

CITY OF BEAUFORT
1911 BOUNDARY STREET
BEAUFORT MUNICIPAL COMPLEX
BEAUFORT, SOUTH CAROLINA 29902
(843) 525-7070
CITY COUNCIL REGULAR MEETING AGENDA
September 26, 2017

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. Character Education Proclamation - Aleeyah Gadson, St. Helena Elementary
- B. City of Beaufort Police Department receive State Accreditation Certification

IV. PUBLIC COMMENT

V. PUBLIC HEARING

VI. MINUTES

- A. Worksession July 18, 2017
- B. Worksession and Regular Meeting July 25, 2017
- C. Special Regular Meeting August 1, 2017

VII. OLD BUSINESS

- A. Ordinance Annexing Two Parcels of Property Located at 2413 Boundary Street on Port Royal Island - 2nd Reading
- B. Ordinance Zoning Two Parcels of Property Located at 2413 Boundary Street T5-Urban Corridor - 2nd Reading
- C. Ordinance Revising Section 3.6.2.C.2 of the Beaufort Code Pertaining to Short Term Rentals - 2nd Reading
- D. FY 2017 Budget Amendment #6 - 2nd Reading
- E. Amend Section 7-13003 of the Hospitality Fee Ordinance - 2nd Reading

VIII. NEW BUSINESS

- A. Request from Lowcountry Jaycees to use City owned property at 1505 North Street for event Beaufort Food Truck Festival Saturday, October 14, 2017
- B. Request for street closure from Main Street Beaufort to host annual Trick-or-Treat event in Downtown Beaufort Thursday, October 26, 2017
- C. Request from Main Street Beaufort for alcohol waiver for Fall Art Walk Saturday, October 28, 2017
- D. Request for street closure from the Beaufort County Veterans Affairs to host annual Veterans Day Parade Saturday, November 11, 2017
- E. Resolution authorizing City Manager to waive the Right of Repurchase of parcel of property previously owned by Beaufort Industrial Park, Inc.
- F. Resolution authorizing the City Manager to accept on behalf of the City the donation of 1 plus acres of land by Mid City Realestate Partners located on Lady's Island adjacent to the proposed Whitehall Development
- G. Approval to allow the City to donate City Police surplus vehicles to the Technical College of the Lowcountry for use in the Criminal Justice program
- H. Approval to allow City Manager to accept grant award from Hargray Communications of \$300,000 for Commerce Park improvements
- I. Approval to allow City Manager to accept Highway Safety grant for \$163,817, DUI Enforcement Officers
- J. Approval to allow City Manager to accept Assistance to Firefighters grant program award - SAFER, \$1,569,678 pending receipt of the award notification
- K. Approval to allow City Manager to accept Highway Safety grant for \$107,539, Traffic Officer
- L. Ordinance approving the sale of excess City Property and authorizing the City Manager to execute documents for this sale, 0.2 Acre property adjacent to Chick Fillet on Boundary Street - 1st Reading
- M. Ordinance approving the sale of surplus City Property and authorizing the City Manager to execute documents for this sale, 2519 Mossy Oaks Road - 1st Reading
- N. Appointments to Boards and Commissions - Redevelopment Commission
- O. Appointments to Boards and Commissions - Design Review Board
- P. Appointments to Boards and Commissions - Cultural District Advisory Board

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:** 9/5/2017
FROM:
AGENDA ITEM
TITLE: Character Education Proclamation - Aleeyah Gadson, St. Helena Elementary
MEETING
DATE: 9/26/2017
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|--------------|-----------------|-------------|
| Proclamation | Backup Material | 9/21/2017 |



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, Aleeyah Gadson was selected as the winner by Beaufort Middle School as the student of the month.

NOW, THEREFORE, the City Council of the City of Beaufort, South Carolina, hereby proclaims August 2017 as

ALEEYAH GADSON AS ST. HELENA ELEMENTARY SCHOOL STUDENT OF THE MONTH

The City of Beaufort thereby pronounces Friendship/Kindness as the words for the month of August and applauds Aleeyah Gadson, the Beaufort County School District, and St. Helena Elementary School for their work and specifically honors Aleeyah Gadson as St. Helena Elementary School's 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 26th day of September 2017.

BILLY KEYSERLING, MAYOR

ATTEST:

IVETTE BURGESS, CITY CLERK



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/5/2017
FROM:
AGENDA ITEM
TITLE: Worksession July 18, 2017
MEETING
DATE: 9/26/2017
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|-------------|-----------------|-------------|
| Minutes | Backup Material | 9/5/2017 |

A work session of Beaufort City Council was held on July 18, 2017 at 5:00 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Mayor Billy Keyserling, Councilwoman Nan Sutton, Councilmen Mike McFee, Stephen Murray, 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.

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

EMPLOYEE NEW HIRE RECOGNITION

Fire Chief **Reece Bertholf** introduced new fire department employees **Shaun Rabon**, **Chandler Parris**, and **Nicholas Upp**.

DISCUSSION: SHORT-TERM RENTAL ORDINANCE

Mr. Prokop said the discussion would be about changes or additions to the short-term rental ordinance. Sections of the Beaufort Code address short-term rentals, and suggested changes will be made at the 6-month code review.

Libby Anderson said most of the recommendations of the short-term rental task force have been incorporated into the new code (e.g., most short-term rentals are reviewed at the staff level). Other changes include a cap on short-term rentals in residential neighborhoods, and a “much more specific” rental agreement. Revisions can be made to the code, Ms. Anderson said, and changes to short-term rentals can be made immediately if council feels they are required, or they can wait to see how the new provisions work, and the changes can be made when the code is reviewed.

Mayor Keyserling said he’s “tiptoeing into this” because he has been “reading more and more about places where [short-term rentals] have gotten out of hand.” He said he prefers a 6% cap to the 8% cap.

Councilman Murray said he feels the cap should remain at 8%, as the short-term rental task force recommended. The task force worked hard on the issues, and based its recommendations on extensive research, while he doesn’t know if the Metropolitan Planning Commission, which recommended a 6% cap, “dug in at the level the task force did,” or if their recommendation was in responses to a few vocal members of the public, so he feels “inclined to keep the 8%.”

Councilman McFee said he tends toward being “more conservative,” so he favors a 6% cap, and “if the 8% . . . cap would be realized,” then you can’t go back and take it away.” He also has concerns about “the penalty being too onerous.” It was “softened to include a \$1,000 penalty, with a non-compliance clause: if they refuse to file their business license for a short-term rental, [there’s] a 2-year ban,” rather than “an

automatic 2-year ban,” as it was originally, but he thinks there should be more review of “what other areas are charging, penalty-wise.”

Mr. Prokop said Ms. Anderson is checking with the property tax assessor to ensure that all of the short-term rentals are “6% properties,” not 4%. Ms. Anderson said the only units with which she’d be concerned about that are those that are owner-occupied and have a carriage house that is a short-term rental. About half of them have been checked, and they are all paying 6% property tax, she said. Mayor Keyserling said he pays personal income tax on his family’s rental property, and in order to get his City of Beaufort business license for that property, he has to have paid his personal income tax. Councilman McFee said those short-term rentals that are licensed with the city have to be 6% properties, but the city should check that none have “fallen through a loophole.”

Councilwoman Sutton said the task force studied this pretty well and said the cap should be 8%; she asked if it would be easier to add to or take away from the percentage. Councilman Murray said it’s easier to add to it than to take away from it, but the conversation should be about the number of allowable short-term rentals in specific neighborhoods. The difference in the number of short-term rentals allowed in the Old Commons neighborhood is 2: The cap would be 4 units at 6% and 6 units at 8%.

Mayor Keyserling said “the goal” of the cap “was to protect neighborhood character.” The work of the short-term rental task force “was based on hypotheticals,” he said, and reiterated that his concerns are due to reading more about places that were “too liberal with it, and they have to rein it in.” He doesn’t know “that one or two” short-term rentals “in a neighborhood makes a huge difference.” Councilman Murray said citywide, the difference in the 6% and 8% caps amounts to 19 units. Councilwoman Sutton said that’s in a city with 5,000 rooftops. Mayor Keyserling said, “On the ground,” when there are “6 houses, and 2 are short-term rentals,” it “makes a difference in the character of their little subdivision.”

Councilman Murray said again that the task force “spent a lot of time digging into this.” **Erica Dickerson**, who served on the task force, said they spent a year looking at short-term rentals, and 8% “seemed like a decent percentage, especially in the Old Commons.” Councilman McFee said again that it’s “easier to move” the cap “up than down.” Councilman Cromer said he prefers “4%,” but he would “compromise at 6%.” He feels at 8%, they risk creating “neighborhoods without neighbors.”

Mayor Keyserling said his biggest concern with short-term rentals is “enforcement” and “having a process” by which to enforce the code with short-term rentals. Some are “operating under the radar now,” he said, and “we kept [the fine] as steep as we could” to help pay for enforcement.

Councilman Murray said no one wants entire neighborhoods to be comprised of short-term rentals, but he trusts the task force, “respect[s] the energy they put into the

work,” and takes “their recommendations seriously.” In the whole city, an 8% cap allows only 19 more short-term rental units than a 6% cap, which prevents “an over-proliferation of units,” while still allowing “growth” in the city.

Maxine Lutz said the task force “did a great job,” but she suggested some neighborhoods could have a 6% cap, and others could have an 8% cap, with the Historic District “maybe having 6% everywhere.” The Old Commons is “impacted more than others” by short-term rentals, she feels. “The Bluff and the Old Commons” neighborhoods “can take less than Pigeon Point,” for example, Ms. Lutz said.

Councilman Murray said he thinks neighborhood percentages “are a good way to regulate” short-term rentals. In the Old Commons, for example, there are 109 residential units in total, and 3 short-term rentals that count toward the cap. With a 6% cap, 7 short-term rentals would be allowed, while with an 8% cap, 9 are allowed, so “the growth would be 4 or 6” additional short-term rentals, depending on the amount of the cap, he said. Pigeon Point has 348 residentially zoned lots, so a 6% cap would allow a total of 21 short-term rentals, and an 8% cap allows 28. The neighborhood currently has 12 short-term rental units that count toward the cap, so the difference in the caps is an additional 7 units, Councilman Murray said.

Councilman McFee said there are also commercial short-term rental units in the Old Commons. “When those units are removed from the caps,” he said, an 8% cap “may be too aggressive.” Mayor Keyserling said the cap is only on units that are zoned “residential,” but the Old Commons “picks up some” short-term rentals that are zoned “commercial” on Charles, Carteret, and Boundary Streets.

Dick Stewart brought articles about problems in other cities with “illegal hotels, which [are] basically short-term rentals of the Airbnb-type,” and others in which “what was affordable housing is now being used as Airbnb and VRBO housing.” He said an online search for “illegal hotels” produces “dozens of these articles.”

Mr. Stewart said an intern’s research showed that “just in the city,” 81 properties are “being marketed for Airbnb and VRBO.” If those short-term rentals “had a business license on a per-rental fee,” he said, “based on what we pay at the Beaufort Inn,” those business licenses “would generate \$14,886 for the city.” He calculated that those units generate \$2.7 million for their owners, “assuming 50% occupancy.” Accommodations Tax (ATAX) of 5% on that amount is \$136,000, Mr. Stewart said, which is “serious money,” and he doesn’t know “how much of that’s being paid” by short-term rental owners. Properties that go from 4% to 6% also have to pay “a school tax,” he said; he gave the figures the 2% increase generates for the city and the county, and said, “The school tax on that would be \$496,000.” Countywide, Mr. Stewart said, “this means \$6.6 million for the school district is being lost.” Conservatively, he estimates the city is losing “\$152,000 a year” because of short-term rentals, whose numbers he doesn’t want to limit, but he thinks they should be on an equal “legal playing field.”

Mr. Stewart named costs the Beaufort Inn is required to pay, and the costs of the requirement to “build to commercial standards,” rather than residential. He feels it’s “fair” for “an illegal hotel business” to be made to “comply with the same rules.” He thinks “other people will be asking you” to “limit the numbers” of short-term rentals, but he is concerned that this is a “nationwide” problem, with “lots of lawsuits against Airbnb,” and he asked that “a hotel person” be added to the short-term rental task force to “look at what we do that’s best for our city.”

George O’Kelley read from a letter to the editor that was in the *Post and Courier* about unlicensed short-term rentals in Charleston. He can see 3 short-term rentals from his front yard, he said; one has applied for a license, but the other 2 are under the radar. Mr. O’Kelley wishes there were “no short-term rentals,” but if Beaufort has to have them, he said, “These people apparently are getting away with no business license, no Accommodations Tax, or anything else, and that’s just wrong.”

Ms. Dickerson said all this was covered in the year of public meetings the task force had, and Mr. Stewart and Mr. O’Kelley were not at those meetings. Short-term rental owners “do have business licenses,” and do pay ATAX and 6% property taxes, she said. Mr. Stewart said he’s saying that if he has “to pay commercial fees . . . comply with commercial requirements,” and “pay a business license fee of \$57.17 per bedroom,” and “somebody builds a 12-bedroom unit somewhere in Beaufort” for a short-term rental, “what price are they paying,” and how many units “are they marketing?” He reiterated that there are many lawsuits against Airbnb, and said, “The illegal hotel business is different from a short-term rental business.”

Mr. Stewart told Ms. Dickerson “nobody from the hotel industry was invited” to the short-term rental task force meetings, and he was not “engaged in that discussion” because he is “in the hotel business . . . as an investor.” He “just became aware of this apparently international problem.” Ms. Dickerson said, “Again,” the task force “covered exactly what you’re talking about” in its meetings before making its recommendations. Mr. Stewart said he would like the task force to have more meetings at which he could talk about his concerns.

Judith Beck, Glebe Street, said it’s “very easy to just look at numbers.” She feels the cap should be 4% and go up as “you get a feel for it.” The rentals in her neighborhood are not what they are marketing themselves as, Ms. Beck said. Short-term rentals affect “the character of neighborhoods and Beaufort,” and what makes people want to be here could be easily lost, she feels. Those who own/run short-term rentals are “not involved in the community,” she believes, and they “may not be paying their fair share” of taxes, which therefore “affects everyone in the community.”

Steve Harrison, Rhett House Inn, said the other people he’s talked to who run hotels haven’t been interested in attending meetings about short-term rentals. In New York

City, where he also lives, there were short-term rentals in his building. The definition of a short-term rental is now 30 days or more; Mr. Harrison said there's "a \$7,000 fine" if that's violated. He said he's tried to argue that in Beaufort, a minimum short-term rental stay should not be 2 days; it should be 30 days, as it is in New York.

"This is a monster that you're letting out of the box," Mr. Harrison said of short-term rentals, which he said "nobody paid attention" to, but he has because they "affect my business." He said the cap should be "2% or 0%." He feels an 8% cap "is ridiculous."

Nancy Corriveau is a short-term rental owner, and she said her guests spend money downtown. Some come for Marine Corps graduations, and she feels a responsibility to those families because their children are serving this country. Ms. Corriveau said neither she nor other short-term rental owners are "monsters." She explained that she has to maintain her property to get good reviews, or she will not continue to get guests at her short-term rental. Ms. Corriveau said long-term rentals are not regulated and "aren't maintained properly," while most short-term rental owners "are doing exactly what we're supposed to be doing."

John Dickerson is a short-term rental owner, and 9 years ago he and Ms. Dickerson bought a property that was in "horrific condition" and renovated it. It was in the Northwest Quadrant and couldn't be a short-term rental, so they rented it for 18 months as they helped "frame the short-term rental ordinance," and now they can rent it short-term, he said.

Mr. Dickerson said, in their experience, short-term rentals typically attract "older guests," who aren't loud and don't have parties; they want to stay in Beaufort to "get to understand" it. These guests buy groceries and go out to eat, going "all over" the city, "spending money," he said. "They're not terrible people"; they "are interested in making Beaufort grow and grow well." Short-term rentals are "economic development," Mr. Dickerson said, and they give "people the opportunity to grow and invest in Beaufort." Some short-term rentals were the worst properties in a neighborhood and are now the best properties after they were renovated to be short-term rentals, so he suggested people should go look at them and how they're run.

Mayor Keyserling said council should consider whether the cap should be 6% or 8% at the next council meeting "with appropriate notice." He also feels "someone should look at" the material Mr. Stewart had provided. Councilman Murray said council has had 4 work sessions now on short-term rentals. All of them "need to be compliant and pay fees and taxes," he said, but there's "no question about whether they are expected to contribute" those things. The question is about "how best to enforce short-term rental ordinances," Councilman Murray said, and council and staff are looking into ways to bring those into compliance that aren't. He feels "it's time to move this forward." Mr. Stewart said, "We just want a level playing field."

Councilman Cromer said on a “block-by-block basis,” he’s concerned about “the concentration” of short-term rentals “on a single block”— as opposed to the number of owner-occupied houses – because that “affects the integrity of the neighborhood.” Ms. Dickerson said the task force had looked at spacing short-term rentals out by imposing a mandatory distance between them, but in the course of their research, they realized “some neighborhoods are in terrible condition,” with many houses needing renovation or demolition, so they decided that wouldn’t work in Beaufort because there are “so many neighborhoods with so much blight that is concentrated.”

Councilman Murray asked if, in the next 6 to 8 weeks, staff could present “more solid ideas on how you would handle enforcement,” in order to catch “those who are not behaving like they should.” Mayor Keyserling said maybe staff could share this in an executive session. Councilman Murray said he didn't believe that was an appropriate topic for an executive session.

CONTINUED DISCUSSION OF UPDATING ORDINANCE 7-13003, HOSPITALITY FEE FUND, REGARDING ALLOCATION OF FUNDS AND DISCUSSION OF EVENTS

Kathy Todd said the city’s budget for this fiscal year raised the allocation of the hospitality fees the city receives for the Chamber of Commerce, the city’s designated marketing organization (DMO), from 4.4% to 5%, but at the last council work session, council directed staff to revert to the 4.4% allocation to the DMO, “specifically targeted for advertising to increase tourism,” with the 1.7% balance available for appropriation by council to an organization or organizations for advertising to increase tourism and the revitalization of the downtown Beaufort economy. Organizations would make presentations to council, Ms. Todd said, which would award the allocation to those it feels best achieve the city’s objectives for downtown. This would be part of the annual budget process, she said.

Mayor Keyserling said this “protects money for downtown marketing,” makes council’s “expectations clear” to the DMO, and gives council a “more proactive role in determining how that money is invested.”

