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CITY OF BEAUFORT
1911 BOUNDARY STREET
BEAUFORT MUNICIPAL COMPLEX
BEAUFORT, SOUTH CAROLINA 29902
(843) 525-7070
CITY COUNCIL REGULAR MEETING AGENDA
June 13, 2023
STATEMENT OF MEDIA NOTIFICATION

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

REGULAR MEETING - Council Chambers, 2nd Floor - 7:00 PM

Please note, this meeting will be broadcasted via zoom and live streamed on Facebook. You can view the meeting at the City's page; City Beaufort SC

I. CALL TO ORDER

A. Stephen D. Murray III, Mayor

II. INVOCATION AND PLEDGE OF ALLEGIANCE

A. Mayor Pro Tem, Mike McFee

III. PROCLAMATIONS/COMMENDATIONS/RECOGNITIONS

A. Character Education Proclamation - Addison Lopez, Joseph Shanklin Elementary School

IV. PUBLIC COMMENT

V. MINUTES

A. Worksession and Regular Meeting - May 23, 2023

VI. OLD BUSINESS

A. An ordinance to provide for the levy of taxes for the City of Beaufort for Fiscal Year beginning July 1, 2023 and ending June 30, 2024; to provide for execution of and to put into effect the consolidated budget; and to provide budgetary control of the City's fiscal affairs; and other matters relating thereto - 2nd reading

VII. NEW BUSINESS

- A. Appointments/Reappointments to Boards, Commissions and Committees
- B. An ordinance to amend the City of Beaufort Code of Ordinances, Section 1-4002, Appointment of City Manager regarding residency requirements - 1st reading
- C. An ordinance authorizing (1) the execution and delivery of an option to purchase; and purchase agreement for Beaufort Commerce Park, Lots F and H; (2) the conveyance of such real property in accordance with the terms of such agreement; and (3) other matters relating thereto - 1st reading

VIII.REPORTS

- City Manager's Report
- Mayor Report
- Reports by Council Members

IX. ADJOURN



PROCLAMATION

WHEREAS, the character education movement reinforces the social, emotional, and ethical development of students; and

WHEREAS, schools, school districts and states are working to instill important core ethical and performance values including caring, honesty, diligence, fairness, fortitude, responsibility, and respect for self and others; and

WHEREAS, character education provides long-term solutions to moral, ethical, and academic issues that are of growing concern in our society and our schools; and

WHEREAS, character education teaches students how to be their best selves and how to do their best work; and

WHEREAS, the Eleven Principles of Effective Character Education include: Promoting core ethical and performance values; Teaching students to understand, care about and act upon these core ethical and performance values; Encompassing all aspects of the school culture; Fostering a caring school community; Providing opportunities for moral action; Supporting academic achievement; Developing intrinsic motivation; Including whole-staff involvement; Requiring positive leadership of staff and students; Involving parents and community members; and assess results and strives to improve; and

WHEREAS, the Beaufort County School District's Character Education program was formed to support parents' efforts in developing good character in their children; and

WHEREAS, the purpose of the Character Education program is to integrate good character traits into the total school environment, as well as into the community; and

WHEREAS, each school's counselor identified a list of character words and definitions deemed important regardless of a person's political leanings, race, gender, or religious convictions; and

WHEREAS, the words are friendship, kindness, acceptance, courage, tolerance, respect, gratitude, compassion, citizenship, perseverance, honesty, integrity, self-control, forgiveness responsibility and cooperation; and

WHEREAS, Addison Lopez was selected as the winner by Joseph Shanklin Elementary School as the student of the month.

NOW, THEREFORE, the City Council of the City of Beaufort, South Carolina, hereby proclaims May 2023 as

**ADDISON LOPEZ, JOSEPH SHANKLIN ELEMENTARY SCHOOL
STUDENT OF THE MONTH**

The City of Beaufort thereby pronounces *Responsibility/Cooperation* as the word for the month of May and applauds Addison Lopez, the Beaufort County School District, and Joseph Shanklin Elementary School for their work and specifically honors Addison Lopez, Joseph Shanklin Elementary School student of the month.

IN WITNESS THEREOF, I hereunto set my hand and caused the Seal of the City of Beaufort to be affixed this 13th day of June 2023.

STEPHEN D. MURRAY III, MAYOR

ATTEST:

TRACI GULDNER, CITY CLERK



City Council Worksession

Meeting Minutes – Planning Conference Room – 1st Floor

May 23, 2023

I. CALL TO ORDER

5:01 PM

Stephen D. Murray III

Members of Council in attendance - Neil Lipsitz, Mike McFee, Mitch Mitchell, Josh Scallate and Mayor Murray.

II. PRESENTATIONS

A. Interviews of Applicants for Boards and Commissions.

Council held a question-and-answer session for all applicants.

Historic District Review Board - Chris Hartley, Maxine Lutz, Rob Petitgout, and Wayne Reynolds

Tourism Development Advisory Board - Vimal Desai, Matthew McAlhane

Zoning Board of Appeals - Kevin Blank

B. Updates on the Downtown/Point Drainage Project, Southside Park Design Project.

Neal Pugliese, Project Manager and Michael Horton, Engineer with Davis and Floyd, gave an update on the Downtown/Point Drainage Projects. Mr. Horton stated that a drainage study was completed in August 2022. The plan identified 28 drainage projects. The estimated cost is \$23 million. The City has received various grants that are slightly under \$18 million. The priority ranking along with grant funds that have been received are as follows:

1. King Street - \$9,460,299.00.
2. Charles/Craven Streets - \$7,527,351.00.
3. Port Republic/Carteret Streets - Combined with the above.
4. Bayard Street - \$800,000.00.
5. Washington/Carteret Streets - TBD.

Mr. Pugliese and Mr. Horton then went over each project from Analysis to Closeout.

Mr. Pugliese stated that it is critical for the work to be done in a concurrent fashion. There will be construction in many different places happening at the same time. Due to grant funding time constraints, they cannot be done individually.

Mr. Horton and Linda Roper, Downtown Operations and Community Services Director, then went over Phase I of the Southside Park Improvements. Mr. Horton stated that construction is slated to commence in January 2024. Ms. Roper indicated there would be two playgrounds. One for ages 2-5 and another for 5-12. She went over the playground equipment that was chosen by the taskforce. All will be ADA compliant.

Mayor Murray would like to have another worksession on the drainage projects to see how it is going to affect the surrounding neighbors near each of the five projects. What is it going to look like? How will the public be notified? Also, what data is being factored in regarding sea level rise and climate change? He would also like to see the same thing done for Southside Park.

III. EXECUTIVE SESSION

Councilman Lipsitz made a motion to go into Executive Session and seconded by Councilman Mitchell.

- A. Pursuant to Title 30, Chapter 4, Section (70) (a) (1) of the South Carolina Code of Law: Discussion regarding personnel appointed by Council.
- B. Pursuant to Title 30, Chapter 4, Section (70) (a) (2) of the South Carolina Code of Law: Discussion regarding the proposed sale or purchase of property.

Mayor Pro Tem, McFee made a motion to recess Executive Session and resume once the Regular Meeting has concluded. The motion was seconded by Councilman Lipsitz. All were in favor, motion carried.

Councilman Lipsitz made a motion to come out of Executive Session and was seconded by Councilman Mitchell.

No actions from Executive Session.

IV. ADJOURN

9:30 PM

Disclaimer: This document is a summary. All City Council Worksessions and Regular Meetings are recorded. Live stream can be found on the City's website at www.cityofbeaufort.org (Agenda section). Any questions, please contact the City Clerk, Traci Guldner at 843-525-7024 or by email at tguldner@cityofbeaufort.org.



City Council Regular Meeting
Meeting Minutes – City Hall Council Chambers, 2nd Floor

May 23, 2023

I. CALL TO ORDER

7:18 PM

Mayor, Stephen D. Murray III

Members of Council in attendance - Neil Lipsitz, Mike McFee, Mitch Mitchell, Josh Scallate and Mayor Murray.

II. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Pro Tem, Mike McFee

III. PROCLAMATIONS/COMMENDATIONS/RECOGNITIONS

- A. Character Education Proclamation - Quaeshawn Fields, Whale Branch Early College High School.

Motion to approve was made by Mayor Pro Tem, McFee and seconded by Councilman Lipsitz.

All were in favor, motion carried.

IV. PUBLIC COMMENT

Mr. Louie Rabinowitz, 2016 Bay Street, is thankful for the lowering of the speed limit on Bay Street but would like to see more police enforcement.

V. PUBLIC HEARING

- A. Fiscal Year 2024 Recommended Budget.

Alan Eisenman, Finance Director, stated that the notice of Public Hearing was advertised in the Beaufort Gazette on May 5, 2023. The Millage Rate is proposed at 73.9 Mills. The total appropriation is a little over \$57.6 million which is broken down into various funds. General Fund \$23.6 million. Parks and Tourism \$4.3 million. Stormwater \$1.3 million. State Accommodation Tax \$736,000.00. Fire Impact Fee Fund \$129,000.00. American Rescue Plan Act Fund (ARPA) \$215,000.00. Capital Project Fund \$27.1 million.

For revenues, General Fund \$23.2 million. Parks and Tourism \$4.3 million. Stormwater \$1.3 million. State Accommodation Tax \$800,000.00. Fire Impact Fee Fund \$405,000.00. American Rescue Plan Fund (ARPA) \$100,000.00. Capital Projects \$8.7 million. Total revenues of \$39 million.

Graham Trask, Citizen, addressed Council.

VI. MINUTES

A. Worksession and Regular Meeting - May 9, 2023.

Motion to approve was made by Mayor Pro Tem, McFee and seconded by Councilman Mitchell.

Minutes approved as presented.

B. Worksession - May 16, 2023.

Motion to approve was made by Councilman Lipsitz and seconded by Mayor Pro Tem, McFee.

Minutes approved as presented.

VII. OLD BUSINESS

A. Ordinance to amend Fiscal Year 2023 Budget for utilization of Fire Impact Fee Revenues as down payment for New Fire Truck - 2nd reading.

Motion to approve was made by Mayor Pro Tem, McFee and seconded by Councilman Lipsitz.

First reading was held on May 9, 2023. No changes were made since first reading.

Patrick Canning, Burroughs Avenue, addressed Council.

All were in favor, motion carried.

B. Ordinance approving and authorizing the negotiation and execution by the City Manager of Intergovernmental Agreements with Beaufort County for the imposition and collection of Impact Fees for Parks and Recreation, Transportation, and Library Services - 2nd reading.

Motion to approve was made by Mayor Pro Tem, McFee and seconded by Councilman Lipsitz.

First reading was held on November 15, 2022. Second reading was withheld until some scrivener's errors could be corrected on Beaufort County's list of Impact Fee Capital Projects to match what the City had originally projected. This has now been accomplished.

Patrick Canning, Burroughs Avenue, addressed Council.

Graham Trask, Citizen, addressed Council.

All were in favor, motion carried.

VIII. NEW BUSINESS

A. A Resolution authorizing the Mayor and City Council to execute an American Rescue Plan Act (ARPA) Stormwater Infrastructure Program Subrecipient Agreement between the City of Beaufort and the South Carolina Office of Resilience to fund a Stormwater Infrastructure Improvement Project that will mitigate the impact of future disasters.

Motion to approve was made by Councilman Lipsitz and seconded by Councilman Mitchell.

Carrie Gorsuch, Infrastructure Project Support Coordinator, gave background information on the reasoning for the adoption of the resolution. This will be for the City Manager to execute an agreement with the South Carolina Office of Resilience for an awarded grant in the amount of \$7,357,351.00 for drainage improvements along Charles/Craven Street and Port Republic/Carteret Street.

All were in favor, motion carried.

- B. An ordinance to provide for the levy of taxes for the City of Beaufort for Fiscal year beginning July 1, 2023 and ending June 30, 2024; to provide for execution of and to put into effect the consolidated budget; and to provide budgetary control of the City's fiscal affairs; and other matters relating thereto - 1st reading.

Motion to approve was made by Mayor Pro Tem, McFee and seconded by Councilman Lipsitz.

Scott Marshall, City Manager, started off by giving the previous dates of all the meetings that took place regarding the budget. The recommended budget is \$57,663,588.00 with \$27.1 million being in the Capital Projects Fund. This is the first time that the Capital Project Funds have been included in the overall annual budget.

Patrick Canning, Burroughs Avenue, addressed Council.
Graham Trask, Citizen, addressed Council.

All were in favor, motion carried.

IX. REPORTS

City Manager's Report

The newly designed website is up and running as of May 18, 2023. Great job by our communications manager, Kathleen Williams. Thanked Council for their input during the redesign process. We think it looks good, with improved functionality as well. Check it out and let us know if you run into any problems. www.cityofbeaufort.org.

This past Sunday was the one-year anniversary of the day we almost lost our former Mayor Billy Keyserling, when he drowned in a boating accident and was revived by emergency responders. Keeping true to his pledge to be trained and certified in CPR, he is inviting others to join him in a CPR certification class this Thursday, May 25, 2023, at the Beaufort-Port Royal Fire Station #2 at 5:00 pm. To register, you can call the Fire Department's main number at 843-525-7055. The fee is \$35.00 to cover the cost of learning materials and certification card.

First Friday, June 2, 2023, there will be a street closure for the Sip and Stroll event downtown.

City offices will be closed on Monday, May 29, 2023, in observance of Memorial Day. He reminded everyone that Memorial Day is not a time for celebration, but rather a time for reflection and remembrance of those military members who made the ultimate sacrifice for the rest of us and the families that must continue without them.

Lastly, we are about to enter the 101 Critical Days of Summer, and with it, Hurricane Season. It's a good time to remember to stay hydrated, wear your sunscreen, look out for one another and be sure your hurricane plan is up to date.

Mayor's Report

Invited everyone to come out for the Memorial Day Parade and Ceremony afterwards at the National Cemetery. This will take place on Monday, May 29, 2023, beginning at 10:00 am.

Reported that the Gullah Festival will be taking place this weekend at the Waterfront Park.

Councilman Mitchell

Thanked Reverend Dr. Elijah Washington, who is the Commander of the Camp 21 at the Grand Army of

Mayor Pro Tem, McFee

Stated he would be attending the next Housing Coalition and the Northern Regional Plan Implementation Committee meetings.

Councilman Scallate

Recognized all those in the Emergency Medical Services field as this week is National Emergency Medical Services Week.

Councilman Lipsitz

Stated he attended The Point Association picnic.

Thanked Kathleen Williams on the new City Website redesign.

Attended the Southern Lowcountry Regional Meeting earlier today.

Congratulated Phil Cromer on being named the President of the Beaufort County Historical Society.

Council thanked staff for all their hard work in preparing the Fiscal Year 2024 Budget.

Some members of Council attended the Old Commons Neighborhood Association meeting.

X. ADJOURN

8:30 PM

Motion to adjourn was made by Councilman Lipsitz and seconded by Councilman Mitchell.

All were in favor, motion carried.

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CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 5/24/2023
FROM: Scott Marshall, City Manager
AGENDA ITEM TITLE: An ordinance to provide for the levy of taxes for the City of Beaufort for Fiscal Year beginning July 1, 2023 and ending June 30, 2024; to provide for execution of and to put into effect the consolidated budget; and to provide budgetary control of the City's fiscal affairs; and other matters relating thereto - 2nd reading
MEETING DATE: 6/13/2023
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

First reading was held on May 23, 2023. No changes made since first reading.

PLACED ON AGENDA FOR: *Action*

REMARKS:

ATTACHMENTS:

Description	Type	Upload Date
Fiscal Year 2024 Budget Presentation	Backup Material	5/25/2023
Fiscal Year 2024 Budget Ordinance	Backup Material	5/24/2023

City of Beaufort, South Carolina



**FISCAL YEAR 2024
CONSOLIDATED BUDGET
SECOND READING
PRESENTED JUNE 13, 2023**



City Manager's Message

June 13, 2023

Dear Mayor, Members of City Council and City of Beaufort Stakeholders:

It is my distinct honor and pleasure to deliver to you the recommended City of Beaufort Fiscal Year 2024 Consolidated Budget. The budget total is \$57,663,588 and directly funds initiatives that have been identified in each of the City's five Key Focus Areas of providing a Safe and Vibrant City; Managing Growth and Protecting Natural Resources; Economic Development and Innovation; Fiscal Sustainability; and Organizational Excellence. Moreover, it does so while maintaining General Fund expenditures at the same level as Fiscal Year 2023 and introduces no additional tax burden to residents and business owners.

As a result of the quadrennial reassessment, our anticipated value of a mill is \$128,731, with a municipal mill rate of 73.9. This results in a mill rollback of 4.3 mills from Fiscal Year 2023's mill rate of 78.2. Though the City does have capacity to increase millage, this budget is reflective of responsible programming and planning by City Staff and does not dictate the need to do so.



City Manager's Message

This budget differs from years past in that it is truly a consolidated budget encompassing a complete accounting of all funds for which the City anticipates spending in Fiscal Year 2024. In prior years, most capital project expenditures were not accounted for in the annual consolidated budget, but rather were tracked separately through a series of individual project budgets. This year we are introducing an additional fund to our consolidated budget portfolio, the Capital Projects Fund. This will accomplish three very important things:

- 1) It provides a comprehensive picture of our Fiscal Year 2024 Budget;
- 2) it provides an additional degree of transparency regarding the City's use of funds for expensive capital construction costs; and
- 3) it introduces another layer of accountability to ensure that City Council and City Staff are committing resources to priorities and initiatives that have been identified through the strategic planning process.



City Manager's Message

Other highlights of this budget include:

- Significant, continued investment in the City's talented workforce with cost-of-living (COLA) pay adjustment for employees of 5% across the board, with an additional up to 2% merit increase. This will help us remain competitive as an employer of choice in the labor market and will aid in the retention of our talented employees.
- Addition of a Geographic Information Systems (GIS) capability. Through the addition of a full-time equivalent (FTE) position devoted to Information Technology and GIS and the procurement of specialized permitting software, we will be able to keep our maps current and introduce user-friendly online mapping software. The combination of the GIS position and new mapping capability will allow us to greatly improve our transparency regarding status of applications for permits, capital projects, infrastructure networks and much more.



City Manager's Message

- Three School Resource Officers (SROs) will be added, two of which are funded by the South Carolina Department of Public Safety. The addition of these SROs will ensure that we have an SRO in every one of our public schools in the City; Beaufort Elementary, Mossy Oaks Elementary, Beaufort Middle School, Lady's Island Middle School, and two SROs at Beaufort High School.
- Semi-annual City newsletter that will be mailed to all residents to keep them informed and engaged. The newsletter will have both standard contact information on who to contact and how they can be reached for various concerns and transactions as well as containing topical news on projects and other happenings in the City. It will be a wealth of useful information delivered to the mailboxes of our residents.



City Manager's Message

- New software capability for electronic submittal and review of site plans, construction plans and other planning documents. This BLUEBEAM software system is becoming a standard in the urban planning community and provides a more efficient means of sharing information between City Community Development staff and permit applicants.
- Funding for strategic partners of the City to include, but not limited to the Beaufort Digital Corridor, the Military Enhancement Committee, South Coast Cyber Center, the Beaufort County Economic Development Corporation, and the Beaufort-Port Royal Convention and Visitors Bureau.
- Set aside \$15,000 in Parks & Tourism Fund and \$100,000 in State Accommodations Tax Fund to support the Downtown Twilight Hours initiative. The objective of this initiative is to develop and execute a program which will stimulate evening commerce in the Historic District through a probable combination of business-owner incentives and special programming.



City Manager's Message

Though the size of the Fiscal Year 2024 Consolidated Budget is significantly higher than the Fiscal Year 2023 Consolidated Budget due to the addition of the Capital Projects Fund, General Fund expenditures remain relatively flat. The Fiscal Year 2023 Amended Budget General Fund is \$23,454,433 while the Fiscal year 2024 recommended amount is \$23,658,750.

Of note are several changes to the Fee Schedule for Fiscal Year 2024. The Residential Solid Waste Fee will increase from \$20 per month to \$22.50 per month and will be billed annually at the rate of \$270 as part of the annual real property tax bill. The rate increase is necessary due to a consumer price index escalator clause in our contract with Capital Waste Services. Rates for off-duty police personnel are increased from \$50 per hour to \$60 per hour, which remains a comparable rate with other local public law enforcement providers. In our Community Development Department, we are implementing plan review fees to remain revenue neutral when outsourcing review of plans by architects and professional engineers. We are also adding park rental fees for the newly opened Whitehall Park.



City Manager's Message

Our new fund in the Fiscal Year 2024 Consolidated Budget is the Capital Projects Fund. The intent of this fund is to establish clear commitment to capital projects that City Council has deemed to be priorities consistent with objectives in support of the City's Strategic Plan. The expected expenditures in this fund total \$27,197,627 which are comprised of revenues from federal and state grants; transfers in from the balance of various funds previously committed to capital projects, to include ARPA funds and stormwater bond funds; contributions from project partners; Parks & Tourism funds; and Parks & Tourism revenue bonds which we will seek in Fiscal Year 2024. These Parks & Tourism Revenue bonds will allow us to complete significant construction projects at Washington Street Park and Southside Park.

I am confident you will find that the details of this budget support the accomplishments of objectives supporting our key focus areas to the greatest degree possible. I am also confident that this budget demonstrates great stewardship of public dollars while being responsive to our community's needs.



City Manager's Message

This budget was assembled through the very hard work of our Deputy City Manager, department directors and members of our Finance Department who were patiently working with a new City Manager.

We stand ready to address any questions or concerns regarding the City of Beaufort Fiscal Year 2024 Consolidated Budget, as recommended by Staff.

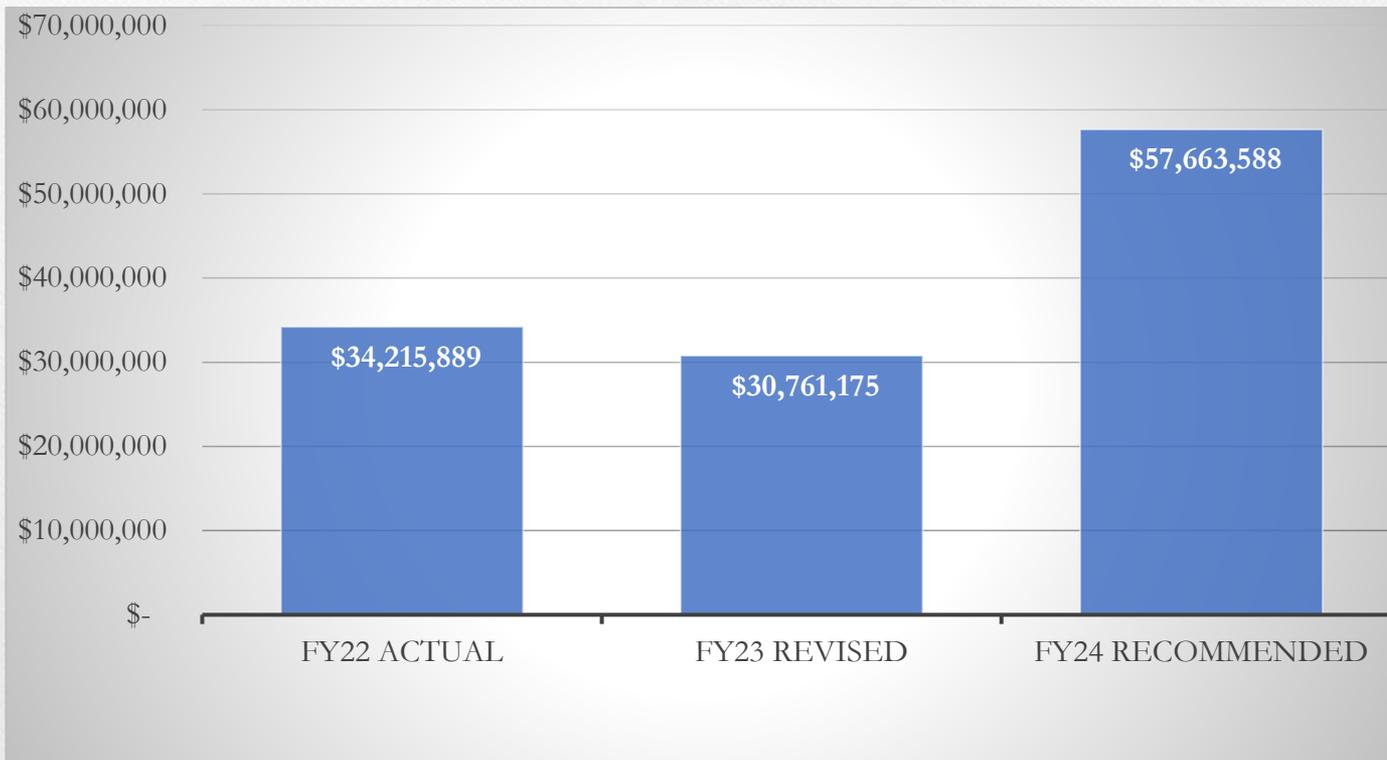
In Service,

Scott M. Marshall
City Manager

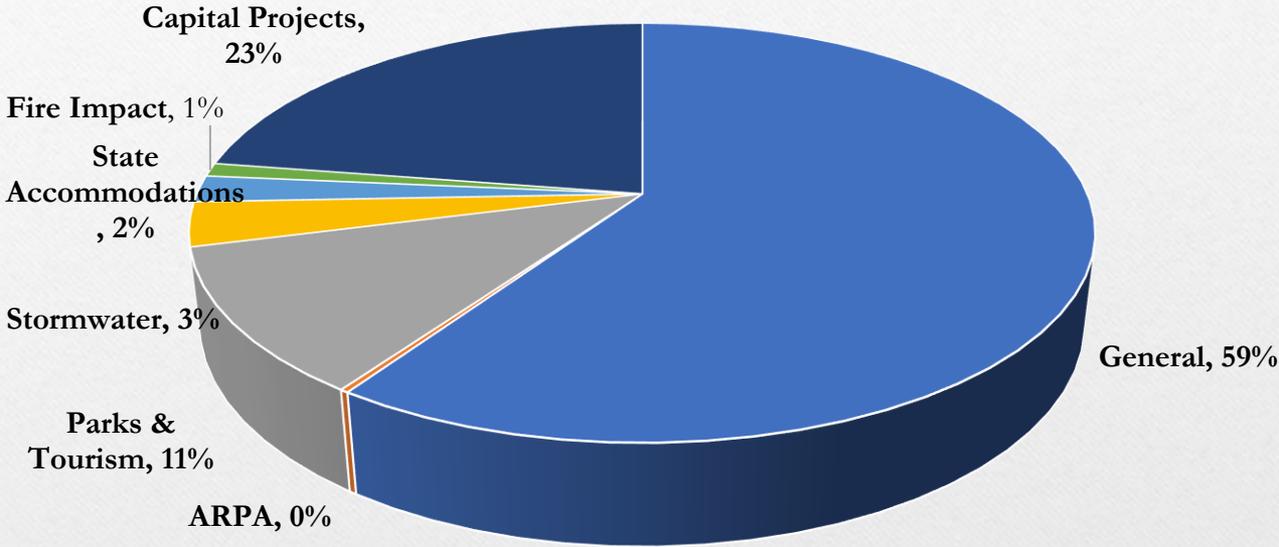
FY24 Proposed Consolidated Budget

\$57,663,588

**Includes \$27.1M in Capital Project Fund*

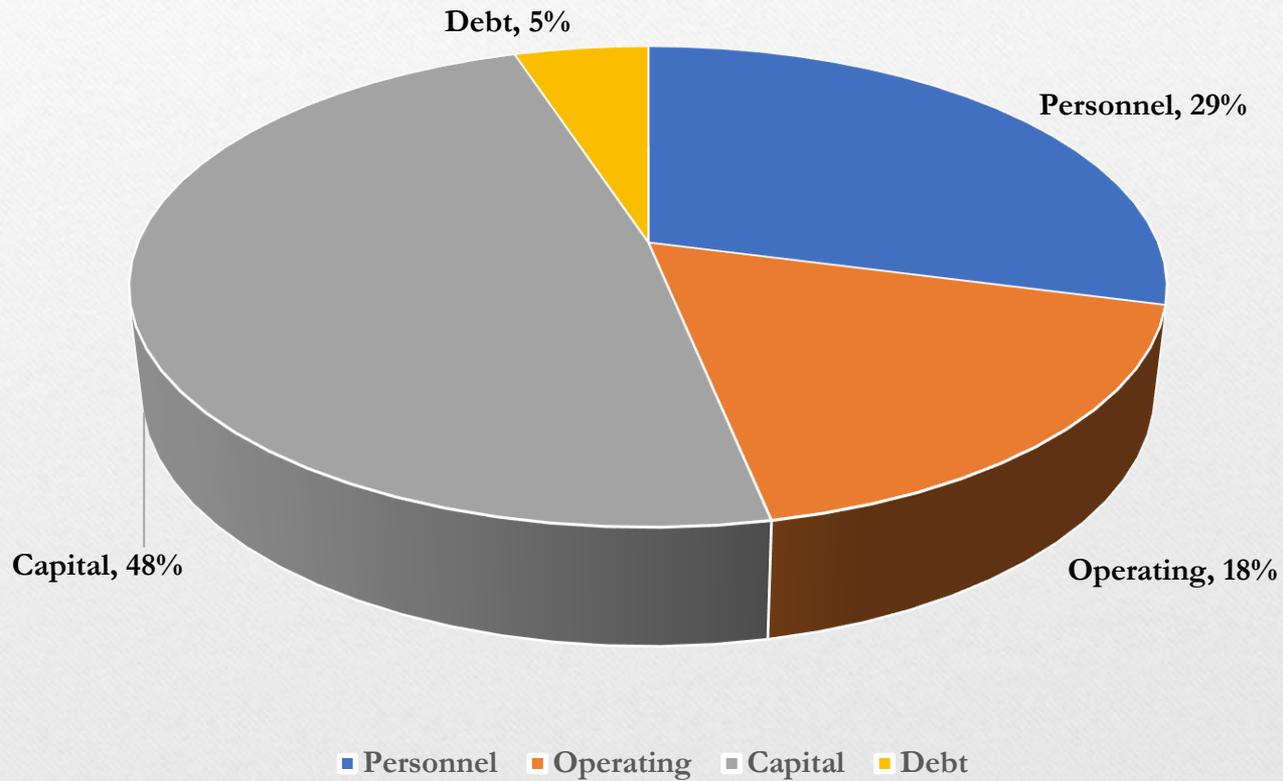


FY 24 Projected Revenue Sources

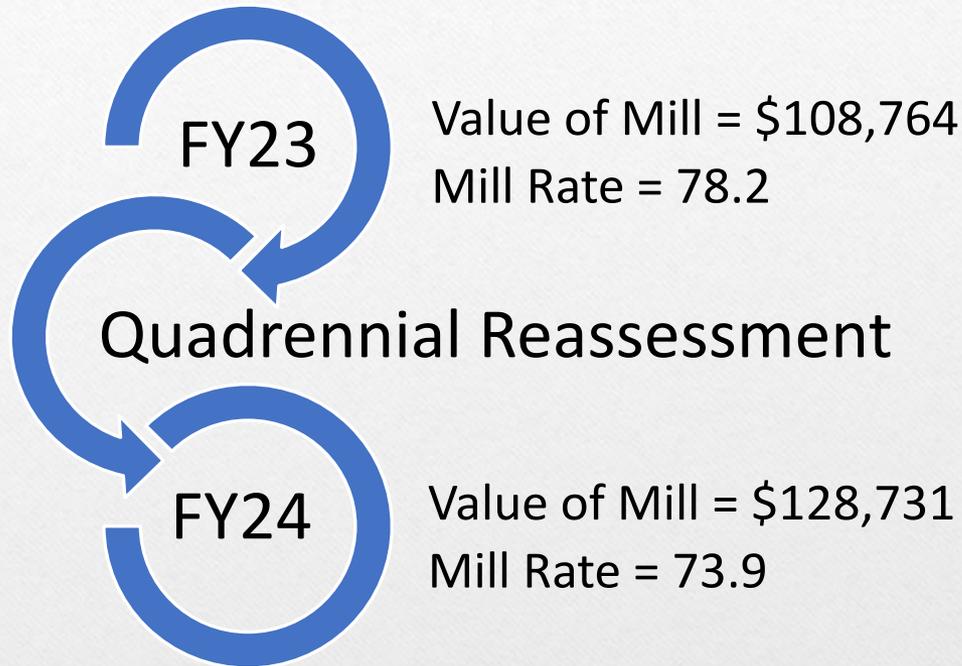


- General
- ARPA
- Parks & Tourism
- Stormwater
- State Accommodations
- Fire Impact
- Capital Projects

FY 24 Projected Expenses



Reassessment and Millage



Overall Millage Reduced by 4.3 Mills

Budget Highlights

- Millage Rollback of 4.3 Mills
- Employee COLA Increase of 5%
- Employee Merit Increase of up to 2%
- New FTEs
 - GIS Manager
 - Three School Resource Officers (Two are state-funded)
 - Staff Architect
 - One part-time Records Manager in Police Department

Budget Highlights

- All of our public schools will have an SRO; Beaufort High School will gain an additional SRO
- Addition of GIS Manager and ENERGOV allows us to produce web-based interactive maps and story boards
- Acquisition of NEOGOV for HRIS provides enhanced employee training and support capability
- Addition of BLUBEAM will allow for electronic submittal AND digital review of plans
- Semi-Annual City newsletter distributed to all city residents and businesses

Budget Highlights

- Provides Funding for Strategic Partners
 - Beaufort Digital Corridor - \$100,000
 - Military Enhancement Committee - \$15,000
 - South Coast Cyber Center - \$100,000
 - BC Economic Development Corp - \$40,000
 - LCOG Military Installation Resiliency - \$10,727
 - Beaufort-Port Royal Convention & Visitors Bureau - \$362,500
- Downtown Twilight Hours Initiative
- New debt for Southside and Washington Street Parks Projects

Budget Highlights

- Changes to City's Fee Schedule include the following:
 - Residential Solid Waste Fee from \$20/month to \$22.50/month will be billed \$270 annually as shown on sample property tax bill.

WHERE YOUR TAX DOLLARS GO			
THE TAX AMOUNT FOR EACH FUND LISTED IN THE DESCRIPTION BOX BELOW IS CALCULATED BY MULTIPLYING THE ASSESSED VALUE BY THE MILLAGE RATE. THIS DOES NOT APPLY TO "FEE" CHARGES.			
DESCRIPTION	MILLAGE	ASSESSED VALUE	TAX/FEE/INT
CITY OF BEAUFORT OPERATIONS	0.05830	11,040	643.63
CITY OF BEAUFORT DEBT	0.01560	11,040	172.22
City of Beaufort Solid Waste			270.00
TOTALS	0.07390		1,085.85

- Police Off Duty from \$50/HR to \$60/HR
- Implement Plan Review Fees
- Addition of Park Rental Fees for Whitehall Park

Next Steps

May 9

Department Director presentations in Council Work Session



May 16

Special Council Work Session to review budget and discuss Council-desired changes



May 23

Public Hearing and First Reading of FY24 Consolidated Budget



June 13

Second & Final Reading of FY24 Consolidated Budget

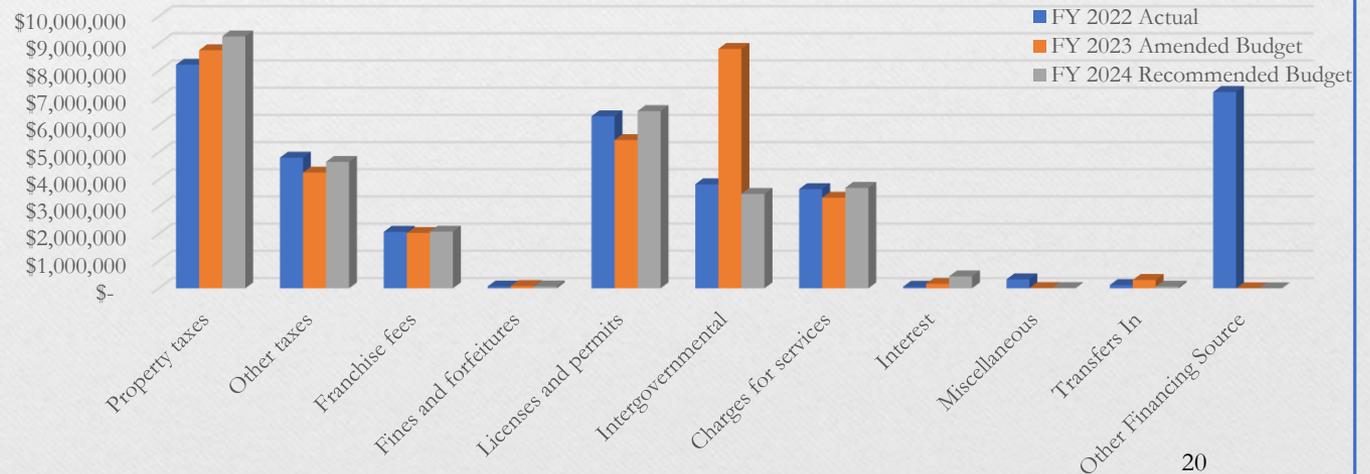
Consolidated FY 2024 Recommended Budget

	<u>General Fund</u>	<u>ARPA Fund</u>	<u>Parks & Tourism Fund</u>	<u>Stormwater Fund</u>	<u>State Accommodations Fund</u>	<u>TIF II Fund</u>	<u>Fire Impact Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Revenues	<u>\$ 23,207,552</u>	<u>\$ 100,000</u>	<u>\$4,393,852</u>	<u>\$1,332,779</u>	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ 405,000</u>	<u>\$ 8,794,785</u>	<u>\$39,033,968</u>
Transfers In	63,750	-	-	-	-	-	-	17,156,976	17,220,726
Issuance of revenue bonds	-	-	6,945,000	-	-	-	-	-	6,945,000
Total Other Financing Sources	<u>63,750</u>	<u>-</u>	<u>6,945,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,156,976</u>	<u>24,165,726</u>
Release of Committed Fund Balance	1,465,476	-	-	-	-	-	-	-	1,465,476
Release of Fund Balance	-	3,677,485	290,585	1,655,915	-	3,625,054	-	1,245,866	10,494,905
Salaries	9,847,642	-	1,851,930	413,856	17,226	-	-	-	12,130,655
Benefits	3,766,377	-	716,025	174,512	6,675	-	-	-	4,663,590
Operating	7,657,087	215,091	1,396,199	232,610	712,349	-	-	-	10,213,337
Capital	465,200	-	120,600	-	-	-	-	27,197,627	27,783,427
Debt	1,922,443	-	309,098	511,800	-	-	129,239	-	2,872,580
Total Expenditures	<u>23,658,750</u>	<u>215,091</u>	<u>4,393,852</u>	<u>1,332,779</u>	<u>736,250</u>	<u>-</u>	<u>129,239</u>	<u>27,197,627</u>	<u>\$57,663,588</u>
Transfers Out	<u>1,078,028</u>	<u>3,562,394</u>	<u>7,235,585</u>	<u>1,655,915</u>	<u>63,750</u>	<u>3,625,054</u>	<u>-</u>	<u>-</u>	<u>17,220,726</u>
Total Other Financing Uses	<u>1,078,028</u>	<u>3,562,394</u>	<u>7,235,585</u>	<u>1,655,915</u>	<u>63,750</u>	<u>3,625,054</u>	<u>-</u>	<u>-</u>	<u>\$17,220,726</u>
Contribution to Fund Balance	-	-	-	-	-	-	275,761	-	275,761
Net (Deficit) Surplus	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 0</u>

Consolidated Revenue Budget Summary

	<u>FY 2022 Actual</u>	<u>FY 2023 Amended Budget</u>	<u>FY 2024 Recommended Budget</u>	<u>Change</u>	<u>% Change</u>
General Fund	\$ 27,043,277	\$ 22,960,792	\$ 23,207,552	\$ 246,760	1.07%
Special Revenue Funds					
Parks and Tourism Fund	4,646,288	4,154,630	4,393,852	239,222	5.76%
State Accommodations Fund	916,678	633,333	800,000	166,667	26.32%
Fire Impact Fund	1,990,287	130,000	405,000	275,000	0.00%
Stormwater Fund	1,225,692	1,226,753	1,332,779	106,026	8.64%
TIF II Fund	12,631	-	-	-	0.00%
Capital Projects Fund	784,426	-	8,794,785	8,794,785	100.00%
American Rescue Plan Act Fund	870,604	4,096,515	100,000	(3,996,515)	-98%
	<u>\$ 37,489,883</u>	<u>\$ 33,202,023</u>	<u>\$ 39,033,968</u>	<u>\$ 5,831,945</u>	<u>17.57%</u>

**Where the
money
comes
from**



FY 2024 Consolidated Revenue Budget Highlights

- Property Tax in the General Fund includes a millage rollback due to the County's reassessment. The proposed millage rate decreases from 78.2 to 73.9.
- Overall revenue growth of the General Fund is estimated at 1.07% over FY 2023 or \$246,760.
- The City has experienced recent growth in residential and commercial developments for an anticipated \$780k increase in business licenses and building permits in the General Fund. This has also led to an increase in the collection of fire impact fees.
- The final ARPA payment from the Treasury was received in FY23, therefore the only FY24 budgeted revenues is for interest.
- Though the impacts of COVID 19 affected the City's local hospitality and accommodations taxes reported in the Park & Tourism, the City has experienced activity surpassing pre-pandemic levels. During FY 2024, the budget includes estimated increases of 5.7%, or \$239,222 over FY 2023.
- Stormwater revenues are estimated to increase 8.6% over FY 2023.

Consolidated Expenditure Budget Summary

	<u>FY 2022 Actual</u>	<u>FY 2023 Amended Budget</u>	<u>FY 2024 Recommended Budget</u>	<u>Change</u>	<u>% Change</u>
General Fund					
Salaries	\$ 8,151,018	\$ 8,997,766	\$ 9,847,642	\$ 849,876	9.45%
Benefits	2,871,642	3,480,541	3,766,377	285,836	8.21%
Operations	6,377,266	8,772,680	7,657,087	(1,115,593)	-12.72%
Capital	5,479,423	376,860	465,200	88,340	23.44%
Debt	1,921,181	1,826,585	1,922,443	95,859	5.25%
Total General Fund	<u>\$ 24,800,529</u>	<u>\$ 23,454,433</u>	<u>\$ 23,658,750</u>	<u>\$ 204,318</u>	<u>0.87%</u>
Parks and Tourism Fund					
Salaries	\$ 1,352,365	\$ 1,589,942	\$ 1,851,930	\$ 261,988	16.48%
Benefits	492,750	619,588	716,025	96,438	15.56%
Operations	1,261,936	1,374,377	1,396,199	21,823	1.59%
Capital	92,153	303,015	120,600	(182,415)	-60.20%
Debt	309,098	309,098	309,098	(0)	0.00%
Total Parks and Tourism Fund	<u>\$ 3,508,302</u>	<u>\$ 4,196,019</u>	<u>\$ 4,393,852</u>	<u>\$ 197,833</u>	<u>4.71%</u>
Stormwater Fund					
Salaries	\$ 330,799	\$ 343,930	\$ 413,856	\$ 69,927	20.33%
Benefits	124,386	141,642	174,512	32,870	23.21%
Operations	208,208	235,681	232,610	(3,071)	-1.30%
Debt	513,755	505,500	511,800	6,300	1.25%
Total Stormwater Fund	<u>\$ 1,177,149</u>	<u>\$ 1,226,753</u>	<u>\$ 1,332,779</u>	<u>\$ 106,026</u>	<u>8.64%</u>

Consolidated Expenditure Budget Summary (Cont'd)

	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Recommended Budget	Change	% Change
State Accommodations Fund					
Salaries	\$ 17,914	\$ 15,474	\$ 17,226	\$ 1,752	11.32%
Benefits	8,502	8,573	6,675	(1,899)	-22.14%
Operations	442,187	503,870	712,349	208,479	41.38%
Capital	-	50,000	0	(50,000)	-100.00%
Total State Accommodations Fund	\$ 468,604	\$ 577,917	\$ 736,250	\$ 158,333	27.40%
Fire Impact Fund					
Capital	\$ 1,846,832	\$ -	\$ -	\$ -	0.00%
Debt	-	-	129,239	129,239	100.00%
Total Fire Impact Fund	\$ 1,846,832	\$ -	\$ 129,239	\$ 129,239	100.00%
ARPA Fund					
Salaries	\$ 178,980	\$ -	\$ -	\$ -	0.00%
Benefits	40,008	-	-	-	0.00%
Operations	44,350	560,445	215,091	(345,354)	0.00%
Capital	598,400	745,608	-	(745,608)	0.00%
Total ARPA Fund	\$ 861,739	\$ 1,306,053	\$ 215,091	\$ (1,090,962)	0.00%
Capital Projects Fund					
Capital	\$ 1,552,735	\$ -	\$ 27,197,627	\$ 27,197,627	100.00%
Total Capital Projects Fund	\$ 1,552,735	\$ -	\$ 27,197,627	\$ 27,197,627	100.00%
Total All Funds	\$ 34,215,889	\$ 30,761,175	\$ 57,663,588	\$ (295,214)	-0.96%

FY 2024 Consolidated Expenditure Budget Highlights

Salaries and Benefits

- There are 4.5 new FTE new positions included in the FY 2024 Recommended Budget.
- The personnel budget includes an entire fiscal year of 5% COLA and health insurance premium adjustments that were approved by Council in February 2023.
- The budget includes a 5% COLA and merit pool of 2% for each department.
- Increase in Retirement Contribution by PEBA of 1%.
- Increase of 5% in Health insurance premiums and 3% increase in dental insurance premiums.
- Includes employee retention programs.
- Overall increase in salaries & benefits of \$1,596,787 or 10%.

Operations

- Overall operations is \$10,213,337 across the funds of the City
 - General Fund decreased 12.7%; Parks & Tourism increased 4.8%; Stormwater increased 2.3%; and State Accommodations Tax increased 41.6%.
 - More detail of these increases are explained in the Fund section.

Capital

- The Capital replacement program is resumed, with resources coming from Committed Fund Balances held in reserve for General Fund purchases. The capital projects fund budget of \$27,197,627 is included in consolidated budget this year.

Debt

- Includes only normal debt payments required for FY 2024. There is new debt included in the recommended budget for revenue bonds for Washington Street and Southside Parks projects.

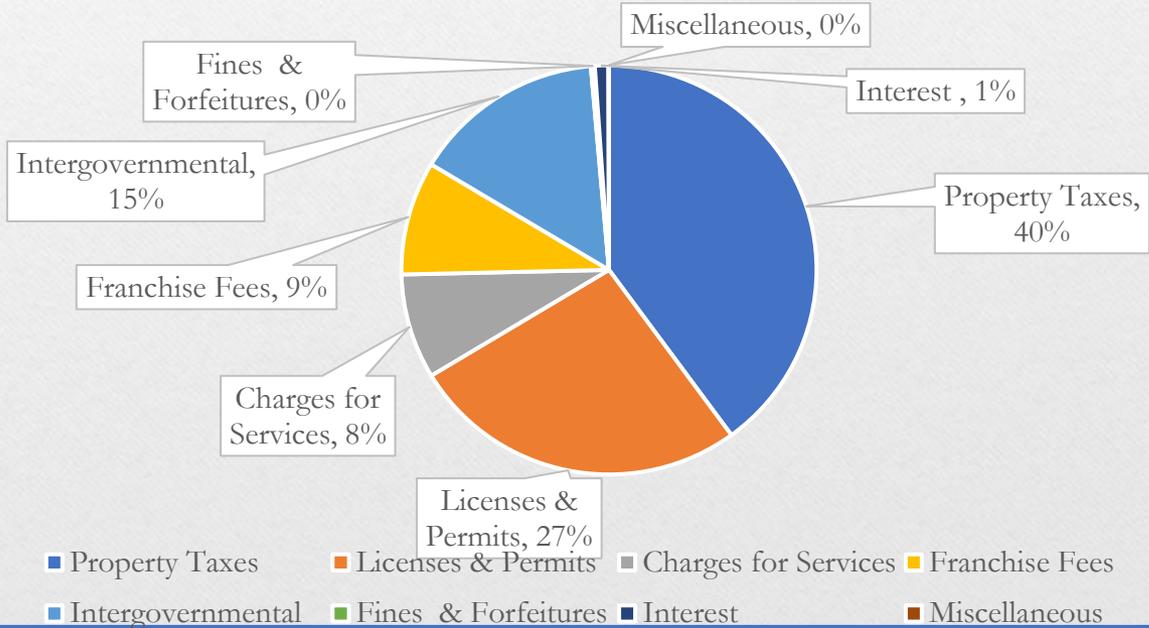
General Fund

The General Fund is the main operating fund of the City. The primary sources of revenue are property taxes, licenses & permit revenues, franchise fees, intergovernmental revenues and general charges for services.

The General Fund accounts for the activity of the City Council, City Manager, Finance & Information Technology, Human Resources, Municipal Court, Community & Economic Development & Building Inspections, Police, Fire, and Public Works.

BUDGET SUMMARY - REVENUES

	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Recommended Budget	Increase (Decrease) from Prior Year
Property Taxes	\$ 8,226,850	\$ 8,757,485	\$ 9,266,244	\$ 508,759
Licenses & Permits	6,184,995	5,321,832	6,120,000	798,168
Charges for Services	1,684,095	1,576,532	1,922,734	346,202
Franchise Fees	2,075,579	2,034,920	2,082,880	47,960
Intergovernmental	2,963,662	4,712,607	3,504,694	(1,207,913)
Fines & Forfeitures	67,402	82,000	71,000	(11,000)
Interest	23,520	160,000	230,000	70,000
Miscellaneous	322,702	10,000	10,000	-
Total Revenues	\$ 21,548,805	\$ 22,655,376	\$ 23,207,552	\$ 552,176

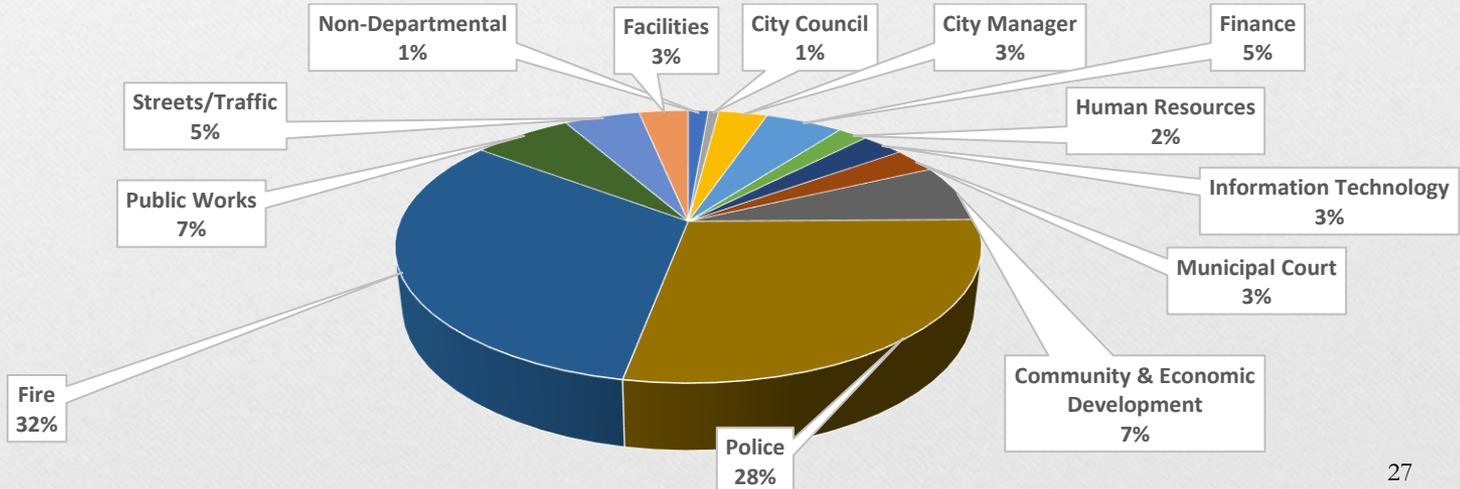


Property Taxes

	FY 2024		
	FY 2022 Actual	FY 2023 Amended Budget	Recommended Budget
Current Property Taxes	\$ 5,559,810	\$ 6,065,805	\$ 6,504,625
Property Taxes - Debt Mil	1,764,962	1,825,170	1,847,155
Delinquent Property Tax	273,650	235,590	239,475
Penalties & Interest	42,182	33,170	34,297
Vehicle Property Taxes	343,006	359,215	398,525
Homestead Exemption	199,215	198,165	198,167
Motor Carrier	14,603	10,370	14,000
Payment in Lieu	29,422	30,000	30,000
Total Property Taxes	\$ 8,226,850	\$ 8,757,485	\$ 9,266,244
Taxable Assessed Value ¹	\$ 104,667,117	\$ 108,764,156	\$ 122,069,477
Value of Mil	\$ 104,667	\$ 108,764	\$ 122,069

¹ TY 2023 estimated taxable assessed value presented in FY 2024 Recommended budget is estimated based on historical and known growth

Percentage of Property Tax Revenue to Net Department expenditures



Property Taxes

- Represents the largest revenue source of the City, or approximately 39.9% of the total revenues.
- Beaufort County's reassessment on real property impacts the City's FY24 property tax calculation.
- Taxable reassessed value of real property for tax year 2023 is estimated to be \$104,855,725, a 14% growth over the actual ending values for tax year 2022.
- Taxable assessed value of personal property is estimated for tax year 2023 to be \$9,916,227, a 3% growth over the actual ending values for tax year 2022.
- Vehicle taxable assessed value is estimated for tax year 2023 of \$7,297,525, a 1.5% increase over tax year 2022.
- Total Taxable Assessed Value is estimated at \$122,069,477, an overall increased of \$13,305,321 from FY 2023.
- The millage cap is 8.7% based on CPI and growth in population. The recommended budget includes decrease in the operating and debt millage rollback as follows for:
 - The operating mil was 58.9 and reserve mil was 2.0 for a total of 60.9 mil in FY23. These mils are rolled back to 53.7 due to the County's reassessment. The City's millage cap (8.7%) is applied to millage rollback for FY 2023 Operating Mil is 56.3. A decrease in property tax operating millage of 2.6 mils.
 - Debt mil is decreased from 17.3 mils in FY 2023 to 15.6 mils, for a total of 1.7 mils and sufficient to cover the debt service payments.
 - Recommend maintaining the 2 reserve mil and include in operating mil to continue to fund for aging infrastructure.
 - Total recommended millage rate of 73.9 mils and a 4.3 mils decrease to the overall millage.

Reassessment Rollback Millage Example

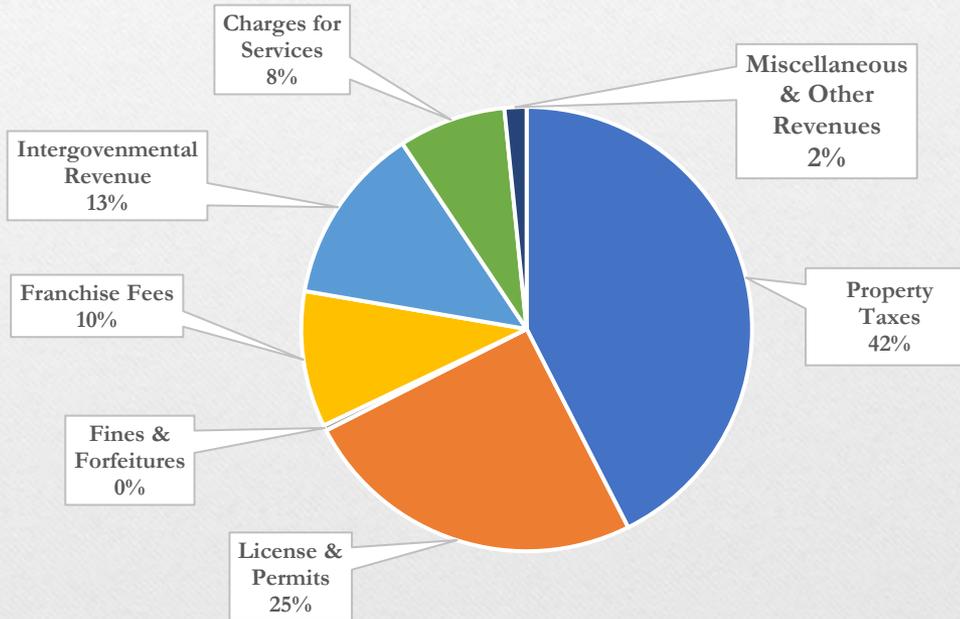
	Millage Increased by Growth & CPI	
	4% Property	6% Property
Value of Home	\$ 350,000	\$ 350,000
Value of Reassessed House- 6%	371,000	371,000
Taxable Value	14,000	21,000
City Tax at FY23 mil (78.2)	1,094	1,642
Taxable Value- Reassessed	14,840	22,260
City Tax at proposed FY24 mil (73.9)	1,097	1,645
Estimated Increase (Decrease)	<u>\$ 3</u>	<u>\$ 3</u>

Other Significant Revenues

- Licenses and permits is budgeted for an estimated increase of \$798k more than FY 2023 amended budget, which is due to continuing development within the City and the associated permits issued.
- Intergovernmental revenues decreased \$1.24M mostly from a \$2M State Grant for Nursing Retention and Cybersecurity that was received in FY23.
 - Includes \$2,490,442 for fire services and \$75,000 for building inspection services provided to the Town of Port Royal.

BUDGET SUMMARY - EXPENDITURES

	General Fund			
	FY 2023 Amended		FY 2024	
	FY 2022 Actual	Budget	Recommended	Change
Salaries	\$ 8,151,018	\$ 8,997,766	\$ 9,847,642	\$ 849,876
Benefits	2,871,642	3,480,541	3,766,377	285,836
Operations	6,377,266	8,772,680	7,657,087	(1,115,593)
Capital	5,479,423	376,860	465,200	88,340
Debt	1,921,181	1,826,585	1,922,443	95,859
Total Expenditures	\$ 24,800,529	\$ 23,454,433	\$ 23,658,750	\$ 204,318



General Fund expenditures are supported by

General Fund Budget By Department

	<u>FY 2022 Actual</u>	<u>FY 2023 Amended Budget</u>	<u>FY 2024 Recommended Budget</u>	<u>Change</u>	<u>% Change</u>
<u>Non Departmental</u>					
Operations	\$ 304,959	\$ 2,296,481	\$ 817,027	\$ (1,479,454)	-64.42%
Capital	5,457,087	-	-	-	0.00%
Total NonDepartmental	\$ 5,762,045	\$ 2,296,481	\$ 817,027	\$ (1,479,454)	-64.42%
<u>City Council</u>					
Salaries	\$ 29,733	\$ 53,200	\$ 67,550	\$ 14,350	26.97%
Benefits	8,502	12,893	15,730	2,838	22.01%
Operations	209,468	115,193	175,213	60,020	52.10%
Total City Council	\$ 247,703	\$ 181,286	\$ 258,494	\$ 77,208	42.59%
<u>City Manager</u>					
Salaries	\$ 375,565	\$ 534,863	\$ 545,388	\$ 10,525	1.97%
Benefits	144,012	210,785	186,596	(24,189)	-11.48%
Operations	132,927	131,961	169,801	37,840	28.68%
Total City Manager	\$ 652,503	\$ 877,608	\$ 901,785	\$ 24,177	2.75%
<u>Finance</u>					
Salaries	\$ 520,461	\$ 487,610	\$ 534,913	\$ 47,303	9.70%
Benefits	167,489	178,554	184,375	5,821	3.26%
Operations	238,859	272,945	251,530	(21,415)	-7.85%
Total Finance	\$ 926,809	\$ 939,109	\$ 970,819	\$ 31,709	3.38%
<u>Information Technology</u>					
Salaries	\$ -	\$ -	\$ 125,000	\$ 125,000	100.00%
Benefits	-	-	48,958	48,958	100.00%
Operations	459,746	519,820	659,468	139,648	26.86%
Capital Outlay	-	-	40,000	40,000	100.00%
Total Information Technology	\$ 459,746	\$ 519,820	\$ 873,426	\$ 353,606	68.02%

General Fund Budget By Department (cont'd)

	<u>FY 2022 Actual</u>	<u>FY 2023 Amended Budget</u>	<u>FY 2024 Recommended Budget</u>	<u>Change</u>	<u>% Change</u>
<u>Human Resources</u>					
Salaries	\$ 184,031	\$ 193,580	\$ 225,703	\$ 32,123	16.59%
Benefits	65,497	70,032	85,570	15,538	22.19%
Operations	118,171	100,128	125,441	25,313	25.28%
Total Human Resources	\$ 367,699	\$ 363,740	\$ 436,714	\$ 72,974	20.06%
<u>Municipal Court</u>					
Salaries	\$ 247,351	\$ 270,723	\$ 259,992	\$ (10,732)	-3.96%
Benefits	88,661	103,844	82,935	(20,909)	-20.13%
Operations	134,131	201,066	199,560	(1,506)	-0.75%
Total Municipal Court	\$ 470,144	\$ 575,634	\$ 542,487	\$ (33,147)	-5.76%
<u>Community Development</u>					
Salaries	\$ 524,691	\$ 609,700	\$ 659,972	\$ 50,271	8.25%
Benefits	168,433	231,652	257,609	25,957	11.20%
Operations	636,773	509,013	493,590	(15,423)	-3.03%
Total Community & Economic Development	\$ 1,329,896	\$ 1,350,365	\$ 1,411,171	\$ 60,805	4.50%
<u>Police</u>					
Salaries	\$ 2,615,028	\$ 2,976,549	\$ 3,267,061	\$ 290,512	9.76%
Benefits	910,701	1,146,791	1,300,653	153,862	13.42%
Operations	993,991	1,198,109	1,358,380	160,271	13.38%
Capital Outlay	3,146	117,550	128,800	11,250	9.57%
Total Police	\$ 4,522,865	\$ 5,438,999	\$ 6,054,894	\$ 615,895	11.32%

General Fund Budget By Department (cont'd)

	<u>FY 2022 Actual</u>	<u>FY 2023 Amended Budget</u>	<u>FY 2024 Recommended Budget</u>	<u>Change</u>	<u>% Change</u>
<u>Fire</u>					
Salaries	\$ 3,272,488	\$ 3,437,524	\$ 3,757,562	\$ 320,038	9.31%
Benefits	1,183,532	1,346,447	1,443,123	96,676	7.18%
Operations	1,128,688	1,062,636	745,323	(317,313)	-29.86%
Capital Outlay	19,190	24,310	44,400	20,090	82.64%
Debt	104,350	208,450	79,211	(129,239)	-62.00%
Total Fire	\$ 5,708,249	\$ 6,079,367	\$ 6,069,619	\$ (9,748)	-0.16%
<u>Public Works</u>					
Salaries	\$ 381,671	\$ 434,017	\$ 404,502	\$ (29,514)	-6.80%
Benefits	134,560	179,544	160,827	(18,716)	-10.42%
Operations	2,075,104	2,365,328	2,661,754	296,426	12.53%
Capital Outlay	-	235,000	252,000	17,000	7.23%
Total Public Works	\$ 2,591,335	\$ 3,213,888	\$ 3,479,083	\$ 265,196	8.25%
<u>General Obligation Debt</u>					
Principal	\$ 1,413,128	\$ 1,220,077	\$ 1,482,497	\$ 262,419	21.51%
Interest	348,407	398,058	360,736	(37,322)	-9.38%
Total General Obligation Debt	\$ 1,761,535	\$ 1,618,135	\$ 1,843,232	\$ 225,098	13.91%
Total General Fund Expenditures	\$ 24,800,529	\$ 23,454,433	\$ 23,658,750	\$ 204,318	0.87%

GENERAL FUND EXPENDITURE SUMMARY

- Salaries in the general fund increased \$849,876 which is primarily a result from February 2023 implementation of 5% cost of living increase for the entire fiscal year along with proposed 5% COLA and the inclusion of a 2% merit allocation for each department to support performance evaluations of personnel. The recommended budget also includes new positions for 3.5 FTEs in the Police Department and 1 FTE in Information Technology department.
- Benefits in the general fund increased \$285,836 which is primarily a result of a 1% increase in State Retirement, 5% increase in health insurance, 3% increase in dental insurance and changes to benefit selections of personnel.
- Operations decreased by \$1,115,593 or 12% and are highlighted as follows:
 - Non-departmental decreased \$1,479,454 compared to FY23 budget mostly attributable to grant expenditures from State grant received in FY23.
 - Information Technology department increased \$139,648 for Citywide improvements to file servers and latest technology to combat cybersecurity threats.
 - Public Works increased \$296,426 to cover the increased cost of residential garbage collection and contracted janitorial services for City buildings.
- Planned use of committed fund balance for capital equipment totaling \$387,448.

Parks & Tourism Fund

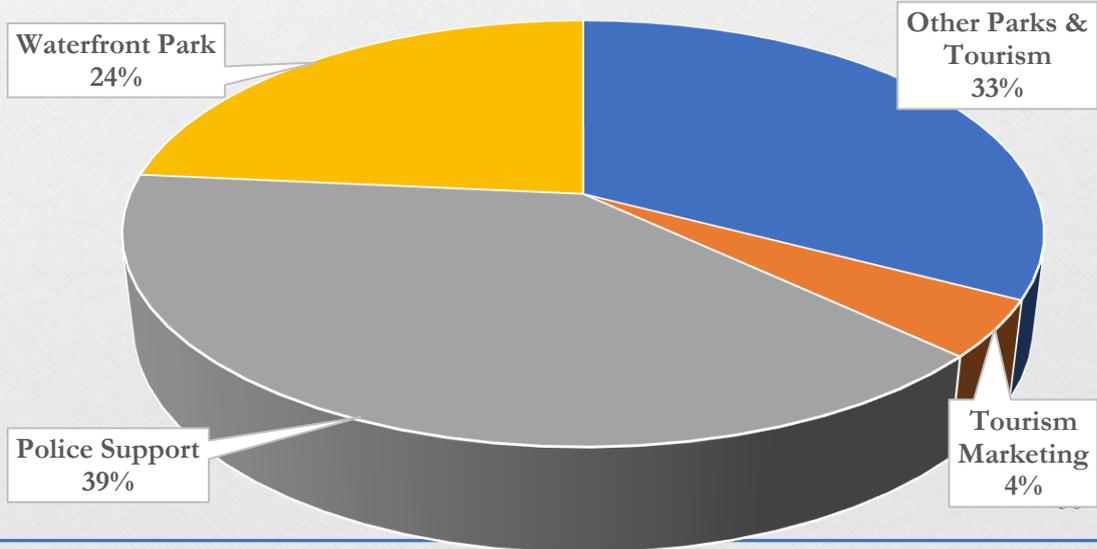
Established to account for the revenues and expenditure activities of the City that are dedicated toward support of tourism related activities, tourism development and the facilities that support those activities.

The Parks & Tourism Fund accounts for the activity of the Parks Department, Police activity in support of Parks and Tourism, Marina operations, Waterfront Park operations, Parking operations, and Downtown operations.

BUDGET SUMMARY - REVENUES

	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Recommended Budget	Increase (Decrease) from Prior Year
Other Taxes	\$ 3,890,378	\$ 3,622,430	\$ 3,850,000	\$ 227,570
Charges for Services	745,123	531,200	512,852	(18,348)
Miscellaneous	6,644	1,000	1,000	-
Intergovernmental	1,738	-	-	-
Interest	2,405	-	30,000	30,000
Total Revenues	4,646,288	4,154,630	4,393,852	239,222
Other Financing Sources				
Issuance of Revenue Bonds	-	-	6,945,000	6,945,000
Total Revenues and Other Financing Sources	\$ 4,646,288	\$ 4,154,630	\$ 11,338,852	\$ 7,184,222

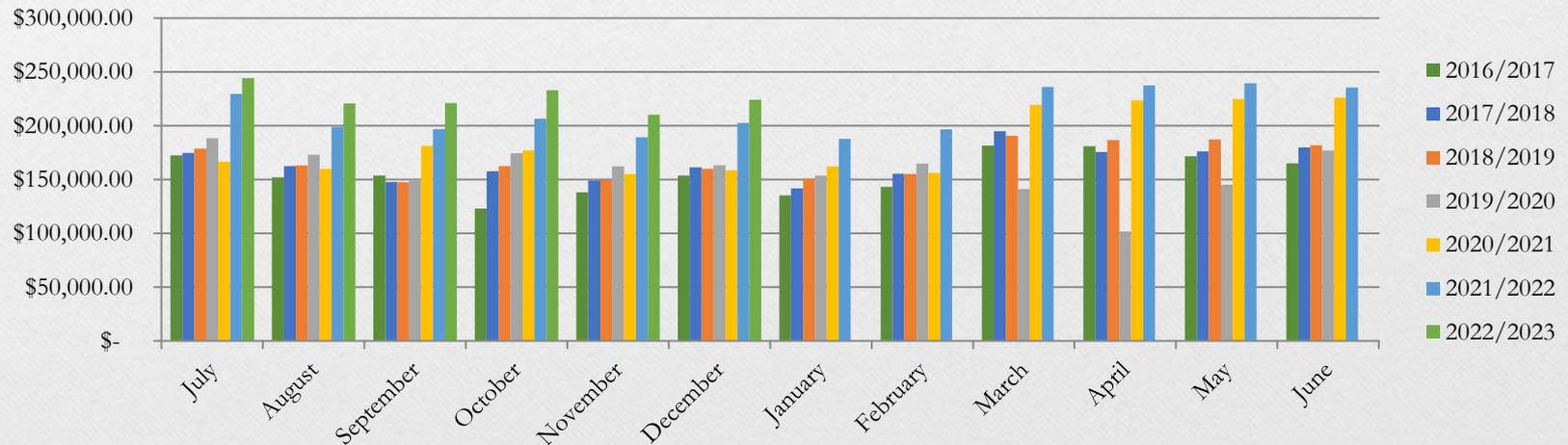
Expenditures supported by Local Hospitality and Local Accommodations



Local Hospitality and Local Accommodations

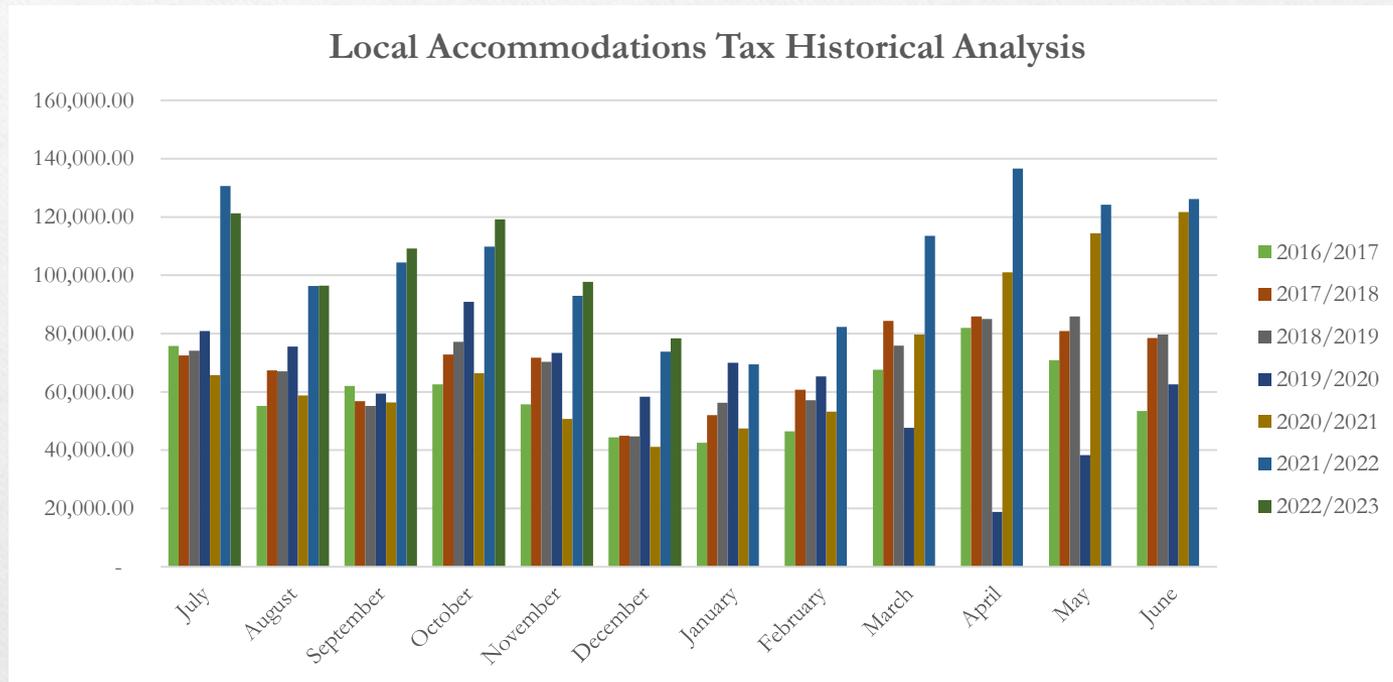
- The two largest revenue contributors to the Parks & Tourism Fund are the Local Hospitality and Local Accommodations taxes. Both were significantly impacted by COVID-19, but are now even exceeding pre-pandemic levels as shown in the following charts.

Local Hospitality Tax Historical Analysis



Local Hospitality and Local Accommodations (Cont'd)

- As a result, the budget anticipates a 7% growth in hospitality and accommodations revenues in FY24.



BUDGET SUMMARY - EXPENDITURES

		FY 2023 Amended Budget	FY 2024 Recommended Budget	Increase (Decrease) from Prior Year
<u>Public Works Parks Department</u>				
	FY 2022 Actual			
Salaries	\$ 346,919	\$ 461,461	\$ 544,301	\$ 82,840
Benefits	123,874	174,906	221,232	46,326
Operations	273,029	395,202	459,312	64,110
Capital	-	116,000	51,000	(65,000)
Total Public Works Parks Department	\$ 743,822	\$ 1,147,569	\$ 1,275,845	\$ 128,276
<u>Police Support</u>				
Salaries	\$ 809,162	\$ 918,386	\$ 1,047,889	\$ 129,503
Benefits	317,418	386,765	422,829	36,064
Operations	37,369	-	31,124	31,124
Total Police Support	\$ 1,163,949	\$ 1,305,151	\$ 1,501,842	\$ 196,691
<u>Tourism Marketing</u>				
Operations	\$ 149,885	\$ 152,500	\$ 158,600	\$ 6,100
Total Tourism Marketing	\$ 149,885	\$ 152,500	\$ 158,600	\$ 6,100
<u>Marina</u>				
Operations	\$ 30,038	\$ 71,256	\$ 25,602	\$ (45,654)
Total Marina	\$ 30,038	\$ 71,256	\$ 25,602	\$ (45,654)
<u>Waterfront Park</u>				
Operations	\$ 455,410	\$ 510,086	\$ 525,947	\$ 15,861
Capital	3,810	19,015	24,600	5,586
Debt	309,098	309,098	309,098	(0)
Total Waterfront Park	\$ 768,318	\$ 838,198	\$ 859,645	\$ 21,447

Tourism Marketing includes allocations of Local Hospitality Fees of \$130,000 (5%) for the CVB and \$28,600 (1.1%) for other non-profit organizations.

BUDGET SUMMARY – EXPENDITURES (CONT'D)

	<u>FY 2022 Actual</u>	<u>FY 2023 Amended Budget</u>	<u>FY 2024 Recommended Budget</u>	<u>Increase (Decrease) from Prior Year</u>
<u>Other Downtown Operations</u>				
Salaries	\$ 196,284	\$ 210,095	\$ 259,740	\$ 49,645
Benefits	51,458	57,917	71,965	14,048
Operations	313,889	225,383	156,864	(68,519)
Capital	21,921	128,000	20,000	(108,000)
Total Other Downtown Operations	<u>\$ 583,553</u>	<u>\$ 621,395</u>	<u>\$ 508,568</u>	<u>\$ (112,827)</u>
<u>Parking</u>				
Operations	\$ 2,315	\$ 19,950	\$ 38,750	\$ 18,800
Capital	66,422	40,000	25,000	(15,000)
Total Parking	<u>\$ 68,737</u>	<u>\$ 59,950</u>	<u>\$ 63,750</u>	<u>\$ 3,800</u>
Total Expenditures	<u>3,508,302</u>	<u>4,196,019</u>	<u>4,393,852</u>	<u>197,833</u>
Other Financing Uses				
Transfers Out	<u>-</u>	<u>-</u>	<u>7,235,585</u>	<u>7,235,585</u>
Total Expenditures and other financing uses	<u>\$ 3,508,302</u>	<u>\$ 4,196,019</u>	<u>\$ 11,629,437</u>	<u>\$ 7,433,418</u>

STORMWATER FUND



- Stormwater division of Public Works focuses on the stormwater issues facing our City.
- This fund accounts for the collections of Stormwater Utility fees and the associated costs of maintaining the City's Stormwater Management activities.
- Much of the long-term stormwater projects are reported in the Capital Projects Fund. Day to day operations and short-term projects, expected to be completed within the fiscal year, are reported in the Stormwater fund.

BUDGET SUMMARY

	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Recommended Budget	Increase (Decrease) from Prior Year
Revenues				
Stormwater Utility Fees	\$ 1,219,564	\$ 1,224,753	\$ 1,260,000	\$ 35,247
Interest	6,128	2,000	72,779	70,779
Total Revenues	\$ 1,225,692	\$ 1,226,753	\$ 1,332,779	\$ 106,026
Expenditures				
Salaries	330,799	343,930	413,856	69,927
Benefits	124,386	141,642	174,512	32,870
Operations	208,208	235,681	232,610	(3,071)
Debt	513,755	505,500	511,800	6,300
Total Expenditures	1,177,149	1,226,753	1,332,779	106,026
Other financing uses				
Transfers out	464,714	-	1,655,915	1,655,915
Total Expenditures and other financing uses	\$ 1,641,863	\$ 1,226,753	\$ 2,988,694	\$ 1,761,941

Budget Highlights:

- Stormwater utility fees rate remain the same but anticipated additional revenues of \$35k relate to future growth in the City.
- Salaries and Benefits increased \$102,797 in comparison with the prior year due to full staffing of the division dedicated to stormwater maintenance through personnel allocations.
- Transfers out of Stormwater Bond monies to Capital Projects Fund for the following projects:
 - Calhoun Street Drainage- \$856,375
 - Allison Road- \$799,540



FIRE IMPACT FUND

This fund accounts for the fire impact fees collected on new development beginning January 1, 2021. Use of these funds is restricted by City Ordinance for Capital Improvements related Fire services.

BUDGET SUMMARY

	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Recommended Budget	Increase (Decrease) from Prior Year
Revenues				
Fire Impact Fees	\$ 143,450	\$ 130,000	\$ 400,000	\$ 270,000
Interest	6	-	5,000	5,000
Other Financing Sources	1,846,832	-	-	-
Total Revenues	<u>\$ 1,990,287</u>	<u>\$ 130,000</u>	<u>\$ 405,000</u>	<u>\$ 275,000</u>
Expenditures				
Capital	1,846,832	-	-	-
Debt	-	-	129,239	129,239
Total Expenditures	<u>\$ 1,846,832</u>	<u>\$ -</u>	<u>\$ 129,239</u>	<u>\$ 129,239</u>

Budget Highlights:

- Fire impact fees are expected a significant growth from developments as the City plans on building a fund balance to support future capital improvements related to fire services. The debt payments relate to the City's portion of two fire trucks.



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STATE ACCOMMODATIONS TAX FUND

This fund accounts for the 2% State Accommodations sales tax from transient room rentals and the associated expenditures that are restricted to tourist related expenditures as stipulated by State Law.

BUDGET SUMMARY

	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Recommended Budget	Increase (Decrease) from Prior Year
Revenues				
State Accommodations Tax	\$ 914,443	\$ 633,333	\$ 800,000	\$ 166,667
Interest	2,235	-	-	-
Total Revenues	<u>\$ 916,678</u>	<u>\$ 633,333</u>	<u>\$ 800,000</u>	<u>\$ 166,667</u>
Expenditures				
Salaries	17,914	15,474	17,226	1,752
Benefits	8,502	8,573	6,675	(1,899)
Operations				
Designated Marketing Organization	183,800	182,500	232,500	50,000
Downtown Twilight Hours Initiative	-	-	100,000	100,000
Tourism Grants to Qualified NPO's	183,136	321,370	379,849	58,479
Capital	-	50,000	-	(50,000)
Total Expenditures	<u>393,352</u>	<u>577,917</u>	<u>736,250</u>	<u>158,333</u>
Other Financing Uses				
Transfers out to General Fund	<u>119,472</u>	<u>55,416</u>	<u>63,750</u>	8,334
Total Expenditures and Other Financing Uses	<u>\$ 512,824</u>	<u>\$ 633,333</u>	<u>\$ 800,000</u>	166,667

AMERICAN RESCUE PLAN ACT (ARPA) FUND



The American Rescue Plan Act (ARPA) Fund, a new fund adopted in FY 2022, accounts for the collection of ARPA funds and the related expenditures in accordance with the Federal Treasury Department's guidance.

BUDGET SUMMARY

	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Recommended Budget	Increase (Decrease) from Prior Year
Revenues				
Intergovernmental	\$ 861,739	\$ 4,094,515	\$ -	\$ (4,094,515)
Interest	8,865	2,000	100,000	98,000
Total Revenues	870,604	4,096,515	100,000	(3,996,515)
Expenditures				
Salaries	\$ 178,980	\$ -	\$ -	\$ -
Benefits	40,008	-	-	-
Operations	44,350	560,445	215,091	(345,354)
Capital	598,400	745,608	-	(745,608)
Total Expenditures	861,739	1,306,053	215,091	(1,090,962)
Other Financing Uses				
Transfers Out	-	250,000	3,562,394	3,312,394
Total Expenditures and Other Financing Uses	\$ 861,739	\$ 1,556,053	\$ 3,777,485	\$ 2,221,432

The budgeted expenditures are highlighted by the follow items:

- \$200,671 for City's contribution to the Affordable Housing Trust
- \$14,420 for local match for Assistance to Fire Fighter's Grant
- \$3,562,394 transfers out to capital projects fund for the following projects:
 - Calhoun Street Drainage- \$863,260
 - King Street Drainage- \$1,669,464
 - Bayard Street Drainage- \$450,000
 - Allison Road- \$579,670



Salaries and Benefits – All Funds

Salaries By Department

	<u>FY 2022 Actual</u>	<u>FY 2023 Amended Budget</u>	<u>FY 2024 Recommended Budget</u>	<u>Increase (Decrease) from Prior Year</u>	<u>% Change</u>
<u>General Fund</u>					
Non Departmental	\$ -	\$ -	\$ -	\$ -	0.00%
City Council	29,733	53,200	67,550	14,350	26.97%
City Manager	375,565	534,863	545,388	10,525	1.97%
Finance	520,461	487,610	534,913	47,303	9.70%
Human Resources	184,031	193,580	225,703	32,123	16.59%
Information Technology	-	-	125,000	125,000	100.00%
Municipal Court	247,351	270,723	259,992	(10,732)	-3.96%
Community Development	524,691	609,700	659,972	50,271	8.25%
Police					
Command	2,280,128	2,625,320	2,832,196	206,876	7.88%
School Resource Officers	267,972	279,880	346,519	66,639	23.81%
School Crossing Guards	15,512	15,375	16,733	1,358	8.83%
Victims Rights	51,416	55,974	71,612	15,638	27.94%
Beaufort Fire	3,272,488	3,437,524	3,757,562	320,038	9.31%
Public Works					
Administration	161,261	182,258	206,526	24,267	13.31%
Streets & Traffic	106,052	156,256	112,748	(43,508)	-27.84%
Facilities Maintenance	114,358	95,502	85,229	(10,274)	-10.76%
Total General Fund Salaries	\$ 8,151,018	\$ 8,997,766	\$ 9,847,642	\$ 849,876	9.45%
<u>Parks & Tourism Fund</u>					
City Parks	\$ 346,919	\$ 461,461	\$ 544,301	\$ 82,840	18.0%
Police Support	809,162	918,386	1,047,889	129,503	14.1%
Downtown Operations	196,284	210,095	259,740	49,645	23.6%
Total Parks & Tourims	\$ 1,352,365	\$ 1,589,942	\$ 1,851,930	\$ 261,988	16.5%
<u>Stormwater Fund</u>					
Stormwater Division	\$ 330,799	\$ 343,930	\$ 413,856	\$ 69,927	20.3%
<u>State Accommodations Fund</u>					
Police Support	\$ 17,914	\$ 15,474	\$ 17,226	\$ 1,752	11.3%
Total Salaries	\$ 9,852,097	\$ 10,947,112	\$ 12,130,655	\$ 1,183,542	10.8%

Benefits By Department

	<u>FY 2022 Actual</u>	<u>FY 2023 Amended Budget</u>	<u>FY 2024 Recommended Budget</u>	<u>Increase (Decrease) from Prior Year</u>	<u>% Change</u>
<u>General Fund</u>					
Non Departmental	\$ -	\$ -	\$ -	\$ -	0.00%
City Council	8,502	12,893	15,730	2,838	22.01%
City Manager	144,012	210,785	186,596	(24,189)	-11.48%
Finance	167,489	178,554	184,375	5,821	3.26%
Human Resources	65,497	70,032	85,570	15,538	22.19%
Information Technology	-	-	48,958	48,958	100.00%
Municipal Court	88,661	103,844	82,935	(20,909)	-20.13%
Community Development	168,433	231,652	257,609	25,957	11.20%
Police					
Command	789,441	1,011,370	1,123,778	112,407	11.11%
School Resource Officers	105,488	118,607	152,419	33,811	28.51%
School Crossing Guards	2,386	2,527	2,777	250	9.90%
Victims Rights	13,386	14,287	21,680	7,394	51.75%
Beaufort Fire	1,183,532	1,346,447	1,443,123	96,676	7.18%
Public Works					
Administration	66,944	73,812	47,392	(26,420)	-35.79%
Streets & Traffic	34,711	64,248	82,469	18,221	28.36%
Facilities Maintenance	32,906	41,484	30,966	(10,517)	-25.35%
Total General Fund Benefits	<u>\$ 2,871,387</u>	<u>\$ 3,480,541</u>	<u>3,766,377</u>	<u>\$ 285,836</u>	<u>8.21%</u>
<u>Parks & Tourism Fund</u>					
City Parks	\$ 123,874	\$ 174,906	\$ 221,232	\$ 46,326	26.5%
Police Support	317,418	386,765	422,829	36,064	9.3%
Downtown Operations	51,458	57,917	71,965	14,048	24.3%
Total Parks & Tourism	<u>\$ 492,750</u>	<u>\$ 619,588</u>	<u>\$ 716,025</u>	<u>\$ 96,438</u>	<u>15.6%</u>
<u>Stormwater Fund</u>					
Stormwater Division	\$ 124,386	\$ 141,642	\$ 174,512	\$ 32,870	23.2%
<u>State Accommodations Fund</u>					
Police Support	\$ 8,502	\$ 8,573	\$ 6,675	\$ (1,899)	-22.1%
Total Benefits	<u>\$ 3,497,026</u>	<u>\$ 4,250,345</u>	<u>\$ 4,663,590</u>	<u>\$ 413,245</u>	<u>9.7%</u>

Full-Time Equivalents per Fund with Comparisons

	<u>FY 2022 Actual FTE's</u>	<u>FY 2023 Adopted FTE's</u>	<u>FY 2024 Recommended FTE's</u>	<u>Increase (Decrease) in FTE's from Prior Year</u>
<u>General Fund</u>				
City Council	5.0	5.0	5.0	-
City Manager	5.0	5.0	5.0	-
Finance	7.0	7.0	7.0	-
Information Technology	-	-	1.0	1.0
Human Resources	3.0	3.0	3.0	-
Municipal Court	5.0	5.0	5.0	-
Community & Economic Development	9.0	9.0	9.0	-
Police				
Command	43.5	43.5	44.0	0.5
School Resource Officers	4.0	4.0	7.0	3.0
School Crossing Guards	2.0	2.0	2.0	-
Victims Rights	1.0	1.0	1.0	-
Beaufort Fire	59.5	59.5	59.5	-
Public Works				
Administration	4.0	4.0	4.0	-
Streets & Traffic	3.0	3.0	3.0	-
Facilities Maintenance	4.0	4.0	4.0	-
Total General Fund Salaries	<u>155.0</u>	<u>155.0</u>	<u>159.5</u>	<u>4.5</u>
<u>Parks & Tourism Fund</u>				
City Parks	8.0	8.0	8.0	-
Police Support	14.2	14.2	14.2	-
Downtown Operations	3.0	3.0	3.0	-
Total Parks & Tourism	<u>25.2</u>	<u>25.2</u>	<u>25.2</u>	<u>-</u>
<u>Stormwater Fund</u>				
Stormwater Division	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>-</u>
<u>State Accommodations Fund</u>				
Police Support	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>-</u>
Total Full-Time Equivalent Positions	<u>187.5</u>	<u>187.5</u>	<u>192.0</u>	<u>4.5</u>

CAPITAL PROJECTS AND CAPITAL IMPROVEMENT PLAN



CAPITAL PROJECTS FUND AND RECOMMENDED CAPITAL IMPROVEMENT PLAN

Stormwater Projects are included in the Capital Projects Fund if the project spans longer than one year to complete.

RECOMMENDED FY 2024 CAPITAL PROJECTS

- The City has six active grant awards that impact City Infrastructure. These projects are included in the active Capital Projects list.
 - The Washington Street Park Project is partially funded by a \$80,000 State PARD grant and \$250,000 CDBG grant.
 - The Calhoun Street project is partially funded by a \$750,000 CDBG grant.
 - The Charles/Craven and Port Republic/Carteret Street drainage project is fully funded by a SC Office of Resilience grant for \$7,527,351.
 - The Bayard Street drainage project is fully funded by a federal grant for \$800,000.
 - The Depot Road Spanish Moss Trail Extension project is fully funded by a \$200,000 CDBG grant and partnership with Beaufort County.
 - The Allison Road project is partially funded by two federal transportation alternative funding grants (TAP) through the South Carolina Department of Transportation totaling \$1M.

BUDGET SUMMARY

	FY 2022 Actual	FY 2023 Amended Budget	FY 2024 Recommended Budget	Increase (Decrease) from Prior Year
Grants	\$ 781,756	\$ -	\$ 7,578,000	\$ 7,578,000
Partnerships	-	-	1,216,785	1,216,785
Interest	2,670	-	-	-
Total Revenues	784,426	-	8,794,785	8,794,785
Other Financing Sources				
Transfers In	1,371,603	-	17,156,976	17,156,976
Total Revenues and Other Financing Sources	2,156,029	-	25,951,761	25,951,761
Expenditures				
Capital	1,552,735	-	27,197,627	27,197,627
Total Expenditures	\$ 1,552,735	\$ -	\$ 27,197,627	\$ 27,197,627

Budget Highlights:

- Including Capital Project Fund in FY24 Consolidated Budget process for improved transparency and accountability.
- 13 active capital projects on parks, stormwater, and streets improvements throughout the City for a total of \$27,197,627.

FY24 Recommended Capital Projects Funding Sources

Funding Sources	FY 2024 Recommended Budget
Category	
Grants	\$ 7,578,000
Transfers In	17,156,976
Partnerships	1,216,785
Release of Fund Balance	1,245,866
Total	\$ 27,197,627

FY24 Recommended Capital Projects Funding Sources Detail - Grants

Grant	Project	FY 2024 Recommended Budget
CDBG Grant	Washington Street Park	\$ 250,000
PARD Grant	Washington Street Park	80,000
CDBG Grant	Calhoun Street Drainage	750,000
SCOR Grant	Charles/Craven and Port Republic/Carteret St. Drainage	1,800,000
SCIIP Grant	King Street Drainage	2,700,000
STAG Grant	Bayard Street Drainage	800,000
CDBG Grant	Depot Road Trail Extension	198,000
SCDOT Grant	Allison Road	1,000,000
	Grant Total	\$ 7,578,000

FY24 Recommended Capital Projects Funding Sources Detail – Transfers In

Fund Providing Transfer In	Category	Project	FY 2024 Recommended Budget
Parks and Tourism	Fund Balance	Carnegie Building Roof	\$ 215,585
Parks and Tourism	P&T Revenue Bond	Washington Street Park	945,000
Parks and Tourism	P&T Revenue Bond	Southside Park	6,000,000
Stormwater	Stormwater Bond Funds	Calhoun Street Drainage	856,375
ARPA	Fund Balance	Calhoun Street Drainage	863,260
ARPA	Fund Balance	King Street Drainage	1,669,464
ARPA	Fund Balance	Bayard Street	450,000
Parks and Tourism	Fund Balance	Marina Fuel Tank	75,000

FY24 Recommended Capital Projects Funding Sources Detail – Transfers In

Fund Providing Transfer In	Category	Project	FY 2024 Recommended Budget
TIF II	Fund Balance	SC170 Sidewalk	\$ 190,244
TIF II	Fund Balance	Parallel Road	3,434,810
General	Committed Fund Balance	Parallel Road	900,000
General	Committed Fund Balance	Allison Road	178,028
ARPA	Fund Balance	Allison Road	579,670
Stormwater	Stormwater Bond Funds	Allison Road	799,540
		Transfer In Total	\$ 17,156,976

FY24 Recommended Capital Projects Funding Sources Detail – Partnerships

Partnerships	Category	Project	FY 2024 Recommended Budget
Beaufort County	County Portion	Parallel Road- Engineering	\$ 434,810
Beaufort County	County Portion	Depot Road Spanish Moss Trail Extension	528,947
Developer	Developer Contribution	Allison Road	75,000
Dominion Energy	Non-Standard Service Fund	Allison Road	178,028
		Partnerships Total	\$ 1,216,785

FY24 Recommended Capital Projects Funding Sources Detail – Release of Fund Balance

Source of Capital Project Fund Balance	Project	FY 2024 Recommended Budget
General Fund Committed Fund Balance	Carnegie Library Roof	\$ 40,000
Proceeds from Sale of Property	Southside Park	480,866
General Fund Committed Fund Balance	Marina Fuel Tanks	725,000
	Release of Fund Balance Total	\$ 1,245,866

FY24 Recommended Capital Projects Expenditure Detail

Projects	FY 2024 Recommended Budget
Carnegie Building Roof	\$ 255,585
Washington Street Park	1,275,000
Southside Park	6,480,866
Calhoun Street Drainage	2,469,635
Charles/Craven and Port Republic/Carteret Street Drainage	1,800,000
King Street Drainage	4,369,464
Bayard Street Drainage	1,250,000
Marina Fuel Tank	800,000
SC 170 Sidewalk	190,244

FY24 Recommended Capital Projects Expenditure Detail

Projects	FY 2024 Recommended Budget
Parallel Road	\$ 4,769,620
Depot Road Spanish Moss Trail Extension	726,947
Allison Road	2,810,266
Total	\$ 27,197,627

Capital Project Fund Detail

Description	FY 24 Recommended Funding										Future Funding
	Parks and Tourism Revenue Bond Funds	Parks and Tourism Fund Balance	Capital Project Fund Balance	Partners	Committed Fund Balance	TIF II	Grant Funding	Stormwater Bond Funds	ARPA	Total FY24 Recommended	Grant Funding
	City Facilities										
Carnegie Building Roof		\$ 215,585	\$ 40,000							\$ 255,585	\$ -
Parks											
Washington Street Park	945,000						330,000			1,275,000	-
Southside Park Phase I- Design Only			262,866							262,866	-
Southside Park	6,000,000		218,000							6,218,000	-
Stormwater											
Calhoun Street Drainage							750,000	856,375	863,260	2,469,635	-
Battery Creek/Jane Way Drainage										-	-
The Point- Feasibility Study Charles/Craven and Port Republic/Carteret Street Drainage							1,800,000			1,800,000	5,727,351
King Street Drainage							2,700,000		1,669,464	4,369,464	6,760,299
Bayard Street							800,000		450,000	1,250,000	-
The Point- Remaining Project Costs										-	-
Pigeon Point- Drainage Study										-	-
Marina											
Marina Fuel Tank Replacement		75,000	725,000							800,000	-
Streets											
SC 170 Sidewalk Extension						190,244				190,244	-
Parallel Road- Engineering Only				434,810		434,810				869,620	-
Parallel Road- Property and Easement Acquisition and Construction					900,000	3,000,000				3,900,000	-
Depot Road Spanish Moss Trail Extension				528,947			198,000			726,947	-
Allison Road				253,028	178,028		1,000,000	799,540	579,670	2,810,266	-
	\$ 6,945,000	\$ 290,585	\$ 1,245,866	\$ 1,216,785	\$ 1,078,028	\$ 3,625,054	\$ 7,578,000	\$ 1,655,915	\$ 3,562,394	\$ 27,197,627	\$ 12,487,650

Funding Sources by Funds

Description	Funding Source by Fund								Total FY24 Recommended
	General Fund	TIF II Fund	Parks and Tourism Fund	Stormwater Fund	ARPA Fund	Capital Project Fund	Partners	Grants	
City Facilities									
Carnegie Building Roof	\$ 40,000		\$ 215,585						\$ 255,585
Parks									
Washington Street Park			945,000					330,000	1,275,000
Southside Park Phase I- Design Only						262,866			262,866
Southside Park			6,000,000			218,000			6,218,000
Stormwater									
Calhoun Street Drainage				856,375	863,260			750,000	2,469,635
Battery Creek/Jane Way Drainage									-
The Point- Feasibility Study									-
Charles/Craven and Port Republic/Carteret Street Drainage								1,800,000	1,800,000
King Street Drainage					1,669,464			2,700,000	4,369,464
Bayard Street					450,000			800,000	1,250,000
The Point- Remaining Project									-
Pigeon Point- Drainage Study									-
Marina									
Marina Fuel Tank Replacement	725,000		75,000						800,000
Streets									
SC 170 Sidewalk Extension		190,244							190,244
Parallel Road- Engineering Only		434,810					434,810		869,620
Parallel Road- Property and Easement Acquisition and Construction	900,000	3,000,000							3,900,000
Depot Road Spanish Moss Trail Extension							528,947	198,000	726,947
Allison Road	178,028			799,540	579,670		253,028	1,000,000	2,810,266
	\$ 1,843,028	\$ 3,625,054	\$ 7,235,585	\$ 1,655,915	\$ 3,562,394	\$ 480,866	\$ 1,216,785	\$ 7,578,000	\$ 27,197,627

ORDINANCE

AN ORDINANCE TO PROVIDE FOR THE LEVY OF TAXES FOR THE CITY OF BEAUFORT FOR FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024; TO PROVIDE FOR EXECUTION OF AND TO PUT INTO EFFECT THE CONSOLIDATED BUDGET; AND TO PROVIDE BUDGETARY CONTROL OF THE CITY'S FISCAL AFFAIRS; AND OTHER MATTERS RELATING THERETO

WHEREAS, the City of Beaufort, South Carolina (the "City") is a municipal corporation of the State of South Carolina (the "State"), located in Beaufort County, South Carolina (the "County") and as such possesses all general powers granted by the South Carolina Constitution (1895, as amended) and statutes of the State to municipal corporations; and

WHEREAS, pursuant to Sections 5-13-10 *et seq.* of the Code of Laws of South Carolina 1976, as amended (the "SC Code") and Section 1-1001 of the City's code of ordinances, the City operates under the council-manager form of government, with a mayor and four council members serving as the governing body of the City (the "City Council"); and

WHEREAS, Section 5-13-30 of the SC Code and Section 1-5003 of the City's code of ordinances require that the City Council shall adopt a budget for each fiscal year and determine the tax levy for the new budget year; and

WHEREAS, pursuant to Section 1-4004 of the City's code of ordinances, the City Manager has prepared and presented fiscal year 2023-2024 budget (the "Budget") to the Council, and a copy of the entire Budget is available for inspection at the office of the Finance Director, and

WHEREAS, the Budget contains the budgets of the General Fund, the Parks and Tourism Fund, the Stormwater Fund, the State Accommodations Fund, the Fire Impact Fund, the Tax Increment Financing II Fund, the American Rescue Plan Act Fund and the Capital Projects Fund; and

WHEREAS, prior to the adoption of the Budget, the City Council is required to hold a public hearing on the Budget and any new fees resulting therefrom as required pursuant to Sections 5-7-260, 6-1-80, and 6-1-330 of the SC Code and the City's code of ordinances; and

WHEREAS, heretofore, and acting pursuant to the various authorizations described in the foregoing recital, the City Council, after due and proper notice, held a public hearing on May 23, 2023 on the adoption of the Budget and the various fees implemented or amended hereunder; the hearing was conducted publicly and both proponents and opponents of the proposed actions of City Council were given the full opportunity to be heard; and

WHEREAS, subject to the limitations in Section 6-1-320 of the SC Code, City Council is authorized to increase the millage rate imposed for general operating purposes; and

WHEREAS, Section 6-1-330 of the SC Code authorizes City Council to charge and collect new service and user fees after public notice and hearing (as noted and recited above); and

NOW, THEREFORE, BE IT ORDAINED by the Mayor and the council members of the City of Beaufort, South Carolina, in a meeting duly assembled, as follows:

SECTION 1. TAX LEVY

The City Council hereby appropriates the funds as detailed in Sections 3 and 4 of this Ordinance. Further, that the City Council hereby establishes the millage rates as detailed in Section 2 of this Ordinance. However, as of the date of this Ordinance, the millage rates are based on estimated assessments received from the Beaufort County Auditor (the "Auditor") and are subject to change based on final assessment figures, once received from the Auditor. The City Council reserves the right to modify these millage rates by resolution at its August 22, 2023 meeting, and any such modification shall constitute the millage to be levied by the County on behalf of the City.

SECTION 2. MILLAGE; TAX COLLECTION

A. The Auditor is hereby authorized and directed to levy the Fiscal Year 2023-2024 tax of 73.9 mills on the dollar of assessed value of property within the City limits, in accordance with the laws of South Carolina. These taxes shall be collected by the Beaufort County Treasurer, as provided by law and distributed in accordance with the provisions of this Ordinance and subsequent appropriations hereafter passed by the City Council. The total millage levy in the City shall be seventy three and 9/100 (73.9) mills, which includes 58.3 mills for operations and 15.6 mills for debt service.

B. A copy of this Ordinance and the Budget shall be made available to the County in order to properly order the levy and collection of *ad valorem* property taxes. Additionally, the City Manager shall be authorized to make the millage certification to the County Auditor required by Section 12-43-285 of the SC Code.

C. Consistent with State law, the date of payment, penalty dates and amount of penalties which shall be levied for delinquent taxes shall be as follows:

<u>Date</u>	<u>Penalty Assessed</u>
After January 15, 2024	3%
After February 1, 2024	Additional 7%
After March 16, 2024	Additional 5%
After April 1, 2024	\$75.00 Delinquent Charge
After September 1, 2024	\$100.00 Delinquent Charge

D. The Finance Director of the City, acting in concert with the proper officials of the County, shall be responsible for the collection of delinquent taxes, penalties and other charges.

SECTION 3. CITY OPERATIONS APPROPRIATION

An amount of \$57,663,588 is appropriated to the City to fund City operations for General Fund, the Parks and Tourism Fund, the Stormwater Fund, the State Accommodations Fund, the Fire Impact Fund, the Tax Increment Financing II Fund, the American Rescue Plan Act Fund and the Capital Projects Fund as follows:

	<u>Appropriations</u>	
<u>General Fund</u>		
Non-Departmental	\$	817,024
City Council		258,494
City Manager		901,785
Finance		970,819
Human Resources		436,714
Information Technology		873,426
Municipal Court		542,487
Community & Economic Development		1,411,171
Police Operations		5,394,584
School Resource Officer		542,311
School Crossing Guard		19,865
Victims Rights		98,135
Beaufort Fire		6,069,619
Public Works		485,367
Streets & Traffic		1,108,770
Facilities Maintenance		759,832
Solid Waste		1,125,115
Debt Service		1,843,232
Total General Fund	\$	<u>23,658,750</u>
<u>Parks & Tourism Fund</u>		
Police Operations	\$	1,501,842
Marina Operations		25,602
Waterfront Park Operations		859,645
Parking		63,750
Other Parks & Tourism		1,275,845
Other Downtown Operations		508,568
Tourism Marketing		158,600
Total Parks & Tourism Fund	\$	<u>4,393,852</u>
<u>Stormwater Fund</u>		
Stormwater Operations	\$	820,979
Debt Service		511,800
Total Stormwater Fund	\$	<u>1,332,779</u>

<u>State Accommodations Fund</u>		
Police Operations	\$	23,901
Other Tourism Operations		100,000
Designated Marketing Organization		232,500
ATAX Grant Awards		379,849
Total State Accommodations Fund	\$	<u>736,250</u>
<u>Fire Impact Fund</u>		
Debt	\$	129,239
	\$	<u>129,239</u>
<u>American Rescue Plan Act Fund</u>		
Operating	\$	215,091
Total American Rescue Plan Act Fund	\$	<u>215,091</u>
<u>Capital Projects Fund</u>		
Capital	\$	27,197,627
Total Capital Projects Fund	\$	<u>27,197,627</u>
Total Appropriations		<u>\$ 57,663,588</u>
		<u>Other Financing Uses</u>
Transfers out		
General Fund	\$	1,078,028
Parks & Tourism Fund		7,235,585
Stormwater Fund		1,655,915
TIF II Fund		3,625,054
State Accommodations Tax Fund		63,750
American Rescue Plan Act Fund		3,562,394
Contribution to Fund Balance		
Fire Impact Fee Fund		275,761
Total Other Financing Uses	\$	<u>17,496,487</u>
Total Appropriations and Other Financing Uses	\$	<u>75,160,075</u>

B. The detailed operations budget containing line-item accounts by department is hereby enacted as part of this Ordinance.

SECTION 4. CITY OPERATIONS REVENUE

The appropriations of the City operations will be funded from the following revenue sources:

	<u>Revenues</u>
<u>General Fund</u>	
Property Taxes	\$ 9,266,244
Licenses & Permits	6,120,000
Intergovernmental	3,504,694
Franchise Fees	2,082,880
Charges for Services	1,922,734
Fines & Forfeitures	71,000
Miscellaneous	10,000
Interest	230,000
Total General Fund	<u>\$ 23,207,552</u>
<u>Parks & Tourism Fund</u>	
Other Taxes	\$ 3,850,000
Charges for Services	512,852
Interest	30,000
Miscellaneous	1,000
Total Parks & Tourism Fund	<u>\$ 4,393,852</u>
<u>Stormwater Fund</u>	
Charges for Services	\$ 1,260,000
Interest	72,779
Total Stormwater Fund	<u>\$ 1,332,779</u>
<u>State Accommodations Fund</u>	
Other Taxes	\$ 800,000
Total State Accommodations Fund	<u>\$ 800,000</u>
<u>Fire Impact Fund</u>	
Fire Impact Fee	\$ 400,000
Interest	5,000
Total Fire Impact Fund	<u>\$ 405,000</u>
<u>American Rescue Plan Act Fund</u>	
Interest	\$ 100,000
Total American Rescue Plan Act Fund	<u>\$ 100,000</u>
<u>Capital Projects Fund</u>	
Intergovernmental	\$ 7,578,000
Partnerships	1,216,785
Total Capital Projects Fund	<u>\$ 8,794,785</u>
Total Revenues	<u><u>\$ 39,033,968</u></u>

	<u>Other Financing Sources</u>	
Transfers in		
General Fund	\$	63,750
Capital Projects Fund		17,156,976
Issuance of Revenue Bonds		
Parks and Tourism Fund		6,945,000
Release of Committed Fund Balance		
General Fund		1,465,476
Release of Fund Balance		
Parks and Tourism Fund		290,585
TIF II Fund		3,625,054
Stormwater Fund		1,655,915
American Rescue Plan Act Fund		3,677,485
Capital Projects Fund		1,245,866
Total Other Financing Sources	<u>\$</u>	<u>36,126,107</u>
Total Revenues and Other Financing Sources	<u>\$</u>	<u>75,160,075</u>

SECTION 5. CITY CAPITAL PROJECTS FUND

Capital Project Appropriations shall not lapse at June 30, 2023, but each project appropriation shall remain in force for the life of the project and shall be closed out upon completion or other disposition of the project in the capital project fund.

SECTION 6. ESTABLISHMENT OF A MASTER FEE SCHEDULE

A Master Fee Schedule listing all fees charged by the City for Fiscal Year 2024, including but not limited to general city-wide fees, business licensing fees (Appendix A), business license classes (Appendix B), building permit fees, and fire impact fees, is attached to this Ordinance as Attachment A, and shall be considered to be incorporated into this Ordinance in its entirety. Any new fees or amendments to fees listed on Attachment A have been implemented in compliance with Section 6-1-330 of the SC Code, as applicable, and the public hearing held prior to the enactment of this Ordinance shall constitute the public hearing required under such section of the SC Code.

SECTION 7. CITY DEBT SERVICE APPROPRIATION

Consistent with Section 2 above, the revenue generated by a 15.6 mill levy is appropriated to defray the principal and interest payment on all City general obligation bonds.

SECTION 8. BUDGETARY ACCOUNT BREAKOUT

The foregoing City operation appropriations have been detailed by the City Council into line-item accounts for each department. The detailed appropriation by account and budget narrative contained separately is hereby enacted as part of this Ordinance. The consolidated budget summary is attached to this Ordinance as Exhibit A.

SECTION 9. FY 2022-2023 ENCUMBRANCES AND REMAINING GRANT AUTHORIZATIONS REAPPROPRIATED, RECORDING OF ASSIGNMENTS OF AMOUNTS APPROPRIATED FROM FUND BALANCE.

A. Encumbrances in each fund at June 30, 2023, representing obligations made against 2022-2023 appropriations outstanding as of that date, are hereby reappropriated and the appropriations shall be distributed to the budgetary accounts under which the expenditures will be charged during the FY 2023-2024 budget year as such obligations are satisfied, provided that such encumbrances, when taken together with the FY 2022-2023 expenditures, do not cause any fund to exceed its budgetary authorization for the year ended June 30, 2023.

B. For each fund in which a reappropriation occurs, the amount of funds appropriated hereunder shall be established in that fund as "Assigned Fund Balance for Encumbrances."

C. For each fund in which the Budget includes the use of fund balance; the amount of the fund balance so used shall be identified as "Assigned for Current Appropriations."

D. Appropriations for grants, the authorization for which extends beyond the end of the 2022-23 fiscal year, shall not lapse at the end on June 30, 2023. Any such grant authorizations remaining at the end of a fiscal year shall be reappropriated pursuant to the conditions of the respective grant agreements and utilized in fiscal year 2023-24 in accordance with their respective terms.

E. Appropriations for active projects resulting in restrictions or commitments of fund balances shall be identified by appropriate titles in the financial statements of the affected funds.

SECTION 10. ADMINISTRATION OF THE BUDGET

The City Manager or his designee shall administer the Budget and may authorize the transfer of appropriations within the allotments heretofore established and necessary to achieve the goals of the Budget; provided, however, that no such transfer shall be used to increase the total appropriation within any fund.

SECTION 11. AUTHORIZATION TO ENTER INTO CONTRACTS

The City Manager is authorized to enter into City contracts if the total contract amount is less than or equal to the budget line item or project budget as approved by City Council under the terms of the Budget.

SECTION 12. ALLOCATION OF FUNDS

The City Manager is responsible for controlling the rate of expenditures of budgeted funds in order to assure that expenditures do not exceed funds on hand. To carry out this responsibility, the City Manager is authorized to allocate budgeted funds.

SECTION 13. MISCELLANEOUS RECEIPTS ABOVE ANTICIPATED REVENUES

Revenues other than, and/or in excess of, those addressed in Section 4 of this Ordinance, received by the City, which are in excess of the anticipated revenue as approved in the current budget, may be expended as directed by the revenue source, or for the express purposes for which the funds were generated without further approval of City Council. All such expenditures addressed in Section 3, in excess of \$10,000, shall be reported, in written form, to the City Council on a quarterly basis. Such funds include sales of products, services, rents, contributions, donations, special events, insurance and similar recoveries.

SECTION 14. TRANSFERS VALIDATED

All duly authorized transfers of funds heretofore made from one account to another, or from one fund to another during Fiscal Year 2024, are hereby approved.

SECTION 15. RATIFICATION OF FINDINGS; ACTIONS.

The City Council ratifies and approves the findings of fact recited above. Further, all actions of the City Manager and other City staff regarding the public hearings and drafting, execution and delivery of the Budget are ratified, approved and confirmed. Further, the City Manager and City staff shall be authorized to do all things necessary to implement the provisions of the Budget.

SECTION 16. EFFECTIVE DATE

This Ordinance shall be effective July 1, 2023. Approved and adopted on the second and final reading this 13th day of June 2023.

STEPHEN D. MURRAY III, MAYOR

ATTEST:

[SEAL]

TRACI GULDNER, CITY CLERK

1ST Reading: May 23, 2023
Public Hearing: May 23, 2023
2nd Reading & Adoption: June 13, 2023

Reviewed by: Lawrence Flynn, City Bond Counsel and Interim City Attorney, May 18, 2023

EXHIBIT A
CONSOLIDATED BUDGET SUMMARY

	General Fund	ARPA Fund	Parks & Tourism Fund	Stormwater Fund	State Accommodations Fund	TIF II Fund	Fire Impact Fund	Capital Projects Fund	Total
Revenues	<u>\$ 23,207,552</u>	<u>\$ 100,000</u>	<u>\$4,393,852</u>	<u>\$1,332,779</u>	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ 405,000</u>	<u>\$ 8,794,785</u>	<u>\$39,033,968</u>
Transfers In	63,750	-	-	-	-	-	-	17,156,976	17,220,726
Issuance of revenue bonds	-	-	6,945,000	-	-	-	-	-	6,945,000
Total Other Financing Sources	<u>63,750</u>	<u>-</u>	<u>6,945,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,156,976</u>	<u>24,165,726</u>
Release of Committed Fund Balance	1,465,476	-	-	-	-	-	-	-	1,465,476
Release of Fund Balance	-	3,677,485	290,585	1,655,915	-	3,625,054	-	1,245,866	10,494,905
Salaries	9,847,642	-	1,851,930	413,856	17,226	-	-	-	12,130,655
Benefits	3,766,377	-	716,025	174,512	6,675	-	-	-	4,663,590
Operating	7,657,087	215,091	1,396,199	232,610	712,349	-	-	-	10,213,337
Capital	465,200	-	120,600	-	-	-	-	27,197,627	27,783,427
Debt	1,922,443	-	309,098	511,800	-	-	129,239	-	2,872,580
Total Expenditures	<u>23,658,750</u>	<u>215,091</u>	<u>4,393,852</u>	<u>1,332,779</u>	<u>736,250</u>	<u>-</u>	<u>129,239</u>	<u>27,197,627</u>	<u>\$57,663,588</u>
Transfers Out	<u>1,078,028</u>	<u>3,562,394</u>	<u>7,235,585</u>	<u>1,655,915</u>	<u>63,750</u>	<u>3,625,054</u>	<u>-</u>	<u>-</u>	<u>17,220,726</u>
Total Other Financing Uses	<u>1,078,028</u>	<u>3,562,394</u>	<u>7,235,585</u>	<u>1,655,915</u>	<u>63,750</u>	<u>3,625,054</u>	<u>-</u>	<u>-</u>	<u>\$17,220,726</u>
Contribution to Fund Balance	-	-	-	-	-	-	275,761	-	275,761
Net (Deficit) Surplus	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 0</u>

ATTACHMENT A

MASTER FEE SCHEDULE FOR FY 2023-2024

Special Duty Fee - Police	\$60/hour*
Special Duty Fee – Fire	\$38/hour*
Special Duty Fee – Public Works	\$36/hour*

* 4 hour minimum

Park Rental Fee – Whitehall Park

Pavilion Area	\$350 for 4 hour block and \$600 for 6 hour block
Event Lawn Area	\$500 for 4 hour block and \$800 for 6 hour block
Electric Fee	\$75 for 4 hour block and \$100 for 6 hour block
Combined Pavilion and Event Lawn	\$2,500 for 12 hour block

Refundable Security Deposit \$500 for 4 hour block, \$800 for 6 hour block and \$1,250 for 12 hour block

Park Rental Fee – Henry C. Chambers Waterfront Park

Circle of Palms- Dining Area	\$200 for 4 hour block and \$400 for 6 hour block
Craft Market Lawn Area	\$200 for 4 hour block and \$400 for 6 hour block
Contemplative Garden Area	\$200 for 4 hour block and \$400 for 6 hour block
Pavilion Area	\$350 for 4 hour block and \$600 for 6 hour block
Green 1 Area	\$300 for 4 hour block and \$500 for 6 hour block
Green 2 Area	\$500 for 4 hour block and \$800 for 6 hour block
Electric Fee	\$75 for 4 hour block and \$100 for 6 hour block
Entire Park	\$2,200 for 12 hour block

Refundable Security Deposit \$500 for 4 hour block, \$800 for 6 hour block and \$1,100 for 12 hour block

Park Deposit Fee – Pigeon Point Park \$50/day

Park Deposit Fee - Southside Park \$100/day

Parking Fee for Special Events -

Full Day Rate	\$6/day
Downtown Event Message Board Rental Fee	\$150/week
Stormwater Fee – Option E under the Beaufort	
County Stormwater Rate model	\$135/account
Refuse/Recycling Collection Fee – Residential	\$22.50/month
Refuse Collection Fee – Commercial:	
Tier 1 – 1 Cart/2 Day service	\$13.50/month
Tier 2 - 2 Carts/2 Day service	\$27.00/month
Tier 3 – 3 Carts/2 Day service	\$40.50/month
Tier 4 – 3 Carts/5 Day service	\$101.25/month
Tier 5 – 4 Carts/5 Day service	\$135.00/month
Tier 6 – 5 Carts/5 Day service	\$168.75/month
Tier 7 – 6 Carts/5 Day service	\$202.50/month
\$25.00 added to each monthly account requiring Saturday service	

APPENDIX A: BUSINESS LICENSE RATE SCHEDULE

RATE CLASS	INCOME: \$0 - \$2,000	INCOME OVER \$2,000
	BASE RATE	RATE PER \$1,000 OR FRACTION THEREOF
1	\$25.00	\$1.00
2	\$35.00	\$1.30
3	\$45.00	\$1.60
4	\$55.00	\$1.90
5	\$65.00	\$2.20
6	\$75.00	\$2.50
7	\$85.00	\$2.80

NON-RESIDENT RATES

Unless otherwise specifically provided, all taxes and rates shall be doubled for nonresidents and itinerants having no fixed principal place of business within the Municipality.

CLASS 8 & 9 RATES

Each NAICS number designates a separate subclassification. The businesses in this section are treated as separate and individual subclasses due to provisions of state law, regulatory requirements, service burdens, tax equalization considerations, and other factors that are deemed sufficient to require individually determined rates. In accordance with state law, the Municipality also may provide for reasonable subclassifications for rates, described by an NAICS sector, subsector, or industry, that are based on particularized considerations as needed for economic stimulus or for the enhanced or disproportionate demands on municipal services or infrastructure.

Non-resident rates do not apply except where indicated.

8.1 NAICS 230000 – Contractors, Construction, All Types [Non-resident rates apply].

Resident rates, for contractors having a permanent place of business within the Municipality:

Minimum on first \$2,000	\$ 60.00 PLUS
Each additional 1,000.....	\$ 1.75

Non-resident rates apply to contractors that do not have a permanent place of business within the Municipality. A trailer at the construction site or structure in which the contractor temporarily resides is not a permanent place of business under this ordinance.

No contractor shall be issued a business license until all state and municipal qualification examination and trade license requirements have been met. Each contractor shall post a sign in plain view on each job identifying the contractor with the job.

Sub-contractors shall be licensed on the same basis as general or prime contractors for the same job. No deductions shall be made by a general or prime contractor for value of work performed by a sub-contractor.

No contractor shall be issued a business license until all performance and indemnity bonds required by the Building Code have been filed and approved. Zoning permits must be obtained when required by the Zoning Ordinance.

Each prime contractor shall file with the License Official a list of sub-contractors furnishing labor or materials for each project.

For licenses issued on a per-job basis, the total tax for the full amount of the contract shall be paid prior to commencement of work and shall entitle the contractor to complete the job without regard to the normal license expiration date. An amended report shall be filed for each new job and the appropriate additional license fee per \$1,000 of the contract amount shall be paid prior to commencement of new work. Only one base tax shall be paid in a license year. Licensees holding a per-job license shall file, by each April 30 during the continuation of the construction project, a statement of compliance, including but not limited to a revised estimate of the value of the contract. If any revised estimate of the final value of such project exceeds the amount for which the business license was issued, the licensee shall be required to pay a license fee at the then-prevailing rate on the excess amount.

8.2 NAICS 482 – Railroad Companies (See S.C. Code § 12-23-210).

8.3 NAICS 517311, 517312 – Telephone Companies.

With respect to “retail telecommunications services” as defined in S. C. Code § 58-9-2200, the Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by separate ordinance (the “Telecommunications Collections Ordinance”). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to retail telecommunications services are set forth in the Telecommunications Collections Ordinance.

8.4 NAICS 5241 – Insurance Companies:

Independent agents, brokers, their employees are subject to a business license tax based on their natural class. With respect to insurers subject to license fees and taxes under Chapter 7 of Title 38 and to brokers under Chapter 45 of Title 38, the Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by separate ordinance (the “Insurers and Brokers Collections Ordinance”). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to insurers and brokers are set forth in the Insurers and Brokers Collections Ordinance.

8.51 NAICS 713120 – Amusement Machines, coin operated (except gambling). Music machines, juke boxes, kiddie rides, video games, pin tables with levers, and other amusement machines with or without free play feature licensed by SC Department of Revenue pursuant to S.C. Code §12-21-2720(A)(1) and (A)(2) **[Type I and Type II]**.

For operation of all machines (not on gross income), pursuant to S.C. Code §12-21-2746:

Per Machine \$12.50 PLUS
 Each additional \$1,000, over base of \$2,000..... \$1.75

Distributors that sell or lease machines and are not licensed by the state as an operator pursuant to §12-21-2728 are not subject to Subclass 8.51.

8.52 NAICS 713290 – Amusement Machines, coin operated, non-payout. Amusement machines of the non-payout type or in-line pin game licensed by SC Department of Revenue pursuant to S.C. Code §12-21-2720(A)(3) **[Type III]**.

For operation of all machines (not on gross income), pursuant to S.C. Code §12-21-2720(B):

Per Machine \$180.00 PLUS
 Each additional \$1,000, over base of \$2,000..... \$1.75

Distributors that sell or lease machines and are not licensed by the state as an operator pursuant to §12-21-2728 are not subject to Subclass 8.52.

8.6 NAICS 713990 – Billiard or Pool Rooms, all types. (A) Pursuant to SC Code § 12-21-2746, license tax of \$5.00 per table measuring less than 3½ feet wide and 7 feet long, and \$12.50 per table longer than that; PLUS, (B) with respect to gross income from the entire business in addition to the tax authorized by state law for each table:

Minimum on first \$2,000 \$32.00 PLUS
 Each additional \$1,000, over base of \$2,000..... \$1.26

9.1 NAICS 423930 – Junk or Scrap Dealers [Non-resident rates apply].

Minimum on first \$2,000 \$41.00 PLUS
 Each additional \$1,000, over base of \$2,000..... \$1.66

9.2 NAICS 522298 – Pawn Brokers [All Types].

Minimum on first \$2,000 \$161.00 PLUS
 Each additional \$1,000, over base of \$2,000..... \$2.88

9.3 NAICS 4411, 4412 – Automotive, Motor Vehicles, Boats, Farm Machinery or Retail.

(except auto supply stores - see 4413)

Minimum on first \$2,000 \$20.00 PLUS
 Each additional \$1,000, over base of \$2,000..... \$0.65

One sales lot not more than 400 feet from the main showroom may be operated under this license provided that proceeds from sales at the lot are included in gross receipts at the main office when both are operated under the same name and ownership.

Gross receipts for this classification shall include value of trade-ins. Dealer transfers or internal repairs on resale items shall not be included in gross income.

9.4 NAICS 454390 – Peddlers, Solicitors, Canvassers, Door-To-Door Sales.

Direct retail sales of merchandise. [Non-resident rates apply]

9.41 Regular activities [more than two sale periods of more than three days each per year]

Minimum on first \$2,000 \$200.00 PLUS

Each additional \$1,000, over base of \$2,000..... \$1.00

9.42 Seasonal activities [not more than two sale periods of not more than three days each year, separate license required for each sale period]

Minimum on first \$2,000 \$200.00PLUS

Each additional \$1,000, over base of \$2,000..... \$1.00

Applicants for a license to sell on private property must provide written authorization from the property owner to use the intended location.

9.5 NAICS 713290 – Bingo halls, parlors.

Minimum on first \$2,000 \$32.50 PLUS

Each additional \$1,000, over base of \$2,000..... \$1.26

9.6 NAICS 711190 – Carnivals and Circuses.

Minimum on first \$2,000 \$64.00 PLUS

Each additional \$1,000, over base of \$2,000..... \$2.52

9.7 NAICS 722410 – Drinking Places, bars, lounges, cabarets (Alcoholic beverages consumed on premises).

Minimum on first \$2,000 \$272.00 PLUS

Each additional \$1,000, over base of \$2,000..... \$4.31

License must be issued in the name of the individual who has been issued a State alcohol, beer or wine permit or license and will have actual control and management of the business.

9.71 NAICS 722511-Restuarants serving Alcohol

Minimum on first \$2,000 \$115.00 PLUS

Each additional \$1,000, over base of \$2,000..... \$2.90

License must be issued in the name of the individual who has been issued a State alcohol, beer or wine permit or license and will have actual control and management of the business.

Appendix B

2021 Business License Class Schedule by NAICS Code

NAICS Sector/Subsector	Industry Sector	Class
11	Agriculture, forestry, hunting and fishing	2.00
21	Mining	4.00
31	Manufacturing	2.00
32	Manufacturing	2.00
33	Manufacturing	2.00
42	Wholesale trade	1.00
44	Retail trade	1.00
45	Retail trade	1.00
48	Transportation and warehousing	2.00
49	Transportation and warehousing	2.00
51	Information	4.00
52	Finance and insurance	7.00
53	Real estate and rental and leasing	7.00
54	Professional, scientific, and technical services	5.00
55	Management of companies	7.00
56	Administrative and support and waste management and remediation services	4.00
61	Educational services	4.00
62	Health care and social assistance	4.00
71	Arts, entertainment, and recreation	3.00
721	Accommodation	3.00
722	Food services and drinking places	1.00
81	Other services	5.00
Class 8	Mandatory or Recommended Subclasses	
23	Construction	8.10
482	Rail Transportation	8.20
517311	Wired Telecommunications Carriers	8.30
517312	Wireless Telecommunications Carriers (except Satellite)	8.30
5241	Insurance Carriers	8.40
5242	Insurance Brokers for non-admitted Insurance Carriers	8.40
713120	Amusement Parks and Arcades	8.51
713290	Nonpayout Amusement Machines	8.52
713990	All Other Amusement and Recreational Industries (pool tables)	8.60
Class 9	Optional Subclasses	
423930	Recyclable Material Merchant Wholesalers (Junk)	9.10
522298	Pawnshops	9.20
4411	Automobile Dealers	9.30
4412	Other Motor Vehicle Dealers	9.30
454390	Other Direct Selling Establishments (Regular Peddlers)	9.41
454390	Other Direct Selling Establishments (Seasonal Peddlers)	9.42
713290	Bingo Halls	9.50
711190	Other Performing Arts Companies (Carnivals and Circuses)	9.60
722410	Drinking Places (Alcoholic Beverages)	9.70
31	Manufacturing	9.80
32	Manufacturing	9.80
33	Manufacturing	9.80

Note: Class Schedule is based on 2017 IRS data.

DEVELOPMENT REVIEW CODES FEE SCHEDULE
Revised May 23, 2023

(1) **OTHER FEES SUPERSEDED**

The following schedules and regulations regarding fees are hereby adopted and supersede all regulations and schedules regarding fees published in the most recent edition of the International Building Code or supplement thereof.

(2) **FEES MANDATORY**

No permit shall be issued until the fees prescribed in this section shall have been paid. Nor shall an amendment to a permit be approved until the additional fee, if any, due to an increase in the estimated cost of the building or structure, shall have been paid.

(3) **FAILURE TO OBTAIN PERMIT**

Where work for which a permit is required by this code is started or proceeded prior to obtaining said permit, the base fee herein specified shall be tripled, but the payment of such tripled fee shall not relieve any persons from fully complying with the requirements of this code in the execution of the work nor from any other penalties prescribed herein. The Building Official has the authority to waive such penalty fee for first time offenses.

(4) **RECORD OF FEES COLLECTED**

The Building Official shall keep a permanent and accurate accounting of all permit fees and other monies collected, the names of all persons upon whose account the same was paid, the full date and amount thereof.

(5) **MOVING A BUILDING/STRUCTURES**

For the moving of any building or structure, the fee shall be \$150.00

(6) **DEMOLITION OF BUILDING/STRUCTURE**

For the moving of any building or structure, the fee shall be \$150.00
For the demolition of any building or structure, the fees are as follows:

Complete Demolition Single-Family Structure \$100.00 Complete Demolition Commercial & Multifamily Structure \$200.00

(7) **BUILDING PERMIT FEES**

On all new buildings, structures or alterations requiring a building permit as set forth in the International Building Code and the International Residential Code, the fee shall be paid as required at the time of filing the application in accordance with the schedule shown below. All fees are paid at time of submittal.

Building Permit Fee Schedule:

Total Valuation	Base Fee
>\$500 to \$50,000	\$35 for the first \$500, plus \$5.30 for each additional thousand or fraction thereof (round up)
>\$50,000 to \$100,000	\$300 for the first \$50,000, plus \$4 for each additional thousand or fraction thereof (round up)
>\$100,000 to \$500,000	\$500 for the first \$100,000, plus \$3 for each additional thousand or fraction thereof (round up)
>\$500,000 and up	\$1,700 for the first \$500,000, plus \$2 for each additional thousand or fraction thereof (round up)

(8) **PLAN CHECKING FEES**

When a plan is required to be submitted, all fees shall be paid to the building department at the time of submitting plans and specifications for checking. Said plan checking fee shall be equal to one-half of the base fee.

(9) **BUILDING PERMIT VALUATIONS**

If, in the opinion of the Building Official, the valuation of a building, alteration, or structure, appears to be underestimated, the permit shall be denied, unless the applicant can show detailed estimates to meet the approval of the Building Official. Final building permit valuation shall be set by the Building Official.

(10) **PROCEDURE FOR PERMIT REFUNDS**

- (a) Permit holder must return all applicable permit forms and receipts; copies will not be accepted.
- (b) Permit refund will be for total amount paid minus Plan Checking Fee-
- (c) A completed W-9 form is required.

(11) **INSPECTION FEES**

- (a) New Construction/Renovation inspection fees: \$0.10 per square footage
- (b) Individual inspection fees (not associated with new construction or major renovation): \$40.00 ea.
- (c) Swimming Pool Inspection Fees
 - Single-Family \$235.00
with \$200 to be refunded after pool inspection has been performed and approved
 - Multifamily and Commercial \$265.00

with \$200 to be refunded after pool inspection has been performed and approved

- (d) Safety Inspection
Commercial \$50.00

(12) **RE-INSPECTIONS**

If the Building Official or his duly authorized representative shall, upon his inspection after the completion of the work or apparatus, find the same does not conform to and comply with the provisions of this Code, he shall notify the contractor, indicating the corrections to be made, and then he shall again inspect the work or apparatus without further charge; but when extra inspections are due to any of the following reasons, a charge of \$100 for multifamily and commercial projects, and \$50.00 for all other projects shall be made for each re-inspection:

- (a) Wrong Address
- (b) Repairs or corrections not made when inspections are called
- (c) Work not ready for inspection when called

All re-inspection fees are required to be paid in advance prior to re-inspection.

(13) **TREE REMOVAL FEES**

- (a) **Single Family Lots:** \$10.00 per tree for a specimen or landmark tree as established in Section 5.3.2
- (b) **Commercial Lots:** \$10.00 per tree (8" caliper or larger at DBH) or any tree designated as a specimen or landmark tree, as established in Section 5.3.2. Mitigation may be required.

(14) **SIGN PERMITS**

For issuing each sign permit, the fee shall be as follows:

Permanent Sign
\$1.00 per square foot of signage plus a \$40.00 inspection fee

Master Sign Plan \$10.00 per tenant
Amendments to Master Sign Plan \$20.00

(15) **BANNER PERMITS**

Temporary Banner - \$5.00 per day

(16) **TEMPORARY TENT/CANOPY PERMITS**

Temporary tent or canopy over 400 Sq. Ft. \$150.00

(17) **LANDSCAPE IRRIGATION AND OR WELL PERMITS**

Single-Family Lot \$50.00

Commercial or Multifamily Lot \$75.00

(18) **SUBDIVISION FEES**

Plat Review \$25.00

Minor Subdivision \$50.00 (Includes Plat Review Fee)
 (≤ 5 lots and no new streets)

Major Subdivision that includes New Streets: (Includes Plat Review Fee)

6 to 49 lots: \$1,000 + \$10/lot
 50-100 lots: \$1,500 + \$10/lot
 101 to 300 lots: \$2,000 + \$10/lot
 301 + lots: \$2,500 + \$10/lot

(19) **STAFF DESIGN REVIEW FEES**

Single Family and 2/3-unit buildings not in a historic district are exempt.

Type 1: Renovations/Improvements not including additions, ≤ 50% of the value of the structure

<u>Value</u>	<u>Fee</u>
Improvements ≤ \$5,000	\$50
Improvements > \$5,000 but ≤ \$25,000	\$50 + 0.25% x value above \$5,000
Improvements > \$25,000	\$100 + 0.20% x value above \$25,000

Type 2

- Any single-family and 2/3-unit residential addition in a historic district: \$50
- All other additions: \$500 base fee + \$0.05/square foot of addition.

Type 3

Review for new construction and for renovations/improvements totaling over 50% of the value of the structure:

- Single-family and 2/3 unit residential in the historic district:
 - ≤ 10,000 square feet: \$500 base fee + 0.05/square foot of building
 - > \$10,000 square feet: \$1,000 base fee + \$0.05/square foot of building for the first 100,000 square feet of building. For additional square footage over 100,000, \$0.02/square foot

(20) **REVIEW BOARDS: HISTORIC REVIEW BOARD & DESIGN REVIEW BOARD**

Single-family residential projects (board review) \$100
 Multifamily and commercial projects (board review) \$250
 Change After Certification \$100

Demolition (whole structure)	\$250
Special Board Meeting	\$500

Post facto applications shall be triple the normal fee.

PROFESSIONAL ARCHITECT PLAN REVIEW FEES

Principal Architect	\$120/HR
Preservation Architect	\$120/HR
Architect	\$90/HR
Preservations Consultant	\$100/HR
Conservator	\$100/HR
Historic Materials Specialist	\$100/HR
Administration	\$50/HR
Per Diem	\$25/Day and \$50/Overnight
Printing	\$.05/BW Copies \$.39/Color Copies
Mileage	\$.655/mile

PROFESSIONAL ENGINEER PLAN REVIEW FEES

Senior Manager	\$245/HR
Senior Project Manager	\$185/HR
Senior Engineer	\$180/HR
Project Manager	\$165/HR
Engineer II	\$135/HR
Designer II	\$130/HR
Designer I	\$120/HR
Environmental Professional II	\$100/HR

(21) **ZONING BOARD OF APPEALS**

All Application Fees: \$300.00

(22) **REZONING**

Rezoning to PUD \$400
 Rezoning, non-PUD \$200 & \$10/per lot

(23) **TEXT AMENDMENT**

Beaufort Code Text Amendment \$400

(24) **OTHER FEES**

Trip to Storage \$50.00 (plus copying fee)
 (Request for documents from storage)
 Flood Hazard Area Verification Letter \$25.00

Parking Meter Space Rental	\$5.00 per day per metered space (for construction projects only)
Fee for Copies (8 1/2 x 11)	30¢ per sheet
Plat Review	\$25.00
Zoning Review/Letter	\$50.00
Traffic Impact Analysis Report Review Fee	\$750.00
Administrative Adjustment	\$50.00
Short Term Rentals	\$100.00
Civic Master Plan	\$25.00
The Beaufort Code (in a binder)	\$50.00
The Comprehensive Plan (in a binder)	\$50.00

FIRE IMPACT FEE SCHEDULE

Land Use Category	Service Units	Persons per Household	Employee Space Ratio	Cost per Person	Cost per Employee	Impact Fee per Service unit
Residential Uses						
Single Family (Attached or Detached)	d.u.	2.69	—	\$305.43	—	\$305.43
Mobile Home	d.u.	3.66	—	\$305.43	—	\$305.43
Multifamily (>2 Dwelling Units)	d.u.	1.25	—	\$305.43	—	\$305.43
Non-Residential Uses						
Hotel / Motel Uses						
Hotel	room	—	0.57	—	\$592.34	\$337.64
Business Hotel	room	—	0.1	—	\$592.34	\$59.23
Motel	room	—	0.71	—	\$592.34	\$420.56
Recreational Uses						
Golf Course	hole	—	1.74	—	\$592.34	\$1,030.68
Movie Theater (w/ Matinee)	1,000 s.f.	—	1.1	—	\$592.34	\$651.58
Institutional Uses						
Elementary School	1,000 s.f.	—	0.98	—	\$592.34	\$580.50
Middle/Junior High School	1,000 s.f.	—	0.84	—	\$592.34	\$497.57
High School	1,000 s.f.	—	0.65	—	\$592.34	\$385.02
Junior/Community College	1,000 s.f.	—	1.77	—	\$592.34	\$1,048.45
University/College	student	—	0.19	—	\$592.34	\$112.55
Daycare	1,000 s.f.	—	2.77	—	\$592.34	\$1,640.79
Library	1,000 s.f.	—	1.07	—	\$592.34	\$633.81
Medical Uses						
Hospital	bed	—	2.88	—	\$592.34	\$1,705.95
Nursing Home	bed	—	0.84	—	\$592.34	\$497.57
Clinic	1,000 s.f.	—	3.93	—	\$592.34	\$2,327.91
Medical/Dental Office	1,000 s.f.	—	4.05	—	\$592.34	\$2,398.99

FIRE IMPACT FEE SCHEDULE

Impact Fee Schedule for Fire Protection Facilities and Equipment						
Land Use Category	Service Units	Persons per Household	Employee Space Ratio	Cost per Person	Cost per Employee	Impact Fee per Service unit
General Office Uses						
< 50,000 s.f.	1,000 s.f.	—	4.14	—	\$592.34	\$2,452.30
50,001 – 100,000 s.f.	1,000 s.f.	—	3.72	—	\$592.34	\$2,203.52
100,001 – 150,000 s.f.	1,000 s.f.	—	3.55	—	\$592.34	\$2,102.82
150,001 – 200,000 s.f.	1,000 s.f.	—	3.44	—	\$592.34	\$2,037.66
> 200,001 s.f.	1,000 s.f.	—	3.26	—	\$592.34	\$1,931.04
Office Park Uses						
< 50,000 s.f.	1,000 s.f.	—	3.7	—	\$592.34	\$2,191.67
50,001 – 100,000 s.f.	1,000 s.f.	—	4.96	—	\$592.34	\$2,938.03
100,001 s.f. – 150,000 s.f.	1,000 s.f.	—	4.18	—	\$592.34	\$2,476.00
150,001 – 200,000 s.f.	1,000 s.f.	—	3.82	—	\$592.34	\$2,262.75
200,001 – 250,000 s.f.	1,000 s.f.	—	3.62	—	\$592.34	\$2,144.29
250,001 – 300,000 s.f.	1,000 s.f.	—	3.48	—	\$592.34	\$2,061.36
300,001 – 350,000 s.f.	1,000 s.f.	—	3.38	—	\$592.34	\$2,002.12
350,001 – 400,000 s.f.	1,000 s.f.	—	3.3	—	\$592.34	\$1,954.74
> 400,001 s.f.	1,000 s.f.	—	3.17	—	\$592.34	\$1,877.73
Business Park Uses						
< 100,000 s.f.	1,000 s.f.	—	2.44	—	\$592.34	\$1,445.32
100,001 s.f. – 150,000 s.f.	1,000 s.f.	—	2.79	—	\$592.34	\$1,652.64
150,001 – 200,000 s.f.	1,000 s.f.	—	2.95	—	\$592.34	\$1,747.41
200,001 – 250,000 s.f.	1,000 s.f.	—	3.03	—	\$592.34	\$1,794.80
250,001 – 300,000 s.f.	1,000 s.f.	—	3.09	—	\$592.34	\$1,830.34
300,001 – 350,000 s.f.	1,000 s.f.	—	3.12	—	\$592.34	\$1,848.11
350,001 – 400,000 s.f.	1,000 s.f.	—	3.15	—	\$592.34	\$1,865.88
> 400,001 s.f.	1,000 s.f.	—	3.2	—	\$592.34	\$1,895.50

FIRE IMPACT FEE SCHEDULE

Impact Fee Schedule for Fire Protection Facilities and Equipment						
Land Use Category	Service Units	Persons per Household	Employee Space Ratio	Cost per Person	Cost per Employee	Impact Fee per Service unit
General Retail Uses						
< 50,000 s.f.	1,000 s.f.	—	2.86	—	\$592.34	\$1,694.10
50,001 – 100,000 s.f.	1,000 s.f.	—	2.5	—	\$592.34	\$1,480.86
100,001 s.f. – 150,000 s.f.	1,000 s.f.	—	2.22	—	\$592.34	\$1,315.00
150,001 – 200,000 s.f.	1,000 s.f.	—	2.22	—	\$592.34	\$1,315.00
200,001 – 300,000 s.f.	1,000 s.f.	—	2.22	—	\$592.34	\$1,315.00
300,001 – 400,000 s.f.	1,000 s.f.	—	2.22	—	\$592.34	\$1,315.00
> 400,001 s.f.	1,000 s.f.	—	2.22	—	\$592.34	\$1,315.00
Specific Retail Uses						
Supermarket	1,000 s.f.	—	1.1	—	\$592.34	\$651.58
Building Materials/ Lumber Store	1,000 s.f.	—	1.41	—	\$592.34	\$835.21
Free Standing Discount Store	1,000 s.f.	—	1.98	—	\$592.34	\$1,172.84
Nursery/Garden Center	1,000 s.f.	—	3.12	—	\$592.34	\$1,848.11
New Car Sales Center	1,000 s.f.	—	1.53	—	\$592.34	\$906.29
Tire Store	1,000 s.f.	—	1.21	—	\$592.34	\$716.74
Furniture Store	1,000 s.f.	—	0.42	—	\$592.34	\$248.78
Industrial Uses						
General Light Industrial	1,000 s.f.	—	2.31	—	\$592.34	\$1,368.31
General Heavy Industrial	1,000 s.f.	—	1.83	—	\$592.34	\$1,083.99
Industrial Park	1,000 s.f.	—	2.04	—	\$592.34	\$1,208.38
Warehousing	1,000 s.f.	—	0.92	—	\$592.34	\$544.96
Mini-Warehouse	1,000 s.f.	—	0.04	—	\$592.34	\$23.69
Specific Service Uses						
Drive-In Bank	1,000 s.f.	—	4.79	—	\$592.34	\$2,837.33
High-Turnover Sit-Down Restaurant	1,000 s.f.	—	5.64	—	\$592.34	\$3,340.82
Fast Food w/ Drive Through	1,000 s.f.	—	5	—	\$592.34	\$2,961.72



CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 5/31/2023
FROM: Scott Marshall, City Manager
AGENDA ITEM TITLE: An ordinance to amend the City of Beaufort Code of Ordinances, Section 1-4002, Appointment of City Manager regarding residency requirements - 1st reading
MEETING DATE: 6/13/2023
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

The City of Beaufort Code of Ordinances, consistent with privileges afforded under the South Carolina Code of Laws, establishes a residency requirement for the city manager.

The South Carolina Code of Laws also permits municipalities to waive the residency requirement at their discretion.

The employment agreement for the current city manager has language in it that allows him to continue residency at his current address, unless he decides to move his residency. At such time he would then be required to move within city limits.

PLACED ON AGENDA FOR: Action

REMARKS:

The Ordinance presented for consideration fulfills the contractual language in the current city manager's agreement that the "Employer will amend Sec. 1-4002, residency requirements of the City Manager, to reflect this change."

The recommended amendment to Section 1-4002 can be found in Exhibit "A" to the ordinance presented for consideration.

ATTACHMENTS:

Description	Type	Upload Date
Ordinance	Cover Memo	6/2/2023

ORDINANCE

AN ORDINANCE TO AMEND THE CITY OF BEAUFORT CODE OF ORDINANCES, SECTION 1-4002, APPOINTMENT OF CITY MANAGER, SPECIFICALLY WITH REGARD TO THE RESIDENCY REQUIREMENT.

WHEREAS, The South Carolina Code of Laws §5-7-30 grants municipalities the power to enact and amend regulating resolutions and ordinances necessary for providing good government; and

WHEREAS, The South Carolina Code of Laws §5-13-50 specifies that a city manager “need not be a resident of the municipality or state at the time of his employment and may reside outside the municipality while in office only with the approval of the council;” and

WHEREAS, The City of Beaufort Code of Ordinances, §1-4002 specifies that “At the time of his appointment he need not be a resident of the city or the state but must become a resident of the city within six (6) months of the appointment;” and

WHEREAS, the employment agreement ratified by the City of Beaufort and its current city manager, executed December 16, 2022, reads that, “Employee will be allowed to remain at his current home, located at 56 Governors Trace, Beaufort SC 29907 due to the proximity to the city limits. However, should the employee decide to move his residency, while employed as City Manager, he will be required to move within city limits. Employer will amend the ordinance, Sec. 1-4002, residency requirements of City Manager to reflect this change.”

NOW, THEREFORE BE IT ORDAINED by the City of Beaufort Council, in council duly assembled, and by authority of the same, as follows:

1. The Code of Ordinances of the City of Beaufort, §1-4002 shall be amended as indicated at Exhibit “A,” attached hereto and included as part and parcel of this ordinance.
2. This ordinance shall be enacted upon second reading by council on June 27, 2023.

STEPHEN D. MURRAY III, MAYOR

ATTEST:

TRACI GULDNER, CITY CLERK

Sec. 1-4002. Appointment of city manager.

The city manager shall be appointed by majority vote of the city council for an indefinite term. The manager shall be chosen by the council solely on the basis of his executive and administrative qualifications, with special reference to his actual experience in, or his knowledge of, accepted practice in respect to the duties of his office, hereinafter set forth. At the time of his appointment he need not be a resident of the city or the state but must become a resident of the city within six (6) months of his appointment, unless otherwise specified in the terms of the employment contract. No council member or mayor shall receive the appointment during the term for which he shall have been elected nor within one (1) year after the expiration of his term.



CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 5/30/2023
FROM: Scott Marshall, City Manager
AGENDA ITEM TITLE: An ordinance authorizing (1) the execution and delivery of an option to purchase; and purchase agreement for Beaufort Commerce Park, Lots F and H; (2) the conveyance of such real property in accordance with the terms of such agreement; and (3) other matters relating thereto - 1st reading
MEETING DATE: 6/13/2023
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

The attached Ordinance presented for Council's consideration authorizes the City Manager to execute and deliver an option to purchase and a purchase agreement for Lots F and H in the Beaufort Commerce Park. The purchase agreement, presented as an exhibit to the Ordinance, is between the City and Coastal Pride Company. Coastal Pride intends to engage in an aquaculture business to farm and produce Softshell Crabs year-round.

This project was previously discussed with Council in executive sessions on April 25, 2023 and May 23, 2023.

Summary of the Purchase Agreement:

- City conveys to company an option to purchase the property at a purchase price of \$378,000.00. For consideration of this option, company agrees to pay the City \$37,880.
- The option period is six months, with the ability for the company to extend the option period for an additional six months at any time during the initial option period.
- If company exercises option to purchase, the \$37,880 will be applied to the purchase price of the property.
- If the option to purchase is not exercised, City must refund the option price to company within 30 days of the option term expiration, or upon receipt of notice of termination of option from company.

This economic development project is expected to yield a \$29,460,000.00 infrastructure investment and produce 48 jobs with an average annual compensation of \$42,284.67.

PLACED ON AGENDA FOR: Action

REMARKS:

Staff recommends approval of attached Ordinance presented for consideration.

ATTACHMENTS:

Description	Type	Upload Date
Ordinance	Ordinance	6/6/2023

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING (1) THE EXECUTION AND DELIVERY OF AN OPTION TO PURCHASE AND PURCHASE AGREEMENT FOR BEAUFORT COMMERCE PARK, LOTS F AND H; (2) THE CONVEYANCE OF SUCH REAL PROPERTY IN ACCORDANCE WITH THE TERMS OF SUCH AGREEMENT; AND (3) OTHER MATTERS RELATING THERETO.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Beaufort (the “*City Council*”), the governing body of the City of Beaufort, South Carolina (the “*City*”), as follows:

Section 1 Findings. The City Council hereby makes the following findings of fact in connection with the enactment of this ordinance (this “*Ordinance*”):

(a) The City is a municipal corporation of the State of South Carolina (the “*State*”) and as such possesses all general powers granted by the Constitution and statutes of the State to municipalities, including the power pursuant to Section 5-7-40 of the Code of Laws of South Carolina 1976, as amended, to sell and convey real property.

(b) The City is the owner of certain real property located within Beaufort Commerce Park and identified on the Beaufort Commerce Park Master Conceptual Plan, attached to this Ordinance at **Exhibit A**, as Lots F (5.01 acres) and H (4.46 acres), and which constitute a portion of the real property owned by the City and identified by Tax Map # R120-020-000-0269-0000 (the “*Property*”).

(c) A company known to the City at this time as Project Crab, on its own or together with one or more of its subsidiaries, affiliates, successors, assigns, sponsors, lessors, and others (collectively, the “*Company*”), proposes to acquire the Property and to acquire, lease, construct, purchase, or install, certain real property improvements and machinery, equipment, and other personal property in order to establish a manufacturing facility thereon (the “*Project*”). The Company requests that the City grant an exclusive option to purchase the Property for a period sufficient to allow the Company to secure financing and conduct certain due diligence regarding the Property and the Project.

(d) The City desires to enter into an Option to Purchase and Purchase Agreement with the Company, the form of which is attached to this Ordinance at **Exhibit B** (the “*Agreement*”). The City Council hereby finds and determines that the purchase price set forth in the Agreement constitutes fair market value for the Property.

Section 2 Approval of Form of Agreement. The form, provisions, terms, and conditions of the Agreement, as attached at **Exhibit B** to this Ordinance, are hereby approved, and all of the provisions, terms, and conditions thereof are hereby incorporated herein by reference as if the Agreement was set out in this Ordinance in its entirety. The City Manager of the City of Beaufort (the “*City Manager*”) is hereby authorized, empowered, and directed to execute the Agreement in the name and on behalf of the City; the Clerk to the City Council (the “*City Clerk*”) is hereby authorized, empowered and directed to attest the same; and the City Manager is further authorized, empowered, and directed to deliver the Agreement to the Company. The Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall not materially adversely affect the rights of the City thereunder and as shall be approved by the official or officials of the City executing the same, upon the advice of counsel, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the Agreements now before this meeting. The City Manager is expressly

authorized to approve of the final legal description of the Property, and the inclusion of such legal description at Exhibit A of the Agreement, prior to the execution and delivery thereof.

Section 3 Conveyance of Property. Subject to the terms of the Agreement, the conveyance of the Property to the Company is hereby authorized and approved. The City Manager and the City Clerk, for and on behalf of the City, are hereby each authorized, empowered, and directed to do any and all things necessary or proper to effect the performance of all obligations of the City under and pursuant to Agreement, including the conveyance of the Property. The City Manager and City Clerk, or either one of them acting alone, are hereby authorized to execute and deliver on behalf of the City all deeds and other certificates, instrument, and documents as they deem necessary, upon advice of counsel, to accomplish the foregoing.

Section 4 Repealer; Effective Date. All orders, ordinances, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This Ordinance shall take effect and be in full force from and after its enactment.

DONE AND ENACTED in a meeting of the Council duly assembled this ____ day of _____ 2023.

CITY OF BEAUFORT, SOUTH CAROLINA

[SEAL]

Stephen D. Murray III, Mayor

Attest:

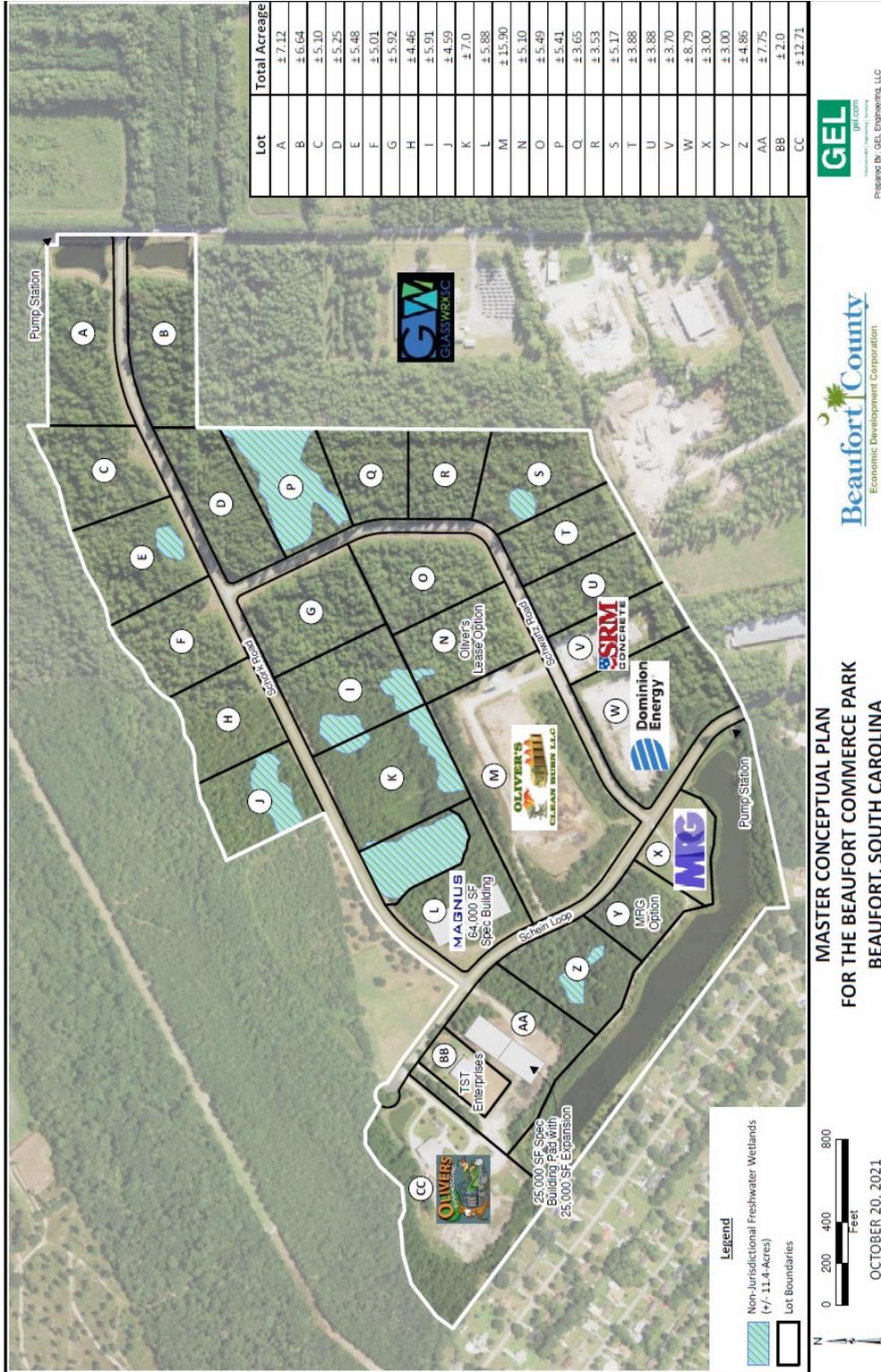
Traci Guldner, City Clerk

First Reading: _____, 2023

Second Reading: _____, 2023

EXHIBIT A

Beaufort Commerce Park Master Conceptual Plan



Prepared By: GEL Engineering, LLC

EXHIBIT B
Form of Agreement

the Company elects to terminate the Option prior to the end of the Option Term, the City shall refund the Option Price to the Company within 30 days of the date of the expiration of the Option Term or the City's receipt of notice of termination of the Option by the Company. If the Company exercises the Option, the Option Price shall thereafter be held as earnest money and shall not be refundable to the Company except as expressly set forth in this Agreement.

Section 1.03 Term of Option; Termination. The term of the Option (the "*Option Term*") shall begin as of the Effective Date and shall automatically expire and terminate on the six-month anniversary of the Effective Date (the "*Expiration Date*"); provided, however, the Company may extend the Option Term by an additional six-month period at any time during the initial Option Term by providing written notice of such extension to the City, in which case the Option Term shall expire and terminate on the one-year anniversary of the Effective Date, which shall thereafter become the Expiration Date. The Company may terminate the Option at any time during the Option Term by giving written notice of such termination to the City.

Section 1.04 Option is Exclusive. The City agrees, warrants, and represents that the Option granted and conveyed pursuant to this Agreement is and shall remain the only option to purchase granted by the City for the Property during the Option Term, and that the City shall not take any action, or fail to take any necessary action, that will result in the further encumbrance of the Property during the Option Term.

Section 1.05 Exercise of Option; Conditions Precedent.

(a) To exercise the Option, the Company shall deliver written thereof notice (the "*Notice*") to the City. The Notice shall set forth the deadline for closing on the conveyance of the Property (the "*Closing Date*"), which shall not be less than 30 days, nor greater than 60 days, after the date upon which the Notice is given.

(b) As a condition precedent to exercising the Option, the Company shall (each numbered item below a "*Condition Precedent*" and together, the "*Condition Precedents*"):

- (1) Obtain firm financing commitments from the United States Department of Agriculture, Rural Development, or some other financing source, that, along with other equity investment, are sufficient to pay the costs of the Project;
- (2) Obtain appropriate approvals as may be required for the Project to be developed in the vicinity of the Marine Corps Air Station Beaufort; and
- (3) Obtain the approval of the Company's Board of Directors for the acquisition of the Property, the acceptance of financing terms, and the construction of the Project.

At such time as the Company delivers the Notice to the City, the Company shall additionally deliver written confirmation or other documentation, in a form satisfactory to the City, that the above Conditions Precedent have been met.

ARTICLE II

DUE DILIGENCE

Section 2.01 City's Information. Within 5 days of the Effective Date, the City shall provide the Company with copies of all non-proprietary reports and other information pertaining to the Property in the City's possession such as title policies, land surveys, geotechnical reports, zoning information, and environmental studies.

Section 2.02 Due Diligence. For a period not to exceed 60 days from the Effective Date (such period being herein referred to as the "*Inspection Period*"), the Company, its authorized agents and employees, as well as others authorized by the Company, shall have full and complete access to the Property and shall be entitled to enter upon the Property and make such surveys (including a master geotechnical survey), architectural, engineering, topographical, geological, soil, subsurface, environmental, water drainage, and other investigations, inspections, evaluations, studies, tests and measurements, including verification of information provided by the City regarding *ad valorem* taxes; building restrictions; zoning, deed and architectural control restrictions, and building permit; and other regulatory restrictions that may pertain to the Property concerning the Company's intended uses of the Property (collectively, the "*Due Diligence*") as the Company deems reasonably necessary or advisable so long as such Due Diligence does not result in any material adverse change to the physical characteristics of the Property. In conducting Due Diligence, the Company and its agents and representatives shall use commercially reasonable efforts: (i) not to damage any part of the Property; (ii) not to injure or otherwise cause bodily harm to the City or its agents, guests, invitees, contractors, and employees; (iii) to comply with all applicable laws; (iv) to promptly pay when due the costs of all tests, investigations, and examinations done with regard to the Property; and (v) not to permit any liens to attach to the Property by reason of the exercise of its rights hereunder. The Company shall bear the cost of all such inspections or tests. Notwithstanding the provisions of this Section, before seeking a Phase 2 Environmental Assessment regarding the Property, the Company shall provide the City with the Phase 1 Environmental Assessment containing the specific recommendation that a Phase 2 Environmental Assessment is necessary and shall obtain the written consent of the City to such Phase 2 Environmental Assessment.

Section 2.03 Indemnification. The Company agrees to indemnify and hold harmless the City and its employees and officers from and against any and all damages, mechanics' liens, liabilities, losses, demands, actions, causes of action, claims, costs and expenses (including reasonable attorneys' fees, including the cost of appeals) arising from or related to the Company's, or its employees, agents, representatives, or contractors entry onto the Property, and any inspections or other matters performed by the Company with respect to the Property. The obligations of the Company pursuant to this Section shall survive the expiration or termination of the Option or the conveyance of the Property.

Section 2.04 Title Examination. Prior to the expiration of the Inspection Period, the Company shall deliver to the City a written statement of objections, if any, to the City's title to the Property and the City shall have ten days after receipt of the Company's written objections to the City's title in which to cure or remove the same, time being of the essence. The City hereby covenants and agrees to use the City's best efforts to cure or remove said objections within said period. If the City fails or refuses to cure or remove said objections at least five days prior to the Closing Date, then the Company, as its sole remedy, shall have the right to terminate this Agreement by providing written notice to the City of such cancelation. In such event, the Option Price shall be returned to the Company

within 15 days of receipt of written notice of cancelation, and no party hereto shall have any further rights, liabilities or obligations hereunder.

Section 2.05 As-Is Condition. The Company acknowledges and agrees that the Property shall be sold, and the Company shall accept possession of the Property on the Closing Date, except as provided herein, AS IS, WHERE IS, WITH ALL FAULTS, with no right of set-off or reduction in the Purchase Price, except as expressly set forth herein to the contrary, and except as expressly provided in this Agreement, such sale shall be without representation or warranty of any kind, whether express, implied, statutory or otherwise, including, without representation, warranties of use, merchantability or fitness for a particular purpose, and the City does hereby disclaim and renounce any such representation or warranty.

Section 2.06 Cooperation. During the Inspection Period the City shall use its best efforts to cooperate fully with the Company to facilitate inspection of the Property, but the City shall not be obligated to incur any costs or expenses in doing so.

ARTICLE III

REPRESENTATIONS

Section 3.01 City's Warranties, Representations, and Covenants. The City hereby makes the following representations, warranties, and covenants, each of which is limited to the knowledge of the City, without duty of the Company to investigate the veracity thereof and each of which is material and is relied upon by the Company as consideration for the purchase of the Option, which are true and correct as of the Effective Date and which the City represents, warrants and covenants shall remain true and correct during the Option Term, and provided the Option is exercised by the Company, through the Closing Date:

- (1) The City is the sole owner of good and marketable fee simple title to all of the Property, insurable subject only to those liens, claims, options, encumbrances, rights-of-way, easements, conditions, covenants and restrictions as may be reasonably acceptable to the Company.
- (2) No options or other contracts have been granted or entered into which are still outstanding giving any other party a right to purchase any interest in the Property and no options or other contracts will be granted or entered into by the City giving any other party a right to purchase any interest in the Property.
- (3) To the best of the City's knowledge, the City is not in violation of and, to the best of the City's knowledge, has not received notice of the violation of any applicable building, zoning or other ordinances, resolutions, statutes or regulations of any government or governmental agency in respect to operation, use, maintenance or condition of the Property or any part thereof or requiring any repairs or alterations.
- (4) To the best of the City's knowledge, there are no condemnation or eminent domain proceedings pending or contemplated against the Property or to the best of the City's

knowledge pending or contemplated against the Property or any part thereof, and the City has not received a notice, oral or written, that any public authority or other entity seeks to take or use the Property or any part thereof.

- (5) The City is current with all real and personal property taxes and the Property is free from special taxes or assessments.
- (6) The City has the right, power, and authority to enter into this Agreement and to convey the Property in accordance with the terms and conditions of this Agreement. The undersigned representative of the City has the requisite power and authority to execute and deliver this Agreement on the City's behalf. This Agreement, when executed and delivered by the City, will be a valid and binding obligation of the City in accordance with its terms.
- (7) No payments for work, materials or improvements furnished to the Property will be due or owing upon the Closing Date, and the City shall execute standard mechanic's lien waiver forms as may be required by the Company's title insurance company as may be requested.
- (8) To the City's actual knowledge without independent inquiry, no portion of the Property has ever been used by the City as a landfill or as a dump to receive garbage, refuse, waste or fill material, whether or not hazardous. The City has not stored, handled, installed or disposed of any Hazardous Substances (as defined herein) in, on or about the Property or any other location within the vicinity of the Property; and, to the best of the City's knowledge, there are no Hazardous Substances on the Property. As used in this Agreement, the terms "**Hazardous Substances**" means asbestos, polychlorinated biphenyl and such materials, waste, contaminants or other substances determined as toxic, dangerous to health or otherwise hazardous by cumulative reference to the following sources as amended from time to time: (i) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 1601, et seq. ; (ii) the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; (iii) Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq.; (iv) applicable laws of the jurisdiction where the Property is located; and (v) any federal, state or local statutes, regulations, ordinances, rules or orders issued or promulgated under or pursuant to any of those laws or otherwise by any department, agency, or other administrative, regulatory or judicial body. The term Hazardous Substances does not include usual and customary cleaning and other supplies necessary for the normal operation, maintenance and/or occupancy of the Property.
- (9) The City shall not cause or permit any action to be taken, or fail to take such action when necessary, which would cause any of the foregoing representations or warranties to be untrue as of the Effective Date through the Expiration Date, or in the event that the Company elects to exercise the Option, the Closing Date. The City agrees to immediately notify the Company in writing of any event or condition to the City's knowledge which occurs prior to the Expiration Date, or if the Company elects to exercise the Option, the Closing Date, which causes a change in the facts related to or the truth of any of the

above representations. The City has disclosed to the Company, and will continue to disclose to the Company, any and all facts necessary to prevent the statements herein from being misleading.

- (10) On or before the Closing Date, the City will do, make, execute, and deliver all such additional and further acts, deeds, instruments, and documents as may be reasonably required by the Company to completely vest in and assure to the Company full rights in or to the Property.

Section 3.02 Company's Warranties, Representations, and Covenants. The Company hereby makes the following representations, warranties, and covenants, each of which is limited to the knowledge of the Company, without duty of the City to investigate the veracity thereof and each of which is material and is relied upon by the City as consideration for the City's covenants, agreements, and undertakings set forth in this Agreement, which are true and correct as of the Effective Date and which the Company represents, warrants and covenants shall remain true and correct during the Option Term, and provided the Option is exercised by the Company, through the Closing Date:

- (1) This Agreement, when executed and delivered by the Company, will be a valid and binding obligation of the Company in accordance with its terms. The undersigned representative of the Company has the requisite power and authority to execute and deliver this Agreement on the Company's behalf. In the event that the Company elects to exercise the Option, the Company will have taken such action necessary to authorize the purchase of the Property pursuant to the terms of this Agreement.
- (2) The Company will diligently pursue obtaining financing for the Project during the Option Term, and provided the Option is exercised, the Company will diligently pursue the approval, permitting, and construction of the Project so as to meet Company Commitments (as defined herein).

ARTICLE IV

CONVEYANCE OF PROPERTY

Section 4.01 Closing Costs; Pro-Rated Items; Adjustments. The City shall pay all recording fees, for the cost of all deed stamps and transfer taxes, the expense of preparing the deed, and all legal fees incurred by the City. The Company shall pay any premium for owner's title insurance, the cost of recording the deed, the Company's costs with respect to Due Diligence, and all legal fees incurred by the Company. The City shall be responsible for payment of all expenses applicable to the Property that are incurred prior to the Closing Date, if any. The Company shall be responsible for payment of all expenses applicable to the Property which are incurred from and after the Closing Date including, but not limited to, real estate taxes and assessments and fire, hazard, theft, and liability insurance premiums. The adjustments and prorations required under this Agreement shall be computed as of the Closing Date and the Purchase Price paid to the City hereunder shall be adjusted to reflect such prorations. The Company shall be responsible for any rollback taxes relating to the Property.

Section 4.02 Brokerage. The City and the Company represent and warrant each to the other that they have not dealt with any other brokers in connection with this transaction. These warranties shall survive the Closing.

Section 4.03 Delivery of Closing Documents. In addition to the conditions set forth elsewhere in this Agreement, the City shall deliver to the Company on the Closing Date all of the following documents, the delivery and accuracy of which shall further condition the Company's obligations to consummate the purchase and sale herein contemplated:

- (1) A Limited Warranty Deed conveying good and marketable fee simple title to the Property, free and clear of all liens, encumbrances, easements and restrictions of every nature and description, except those accepted by the Company.
- (2) The City's affidavit or lien waiver satisfactory for the purpose of removing any mechanic's lien exception from any title insurance policy to be issued in connection with the purchase of the Property.
- (3) An affidavit of the City providing the City's federal identification number and certifying that this transaction is not subject to withholding taxes in accordance with the laws of the State.
- (4) Evidence of the authority of the persons signing the deed and other documents to be executed by the City at closing and the power and authority of the City to convey the Property to the Company in accordance with this Agreement.
- (5) Such other documentation as may be reasonably required in the opinion of the Company or its counsel to consummate and close the transaction contemplated herein pursuant to the terms and conditions of this Agreement.

Section 4.04 Possession. Possession of the Property shall be delivered to the Company at the time of closing and delivery of the Limited Warranty Deed.

Section 4.05 Title. The Company's obligations hereunder shall be conditioned upon the City's delivery of a good and insurable title to the Property (at standard rates), by limited warranty deed, free and clear of all liens, encumbrances and conditions which in the opinion of the Company would adversely affect the use and marketability of the Property.

Section 4.06 Risk of Loss. If the Property or any part thereof suffers any damage prior to the Expiration Date (or in the event that the Company elects to exercise the Option, the Closing Date) from fire or other casualty, which the City shall have no obligation to repair, the Company may either (i) terminate this Agreement, in which case the City shall refund the Option Price to the Company within 30 days of receipt of written notification of such termination, or (ii) consummate the purchase of the Property, in which case, the proceeds of any insurance covering such damage shall be assigned to the Company on the Closing Date.

Section 4.07 Condemnation. In the event of the taking of all or any portion of the Property by eminent domain proceedings, or the commencement or bona fide threat of the commencement of any such proceedings, prior to the Closing Date, the Company shall have the right at the Company's option, to terminate this Agreement by giving written notice thereof to the City prior to the Closing Date, in which event the Company may either (i) terminate this Agreement, in which case the City shall refund the Option Price to the Company within 30 days of receipt of written notification of such termination, or (ii) consummate the purchase of the Property, in which case, the City shall assign to the Company at closing all rights of the City in and to any awards or other proceeds paid or payable thereafter by reason of any such condemnation. The City shall notify the Company of any eminent domain proceedings for which the City receives formal notification thereof within five days of service of such notification.

Section 4.08 Default and Remedies. In the event that the Company exercises the Option and the terms and conditions of this Article IV concerning the conveyance of the Property have been satisfied and the Company does not purchase the Property in accordance with the requirements of this Agreement within the time limits herein set forth herein, the City, as the City's sole and exclusive remedy, may terminate this Agreement, in which event the City shall retain the Option Price as full liquidated damages and not as a penalty, it being agreed that the City's damages would be difficult or impossible to ascertain. In the event of the City's breach of any of its obligations hereunder, the Company shall have the rights and options as the Company's sole and exclusive remedies to either (i) immediately terminate this Agreement upon written notice to the City and receive back the full amount of the Option Price and upon return of same the Parties hereto shall have no further rights and obligations or liabilities to each other hereunder or (ii) demand and compel by an action for specific performance or similar legal proceedings, if necessary, for the immediate conveyance of the Property by the City in compliance with the terms and conditions of this Agreement.

ARTICLE V

DEVELOPMENT OF PROJECT; RIGHTS OF FIRST REFUSAL

Section 5.01 Company Commitments. Following the closing on the Property (in the event that the Company exercises the Option), the Company shall meet the following timing requirements concerning the permitting and Development of the Project (as defined herein) (each a “*Company Commitment*” and together, the “*Company Commitments*”):

- (1) The Company shall submit completed applications for all federal, State, and local permits necessary for the construction of the Project within six months of the Closing Date; and
- (2) The Company shall commence Development of the Project within 18 months of the Company having received all permits necessary for the construction of the Project. For the purpose of determining compliance with this Company Commitment, “*Development of the Project*” means that the Property has been made shovel ready for the construction of the Project and the Company has commenced vertical construction on improvements constituting the Project.

The times for performance of each of the Company Commitments shall be extended in the event of Unavoidable Delay (as defined herein). In the event of the occurrence of any Unavoidable Delay, the time or times for the performance of the obligations of the County or of the Company shall be extended for the period of such enforced delay. “*Unavoidable Delay*” means, in respect to compliance with the Company Commitments, any delay caused by reason of acts of God, governmental restrictions, failure, or inability to secure materials or labor by reason of priority or similar regulation or order of any governmental or regulatory body, enemy action, civil disturbance, fire, unavoidable casualties, or any other cause beyond the reasonable control of the Company and without its fault or negligence.

Section 5.02 Rights of First Refusal.

(a) The City hereby reserves a right of first refusal to repurchase the Property for one-half of the Purchase Price in the event that the Company fails to meet any of the Company Commitments. When the Company has satisfied each of the Company Commitments, the City shall execute such certificates or other documentation confirming that the City’s right of first refusal has been terminated.

(b) In the event that the Company subdivides the Property prior to the Company having satisfied each of the Company Commitments, the City shall have a right of first refusal to repurchase such subdivided portion of the Property for the amount of \$20,000 per acre.

ARTICLE VI

MISCELLANEOUS

Section 6.01 Notices. Any notice, approval or other communication which may be required or permitted to be given or delivered hereunder shall be in writing and shall be deemed to have been given, delivered and received (i) as of the date when the notice is personally delivered to the following addresses, or (ii) if by email to the following email addresses, when the message is received in the office of the addressee, provided that a hard copy is sent the same day by Federal Express or other overnight courier to the following addresses for next business day delivery:

To the City:

City of Beaufort
Attn: [**]
1911 Boundary Street
Beaufort, SC 29902
Email: [**]

To the Company:

Coastal Pride Company, Inc.
Attn: [**]

Email: [**]

Section 6.02 Parties. This Agreement shall be binding upon and enforceable against, and shall inure to the benefit of the Company and the City and their respective legal representatives, successors and assigns. The City may assign this Agreement, in whole or in part, to any partnership or any other entity controlled by or under common control with the City, without the prior written approval of the Company. The Company may assign this Agreement in whole or in part to any Affiliate (as defined herein) qualified to do business in South Carolina, without the prior written approval of the City; provided, however, that any assignee shall assume all of the duties, obligations and liabilities of assignor under this Agreement. In the event of any such assignment, assignor shall not be relieved of its duties and obligations hereunder. The assignor and the assignee shall be jointly and severally liable. Except as hereinabove provided, neither Party shall assign this Agreement to any other party without the written consent of the other Party, which consent will not be unreasonably withheld. “*Affiliate*” means any corporation, limited liability company, partnership or other person or entity which now or hereafter, directly or indirectly, owns all or part of the Company or in which the Company now or hereafter has and maintains, directly or indirectly, a minimum 51% equity interest, and any subsidiary, affiliate or other person, individual, or entity, who bears a relationship to the Company as described in Section 267(b) of the Internal Revenue Code.

Section 6.03 Completeness and Modification. This Agreement constitutes the entire agreement between the Parties hereto with respect to the transactions contemplated herein and it supersedes all prior discussions, undertakings or agreements between the Parties. This Agreement shall not be modified except by a written agreement executed by the Parties.

Section 6.04 Time of the Essence. Time is of the essence in the performance of the terms and conditions of this Agreement.

Section 6.05 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and it is understood and agreed that all undertakings, negotiations, representations, promises, inducements and agreements heretofore had between these Parties are merged herein. This Agreement may not be changed orally but only by an amendment in writing signed by both the Company and the City. No waiver of any of the provisions to this Agreement shall be valid unless in writing and signed by the Party against whom it is sought to be enforced.

Section 6.06 Attorney’s Fees. If any legal action or other proceeding is commenced to enforce or interpret any term or provision of this Agreement or any documents incidental thereto, including, but not limited to, any escrow agreement or any closing documents, the Prevailing Party (as defined herein) shall be entitled to an award of its attorneys’ fees and expenses. “*Prevailing Party*” shall include a Party who receives substantially the relief desired whether by dismissal, summary judgment, judgment or otherwise. The provisions of this Section shall survive the Closing and/or the termination of this Agreement.

Section 6.07 Tax Deferred Exchange. Upon request, the Parties agree to execute and deliver all documents and perform such acts as are reasonably necessary to enable the transactions contemplated by this Agreement to qualify as a like kind exchange of real property under §1031 of the Internal Revenue Code of 1986. The requesting Party shall bear all additional expenses incurred by the responding Party arising out of the exchange process which would not otherwise have been attendant to this transaction.

Section 6.08 Dates for Performance. If the Closing Date or any other date or time for performance or notice under this Agreement is a Saturday, Sunday or a day observed by the Federal government or by the State government as a legal holiday, then such Closing Date or such other date shall be automatically extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

Section 6.09 Governing Law. This Agreement shall be governed, interpreted and construed under the laws of the State.

Section 6.10 Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be required.

Section 6.11 Invalid Provisions. In the event any one or more of the provisions contained in this Agreement shall be for any reason held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement; this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

Section 6.12 Recording. Either Party may record this Agreement or a memorandum of this Agreement in the Office of the Register of Deeds for Beaufort County, South Carolina.

[Remainder of Page Left Blank – Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

CITY OF BEAUFORT, SOUTH
CAROLINA

Witness #1

Scott M. Marshall, City Manager

Witness #2

[COASTAL PRIDE COMPANY, INC.]

Witness #1

By: _____
Its: _____

Witness #2

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) ACKNOWLEDGMENT

I, the undersigned Notary Public for South Carolina, do hereby certify that the above representative of the City of Beaufort, South Carolina, Scott Marshall, City Manager, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and seal this _____ day of _____, 2023.

_____(SEAL)
Print name: _____
Notary Public for S. C.
My commission expires: _____

EXHIBIT A

DESCRIPTION OF THE PROPERTY