



CITY OF BEAUFORT
1911 BOUNDARY STREET
BEAUFORT MUNICIPAL COMPLEX
BEAUFORT, SOUTH CAROLINA 29902
(843) 525-7070
CITY COUNCIL REGULAR MEETING AGENDA
April 10, 2018

NOTE: IF YOU HAVE SPECIAL NEEDS DUE TO A PHYSICAL CHALLENGE, PLEASE CALL IVETTE BURGESS 525-7070 FOR ADDITIONAL INFORMATION

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

I. CALL TO ORDER

A. Billy Keyserling, Mayor

II. INVOCATION AND PLEDGE OF ALLEGIANCE

A. Mike McFee, Mayor Pro Tem

III. PROCLAMATIONS/COMMENDATIONS/RECOGNITIONS

- A. Resolution Declaring April as Fair Housing Month
- B. Character Education Proclamation - Gordon Ivey, Coosa Elementary School

IV. PUBLIC COMMENT

V. PUBLIC HEARING

A. Community Development Block Grant (CDBG) - Mossy Oaks Drainage Project

VI. MINUTES

- A. Worksession and Regular Meetings February 27, 2018
- B. Worksession and Regular Meeting March 13, 2018

VII. OLD BUSINESS

VIII. NEW BUSINESS

- A. Consideration to approve the Redevelopment Commissions recommendation regarding the Street by Street Infill Incentives be offered to Green Street to include the cross streets between Washington Street and Greene Street, from Carteret Street to Ribaut Road for the limited time period of July 1, 2018 - December 31, 2019.
- B. Resolution committing Community Development Block Grant (CDBG) funds and additional funds for the Mossy Oaks Drainage Project
- C. Appointments to Boards and Commissions - Beaufort Housing Authority

IX. REPORTS

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

X. ADJOURN



CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 3/30/2018
FROM: Libby Anderson
AGENDA ITEM
TITLE: Resolution Declaring April as Fair Housing Month
MEETING
DATE: 4/10/2018
DEPARTMENT: Planning

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR: Action

REMARKS:

ATTACHMENTS:

Description	Type	Upload Date
fair housing resolution	Cover Memo	3/30/2018

RESOLUTION

WHEREAS, April 11, 2018 marks the 50th anniversary of the passage of the U.S. Fair Housing Law, Title VIII of the Civil Rights Act of 1968, as amended, and the State of South Carolina enacted the South Carolina Fair Housing Law in 1989, that both support the policy of Fair Housing without regard to race, color, creed, national origin, sex, familial status, and handicap, and encourages fair housing opportunities for all citizens; and

WHEREAS, the City of Beaufort is committed to addressing discrimination in our community, to support programs that will educate the public about the right to equal housing opportunities, and to plan partnership efforts with other organizations to help assure every citizen of their right to fair housing; and

WHEREAS, the City of Beaufort rejects discrimination on the basis of race, religion, color, sex, national origin, disability or familiar status in the sale, rental, or provision of other housing services; and

WHEREAS, the City of Beaufort desires that all its citizens be afforded the opportunity to attain a decent, safe and sound living environment.

NOW, THEREFORE BE IT RESOLVED, that the Council of the City of Beaufort, South Carolina does hereby designate April 2018 as being Fair Housing Month, and recognizes the policy supporting Fair Housing by encouraging all citizens to endorse Fair Housing opportunities for all not only during Fair Housing Month but throughout the year.

IN WITNESS THEREOF, I hereunto set my hand and caused the Seal of the City of Beaufort to be affixed this 10th day of April, 2018.

(SEAL)

Attest:

BILLY KEYSERLING, MAYOR

IVETTE BURGESS, CITY CLERK



CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 4/4/2018
FROM:
AGENDA ITEM
TITLE: Character Education Proclamation - Gordon Ivey, Coosa Elementary School
MEETING
DATE: 4/10/2018
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

Description	Type	Upload Date
Proclamation	Backup Material	4/5/2018



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, Gordon Ivey Moore was selected as the winner by Coosa Elementary School as the student of the month.

NOW, THEREFORE, the City Council of the City of Beaufort, South Carolina, hereby proclaims March 2018 as

GORDON IVEY AS COOSA ELEMENTARY SCHOOL STUDENT OF THE MONTH

The City of Beaufort thereby pronounces *Self-Control* as the word for the month of March and applauds Gordon Ivey, the Beaufort County School District, and Coosa Elementary School for their work and specifically honors Gordon Ivey as Coosa 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 10th day of April 2018.

BILLY KEYSERLING, MAYOR

ATTEST:

IVETTE BURGESS, CITY CLERK



CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 4/5/2018
FROM:
AGENDA ITEM
TITLE: Community Development Block Grant (CDBG) - Mossy Oaks Drainage Project
MEETING
DATE: 4/10/2018
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

Description	Type	Upload Date
Public Hearing Notice	Backup Material	4/5/2018

City of Beaufort
CDBG Notice of Public Hearing Concerning Application

NOTICE IS HEREBY GIVEN that on Tuesday, April 10, 2018 at 7:00 p.m. in the Beaufort City Hall, 1911 Boundary Street, Beaufort, SC, the City of Beaufort will hold a public hearing concerning an application to be submitted to South Carolina Department of Commerce, Grants Administration on or about April 16, 2018 for a Community Development Block Grant. The City of Beaufort is requesting approximately \$750,000 to carry out the following activities:

The City of Beaufort proposes to use \$750,000 in CDBG funds and \$75,000 in local funds with an additional investment of \$884,255 to upgrade the existing drainage system in the Mossy Oaks Road area of the City of Beaufort. There are 2 basins that must be addressed to improve the entire area. The City would like to address Basin 2 in this project. Recent storm events have caused flooding and damages in the project area. This project will benefit approximately 1,250 people; 60.8 % are considered low-to-moderate income.

This public hearing and the matters to be discussed are subject to the provisions of City's Citizen Participation Plan, developed in anticipation of participation in the State of South Carolina's Community Development Block Grant (CDBG) Program, providing for the participation of the citizens of the City of Beaufort in the planning and implementation of community and economic development projects which will involve CDBG funds. The Citizen Participation Plan and the application are available for review at Beaufort City Hall, during regular business hours. Persons with questions or comments concerning the public hearing or the Citizen Participation Plan may contact Barbara A. Johnson, Lowcountry Council of Governments, PO Box 98, Yemassee, SC 29945, (843) 473-3951.

The City of Beaufort does not discriminate on the basis of age, color, religion, sex, national origin, familial status or disability in the admission or access to, or treatment or employment in its federally assisted programs or activities. Ivette Burgess, 1911 Boundary Street, Beaufort, SC (843) 525-7024, has been designated to coordinate compliance with the nondiscrimination requirements contained in the U. S. Department of Housing and Urban Development's regulations.

Note: Assistance will be provided to accommodate the special needs of disabled persons, upon request.



CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 4/4/2018
FROM:
AGENDA ITEM
TITLE: Worksession and Regular Meetings February 27, 2018
MEETING
DATE: 4/10/2018
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

Description	Type	Upload Date
Minutes	Backup Material	4/4/2018

A work session of the Beaufort City Council was held on February 27, 2018 at 5:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Councilwoman Nan Sutton, Councilmen Mike McFee and Phil Cromer, and Bill Prokop, city manager. Councilman Stephen Murray had an excused absence.

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

CALL TO ORDER

Mayor Keyserling called the work session to order at 5:00 p.m.

ORDINANCE ESTABLISHING A RETAIL FRONTAGE OVERLAY ON THE 1300, 1400, AND 1500 BLOCKS OF KING STREET

Libby Anderson explained that **Esther Harnett** applied for the retail frontage overlay for the old jail property, but staff felt that these blocks had tremendous potential for redevelopment, so they proposed expanding it. The MPC approved the retail frontage overlay for all three blocks, she said, but at council's public hearing on the matter, questions were raised, so council decided to have a work session to discuss it.

Mayor Keyserling said this overlay idea follows the discussion of an arts district, which residents objected to because of concerns about the impact on the neighborhood of signs and art hung outside the artists' homes. Council passed a resolution supporting the arts district, he said, but it was not written into the new Beaufort Code; however, it was "left on the table," and he hopes it will be reconsidered during the upcoming code review.

Ms. Harnett said she is "a refugee from Savannah," and she understands the concerns that have been expressed about doing what is best for the neighborhood and people's worries about what this overlay might do. She loves Beaufort and has "a vision for doing something good" here; she bought the old jail property because she loves the city and thinks the property has "wonderful potential." Ms. Harnett envisions a variety of possibilities for the property and the area around it, including restaurants, a boutique hotel, shops, and possibly a senior living residence. She has ideas, she said, but she wants to spend 6 months "listening," and she wants to do what people in the community want.

Michele Lami asked Ms. Harnett what property she owns on the King Street blocks. Ms. Harnett told her and described the other buildings on the blocks that she does not own. Ms. Lami asked if Ms. Harnett was looking to purchase the other properties on these blocks of King Street. Ms. Harnett said she is not. Mayor Keyserling said the buildings they discussed belong to the county, and various developers have talked to the county over the years about purchasing them; the county would like to have new buildings, and the city would like to put these properties back on the tax rolls, so at some point, "there

will be availability on the other three-quarters of these three blocks,” though nothing specific is in the works at the moment.

Maxine Lutz said the Historic Beaufort Foundation (HBF) supported Ms. Harnett converting the jail to a commercial purpose, and the organization supports commercial activity on that block. HBF is “more or less following this procedure” right now, she said. Like some neighbors in The Bluff had expressed, Ms. Lutz wonders why the city is pursuing a zoning change on these 3 blocks when there are no plans to develop the other properties on them. She said she would like to know how many residences in the blocks parallel to King Street would be affected. Ms. Lutz also said she doesn’t know why this area would be designated a commercial area when there are other areas in the Historic District that are commercial, and they are “not successful.” She said, “It doesn’t seem like good planning.”

Ms. Lami said she also wonders why this area is being “planned for commercial”; she favors residential infill.

Westley Byrne said when she bought her property, she knew the school board offices were on King Street, and that was okay with her, but she “can’t envision what it would be like” to have a restaurant “in my backyard.” She wants this neighborhood “preserved as residential,” and she feels the overlay idea detracts from the ability to preserve its walkability and residential nature. Ms. Byrne said she would approve of residential infill for seniors, “or even affordable housing,” but not commercial activity.

Chuck Dalvini said, “We have one chance to get this right.” The Midtown development has enhanced his neighborhood, he said. He asked if the difference in tax income is why the city wants commercial infill, rather than residential, on King Street. Mayor Keyserling said commercial property tax is 6%, residential is 4%, and commercial properties pays business license taxes, but he wouldn’t be as swayed by the amount of income for the city as he is by “what is best for the city.”

Ms. Byrne said the residents of the owner-occupied homes in the neighborhood are aware that there are rental properties around theirs, and this is important to them.

Ms. Lutz said Midtown and City Walk “have been very popular,” and this area would be good for residential infill because it “is even closer to downtown” than those developments. Ms. Harnett said the Civic Master Plan recommended that this area be used for restaurants and retail. The old jail lot isn’t contiguous to any homes, she said, and there is commercial zoning all around it.

Ms. Byrne said the property across the street from the old jail (at Monson and King Streets) is a long-term rental. There was then general discussion about whether this property is residential. Ms. Harnett said there are three acres available now in this area of King Street, and it would take many years to develop it residentially.

John Trask said the Midtown development sold out pretty quickly “during tough times,” and the “front part” was “reserved for commercial,” which they are “getting calls now for.” He understands the concerns that have been expressed, and he said there will certainly be some residential development “down there,” such as condos; those residents will “clamor for some services,” like a coffee shop or a small restaurant like Crosta on Boundary Street. Mr. Trask said the area’s neighborhoods would all be “enhanced by what happens” on King Street, and small commercial businesses like these would all “be appropriate for that area and will be needed for that area.”

Mr. Trask said he understands that the residents of the Bluff neighborhood who are concerned about commercial development in this neighborhood are “looking towards the water, but there’s the whole part of the neighborhood that’s behind you, that’s on Prince Street,” where there are little houses and a law office, “and then behind that” there is further neighborhood “that’s going to be enhanced by what happens here.” Businesses like a small café, a small restaurant, or a small B&B, he feels, would “energize the neighborhood,” and he disagrees that such small commercial development “hurts you” or would be detrimental to the neighborhood. He feels it would actually help it.

Ms. Byrne said this type of commercial development he’s talking about could be done on Bladen or Charles Streets. Mr. Trask told her that these businesses can’t be successful on Bladen Street because there is very little parking there.

Ms. Byrne said what would help current residents would be “more residential properties.” Mr. Trask said that plus “small, appropriate commercial businesses” make the neighborhood more attractive. Ms. Byrne said, “But that’s not what the zoning is.” She doesn’t “want a bar in my backyard. That’s not why I live there.”

Mike Sutton said the Civic Master Plan never foresaw that the old jail “could go away.” If it was known it could be torn down 20 years ago, he feels it would be gone, and this would be residential property. He said the city and neighborhood “fought hard” for Bladen Street to be commercial, and he feels “another commercial corridor isn’t needed.” Mr. Sutton feels they should “look at everything that’s there now,” and the county buildings are “at the end of their service life.” The county doesn’t plan to stay there, and they lease out those facilities now, he said, so they have lease obligations they need to meet. If the city found the county other properties to move into, they would move, Mr. Sutton said.

Mr. Sutton feels the city should not “redesign three blocks” because of Ms. Harnett’s plans for her property. He said, “Something better for the long-term” should be done now. There could be coffee shops in the current commercial corridors, Mr. Sutton said. Ms. Lutz said Bladen Street was designed to be a commercial corridor, but to her knowledge, “that hasn’t worked,” so she asked why the city should have another commercial corridor.

Mayor Keyserling said, “The only thing that drives commercial is more residential.” There are places where commercial could go, but commercial won’t come to Beaufort because there are insufficient rooftops (i.e., not enough customers to make money for them). More residential is needed to drive the commercial, he said. There are “huge” opportunities for “development and redevelopment” throughout this area, Mayor Keyserling said, including on Boundary and Bladen Streets. There could be an opportunity for more student housing on King Street, he said, but residents might not like that any more than they like the idea of a restaurant there. He’d love to see restaurants on some streets where there is room for development, including on Bladen Street. There will be more options for restaurants in existing commercial zones because of new USCB students, Mayor Keyserling said. The city hopes that “Boundary, Jr.” – from Bellamy Curve to the National Cemetery – will be taken back down to two lanes, he said.

Mayor Keyserling said, “Residential drives commercial,” and commercial is struggling, except for most restaurants. He’d prefer to see housing on King Street, and he prefers to see the old jail building saved.

Ms. Harnett said she’s had the old jail building studied, and it’s salvageable. The jail cells were pre-manufactured and put into place, so they’re not integral to the building. She is “open to anything,” but some of the things she’s thought about doing with the property are “a retirement village” and a boutique hotel, since the Bay Street study said the city needs 200–300 hotel rooms to make downtown viable. Ms. Harnett added that she is in no rush to do anything.

Ms. Byrne said, on the city’s website in December of last year, she saw drawings of the old jail property that showed it developed as mixed-use residential, which she said she “wouldn’t mind...in my backyard.”

Ms. Anderson showed an excerpt from the Civic Master Plan about this area, which included “adaptive reuse of the jail building,” and mixed uses for the DHEC and other county buildings. Ms. Anderson said a case could be made for having more uses in these blocks than just residential.

Ms. Harnett said again that she’s “wide open to ideas,” but she believes there’s “too much land there” for just “pretty little row houses,” as are shown in the Civic Master Plan. She said no builders would come to “this huge space” and do “anything but something you’re going to hate,” like “the tacky houses” that builders are putting up in other neighborhoods, which she hates, too. Ms. Lutz said any new construction in this neighborhood would go through the Historic District Review Board (HDRB) for approval. Ms. Byrne referred to housing on Craven Street that she said is “relatively new.” Various people disagreed with her. Councilman McFee said more of the new construction is at New and King Streets. Ms. Lutz said the current HDRB is “really excellent,” and she feels that they have been “really wise” about new construction in

the Historic District.

Councilman McFee read a statement from Councilwoman Sutton, who has laryngitis, stating that she doesn't support the retail frontage overlay on these three blocks of King Street. She feels the area should be "primarily residential infill."

Councilman Cromer said he agrees with Councilwoman Sutton. There are already 6 commercial corridors in this area, and "not all of them are doing great." He thinks the city "should help Ms. Harnett."

Councilman McFee said he feels that competition is "extremely healthy" for businesses. He recognizes "the sensitivity of the neighborhood," but he feels there are "opportunities there for mixed-use and low-intensity commercial" development. There will always be office spaces, too, he said.

Mayor Keyserling said he's "setting the old jail to the side." For the rest of the area, he likes the idea of "interspersing live-works, small shops, and home occupations." Even if it's not called an arts district, he'd like to look at that concept again, with "some limitations," but with "the kinds of home occupations that can work" in this area.

Mayor Keyserling suggested that Ms. Harnett "continue to meet with people." A restaurant would "not be the most desirable" use for her property, but he told her she should come back to council when she has a plan.

Ms. Harnett suggested that council should "go back to the idea of the single block with the retail frontage overlay." Nothing would be affected on any of the four sides of that property, she said; there are backyards, offices, and the county government buildings. If they had only discussed the retail frontage overlay on that block where the old jail property is, she said, "maybe [people] wouldn't have been so upset." Ms. Harnett added that she feels the townhouses people say they like for residential in this area would be "far too expensive" for students or many homeowners.

Mayor Keyserling said Midtown, City Walk, and "what's happening in the Northwest Quadrant" indicate that residential properties would be "filling up" if they were available. Ms. Harnett said first, the county has to let its properties go; she got her property for a very reasonable price, and she thinks that would affect the county's selling price for its buildings. Mayor Keyserling said when the county sells its property, they have to start with an appraised value. Ms. Harnett said they will have to have "comparables," and the lower price for which she bought the jail will affect that.

Ms. Harnett said she could afford to tear the jail down, but she doesn't want to. She wants to find a reuse for the building. A retirement community would be "perfect," she said, but if it only allows residential development, the city could "kill it."

Ms. Anderson said with or without the retail frontage overlay, all types of residential are possible in this zoning, as are all types of offices, and “all kinds of live-work units.” The retail frontage overlay “adds the retail and restaurant options” to that. Ms. Anderson added that “live-work without the overlay” means there must be an office downstairs and residential upstairs.

The overlay could be three blocks, one block, or just the frontage of the old jail property, but it would apply to both sides of King Street, Ms. Anderson said. Ms. Harnett said, if something is put in the old jail property that has a lot of activity, like a restaurant, there would still be “a huge amount of space around it” for parking, trees, etc. that would be a buffer between the location and the surrounding neighborhood. She can’t imagine any use of that property that “would disturb the neighbors.” No one is going to build a \$450,000 townhouse there, Ms. Harnett feels, because no one would buy a townhouse that “looks at the Century Link property,” so she thinks that needs to be considered.

Mayor Keyserling asked council about “the original proposal for a half-block of King Street.” Ms. Harnett said she thinks she can find developers to “make that work.” Mayor Keyserling said Midtown is “almost all retirees,” so that development is akin to Ms. Harnett’s idea of having “senior living” at the old jail property.

Councilman McFee said Councilman Murray had indicated that he would prefer the one-block overlay on King Street to the three-block overlay.

Ms. Harnett reiterated that there are “tons of space” around the old jail property, and the neighbors would never hear what is going on at a restaurant in it.

Mayor Keyserling said his “disposition” is “to do nothing.” Council would probably favor a plan to save the jail, and look “less favorably” on its development “as a restaurant,” so rezoning three blocks “for something that might happen makes no sense to me,” he said, and neither does rezoning one block. He thinks council should “wait and keep the conversation going” with Ms. Harnett. Councilwoman Sutton agreed with that, as did Councilman Cromer.

Councilman McFee said he thinks there’s “a lot of opportunity” for this property “with existing zoning.”

Mayor Keyserling said he’d send Ms. Harnett information about a developer who is interested in these two blocks of King Street. Ms. Anderson said a “group dwelling” would be allowed by special exception. “Row houses” are not allowed in the Historic District, she added.

Sue Derrenbacher, 1212 Duke Street, said she lives “two streets back” from King Street, and she doesn’t support the retail frontage overlay.

Ms. Anderson said no more than 6 units per structure are allowed for multi-family dwellings in the Historic District.

Mr. Dalvini complimented city council on its work session, and he feels the citizens have been heard.

Ms. Lami asked next steps in this process for this matter. Council will decide what should happen, Mayor Keyserling said, but he's not ready to have the overlay put on a council agenda. Councilman McFee said he, too, feels they should wait until they hear about a plan for the old jail property. There "seems to be a complete rejection" of the three-block overlay, Mayor Keyserling said; there would be another public hearing before moving forward with an overlay for the jail property.

PRIORITIZING COMMUNITY DEVELOPMENT NEEDS

Ms. Anderson said a successful Community Development Block Grant (CDBG) has to be meet one of the top three needs; staff suggested the following:

1. Drainage improvements in low- and moderate-income neighborhoods, including possibly the West Royal Oaks neighborhood
2. Streetscapes – Duke III (Bladen to Ribaut Road), the Hazel Farm Road–Gay Drive connector on Lady's Island, and sidewalks on Salem Road
3. Housing – new homes, rehabilitation, home ownership, etc.
4. Recreation – Mayor Keyserling suggested this should include improvements to the Charles Lind Brown Center.

Councilman Cromer said part of #2 (on Lady's Island) would be covered under the county's penny sales tax referendum, if it passes.

Mr. Sutton suggested including "demolition of blighted properties." There was a discussion about this. Councilman McFee said this could be attached to the tax bill now, which is a tool the city didn't have before. Mr. Prokop said Charleston has been doing this for years, and now the city can put the cost of demolition on the tax bill instead of having to wait for the property to sell.

Mr. Prokop said he'd prefer to see #2 and #3 "flipped." Councilman Cromer said he agrees with that. Councilman McFee suggested Ms. Anderson add "demolition of blighted properties" to the housing priority (#3).

Ms. Derrenbacher said **Ken Meola**, the city's codes enforcement officer, had said he can't always find the owners of blighted properties because the owners "pay cash" for their taxes "at the county office." Councilman McFee said however they pay for their taxes, the property owners who are paying their taxes are known, would be billed for a demolition, and would have to pay for it; any properties that have owners who are not paying the taxes on them would be put up for a tax sale.

There being no further business to come before council, the work session was adjourned at 6:31 p.m.

DRAFT

A regular meeting of the Beaufort City Council was held on February 27, 2018 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Councilwoman Nan Sutton, Councilmen Mike McFee and Phil Cromer, and Bill Prokop, city manager. Councilman Stephen Murray had an excused absence.

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

CALL TO ORDER

Mayor Keyserling called the regular council meeting to order at 7:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Councilman McFee led the invocation and the Pledge of Allegiance.

PROCLAMATION OF MARCH 3, 2018 AS “OLD COMMONS NEIGHBORHOOD ASSOCIATION 15TH ANNIVERSARY CELEBRATION DAY”

Councilman McFee read the proclamation, and Mayor Keyserling presented it to **Peggy Simmer**, who described an upcoming celebration in the neighborhood. **Councilman McFee made a motion, second by Councilman Cromer, to approve the proclamation. The motion passed unanimously.**

MINUTES

Councilman McFee made a motion, second by Councilman Cromer, to approve the minutes of council’s work session and regular meeting January 23, 2018. The motion to approve the minutes as submitted passed unanimously.

Councilman McFee made a motion, second by Councilman Cromer, to approve the minutes of council’s work session and regular meeting February 13, 2018.

Councilwoman Sutton abstained from voting because she was not present at the meeting. **The motion to approve the minutes as submitted passed 3-0.**

ORDINANCE APPROVING THE SALE OF SURPLUS CITY PROPERTY AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS TO EFFECT THIS TRANSFER

Councilman McFee made a motion, second by Councilman Cromer, to approve the ordinance on second reading. The motion passed unanimously.

REQUEST FOR CO-SPONSORSHIP FOR USE OF THE WATERFRONT PARK FROM TIDAL CREEK FELLOWSHIP FOR EASTER FESTIVAL EVENT IN THE WATERFRONT PARK

Councilman McFee made a motion, second by Councilman Cromer, to approve the request for the March 25, 2018 event. Linda Roper said she understands this will be a festival with “tents and stations.” There is no charge, and the event is open to the public, she said.

REQUEST FOR CO-SPONSORSHIP FOR USE OF THE WATERFRONT PARK AND STREET CLOSURE FROM LOWCOUNTRY HABITAT FOR HUMANITY FOR HABITAT TURKEY TROT 5K EVENT

Councilman Cromer made a motion, second by Councilman McFee, to approve the requests for the November 22, 2018 event. The motion passed unanimously.

REQUEST FOR STREET CLOSURE, CO-SPONSORSHIP, AND WAIVER OF FEES FOR CITY SERVICES FROM THE CULTURAL DISTRICT ADVISORY BOARD (CDAB) AND THE DOWNTOWN BEAUFORT MERCHANTS ASSOCIATION TO HOST APRIL'S FIRST FRIDAY SPRING FLING EVENT

Councilman Cromer made a motion, second by Councilman McFee, to approve the requests for the April 6, 2018 event. Bonnie Hargrove said the V-Tones, a band from Charleston, will perform, the car club will have classic cars parked on Bay Street, and there will be "old-fashioned games." The motion passed unanimously.

CITY MANAGER'S REPORT

Mr. Prokop presented a Bible to city council from **Edie Rodgers**, which she is donating to be used for future council swearings-in.

Mr. Prokop said there seems to be a misconception about the city's annexation program, particularly on Lady's Island, where some have said the city is going forward with annexations "aggressively." No annexations have been done that the property owners did not request, he said.

Mr. Prokop said the city has received a \$100,000 grant to repair the bathrooms and windows at The Arsenal.

There are many community activities going on, including the UNITED Youth Athletic Skills-Building Program, which will follow the Old Commons events this weekend at Washington Square Park on Saturday from 2 p.m. to 6 p.m., Mr. Prokop said. He believes the athletics programs will start by the end of March, with about 50 children participating.

Thanks to the Johnson Controls energy savings program, Mr. Prokop said, the utilities last month for the Public Works building cost \$527, and a credit was given for \$820. Phase 2 of the Johnson Controls energy upgrade would look at the conversion of the municipal building's second floor. Phase 3 would be an analysis of all of the city's streetlights, with the idea of taking them over from SCE&G, and converting them to LEDs, which would provide a significant savings, he said.

MAYOR'S REPORT

Mayor Keyserling said there have been a number of studies before council about downtown Beaufort, and he encouraged people to read the various reports because

there will be upcoming conversations about the future of downtown, such as whether it will be done with management by Main Street Beaufort or not, the future of the DMO (designated marketing organization), etc.

COUNCIL REPORTS

Councilman Cromer said The Point Association meeting would be tomorrow night at 5:30 p.m. at USCB.

Councilman Cromer said he attended the 50th anniversary awards dinner for the Beaufort Housing Authority, where the City of Beaufort Police Department received a community service award.

Councilman McFee said this meeting's agenda says the April First Friday is on April 7, but it should be April 6.

There being no further business to come before council, Councilman Cromer made a motion, second by Councilman McFee, to adjourn the regular council meeting. The motion passed unanimously, and the meeting was adjourned at 7:24 p.m.



CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 4/4/2018
FROM:
AGENDA ITEM
TITLE: Worksession and Regular Meeting March 13, 2018
MEETING
DATE: 4/10/2018
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

Description	Type	Upload Date
Minutes	Backup Material	4/4/2018

A work session of the Beaufort City Council was held on March 13, 2018 at 5:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Councilwoman Nan Sutton, Councilmen Stephen Murray, Mike McFee, and Phil Cromer, and Bill Prokop, city manager.

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

CALL TO ORDER

Mayor Keyserling called the work session to order at 5:03 p.m.

EMPLOYEE NEW HIRE RECOGNITION

Lamar Taylor introduced **Robbie Richardson** and **Miguel Canela-Pena**, new employees in Public Works.

Kathy Todd introduced **Tiffany Smalls**, **Gay Briggs**, and **Paul McGee**, new employees in the City of Beaufort Finance Department.

CONTINUED DISCUSSION ABOUT THE DOWNTOWN STUDY

Ms. Todd said after the last discussion about the “Downtown Strategic Visioning Report” that **Lise Sundrla** had presented to council, council had asked for information on the financial data that Ms. Sundrla had presented. Ms. Todd presented figures on the following in the downtown core commercial district: public and private construction investment, private rehabs and construction, increase in taxable assessed value, decrease in gross revenues from business licenses, and increases in gross revenues from hospitality and accommodations fees.

Councilwoman Sutton asked what the public construction investment was; Ms. Todd said it’s primarily Waterfront Park and the streetlight project in the downtown core.

Councilman Murray said he’s hesitant to draw too many conclusions from this data, except that the increase in hospitality and accommodations fees means that they should have seen an increase in business license fees. Retail and office commercial are “hurting more than would jump out at you,” Mayor Keyserling said. Ms. Todd said it would be difficult to analyze the 10 years of \$4.3 million in business licenses, because of the changes in the rate classes between FY 2008 through FY 2017. If a bank has \$2 – \$3 million in gross revenues, Councilman Murray said, the closing of two banks downtown would account for a lot of this differential. Members of the public in attendance agreed that two banks closing could account for most of that \$4.3 million decrease in gross revenues.

Mayor Keyserling said that locals may eat downtown but not shop, or the mix of retail there may not appeal to either locals or visitors. Councilman Murray said Ms. Sundrla

had shown 10 years of economic growth in other cities in her presentation, and seeing these numbers over 10 years for Beaufort, he doesn't feel they support Ms. Sundrla's statement that its downtown is "flailing." Councilwoman Sutton said it may not be flailing, but "we definitely have empty storefronts." The downtown still needs to be watched over and nurtured, she said. As a downtown retailer for almost 18 years, Councilwoman Sutton feels "we can do better." The city's "focus has been elsewhere" in the past, she said, and it needs to be back on downtown.

Councilwoman Sutton said there are some important points in the strategic visioning report that shouldn't be overlooked. In the cities that Ms. Sundrla used as examples, the smallest one had two fulltime employees in its downtown management organization, while Beaufort has never had more than 1 to 1½, she said.

Mayor Keyserling said, "We don't pick winners or losers," and some people open businesses downtown as "a hobby," so they may not be "viable businesses" that "contribut[e] to downtown." Someone "on the front end" could tell such businesses that there is a better place for them than downtown, he said. Councilwoman Sutton said no one could be stopped from starting a business. Old Bay Marketplace has openings, she said, and Wined It Up has closed. Mayor Keyserling said Beaufort Bread Company is moving into Wined It Up's space. He feels a "surgeon" is needed to recruit the kinds of businesses where the people who are walking around downtown will want to shop.

Dick Stewart said Myrtle Beach's downtown is "prosperous," but he wouldn't want to go there, and he wouldn't want Beaufort's downtown to be like it. He'd like to see "more of an identity" to Beaufort's downtown, and he asked council to consider whether this an arts-, sports-, or "trinket-oriented community." Different things attract different people, he said, and visitors will come back to Beaufort based on what they see in the windows of shops downtown, which he feels have "deteriorated" over the years. Councilwoman Sutton said the way people are treated by the businesses they visit is also a factor in whether they return or not.

Councilman Murray said there has been frustration with "previous partners" that lead to "de-funding," but he feels there should be someone whose job is to "think about downtown." The threat of discontinuing certain downtown events last year "brought a lot of people out of the woodwork," he said, and he feels that someone to coordinate all of the partners would be a benefit to downtown and the city. Councilman Murray thinks "clearly defined goals and metrics for how success downtown is measured" are needed, as is work with partners on a tenanting strategy to help with the vacancies downtown and to handle marketing and promotion for downtown businesses (e.g., marketing the downtown area with ads for visitors to Hilton Head to day-trip here).

Councilman Murray said he didn't like a lot of the recommendations in the strategic visioning study, and he objects to establishing a business improvement district for a number of reasons, but he thinks there should be someone downtown doing the things

he'd mentioned.

Councilman McFee said he didn't think the study "hit the mark for what we think needs to be the direction of reenergizing downtown Beaufort," but there were "good points" in it, and areas pointed out where "we need to dig down deeper to see . . . if we can see trends that can be reversed," and opportunities to improve things for downtown stakeholders.

Mayor Keyserling said he agrees that there should be "a point of contact," but he thinks what's needed downtown is a professional who knows how to own and manage a building and a retail shop, not "a cheerleader." Additionally, he said, "Everybody has told us, we need to fix our retail mix" downtown, which doesn't meet the city's demographics, and, as Mr. Stewart pointed out, doesn't meet what many of the visitors to Beaufort want. Mayor Keyserling said there are a lot of shrewd people running businesses downtown, including Councilwoman Sutton, who "don't rely on others to do" their work for them. He gave examples of ways Councilwoman Sutton and **Tony Royal** bring customers to their businesses. He said Main Street Beaufort didn't have a building owner on the board for many years, and he feels that's essential for leading the merchants downtown.

Councilwoman Sutton said fixing the retail mix is "very difficult." The businesses that people surveyed for the study felt were missing from downtown are ones that have been tried and have failed in the time she's had a business there. She feels it's a matter of "market," and of having owners who want to work hard and make their businesses work, not hobbyists. Also, Councilwoman Sutton said, "we need a management person downtown to give some guidance" to businesses there.

Mayor Keyserling said he feels everyone agrees about what needs to be done, but he feels downtown management needs to take "a business approach," rather than "a cheerleading approach."

Mr. Stewart said finding businesses is one thing, and making them successful is another. The former BB&T building on Port Republic has a drive-through, but if he converted the building to serve food, he would have to pay impact fees that he feels are too high to make it worthwhile. Signs are another issue for businesses, he said. Mr. Stewart believes there's a need to streamline regulations and the process for businesses.

Mr. Prokop said no one should overlook the fact that there was \$25 million in public and private investment downtown over the last 10 years.

Mayor Keyserling said when the city bought Commerce Park, it made a commitment that if an applicant "brought the full package" for any permits that the city controls, the process would be completed within 30 days.

Mr. Prokop said city staff is trying to do what Mr. Stewart said needs to be done by suggesting to city council changes that could be made to the city's regulations and ordinances that are outdated or inefficient; this will be covered at an upcoming council work session.

Councilman Murray asked if a BR&E (business retention and expansion) program would be a value for downtown. Business owners would be given a survey about their challenges, etc., he said, and their responses would be put it into a database, so, for example, it would be known that a certain percentage of business owners had problems with the city's current sign regulations. This would be a way to attain objective data, Councilman Murray said, rather than relying on anecdotal evidence, so the city would have better data with which to make decisions.

Mayor Keyserling asked **Jason Ruhf** if the Chamber of Commerce does this type of surveying; Mr. Ruhf said the Chamber had considered a BR&E program but does not have one.

Councilwoman Sutton asked what happens from here, and if a downtown management program is to be funded. Mayor Keyserling said he expects a recommendation from the city manager, but he felt this "open discussion" about it was important to have before council receives that recommendation.

Councilwoman Sutton gave out a handout with figures that Ms. Todd had given her about where the money from the Redevelopment Fund was spent. She feels that the money from the parking meters in the core district "should stay in the core district." She feels more of the meter money "should be put back into downtown." Waterfront Wi-Fi is the only thing that's downtown that money from the fund was spent on, Councilwoman Sutton said, and she's not sure that "is even necessary." Mayor Keyserling said the \$1 million the city got for the day dock came because of the \$40,000 to pay the city's grant writer. Councilwoman Sutton said she knows **Deborah Johnson's** work on grants has brought in millions to the city, "so that should stay," but she feels a larger portion of the Redevelopment Fund money should go back into downtown "to beautify it and make it better" with trash cans and hanging baskets, for example. Mr. Prokop said all of the things Councilwoman Sutton had listed are going to be in the next Public Works budget.

Councilman Murray said economic development is the city's #1 goal, and redevelopment funds have been used in part to build that, which will hopefully create more and better jobs, so people will be able to go downtown and spend money. Councilwoman Sutton said she feels that a healthy downtown is necessary for a healthy city. Councilman Murray said he agrees that downtown should be kept "at a certain level," but he thinks it's unfair to show how money in one fund was spent and use that as evidence that downtown improvements are not being funded.

Mayor Keyserling said the city manager would be putting together a proposal about downtown management. Mayor Keyserling feels that the solution is not to spend more money but to change the way business is done downtown.

Councilman Murray said part of what's happening is that "broader consumer trends" are occurring in Beaufort's downtown; people eat out more often than they eat at home, and more people shop online now, rather than in stores. Mayor Keyserling said that's "the kind of conversation we should be having." He thinks there needs to be a more precise, "more business-like approach to downtown."

Councilwoman Sutton said she feels there has to be "some sort of replacement for Main Street." Mayor Keyserling said everyone on city council wants downtown to be healthier, but he wants to take "a business approach, rather than a fun approach." Councilman Murray agreed and suggested that as staff is looking at budgeting, they should consider that, and Councilwoman Sutton, who heads the Redevelopment Commission (RDC) downtown group, could work with that group and city partners "to set some of the measurements of how we would gauge effectiveness" (e.g., how to measure the success of First Fridays, measuring downtown vacancies through the course of a year). He said the downtown committee could "come up with the job description and what we would like someone to do," determine "how we would measure those goals," and then "work with city staff to put together the funding and the structure under which that person or persons would work."

Mr. Royal said in 20+ years of business downtown, he's seen that when properties turn over and are improved, they are able to attract businesses, so "that might be an area of focus." He said there also might be more retail space downtown than is needed, so they might think about what could be done with it. For example, Mr. Royal thinks it would be nice to have a better view of Waterfront Park, which would mean taking out some buildings, but that "would help the rest of the city."

Eric Thibault said he thinks it would help if there were a city employee who reported to Mr. Prokop and came to meetings of the Downtown Beaufort Merchants Association and the Chamber of Commerce.

Mr. Stewart said if the emphasis is going to be on local retail, those businesses need to be created and incubated; this is an opportunity to differentiate downtown Beaufort from the downtown areas in other cities.

Frank Lesesne said he knows the city's experience with Main Street "wasn't good," but he is concerned about not having a tie to a national organization like Main Street because it has a lot of valuable resources. There are many examples statewide and nationally of organizations that could provide data to help downtown Beaufort, without the need to "reinvent the wheel," he said.

Councilwoman Sutton agreed that the Main Street model is a great one, and she hopes the connection with that organization will be maintained because of those resources Mr. Lesesne had noted. Mayor Keyserling said there are other organizations with “networks . . . with the access” to “the kinds of information we want” that take a different approach than Main Street, he said.

Councilwoman Sutton said she is saying that information should be obtained from multiple sources. She noted that the national Main Street organization had “rebooted itself,” and isn’t the same organization that it was in the past. Councilman Cromer said the state Main Street organization is getting a new director soon.

Councilman Murray said the USCB student housing will “bring 90 new residential college kids” living within a few blocks of downtown, and there might be more in its next phase; this would create “a huge economic value to the city.” He thinks the merchants and downtown property owners should consider how this would change things. These students will also create “a new workforce” for part-time positions, and they will pose “an opportunity for a better merchandise mix,” Councilman Murray said.

Mayor Keyserling said one way to improve downtown is to have better jobs, so people have more money to spend downtown. He feels that this information about downtown is positive, and he thinks while “we can always be in better shape,” he doesn’t believe “we’re in bad shape.” Mayor Keyserling said the business and property owners could work together better than they have been, and he added that Mr. Prokop will be developing his ideas and will work with Councilwoman Sutton’s RDC group to determine how and what to measure.

Mayor Keyserling said city council is “on the same page” about the need for things to be done differently downtown, and they agree that a business-like approach – “with metrics and transparency” – is what’s needed.

The downtown management strategy he is proposing would be funded as part of the next budget, Mr. Prokop told Councilman Cromer.

Mr. Thibault said he agrees that things are positive downtown, and they “just need fine-tuning.”

DISCUSSION OF BEAUFORT COUNTY CAPITAL PROJECTS SALES TAX

Mr. Prokop said the public “doesn’t seem to realize that the county has put forward an ordinance that a referendum will be coming forward that will be addressing some of the traffic problems,” so he made copies of “the ordinance the county passed.” The city is not allowed to promote this referendum, he said; he is only presenting information. It’s important to note, Mr. Prokop said, that “this was put forth by the county without input” from any of the municipalities in Beaufort County.

Of the “\$120 million that the county will put on a referendum in November,” Mr. Prokop said, \$80 million would go to a bridge replacement on Hilton Head, \$30 million would be for traffic improvements on Lady’s Island, and \$10 million is going toward sidewalks and trail improvements. Therefore, roughly \$30 million “will be north of the Broad,” he said, and the \$10 million for sidewalks and trail improvements “will be divided throughout the county.”

Mr. Prokop said the Municipal Association of South Carolina (MASC) has been trying to get legislation passed so municipalities would have the right to “establish their own local option tax” and “be able to have their own penny tax.” Mayor Keyserling said it’s in the state senate right now; a county councilman “is lobbying on Facebook aggressively against it.” This bill is distinguished from the local option sales tax (LOST) because “it sunsets after a period of years,” so it would have to be reinstituted, he said, and it could “be used for capital projects and/or” for “credits toward property taxes.”

Beaufort, Bluffton, and Port Royal have asked the county to put a LOST on the ballot for five years, but the county has “refused to do it,” Mayor Keyserling said. Hilton Head didn’t support or oppose the LOST, and might feel differently “post-hurricanes,” he said. The state legislation would be for a referendum in the city that would let citizens vote to allow the city to have the tax or not, Mayor Keyserling said, which is “one of the fundamentals of home rule.” Mr. Prokop said it’s Senate Bill 426 (aka S. 426), and it’s going through the Senate Finance Committee now.

Councilman McFee said he feels there’s a lot of misunderstanding about “the capital fund tax and the ability to have this with reference to municipalities, because this doesn’t usurp the ability [to have] a capital fund tax,” and it doesn’t “eliminate the use of those options through the county that the municipalities would also be a part of through our representation.” He said it “gives us more opportunity to say that within our jurisdictions, we have additional needs that the county doesn’t have to be a part of.”

Councilman Murray said he thinks, among the state’s counties, there could be concern that municipalities having their own penny sales taxes “decreases [the counties’] chance of getting one passed for overall county needs,” which he understands, but he’s frustrated with the county councilman’s “Facebook rant” because “it assumes that there’s municipal representation on a county sales tax commission.” He asked if Beaufort had any representation on the most recent iteration of the sales tax committee. He was told no.

Mayor Keyserling said he’s not sure if the county is required to have a committee. This is a transportation sales tax, he said, as opposed to the referendum that failed, which was for a capital projects sales tax, which is “required to have a committee.” Mr. Prokop said the figures he’d provided were what was sent to him by the county’s interim administrator, and it “was approved in November,” but “there was no

discussion...whatsoever” with the city about it.

Councilman Murray said he assumes that “the language that was shared was created by the [South Carolina] Association of Counties or some other entity,” so he “suspects there’s a more formalized lobby against the bill that is proposed.” At its retreat, he said, council agreed it would play “a bit more offense with the General Assembly and legislation that would benefit . . . our residents,” and this might be an opportunity to do that. He feels they should speak to the state delegation as well as to city residents. Given “the population shift,” and if county council is putting more of its attention south of the Broad, Councilman Murray asked if that’s not a good reason to “advocate for greater control of our capital projects within our citizenry.”

Edie Rodgers asked Councilman Cromer what he thought because he worked for MASC in the past. Councilman Cromer said he’s in favor of S. 426, and the MASC is, too. It would allow the opportunity to roll back property taxes and have money left to address issues like stormwater. Ms. Rodgers asked, if it’s a good bill, if the other municipalities could “be brought on board.” Councilman Cromer said he thinks the county association might be “poisoning the waters a little bit.”

There being no further business to come before council, the work session was adjourned at 6:28 p.m.

EXECUTIVE SESSION

Pursuant to Title 30, Chapter 4, and Section 70 (a) (2) of the South Carolina Code of Law, **Councilman Murray made a motion, seconded by Councilman McFee, to enter into Executive Session for discussion of contractual arrangements for designated marketing organization (DMO) services and discussion of property acquisition. The motion passed unanimously.**

A regular session of the Beaufort City Council was held on March 13, 2018 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Pro Tem Mike McFee, Councilwoman Nan Sutton, Councilmen Stephen Murray and Phil Cromer, and Bill Prokop, city manager. Mayor Billy Keyserling was an excused absence.

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

Councilman Murray made a motion, second by Councilman Cromer, to adjourn the Executive Session. The motion passed unanimously.

CALL TO ORDER

Mayor Pro Tem McFee called the regular council meeting to order at 7:28 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Pro Tem McFee led the invocation and the Pledge of Allegiance.

CHARACTER EDUCATION PROCLAMATION

Councilman Murray made a motion, second by Councilman Cromer, to approve the proclamation of Delilah Casper as Beaufort Elementary School student of the month. The motion passed unanimously. Councilman Murray read the proclamation, and Mayor Pro Tem McFee presented it to Ms. Casper. **Vicki Goude**, assistant principal at Beaufort Elementary, read a statement about Ms. Casper and why she was receiving this honor.

PROCLAMATION OF MARCH AS DISABILITIES AWARENESS MONTH

Councilman Murray made a motion, second by Councilman Cromer, to approve the proclamation of March as Disabilities Awareness Month. The motion passed unanimously. Councilman Murray read the proclamation, and Mayor Pro Tem McFee presented it to **Terry Gibson**, a member of the board of directors of Beaufort County Disabilities and Special Needs, who thanked council for it.

MINUTES

Councilman Murray made a motion, second by Councilman Cromer, to approve the minutes of council's work session February 20, 2018. The motion to approve the minutes as submitted passed unanimously.

RESOLUTION ADOPTING PRIORITY COMMUNITY DEVELOPMENT NEEDS

Councilman Murray made a motion, second by Councilman Cromer, to approve this resolution. **Libby Anderson** said for a CDBG (Community Development Block Grant) to be successful, the application needs to be for needs that are among the applicant's top three priorities. After a public hearing and work session, she said, council had decided those priorities would be drainage improvements in low- and moderate-income

neighborhoods; housing programs, including repairs for low- and moderate-income homeowners and renters and programs to promote affordable rentals and home ownership, and streetscape improvements in low- and moderate income neighborhoods. ^[L]_[SEP] **The motion passed unanimously.**

RESOLUTION TO CREATE A STORMWATER SPECIAL REVENUE FUND

Councilman Murray made a motion, second by Councilman Cromer, to approve this resolution. Ms. Todd said stormwater fees that are collected are put in the General Fund, and stormwater expenses are recorded there. The city has pressing stormwater issues, she said, and to address them, council may pursue issuing a revenue bond in the future that would be secured by stormwater fees. Staff consulted with bond counsel, Ms. Todd said, which recommended establishment of a stormwater special revenue fund for stormwater activities, revenues, and expenditures. These monies would be restricted, she said. Bondholders and underwriting organizations will have an “additional comfort level,” and the city will be more transparent and accountable to them and to its constituents, Ms. Todd said. **The motion passed unanimously.**

RESOLUTION TO CREATE PARKS & TOURISM SPECIAL REVENUE FUND

Councilman Murray made a motion, second by Councilman Cromer, to approve this resolution. Ms. Todd said that, to be “more transparent and accountable” to the public, the city wants to create a special revenue fund called the “Parks and Tourism Fund” to account for the receipt of local hospitality and accommodations fees and other tourist activity-related revenues, such as marina rentals, carriage fees, and parking fees. All related expenses for parks, Waterfront Park, downtown operations, etc. would also be captured in this fund, she said, and both expenses and revenues would be “earmarked a little more specifically” than when they were in other funds. Parking revenues and expenses would also be in this fund, Ms. Todd said, and this fund “would be accounting for all that activity” that the parking revenues support, such as for parks and tourism.

State accommodations and hospitality fees would be in separate funds, Ms. Todd said; this would be just for local accommodations and hospitality fees that are currently recorded in the General Fund.

Mayor Pro Tem McFee said historically, there was a separated fund, which he thought was an enterprise fund. Ms. Todd said historically there was a special revenue fund for parks and tourism, but “it was never an enterprise fund,” which the city has only had for solid waste.

Councilman Murray asked, “Why combine parks and tourism?” Ms. Todd said, “Because many of our parks support tourists” and “outside activities, not just from local residents,” and “much of the local hospitality and local accommodations funds can be utilized in those capacities.” This special revenue fund would “collapse all of the activity that’s allowed” by two state laws “into one fund,” she said.

Councilman Murray asked the benefit of creating this special revenue fund. Ms. Todd said, "One of the hugest benefits" is that "it's all in one fund." Currently, "if you wanted to know how much local accommodations or hospitality fees or what expenses came out of those dollars," it would be difficult to determine; this will be "much easier" to do with a segregated fund, she said. These would be budgeted funds that go through the budget process, Ms. Todd said.

Mr. Stewart asked, if a future city council were to "issue debt for bonds, secured by these funds," if that would "go against the 8% . . . cap that applies in South Carolina." Ms. Todd said there is currently "a revenue bond secured by those dollars that doesn't go against the 8% cap because the revenue generated is what's securing the debt."

Mr. Stewart then asked, if a bond were issued, "would you have to come back before the public or get some approval to do that?" Ms. Todd said, "It only requires council approval," and a public hearing is "not a requirement of the issuance," but it would be a public process, with the opportunity for public input, possibly in a work session, and definitely before the readings before council. Mr. Stewart requested that "an opportunity for public comment" should be included in the motion to "assuage some of the concerns" among "some folks about the creation of this fund," and as a gesture to "the business community."

Ms. Todd said the issuance of the debt requires an ordinance, so it would go through two readings before city council, which means "there would always be" an opportunity "for public comment" before each of those readings.

Councilman Murray said there is verbiage "about accounting for revenues and expenses generated downtown, but it "also lumps in all local hospitality and accommodations taxes and all of our park systems." He's concerned this is "mixing two separate discussions": downtown maintenance and operations using revenues generated downtown, and "the issue of the overall parks system and how those revenues are generated." Ms. Todd said, "State law allows for local accommodations and local hospitality [fees] to pay for all parks services," which is what is happening currently. This would pick up the parks funds currently in the General Fund that are "already being matched against local accommodations and local hospitality funds," she said, and put them in this special revenue fund, where Waterfront Park would be separated from the other parks. There is a lot of activity and attention paid to Waterfront Park, and there are "specific contracts" for it, Ms. Todd said. There are also "two different directors" for the city's parks, she said: one is from Public Works, which manages "the other public parks," which "are funded from local accommodations and local hospitality," and the other is the director of downtown operations, who manages "all the other operations," which "are also funded by that activity." Ms. Todd said, "All of this activity is currently being funded . . . in the General Fund by those dollars."

Councilman Cromer said 5 “organizations” are listed by name in the ordinance; he asked how many organizations there would be “as a subset of the fund.” Ms. Todd said, “The fund will have an org for each one of those.”

“From an accountability standpoint,” Mayor Pro Tem McFee said, this doesn't open “the door for pouring more money against HTAX (hospitality tax) or ATAX (accommodations tax), more so than what we’ve always done.” Ms. Todd said, “Not at all”; most other cities’ CAFRs (comprehensive annual financial reports) show separate special revenue funds “that capture the local accommodations and local hospitality dollars, separate from the General Fund.” This was the City of Beaufort’s practice through 2009, she said; in 2010, it was collapsed into the General Fund. **The motion passed unanimously.**

RELEASE COMMITTED FUND BALANCE FOR CAPITAL PROJECTS

Councilman Murray made a motion, second by Councilman Cromer, to approve the release of committed fund balance for capital projects. Ms. Todd said the lowest responsible bidder’s price for the repair/renovation of the relieving platform at Waterfront Park was \$332,500, which is \$76,445 more than was budgeted for the project, so council’s approval is required to release the additional money from the committed fund balance.

Mayor Pro Tem McFee described what the relieving platform is. The pilings that hold it up are what is in need of repair, he said. Ms. Todd said these first 14 pilings are the most critical, but at some point, all 50 pilings will need to be repaired. **The motion passed unanimously.**

AUTHORIZATION ALLOWING THE CITY MANAGER TO EXECUTE CONTRACT FOR THE WATERFRONT PARK RELIEVING PLATFORM

Councilman Cromer made a motion, second by Councilman Murray, to authorize the city manager to execute this contract. Ms. Todd said the engineering report was included so that bidders in the RFP process knew about it. Two proposals were received; one proposed two options with two different materials. Cape Romain proposed only concrete. Both contractors are equally qualified, the committee determined, so it was decided to go with the lowest responsible bidder, which was Cape Romain, Ms. Todd said. The engineers will be doing weekly dives as part of their contract. **The motion passed unanimously.**

ORDINANCE AMENDMENT TO SECTION 1-3001, MEETINGS OF COUNCIL; DATE AND TIME

Councilman Murray made a motion, second by Councilman Cromer, approve the ordinance amendment on first reading. Mr. Prokop said this is the beginning of review and updating of ordinances. Mayor Pro Tem McFee said it clarifies the regular meeting dates and says that work sessions “may” be held on 3 weeks of the month, but they would not be held if there were not enough items to fill a work session agenda. Councilman Murray said there had been a discussion about the third week’s work

session being the one that might be eliminated. There would be public notice made in the event of the cancellation of a work session, Mayor Pro Tem McFee said. **The motion passed unanimously.**

**ORDINANCE AMENDMENT TO SECTION 1-4051, OTHER OFFICES AND DEPARTMENTS;
CREATION OF OTHER DEPARTMENTS**

Councilman Murray made a motion, second by Councilman Cromer, to approve the ordinance amendment on first reading. Mr. Prokop said as an update to reflect the city's current departments, this would eliminate "the water and waste water department," which probably hasn't existed for 20 years. **The motion passed unanimously.**

CITY MANAGER'S REPORT

Mr. Prokop congratulated the city employees who helped CAPA's "Dancing With Our Stars" event raise \$115,000 for the organization.

Mr. Prokop said the strategic plan has been updated and is available at City Hall or on the city's website.

Mr. Prokop said the review of the Beaufort Code would be at the Redevelopment Commission (RDC) meeting March 20. The RDC meeting will be at 6:00 p.m. because there will be an hour-long council work session to discuss recently issued parking tickets.

New short-term rental software has been installed, Mr. Prokop said, and one violation has been found: people were leasing the carriage house at their residence and didn't realize that it was considered a short-term rental. Next month, the full report will be given, he said, and they are tentatively looking at 25 short-term rentals that are potentially operating illegally.

Developers and builders are keeping the city "extremely busy," Mr. Prokop said; permit revenues are up.

Mr. Prokop said a separate project would start when the Boundary Street project is done: paving Boundary Street from the Woods Memorial Bridge to Greenlawn Drive. Mayor Pro Tem McFee said the paving probably wouldn't start until Easter week; he asked if they could "tighten up the timeline" to avoid that. **Neal Pugliese** said the work is "event-driven," and they will move as quickly as weather (temperatures and rain) will allow. They will pave Boundary Street proper on Sunday and Monday of this week if there is no rain.

Mayor Pro Tem McFee clarified that Boundary Street would be completed before this new project is started. Mr. Pugliese said that's correct. Mayor Pro Tem McFee said, if the Boundary Street project is finished in 2 to 3 weeks, the paving would not be likely to happen before Easter. Mr. Pugliese said that's correct.

Mr. Prokop said the day dock is under construction and should be completed by the third week of May. Also, the Southside Park trail construction began this week.

Mr. Prokop said DOT (the South Carolina Department of Transportation) had recently sent a letter dated March 8, 2018 to the city, saying that as of December 7, 2017 of last year, the city is authorized to take over Scott and West Streets “from Bay to Craven,” and Port Republic Street “from Charles to Carteret,” and the city has “formally accepted” them.

The stormwater task force meeting date has been changed, Mr. Prokop said, and a new date will be announced.

Mr. Prokop said staff has begun work on the 2018-2019 budget and will be bringing “new revenue source ideas” to council, as well as “some expense controls and changes of expenses that we have.”

COUNCIL REPORTS

Councilman Cromer discussed the upcoming encampment weekend at the Beaufort History Museum.

Councilman Murray said he had heard about survey crews in the Mossy Oaks area as part of the stormwater engineering study.

Councilman Murray said he was the guest speaker at the Lady’s Island Business Professionals Association today.

1212 Design is a new tenant at Beaufort Digital Corridor (BDC), Councilman Murray said. The CEO of Stasmayer, Inc. spoke at “Fridays @ the Corridor” about cyber-security, and this Thursday at 5:30 p.m., there will be a “Tech Connect” event, to which the public is invited. **Shelley Barratt** is the BDC’s new program manager, Councilman Murray said.

City representatives and others met with “an international prospect” for Commerce Park, Councilman Murray said. There are “some challenges” with the prospect, but he’s optimistic about it, and there may be “good news in the coming months.”

Councilman Murray shared some stats from the Charleston Metro Chamber’s Economic Outlook Conference.

Mayor Pro Tem McFee said the county is presenting a referendum for a penny sales tax for transportation.

There being no further business to come before council, Councilman Cromer made a motion, second by Councilman Murray, to adjourn the regular council meeting. The motion passed unanimously, and the meeting was adjourned at 8:23 p.m.

DRAFT



CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 4/5/2018
FROM:
AGENDA ITEM Resolution committing Community Development Block Grant (CDBG) funds and
TITLE: additional funds for the Mossy Oaks Drainage Project
MEETING 4/10/2018
DATE:
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

Description	Type	Upload Date
Resolution	Backup Material	4/5/2018

RESOLUTION

WHEREAS, the need to address quality of life issues for the City of Beaufort and addressing the concerns and issues of Low Moderate Income (LMI) residents is a priority for the City. Community Infrastructure has been identified as a priority community need for the City of Beaufort, and

WHEREAS, the City of Beaufort wishes to address this need by making application to the South Carolina Department of Commerce, Division of Grants Administration for Community Infrastructure.

WHEREAS, the completion of this project would benefit approximately 1,250, of which 60.8% qualify as having low-to-moderate incomes. The project area includes the Mossy Oaks area of the City of Beaufort and a small portion of Port Royal.

NOW THEREFORE BE IT RESOLVED by the City Council of Beaufort, South Carolina, that

1. City Council hereby endorses the City of Beaufort's Mossy Oaks Drainage Project because it will greatly improve the quality of life for the residents in the project area.

2. The City Manager shall be and is authorized to prepare and submit a Community Development Block Grant (CDBG) Community Infrastructure Application for the City of Beaufort's Mossy Oaks Drainage Project, to commit funds in the amount of 10% of the grant to meet the matching commitment of the Community Development Program along with \$884,255 in additional funds needed to complete this project and commit to sharing cost savings on a pro rata basis.

ADOPTED THIS 10th DAY OF April 2018.

MAYOR

ATTEST:

CITY CLERK



CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 4/5/2018
FROM:
AGENDA ITEM
TITLE: Appointments to Boards and Commissions - Beaufort Housing Authority
MEETING
DATE: 4/10/2018
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

Re-Appointment of Ronald Ianoale, Hilton Head Representative.

PLACED ON AGENDA FOR:

REMARKS: