

A work session of Beaufort City Council was held on July 16, 2019 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 Bill Prokop, city manager. Stephen Murray was an excused absence.

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

### **CALL TO ORDER**

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

### **PRESENTATION: BEAUFORT AREA HOSPITALITY ASSOCIATION (BAHA) ANNUAL REPORT**

**Lise Sundrla**, executive director of BAHA, described the organization's mission and named the board of directors' members, officers, and advisors. She discussed why BAHA is important to the hospitality industry and the community. Ms. Sundrla shared the first year's goals and listed the many things the organization did during that time, including "engaging an executive director" and a "partner coordinator," and doing "strategic visioning" and planning.

Among other accomplishments this year, Ms. Sundrla said, BAHA established an interactive job board and participated in job fairs to help tackle industry concerns. The organization also established a "Hospitality Star" program to offer benefits to BAHA partners, and it is developing a hospitality star training program, with the goal of all of its members' employees being hospitality stars. They begin training on July 30, Ms. Sundrla said.

BAHA established a task force to explore concerns from lodging partners about short-term rentals, Ms. Sundrla said, and worked with the city on putting on the 2018 Shrimp Festival and 2019's Taste of Beaufort. They also partnered with the Convention & Visitors Bureau (CVB) and Lowcountry Tourism, she said, and have been "cultivating relationships and listening" this year.

Ms. Sundrla discussed the amount of property tax hospitality and lodging businesses generate, as well as Accommodations Tax (ATAX) and Hospitality Tax (HTAX) revenues. They are responsible for more than 1,200 jobs in the City of Beaufort, she said, and they support a number of city services.

Coming up, Ms. Sundrla said, BAHA's efforts include pursuit of event programming in the city's parks. They will also work more closely with the City of Beaufort, Beaufort County, and the Town of Port Royal to identify and address industry challenges.

Ms. Sundrla thanked BAHA's sponsors. **Jonathan Sullivan** thanked Ms. Sundrla for her

work and those on city staff with whom BAHA has worked.

Mayor Keyserling said at county council and the recent mayors' meeting, a top priority is the local option sales tax (LOST). The costs of infrastructure are "escalating," he said, and city council has consistently supported the tax to help with infrastructure and capital needs. County council wouldn't put the LOST on the ballot in the past, he said, but the city would again be taking the proposal to the next county council meeting.

**Kathy Todd** and all of the finance directors are working on the proposal, Mr. Prokop said. It's the #1 priority of all of the mayors, he said.

Mayor Keyserling said the Heritage Tourism Development Corp. is "a little stuck." The mayors enlisted **Andy Beall** "to do the work," he said, and they've gone to the county, but "to make it go, we're going to need some help." Ms. Sundrla said Dr. Beall has asked to speak to the BAHA board.

Mr. Sullivan said he could think of "4 great sites" that could tie into what the Heritage Tourism Development Corp. is working on, and he feels there is "a lot of opportunity to bring visitors" to these sites. Dr. Beall is making his presentation to BAHA on July 22. They want to know more about the Heritage Tourism Development Corp. and about the LOST, Mr. Sullivan said, and they want to reduce sprawl and promote infill. "We're all in favor of those types of programs," he said.

### **MONUMENT SIGNS**

**David Prichard** said **David Burre** wanted to come to the work session to talk about the monument sign at the former Applebee's property, which he owns; the tenant there now is Los Gallos.

Mr. Burre said the sign in front of the old Applebee's has been there more than 20 years. He wants to re-use it for his new tenant's business; people need to be able to see the business is there without jeopardizing traffic, he said.

Mr. Burre presented council with a packet that had 3 designs that he had asked the tenants about and told council how they rated the signs and which he prefers. He also included in the packet other monument signs on Boundary Street, including Waffle House, which he said is 33 square feet, and Ameris Bank, which he said is 60 square feet. Mr. Burre said his sign is 24 square feet.

Mr. Prichard said, according to the Beaufort Code, monument signs in T5-UC zones are limited to "10 square feet on the side," which was also the case in the old UDO, so that's been the case since 2003. Also, in the Boundary Street District, monument signs are not allowed with new construction. Mr. Prichard said **Ken Meola** took pictures of all the signs on Boundary Street that are nonconforming.

Mayor Keyserling asked if, under the Beaufort Code, the business's sign has to be on the building. Mr. Prichard said with new construction, a monument sign is not allowed. Mr. Burre said a monument sign would be allowed, but it could only be 10 square feet, and "the thing holding it" can only be 3' tall. He wants to leave the shrubs that are currently around his sign, he said, but because of the size limit, under this code, the sign would be hidden underneath them. His current sign was put up 24 years ago, Mr. Burre said, and it's "huge," but it's no bigger than the signs "right next to me."

Mr. Prichard clarified that monument signs are not allowed in this district with new construction. Once a building has been vacated, he said, "you lose your legal nonconforming status." The city has allowed Mr. Burre to keep up the sign that he normally would have been required to take down, he said.

Councilwoman Sutton said she has no problem with what Mr. Burre is requesting, and she feels his current sign should be utilized. Councilman Cromer agreed. Mayor Keyserling said he found one version of those Mr. Burre presented to council "attractive," and the size is "comparable, if not less," but the city needs to figure if it can "make it work" under the new code. The building changed hands, he said, and it remained vacant for a long time. The sign is not offensive, but the city has to be consistent, Mayor Keyserling said. Most grandfathered signs are on places that "will be there for awhile," he said.

Mr. Prichard suggested different ways this could be handled. Changing the requirements for T5 changes them for anywhere there is T5 zoning in the entire city, not just on Boundary Street. He wants to make sure council is comfortable with monument signs bigger than 10 square feet. Councilwoman Sutton said she "can't imagine" having signs that are only 10 square feet; she feels this is an instance of needing to revise the code. "There is nothing wrong" with Mr. Burre's sign, she said.

Mr. Burre said on Ribaut Road, where businesses are closer to the street and the speeds are lower, monument signs aren't needed.

Mr. Prokop said this matter has come up on several occasions with doctors' offices on Ribaut Road when the business changes. These businesses have "pushed back," saying the signs cost thousands of dollars. Councilwoman Sutton feels council has to look at this with "common sense" and "adjust the code in some way" because "this is ludicrous."

Mr. Prokop said they would have to "look at making a code adjustment," because this wouldn't just be for Mr. Burre.

Mayor Keyserling said he is "fine with this," but he's struggling with "transitioning a street," and "there are so many out there," so they need a "framework" for requirements. Council shouldn't be involved with every business' sign issues, he said.

Mr. Burre said the code needs to be corrected in this instance because a 10 square foot sign is “unsafe.”

Mr. Burre said he has “no intention of backlighting” the sign; he’ll put lights on the ground so it can be seen at night.

Mr. Prichard asked if council is comfortable with “the ordinance for T5 generally,” except on major thoroughfares.

Mr. Burre asked council to consider letting him “take the risk” of ordering and putting up the sign, and if council decides against it, he would take it down. Mayor Keyserling said council doesn’t have the authority to make that decision.

### **DISCUSSION ABOUT THE ACCOMMODATIONS TAX (ATAX) GRANT PROCESS**

Mr. Prokop said applicants for ATAX grants sometimes said, “We didn’t know that” about details, requirements, etc., so staff asked **Vimal Desai**, the new Tourism Development Advisory Committee (TDAC) chair, and Mr. Sullivan, the outgoing chair, to explain the criteria for this year. They have been meeting with Ms. Todd, Mr. Prokop said, and will start the process when council comes back from its summer break.

A few years ago, Mr. Desai said, TDAC mandated that all applicants have to come to a pre-application workshop to learn the committee’s expectations. The workshops will this year will be on August 6 and August 22; all applicants must attend, or they are not eligible to get a grant, he said.

This is TDAC’s third year using the new application, which includes the grant review criteria that the committee uses to score each applicant’s request, Mr. Desai said. They have discussed adding a line item to indicate that applicants that hold events during the two off-seasons (which are from the end of July until the end of September and the end of December until March) will be reviewed more favorably, he said.

Mr. Sullivan said last year, two applicants were not eligible for funds based on their application; they were unhappy and thought that wasn’t fair. The reasons for their ineligibility were all in the application packet, he said. There’s a signature page at the end of the packet that says the applicant understands the requirements, so the rules are part of the application, Mr. Sullivan said, and the scoring document TDAC uses is also included in it.

TDAC wants to make sure that city council knows that the expectations are clear, Mr. Sullivan said, and that they are trying to develop more tourism during the shoulder seasons. Events in October, April, and May don't need additional tourism dollars, he said, so they want applicants to know that activities during the other months will be looked at more favorably.

Mr. Desai said TDAC added a section for applicants who are applying for grant money from sources other than ATAX. Mr. Sullivan said organizations can't use other ATAX dollars as part of their 50/50 matches.

Mayor Keyserling said 4 or 5 years ago, council talked about the need for an incentive for collaboration among organizations applying for ATAX grants; he asked if that is still included. Mr. Sullivan said it is: The session is called a "learn and share" workshop, because as TDAC hears what the applicants are doing, they can help connect the applicants with one another, and then the organizations could apply for ATAX with collaborative efforts. Those organizations that collaborate on marketing and events are also looked at more favorably by the committee, he said.

Mr. Sullivan said they have tried to get away from recommending ATAX funds for marketing; they want to fund the CVB "heavily" to market "our whole destination," and they encourage applicants to do their marketing through the CVB. He said they want the organizations "to improve the products they have" with ATAX money. For example, the film festival is in February, Mr. Sullivan said, and with its ATAX grant, organizers added a day to the festival, which hotels and restaurants reported was "a huge success."

**Deborah Johnson** asked if the applicants were scored numerically. Mr. Sullivan said yes. As a grant writer, Ms. Johnson said, for TDAC to "make it crystal clear," if the committee gives favorable consideration for something, the application should say how many additional points TDAC will give for that (e.g., having an event during the shoulder seasons). TDAC members complete a sheet for each organization, Mr. Sullivan said, giving one to five points in various categories and adding the points for an overall score. Then, the committee members' scores for each of the groups are tabulated to get an overall total score for each organization, after which the organizations are ranked by their scores, and the committee decides the recommended amounts of the awards based on the overall score each organization receives. Ms. Johnson said if doing something gives organizations that do it TDAC's "favorable consideration," it would help the applicants to know "what that really meant."

Ms. Todd said she believes the ATAX application will be posted on line this week. She will send a copy to council members before then, she said.

#### **UTILIZATION OF TIF FUNDS FOR FACILITY IMPROVEMENTS AS ORIGINALLY DISCUSSED**

Mr. Prokop said this is primarily money for facility improvements that are within the TIF district, such as the doors on City Hall. The building is ten years old, and "we need to start doing some maintenance," he said.

This proposal sets aside fixing up the police/municipal court building to move a tenant into it, Mr. Prokop said. Staff originally said it would need \$950,000 for improvements to City Hall, the police/municipal court building, and the Public Works facility, but they

went to department heads about reductions, and the estimated total has been reduced to \$590,000. The proposed amount for the police/municipal court building is \$190,000; he listed the proposed items for which TIF funds would be used there, in the Public Works building, and at City Hall. The proposed amounts for the Public Works facility and City Hall are \$200,000 each. Mr. Prokop said these numbers are estimates.

Ms. Todd said the TIF II fund balance is \$4.3 million, which is more than when the ordinance was passed a few months ago because of investment earnings, and that interest will keep accruing.

Mr. Prokop told Councilman McFee that some of these items are in addition to the Johnson Controls contract.

There was a general discussion about the City Hall doors.

Councilman Cromer said the improvements are especially important for the Public Works facility because “we’ve kicked the can down the road” (i.e., paying to improve it) for a long time. Ms. Todd said the TIF II fund uses included City Hall, and funds were used for that “to begin with,” as they were for the Public Works building. The “asset . . . needs to be maintained,” she said.

#### **EXECUTIVE SESSION**

Pursuant to Title 30, Chapter 4, and Section 70 (a) (2) and (1) of the South Carolina Code of Law, **Councilman Cromer made a motion, seconded by Councilman McFee, to enter into Executive Session for legal updates and discussion of boards and commissions. The motion passed unanimously.**

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