Mike Sutton said this sounds like a new process. He clarified that hospitality fees would be “parked” and asked who would be eligible for the 1.7% allocation. Mayor Keyserling said that’s not been determined yet. The money originally went to the Hospitality Association, and then to Main Street Beaufort and the Chamber of Commerce, he said. For example, Mayor Keyserling said, an event production company might be awarded the allocation “to produce the events Main Street” produced in the past.

Jason Ruhf said council hadn’t been “interested” in the presentation he’d made about a strategic plan for Main Street and downtown Beaufort, so at the last 2 meetings on this topic, he’d told council he would talk to the Chamber of Commerce/Main Street board of directors. He said the “recommendation of staff” to the board would be to “continue with events as we have,” with the exception of First Fridays, which the newly formed

Downtown Merchants Association is putting on, but which the Chamber would help advertise.

Councilwoman Sutton said the Chamber's board meeting is July 27, so there has been no decision from the Chamber about Main Street or its events. **Cliff Mrkvicka** said "nothing would be dropped," and they'd take the matter "to the work session" and "keep downtown vital and important." Mayor Keyserling told him "that will happen," but council is trying to determine "how to best spend the dollars." Mr. Ruhf cited the amount the Chamber of Commerce/Main Street spends to promote downtown Beaufort.

Councilwoman Sutton clarified that at the next Chamber board meeting, there will be a recommendation from staff for the new board to keep all Beaufort's downtown events "as-is," with the exception of First Friday, including Night on the Town and other non-profitmaking events. Mr. Ruhf said that's correct. Mr. Mrkvicka said, "We are making every effort to continue goodwill and keep this going."

Mayor Keyserling asked Mr. Mrkvicka if it wouldn't be better to "put this out for bid and have you bid on it." Main Street has "clearly been a burden on the Chamber," Mayor Keyserling said, and Chamber president **Blakely Williams** told him, "If we don't get the money" from the city, "then I guess we let Main Street go down the tubes." He thinks it "might be best not to continue business as usual," and wonders if there's "something wrong with opening it up to competition."

Mr. Mrkvicka said the Chamber/Main Street had made a proposal to council, which was "our offer, our ask" to "continue to improve the downtown area," but council was "not too happy" with that proposal. Councilwoman Sutton said some of the request for money in that proposal was for marketing that "is already taken care of" (e.g., the Beaufort Digital Corridor), and the amount the Chamber/Main Street asked for was "very high," when "it didn't need to be."

Mr. Ruhf said, "We tried to approach that" with the idea that "it might take a couple years to get that amount," and he reviewed the numbers and marketing elements in that proposal, including for marketing Beaufort Digital Corridor, "which our DMO will be doing." He said, "The amount was \$50,000 . . . we could have gotten started with the amount of ATAX and HTAX (Hospitality Tax) that we did receive last year," and then, if council saw results, "we could go up from there." Mr. Ruhf said he "guess[ed] there was confusion there with you all" about the amount of funds needed to implement the proposal.

Councilman Murray said there wasn't "necessarily confusion," as Mr. Ruhf had said, adding that he was glad Mr. Ruhf and Mr. Mrkvicka were at the work session, because of the effort that had been made to contact "Chamber leadership" to meet with council, which was met with "no response for awhile," then staff was told "you wouldn't be able

to attend,” and “at the last work session,” Mr. Ruhf was present but “unable to make comments.”

At a meeting, Councilman Murray said, Chamber representatives said that if the city was unable “to make additional funding available,” the Chamber might discontinue Main Street events. Mr. Mrkvicka said that could happen “down the road,” but he has to take the matter to the full Chamber board. Councilman Murray said council and the city do not want Main Street events to “go away,” and are committed to seeing that doesn’t happen. Mr. Mrkvicka said the Chamber’s “strongest desire is to be a partner” with the city; Councilman Murray said, “You guys sometimes sure have a funny way of showing it.” Mr. Mrkvicka said he’d “echo that same sentiment back” at the city. The Chamber is “trying to do everything we can to make this a healthy relationship.” Of the “\$42,000 provided last year, every bit and then some went into events” and marketing them, he said, and not for staff or other “administrative requirements.”

Councilman Murray asked the net profit of Shrimp Festival last year. Mr. Mrkvicka said he didn’t know. Councilman Murray said, “The festival was profitable,” and asked if Mr. Mrkvicka felt that “the net profits from an event partly produced, sponsored, and marketed by the City of Beaufort” shouldn’t “go toward the other events within the organization.” Mr. Ruhf said, “They do.” Mr. Mrkvicka asked Councilman Murray if “the assumption is” that “they don’t,” and said he’s trying to explain to council that everything the city provides the Chamber “is all being dedicated to downtown, and then some.” Chamber staff will figure out “how we can best do that” at its work session with its board of directors on July 27, Mr. Mrkvicka said.

Mr. Sutton said in 2016, Main Street was “at the helm” of downtown events, but the organization was “working under the Chamber.” He feels “the comments are accurate,” because Main Street “did an outstanding job,” generating more than “\$68,000” worth of “tax dollars and turned it 3-to-1, to generate a \$350,000 budget, all benefitting downtown.” The organization’s 1½ salaries were \$65,000, which were paid for with city and county “ATAX and Hospitality dollars.” Mr. Sutton agrees with Mayor Keyserling that “it’s always good to try something new,” but if a for-profit “event company” takes Main Street’s place, it won’t be a 501c3, so it “can’t get ATAX funding,” among other funds for nonprofits, and “they’re at a negative number before they can even start it,” he said. Main Street generates events and “did an incredible job, 3-to-1 matching money,” so council should be careful about “throwing” the organization “out, thinking you’re going to do something new,” Mr. Sutton said.

Eric Thibault said the Downtown Merchants Association had its first board meeting. The “Downtown Beaufort Merchants Association” is its official name. They have a mission statement, are working on structure, and are applying for a 501c3, he said, and the merchants’ meeting will be August 1. The themes for the year for First Fridays have been established, Mr. Thibault said.

Mayor Keyserling asked if the Chamber of Commerce could have a special meeting to discuss Main Street, events, etc., since council doesn't meet in August. He told Mr. Mrkvicka that Main Street Beaufort hadn't provided a proposal when council asked for one. Mr. Mrkvicka said it would be very difficult to move the board meeting up a week with this little notice. "Nothing changes today," he said. "We are absolutely in support of the events." Mayor Keyserling asked him if the Chamber didn't need "extra money" for events. Mr. Mrkvicka replied that it might "in the future," but "today we're working with what we have."

Councilman Murray said he would like to have confidence that the events are going to be provided, and he sees no harm in putting out an RFP (request for proposals), so maybe by September 1, council will have some proposals to produce events downtown. Mr. Mrkvicka asked if the Chamber/Main Street proposal didn't meet that requirement. Mayor Keyserling said it was for "considerably more money than we allocated." Mr. Mrkvicka said they could "negotiate or discuss" that "dollar amount," but he doesn't understand "what the requirement is" and what council is "asking for."

Councilman Murray said council wants "some assurance" that all of the events "historically produced" in Beaufort will continue to be and to know the city's costs and "amount of participation." He doesn't know "that we've received that assurance from" the Chamber "tonight."

Councilman Cromer said he believes Main Street owns these events, and the city has "nothing to do with" owning them. Also, Main Street needs "city support" in order to remain a Main Street organization, he believes. The city wants the events to occur, Councilman Cromer said, "but they're not ours."

Councilwoman Sutton said she would always believe that Main Street Beaufort "needs a reboot," and it's "cheaper to keep it than to go through all this." She thinks "a lot of this is personal," and she would "hate to see [Main Street] go." Councilman Murray said Mr. Mrkvicka and Mr. Ruhf have both said Main Street "might go away." Mr. Mrkvicka said if no funding is provided by the City of Beaufort, "we have to take a very hard look at how we would fund those events," but he doesn't know that this will be the case. Mr. Ruhf said again that staff's recommendation is for the events to continue. Mr. Mrkvicka said they're asking "not to be punished for the sins of our ancestors."

Paul Thompson asked the Chamber representatives "how . . . Main Street [was] absorbed by the Chamber," and how Main Street's 501c3 could be "untangle[d]." He feels Main Street "should absolutely continue." Councilwoman Sutton said there were some problems, and some things didn't work, but Main Street America is a subsidiary of the National Trust for Historic Preservation, which is an honor, so she doesn't believe it should be thrown away.

Mayor Keyserling said council agrees with Councilwoman Sutton, but for the 8 years he's been mayor, council has asked Main Street Beaufort to align with the national organization, which promotes economic development, but instead Main Street put on festivals, and its director, **LaNelle Fabian**, has come before council and "asked for more money every year." When the organization wasn't "funded at the level they wanted" to be, "they disappeared," Mayor Keyserling said. Mr. Mrkvicka said the Chamber board saw what was happening with Main Street, which was that it was "a failing business," and made it a goal to "adopt them," and "get them on their feet," so the organization could "step out the door," and "once again, become a productive member of society."

Mr. Sutton said that's "not exactly accurate": The Chamber "didn't do anything" to make Main Street's events happen. Main Street "self-generated money, which the Chamber has not been able to do." He said, "Events are a big deal," and they make money for the Chamber, but they also "cost a lot to put on." The events that don't make money won't be around long, Mr. Sutton believes, because "a for-profit business" won't make enough money from them.

Ms. Lutz said these events belong to Main Street Beaufort, so if the city puts out an RFP for others to do them, "you would be in competition for what Main Street already owns." Mayor Keyserling said he's not sure that Main Street owns the events, and other than "the budget" Mr. Ruhf had presented, council still has "no plan" for Main Street. He explained to Mr. Ruhf that his proposal "asked for \$25,000 to *develop* events," for example, not to put on existing events. Mr. Mrkvicka said this might be "a matter of semantics," but he's aware that "the presentation needs to be different," so there's not "an adversarial relationship" between the Chamber and council.

Ms. Todd clarified that council wants to "move forward to first reading on the ordinance." Council agreed. Councilman Murray asked how much staff time would be involved in an RFP. Ms. Todd said it's really not an RFP. Mr. Prokop said it would take about 8 hours, total.

Councilman Cromer said they don't know who owns the festivals yet. Mayor Keyserling said the allocation is "to market downtown," not necessarily "to do festivals."

Mr. Ruhf said he's not clear on "the path you're going with an RFP." Mayor Keyserling said in his view, in the next year, council should look at "a lot of things that are matters of habit," as they did in the past with garbage collection, for example. The Chamber of Commerce may be the best DMO, he said, but it is "a government agency," because 50% of its budget comes from government entities. The conversations with the Chamber for several years "have always been about money," Mayor Keyserling said, citing examples. The organization hasn't "opened your books . . . for scrutiny," and it needs "more transparency." He feels "it doesn't hurt" to have the Chamber competing with other organizations for the allocation funds, rather than "just assuming" that the city and the Chamber "are partners on everything."

Mayor Keyserling said he has “no idea” who might respond to this RFP idea, but he has “no problem with putting it out there” for people who “have ideas about generating growth and vitality downtown.”

Mayor Keyserling said the city “rebooted” with the Chamber of Commerce 6 years ago, and that “worked great.” This is a matter of not getting into a rut, he said. Councilman Murray said council did this with the city attorney; they looked at other candidates for the job and decided to stay with **Bill Harvey**.

Councilman Murray said there is a question about ownership of events, and he asked if they could get a legal opinion on that. Mr. Prokop said he could ask Mr. Harvey. Councilman Murray said he feels an RFP “for downtown revitalization, including events” is a good idea.

Councilman Murray said the Chamber is “a vendor” with the City of Beaufort and gets \$400,000 from it, but they don’t respond to emails, or they say they can’t appear at meetings. Mr. Mrkvicka said he hasn’t received emails; Councilman Murray said they go to the Chamber’s president, so Mr. Mrkvicka should talk to her. Mr. Mrkvicka said he and Mr. Ruhf are “here now,” and they are “acting in good faith.”

There being no further business to come before council, the work session was adjourned at 6:29 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 Cromer, to enter into Executive Session for a discussion of proposed contractual agreements regarding property and development projects. The motion passed unanimously.**

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



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/5/2017
FROM:
AGENDA ITEM
TITLE: Worksession and Regular Meeting July 25, 2017
MEETING
DATE: 9/26/2017
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|-------------|-----------------|-------------|
| Minutes | Backup Material | 9/5/2017 |

A work session of the Beaufort City Council was held on July 25, 2017 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, Phil Cromer, and Stephen Murray, 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 5:00 p.m.

EMPLOYEE NEW HIRE RECOGNITION

Kathy Todd introduced **Linana Washington**, a financial systems specialist, who has been hired for the city's finance department.

DISCUSSION: RECOMMENDED CHANGES TO THE CITY'S ACCOMMODATION TAX (ATAX) PROCESS

Mr. Prokop said he met 6 weeks ago with **Jonathon Sullivan**, and before that with **Deborah Johnson** and with **Robb Wells** of the Chamber of Commerce, about "improvements in the [TDAC] process." Mr. Prokop said he and Mr. Sullivan agreed that when the city gave USCB money for renovations to its performing arts center, it should have been handled differently. Also, TDAC (Tourism Development Advisory Committee) members felt that if they recommended giving \$500 to an organization, and council granted the organization \$1,000, the award should be based on an adjustment to the criteria on the score sheet, "not just the personal feeling" of council members, so everyone is "held accountable to certain procedures and policies . . . across the board," and council is not making "exceptions at the end."

Jeff Evans said TDAC met 2 weeks ago and finalized their thoughts with Mr. Prokop's and Mr. Wells'. He had given a handout to council about the proposed "learn and share" sessions and applicant scoring. Mr. Wells has "tweaked the language," Mr. Evans said, on the third page of the document. TDAC's language was "a little stronger" than Mr. Wells' about the recipients of grants for "marketing and promotion" coordinating their ad buys with the DMO (designated marketing organization). Mr. Prokop said he and Mr. Wells had "talked about that," and Mr. Wells didn't want those grant recipients to "feel they had to" do that, so the final language is ". . . ad buys should be coordinated with the DMO, and should fit within the DMO's current advertising plan," not ". . . will be required to use the DMO for all ad placements."

Mr. Evans said he'd discuss TDAC's decision to have "a mandatory session" for applicants for ATAX funds. Two dates have been outlined, he said, at which the applicants can attend. Mr. Prokop asked if the dates could be moved up a week. Ms. Todd said she and **Michael Ahern** had asked Mr. Sullivan "for the week of September

22.”

Mr. Evans said “the language” about tourism-related expenditures is taken from the state statute. TDAC discussed moving this information up higher in the application and asking applicants to check off which is the most appropriate activity for their request. On the next page, the scoring is self-explanatory, he said. September 21 was the due date for the applications and September 25 for presentations, Mr. Evans said; there are alternative dates, which Mr. Prokop and Ms. Todd said are good.

Mayor Keyserling said when the handout is finalized, it will go on the website, and he will also publicize it. Councilman McFee asked if organizations could apply if a representative did not attend a mandatory session. Mr. Evans said that’s what TDAC is thinking. Councilman McFee said the committee should be “receptive to extenuating circumstances”; Mr. Evans said they could be, and all the TDAC members don’t need to be at both sessions.

Susan Sauer said she couldn’t be available for the presentations on September 21.

PRESENTATION: MULTI-COUNTY BUSINESS/INDUSTRIAL PARK (MCIP)

Burnet Maybank began the presentation with the Lincoln Institute’s comparisons of commercial property tax rankings in urban and rural areas, based on the largest city in each state; in the case of South Carolina, that’s Columbia, he said. South Carolina is the 7th highest in the country for commercial property taxes with the land and building valued at \$100,000 and at \$1 million. It is 8th highest for commercial property with the land and building valued at \$25 million, Mr. Maybank said.

For commercial property taxes in urban areas, South Carolina is “considerably higher” than North Carolina (45th) and Georgia (32nd), Mr. Maybank said, and in rural areas, for property valued at \$1 million, South Carolina is ranked 6th highest, while North Carolina and Georgia are 37th and 26th, respectively.

For both new retail facilities and distribution centers with mature facilities, South Carolina’s tax rates rank 49th in the country, while for new distribution facilities, South Carolina ranks 50th, Mr. Maybank said. Part of the explanation for this is property taxes, he said, because South Carolina is third highest in the urban Southeast for a \$1 million commercial property; only residents of New York City and Boston pay more in property taxes than residents of Columbia, South Carolina. For industrial property taxes in urban and rural areas, South Carolina has the highest property taxes in the US for manufacturers, Mr. Maybank said.

Things that can be done about these very high property taxes, Mr. Maybank said, include

- Fee-in-lieu of taxes (FILOT)/multi-county business/industrial park (MCP*) [*These parks were referred to variously as “multi-county industrial park” (MCIP), “multi-*

county business park” (MCBP), and “multi-county park” (MCP), and by the various acronyms; Mr. Maybank said “multi-county park” is the term in the state Constitution, so for consistency, the minutes use the acronym MCP(s) for all references. – steno.]

- “Naked” MCP for existing buildings
- Abandoned Buildings/Textile Revitalization Act
- Bailey Bill (for historic preservation)

Mr. Maybank then listed the property that is subject to tax and gave the equation to calculate property tax. Real property and FILOT real property are appraised to determine fair market value, he said. He gave the assessment ratios in the South Carolina Constitution for various properties. Mr. Maybank reviewed millage, the pollution control exemption, and “change in use” rollback taxes.

FILOT is usually done with an MCP, but some MCPs are “naked” (i.e., without a fee-in-lieu), Mr. Maybank said. He reviewed the investment periods and the term for most FILOTs.

Mr. Maybank described the differences for real property, the assessment ratio, and millage, inside and outside the FILOT. He detailed the advantages to taxpayers and to the county of FILOT, as well as the disadvantages to taxpayers.

Mr. Maybank said the “multi-county park,” as it is termed in the state Constitution, is “purely legal fiction.” The theory in the 1980s was that counties would “truly get together and develop office parks,” sharing expenses and revenues among the counties, but “that never really happened,” he said. Counties are allowed to do an MCP “within the geographical boundaries of one county,” and there is a written agreement to share expenses and revenues; as a practical matter, the expenses are not shared, Mr. Maybank said, but 1% of the revenue is. Beaufort County has an MCP with Jasper County, he said, “and invariably they say, ‘Jasper has no expenses and gets 1% of the revenue,’” but “government almost never has expenses with” MCPs “anyway.” If the MCP is in a municipality, the municipality consents to the “special source credit.” Mr. Maybank said, “The school district has no say in it,” and the municipalities “must be in contiguous counties.”

Industrial and business parks are not always MCPs, Mr. Maybank said. The area of the park and all of the properties located within it are exempt from ad valorem taxes, but must “pay an amount equal to property taxes or FILOT that would have been due and payable except for an exemption,” he said. MCPs help taxpayers benefit from the county giving a “special source revenue credit” (SSRC), which Mr. Maybank said is not a reduction “of the property value, but of the taxes owing, which is far more significant.” He said a SSRC “basically reduces the total property tax bill.” A FILOT is not a requirement for SSRCs; a “naked” MCP can be done. Mr. Maybank went on to discuss the advantages and disadvantages of SSRCs.

For Beaufort County, an MCP without a SSRC would “accomplish little,” Mr. Maybank said (i.e., “just a \$1,000 increase in the job tax credit”). The main advantage of the MCP is the SSRC, and Beaufort County has an MCP established by ordinance, but with no SSRC. To lower the taxes, the county has to initiate the MCP with a SSRC, and the City of Beaufort and Jasper County have to consent; no school district approval is required, he said. “A multi-use complex [is] taxed at 6% assessment ratio for the building and 10.5% assessment ratio for the business personal property,” Mr. Maybank said.

Mr. Maybank said he’s been told that Beaufort County has an intergovernmental agreement with the school district that pledges that no SSRC will be passed that lowers the school district taxes; he’s not seen this agreement. He added that the state tax rankings earlier in the presentation, which used Lincoln Institute data, were for Richland County / Columbia, South Carolina. The millage in Beaufort County is 278.05, which is 48% lower than in Richland County / Columbia.

Mr. Prokop said Beaufort County has an MCP “with Bluffton for the Buckwalter area,” and the school district’s “taxes are not diluted.” He’s not seen an MCP “that covers the entire county.” Mr. Prokop asked if the percentage could be negotiated among the city, the county, and the school district. Mr. Maybank said yes. In an MCP that’s not in a municipality, the county “could alter the revenue any way it wanted” if the school district’s consent isn’t required. In some counties, “a percentage of the tax payments” goes “into an economic development fund automatically,” he said.

Mr. Prokop asked how the MCP compares to a TIF (tax increment financing). Mr. Maybank said in a TIF, “99% of the time,” taxpayers don’t know they’re in one, and they get “no break” by being in it. If a city does a TIF, and the county and school district consent to it, the revenue that would go to the county and school district goes to the city, he said; taxpayers don't benefit from that, except in the public infrastructure that is done.

Councilman Murray asked if there are “statutory limitations on what” the “percentage of the revenues that can be used on other things” can be used for, and if there is “a cap on the percentage of revenues that can be diverted.” Mr. Maybank said there is not. In Horry County, the school district filed a lawsuit when the Mall of South Carolina was put in an MCP, and “the school district took a bigger haircut” than the county did. The case went to the state Supreme Court, which said, “You couldn't have a 99% SSRC,” he said: “Most lawyers would tell you there’s got to be some taxes paid.”

Primary single-family residences can’t be put in an MCP, Mr. Maybank said. He discussed a lawsuit involving competing developers of student housing in Lexington County. The MCP is limited to commercial and industrial businesses, and student housing is residential, the lawsuit claimed; it’s currently in the Court of Appeals, and Mr. Maybank said, “We’re probably 14 months away from getting a decision.”

Paul Sommerville asked if Mr. Maybank was saying as “a general rule,” there “has to be some tax in an MCP,” but “there may be exceptions.” Mr. Maybank said, in the example Mr. Sommerville referred to about “a New York case where computer servers were taxed at ‘0’,” the taxes are paid “on their very, very expensive real estate.” Mr. Maybank said the elements of the tax bill aren’t segregated out.

Mr. Sommerville said “agriculture” in an MCP caught his attention. Mr. Maybank said, “The only thing better than an MCP is agriculture.” It’s “very common,” he said, for manufacturing facilities to buy a farm, keep much of it “around as a buffer,” and then “the manufacturing facilities are the fee-in-lieu, but not the farm.”

In response to a question from **Dick Stewart** – who asked about using MCPs similarly to TIFs in that “infrastructure [that is] put in place is funded with bonds,” and “then, as tax revenues increase, that’s what pays off the bonds” – Mr. Maybank said, because bond “lawyers’ fees are so expensive,” and the “interest rates are so low, you don’t see a whole lot of” that. For MCP bonds, “as a practical matter, the taxpayer/developer is going to have to find a bond purchaser,” he said, which is sometimes the developer’s bank, which agrees to buy the bonds rather than doing a mortgage. “The problem is” that bond lawyers “run up a bill so incredible” that “it’s better just to get a conventional mortgage,” Mr. Maybank said. While the developer wants the tax advantage of an MCP, “he pays for everything.”

An unidentified member of the public asked if the credit is “assignable if the initial taxpayer sells the property.” Mr. Maybank replied that “the fee-in-lieu statute specifically says the county has to consent. Under a multi-county business park, the statute is silent, but every MCP document addresses it.” He said, “If the special [*inaudible*] is rich enough,” it would be “appropriate for the county to say” that it was not consenting to it, but, if the taxpayer were to leave, to agree not to “give it to anybody else.” The member of the public asked if “the question of leaving” is “more frequent in manufacturing.” Mr. Maybank said no, “because they have such huge . . . upfront costs, they’ve made a decision” to “be here for a long time.” During the Great Recession, “as with any other businesses,” manufacturers in MCPs closed because of “China and Walmart taking a beating out of” them; “you’ll always see that,” he said.

The member of the public asked if a new MCP could be created in Beaufort County. Mr. Maybank said it could, but typically, an existing MCP is amended, “including new property.” A new MCP, though, gets the SSRC, he said. Mr. Maybank told Mr. Sommerville that he’s read about “one, plus an amendment” in Beaufort County, but he’s not aware of any others.

Councilman Murray asked Mr. Maybank, “when you get to the 6% from the 10.5%, where that puts us in some of the industrial rankings.” Mr. Maybank said it would “help us some,” but not at all in terms of North Carolina, because “it is so much lower.” When

the Lincoln Institute re-does the rankings, “we very much hope” that Charleston, which is “now the largest city” in the state, is picked up, Mr. Maybank said. “That alone will help South Carolina significantly.” He said the General Assembly had said it would “reimburse the counties and local governments for the revenue loss, but they capped it” at approximately \$58 million. The reduction helps no one, according to a *Post and Courier* article, Mr. Maybank said. There are “\$8 billion worth of manufacturers not in a fee-in-lieu,” so it will “help a lot of people,” but when the cap is hit, he said, “it’s just going to be a mess.”

Mr. Sommerville clarified that there is no way to get residential units in an MCP, and Mr. Maybank said, “That’s what every lawyer would tell you.” He cited a legal case that said, “It has to be commercial or industrial, and that’s in the Constitution.” Rental property is considered commercial, he said, but “you’d have to do more than just say” you were renting the properties, as Mr. Sommerville had suggested. “No one’s going to voluntarily give . . . up” the 4.5% “primary residence” property tax, he said. When property taxes go to 6%, “you lose all the credits.” He added that in South Carolina, “the difference between primary residence and second home is the third highest in the entire United States”: It’s a 376% difference.

The counties in an MCP have to be contiguous, “but the parcels within the 2 counties do not have to be contiguous,” Mr. Sommerville said, and Mr. Maybank told him, “Not at all.” Mr. Sommerville asked, if Beaufort and Jasper Counties have an MCP, “with a SSRC of ‘X,’” and “you wanted to add another parcel with a different SSRC, how do you do that without starting a new MCP?” Mr. Maybank said the MCP could be amended; “as a practical matter,” however, “you would probably have separate ones to make it easier.”

Mr. Maybank told Mr. Stewart that the MCP SSRC “is capped at the amount of your investment.” If the MCP were never developed, he said, “you’d have a potential claw-back.” However, “nobody polices MCPs,” so if it eventually “went from commercial to residential,” no one is likely “to keep up with that,” Mr. Maybank said.

The member of the public asked for examples of “when you see claw-backs,” and Mr. Maybank described an example of “a horrible claw-back” put in place by the General Assembly, which is that “if you get a SSRC on machinery and equipment,” and you sell it, “there’s a claw-back of 3 years of tax savings.” This was “a terrible idea because manufacturers sell machinery and equipment all the time” and buy new machinery and equipment, he said. A more common claw-back is getting “a SSRC because you commit to investing” \$10 million, but “you only invest \$8 million.” This usually isn’t discovered “until the property’s sold,” Mr. Maybank said, and the purchaser discovers it in doing due diligence, contacts the county, and asks if they can “assign it.” That is “a percentage claw-back,” he said.

Mr. Prokop asked, if a developer built 4 buildings, if one building could be exempt. Mr. Maybank said yes. For example, if a developer is building a parking garage, and the city

is going to lease “half the spaces, you can give [the developer] a tremendous SSRC just to get him to build the parking garage, and not give the other buildings nearly that SSRC, or none at all, even.”

Mr. Sommerville asked “the options with respect to the school district” if the county wanted to include property in an existing MCP – “or start a new one” – for a parking garage, “and give a generous SSRC.” Mr. Maybank said the school district “would have no say in it.” They “usually only get mad when they get a bigger haircut than the county” does, he said; if they’re the same, the school district usually doesn’t “express any concerns about that.”

Mr. Prokop asked the biggest reason “not to do” an MCP from a city or county perspective. Mr. Maybank said, “The biggest issue is not the revenue . . . it’s the jealousy . . . of the competitors. With manufacturers, you usually don’t have to worry about that, he said. “When you give it to commercial real estate,” then the jealousy is likely to occur, he said.

Mr. Prokop asked, if a SSRC is being given to a developer, if the entity putting together the MCP could say in the agreement, “We’re going to give you this, but half of what we are giving you must [be invested] in an infrastructure improvement” somewhere other than in the MCP. Mr. Maybank said, “That happens all the time,” but there is some question about “the constitutionality of that.” When a “developer is putting \$1 million into property all around him,” there’s not a problem, but asking the developer to put \$1 million “into the far end of the county . . . starts to look like a ‘taking.’”

Mr. Sommerville asked if naked MCPs are rare; Mr. Maybank said they're “fairly rare.” If a manufacturer that pays traditional property taxes wants to expand and wants a tax incentive, the county can’t give him a fee-in-lieu, but it can “give him . . . in essence, the same thing through a naked MCP.” He discussed the advantages and disadvantages of naked MCPs.

There being no further business to come before council, the work session was adjourned at 6:14 p.m.

A regular meeting of the Beaufort City Council was held on July 25, 2017 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, Phil Cromer, and Stephen Murray, 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 regular council meeting to order at 7:01 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Councilman McFee led the invocation and the Pledge of Allegiance.

RESOLUTION COMMENDING JOEL NEWMAN FOR HIS SERVICE ON THE HISTORIC DISTRICT REVIEW BOARD (HDRB)

Councilman Murray made a motion, second by Councilman McFee, to approve the resolution. The motion passed unanimously. Councilman McFee read the proclamation, and Mayor Keyserling presented it to Mr. Newman.

PROCLAMATION OF AUGUST 4–6, 2017 AS GULLAH/GEECHEE NATION APPRECIATION WEEK

Councilman Murray made a motion, second by Councilman McFee, to approve the proclamation. The motion passed unanimously. Councilman McFee read the proclamation, and Mayor Keyserling presented it.

ORDINANCE REVISING SECTION 2.7.4 OF THE BEAUFORT CODE TO CHANGE REFERENCES FROM THE 2003 AICUZ TO THE 2013 AICUZ

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

ORDINANCE APPROVING THE SALE OF EXCESS CITY PROPERTY AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS FOR THIS SALE, 0.10 ACRE ON POLK STREET

Councilman McFee made a motion, second by Councilman Murray, to approve the ordinance and authorizing the city manager to execute documents of sale on second reading. The motion passed unanimously.

REQUEST FROM BEAUFORT REGIONAL CHAMBER OF COMMERCE TO ALLOW ALCOHOL SALES, STREET CLOSURE FOR 5K RUN/WALK, AND STREET CLOSURE OF CHARLES STREET EXTENSION FOR ANNUAL SHRIMP FESTIVAL IN WATERFRONT PARK

Councilman Murray made a motion to table the request for the event, to be held October 6 and 7, 2017. Mayor Keyserling said council is waiting to hear from the Beaufort Chamber of Commerce/Main Street Beaufort about “all of their festivals.”

There will be a special council meeting August 1, 2017, and Shrimp Festival will be discussed at that time. **The motion passed 4-1, Councilman Cromer opposed.**

RESOLUTION ADOPTING LADY'S ISLAND CORRIDOR STUDY

Councilman McFee made a motion, second by Councilman Murray, to approve the resolution. Libby Anderson said last fall the City of Beaufort and Beaufort County contracted to have a traffic study of the Sea Island Parkway corridor of Lady's Island. The study was completed this spring, after "considerable public input." She is asking that the report be formally adopted by the City of Beaufort; it's going through a formal adoption process in Beaufort County. The goal is to get appropriate projects in the corridor placed on the Beaufort County Transportation Capital Improvement Plan. **Bret Gillis**, the city's traffic engineering consultant from Stantec, will make a presentation about the study, Ms. Anderson said.

Mr. Gillis showed the study limits; he said there is an undeveloped marsh area in the middle. There have been public meetings and small group stakeholder meetings. He reviewed the original goals of the study and said they had collected public comments about concerns: Almost half of those concerns were about traffic.

Mr. Gillis showed "a 25-year snapshot" of the US as a whole, which showed that traffic grew consistently over time. At the end of 2007, with the Great Recession, the numbers fell off, but then picked up again with the economic recovery. In the Lady's Island Drive / Sea Island Parkway corridor, it was "flat/negative" then picked up in 2014, as in the rest of the US. In the Lady's Island area, Mr. Gillis said, there are a lot of undeveloped areas, and if they are developed, there will potentially be a lot more traffic.

Mr. Gillis said they looked at "future traffic volumes" to determine what traffic is like now "at peak volume," and what it might look like in 20 years if nothing is done.

To work on the traffic problem, they looked at all options to improve it, Mr. Gillis said. This is not a good area for a grade-separated interchange, they determined, and widening US 21 and SC 802 "wasn't a great option, either." New bridge access to the island has been studied, he said, but the cost and environment impact are extremely high.

Mr. Gillis discussed improvements that could be done, according to the study, such as:

- Traffic signal improvements
- Greater connectivity – Seven different connections would "free up that main intersection," Mr. Gillis said, with traffic signals to facilitate those connections.
- Traffic calming at Miller Drive/Sunset Boulevard and Hazel Farm Road/Gay Drive – Mr. Gillis showed examples of different methods of calming traffic (e.g., landscaped areas, etc.).
- All-way stops or mini-roundabouts – The latter was the option recommended by the study, he said.

- New middle school access – A signal at Gay Drive would provide an alternate entrance for the school, Mr. Gillis said.
- High school drive realignment
- Safety improvements – There were 541 collisions from 2012 to 2015; Mr. Gillis said that’s about a collision per week.
- Raised medians are a well-documented safety measure, he said.
- In the airport area, the study suggested addressing congestion and safety by extending the eastbound through-lane and improving safety and access through connectivity, Mr. Gillis said. There’s another opportunity for connection on the other side “where the neighborhoods are,” and there would be signal access there, he said.
- Bike and pedestrian access enhancements
- Streetscape improvements offer opportunities to “dress up the corridor,” Mr. Gillis said.

The total cost is around \$30 million, Mr. Gillis told Councilman Cromer. Some sections would need right-of-way included, which would be additional.

Mayor Keyserling said this makes sense to him, except it’s unknown where the money will come from. “If the county is looking at . . . doing a more comprehensive plan” with the City of Beaufort, he asked if the city is “assuming that this is an underlay and going to make sense anyway.” Ms. Anderson said in the RFP (request for proposals) the county put out, this study is one of the documents “being used as a baseline,” along with other plans (e.g., the Civic Master Plan and the county’s master plan), and the RFP “specifically said” that “no traffic engineering was required.” They are “relying . . . on the work that’s been done,” she said. Many of the points in the report “have been studied before,” and this is “reinforcing them,” and, for example, “making them a little more cost-effective by using existing rights-of-way,” so she doesn’t “see that anything coming out of that is going to conflict with what’s been proposed here.” Ms. Anderson said many of the ideas in the report are “common sense” and make financial sense, so she believes “we’re on track with this.”

Mayor Keyserling said if he were to prioritize, he’d do the right-hand turns first, then improvements at Lost Island. He asked how much those might cost to do. Mr. Gillis said those costs are listed in the report. For connectivity, he said, the property owners are “generally on board with it,” and there’s no particular order in which the work has to be done.

Mr. Prokop said the county’s #1 project after Boundary Street is completed is the right-turn lane at Walgreens.

Chuck Newton, Sea Island Corridor Coalition (SICC), said the coalition supports the study, and feels like the consultants and the city’s planning department heard them. The

SICC's position was that it did not want "new or larger roads built on Lady's Island," he said.

"The southern edge of the study went down to Rue Du Bois," Mr. Newton said, and the SICC is concerned about potential build-out of Upper Cane Island and "the development of Whitehall coming down Meridian Road," which could create "a larger problem" in that area "in the medium-term timeframe." He feels this was not "developed as part of the plan, as far as I know."

The SICC's "biggest concern" now is "the funding issue and who pays for it," Mr. Newton said. Most of the work to be done "is on county land," he said, and he assumes most of the expense will be the county's. The SICC will do all it can to help, Mr. Newton said, and it's important that the action to implement the plan starts "now." The public expects that "after so long, some action is due on this," he concluded. **The motion passed unanimously.**

RESOLUTION REVISING THE CITY OF BEAUFORT FEE SCHEDULE TO UPDATE PLANNING DEPARTMENT FEES

Councilman Murray made a motion, second by Councilman Cromer, to approve the resolution. Ms. Anderson said the planning department fees have not been looked at for a number of years. The following changes are proposed:

1. Increasing the fee for pool permit inspections to \$235 for single-family residences and \$265 for multifamily and commercial pools – \$200 of this fee would be refundable after the pool is inspected and approved, she said.
2. Increasing the fee for multifamily and commercial project re-inspections from \$50 to \$100 to discourage contractors from calling in inspections when they're not ready – The \$50 fee for re-inspections of all other projects would remain the same, she said.
3. Increasing the fee for traffic impact reports from \$500 to \$750
4. Increasing the fee for review of short-term rental applications to \$100
5. Increasing the fee for review of major subdivisions – Ms. Anderson said the fee would remain as-is (\$500 + \$10/lot) for major subdivisions that do not include new streets. She described the fees for those subdivisions that do include new streets; the amount of the fee increases in tiers as the number of units increases (up to 301), she said.
6. Revising fees for staff design review – Currently, staff reviews all projects in the Boundary Street and Bladen Street design districts, Ms. Anderson said. With the Beaufort Code, there will be more staff review (e.g., for new commercial projects under 10,000 feet and without drive-thrus). The rate varies based on the type of improvement or if a new building is built, she said. Some fees for staff design review for "Certificates of Appropriateness – Minor" would be reduced.

Mayor Keyserling asked if there was any consideration of "doing some sort of incentives" by reducing or eliminating fees for affordable housing. No lot can be had for

less than \$50,000, he has found, and affordable housing can't be built on lots that cost that much. While he supports these fees, Mayor Keyserling thinks there need to be incentives for building residential that Beaufort residents can afford.

Councilman Cromer said the Redevelopment Commission's affordable housing initiative group could come up with ideas and pass them to staff. Ms. Anderson said the building permit fee for "true affordable housing" is reduced by half. The agreement with BJWSA for its capacity fees saves \$4,000 – \$5,000 on one single-family lot on Washington and Duke Streets, she said, and they need similar incentives for affordable housing citywide. Mayor Keyserling said perhaps "the capacity fees could be . . . leveraged to move the plan along for infill and redevelopment." **The motion passed unanimously.**

Mr. Prokop recommended adjusting the ordinance to state that the fee changes are not effective until November 1, 2017 "on all new projects" in order to "give people some notice." **Councilman Murray made a motion to include in the ordinance that the fee increases are effective November 1, 2017; Councilman McFee seconded. The motion passed unanimously.**

RESOLUTION ON CAPITAL LEASING THROUGH BB&T

Councilman Murray made a motion, second by Councilman Cromer, to approve the resolution. Ms. Todd said in the FY 2018 budget process, staff had "recommended obtaining a capital lease for capital equipment," which was "approved in the budget for \$656,234.86." The proceeds from the capital lease and the first debt payment are included in the General Fund budget, which council adopted, she said. The "awarded financial institution" is BB&T at 1.94% for 5 years, Ms. Todd said. To close on the capital lease, BB&T requires passage of the resolution in council's packet. **The motion passed unanimously.**

BUSINESS LICENSE APPEAL - MAREK REALTY GROUP AND 1108 CHARLES STREET, LLC

Councilman Murray made a motion, second by Councilman McFee, to approve the appeal for discussion. Ms. Todd said council had received copies of the emails between **Rob Marek** – the owner of Marek Realty Group and 1108 Charles Street, LLC – and **Justin Rose**, the city's business license inspector, as well as Mr. Marek's request to appeal business license penalties.

Marek Realty Group did not renew its business license in 2016 or 2017, Ms. Todd said, and the company was on the delinquent list, but Mr. Rose was "unable to reach Mr. Marek." In June 2017, Mr. Rose noted that at 1108 Charles Street, renovations were being performed without proper permits, so he issued a verbal stop work notice. Through this inquiry, contact was made with Mr. Marek about the delinquent business license tax for 2016 and 2017 for Marek Realty Group.

Business license tax for 1108 Charles Street, LLC was assessed for 2016 and 2017, Ms. Todd said. "It was also discovered that Mr. Marek was agent and part-owner of 708

Pinckney Street, LLC,” the purpose of which was to acquire, renovate, and sell that property, she said. The LLC was created in October 2015 and was terminated in February 2017, following the sale of the property, Ms. Todd said. “The broker of the sale was Marek Realty Group.” Mr. Rose assessed the income from the sale “against Marek Realty Group, as 708 Pinckney Street, LLC was no longer operating.” Mr. Marek is contesting that decision, she said, and requesting instead that 708 Pinckney Street, LLC be “treated as a new business, licensed as such,” and given “the new business discount” on the gross proceeds of the sale. After that, Ms. Todd said, Mr. Marek would terminate the license.

Mr. Marek is requesting a waiver of the late fees from 2016 and 2017 tax assessments against Marek Realty Group and 1108 Charles Street, LLC, totaling \$1,261.05, Ms. Todd said. Mr. Marek is also asking to be allowed “to license the closed LLC at the new business discount rate,” she said. Staff recommends that council deny both requests because of “Mr. Marek’s knowledge of the business license ordinance – Marek Realty Group was licensed prior to 2016 – and his non-responsiveness toward inquiries by the business license inspector.”

Mr. Marek said, “We closed the office in 2015,” and “we just got back in 2017,” after working in Asheville, NC and Savannah, GA. Marek Realty Group is now more of an internet-based company, he said, and they still had sales. He is fine with paying the business license fees, but he wants to know if it’s determined by “the whole gross,” or just sales he made in the City of Beaufort. Only 30% of his gross sales are “based off of the city,” Mr. Marek said, which is what his business license fee should be based on.

Mr. Marek said he didn't know he needed to pay business license tax on 1108 Charles Street because it is “residential.” He has since paid for the business license and late fees for 1108 Charles Street, LLC. Mr. Rose told Mr. Marek he’d noticed that his “name is on 708 Pinckney Street, as well.” Mr. Marek told Mr. Rose that the business closed “about a year ago.” Mr. Rose told Mr. Marek that 708 Pinckney Street would be viewed as “a subsidiary company of Marek Realty Group,” but 708 Pinckney Street has nothing to do with Marek Realty Group, Mr. Marek said. 708 Pinckney Street, LLC was “three partners” who bought and flipped a house, and through the process of historic review and permitting, they were never told that they needed a business license for that. He thinks the city should have told them they needed a business license to renovate and flip a house.

708 Pinckney Street, LLC paid a commission to Marek Realty Group for selling the house, Mr. Marek said. He listed the paperwork that supports his case. He said this should not all be tied to Marek Realty Group, and he was told that to appeal this, he had to first pay the fees, then appeal. Mr. Marek said the business license office is attaching 708 Pinckney Street, LLC to Marek Realty Group because his name was the only one on all of the city paperwork about the project because he was the partner who “pulled the permits,” etcetera.

The real estate commission for the sale of 708 Pinckney Street was included in Marek Realty Group's gross sales, he told Councilman Murray.

Councilman McFee asked Ms. Todd "the definition of 'income'" in "the computation of business license charges." Ms. Todd said she'd have to pull the ordinance, but "gross income" is defined the same way the IRS defines it: "any income that's generated to produce a profit." She said, "The ordinance stipulates that the selling price of a developer is income and taxable."

To clarify what Mr. Rose had said to Mr. Marek, Ms. Todd said, since 708 Pinckney Street, LLC was no longer operating, "for ease of collecting on that tax, the gross sale price of 708 Pinckney Street could just be added to" Marek Realty Group in order "to collect the money associated with the tax not being paid under 708" Pinckney Street. She said Mr. Marek had said Mr. Rose had "used the term 'subsidiary,'" but it was "for the ease of reporting that income and collecting on that tax," since 708 Pinckney Street, LLC no longer exists. Mr. Marek said Mr. Rose "specifically said it was 'a subsidiary,'" and when Mr. Marek said it wasn't, Mr. Rose said, "Who's name's on the deed?" but it is not Mr. Marek's name.

Mr. Marek told Councilman McFee he was "a 25% partner" for 708 Pinckney Street, LLC. He "oversaw the project and . . . sold the property," he said. He still made Internet sales within the city after closing his Beaufort office, he said, and has a list of the sales made in 2016; only two of the properties were sold in the City of Beaufort.

Mr. Marek said he is not contesting paying business license fees for Marek Realty Group; for 708 Pinckney Street, LLC, he feels he should not have to pay for the business license just because "I'm the last man standing." Councilwoman Sutton said the city had no responsibility to tell Mr. Marek that he needed a business license. Councilman Murray said he feels city staff should have done so "as a courtesy," but Mr. Marek and his partners formed an LLC, "bought a piece of property as an investment," and "were engaged in a commercial business activity"; most business owners "engaged in commercial business activity" understand that "a business license is required." However, Councilman Murray disagrees that "because your name is tied to an LLC that has now been dissolved," Marek Realty Group should be held responsible for the business license fee for 708 Pinckney Street, LLC.

Councilman McFee said, "in defense of staff and the position" its taking, "there was probably an assumption" by staff that pulling permits, etc. for 708 Pinckney Street "was all done under Marek Realty Group." Mr. Marek said it was all done under 708 Pinckney Street, LLC, and "Marek Realty Group never got involved until" it sold the property.

Mr. Marek said he has no problem with paying the business license fees for 708 Pinckney Street, LLC, but he feels the penalties and late fees a year later are unfair.

Mayor Keyserling asked Ms. Todd about billing “all of the partners” in the LLC to “spread that hurt out” among them, not just Mr. Marek’s real estate company. Mr. Marek said he’s already paid the business license fee, but he would like the late fee to be waived.

Ms. Todd said there are \$357.74 in late fees for Marek Realty Group in 2016, based on gross proceeds of sales in the City of Beaufort and \$197.14 in late fees for Marek Realty Group’s 2017 business license. “The add-on amount for 708 Pinckney Street is \$578.28 for penalties,” she said, and 1108 Charles Street, LLC has late penalties of \$88.07 for 2016 and \$59.82 for 2017. “Those penalties are . . . a result of those business license taxes not being filed by the April 15 due date,” Ms. Todd said, following notices sent in January of those years. “The only portion associated with 708 Pinckney Street” is \$578.20, she said; “the balance relates to Marek Realty Group and 1108 Charles Street, LLC.”

Councilman McFee asked Mr. Marek what the registered address on his MLS license was during the time his business was not in the market. Mr. Marek said he’d “have to look that up.” Councilman McFee asked Mr. Marek if the city could “have easily contacted” him. Mr. Marek said yes. Ms. Todd said business license staff “reported that they made several attempts” to contact Mr. Marek, but “they did not reach him.” The business license renewals were sent out, and Mr. Marek was “on the delinquent list.” No certified letter was sent, she said; no mail was returned to the city.

He maintained a residence on Lady’s Island when he worked in Savannah, Mr. Marek told Councilman Cromer, and “P.O. Box 576” was only obtained “within the past year.” The office in Beaufort Town Center that was closed down might have been the address on the licensing for 2015 and 2016, he said.

Mr. Marek asked if, in “this interim period, until the brick and mortar office is set up,” he is paying business license fees “on gross, out of everything, and not just what I’ve earned in the city.” Councilman McFee said it’s “on what you do in the city.” Councilman Murray said if the physical location of the business is in the City of Beaufort, “you’re responsible to pay that business license tax on all of your gross, unless you have paid a business license fee in another jurisdiction on a portion of those sales.” Mr. Marek said he wanted to make sure he understood correctly that if his office is not set up in the city, he is “only paying on what I actually sold in the city,” because “for both years,” he paid “gross of everything.”

Councilman Murray said he feels Mr. Marek is responsible for business license fees, but he doesn't think it's fair to hold him “responsible for 708 Pinckney Street, LLC.”

Councilman Murray amended the motion to refund the penalties on 708 Pinckney Street, LLC, which is \$578.28. Councilman McFee seconded the amendment.

Councilman Cromer said 708 Pinckney Street was an LLC and didn’t get a business license. Councilman Murray said business owners set up LLCs to shield themselves from

certain liabilities. Ms. Todd said business license can't be shielded with an LLC because it is a tax. **The amendment passed unanimously. The amended motion passed unanimously.**

AMEND SECTION 7-13003 OF THE HOSPITALITY FEE ORDINANCE

Councilman McFee made a motion, second by Councilman Cromer, to approve the amendment on first reading. Ms. Todd said staff had made the following modifications to the hospitality fee (HTAX) ordinance:

- Section 1: The original allocation of 4.4% of HTAX to the DMO has been returned to from a proposed 5% allocation, she said, and the money is to be specifically targeted "for advertising to increase tourism" within the City of Beaufort.
- Section 2: Ms. Todd said 1.1% had originally been earmarked for Main Street Beaufort; staff recommends that it be increased to 1.7%, which will be allocated by council through "appropriation, for advertising to increase tourism and revitalization of the downtown economy." Nonprofit groups will be invited to make "budget presentations" to council through the annual budget process, she said, and council will allocate the funds to the group or groups whose objectives best achieve council's goals.

Mayor Keyserling clarified that the money is still earmarked for promoting downtown and is in a fund to protect it. Ms. Todd said that's correct. The overall amount from HTAX funds has been increased by .6%, she told Councilman Murray. **The motion passed unanimously.**

ORDINANCE ANNEXING TWO PARCELS OF PROPERTY LOCATED AT 2413 BOUNDARY STREET ON PORT ROYAL ISLAND

Councilman Cromer made a motion, second by Councilman Murray, to approve the ordinance on first reading. Ms. Anderson said these properties were acquired for the Polk Street Extension as part of the Boundary Street project. She showed where the parcels are, which is currently the unincorporated county. **The motion passed unanimously.**

ORDINANCE ZONING TWO PARCELS OF PROPERTY LOCATED AT 2413 BOUNDARY STREET T5- URBAN CORRIDOR

Councilman Murray made a motion, second by Councilman Cromer, to approve the amendment on first reading. The motion passed unanimously.

ORDINANCE REVISING SECTION 3.6.2.C.2 OF THE BEAUFORT CODE PERTAINING TO SHORT TERM RENTALS

Councilman McFee made a motion, second by Councilman Cromer, to approve the amendment on first reading. Ms. Anderson said the new Beaufort Code incorporated the recommendations of the short-term rental task force with "some tweaks" by council. The task force recommended an 8% cap on short-term rentals in residential neighborhoods, she said. Council discussed changing the cap to 6%, which is the cap the

Metropolitan Planning Commission recommended. The ordinance revising the cap has been drafted and is ready for council's consideration.

Councilman McFee asked if staff had "compared with other areas with reference to the \$1,000 penalty" in the ordinance. Ms. Anderson said it's a fee, not a penalty, and there are "a lot of variables to that." She said as part of the new code, there would be a 6-month review, and the short-term rental ordinance is part of that, so more can be brought forth then.

Mayor Keyserling discussed the reasons council discussed for lowering the cap. Councilman McFee said according to the Municipal Association of South Carolina (MASC), there is discussion statewide about short-term rentals, and MASC is looking at methods for municipalities to improve the ways they identify those who are operating short-term rentals illegally.

Councilman Murray said he is not in favor of the reduction of the cap to 6%: Council asked for citizen involvement in the task force, and its members worked on their recommendations for a year, including recommending the 8% cap, sticking with it even when the Metropolitan Planning Commission recommended 6%. The 8% cap offers neighborhoods "some growth, without it being overly burdensome," he said, while "6% is an arbitrary number that we have been willing to slide to out of political compromise, to appease a few folks who have been adamantly opposed to anything to do with short-term rentals." Councilman Murray feels 8% is "a reasonable number, based on capacity," and it will not "destroy neighborhoods." **The motion passed 4-1, Councilman Murray opposed.**

APPROVAL OF THE CITY MANAGER EXECUTING A CONTRACT FOR BANKING SERVICES

Councilman Cromer made a motion, second by Councilman Murray, to approve the city manager executing the contract. Ms. Todd described the RFP process. Four proposals were received and publically read; she described the composition of the committee making the decision, including herself. Of the banks submitting proposals, 3 – Wells Fargo, BB&T, and Ameris Bank – were interviewed. The committee recommends Ameris Bank, which was the lowest responsible bidder for reasons that Ms. Todd enumerated. **The motion passed unanimously.**

APPROVAL OF THE CITY MANAGER EXECUTING A CONTRACT WITH MITCHELL BROTHERS FOR UPFIT TO CITY HALL

Councilman Cromer made a motion, second by Councilman McFee, to approve the city manager executing the contract. Mr. Prokop said because the city has "added a few people" and needs to move City Hall's storage, it vetted two bidders and chose Mitchell Brothers, which bid \$45,000. This will improve organization and efficiency, he said. The money will come from TIF 2 funds, so the city's budget will not be affected.

APPROVAL OF THE CITY MANAGER ENTERING INTO A MEMORANDUM OF

AGREEMENT WITH 1026 RIBAUT ROAD, LLC

Councilman Cromer made a motion, second by Councilman Murray, to approve the city manager entering into the memorandum of agreement (MOU). Mr. Prokop said this project is near the Allison Road and Ribaut Road area. The city has been planning to do the sidewalk and drainage on Allison Road, he said, and this “project will tie into our drainage and stormwater handling.” Per the MOU, the city is required to “dig one site 4’ deeper.” 1206 Ribaut Road, LLC will pay for additional engineering costs and the costs of larger pipes, if needed, Mr. Prokop said. If the development does not go through, 1206 Ribaut pays for all costs the city incurred. This “improve[s] the stormwater in that entire region,” he said.

Mayor Keyserling asked when the city’s Allison Road project is anticipated to start. Mr. Prokop said the project is awaiting SCDOT’s “sign-off” on approving the terms of the RFP for putting out construction cones. **The motion passed unanimously.**

APPOINTMENT TO HISTORIC DISTRICT REVIEW BOARD

Councilman McFee made a motion, second by Councilman Murray, to approve the appointment of Bill Allison to the HDRB. The motion passed unanimously.

PUBLIC COMMENT

LaNelle Fabian, special events manager for the Beaufort Regional Chamber of Commerce, had requested to make a public comment about Shrimp Festival after the public comment period passed; she had not commented then because Shrimp Festival was an item on the regular agenda, but then it was tabled. (*See page 6 of these minutes – steno.*)

Ms. Fabian said she had submitted the requests for Shrimp Festival, which is 10 weeks away. With the decision to table the request for Shrimp Festival until council’s special meeting August 1, she asked that council vote on it when it hears the Chamber of Commerce’s proposal for festivals, because by then, it will be just 9 weeks until Shrimp Festival, she said.

Ms. Fabian asked council about the RFP for downtown events. Mayor Keyserling said it has been discussed, but no RFP is being sent out at this time. The sponsors have been secured for Shrimp Festival, Ms. Fabian added.

Mayor Keyserling said the special council meeting would be at 5 p.m. August 1 in council chambers.

CITY MANAGER’S REPORT

Mr. Prokop said Water Festival was a great event for Beaufort, and he thanked the volunteers who put it on.

The Johnson Controls program for improving energy efficiency will cause some

disruptions, Mr. Prokop said. At various times on September 5 through 8, City Hall and the municipal court building/police department will be closed because there will be no air conditioning. All new air conditioning is being put in, he said, and generators will be put in both buildings. City staff plans to go into “hurricane mode” while the power is down, Mr. Prokop said.

The Boundary Street project is “moving along very well,” Mr. Prokop said. They anticipate installing the median within 6 to 8 weeks, which will involve “a complete change in the traffic pattern.” The way it’s planned to be done, he said, the project could be completed 3 to 4 months ahead of schedule (i.e., by the end of 2017).

Mr. Prokop said the city is “actively turning over property” that it has to sell; it’s now all under contract or sold, “with I think, the exception of one or two” parcels.

Mr. Prokop invited everyone to a reception for **Liza Hill**, who is retiring, at the Depot building from 5:30 to 7:00 p.m. on July 26, 2017.

Councilman Murray said there had been some concerns about the road-closing schedule on Boundary Street during the first week of Water Festival, but he heard of no problems, so he thanked **Neal Pugliese**. Mr. Prokop said there were no complaints, and Mr. Pugliese had started his vacation this week.

MAYOR’S REPORT

Mayor Keyserling said the National Park Service is in Beaufort this week and is having planning sessions and meetings in various locations in the city and on St. Helena Island. He invited the public to attend a session if they can.

Habitat for Humanity broke ground on a new house on Greene Street on Saturday, he said.

The Reconstruction Teachers’ Institute continues, Mayor Keyserling said.

Mr. Prokop said Park Beaufort is being relocated to 500 Carteret Street because of problems with the building.

REPORTS FROM COUNCIL

Councilman Murray said on August 21 at 6:00 p.m. at the Rotary Community Center in Bluffton, a meet and greet open to the public will be held for the 5 finalists for the Economic Development Corp’s (EDC) executive director position.

The EDC board had a 2-hour lunch with “the majority of the executive committee of the Southern Carolina Regional Development Alliance,” Councilman Murray said. The meeting was “very positive,” and service agreements were negotiated. The alliance should be coming back to the EDC with contract details in the next week or so, he said.

Councilman Murray said the information about volunteers willing to discuss their careers with K-12 students will be turned over to SC Future Minds on August 2, and he is just shy of his goal for registrations. The contacts will be sent to 60,000 educators around the state, so he asked those present to go to www.InspireaCareer.com to sign up.

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 9:07 p.m.



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/7/2017
FROM:
AGENDA ITEM
TITLE: Special Regular Meeting August 1, 2017
MEETING
DATE: 9/26/2017
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|-------------|------------|-------------|
| Minutes | Cover Memo | 9/7/2017 |

A special regular meeting of the Beaufort City Council was held on August 1, 2017 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, Phil Cromer, and Stephen Murray, 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 special meeting to order at 5:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Councilman McFee led the invocation and the Pledge of Allegiance.

PRESENTATIONS: BEAUFORT REGIONAL CHAMBER OF COMMERCE DOWNTOWN EVENTS PLAN

Cliff Mrkvicka, chairman of the Beaufort Regional Chamber of Commerce and Main Street Beaufort boards, said the Chamber and Main Street Beaufort will “market and produce” the following events with “our community partners”: Shrimp Festival, downtown Trick or Treat for Halloween, the fall and spring ArtWalks, Small Business Saturday, Night on the Town, the downtown holiday weekend, Taste of Beaufort, and First Fridays. The Chamber will produce the Shrimp Festival and the Taste of Beaufort, he said. Main Street Beaufort, “as its own entity,” will produce Trick or Treat downtown, the fall and spring ArtWalks, Small Business Saturday, the “downtown holiday weekend,” and First Fridays, Mr. Mrkvicka said.

Main Street has “a total of \$111” in the bank, Mr. Mrkvicka said, and without the Chamber’s “parenting and husbandry,” the organization would fold. “It will take both time and resources” for Main Street to again be “a standalone entity in the community,” he said, adding that he is not “asking for the resources to grow or recover today,” but “to be resourced at a level to continue . . . the longstanding tradition of events downtown.”

City council members have “step 1” of the Chamber of Commerce and Main Street Beaufort board of directors’ plan before them, Mr. Mrkvicka said. In addition to the previously mentioned events, he said, “we’d like to put on a Community Pride Campaign,” which is an “in-market” campaign “that makes people proud of their community,” with “locals coming to their downtown” and “taking ownership in the community.”

Mr. Mrkvicka showed the approximate expenses to produce each one of the events on an overhead. These “are not large revenue generators for the city,” he said, but they promote “goodwill in the community and for the merchants.” Total expenses are

\$31,675. The Chamber/Main Street is not making “a funding request,” he said, but is asking for a Hospitality Tax (HTAX) “investment in our community” of \$20,000 for these events.

Councilman Cromer asked if the insurance cost for the Main Street events is separate or under the Chamber of Commerce umbrella. Mr. Mrkvicka said Main Street is a separate organization “under the auspices of the Chamber of Commerce,” as the Chamber helps Main Street “get back on its feet.” Because Main Street Beaufort is a separate entity, he said, he doesn’t believe the insurance is covered under the Chamber of Commerce’s insurance.

Councilman Murray said this is what he was looking for from the Chamber of Commerce/Main Street. He asked the rationale behind the Shrimp Festival and Taste of Beaufort being under the Chamber umbrella, rather than Main Street’s. Mr. Mrkvicka said that is because of the cost of producing those events (e.g., “the insurance alone,” which is why the Shrimp Festival failed). Councilman Murray asked if, since Main Street is under the Chamber umbrella, the revenue would go to the Chamber, and Mr. Mrkvicka said, “Your statement is accurate.”

Councilman Murray asked about the Community Pride Campaign. Mr. Mrkvicka said, “We are looking to get a measurable result from that campaign.” The Chamber of Commerce will work with the Downtown Beaufort Merchants Association (DBMA) on this campaign, he said.

Councilwoman Sutton asked if the \$7,500 for the Community Pride Campaign is for marketing within a 50-mile radius of Beaufort, and Mr. Mrkvicka said yes.

Councilman Murray asked how the \$20,000 the Chamber is requesting is broken down (e.g., if it is “strictly advertising and marketing,” insurance, “staff time,” etc.) Mr. Mrkvicka said he hasn’t broken it down yet, but if the money is granted, he will “look at priorities for each event.” A “preponderance of the resources” will not be given to any one event, he said. “The Chamber is prepared to get efficient,” Mr. Mrkvicka said, and it will “go and look for other support in resourcing” the remaining \$11,675 in expenses for the events.

Councilman Murray said the \$20,000 seems to be for the cost of advertising for all of the events. Mr. Mrkvicka said yes; the request is “primarily [for] marketing.” Councilman Murray asked if there would be “an objection” to dedicating the \$20,000 “solely to marketing” if council funds the request. Mr. Mrkvicka said he “would not ask” for that to “happen,” because the Chamber/Main Street needs “the flexibility to maneuver,” and needs to be able to make “adjustments” without being “restricted.”

Mayor Keyserling said the only council vote tonight would be to “partner on Shrimp Festival,” because the event is upcoming. He asked staff to come back to council “with

recommendations on a contract and how we create the accountability that” the Chamber and council “want,” and then it would be on a council agenda for a vote “later.”

Mike Sutton thanked the Chamber of Commerce for coming forward with this proposal. He’s concerned about separating out “the 2 profitable events” for the Chamber to produce, while having Main Street “handle only the non-money-making events.” Main Street has enabled those events’ production in the past, Mr. Sutton said. He wants this plan “to go cautiously forward.” Whether Main Street is an entity or not in the future, the other events will “wither on the vine without adequate funding,” he said.

Main Street originated Shrimp Festival, and the organization experienced “a lot of hardship” when the event was rained out, Mr. Sutton said. If Main Street isn’t allowed to “share in the wealth of those events,” it will be a big hardship for them.

Mr. Sutton feels “the Chamber doesn’t really know what to do with Main Street,” and the organization is a competitor for Accommodations Tax (ATAX), which is used “for regional expenses for marketing.” HTAX funds can be used locally, he said, and in the past, there were a lot of HTAX dollars to be spent; there are fewer now. Mr. Sutton said he feels council “has to be very careful with this formula.” Main Street is “another 501c3 that can get the dollars the Chamber can’t get.”

Mr. Mrkvicka thanked Mr. Sutton for the correction about Main Street originating the Shrimp Festival. This morning’s DBMA meeting was the first time there was an “honest, open discussion” about “what people want for Main Street,” he said, adding that “we don’t want” Main Street and the Chamber “lumped together as one.”

Mayor Keyserling asked if the Chamber would consider Main Street getting the Shrimp Festival and Taste of Beaufort revenues if that’s what is required to get “Main Street healthy.” Mr. Mrkvicka said, “I certainly wouldn’t take it off the table.”

Charlie Williams said, like Mr. Sutton, he’s concerned that combining the Chamber and Main Street is “murky,” and adding in the merchants association – an organization he is “in favor of” – could potentially create a situation where these groups are “competing.” He asked who would “sort that out.” He agrees with Mr. Sutton that “everyone needs to move very cautiously.”

Mr. Williams thinks Main Street “giving up the non-revenue generating events . . . portends something that isn’t going to work,” and he doesn’t see what Main Street’s role would be in that scenario. He suggested clarifying the merchants association’s role, too, so there’s no conflict between what it does and what Main Street does. Since the boards of Main Street and the Chamber are the same, Mr. Williams said, the organizations appear to be “separate,” but he asked if they really are.

Mayor Keyserling said he thinks “we’re all operating in good faith” to try to rebuild the best of what we had and discard what was not the best.” He discussed what he thinks the next steps would be.

Leigh Copeland, past chairperson of the Chamber of Commerce and Main Street Beaufort boards, said “moving the events” from Main Street to the Chamber was done with “a lot of thought” because the Chamber risks losing money if there’s bad weather during Shrimp Festival, for example. She said the organization sees “some huge opportunities for Main Street.” An economic development plan presented to council was “just the beginning” of the Chamber/Main Street plans, Ms. Copeland said.

John Dickerson said Main Street and the Chamber “coming together” was “a good thing.” He hasn’t heard what the state and national Main Street associations say about “how to move forward with what is happening with Main Street Beaufort now.”

Paul Thompson said the DBMA is merchants working on behalf of downtown merchants; they “don’t want to supplant” the Chamber or Main Street. The association is comprised of downtown businesses with a valid license, he said, and it will do what benefits those in the association “and the community.”

Councilman Murray said he was “publically . . . against the merger” of the Chamber and Main Street “for a number of reasons,” but he “saw the value in the consolidation,” too, and voted for it “as a Main Street member.” He said he has “a lot of faith” in **LaNelle Fabian**’s ability “to produce events,” but he’s “struggling . . . with the Chamber’s commitment to the ongoing success of the events.” Councilman Murray said downtown merchants, property owners, and “folks who have a vested interest in downtown” have said they “would like to see more events and more activity downtown,” and see “existing events be taken to a new level.” He’s “always optimistic” about “new leadership,” and he thanked Mr. Mrkvicka “for bringing this to us,” because he feels it’s “a step in the right direction.” Councilman Murray hopes “the organization will be able to produce the level and quality of events that we expect.”

Councilman Murray said when he went to the Main Street Beaufort website that morning, he was “a little annoyed” to find that there were no “upcoming events” listed; “only two available properties” were listed – and he’s not sure either is available – and he knows of “a handful that are available and not listed on that site.” Also, Councilman Murray said, the Main Street Beaufort board of directors on the site is “still from 2015–2016.”

Councilman Murray said “a group of merchants” has been running First Fridays and trying to make the event work “with their own revenues and resources,” while he doesn’t feel “the Chamber’s taken much interest in” First Fridays since they began in 2014. He wants “to support Main Street [and] . . . the Chamber” because he’s been a member “of both organizations for many years,” but the Chamber’s “performance

makes” Councilman Murray “question” his “faith” in the organization. Council wants the Chamber to be a partner, but if that doesn’t work out, he said, there are “a lot of folks at the table who are willing to participate with us.”

Mr. Mrkvicka said he didn’t know the Main Street website wasn’t up to date, and he’ll take action on the information Councilman Murray presented. They have “a plan to execute that mission” that council gave the Chamber, and they want Main Street to be successful, he said. The Chamber/Main Street have heard a lot of comments about events downtown, ranging from wanting fewer events to wanting “more and better” events, Mr. Mrkvicka said.

Mayor Keyserling said he thinks this is a good plan. He added that he would have gone to the merchants association meeting if he’d known about it.

Kevin Cuppia said he was on the Main Street Beaufort board for “30+ years.” He sees the organization’s “decline” as beginning with the rainout of the Shrimp Festival, which “cut off” Main Street “at the knee,” followed by the city’s decision not “to fund Main Street anymore,” which “cut off the other knee.” As a result, Main Street “had to talk to the Chamber,” he said, which had been “talking to several of us” about joining Main Street and the Chamber “to do a lot more together,” but Mr. Cuppia “didn't think” that was “true.” In his opinion, “Main Street should go back to where it was,” as “a separate entity, under its own roof [and] funded by the city” at “whatever [level] we can get.” There have been “very strong directors” of Main Street in the past, he said, and Main Street did what it did on its own, not “as a subsidiary of the Chamber.” Mr. Cuppia said he personally doesn’t “like being an underling of the Chamber,” and no one at the merchants’ meeting today has “heard from Main Street” since it joined the Chamber.

Mayor Keyserling said the “opportunity is” for Main Street to “get back on its feet,” but he doesn’t “think it’s something the city can fix.” Main Street was once very powerful, he said, and people had a financial stake in the organization, but “that energy got lost in time.” If people “want Main Street back,” Mayor Keyserling feels it can happen, “if people are willing to take the energy and the time” to do that.

Councilwoman Sutton said, “The city cut the funding to Main Street. That’s the bottom line,” and she doesn’t feel “it should have been cut.” She would like to see “Main Street stood back up,” but the city would have to help fund that. “Before 2010,” Main Street “was a \$40,000 line item” in the city’s budget, Councilwoman Sutton said, then the city “changed it over to the Redevelopment Commission,” followed by “the parking study,” which meant Main Street “lost the money” it had received from parking funds, and then the city said, “there’s no more money for Main Street.” She understands how council feels, but she believes “the City of Beaufort” needs “to look at the big picture here” and should “protect what we worked so hard for over the last 32 years.” Councilwoman Sutton said she feels “we shouldn't cast Main Street Beaufort aside.”

Councilwoman Sutton discussed an “inspiring” talk by **Ed McMahon** of the Urban Land Institute at a recent Municipal Association meeting. According to Mr. McMahon, “Big Box” stores “are going away, and everything is coming back downtown,” Councilwoman Sutton said, and “the 85 million millennials” want to live in cities that have “a walkable downtown,” which Beaufort has. Mr. McMahon’s main point was “you have to leverage what you have,” she said.

Councilwoman Sutton believes the city “should not have given up on Main Street, despite the problems,” and feels the organization “needs to be completely rebooted.” She thinks the new merchants association might be able to help “revitalize our Main Street.”

Councilman Murray agreed with what Councilwoman Sutton said and challenged her, as the chair of the Redevelopment Commission’s downtown initiative group, to come back to council with a plan.

Mayor Keyserling said he thinks all of council agrees with Councilwoman Sutton, but the national Main Street organization was “growing into economic development,” while Main Street Beaufort “was clinging to events,” which was the city’s “challenge in funding” it. This “conversation has been going on for 4 or 5 years,” he said, and he’s spoken about it with “every chairman” of Main Street Beaufort’s board. Mr. McMahon was talking about people “rolling up their sleeves and being creative to grow their downtowns,” Mayor Keyserling said, “not the government paying to market businesses downtown,” or “the government trying to entertain people,” but “getting strong businesses going and keeping them going. That’s what’s going to make a strong town.” At council’s retreat, he said, they had discussed the need to “grow” downtown, which can’t be done by “doing the same old things.”

Mr. Williams said, in regard to the city funding Main Street Beaufort, the organization “received city funds from Day One.” Main Street “did get off track,” he agrees, and “there was sort of a feeling of entitlement to funds from the city.” He agrees with Councilwoman Sutton about the need for “a reboot for Main Street,” but there’s a “good history there,” and to let the organization “die” would be “a shame.”

Jane Sidwell said changes are happening, not just because of millennials, but also among “those of us who have specifically chosen this city.” There are a number of other events in Beaufort in addition to these being discussed, so she urged council to “recognize that connectivity.” Ms. Sidwell believes in “inclusion” and “collaboration,” she said, so “we’re considering everything that affects our downtown and the waterfront.”

Councilman Murray said he hears what is being said about Main Street having been around for 30+ years, but he doesn't think that is enough of a reason for the city to continue funding the organization. Nonprofit partners should be treated just as the

city's departments are treated, he feels, and he's more inclined to fund "action" rather than "position." There are nine people on staff at the Chamber, but "very basic work" is "just not being completed like it should be," Councilman Murray said. Council will partner to "help support . . . results," he said.

PUBLIC COMMENT

Donnie Beer said on August 19, there would be a tribute to Vietnam veterans at Waterfront Park from 5 – 7 p.m. The 9/11 event will take place on the evening of September 10, she said.

Eric Thibault, president of the DBMA, said 34 people attended the merchants' meeting today. On August 19, the association will have a downtown sidewalk sale. Also, he agreed with Mr. Thompson that the DBMA is not trying "to take anybody's place."

Fire Chief **Reece Bertholf** said August 1, 2017 is momentous for the Beaufort-Port Royal Fire Department because it has obtained an ISO (Insurance Service Office) Class 1 fire rating. Also, 16 new potential recruits are starting their fire fighter training today, he said; this class is the most diverse the department has ever had.

Councilman Murray asked how many ISO Class 1-rated fire departments there are. Chief Bertholf said "a couple hundred." He said the fire department wasn't built to achieve that rating, but the ISO recognizes what works in communities, and he appreciates that and hopes insurance companies will take note of it. Councilman Murray said BJWSA also deserves thanks for what it has done to help with that in the community over time. Chief Bertholf said that's "absolutely correct."

Mary Thibault said the DBMA has started a Facebook page for First Fridays, and for the upcoming First Friday event, the merchants participating in the sale will send their ads to be put on that page.

MINUTES

Councilman Murray made a motion, second by Councilman Cromer, to approve the minutes of the council work session on June 20, 2017. Councilman Cromer said on page 3, on the last line on the page, there's should be period between ". . . business travellers, etc.)" and "Councilman Murray." **The motion to approve the minutes as amended passed unanimously.**

Councilman Murray made a motion, second by Councilman Cromer, to approve the minutes of the council work session and regular meeting on June 27, 2017. Councilman Cromer said on page 6, in the third paragraph from the bottom, in the third line, "concern" should have an "-ed" on the end before "downtown will go away." **The motion to approve the minutes as amended passed unanimously.**

Councilman Cromer made a motion, second by Councilman McFee, to approve the

minutes of the council work session and regular meeting on July 11, 2017. Councilman Cromer said on page 7, in the first paragraph, first line, the last name is “Maybank,” not “Mayback.”

In the same paragraph, Councilman Cromer said, the acronym “MCIPs” stands for “multi-county industrial parks,” not “multi-county investment plans.” Councilwoman Sutton abstained from voting because she was not present at the meeting. **The motion to approve the minutes as amended passed 4-0.**

REQUEST FROM BEAUFORT REGIONAL CHAMBER OF COMMERCE TO ALLOW ALCOHOL SALES, STREET CLOSURE FOR 5K RUN/WALK, AND STREET CLOSURE OF CHARLES STREET EXTENSION FOR ANNUAL SHRIMP FESTIVAL IN WATERFRONT PARK

Councilman McFee made a motion, second by Councilman Murray, to approve the request for the October 6 and 7, 2017 event. The motion passed unanimously.

RESOLUTION AUTHORIZING FINANCIAL BANKING SIGNATURES

Councilman Murray made a motion, second by Councilman Cromer, to approve the resolution. Kathy Todd said the resolution is “an official document” required by Ameris Bank to authorize the city manager’s, city clerk’s, and finance director’s signatures. **The motion passed unanimously.**

AUTHORIZATION FOR THE CITY MANAGER TO ISSUE A REQUEST FOR PROPOSALS (RFP) FOR EVENTS MANAGEMENT

Councilman Murray made a motion to table, seconded by Councilman McFee. The motion passed unanimously.

ORDINANCE APPROVING THE SALE OF CITY PROPERTY AT 2519 MOSSY OAKS ROAD AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS FOR THIS SALE

Councilman Murray made a motion to table, seconded by Councilman Cromer. The motion passed unanimously.

MAYOR’S REPORT

Mayor Keyserling said the National Park Service had put out a study on the Reconstruction Era.

REPORTS FROM COUNCIL

Councilman Murray said the names of registrants at www.InspireaCareer.com would be given to SC Future Minds tomorrow; to help him to reach his personal goal, he asked those present to register to volunteer to discuss their careers with K-12 students.

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 6:11 p.m.



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 8/15/2017
FROM: Libby Anderson
AGENDA ITEM Ordinance Annexing Two Parcels of Property Located at 2413 Boundary Street on
TITLE: Port Royal Island - 2nd Reading
MEETING
DATE: 9/26/2017
DEPARTMENT: Planning

BACKGROUND INFORMATION:

The City has received an annexation petition for two parcels of property located at 2413 Boundary Street on Port Royal Island. The parcels are identified as R100 026 00A 0295 0000 and R100 026 000 125B 0000 (2413 Boundary Street). An ordinance annexing the property was given first reading at the July 25 City Council meeting. The ordinance annexing the lots (attached) is ready for second and final reading by City Council.

PLACED ON AGENDA FOR: Action

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|----------------------|------------|-------------|
| annexation ordinance | Cover Memo | 8/15/2017 |

ORDINANCE

ANNEXING AN AREA INTO THE CORPORATE LIMITS OF THE CITY OF BEAUFORT, SOUTH CAROLINA

WHEREAS, an annexation petition dated May 1, 2017 for two parcels of property located at 2413 Boundary Street on Port Royal Island has been presented to the City Council; and

WHEREAS, the property to be annexed is identified as R100 026 00A 0295 0000 and R100 026 000 125B 0000 (2413 Boundary Street); and

WHEREAS, the property to be annexed is highlighted on the attached map; and

WHEREAS, the property (owners) requesting annexation is contiguous to the boundaries of the present city limits of the City of Beaufort, South Carolina; and

WHEREAS, the petition sets forth that this proposed annexation is requested pursuant to Section 5-03-150 of the *Code of Laws of South Carolina, 1976*, as amended and contains the signatures of all freeholders of the property to be annexed; and

WHEREAS, the petition contains a description of the parcels of land to be annexed.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Beaufort, South Carolina, in Council duly assembled and by authority of same, that the described area is annexed into the City of Beaufort, South Carolina:

The petitioning area to be annexed includes all that certain piece, parcel, or tract of land, together with improvements thereon, situate, lying, and being on Port Royal Island, in Beaufort County, South Carolina, located at 2413 Boundary Street, having and containing 1.18 acres, identified as R100 026 00A 0295 0000 and R100 026 000 125B 0000.

This ordinance shall become effective immediately upon adoption.

(SEAL) Attest:

BILLY KEYSERLING, MAYOR

IVETTE BURGESS, CITY CLERK

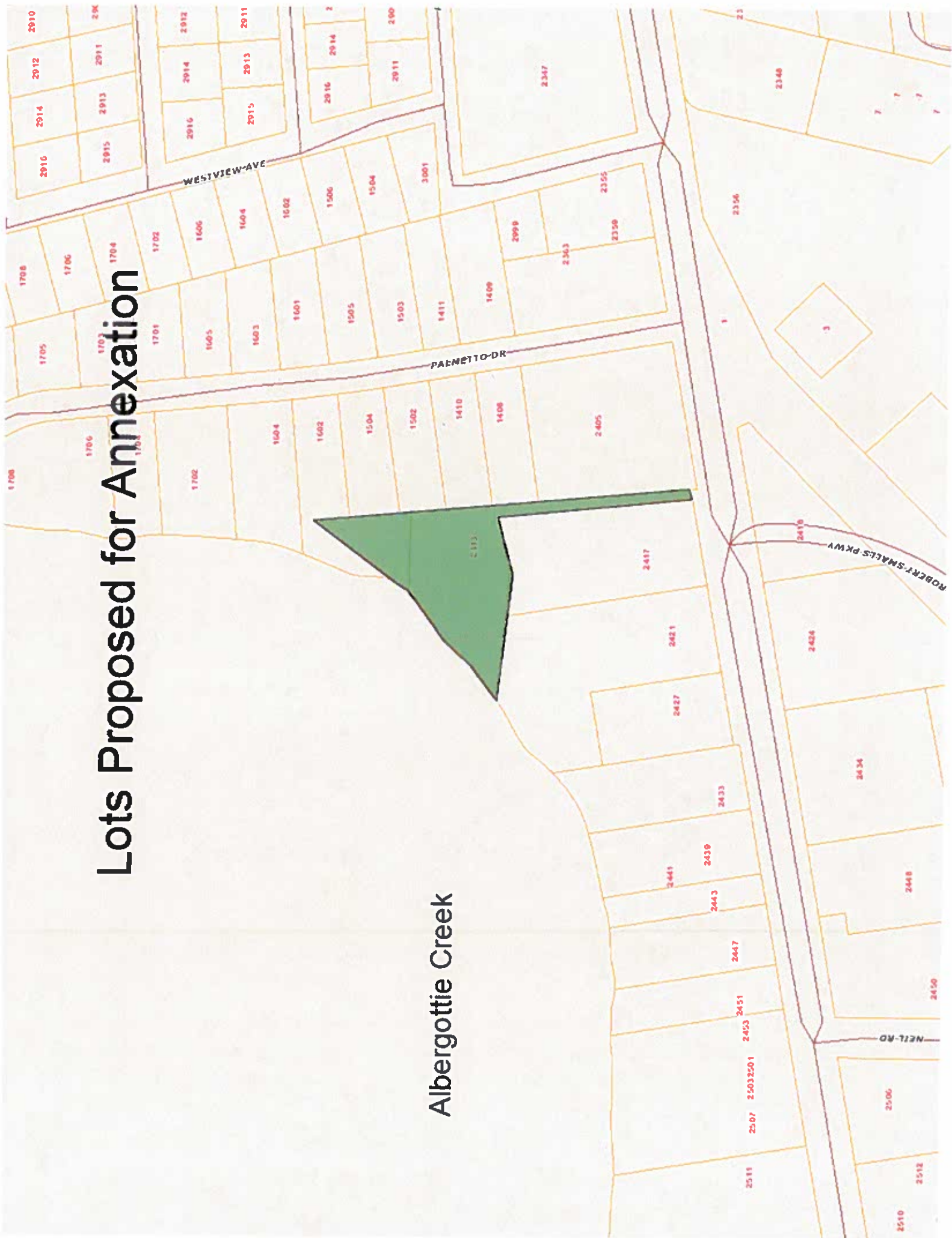
1st Reading _____

2nd Reading & Adoption _____

Reviewed by: _____
WILLIAM B. HARVEY, III, CITY ATTORNEY

Lots Proposed for Annexation

Albergottie Creek



Parcel 295





CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 8/15/2017
FROM: Libby Anderson
AGENDA ITEM TITLE: Ordinance Zoning Two Parcels of Property Located at 2413 Boundary Street T5-Urban Corridor - 2nd Reading
MEETING DATE: 9/26/2017
DEPARTMENT: Planning

BACKGROUND INFORMATION:

The City has received an annexation petition for two parcels of property located at 2413 Boundary Street on Port Royal Island, identified as R100 026 00A 0295 0000 and R100 026 000 125B 0000 (2413 Boundary Street). The property is zoned C3 Neighborhood Mixed Use under the County's Community Development Code. The property is proposed to be zoned T5-Urban Corridor (T5-UC) under the Beaufort Code. The Beaufort--Port Royal Metropolitan Planning Commission considered this zoning request at their meeting on July 17. A public hearing on the proposed rezoning was held at the May 23 City Council meeting. First reading of an ordinance zoning the lots was held at the July 25 Council meeting. The ordinance zoning this property (attached) is ready for second and final reading by City Council.

PLACED ON AGENDA FOR: Action

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|------------------|------------|-------------|
| zoning ordinance | Cover Memo | 8/15/2017 |

ORDINANCE

AMENDING THE CITY OF BEAUFORT ZONING DISTRICT MAP BY ZONING TWO PARCELS OF PROPERTY LOCATED AT 2413 BOUNDARY STREET T5-UC

WHEREAS, a petition was submitted to the City Council dated May 1, 2017 for annexation of two parcels of property located at 2413 Boundary Street on Port Royal Island, identified as R100 026 00A 0295 0000 and R100 026 000 125B 0000; and

WHEREAS, pursuant to Section 2.2.2 of *The Beaufort Code*, an amendment to the “City of Beaufort Zoning District Map” is required to effect zoning classifications for the property; and

WHEREAS, the Beaufort–Port Royal Metropolitan Planning Commission reviewed the proposed zoning of the property and the Commission recommended approval of the proposed zoning; and

WHEREAS, a public hearing before the Beaufort City Council was held regarding zoning of this property on Tuesday, May 23, 2017, with notice of the hearing published in *The Beaufort Gazette* on Monday, May 8, 2017;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Beaufort, South Carolina, duly assembled and by authority of same, pursuant to the power vested in the Council by Section 6-29-760, *Code of Laws of South Carolina, 1976* as amended, that two parcels of property totaling 1.18 acres, together with improvements thereon, and being on Port Royal Island, in Beaufort County, South Carolina, located at 2413 Boundary Street on Port Royal Island, having and identified as R120 (formerly R100) 026 00A 0295 0000 and R120 (formerly R100) 026 000 125B 0000, shall be zoned “T5-Urban Corridor” at the time of second and final reading of the annexation ordinance, and that the “City of Beaufort Zoning District Map” shall be amended to reflect the same.

This ordinance shall become effective immediately upon adoption.

(SEAL)

Attest:

BILLY KEYSERLING, MAYOR

IVETTE BURGESS, CITY CLERK

1st Reading _____

2nd Reading & Adoption _____

Reviewed by: _____
WILLIAM B. HARVEY, III, CITY ATTORNEY

Parcel 295



Parcel 125B

11/02





CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 8/15/2017
FROM: Libby Anderson
AGENDA ITEM TITLE: Ordinance Revising Section 3.6.2.C.2 of the Beaufort Code Pertaining to Short Term Rentals - 2nd Reading
MEETING DATE: 9/26/2017
DEPARTMENT: Planning

BACKGROUND INFORMATION:

The new Beaufort Code incorporated the recommendations of the Short Term Rental Task Force as it pertains to the conditions under which short term rentals are permitted. One of the provisions in the new code is a cap on the number of certain types of short term rentals in residentially zoned areas. Council desires to change the cap from 8% of residentially-zoned lots to 6%. This is a revision to Section 3.6.2.C.2.a. The 6% cap was recommended by the Beaufort--Port Royal Metropolitan Planning Commission at their meeting on May 15. A public hearing regarding changes to the short term rental ordinance was held at the May 23 City Council meeting. An ordinance revising the short term rental cap set out in the new Beaufort code was given first reading at the July 25 City Council meeting. The ordinance (attached) and is ready for second and final reading by City Council.

PLACED ON AGENDA FOR: Action

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|-----------------------------|------------|-------------|
| short term rental ordinance | Cover Memo | 8/15/2017 |

O R D I N A N C E

AMENDING SECTION 3.6.2.C.2 OF THE BEAUFORT DEVELOPMENT CODE TO CHANGE THE CAP FOR CERTAIN SHORT TERM RENTAL UNITS

WHEREAS, the current short term rental provisions in the Beaufort Code set a cap on certain types of short term rental units in residentially-zoned areas of the neighborhoods of the City; and

WHEREAS, whereas that cap is currently set at 8% as recommended by the Short Term Rental Task Force; and

WHEREAS, when the short term rental ordinance revisions were presented to the Beaufort--Port Royal Metropolitan Planning Commission, the Commission recommended that the cap be changed from 8% to 6%; and

WHEREAS, the City Council believes that the cap can always be increased if it is determined to be appropriate, but that reducing the cap if deemed necessary would result in facilities being nonconforming which can present issues for property owners and residents; and

WHEREAS, staff has prepared an amendment to the Beaufort Code to reduce the cap on certain types of short term rentals in residentially zoned areas of the City's neighborhoods from 8% to 6%; and

WHEREAS, a public hearing before the Beaufort City Council was held regarding changes to the short term rental ordinance on May 23, 2017, with notice of the hearing published in *The Beaufort Gazette* on May 8, 2017;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Beaufort, South Carolina, duly assembled and by authority of same, pursuant to the power vested in the Council by Section 6-29-760, *Code of Laws of South Carolina, 1976*, that *The Beaufort Development Code* be amended by revising Section 3.6.2.C.2, "Short Term Rentals," by deleting the current paragraph a, and replacing it with a new paragraph a to read as follows:

- a. **Specific to T3-S, T3-N, and T4-HN:** Short term rentals, where the owner does not live on the premises, are limited to 6% of the lots in the neighborhood as shown on the City of Beaufort Neighborhoods Map zoned T3-S, T3-N, and/or T4-HN with the following exceptions:
 - i. Structures on the City's List of Vacant and Abandoned Structures being rehabilitated for use as a short term rental; and
 - ii. Short term rentals are prohibited in The Point neighborhood, as shown on the City of Beaufort Neighborhoods Map.

This ordinance shall become effective immediately upon adoption.

(SEAL)

Attest:

BILLY KEYSERLING, MAYOR

IVETTE BURGESS, CITY CLERK

1st Reading

2nd Reading & Adoption

Reviewed by:

WILLIAM B. HARVEY, III, CITY ATTORNEY



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/20/2017
FROM: Kathy Todd
AGENDA ITEM
TITLE: FY 2017 Budget Amendment #6 - 2nd Reading
MEETING
DATE: 9/26/2017
DEPARTMENT: Finance

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR: Action

REMARKS:



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/20/2017
FROM: Kathy Todd, Finance Director
AGENDA ITEM
TITLE: Amend Section 7-13003 of the Hospitality Fee Ordinance - 2nd Reading
MEETING
DATE: 9/26/2017
DEPARTMENT: Finance

BACKGROUND INFORMATION:

The Hospitality Fee Ordinance imposes a 2% fee on gross proceeds derived from the sale of food and beverages served in restaurants, hotels, motels, or other food facilities in the City.

The amendment addresses the distribution of the Hospitality fees as stipulated in Section 7-13003 (1) and (2).

See the attached red lined version of the Ordinance for the modifications recommended by staff.

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|-----------------|-----------------|-------------|
| Draft Ordinance | Backup Material | 9/20/2017 |

CHAPTER 13. - HOSPITALITY FEE

Sec. 7-13001. - Authority.

This chapter is enacted pursuant to the authority of Title 5, Code of the State of South Carolina (1976), including, without limitation, S.C. Code Ann. Section 5-7-10 (Supp. 1992), and S.C. Code Ann. Section 5-7-30 (Supp. 1992), which provide, in relevant part, that municipalities may adopt all ordinances which appear necessary and proper for the security, general welfare and convenience of the municipality and for the preservation of the general health, peace and order in the municipality and further that municipalities may establish uniform service charges.

(Ord. No. O-20-94, 11-8-94)

Sec. 7-13002. - Declaration of purpose and intent.

This article is enacted to preserve the general health, safety and welfare of the general public within the City of Beaufort, South Carolina, by creating a uniform fee for the purpose of creating a fund to pay in whole or in part for the current and future preservation, maintenance, nourishment, renourishment, and improvement of the historic and waterfront areas of Beaufort, and those public facilities related to the use of the waterfront; public transportation improvements, including street construction, storm drainage, right-of-way acquisitions, median and right-of-way enhancements and landscaping, walkways and bikeways; public park facilities, public parking, and capital facilities and equipment necessary for the provisions of police, fire, sanitation, and other public activities.

(Ord. No. O-20-94, 11-8-94)

Sec. 7-13003. - Hospitality fee.

A uniform fee equal to two (2) percent is hereby imposed on the gross proceeds derived from the sale of all food and beverages served by a restaurant, hotel, motel, or other food service facility within the City of Beaufort. In addition, the fee shall be imposed for all food and beverages prepared or modified by convenience stores or grocery stores within the City of Beaufort, South Carolina. All hospitality fees received by the city shall be allocated as follows:

- (1) ~~Two and two-tenths (2.2) percent shall be placed in a separate account to be administered by the tourism development advisory committee for projects. Four and four-tenths (4.4) percent shall be allocated to the designated marketing organization specifically targeted for advertising to increase tourism, as submitted by the Beaufort City Hospitality Association within the City of Beaufort.~~
- (2) ~~One and seven-tenth (1.7) percent shall be available through appropriation, for advertising to increase tourism and revitalization of the Downtown economy. The allocation will be awarded by the Beaufort City Council through the annual budget process, based on budget presentation of certain non-profit organizations invited by City Council to present. The presentation to the City Council will be conducted during the normal budget period. An allocation of these funds shall be based on the objectives that best achieve City Council goals and purposes. Two and nine-tenths (2.9) percent shall be allocated to the Greater Beaufort Chamber of Commerce for advertising to increase tourism within the City of Beaufort.~~
- (3) ~~Three and three-tenths (3.3) percent shall be allocated to a special maintenance account to be used for the maintenance, upkeep and restoration of buildings, facilities and infrastructure used by or in support of tourism.~~

- (4) Ninety-~~one~~three and ~~six~~nine-tenths (94-~~63.9~~) percent shall be allocated for uses permitted in section 7-13006 below.

(Ord. No. O-20-94, 11-8-94; Ord. No. O-28-97, 7-22-97; Ord. No. O-36-99, 6-8-99; Ord. No. O-04-07, 1-23-07)

Sec. 7-13004. - Payment of fee.

- (a) Payment of the fee established herein shall be the liability of the consumer of the services for items described in section 7-13003. The fee shall be paid at the time of delivery of the services or items to which the fee applies and shall be collected by the provider or seller of the service, services or items.
- (b) The fees collected by the seller or provider of the services or items as required under section 7-13003 shall be remitted to the City of Beaufort by the twentieth day of the month for sales of the preceding month along with such return or form as may be established by the City of Beaufort for such purpose.
- (c) Fees not remitted by the twentieth day of the month shall be subject to a ten-percent late fee. The ten-percent late fee shall be added for each month or portion thereof after the due date until paid. Failure to collect the fee imposed by this chapter does not relieve the provider from making the required remittance. If any hospitality fee shall remain unpaid for sixty (60) days after its due date, a Uniform Ordinance Summons shall be prepared and served for the collection of the hospitality fee, and the cost of one hundred dollars (\$100.00) will be assessed and charged in addition to the hospitality fee and penalties. Failure to pay such amount as may be assessed by the municipal court shall be unlawful and shall subject the offender to the penalties set forth in section 1-3048(a) of this code. Such punishment shall not relieve the offender of liability for delinquent fees, penalties and costs provided for herein.

(Ord. No. O-20-94, 11-8-94)

Sec. 7-13005. - Hospitality fee account.

The revenue account, to be known as the City of Beaufort Hospitality Fee, shall be established and all revenues received from the hospitality fee shall be deposited into this account. The principal and any accrued interest from this account shall be expended only as permitted in section 7-13006 below.

(Ord. No. O-20-94, 11-8-94)

Sec. 7-13006. - Permitted uses of funds.

The city council of the City of Beaufort, South Carolina is hereby authorized to utilize the funds collected from the imposition of the hospitality fee for the following purposes:

- (1) Nourishment, renourishment, and maintenance of the public parks and waterfront access areas; provision of police, fire, emergency medical, and sanitation services; the planting of grass or other vegetation useful in preserving parks and recreational areas within the territorial limits of the City of Beaufort, South Carolina.
- (2) Acquisition and maintenance of public waterfront access.
- (3) Capital improvements to the public parks and open space related facilities which include but are not limited to public parks, public parking, public access, and public restrooms.
- (4) Transportation improvements including construction and resurfacing of streets, storm water drainage, sidewalks, bikeways, landscaping, and all associated costs including right-of-way acquisition and engineering design.

- (5) The acquisition of land and the construction of passive and active parks and facilities associated with parks including playground equipment, sports facilities, and community recreation buildings.
- (6) Acquisition of property and the construction of facilities required for the provision of police and fire service; the acquisition of capital equipment for the provision of public, fire and other public safety services.
- (7) The payment of bonded indebtedness required to provide the above referenced uses.

(Ord. No. O-20-94, 11-8-94)

Sec. 7-13007. - Authorization for use.

Authorization to utilize revenues from the hospitality fee account shall be by the annual budget ordinance duly adopted by the city council of the City of Beaufort, South Carolina.

(Ord. No. O-20-94, 11-8-94)

Sec. 7-13008. - Severability.

If any section, phrase, sentence or portion of this chapter is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such section, phrase, sentence or portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining sections, phrases, sentences or portions thereof.

(Ord. No. O-20-94, 11-8-94)

Sec. 7-13009. - Effective date.

This chapter shall become effective on January 1, 1995.

(Ord. No. O-20-94, 11-8-94)



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/7/2017
FROM:
AGENDA ITEM Request from Lowcountry Jaycees to use City owned property at 1505 North Street
TITLE: for event Beaufort Food Truck Festival Saturday, October 14, 2017
MEETING
DATE: 9/26/2017
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|----------------|-----------------|-------------|
| Request Letter | Backup Material | 9/7/2017 |



September 12, 2017

City of Beaufort Council
1911 Boundary Street
Beaufort, SC 29902

Dear City of Beaufort Council:

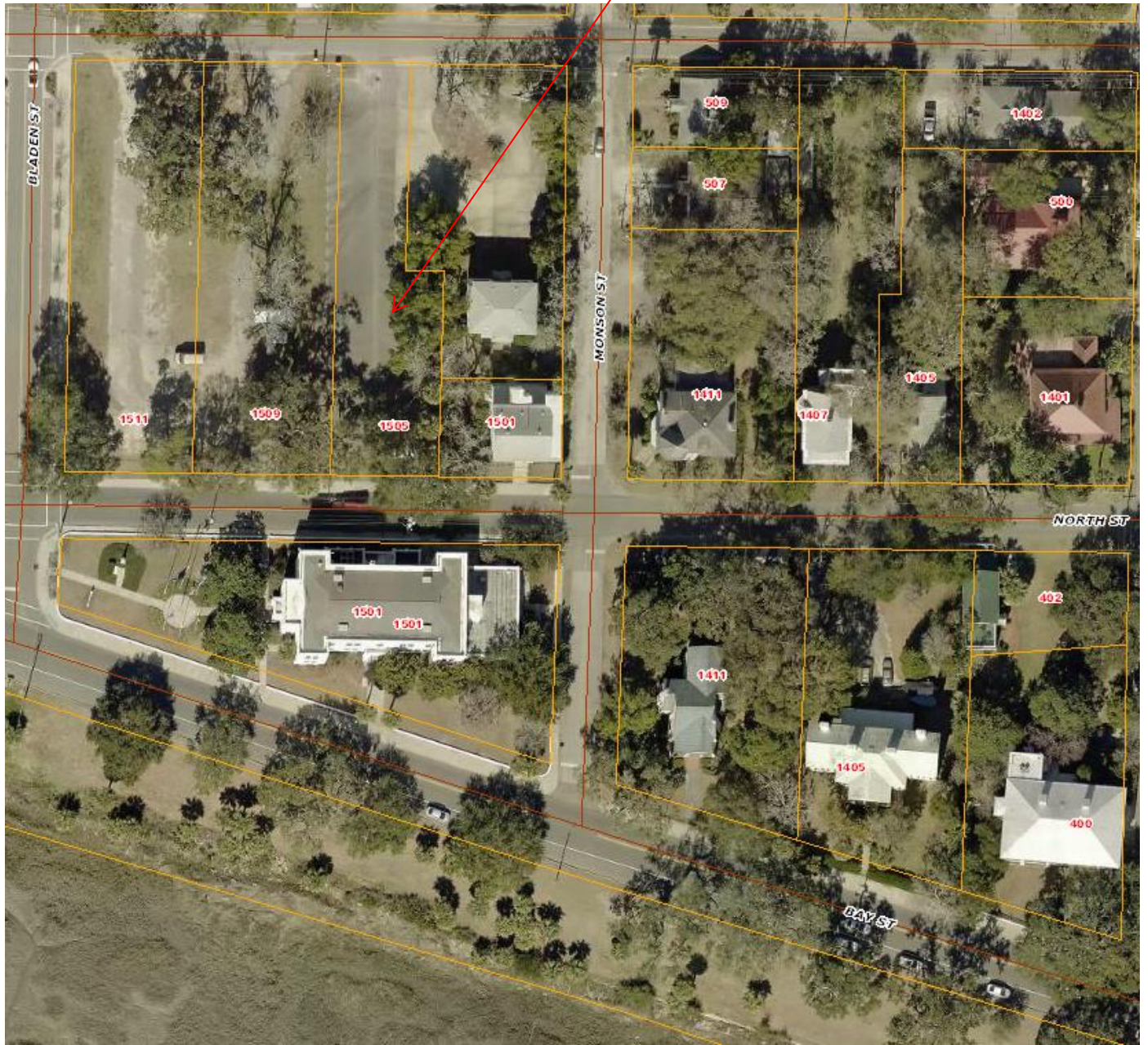
Lowcountry Jaycees are hosting Beaufort Food Truck Festival on Saturday October 14th, 2017 from 11:00 a.m to 4:00 p.m. in the property behind Santa Elena History Center. Grub for Hope is free for the public to attend and will benefit South Carolina Jaycee Camp Hope. Jaycee Camp Hope is a statewide residential camp for individuals, ages 7 and older, with cognitive disabilities located near Clemson, South Carolina. There will be local food trucks, craft vendors, kid zone, and fun for the entire family.

Lowcountry Jaycees received permission from Santa Elena History Center to use property on 1509 and 1511 North Street for the festival and would like to request City Council's permission to use space available on City-owned property at 1505 North Street. Our club is in the process of filing for a group event business license with the City.

Thank you for your consideration of our request and please let me know if you have any questions.

Sincerely,

Alan Eisenman
Vice President of External Affairs
Lowcountry Jaycees





CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/21/2017
FROM:
AGENDA ITEM TITLE: Request for street closure from Main Street Beaufort to host annual Trick-or-Treat event in Downtown Beaufort Thursday, October 26, 2017
MEETING DATE: 9/26/2017
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|----------------|-----------------|-------------|
| Request Letter | Backup Material | 9/21/2017 |



September 14, 2017

Blakely Williams, President/CEO

Beaufort Regional Chamber of Commerce

Cliff Mrkvicka, Chairperson

Lockheed Martin

Kevin Dukes, Chair Elect

Harvey & Battey, PA

Christian Kata, Treasurer

Ameris Bank

Leigh Copeland, Past Chairperson

Technical College of the Lowcountry

Russell Baxley

Beaufort Memorial Hospital

Vimal Desai

Beaufort Holiday Inn & Suites

Chip Dinkins

Plums/Saltus Restaurants

Edward Dukes

Lowcountry Real Estate

Ben Duncan

Hargray

Pamela Flasch

Beaufort-Jasper Water & Sewer Authority

Tina Gentry

United Way of the Lowcountry

Terrance Green

Coldwell Banker Realty

Andy Klosterman

Andrews Engineering

Frank Lesesne

Anchorage 1770

Whitney McDaniel, Treasurer

Wells Fargo Advisors

Susan Sauer

Discover Tours

Eric Skipper

University of South Carolina Beaufort

Mark Stokes

Bay Street Jewelers

Jay Taylor

Kinghorn Insurance Agency of Beaufort

Jim Wegmann

Weidner, Wegmann & Harper

Christina Wilson

CAPA

Mr. Bill Prokop, City Manager

City of Beaufort

1911 Boundary Street

Beaufort, SC 29901

Dear Mr. Propkop:

Main Street Beaufort, USA, respectfully requests permission from the City of Beaufort to close Bay Street (from Newcastle to Carteret Streets and blocking Scotts Street in front of Wells Fargo Advisors office so the parking lot traffic will exit around the UPS Store and not toward Bay Street) and a portion of Port Republic Street (from Charles to Scott) on **Thursday, October 26th** from 4:15 p.m. to 6:00 p.m. so that Main Street may host the annual Halloween event, ***Trick-or-Treat in Downtown Beaufort***. The event hours are advertised as 4:30 p.m. to 6 p.m.

The City of Beaufort's Police Department Youth Services Division is traditionally in support of the event and we hope they will co-host the event with Main Street again this year. Together, we promote it as a "safe Halloween" alternative for families. The closure of Bay Street and the section of Scott Street will help to ensure the safety of the participants by eliminating the rush of traffic and potential hazards at pedestrian crosswalks.

This annual event has become a downtown tradition for the community and continues to grow each year. This is our 20th year for Trick or Treat Downtown and we ask that you support our efforts to continue this safe, fun, positive family activity in downtown Beaufort. I will be happy to answer any questions or concerns you may have about this event.

Sincerely,

LaNelle Fabian

Events Manager

Beaufort Regional Chamber of Commerce

For Main Street Beaufort

Cc: City of Beaufort Police Chief Matt Clancy



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/21/2017
FROM:
AGENDA ITEM Request from Main Street Beaufort for alcohol waiver for Fall Art Walk Saturday,
TITLE: October 28, 2017
MEETING 9/26/2017
DATE:
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|----------------|-----------------|-------------|
| Request Letter | Backup Material | 9/21/2017 |



September 14, 2017

Blakely Williams, President/CEO

Beaufort Regional Chamber of Commerce

Cliff Mrkvicka, Chairperson

Lockheed Martin

Kevin Dukes, Chair Elect

Harvey & Battey, PA

Christian Kata, Treasurer

Ameris Bank

Leigh Copeland, Past Chairperson

Technical College of the Lowcountry

Russell Baxley

Beaufort Memorial Hospital

Vimal Desai

Beaufort Holiday Inn & Suites

Chip Dinkins

Plums/Saltus Restaurants

Edward Dukes

Lowcountry Real Estate

Ben Duncan

Hargray

Pamela Flasch

Beaufort-Jasper Water & Sewer Authority

Tina Gentry

United Way of the Lowcountry

Terrance Green

Coldwell Banker Realty

Andy Klosterman

Andrews Engineering

Frank Lesesne

Anchorage 1770

Whitney McDaniel, Treasurer

Wells Fargo Advisors

Susan Sauer

Discover Tours

Eric Skipper

University of South Carolina Beaufort

Mark Stokes

Bay Street Jewelers

Jay Taylor

Kinghorn Insurance Agency of Beaufort

Jim Wegmann

Weidner, Wegmann & Harper

Christina Wilson

CAPA

Mr. Bill Prokop

City Manager

City of Beaufort

1911 Boundary Street

Beaufort, SC 29902

Dear Mr. Prokop:

Main Street Beaufort, USA, would like to respectfully request permission to organize the Fall Art Walk downtown Saturday, October 28, 2017 from 5-7:30pm.

We anticipate more than a dozen galleries to participate. We would also like to request an alcohol waiver to allow alcohol on the sidewalk in the core commercial district.

Thank you for your consideration and support.

Please inform me of the date and Council meeting at which this item will be included on the agenda.

Sincerely,

LaNelle Fabian

Events Manager

Beaufort Regional Chamber of Commerce

For Main Street Beaufort, USA



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/21/2017
FROM:
AGENDA ITEM Request for street closure from the Beaufort County Veterans Affairs to host annual
TITLE: Veterans Day Parade Saturday, November 11, 2017
MEETING
DATE: 9/26/2017
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|----------------|-----------------|-------------|
| Parade Request | Backup Material | 9/21/2017 |

**CITY OF BEAUFORT, SOUTH CAROLINA
APPLICATION FOR PARADE OR PUBLIC ASSEMBLY PERMIT**

To be filed NOT LESS than 30 days before event

1911 Boundary Street Beaufort, SC 29902

Phone (843) 525-7070

Name of Applicant: Carl Wedler, Veterans Affairs Officer, Beaufort Co. Veterans Affairs
P.O. Drawer 1228

Address: Beaufort, SC 29901-1228 Phone # 843-255-6880

Name of Sponsoring Organization: BEAUFORT COUNTY VETERANS AFFAIRS

Address: 1911 Boundary St., 1st Floor P.O. Drawer 1228, Beaufort, SC 29901-1228

Date of Parade/Public Assembly:
November 11, 2017 (Saturday)

Route Proposed (Giving Starting & Termination Points): START: Corner of Rodgers Street and Boundary Street
Bladen Street and
END: Boundary Street

Approximate Number of Persons, Animals & Vehicles Constituting Parade: 200-300 persons involved:
Approx. 60-70 vehicles/floats/trucks Approx. (4) service dogs

Time Parade Will Begin : 9:30 AM Parade will Terminate: 10:30-11:00 AM

Parade Will Occupy All of the Width of the Streets to be Traversed
YES

Parade Will Occupy Only a Portion of the Width of the Streets to be Traversed _____

Location of Assembly Area:
Line-up along length of Rodgers St. (parallel to Beaufort National Cemetery)

Time Units Will Begin to Assemble: 9:00 AM

Interval of Space between Units in Parade: 10-12 feet

Type of Public Assembly (including description of activities)
Veterans Day Parade and Ceremony activities. Parade through downtown Beaufort parade route. Ceremony to be held in Beaufort National Cemetery after the parade.

Description of Recording Equipment, sound amplification equipment, banners, signs, or other devices to be used: Public address system; live band/musical instruments;
poster board or magnetic signs and banners; patriotic flag displays.

NOTE: IF THE PARADE IS DESIGNED TO BE HELD BY AND ON BEHALF OF OR FOR ANY PERSON OTHER THAN THE APPLICANT, THE APPLICANT FOR SUCH PERMIT SHALL FILE A LETTER FROM THAT PERSON WITH THE CITY MANAGER AUTHORIZING THE APPLICANT TO APPLY FOR THE PERMIT ON HIS BEHALF.

\$25.00 non-refundable application fee is payable when the application is submitted

Carl Wedler
Signature of Applicant

Application Received By: K. Cruz Receipt # 107226

Date Application Received: 7/19/17

Approved By: _____



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/20/2017
FROM: William Prokop, City Manager
AGENDA ITEM TITLE: Resolution authorizing City Manager to waive the Right of Repurchase of parcel of property previously owned by Beaufort Industrial Park, Inc.
MEETING DATE: 9/26/2017
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|--------------|-----------------|-------------|
| Resolution | Backup Material | 9/20/2017 |
| Plat Exhibit | Backup Material | 9/20/2017 |

RESOLUTION

Resolution Authorizing the City Manager to Waive the Right of Repurchase of Parcel of Property Previously Owned by Beaufort Industrial Park, Inc.

WHEREAS, Beecher Hoogenboom is the owner of a parcel of property located on Port Royal Island, being Lot No. 46 in Section 29, Township 1 North, Range 2 West, according to the plat made by the United States Direct Tax Commission for the District of South Carolina, as currently shown on the plat by Gasque & Associates, Inc. dated June 15, 1991 and recorded in Plat Book 44 at page 13 in the Beaufort County RMC office, attached hereto (the Property); and,

WHEREAS, Beecher Hoogenboom is currently seeking to convey the Property; and,

WHEREAS, the Property was previously owned by the Beaufort Industrial Park, Inc.; and,

WHEREAS, in the deed to the Property from Beaufort Industrial Park, Inc. to Isabel M. Hoogenboom, dated May 9, 1996, there is a right of first refusal and repurchase retained by the Beaufort Industrial Park, Inc.; and,

WHEREAS, the Beaufort Industrial Park, Inc., which is no longer in existence, conveyed certain property interests in the Commerce Park to the City of Beaufort; hence there is an issue of whether the City of Beaufort retains the right of first refusal and repurchase of the Property; and,

WHEREAS, in order to provide clear title to the current purchaser, it is requested that the City, as purported successor to the Beaufort Industrial Park, Inc., waive the right of first refusal and repurchase to the Property; and,

WHEREAS, the City does not have any desire to purchase the Property under any right of first refusal and has no intention to retain any right of repurchase in the Property; and,

WHEREAS, City Council hereby intends to authorize the City Manager to execute such documents as may be necessary to waive any right of first refusal and repurchase;

THEREFORE, BE IT RESOLVED, by City Council of the City of Beaufort, duly assembled and by authority of the same, that the City Manager is hereby authorized and empowered to execute on behalf of the City such documents as may be necessary and appropriate to waive any purported right of first refusal and repurchase by the City to the Property in question.

AND IT IS SO RESOLVED.

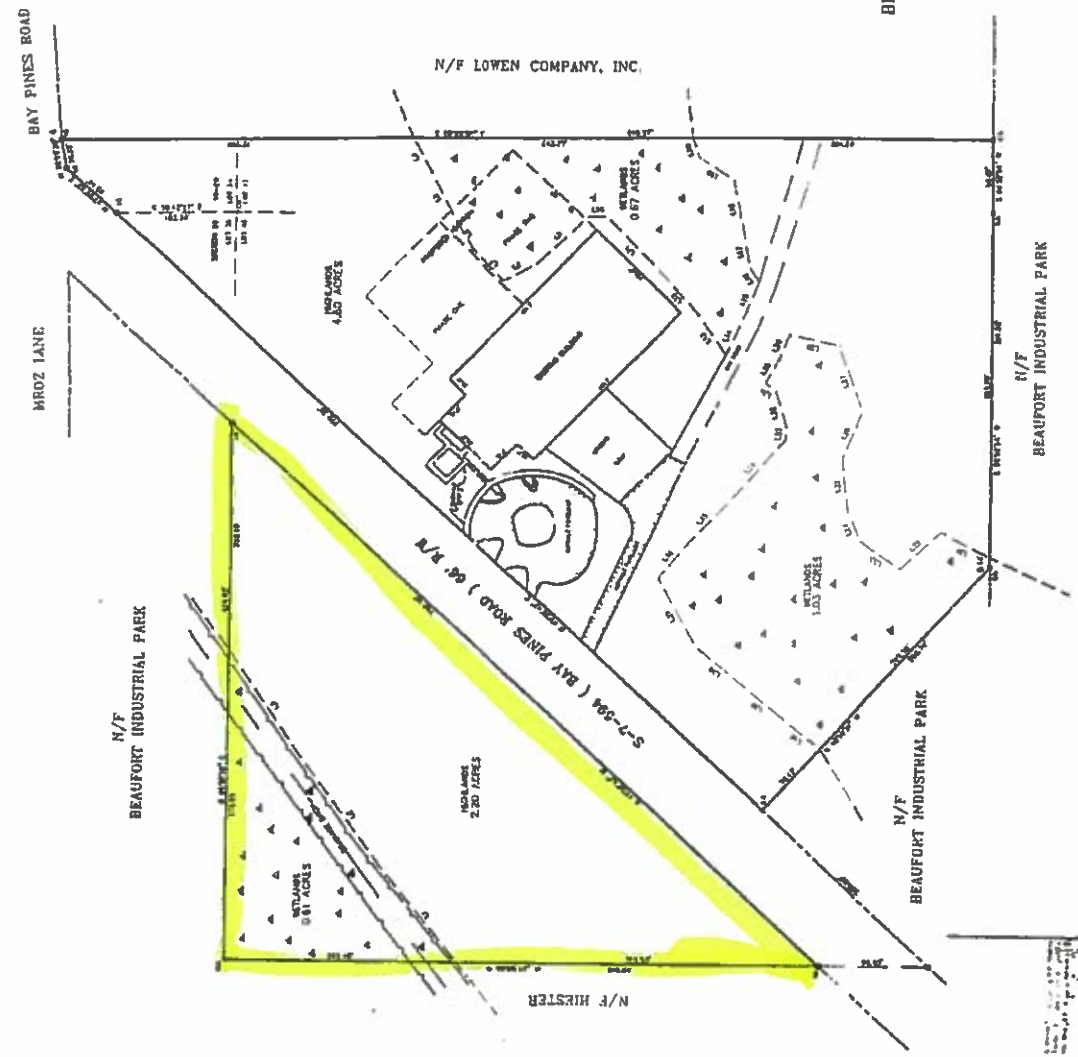
BILLY KEYSERLING, MAYOR

ATTEST:

IVETTE BURGESS, CITY CLERK

September ____, 2017

FB44/13



CURVE DATA

| | | | |
|---------|-----------------|-------------|------------|
| STATION | CHORD BEARING | CHORD DIST. | CURVE DATA |
| 1+00 | S 89° 15' 00" E | 100.00 | 100.00 |
| 1+20 | S 89° 15' 00" E | 100.00 | 100.00 |
| 1+40 | S 89° 15' 00" E | 100.00 | 100.00 |
| 1+60 | S 89° 15' 00" E | 100.00 | 100.00 |
| 1+80 | S 89° 15' 00" E | 100.00 | 100.00 |
| 2+00 | S 89° 15' 00" E | 100.00 | 100.00 |
| 2+20 | S 89° 15' 00" E | 100.00 | 100.00 |
| 2+40 | S 89° 15' 00" E | 100.00 | 100.00 |
| 2+60 | S 89° 15' 00" E | 100.00 | 100.00 |
| 2+80 | S 89° 15' 00" E | 100.00 | 100.00 |
| 3+00 | S 89° 15' 00" E | 100.00 | 100.00 |
| 3+20 | S 89° 15' 00" E | 100.00 | 100.00 |
| 3+40 | S 89° 15' 00" E | 100.00 | 100.00 |
| 3+60 | S 89° 15' 00" E | 100.00 | 100.00 |
| 3+80 | S 89° 15' 00" E | 100.00 | 100.00 |
| 4+00 | S 89° 15' 00" E | 100.00 | 100.00 |
| 4+20 | S 89° 15' 00" E | 100.00 | 100.00 |
| 4+40 | S 89° 15' 00" E | 100.00 | 100.00 |
| 4+60 | S 89° 15' 00" E | 100.00 | 100.00 |
| 4+80 | S 89° 15' 00" E | 100.00 | 100.00 |
| 5+00 | S 89° 15' 00" E | 100.00 | 100.00 |
| 5+20 | S 89° 15' 00" E | 100.00 | 100.00 |
| 5+40 | S 89° 15' 00" E | 100.00 | 100.00 |
| 5+60 | S 89° 15' 00" E | 100.00 | 100.00 |
| 5+80 | S 89° 15' 00" E | 100.00 | 100.00 |
| 6+00 | S 89° 15' 00" E | 100.00 | 100.00 |
| 6+20 | S 89° 15' 00" E | 100.00 | 100.00 |
| 6+40 | S 89° 15' 00" E | 100.00 | 100.00 |
| 6+60 | S 89° 15' 00" E | 100.00 | 100.00 |
| 6+80 | S 89° 15' 00" E | 100.00 | 100.00 |
| 7+00 | S 89° 15' 00" E | 100.00 | 100.00 |
| 7+20 | S 89° 15' 00" E | 100.00 | 100.00 |
| 7+40 | S 89° 15' 00" E | 100.00 | 100.00 |
| 7+60 | S 89° 15' 00" E | 100.00 | 100.00 |
| 7+80 | S 89° 15' 00" E | 100.00 | 100.00 |
| 8+00 | S 89° 15' 00" E | 100.00 | 100.00 |
| 8+20 | S 89° 15' 00" E | 100.00 | 100.00 |
| 8+40 | S 89° 15' 00" E | 100.00 | 100.00 |
| 8+60 | S 89° 15' 00" E | 100.00 | 100.00 |
| 8+80 | S 89° 15' 00" E | 100.00 | 100.00 |
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| 9+40 | S 89° 15' 00" E | 100.00 | 100.00 |
| 9+60 | S 89° 15' 00" E | 100.00 | 100.00 |
| 9+80 | S 89° 15' 00" E | 100.00 | 100.00 |
| 10+00 | S 89° 15' 00" E | 100.00 | 100.00 |

PLAT SHOWING WETLANDS PREPARED FOR ENVIRONMENTS, INC. BEAUFORT COUNTY, SOUTH CAROLINA.



| | |
|-------------|-----------|
| DATE | 10/25/91 |
| BY | J.E.C. |
| CHECKED BY | J.E.C. |
| SCALE | 1" = 100' |
| PROJECT NO. | 119-1 |
| SHEET NO. | 1 OF 1 |

LEGEND:
WETLANDS
WETLANDS

NOTES:
1. ALL WETLANDS SHOWN ON THIS MAP ARE BASED ON FIELD SURVEY DATA AND AERIAL PHOTOGRAPHS.
2. THE WETLANDS ARE CLASSIFIED AS SWAMPY FOREST AND SWAMPY OPEN WOODLAND.
3. THE WETLANDS ARE CLASSIFIED AS SWAMPY FOREST AND SWAMPY OPEN WOODLAND.
4. THE WETLANDS ARE CLASSIFIED AS SWAMPY FOREST AND SWAMPY OPEN WOODLAND.

REFERENCES:
1. BEAUFORT COUNTY MAP 24, PARCELS 10A AND 10B
2. BEAUFORT COUNTY MAP 24, PARCELS 10A AND 10B
3. BEAUFORT COUNTY MAP 24, PARCELS 10A AND 10B
4. BEAUFORT COUNTY MAP 24, PARCELS 10A AND 10B
5. BEAUFORT COUNTY MAP 24, PARCELS 10A AND 10B

CABRUE & ASSOCIATES INC.
LAND SURVEYING PLANNERS
714 W. BROAD STREET, WASHINGTON, SC
29386-1114
(803) 531-1114

21X



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/5/2017
FROM:
AGENDA ITEM TITLE: Approval to allow the City to donate City Police surplus vehicles to the Technical College of the Lowcountry for use in the Criminal Justice program
MEETING DATE: 9/26/2017
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|---|-----------------|-------------|
| Request Letter and Memo from Chief Clancy | Backup Material | 9/5/2017 |

August 9, 2017

Chief Matthew Clancy
Chief of Police
Beaufort Police Department
City of Beaufort
1901 Boundary Street
Beaufort, SC 29902

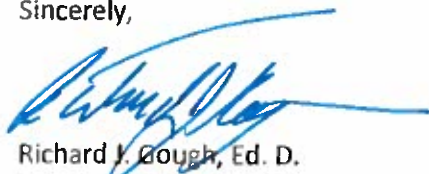
Dear Chief Clancy,

I am writing to request that Beaufort Police department donate their used vehicles to the Technical College of the Lowcountry Foundation for use in the Criminal Justice program. Your contact for this donation will be Jessica Bridges, Assistant Vice President for Institutional Advancement. Ms. Bridges can be reached at 843.525.8294 or jbridges@tcl.edu.

We are proud of our Criminal Justice program and the opportunity for our students to train in actual police vehicles will greatly enhance their experience. Mr. Ricks has done an outstanding job of preparing his students for careers in law enforcement and I know he has received tremendous support from your department. We are grateful for that and look forward to our continued partnership.

Please don't hesitate to call on me if I can be of any assistance to you. You may reach my office at 854-525-8247 or me by email at rgough@tcl.edu

Sincerely,



Richard J. Gough, Ed. D.
President



Beaufort Police Department

MATTHEW J. CLANCY
Chief of Police

*Moving forward into the future...
While preserving our heritage with...
Community Policing*

TO: Mr. Prokop, City Manager
Ms. Kathy Todd, Finance Director

FROM: Chief Matthew Clancy

DATE: August 23, 2017

SUBJ: Donation of Used Vehicles to TCL

REF: Letter of Request from President Gough

*I approve
bring to Council
9/12*

A handwritten signature in blue ink, appearing to be "M. Clancy", written over the date "9/12".

Per the reference, TCL is expanding their Criminal Justice program to include driver training. To help facilitate the program they have requested that the city donate old patrol cars that are being replaced for their use. I support this request because I think this will be a good use of tax payer money. These vehicles have a low resale value (our last ones were sold for \$500 each). TCL's program helps to provide us with a well prepared, energetic pool of potential employees. The better training and equipment they are provided helps us hire the best officers to serve the public. In my opinion, the donation of the cars to TCL would provide a higher return to the city in the long run. I understand that this is a matter is a council decision and would be happy to provide any additional information that may be required.

Respectfully,

A handwritten signature in blue ink, appearing to be "Matthew J. Clancy".

Matthew J. Clancy

Chief of Police



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/21/2017
FROM: William Prokop, City Manager
AGENDA ITEM TITLE: Ordinance approving the sale of excess City Property and authorizing the City Manager to execute documents for this sale, 0.2 Acre property adjacent to Chick Fillet on Boundary Street - 1st Reading
MEETING DATE: 9/26/2017
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

This sale is related to the Boundary Street Project

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|-------------|-----------------|-------------|
| Ordinance | Backup Material | 9/21/2017 |

ORDINANCE

Approving the sale of excess City property and authorizing the City Manager to execute documents to affect this transfer

WHEREAS, over the years the City has acquired title to property within the City limits which it does not use or need; and,

WHEREAS, with the approval of Council, City staff compiled a list of surplus properties; and,

WHEREAS, the high bidder for the vacant property (0.2 Acre property adjacent to Chick Fillet) located on Boundary Street was Amelia Bond; and,

WHEREAS, Section 1-3021 of the City Code of Ordinances provides that an Ordinance is required for the conveyance of any lands of the City;

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

That Council approves and authorizes the sale of 0.2 Acre property adjacent to Chick Filet located on Boundary Street (\$32,000.00) to Amelia Bond.

That the City Manager is authorized to execute on behalf of the City such documents as may be necessary to fully complete these conveyances. This Ordinance shall become effective upon adoption.

BILLY KESERLYING, MAYOR

ATTEST:

IVETTE BURGESS, CITY CLERK

1st Reading _____

2nd Reading and adoption _____



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/21/2017
FROM: William Prokop, City Manager
AGENDA ITEM TITLE: Ordinance approving the sale of surplus City Property and authorizing the City Manager to execute documents for this sale, 2519 Mossy Oaks Road - 1st Reading
MEETING DATE: 9/26/2017
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

City surplus property has been advertised since January 2017 and re-advertised in August 2017.

The Greene's were the highest bidder.

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

| Description | Type | Upload Date |
|-------------|-----------------|-------------|
| Ordinance | Backup Material | 9/21/2017 |

ORDINANCE

Approving the sale of one (1) parcel of surplus City property and authorizing the City Manager to execute documents to affect this transfer

WHEREAS, over the years the City has acquired title to property within the City limits which it does not use or need; and,

WHEREAS, with the approval of Council, City staff compiled a list of surplus properties, which were offered to interested parties by closed bids; and,

WHEREAS, the high bidder for the property located at 2519 Mossy Oaks Road, R120 006 000 0071 0000, was Billy and Jane Greene; and,

WHEREAS, a condition of these sales is that the purchaser shall be responsible for all closing costs; and,

WHEREAS, Council finds that this bid is reasonable, and that the sale of this property is in the best interest of the City and its citizens; and,

WHEREAS, Section 1-3021 of the City Code of Ordinances provides that an Ordinance is required for the conveyance of any lands of the City;

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

That Council approves and authorizes the sale of 2519 Mossy Oaks Road (\$127,395.89) to Billy and Jane Greene upon the terms and conditions of their bid, with the exception that closing costs shall not exceed \$1,200 for each individual property;

That the City Manager is authorized to execute on behalf of the City such documents as may be necessary to fully complete these conveyances.

This Ordinance shall become effective upon adoption.

1st Reading _____

BILLY KEYSERLING, MAYOR

2nd Reading and adoption _____

IVETTE BURGESS, CITY CLERK

Reviewed by William B. Harvey, III, City Attorney



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/5/2017
FROM: William Prokop, City Manager
AGENDA ITEM
TITLE: Appointments to Boards and Commissions - Redevelopment Commission
MEETING
DATE: 9/26/2017
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

4 at-large members can be reappointed - Jon Verity, Mike Sutton, Frank Lesesne, and Steven Green.

If reappointed terms must be staggered. 2 reappointed for one year terms, 2 reappointed for two year terms.

PLACED ON AGENDA FOR:

REMARKS:



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/20/2017
FROM: Libby Anderson and Linda Roper
AGENDA ITEM TITLE: Appointments to Boards and Commissions - Design Review Board
MEETING DATE: 9/26/2017
DEPARTMENT: Planning

BACKGROUND INFORMATION:

The Design Review Board (DRB), currently has two open seats. One opening is for a landscape architect. The other opening is for a citizen representative. At their September 19 workshop, Council interviewed five candidates for the citizen representative position. The landscape architect position is proposed to be filled by the landscape architect that currently serves on the Park and Tree Advisory Commission.

PLACED ON AGENDA FOR: Action

REMARKS:



CITY OF BEAUFORT
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 9/21/2017
FROM: Linda Roper
AGENDA ITEM
TITLE: Appointments to Boards and Commissions - Cultural District Advisory Board
MEETING
DATE: 9/26/2017
DEPARTMENT: City Clerk

BACKGROUND INFORMATION:

One at-large vacancy on this board.

Interviews for this board were held at the September 19 Worksession.

candidates are:

Fred Zeiss, Stacey Applegate, and Mary Jane Martin

PLACED ON AGENDA FOR:

REMARKS: