Keyserling said Beaufort is ideal at this time for small-niche light manufacturing businesses. He said he and council have a sense of urgency, "but there is no silver bullet for economic development in the area." It's difficult work. He said vocational rehab can do product assembly well.

Ms. Statler said she "wants a decision," which is "a commitment to a culture, putting your issues on the table and coming together to correct them." Success for her, she said, is more difficult because there hasn't been full admission of deficiencies. She believes the citizens of Beaufort County are hurting worse than ever in the economic downturn. People fear they'll lose their jobs staying here. This is problematic for her as a marketer. They need to decide if economic development is a priority for Beaufort County or not. The municipalities and other organizations must work together in tandem. She believes Beaufort County wants it but hasn't ever done it, so it "fears attacking a difficult issue." She said base closures are a good example of an issue that can't be touched. It's frustrating for her to hear the reasons that people don't want to bring in businesses.

Mayor Keyserling asked if Bluffton, Hilton Head Island, and Port Royal have their own plans beyond tourism and retirement living. Ms. Statler said "everyone is reactionary to what the developer brings in the door, not proactively to what they want." She feels they should pursue what they want now in the economic lull. Mayor Keyserling said he feels the city is doing that now with the work of the Office of Civic Investment.

Ms. Statler said LEN identifies targets for the city, and the corridors, and then they market to that specifically and drive the business in, but they don't know where to drive it. She said there is a prospect for small businesses serving a large aeronautics company. Mayor Keyserling said, for example, there could be a studio here that could create training videos. The state could give a building that is sitting dead at the moment.

Ms. Statler said all the municipalities say basically the same things, but the question is of how willing and able the communities are to receive what LEN can bring them. She said the LEN model might need to look different with 50% internal and 50% external work. LEN is supposed to create jobs, but they are hampered by many barriers to getting what they want. All the municipalities want the same thing and have a little something different to offer.

Mayor Keyserling said he's unsure how much the community's appetite is whetted by Care Core. There was discussion of the feasibility of a call center in Beaufort. Ms. Statler said companies can draw from a 60 mile residence. She said Savannah is a possible source of workers; she called Savannah "our greatest ally." Mr. Dadson said there's a willingness to commute, and business is done differently than it once was. Ms. Statler discussed the essential need for and viability of conferences in the area. Prospects, she said, are unconcerned with the lines between towns.

Councilman Sutton asked, considering what Beaufort is *now*, what it "offers for the regional picture." Little in Beaufort has changed in the last four years. He asked what has been targeted by LEN in Beaufort that isn't working. Ms. Statler said prospects are marketed externally for targeted industries: distribution, knowledge intensive, green, etc. LEN used Beaufort's quality of life, marketing it as a good place to live *and* bring business, an eclectic community. The community sells Beaufort, she said, but as a place to live, not necessarily to open a business.

Ms. Statler said "we have sporadic potential for buildings here and there." They "are always trying to shove people into a space and make it work," but she said "the community isn't necessarily ready to receive what LEN can offer them in the way of business prospects." This is not the only hurdle Beaufort has had to overcome. They have always focused on tourism, which is key, but it can't be everything. She used the example of Kazoobie Kazoos, which couldn't be located downtown because there was no workable space. Mayor Keyserling said the issue was with landlords being unable to understand what the business needed to do to the space in order to be competitive. Councilman Sutton said this is also the case with restaurants that want to come downtown, but the landlords don't want to adapt the space.

Councilman Sutton said there is limited zoning. Ms. Statler said the Beaufort Commerce Park has gotten so much attention because she is asking the county to buy it. Prospects say what they want to look at, and LEN responds with what's out there. Councilman Sutton asked if they have "a regional snapshot of what's available now," and Ms. Statler replied that they do. The block-by-block work that's being done is exactly what they wish everyone was doing. Property doesn't have to be industrially zoned; she gave an example of a town with now 500 jobs on 10 acres, saying that is "absolutely do-able in Beaufort."

Beaufort has all of the pieces for a business to want to be here, Ms. Statler said; it "just needs to be mapped together." Mayor Keyserling said a small insurance operation moved from Atlanta and they like living here. Ms. Statler said living in this community "is your biggest hook." The rest is policy and other locations can't offer the same kind of quality of life. Councilman Sutton said the Redevelopment Commission is charged with finding incentives. Ms. Statler said "statutorily incentives are available they can offer." Mr. Dadson said in the first sector planning, there will be an incentive conversation to consider such things as BJWSA.

Ms. Statler said that is a component of being creative and being fiscally competitive. She gave the example of a prospect who asked every conceivable question about Beaufort. A Seattle-based manufacturing facility wanted to locate on the outskirts of the city, but they wanted their people to be able to bike to work. She said on the policy side, they have worked to save vistas and beaches, but

asked “How green are we, really?” Prospects want to know that the community “is embracing green.” This type of incentive will be very different in 10 years. A progressive business culture will attract businesses now, as opposed to more traditional incentives. The environment is Beaufort’s greatest attribute, and the city needs to create the policy to show that. It’s non-traditional economic development that will set the community apart in ten years.

Ms. Statler said leadership and “its refusal to take no for an answer is what made the difference for Bluffton getting Care Core.” It took a year of work because such a deal hadn’t ever been done in Beaufort County. Care Core received no tax abatements; the land and infrastructure were donated and the state gave tax incentives. The formula that is necessary to relocate a business varies, Ms. Statler said.

RAIL TO TRAIL GRANT

Libby Anderson said BJWSA has acquired the right-of-way and has received a \$3.1 million livability grant to develop a bus route in Beaufort County, create a rail trail, and create sidewalk connections. Beaufort County is deciding how that money should be allocated. They have issued an RFP for the bus element, which is a necessary component. A consultant will assess each proposed bus route and determine feasibility and marketing of each. They have received 14 proposals to review as of March 16.

Mayor Keyserling said unless the military makes use of the buses mandatory, the program won’t work, he feels. The military culture is not one of bus-taking. He asked if there have been any conversations on this mandatory military use of the buses. The county planners have frustrated Mayor Keyserling thus far on this issue. Ms. Anderson said the county has asked a representative from Beaufort to sit on the consultant selection committee. Mayor Keyserling said the county is on record with Port Royal as opposing what the county is doing and supporting a more weighted amount on the rail-to-trail. Councilman Sutton said the substance was that Beaufort and Port Royal would like to see a rail trail. The type of grant they received had the bus piece as the larger component. Councilman Sutton doesn’t see making taking the bus mandatory for the military as a feasible option.

Mayor Keyserling’s impression is that this is what would make it viable. Ms. Anderson said that is part of the consultant’s job, to determine feasibility and to include the military in that. Councilman Sutton asked how the study will be paid for; Ms. Anderson said her understanding is that the funding for the study is done through the grant. Councilman Sutton said there must be some documentation based on military use that determined the granting of the grant.

Laura Von Harten, Beaufort County Council, said the Public Safety committee will now be called Intergovernmental Relations (or Affairs) and would be a forum for such discussions. She wondered if they can take that money and apply it to Southern Beaufort County. Mayor Keyserling said the original grant applied for was for \$27 million and \$18 - \$19 million was meant to be for transportation. Councilman Sutton said the marketing plan will show who’s going to use it and how it will be paid for / subsidized, and Beaufort might not want to contribute without connectivity components it wants, like sidewalks. Councilwoman Beer said “people around here don’t like riding buses; it’s been tried before.”

Mr. Dadson said the grant has that obligation built in as well as other things. The “leverage” is the rail bed. The second leverage might be some private contributions for bus stops. Ms. Anderson said another grant is being applied for. Mayor Keyserling said he heard the allocation was \$1.3 million for the trail. Ms. Anderson said they hope so, but it will depend on the study. Ms. Anderson said Beaufort and Beaufort County are each applying for a recreational trails program grant for the rail trail; it will be used to stabilize the 2 trestles on the route. One needs to be improved structurally, and both need to be able to carry pedestrian and bicycle traffic. They are currently being used and provide connectivity. The TCL trestle is unsafe. There will be a public meeting March 17, which is required for the grant. Mr. Dadson said if they do grants for the trestles, the trestles are still the county’s. Mr. Dadson said the city has no obligation to post and no liability if anyone is injured on them. The work of this grant can stand alone, and hopefully the city will eventually have a rail trail.

Mr. Dadson explained the aspects of the consultants’ study, such as looking at how long it takes to get to a stop, how long one waits for the bus, how long one stays on the bus, and where it will drop people off. Those questions are what the consultant will study to determine time elements. The city is saying “none of those will be efficient uses of anyone’s time,” Mr. Dadson said. If all that was created was an intersection of modes - bus stations and stops – that would be good and might cost a couple hundred-thousand dollars and then they could build up the distribution systems. Mr. Dadson said as long as personal transportation costs were affordable, the bus system met its demise. It’s really about people’s perception of time, Mr. Dadson said.

Mayor Keyserling asked if the public safety component has been included in the city’s grant application, since the comp plan is to make the North Street trestle strong enough for a fire truck. Ms. Anderson said they will have assessments for rail trail only and also for an emergency vehicle route. She thinks the rail trail grant might not cover that; Mayor Keyserling suggested a public safety grant might. Ms. Anderson said they and the county partners are looking for all possible grants for the rail trail.

AGENDA REVIEW FOR MARCH 22 MEETING

Mr. Dadson said the Planning Commission and Redevelopment Commission chairs will be there.

- Municipal complex report
- Second reading on Stakes Honda
- Co-sponsorship issues on WFP from various NFPs

AGENDA REVIEW FOR MARCH 15 WORK SESSION

- Special meeting on an appeal on bus slots
- Presentation by Redevelopment Commissioner Henrietta Goode on the Washington Street Park
- Update on bar closing times with the county and Port Royal

Mayor Keyserling asked if there was anything coming from the Planning Commission; Mr. Dadson said they are continuing to study short-term rentals.

Ms. Von Harten said there’s a meeting on the EMS study on March 22.

Councilman Sutton asked for an update on “the waterfront issues.” Mayor Keyserling said he agreed. Mr. Dadson said he’d work it in to a future meeting.

Ms. Von Harten said the county council is moving to a different format; they’ll spend an hour in an informal session at 4 pm and move to chambers at 5 pm for a more formal meeting.

Mayor Keyserling said there should be some structure to questions between council, Planning Commission and Redevelopment Commission during the workshops to keep it from being “just a nice conversation.” Mr. Dadson said he could find out in advance what they might want to discuss.

EXECUTIVE SESSION

On motion of Councilman Sutton, seconded by Councilwoman Beer, council voted to move into Executive Session pursuant to Title 30, Chapter 4, Section 70(a) (2) of the South Carolina Code of Laws for a discussion of land acquisition. The motion was approved unanimously.

Councilman Sutton, seconded by Councilwoman Beer, made a motion to come out of executive session and resume the regular council meeting. The motion was approved unanimously.

ADJOURNMENT

There being no further business to come before City Council, Councilman Sutton made a motion to adjourn, seconded by Councilwoman Beer. The motion was approved unanimously, and the meeting was adjourned at 7:10 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK