

# COUNTY COUNCIL OF BEAUFORT COUNTY

ADMINISTRATION BUILDING

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WM. WESTON J. NEWTON  
CHAIRMAN

D. PAUL SOMMERVILLE  
VICE CHAIRMAN

## COUNCIL MEMBERS

STEVEN M. BAER  
RICK CAPORALE  
GERALD DAWSON  
BRIAN E. FLEWELLING  
HERBERT N. GLAZE  
WILLIAM L. McBRIDE  
STEWART H. RODMAN  
GERALD W. STEWART  
LAURA VON HARTEN

GARY KUBIC  
COUNTY ADMINISTRATOR

BRYAN J. HILL  
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL  
COUNTY ATTORNEY

SUZANNE M. RAINEY  
CLERK TO COUNCIL

## AGENDA

### COUNTY COUNCIL OF BEAUFORT COUNTY

Monday, February 14, 2011

4:00 p.m.

Council Chambers  
Administration Building

Citizens may participate in the public comment periods and public hearings from telecast sites at the Hilton Head Island Branch Library as well as Mary Field School, Daufuskie Island.

**4:00 p.m.**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. INVOCATION
4. REVIEW OF MINUTES – [January 24, 2011](#)
5. PROCLAMATION
  - Beaufort Irish Festival  
Ms. Meg Godley
6. PUBLIC COMMENT
7. [COUNTY ADMINISTRATOR'S REPORT](#)  
Mr. Gary Kubic, County Administrator
  - The County Channel / Broadcast Update
  - [Three-Week Progress Report](#)
  - Energy Efficiency and Conservation Block Grant
8. [DEPUTY COUNTY ADMINISTRATOR'S REPORT](#)  
Mr. Bryan Hill, Deputy County Administrator
  - [Three-Week Progress Report](#)
  - Construction Project Updates  
Mr. Robert McFee, Division Director, Engineering and Infrastructure

Over



- One Cent Sales Tax Referendum Projects:  
New Bridge over Beaufort River / U.S. 21 / S.C. 802 Construction Project  
S.C. Highway 802 Roadway Construction Project  
S.C. Highway 46 and Simmonsville Road  
U.S. Highway 278 Resurfacing
- Capital Improvement Projects:  
Disabilities and Special Needs Adult Day Care Center  
Hilton Head Airport Aircraft Rescue Firefighting Facility

CONSENT AGENDA  
Items 9 through 13

9. HILTON HEAD ISLAND AIRPORT RUNWAY 21 ON-AIRPORT TREE OBSTRUCTION REMOVAL CONTRACT ADMINISTRATION AND CONSTRUCTION ENGINEERING INSPECTION SERVICES ([backup](#))
- Public Facilities Committee discussion and recommendation to approve occurred January 25, 2011 / Vote 5:0
  - Contract award: Wilbur Smith Associates
  - Contract amount: \$97,072
  - Funding source: Account #13480-54301 (Tree Obstruction Removal) – FAA Grant #30 (95%). Additional State Grant funding of 2.5% is pending. The remaining 2.5% (\$2,426.80) will come from the Hilton Head Island Airport's Operating Budget
10. WALLACE CREEK BOAT LANDING FLOATING DOCK ADDITION ([backup](#))
- Public Facilities Committee discussion and recommendation to approve occurred January 24, 2011 / Vote 5:0
  - Contract award: Alpha Construction Company, Inc., Savannah, Georgia
  - Contract amount: \$140,400
  - Funding source: the County has been granted a budget from SCDNR of up to \$149,000 for renovations to Wallace Creek Boat Landing. FY 2007 CIP Contingency Account #11437-56000 with a current balance of \$349,549. The FY 2007 Contingency Fund would then be reimbursed from the SCDNR grant. Account #11437-56000 (2010 General Obligation Bonds Fund Contingency)
11. TEXT AMENDMENTS TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE V. USE REGULATIONS; TABLE 106-1098. GENERAL USE TABLE; AND SECTION 106-1247. ASSEMBLY AND WORSHIP, SMALL (THAT ALLOWS SCHOOLS AS A LIMITED USE IN SMALL ASSEMBLY AND WORSHIP USES AND REMOVES SIZE REQUIREMENT) ([backup](#))
- Consideration of first reading to occur February 14, 2011
  - Natural Resources Committee discussion and recommendation to approve occurred February 1, 2011 / Vote 4:0

12. BEAUFORT COUNTY ZONING MAP AMENDMENT / REZONING REQUEST ON PORT ROYAL ISLAND ZONING MAP AMENDMENT/REZONING REQUEST FOR R100-21-20 AND 416 (8.29 ACRES TOTAL), FROM RURAL WITH TRANSITIONAL OVERLAY AND RURAL-RESIDENTIAL WITH TRANSITIONAL OVERLAY TO COMMERCIAL SUBURBAN ([backup](#))
  - Natural Resources Committee discussion and recommendation to deny occurred February 1, 2011 / Vote 3:1
  - Planning Commission discussion and recommendation to approve occurred September 10, 2010 / Vote 7:0
  - Council discussion and approval to send issue back to Development Review Team (DRT) with the intent of beginning the process for special use permitting occurred October 25, 2010 / Vote 11:0
  - Natural Resources Committee discussion and recommendation to send back to Development Review Team (DRT) with the intent of beginning the process for special use permitting occurred October 4, 2010 / Vote 7:0
  
13. AN ORDINANCE TO PROVIDE FOR A DAY WATCH PROGRAM AS AN ALTERNATIVE TO INCARCERATION IN CERTAIN CASES IN BEAUFORT COUNTY
  - Consideration of first reading to occur February 14, 2011 ([backup](#))
  - Public Safety Committee discussion and recommendation to approve occurred February 7, 2011 / Vote 4:0

**PUBLIC HEARINGS**  
Items 14 through 18

14. TEXT AMENDMENT TO THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), APPENDIX S. DAUFUSKIE ISLAND CODE (ADDS A NEW APPENDIX WITH DEVELOPMENT STANDARDS FOR DAUFUSKIE ISLAND COMMUNITY PRESERVATION DISTRICT) ([backup](#))
  - Consideration of third and final reading to occur February 14, 2011
  - Second reading approval occurred January 24, 2011 / Vote 10:0
  - First reading approval occurred January 10, 2011 / Vote 11:0
  - Natural Resources Committee discussion and recommendation to approve occurred January 4, 2011 / Vote 7:0
  
15. BEAUFORT COUNTY ZONING MAP AMENDMENT FOR DAUFUSKIE ISLAND (CHANGES THE ZONING DISTRICTS TO IMPLEMENT THE NEW DAUFUSKIE ISLAND CODE) ([backup](#))
  - Consideration of third and final reading to occur February 14, 2011
  - Second reading approval occurred January 24, 2011 / Vote 10:0
  - First reading approval occurred January 10, 2011 / Vote 11:0

- Natural Resources Committee discussion and recommendation to approve occurred January 4, 2011 / Vote 7:0
16. TEXT AMENDMENT TO THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), APPENDIX D. COMMUNITY PRESERVATION AREAS (DELETES ALL INTERIM STANDARDS RELATED TO BRIGHTON BEACH, BUCKINGHAM, BLUFFTON/MAY RIVER/HIGHWAY 46 CORRIDOR, AND DAUFUSKIE ISLAND, INCLUDING SECTIONS 9 AND 10—DAUFUSKIE ISLAND BUFFER DISTRICT AND GATEWAYS) ([backup](#))
    - Consideration of third and final reading to occur February 14, 2011
    - Second reading approval occurred January 24, 2011 / Vote 10:0
    - First reading approval occurred January 10, 2011 / Vote 11:0
    - Natural Resources Committee discussion and recommendation to approve occurred January 4, 2011 / Vote 7:0
  17. COMMUNITY DEVELOPMENT BLOCK GRANT NEEDS ASSESSMENT ([backup](#))
    - Public hearing only to occur February 14, 2011
  18. AN ORDINANCE TO APPROVE THE APPROPRIATION OF FUNDS NECESSARY TO ACQUIRE REAL PROPERTY KNOWN AS THE BEAUFORT COMMERCE PARK AND TO PROVIDE THE SOURCE OF SUCH FUNDS FOR ACQUISITION ([backup](#))
    - Consideration of third and final reading to occur February 14, 2011
    - Second reading approval occurred January 24, 2011 / Vote 9:1
    - Finance Committee discussion and recommendation to approve occurred January 18, 2011 / Vote 5:1
    - First reading, by title only, approval occurred January 10, 2011 / Vote 10:1
  19. [COMMITTEE REPORTS](#)
  20. PUBLIC COMMENT
  21. EXECUTIVE SESSION - Negotiations incident to proposed contractual arrangements and proposed purchase of property
  22. ADJOURNMENT

County TV Rebroadcast	
Monday	4:00 p.m.
Wednesday	9:00 p.m.
Saturday	12:00 p.m.
Sunday	6:30 a.m.

Cable Casting of County Council Meetings <i>The County Channel</i>	
Charter Cable	CH 20
Comcast	CH 2
Hargray Cable	CH 9 & 252
Time Warner Hilton Head Cable	CH 66
Time Warner Sun City Cable	CH 63

Official Proceedings  
County Council of Beaufort County  
January 24, 2011

The electronic and print media was duly notified in accordance with the State Freedom of Information Act.

The regularly scheduled meeting of the County Council of Beaufort County was held at 4:00 p.m. on Monday, January 24, 2011, in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

**ATTENDANCE**

Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Steven Baer, Rick Caporale, Gerald Dawson, Brian Flewelling, Herbert Glaze, William McBride, Stu Rodman, Gerald Stewart and Laura Von Harten.

**PLEDGE OF ALLEGIANCE**

The Chairman led those present in the Pledge of Allegiance to the Flag.

**INVOCATION**

Councilman Herbert Glaze gave the Invocation.

**REVIEW OF PROCEEDINGS OF THE SPECIAL MEETING HELD JANUARY 3, 2011**

It was moved by Mr. Flewelling, seconded by Mr. Stewart, that Council approve the minutes of the special meeting held January 3, 2011. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT - Mr. Baer and Ms. Von Harten. The motion passed.

**REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD JANUARY 11, 2011**

It was moved by Mr. Flewelling, seconded by Mr. Stewart, that Council approve the minutes of the regular meeting held January 11, 2011. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT - Mr. Baer and Ms. Von Harten. The motion passed.

**PUBLIC COMMENT**

The Chairman recognized Mr. Tommy O'Brien, a Beaufort resident, who stated over the past year there has been a lot of talk regarding some issues with the Treasurer's Office about missing money, where is the money going, who is spending it, who is watching whom and the county-

hired forensic auditors. Mr. O'Brien and his wife attended the October 4, 2010 delinquent tax sale and both he and his wife were the highest bidders on some properties. The bidder, in this case, his wife, was given a temporary tax receipt for the bid amount, \$5,100, from the Treasurer's Office. The bidder later received a bidder redemption notification that the property that was sold at the delinquent tax sale had been redeemed, "Please return the original tax sale receipt and you will be issued a check in the amount of \$15,253." However, the bid amount was \$5,100 and with the statutory interest cap of \$153 somehow added up to \$15,253. How do we know that the Treasurer's Office agrees with that figure? They sent a check for \$15,253 (\$10,000 more than the amount due). Is this called windfall profit? Should he keep this check? His conscience cannot let him keep this check. Where is the check and balance? How many times has this happened in the past? Is there anybody in the Treasurer's Office who can answer the questions, "How does this happen? Why does this happen"? He cannot believe this is an isolated incident. This is similar to what was going on with the employee, who worked in the Treasurer's Office, and her boyfriend. Money is going to places where it ought not to be going. Somebody ought to be able to identify the handwriting and who issued the check. The County might want to call the auditors back to complete the task.

Mrs. Carlotta Ungaro, President of the Beaufort Regional Chamber of Commerce Visitor and Convention Bureau, asked Council for its support in purchasing the Beaufort Commerce Park property. This is a tool that helps a great bit in economic development. It has been a practice used by many, many, many counties across the country since the 1950s. There has been reference that the Industrial Park needs to be bought by private investors. We have already tried that route and that is why the Lowcountry Economic Network purchased the Park in 2006. She asked Council for its support for this basic common tool used predominately throughout the country in economic development so Beaufort County can get into the game.

Mr. Aaron Crosby, a Daufuskie Island resident, thanked Council for having on today's agenda second reading of the Daufuskie Island Code and also the resolution to apply to the state for matching dollars for the ferry service. He applauds this effort and hopes Council will once again unanimously pass the Code. Insofar as the ferry, thank you for all you have been doing in helping us out. He encouraged Council to continue working toward a bigger and better solution than the one we currently have in place. Keep up the good work. He looks forward to working with Council in any way that he can.

## **COUNTY ADMINISTRATOR'S REPORT**

### **The County Channel / Broadcast Update**

Mr. Gary Kubic, County Administrator, announced the upcoming events on The County Channel.

The US Highway 17 Ribbon Cutting has been scheduled for Thursday, February 10 beginning at 3:00 p.m. at Gardens Corner. The County Channel will be there to tape the event and will play it back soon thereafter. The completion of this \$7.1 million project is a significant step forward for Beaufort County. It was funded through sales tax money approved by voters and also with

federal funds. The project widens US Highway 17 to a four-lane divided highway from Gardens Corner to the Combahee River. Separate multi-purpose pedestrian and bike paths were also constructed.

The County Channel was there on Monday, January 17 for the City of Beaufort's 300<sup>th</sup> Birthday celebration. The Birthday Party featured 300 cupcakes and a performance from the Parris Island Marine Corps Band. The County Channel taped the concert and has been playing it back on the air over the last week. For more information on Beaufort's Tercentennial, visit the Three Century website at [www.beauforthreecentury.org](http://www.beauforthreecentury.org)

Even though it is still winter, The County Channel has partnered with Clemson Extension and Laura Lee Rose to bring you Gardening Tips. These three to four minute video clips will air on The County Channel, and serve as helpful hints to get your garden in bloom. The collaboration continues our tradition of partnering with higher education facilities to bring the residents of Beaufort County helpful and informative programming.

### **Two-Week Progress Report**

Mr. Gary Kubic, Deputy County Administrator, submitted his Two-Week Progress Report, which summarized his activities from January 10, 2011 through January 21, 2011.

### **Treasurer-Elect**

Mr. McBride commended Mr. Kubic's decision to allow Treasurer-Elect Doug Henderson, prior to taking office July 1, 2011, to bring his people on staff. It was a wise decision.

Mr. Kubic replied administrative staff has had a series of meetings with Treasurer-Elect Doug Henderson. We are delighted, as an administration, with the planning that he and Mr. Kubic's staff are doing. Our intent is to have the external auditors to meet with Mr. Henderson to go over the entire past audit reports Council has seen. We are also preparing a plan where we can run parallel with some of his key folks to learn some of the software systems and, hopefully, answer the question, "Will July 2 follow July 1"? We think we know the answer to that question. We want to be prepared.

### **Permission to Execute Settlement Agreement / Sam's Point Landing**

Mr. Kubic, County Administrator, stated Council was briefed two weeks ago about the potential settlement agreement to purchase Sam's Point Landing. Essentially, the County will be purchasing the amount of property associated with this landing for a settlement amount of \$100,000. Keep in mind that the purchase represents a restoration of taxes paid to the seller for the last seven years at a value of \$9,000 when, in fact, it was used as a public purpose. Perhaps that restitution is more than sufficient in terms of the County getting the property that is assessed at \$325,000 for a settlement value of \$100,000. It will provide several years of enjoyment by the public. It will allow the county to gain control of this site. It will be always used, hopefully, for a boat landing.

Mr. Newton inquired of the source of funds? Mr. Kubic replied contingency funds in the CIP. What is the value of the recent improvements to this landing? Mr. Kubic replied the County has spent \$300,000 over a period of time, some of which is within the last couple of years.

It was moved by Mr. McBride, seconded by Mr. Sommerville, that Council authorize the County Administrator to execute the settlement agreement in the amount of \$100,000 to purchase Sam's Point Landing. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Baer and Ms. Von Harten. The motion passed.

## **DEPUTY COUNTY ADMINISTRATOR'S REPORT**

### **Two-Week Progress Report**

Mr. Bryan Hill, Deputy County Administrator, submitted his Two-Week Progress Report, which summarized his activities from January 10, 2011 through January 21, 2011.

Ms. Von Harten arrived at 4:30 p.m.

## **TEXT AMENDMENT TO THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), APPENDIX S. DAUFUSKIE ISLAND CODE (ADDS A NEW APPENDIX WITH DEVELOPMENT STANDARDS FOR DAUFUSKIE ISLAND COMMUNITY PRESERVATION DISTRICT)**

This item comes before Council under the Consent Agenda. It was discussed and approved at the January 4, 2011 Natural Resources Committee.

It was moved by Mr. Glaze, seconded by Mr. Flewelling, that Council approve on second reading text amendments to the Zoning and Development Standards Ordinance, Appendix S. Daufuskie Island Code (adds a new appendix with development standards for Daufuskie Island Community Preservation District). The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Baer. The motion passed.

The Chairman announced a public hearing on this issue will be held Monday, February 14, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

## **BEAUFORT COUNTY ZONING MAP AMENDMENT FOR DAUFUSKIE ISLAND (CHANGES THE ZONING DISTRICTS TO IMPLEMENT THE NEW DAUFUSKIE ISLAND CODE)**

This item comes before Council under the Consent Agenda. It was discussed and approved at the January 4, 2011 Natural Resources Committee.



It was moved by Mr. Glaze, seconded by Mr. Flewelling, that Council approve on second reading a Beaufort County Zoning Map amendment for Daufuskie Island (changes the zoning district to implement the new Daufuskie Island Code). The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, and Mr. Sommerville. Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Baer. The motion passed.

The Chairman announced a public hearing on this issue will be held Monday, February 14, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

**TEXT AMENDMENT TO THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), APPENDIX D. COMMUNITY PRESERVATION AREAS (DELETES ALL INTERIM STANDARDS RELATED TO BRIGHTON BEACH, BUCKINGHAM, BLUFFTON-MAY RIVER/HIGHWAY 46 CORRIDOR, AND DAUFUSKIE ISLAND, INCLUDING SECTIONS 9 AND 10—DAUFUSKIE ISLAND BUFFER DISTRICT AND GATEWAYS)**

This item comes before Council under the Consent Agenda. It was discussed and approved at the January 4, 2011 Natural Resources Committee.

Mr. Newton remarked the proposed text amendment does not change the zoning standards within the various areas. It is simply a cleanup of the ordinance and removes interim standards that are no longer applicable because Community Preservation Districts (CP Districts) have been completed in those areas and those standards are in place. These are not rezoning. These are removing the interim standards for CP Districts that have been properly created.

It was moved by Mr. Flewelling, seconded by Mr. Dawson, that Council approve on second reading text amendments to the Zoning and Development Standards Ordinance, Appendix D. Community Preservation Areas (deletes all interim standards related to Brighton Beach, Buckingham, Bluffton-May River/Highway 46 Corridor, and Daufuskie Island, Including Sections 9 and 10—Daufuskie Island Buffer District and Gateways). The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Baer. The motion passed.

The Chairman announced a public hearing on this issue will be held Monday, February 14, 2011 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

**RESOLUTION AGREEING TO APPLY TO SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR A GRANT IN AN AMOUNT NOT TO EXCEED \$100,000 TO ASSIST WITH FERRY SERVICE TO AND FROM DAUFUSKIE ISLAND**

This item comes before Council under the Consent Agenda. It was discussed and approved at the January 18, 2011 Community Services Committee.

It was moved by Mr. Glaze, seconded by Mr. Flewelling, that Council adopt a resolution agreeing to apply to South Carolina Department of Transportation for a grant in an amount not to exceed \$100,000 to assist with ferry service to and from Daufuskie Island. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Baer. The motion passed.

**AN ORDINANCE TO APPROVE THE APPROPRIATION OF FUNDS NECESSARY TO ACQUIRE REAL PROPERTY KNOWN AS THE BEAUFORT COMMERCE PARK AND TO PROVIDE THE SOURCE OF SUCH FUNDS FOR ACQUISITION**

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council approve on second reading the acquisition of the Beaufort Commerce Park in the amount of approximately \$2.5 million in order to pay off the Lowcountry Economic Network bank note. The financing of this endeavor will be achieved by borrowing \$2.5 million from the County administrative complex re-skin project, which will be replenished via a future County borrowing. This option temporarily reduces millage increases and keeps the General Fund reserve up.

Mr. Flewelling commented he missed the January 28, 2011 Finance Committee meeting where this item was discussed in greater detail. He has been laboring under the impression that this particular property was a very unique piece of property in that it was the only industrial property north of the Broad River. He does not know where he got that first impression, but it stuck with him. Now he has been told by citizens that that is not the case and that there are other industrial park properties north of the Broad River. Because of that he is a lot more disinclined to go along with the acquisition of the Beaufort Commerce Park (Commerce Park). That places the County in a position of competing against public dollars. He has a little bit of a problem with that. Further, since there are other properties also in competition, it would certainly remove that property, the Commerce Park, from the tax rolls. He has not done any research yet as to how much money we would collect on this piece of the property. He is hoping someone will answer that question at some point in time over the next couple of days.

Mr. Stewart replied the issue on the tax rolls is a very simple one. It is not on the tax rolls now. It has not been. It is owned by a non-profit organization, the Lowcountry Economic Network (Network), so there are no taxes being collected. It is not on the rolls. It would stay the same if purchased by the County. Mr. Stewart pointed out that there is considerable land, either commercial or industrial, throughout the County and in Jasper County as well. He does not think the intent was ever to say that there is not any other property. He pointed out, however, that there are several properties and they are the ones that we talk about fairly regularly as being part of a multi-county park, such as Buckwalter Park, which Council put in the multi-county park and is privately owned. Stratford Land owns the River Port Project in Jasper County. Malphrus has been talking about property they want to put into the multi-county park. These parks are all competitive, if you will, with the Commerce Park. There are people who owned the land that are members of the Network. They participate with the Network. They get the benefit through the

Network for helping market those properties, advertise them, work with them, etc. and in no way feel that they are in competition. And there are others, Beaufort Industrial Village, where we have a lot of county office buildings that we do support, as a County, is truly and clearly not in competition with that owner. These owners have the right to participate in the Network. They have the right to get all of the benefits the Network has to offer in marketing the lands, etc. It is up to them to decide if they want to do so or not. We certainly encourage them to do that within the Network. Mr. Stewart does not think the people (the lands mentioned) feel that they are in competition or if there is any competition. As a matter of fact, they think it is great that we are out there working together to promote and bring business into the area. Mr. Stewart would encourage these other people, if they do have concern, that they participate in and become a member of and a part of the Network to help them. Help them to help better promote economic development growth within the County.

Mrs. Kim Statler, Executive Director of the Network, commented the Commerce Park is the only industrial piece of property of any size available. There is approximately 150 acres of available land for the purpose of industrial. The site is unique in that it has all the utilities to the site, including completion of a master stormwater system. To her knowledge, the Commerce Park is the only park of any size in Beaufort County that can meet that criterion. The Network is not a private-sector entity. The Network is not there to make money. The Network is there, as the County partner, to promote economic development and job creation. The Network never bought this piece of property with the idea that it was going to make big money and move on. The idea was, as your partner and economic development arm, the Network would work with the county and as prospects came forward we would negotiate on a per-basis how that would roll forward depending upon capital investment and job creation. All counties across the state that have industrial parks have an element of ownership by a public body because it gives flexibility to negotiate terms with a business that may not be conducive to the private sector. The private sector is in the business of making money. Selling property, for the purpose of that initial investment, was never the Network's purpose nor was it the agreement when the Network was formed. The Network is here, as the County partner, to create jobs. Mrs. Statler has been asked, "Why hasn't that property moved? Why, if it is a great piece of property, hasn't it moved?" The master stormwater system is finished. Council knows the value of the decision of the F-35. As it relates to taxes, the Network does not pay property taxes, but pays stormwater fees.

Ms. Von Harten requested an explanation in the difference between certified and non-certified properties as defined by the Department of Commerce.

Mrs. Statler replied the Department of Commerce certifies properties based on a set of criteria before South Carolina will certify your site for the purpose of marketing it to prospects: Do you have a traffic management plan? Do you have a plan to create a stormwater system? Do you properly market the Park? The Commerce Park is the only certified site in Beaufort County that you will find on the SC Department of Commerce website.

Mr. Flewelling said owning a specific piece of property for use or future use or owning an element of it (a share) with the other partners in the Network, is different as opposed to the County owning the entire Commerce Park which is what Council is being asked to approve

today. That does place the County in direct competition with private citizens who use private money to purchase land and put development resources in the Commerce Park. Mr. Flewelling is opposed to that and will remain opposed probably into the future. He understands the Network owning the Commerce Park and the County owning a piece of it, as one of the partners, to promote, through our combined resources, economic development. Our ability to float loans and put political pressure on other agencies to help us in this endeavor is a good thing. He does not favor the County pulling out of the Network. To have the County own the whole Commerce Park is a different matter all together. If the County owns the whole Commerce Park, what assurances do we have that the Network will continue to push this piece of property in advance of / above other pieces?

Mrs. Statler replied the way the market works the Network does not necessarily push one piece of property above any other. The Network positions all of its properties, as best it can, on what the prospect is looking for. We push all of our available properties out, including those that are private sector, that may not be members of the Network, if we think they have the ability to translate into jobs and capital investment. When the prospect meets with the Network, they drive the conversation, not the Network. The reason public bodies own properties like this and the reason they do all across the state and country, is because you have the ability to make a deal for public purpose that may not make private sector sense. If Council's job is to promote capital investment and job creation for its citizens, it may not make a two times return on investment which is required by that private sector's exit model. As a public body, Council gains control of the ability to make that transaction happen. The Network has public sector purpose and private sector financing. What puts the Network at a disadvantage is if it wants to negotiate a lesser per acre price, the banks, the Network works with, need a certain amount back, based on the terms of the agreement. Those are the kinds of things that prepare you to really make prospect transactions happen. You need the ability to put public purpose first. The Network does not have the luxury of doing that nor does the private sector. That is why you see some parks owned by public bodies and some owned by the private sector. Jasper County owns Cypress Ridge. They have seen great return on their investment in jobs and capital investment. Colleton County owns a park. They have a large building. Charleston County owns a park. In 1999 Orangeburg County voters passed a referendum and created five new publically owned parks so they could control development, infrastructure and drive the prospect activity they were looking for.

Ms. Von Harten referred to impact fees and how the State of Georgia charges less impact fees than South Carolina. We have to charge impact fees in order to pay for projects, but land is something we could have "a little give." What are some of the other things, when you are working out a deal, in the mix?

Mrs. Statler replied the most important thing you are initially screened on: Is do you have available land? Is there infrastructure to the land? What are your property taxes? In South Carolina industrial property taxes are 10.5%, some of the highest in the country. That is why fee-in-lieu-of legislation was written years ago to allow you to negotiate down to as low as 4% depending on the size of the capital investment that is made. That allows you to take the fees actually generated, because the taxes are converted to fees, and you can do an infrastructure credit back to the prospect for improvements on the site or you can actually float that in a

revenue bond to take their own taxes to pay for future development. On the impact side, you cannot take any of this and isolate one piece and not look at the total picture. You have to look at property tax versus property tax land cost versus land cost and add all of those things up, side by side, and then try to make yourself competitive. Everybody's situation in each municipality or county is a little bit different.

Ms. Von Harten remarked land price is a major place where we have wiggle room.

Mrs. Statler replied in the affirmative if you own it. As the public body, you make the decision whether or not the prospect traffic is worthy of discounting the cost of the land to you and, if so, at what rate. The Network has a schedule, negotiated with Council approximately two years ago, to look at fee agreements based on capital investment and job creation. Of course, it comes back to Council for final decision. That gives us a place to start. The Network has not done that in relationship to the Commerce Park. The Network Board of Directors has looked at the *pro forma* on the Commerce Park and said -- if we took that Park and 40% of it had to be given away and we sold 60% based on the terms, then this is what we would be able to do in an exit strategy. This is what it would look like; this is what we would garner. But we lost flexibility when the rules of the banking environment changed. The Network ability to pay an interest only financing or put ten acres toward a project, went away. That does not happen locally. These are smaller banks locally. That happens at their corporate level when their rules of engagement changed.

Mr. Flewelling stated we have talked several times about the need for a spec building. Are there any vacant or soon-to-be-vacant buildings at the Commerce Park that are available?

Mrs. Statler replied there is one, Minster Machine, which has relocated back to Ohio. They employed ten individuals. They have indicated their willingness to entertain a potential sale of that building or possible lease. It is a great building. It gives us something to work with as far as prospecting that building. It will be the first building of any size in Beaufort County the Network has been able to put out for possibility. The Network is encouraged by that.

Mr. Rodman commented this issue was discussed at the January 28, 2011 Finance meeting primarily to look at how the financing would occur and staff put forward three possibilities – drawing from the general fund, bonding it, and drawing from some of the excess that we have at the current time. Even though the vote bringing this forward was 6:1, everybody was unanimous relative to accepting the staff financing proposal. Using available monies all that does is delay whether we would put the millage on. The millage works out to about 0.8 of a mill, about \$5 per hundred. Finance Committee members are happy with the financing options that were suggested. Mr. Rodman will vote today to move this issue forward, but may reserve a little bit of judgment as we move toward third and final reading. A part of what is out there are those people in the community Mr. Flewelling mentioned, who might be upset that they have to compete against the County that can borrow money at a significantly lower rate when they are having trouble with the banking community. Sales will be a little bit slower in the future just because there is so much property that has gone vacant because of the downturn in the economy. However, there are a couple of positives. If Mr. Rodman understands the number correctly and building a little bit on what Mrs. Statler was saying, if you took the five or six prime properties

and they were to get 60% of the appraised value (or the value you thought you could get for them), we would then get our money and they would add the other properties which are not as good, but whatever those would bring. There is a reasonable prospect that we will get the money back. Also, if you look at the \$2.5 million, there is about \$1.8 million in improvements of which the county paid about \$300,000. In a sense, the underlying land value that we are buying is more like \$700,000. The one piece that bothers Mr. Rodman (it has nothing to do with the Network) is what is happening in the banking industry. In this particular issue, the Network has a note, the note has expired, but the loan to the value is still there (the appraised value versus the loan). A lot of banks are overreaching in this kind of economy to say they want all of their money back. Then they put it in the bank, sit on it, and will not loan it to businesses that need it. Shame on them. The County is not necessarily in the business of playing hardball, but if we said we will give \$1.5 million, Mr. Rodman thinks they will accept it. The last thing in the world they want is to get that piece of property back with five banks and five different foreclosure procedures to try to figure out how to sort it out. The banking industry, not the individual banks, is not being particularly helpful in many cases in this economy. As we move toward third and final reading, it would be helpful to see what we think the balance sheet is that we would absorb if it would go on our books for \$2.5 million. Do we need some type of agreement between the County and the Network as to what would be our working relationship? We need to make sure it is somewhat at arm's length. Mr. Rodman supports moving the issue forward at second reading.

Mr. Caporale asked about potential revenue from the Utility Companies. When we talked about a spec building in the past, one of the rationales for the county buying the building was the fact that we would get some participation from some of the local utilities.

Mrs. Statler replied Utilities statewide have the Rural Development Act which allows for rural development funds that flow to each of the Utilities. South Carolina Electric & Gas and Palmetto Electric each receive an allocation. You are not allowed to apply for those funds, whether it is put toward infrastructure, a building, and site clearing unless you are publically owned. The Network has never been able, but tried to stretch the publically owned part that it was an arm of the county, but it does not work because the county is a separate 501(c)3. That would have allowed the Network, if a prospect came in and wanted to send infrastructure into the site or build the pad, the ability to request that for their consideration. Each Utility receives about \$300,000 annually. The CareCore deal was done with about \$800,000 in utility tax credit funds on that site that offset the infrastructure cost.

Mr. Newton commented when this topic first came up, the discussion was where does the money come from, how are we going to pay for it, and what are we going to give up. In the short term the recommendation from Finance Committee is to use both excess funds from the St. Helena Library at Penn Center, previously bonded money, and from the courthouse litigation.

Mr. David Starkey, Chief Financial Officer, replied it is actually all bond monies. We cannot touch the litigation monies. When the County accepted the USDA loan, coupled with the Community Development Block grant and USDA grant, it allowed the \$10 million for the St. Helena Library at Penn Center to go forward. With that we had borrowed \$5 million in previous borrowing for the St. Helena Library through the 2006 and 2009 Bond Anticipate Note. With

that we now have those \$5 million freed up for the re-skin project. This was talked about December 13, 2010 when Council accepted the USDA loan. When staff looked through the numbers, it was determined that we were not going to expend the full \$11 million for the re-skin project (\$5 million from the previous borrowing and \$6 million from the settlement). Coupled with the fact that we have a lot of unspent bond monies, the idea was to use what we have currently out of bond monies. We are allowed to revamp our projects as needed and that stipulation is written into the bonds. The idea was if we are not going to expend it all, let's borrow from those monies and keep millage down temporarily. Then, when the extra \$2.5 million is needed, we can borrow those additional monies. Part of the Mr. Starkey's presentation looked at a five-year millage requirement. In FY 2012 the millage increases. However, in FY 2013 and FY 2014, under current assumptions, the millage will go down and then go back up in the subsequent two years. The idea was if we do not borrow all of this money next year and we pay off our three-year FY 2009 bonds (the largest debt service is next year and will cause the millage to go up as well), we can then smooth it out. Future borrowing would then not lead to precipitous increases while trying to keep millage as stable as we can. It was a comprehensive look at what we are going to do going forward. In Mr. Starkey's opinion it is the best solution in it that keeps the general fund reserve up, reduces millage increases (at least temporarily) and maintains our bond rating.

Mr. Newton inquired of the amortization schedule with a 0.8 mill increase. Mr. Starkey replied assuming straight line amortization and a mill value of \$1,724,000 it is 0.5 mill on a million dollars borrowed. We are looking at roughly 1.3 mills if it is a \$2.5 million borrowing. Over the first five to six years it would be that additional amount of money.

Mr. Newton has been contacted by some folks, who have land that is at least described as potentially in competition with the Commerce Park. He has struggled with this issue. As Mr. Rodman pointed out, it is really the banking environment that has created this pressure. Mr. Newton does not expect, in the short term, we are going to be any more successful in moving this property because it is owned by the County than by ownership of the Network. It is, what it is, given the economic climate we find ourselves in. The County does have more flexibility than the Network, immediately, but he is not sure there is anybody showing up at the door immediately trying to build on this Commerce Park. Mr. Caporale's point as to the utility funds that are available as well as the possibility of creating a spec building, and as Mr. Stewart has talked about before, there may be funds available to allow activity to take place at the Commerce Park that otherwise may not have been an option. Mr. Newton has encouraged those folks, who have contacted him about this possible acquisition, to come to the public hearing scheduled February 14, 2010 to be heard, to understand, and to listen to some of the same questions Mr. Newton suspects will be asked that night. Mr. Newton believes Council is of like mind in terms of job creation and capital investment. Is this the best way to facilitate those goals? We are making a determination that it is. The alternative might be foreclosure or something else with regard to this property which he does not think any member of Council would find acceptable under present circumstances. It is the difficulties that we, perhaps, find ourselves in. We need, following the acquisition of this property, to formalize what the management agreement functions are with the Network, the parcels of land, and what we intend to do with it. It has created some confusion among the general public. In recent meetings we have commented that

we are looking for surplus property to get rid of on one hand and then, on the other hand, we are going out and buying an industrial park that many folks have perceived as -- if it did not work for the Network, why should it work for the County. In part, we have made some determinations and decisions that job creation and capital investment is something we are interested in. We are helping foster both of those goals by acquiring this Commerce Park. The alternative, which Mr. Newton believes is not acceptable to any member of Council and certainly does not promote job creation and capital investment, is talking about foreclosure and shuttering or something that might not make this property available certainly with the announcement of the F-35.

Mr. Newton is uncertain Council has the *pro forma* Mrs. Statler talked about. Speaking on behalf of Mr. Baer, who is not here tonight, he has asked on a number of occasions for the business plan and the business model relative to the Commerce Park. That sounds to Mr. Newton as the closest thing that there may be to the information Mr. Baer is looking for. He asked Mrs. Statler to provide that information to the Clerk to Council, who was directed to disseminate it to all members of County Council. He will support the motion tonight. He has some reservations. It is a tax increase, not an immediate increase, but it is increase that is coming forward in the short term. However, he believes there is more than a reasonable expectation we will ultimately recover the money and we invest money in economic development. He has concluded that is an appropriate place for us to invest.

Mr. Caporale stated the larger question is whether or not there is sufficient return on investment. Is that not the question we are trying to answer by buying this Park?

Mr. Newton replied in the affirmative.

Mr. Caporale stated the issue is whether or not we, as a body, can really influence economic development in Beaufort County and this may be our final attempt to do that.

Mr. Newton commented one of the biggest concerns and complaints that he has heard during his tenure on Council about economic development in Beaufort County is land is so expensive. If having control of this property for the purpose of making public-purpose deals promotes capital investment and job creation, then this is the right thing to do even though it may be presented to us in a somewhat unconventional way because of the banking pressure of the day. In essence, it is certainly doubling our efforts from a governmental standpoint that we have not had. Hopefully, this will produce results.

Mr. Flewelling commented to buy the whole 165 acre tract seems like a gamble that places us in a unfair position vis-à-vis privately owned properties that are similar.

Mr. Newton remarked the one good thing is the value of the property has improved. The price we are paying for the Commerce Park is less than what it potentially otherwise would be if it were a private transaction based on the value of the land plus the improvements.



The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten NAYS – Mr. Flewelling. ABSENT – Mr. Baer. The motion passed.

The Chairman passed the gavel to the Vice Chairman in order to receive committee reports.

## **COMMITTEE REPORTS**

### **Community Services Committee**

#### **Beaufort Memorial Hospital Board**

Mr. McBride, as Community Services Committee Chairman, nominated Mrs. Terry Murray and Dr. James Simmons for reappointment to serve as members of the Beaufort Memorial Hospital Board.

#### **Disabilities and Special Needs Board**

Mr. McBride, as Community Services Committee Chairman, nominated Mrs. Algredda Ford for reappointment to serve as a member of the Disabilities and Special Needs Board.

#### **Parks and Leisure Services Board**

Mr. McBride, as Community Services Committee Chairman, nominated Mr. Arthur Middleton, representing northern Beaufort County, and Mr. Allan Stern, representing southern Beaufort County, for reappointment to serve as members of the Parks and Leisure Services Board.

### **Natural Resources Committee**

#### **Beaufort Memorial Hospital Property / Full Road Access to US Highway 278**

Mr. Paul Sommerville, as Natural Resources Committee Chairman, reported members had a lengthy discussion regarding plans by Beaufort Memorial Hospital to develop a piece of property along U.S. Highway 278 and their requirement to complete an access road which had been contemplated since 2001. They have asked the County to consider the impact fees that they will ultimately pay against the cost they will incur building that road. Further discussion of this issue will occur at the February 7, 2010 Finance meeting.

The Vice Chairman passed the gavel back to the Chairman in order to continue the meeting.

#### **Consideration / Moving Council Meeting Time From 4:00 p.m. to 5:00 p.m.**

Mr. Newton commented the use of a consent agenda has streamlined much of our meeting process and we find ourselves on a number of occasions waiting on public hearings. We either can consider moving our Council meeting time from 4:00 p.m. to 5:00 p.m. or perhaps consider

moving our public hearings from 6:00 p.m. to 5:00 p.m. with meetings still to start at 4:00 p.m. Memory suggests the reason that public hearings are scheduled for 6:00 p.m. is so that folks have time to get off from work and get to a Council meeting to be heard. It seems to Mr. Newton that if Council were going to try to maximize our efficiencies that perhaps the meeting time would be pushed back to 5:00 p.m. still preserving the opportunity to have a 6:00 p.m. public hearing. He asked Council to ponder his proposal.

### **CALL FOR EXECUTIVE SESSION**

It was moved by Mr. Glaze, seconded by Mr. Caporale, that Council go immediately into executive session for the purpose of negotiations incident to proposed contractual arrangements and proposed purchase of property. The vote was: YEAS - Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Baer. The motion passed.

### **EXECUTIVE SESSION**

Mr. Baer arrived at 5:15 p.m.

### **RECONVENE OF EXECUTIVE SESSION**

It was moved by Mr. Caporale, seconded by Mr. Rodman, that Council authorize the County Administrator to move forward with the purchase of 1.86 acres of land adjacent to Fish Haul Park at a purchase price of \$265,000 of which the County will be responsible for \$132,500 with the Town of Hilton Head Island partnering with the County on the remainder. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

### **PUBLIC HEARINGS**

#### **AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE STORMWATER UTILITY ORDINANCE, ARTICLE II, SECTION 99-108, GENERAL FUNDING POLICY (TO INCREASE THE SINGLE-FAMILY UNIT RATE)**

Mr. Newton noted the proposed changes in the stormwater rates are brought forward to Council individually by the municipalities. The only rate that Council directly entertains is the unincorporated rate which has not been increased. The other rates, reflected in the ordinance, are a result of the individual municipalities bringing forward that proposed change to Council. It is ratification rather than an implementation.

The Chairman opened a public hearing at 6:00 p.m. for the purpose of receiving information from the public regarding an amendment to the Stormwater Utility Ordinance, Article II, Section 99-108, General Funding Policy (to increase the single-family unit rate). After calling three

times for public comment and receiving none, the Chairman declared the hearing closed at 6:01 p.m.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approve on third and final reading an amendment to the Stormwater Utility Ordinance, Article II, Section 99-108, General Funding Policy (to increase the single-family unit rate). The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**FUTURE LAND USE MAP AMENDMENT FOR R603-008-000-0623-0000 (1.13 ACRES AT THE NORTHWEST CORNER OF S.C. HIGHWAYS 170 AND 462, OKATIE, SC) FROM RURAL SERVICE AREA TO COMMUNITY COMMERCIAL**

The Chairman opened a public hearing at 6:02 p.m. for the purpose of receiving information from the public regarding the Future Land Use amendment for R603-008-000-0623-00000 (1.13 acres at the northwest corner of S.C. Highways 170 and 462, Okatie, SC) from Rural Service Area to Community Commercial. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:03 p.m.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approve on third and final reading the Future Land Use amendment for R603-008-000-0623-00000 (1.13 acres at the northwest corner of S.C. Highways 170 and 462, Okatie, SC) from Rural Service Area to Community Commercial, in accordance with the staff recommendation there be no access to S.C. Highways 170 and 462. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**ZONING MAP AMENDMENT/REZONING REQUEST FOR R603-008-000-0623-0000 (1.13 ACRES AT THE NORTHWEST CORNER OF S.C. HIGHWAYS 170 AND 462, OKATIE, SC) FROM RURAL (R) TO COMMERCIAL SUBURBAN (CS) ZONING DISTRICTS**

The Chairman opened a public hearing at 6:04 p.m. for the purpose of receiving information from the public regarding the zoning map amendment / rezoning request for R603-008-000-0623-0000 (1.13 acres at the northwest corner of S.C. Highways 170 and 42, Okatie, South Carolina) from Rural (R) to Commercial Suburban (CS) Zoning Districts. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:05 p.m.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approve on third and final reading the zoning map amendment / rezoning request for R603-008-000-0623-0000 (1.13 acres at the northwest corner of S.C. Highways 170 and 42, Okatie, South Carolina) from Rural (R) to Commercial Suburban (CS) Zoning Districts, in accordance with the staff recommendation there be no access to S.C. Highways 170 and 462.

The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**TEXT AMENDMENT TO THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), APPENDIX J - DALE COMMUNITY PRESERVATION (DCP), DIVISION 2 - DALE MIXED USE DISTRICT (DMD), SECTION 106-1357 - COMMERCIAL COMMUNICATION TOWERS**

The Chairman opened a public hearing at 6:06 p.m. for the purpose of receiving information from the public regarding a text amendment to the Zoning and Development Standards Ordinance (ZDSO) that adds Special Use Standards allowing commercial communication towers in the Dale Community Preservation Mixed Use District (DMD): Appendix J. Dale Community Preservation (DCP), Division 2. Dale Mixed Use District (DMD), Section 2.4/Table 1. Land Uses; and Appendix J. Dale Community Preservation (DCP), Division 2. Dale Mixed Use District (DMD), Section 2.5 Limited and Special Use Standards. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:07 p.m.

Mr. Dawson commented installation of the tower in the Dale community would enhance cell phone service for the residents. At present they only have landline service that is reliable. He thanked Council members for supporting this motion.

Mr. Sommerville stated the corporation installing the tower has agreed to select a piece of property that is owned and occupied by a resident.

Mr. Newton noted Council is not voting tonight on the approval of the tower, itself, but rather the mechanism to allow that to occur through this special use process.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approve on third and final reading a text amendment to the Zoning and Development Standards Ordinance (ZDSO) that adds Special Use Standards allowing commercial communication towers in the Dale Community Preservation Mixed Use District (DMD): Appendix J. Dale Community Preservation (DCP), Division 2. Dale Mixed Use District (DMD), Section 2.4/Table 1. Land Uses; and Appendix J. Dale Community Preservation (DCP), Division 2. Dale Mixed Use District (DMD), Section 2.5 Limited and Special Use Standards. The vote was: YEAS - Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**PUBLIC COMMENT**

There were no requests to speak during public comment.

**ADJOURNMENT**

Council adjourned at 6:07 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

ATTEST: \_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council

Ratified:

DRAFT

**OFFICE OF THE COUNTY ADMINISTRATOR  
COUNTY COUNCIL OF BEAUFORT COUNTY**

**GARY KUBIC**  
COUNTY ADMINISTRATOR

**CHERYL HARRIS**  
EXECUTIVE ASSISTANT

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**BRYAN J. HILL**  
DEPUTY COUNTY ADMINISTRATOR

**LADSON F. HOWELL**  
STAFF ATTORNEY

**COUNTY ADMINISTRATOR'S REPORT**

**Monday, February 14, 2011  
4:00 p.m.  
County Council Chambers**

**INFORMATION ITEMS:**

- The County Channel / Broadcast Update
- Three-week Progress Report (Enclosure)
- Energy Efficiency and Conservation Block Grant  
Mr. Tony Criscitiello, Division Director, Planning and Development  
Ms. Billie Lindsay, Planner



## Memorandum

DATE: February 11, 2011  
TO: County Council  
FROM: Gary Kubic, County Administrator  
SUBJ: County Administrator's Progress Report

The following is a summary of activities that took place January 24, 2011 through February 11, 2011:

### January 24, 2011

- Meeting with Tony Criscitiello, Division Director of Planning and Development, Hillary Austin, Zoning Administrator, and Tim Schwartz re: Rezoning issue
- Meeting with Tony Criscitiello re: Town of Yemassee Looping Project
- Executive Committee meeting
- County Council meeting

### January 25, 2011 (Bluffton Office)

- Public Facilities Committee meeting (unable to attend)

### January 26, 2011

- Meeting with Weston Newton, Council Chairman, Ron Leslie and Steve Lathen, of Equity Retail Development, Columbus, OH re: Willow Run project
- Willow Run project meeting at Bluffton Town Hall

### January 27, 2011

- No appointments

### January 28, 2011

- Staff meeting to review CRA Fire / EMS Study comments
- Staff meeting re: Employee Discipline Protocol

### January 31, 2011

- Manatron conference call

- Meeting with County Assessor Ed Hughes
- Meeting with Ed Allen, Coroner

February 1, 2011

- Meeting with staff and Ann Bluntzer, Executive Director of Beaufort County Open Land Trust, re: Rural and Critical Bond monies
- Natural Resources Committee meeting

February 2, 2011

- Meeting with Kathy Heape, taxpayer, re: mobile home / payment of impact fees
- Meeting with Twila Montgomery, taxpayer, re: property tax issue
- Penn Center Library status meeting

February 3, 2011

- Greater Island Committee meeting at First Presbyterian Church, Hilton Head Island
- Staff meeting re: Beaufort County Lowcountry Pedestrian and Bike Trail
- Meeting with Bryan Hill, Deputy County Administrator, Drew Laughlin, Town of Hilton Head Island Mayor, Steve Riley, Town Manager, and Paul Andres, Airports Director

February 4, 2011

- Tour of building located at 1211 Harrington Street
- Staff meeting re: Web page development

February 7, 2011

- Meeting with Herb Gray and Lad Howell re: Beaufort Commerce Park
- Finance Committee meeting
- Public Safety Committee meeting

February 8, 2011 (Personal leave)

- Appointments rescheduled

February 9, 2011

- Agenda review
- Speaking engagement - Beaufort Republican Women's Club



February 10, 2011

- Meeting with Bryan Hill, Deputy County Administrator, Roland Gardner, Executive Director of Beaufort-Jasper Hampton Colleton Comprehensive Services, Tony Criscitiello, Division Director of Planning and Development, and Morris Campbell, Director of Community Services re: Leroy E. Browne Medical Center on Penn Center's Campus
- Meeting with Tony Criscitiello re: Utility Committee
- US 17 Ribbon Cutting ceremony

February 11, 2011

- Staff meeting re: Receipt collections / Conversion of 6 % to 4% primary residence status
- Meeting with Attorney Jason Ward of Howell, Gibson and Hughes PA re: Carolina Cleaning Company
- Meeting with Debra Wallace, of USC-B, Scott Grooms and Rob Lewis, Broadcast Specialists, re: Astronomy Television Programs



## Memorandum

DATE: February 11, 2011 -  
TO: County Council  
FROM: Bryan Hill, Deputy County Administrator  
SUBJECT: Deputy County Administrator's Progress Report

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The following is a summary of activities that took place January 24, 2011 thru February 11, 2011:

January 24, 2011 (Monday):

- Meet with Gary Kubic, County Administrator and Tony Criscitiello, Planning Director re: Town of Yemassee Water System Improvements/Request for Funding Assistance
- County Council

January 25, 2011 (Tuesday)--Bluffton:

- Bluffton Hours
- Assist Doug Henderson, Treasurer-Elect
- Meet with Duffie Stone, Solicitor

January 26, 2011 (Wednesday)--Bluffton:

- Bluffton Hours
- Meet with Mitzi Wagner, DSN Director, Matt Averill, Sheriff's Office, Ladson Howell, Staff Attorney, Morris Campbell, Community Services and State DSN Director re: Personnel Protocol
- Assist Doug Henderson, Treasurer-Elect
- Visit All Joy Road Boat Landing

January 27, 2011 (Thursday)--Bluffton:

- Bluffton Hours
- Meet with Doug Henderson, Treasurer-Elect

January 28, 2011 (Friday):

- Meet with Todd Ferguson, Emergency Management
- Attend Round Table Discussion re: CRA EMS/Fire Study
- Attend Fire Service Budget Meeting
- DSN Protocol Meeting with Gary Kubic, County Administrator, Morris Campbell, Community Services, Mitzi Wagner, DSN and Suzanne Gregory, Employee Services
- Attend Web Committee Kickoff

January 31, 2011 (Monday):

- DA Meeting
- Meet with Sharon Burris, Auditor re: Personnel Issues & 2012 Budget Process
- Attend St. Helena Library Schematic Design Review by Liollo

February 1, 2011 (Tuesday):

- Meet with Toni Lytton and Marsha Gaylon, Animal Shelter re: 2012 Budget Process
- Meet with Ed Allen and Janet Horton, Coroner re: 2012 Budget Process
- Attend BCOLT Meeting with Ann Bluntzer, BCOLT, Gary Kubic, County Administrator, Ladson Howell, Staff Attorney, Tony Criscitiello, Planning and David Starkey, CFO
- Attend Allocation Meeting with Fred Leyda, Billie Lindsay, Sandra Saad and David Starkey

February 2, 2011 (Wednesday):

- Meet with Mary Ellen Keough, Records re: 2012 Budget Process
- Meet with Colin Kinton, Traffic Engineering re: 2012 Budget Process
- Meet with Miriam Mitchell, Risk Management re: 2012 Budget Process
- Meet with Jerri Roseneau, Clerk of Court re: 2012 Budget Process
- Meet with Arthur Cummings, Building Codes re: 2012 Budget Process
- Attend St. Helena Library Meeting with Walter Mack and Gary Kubic

February 3, 2011 (Thursday):

- Meet with Donna Ownby, EMS re: 2012 Budget Process
- Meet with Gary Kubic, Tony Criscitiello and Billie Lindsay re: Rail Trail
- Attend Audit Services Evaluation Committee Meeting
- Meet with New HHI Mayor, Drew Laughlin, Steve Riley, Gary Kubic and Paul Andres

February 4, 2011 (Friday):

- Meet with Gary Kubic, Mark Roseneau and Ed Allen to visit proposed new building site for Coroner's Office
- Attend Web Page Development with Gary Kubic, Dan Morgan and Stephanie Cocco
- Attend Beaufort Jasper Comprehensive Health Meeting with Tony Criscitiello, Robert McFee and David Coleman

February 7, 2011 (Monday):

- Meet with Gary Kubic re: Status
- Meet with David Starkey
- Attend St. Helena Library Meeting with George Hicks, Rusty Craven, Jessie Risher, David Starkey, Robert McFee, David Coleman, Ian Hill and Jay White re: USDA Letter of Conditions
- Finance Committee Meeting
- Public Safety Committee Meeting

February 8, 2011 (Tuesday):

- Meet with Scott Marshall, Voter Registration re: 2012 Budget Process
- Conference call with David Starkey and HH#1PSD
- Meet with Carolyn Wallace re: Stormwater Financials

February 9, 2011 (Wednesday):

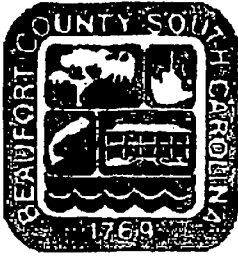
- Agenda Review
- Meet with Tony Criscitiello and David Coleman re: BJCH

February 10, 2011 (Thursday):

- Meet with Gary Kubic and Roland Gardner re: BJCH
- Attend iSelect MD Team Presentation with Suzanne Gregory, Employee Services
- Meet Naval Hospital Commander with Todd Ferguson, Emergency Management

February 11, 2011 (Friday):

- Meet with Gary Kubic re: Receipt Collections/Homeowner Conversions 6% to 4%
- Meet with Kathy Mitchell, Library re: 2012 Budget Process
- Attend Auditing Services Interviews with Dave Thomas, Purchasing



County Council of Beaufort County  
Hilton Head Island Airport – [www.hiltonheadairport.com](http://www.hiltonheadairport.com)  
Beaufort County Airport – [www.beaufortcoairport.com](http://www.beaufortcoairport.com)  
Post Office Box 23739 – 120 Beach City Road  
Hilton Head Island, South Carolina 29925-3739  
Phone: (843) 689-5400 · Fax: (843) 689-5411

TO: Councilman Herbert Glaze, Chairman, Public Facilities Committee

VIA: Gary Kubic, County Administrator ✓ GKubic  
Bryan Hill, Deputy County Administrator  
David Starkey, Chief Financial Officer  
Rob McFee, Director, Engineering and Infrastructure Division

FROM: Paul Andres, Director of Airports PA

SUBJ: Hilton Head Island Airport Runway 21 On-Airport Tree Obstruction Removal  
Contract Administration and Construction Engineering Inspection (CA/CEI)  
Services

DATE: January 13, 2011

**BACKGROUND.** Over 1,400 tree obstructions have been identified on-airport that need to be removed in the approach zone to Runway 21 at the Hilton Head Island Airport. Wilbur Smith Associates is currently under contract to provide professional engineering services in support of Beaufort County airport projects. Attached is the proposed scope of work for professional CA/CEI services necessary to address these tree obstructions. The Airports Board favorably endorses the tree obstruction removal project.

**FUNDING.** Expenditure Code 13480-54301 (Tree Obstruction Removal) – FAA Grant #30 (95%). Additional State Grant funding of 2.5% is pending. The remaining 2.5% (\$2,426.80) will come from the Hilton Head Island Airport's Operating Budget.

**RECOMMENDATION.** That the Public Facilities Committee approve and recommend to County Council approval of a contract in the amount of \$97,072.00 to Wilbur Smith Associates to provide professional CA/CEI services for the Runway 21 On-Airport Tree Obstruction Removal project at the Hilton Head Island Airport.

PAA/paa

Attachment: Wilbur Smith Associates Task Order # 02-2010



**COUNTY COUNCIL OF BEAUFORT COUNTY  
BEAUFORT COUNTY ENGINEERING DIVISION  
102 Industrial Village Road, Building #3, 29906  
Post Office Drawer 1228, Beaufort, SC 29901-1228  
Telephone: 843-255-2692 Facsimile: 843-255-9420**

TO: Councilman Herbert N Glaze, Chairman, Public Facilities Committee

VIA: Gary Kubic, County Administrator *G Kubic*  
 Bryan Hill, Deputy County Administrator *B Hill*  
 David Starkey, Chief Financial Officer *D Starkey*  
 Robert McFee, Director of Engineering & Infrastructure *R McFee*  
 Dave Thomas, Purchasing Director *D Thomas*

FROM: Bob Klink, County Engineer *B Klink*

SUBJ: **Wallace Creek Boat Landing Floating Dock Addition IFB #2912/010910**

DATE: January 12, 2011

**BACKGROUND.** On January 6, 2011, Beaufort County accepted bids for improvements to the County's Wallace Creek Boat Landing located at the end of Sam Dole Drive, Lands Ends, on St. Helena Island, SC. This project will include the addition of a courtesy floating dock which will provide easier access to Wallace Creek and neighboring water bodies at all tide levels. A certified tabulation of the bid results is attached and totals for each of the 3 companies submitting bids as follows:

<u>Company Name</u>	<u>Location</u>	<u>Bid Price</u>
Alpha Construction Company, Inc	4250 Ogeechee Road, Savannah, GA	\$140,400.00
R. L. Morrison & Sons, Inc.	623 Morrison St, McClellanville, SC	\$144,750.00
O'Quinn Marine Construction	95 Sheppard Rd, Beaufort, SC	\$228,695.00
Engineer's Estimate		\$149,000.00

Alpha Construction Company, Inc. submitted the lowest qualified/responsible bid of \$140,400.00. Alpha Construction Company's bid was reviewed and found to be reasonable and is in compliance with the County's SMBE Ordinance. Alpha Construction Company will be self-performing the construction. There is no apparent cause for rejecting their bid.

**FUNDING.** Beaufort County has an agreement with SC Department of Natural Resources (SCDNR) for boating access facility improvements. The County has been granted a budget from SCDNR of up to \$149,000 for renovations to Wallace Creek Boat Landing. It is requested that funds for this project be used from the FY 07 CIP Contingency Account #11437-56000 with a current balance of \$349,549.00. The FY 07 Contingency Fund would then be reimbursed from the SCDNR grant.

**RECOMMENDATION.** The Public Facilities Committee approve and recommend to County Council the award of a construction contract to Alpha Construction Company, Inc., in the amount of \$140,400.00 for the Wallace Creek Boat Landing Dock Addition utilizing the funding sources listed above.

REK/DC/mjh

- Attachments: 1) Bid Certification  
 2) SMBE Documents  
 3) SCDNR Funding Agreement  
 4) SC Legislation Delegation 11/10/08 ltr

cc: Eddie Bellamy

Contracts/Wallace Creek BL/pfcapp

2011 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE, ARTICLE V. USE REGULATIONS; TABLE 106-1098. GENERAL USE TABLE; AND SECTION 106-1247. ASSEMBLY AND WORSHIP, SMALL (THAT ALLOWS SCHOOLS AS A LIMITED USE IN SMALL ASSEMBLY AND WORSHIP USES AND REMOVES SIZE REQUIREMENT).

Whereas, Standards that are underscored shall be added text and Standards ~~lined through~~ shall be deleted text.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Ladson F. Howell, Staff Attorney

ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council

First Reading:

Second Reading:

Public Hearing:

Third and Final Reading:

(Amending 99/12)

TABLE 106-1098. GENERAL USE TABLE

Land Use	Priority Areas							Rural Areas				Additional Standards (See Section)	Use Definition
	U	S	CR	CS	RD	LI	IP	R	RR	RB	RC		
<b>INSTITUTIONAL USES</b>													
Assembly and worship, large	L	L	Y	L	N	N	N	L	N	L	N	106-1246	Museums, libraries, aquariums, cultural or arts centers, historic sites and churches with or without schools (except Sunday schools occupying no more than 50 percent of the floor area) as part of the complex and having 15,000 or greater square feet of floor area. (NAICS 6111, 8131, 8134) Places of worship may establish "on-site" social programs such as health care, food banks, child care, and the like as accessory uses in the principal structure and/or auxiliary buildings. These uses must be nonprofit. The sum of all principal and accessory structures may not exceed the allowable floor area ratio for the use / district. Additionally, the floor area of all accessory uses may not exceed the floor area of the principal building. (NAICS 624210, 624410, 813212, 8134)
Assembly and worship, small	Y	Y	Y	Y	N	N	N	L	L	L	N	106-1247	Museums, aquariums, cultural or arts centers, historic sites and churches with <u>or without</u> <del>no</del> schools (except Sunday schools occupying no more than 50 percent of the floor area) as part of the complex and having less than 15,000 sq. ft. of floor area. In the rural district, there shall be no minimum lot size for this use when less than 15,000 sq. ft. of floor area, <del>and/or when no school is involved.</del> (NAICS 6111, 8131, 8134) This use includes all cemeteries. (NAICS 81222) Places of worship may establish "on-site" social programs such as health care, food banks, child care, and the like as accessory uses in the principal structure and/or auxiliary buildings. These uses must be nonprofit. The sum of all principal and accessory structures may not exceed <del>the allowable floor area ratio for the use / district</del> <u>15,000 square feet</u> . Additionally, the floor area of all accessory uses may not exceed the floor area of the principal building. (NAICS 624210, 624410, 813212, 8134)
Colleges and professional schools	S	S	N	S	L	N	N	S	N	N	N	106-1248	Colleges, universities, and professional schools; other advanced education. (NAICS 6112, 6113)

**Sec. 106-1247. Assembly and worship, small.**

- (a) *Size.* Small assembly and worship uses are less than 15,000 square feet, with or without a ~~no~~ school.
- (b) *Urban, suburban, commercial suburban districts.* In urban, suburban and commercial suburban districts, there shall be no minimum lot size. Sunday school activities are permitted. Access shall be provided through frontage on an arterial or collector street, unless the DRT finds that access to an adjoining local street is safer, and provides improved design, benefitting the county.
- (c) *Rural district.* In the rural district there shall be no minimum lot size for this use. ~~When the use proposes a school (except for Sunday school activities) as part of the use, a minimum lot size of ten acres shall be required.~~



2010 /

BEAUFORT COUNTY ZONING MAP AMENDMENT / REZONING REQUEST ON PORT ROYAL ISLAND ZONING MAP AMENDMENT/REZONING REQUEST FOR R100-21-20 AND 416 (8.29 ACRES TOTAL), FROM RURAL WITH TRANSITIONAL OVERLAY AND RURAL-RESIDENTIAL WITH TRANSITIONAL OVERLAY TO COMMERCIAL SUBURBAN.

BE IT ORDAINED, that County Council of Beaufort County, South Carolina, hereby amends the Zoning Map of Beaufort County, South Carolina. The map is attached hereto and incorporated herein.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2010.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Ladson F. Howell, Staff Attorney

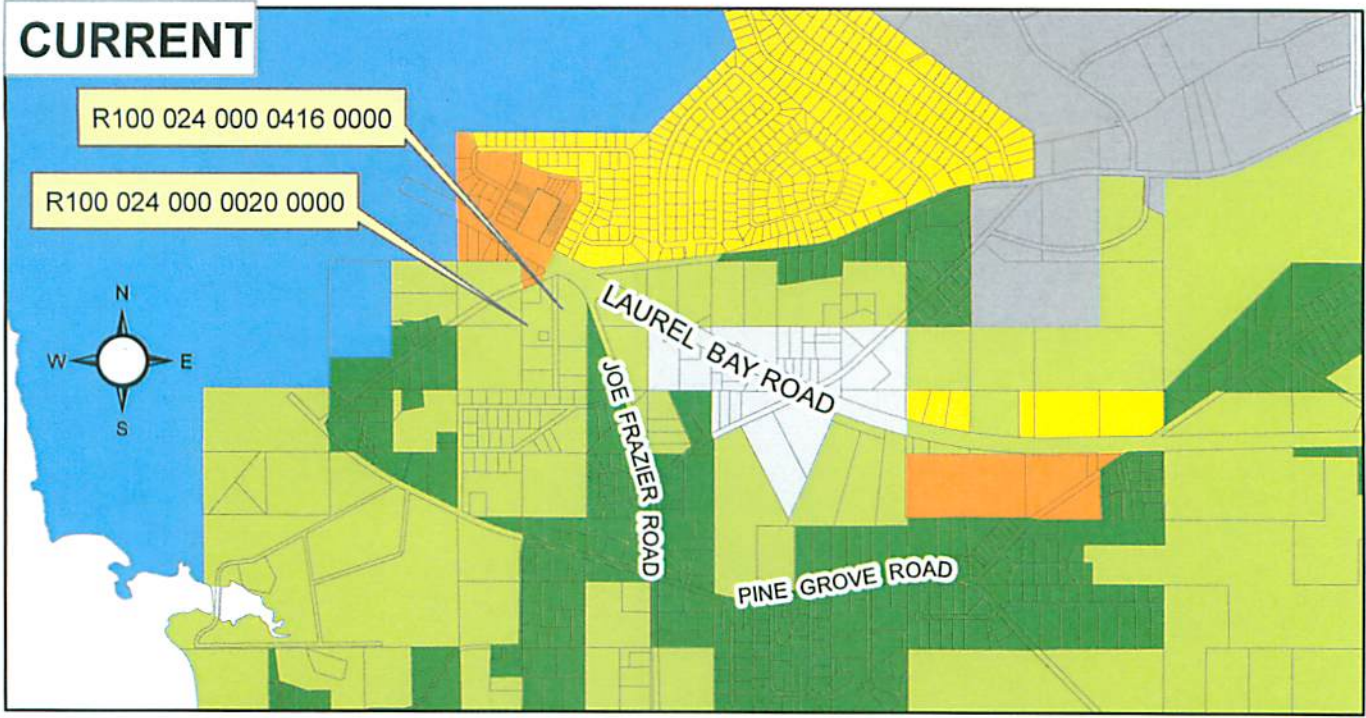
ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council

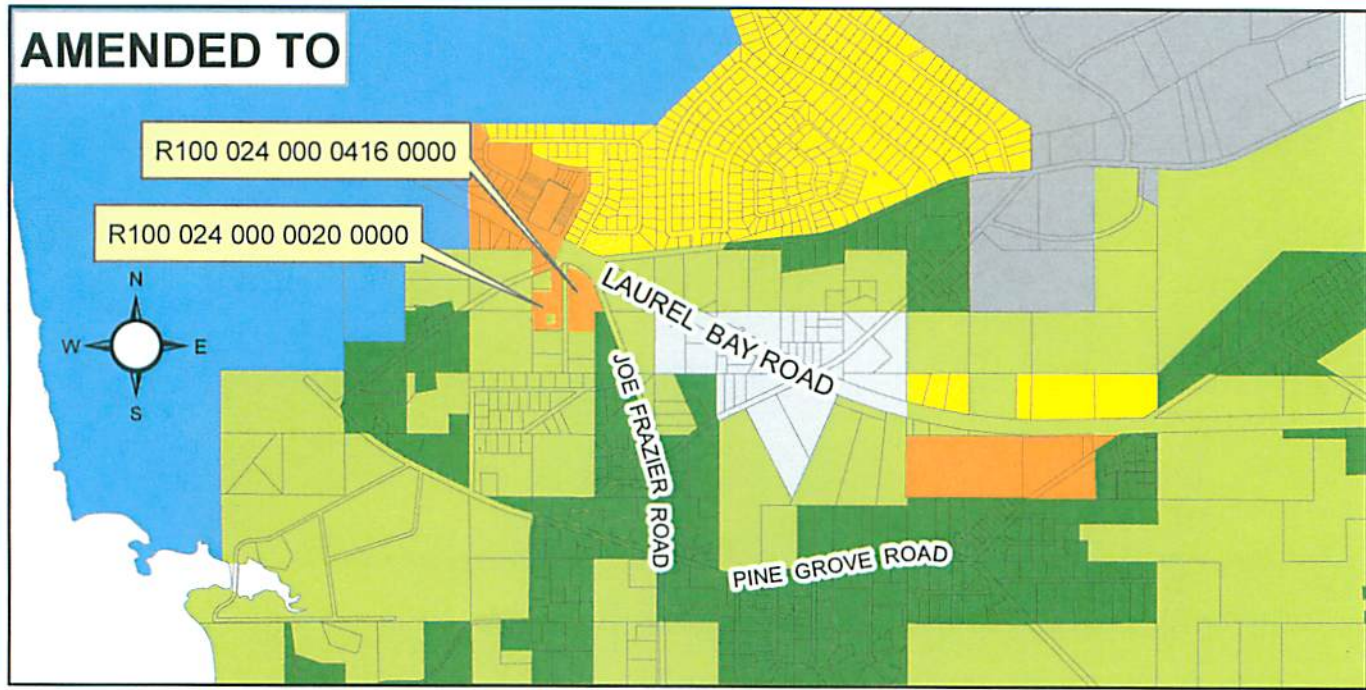
First Reading:  
Second Reading:  
Public Hearing:  
Third and Final Reading:

(Amending 99/12)

# CURRENT



# AMENDED TO



R100 024 000 0020 0000 & R100 024 000 0416 0000

## REZONING AMENDMENT FROM RURAL TRANSITIONAL OVERLAY & RURAL RESIDENTIAL TRANSITIONAL OVERLAY TO SUBURBAN COMMERCIAL

### LEGEND

- Rural Transitional Overlay
- Rural Residential Transitional Overlay
- Suburban
- Commercial Suburban
- Military
- Light Industry
- Industrial Park



**AN ORDINANCE TO PROVIDE FOR A DAY WATCH PROGRAM AS AN ALTERNATIVE TO INCARCERATION IN CERTAIN CASES IN BEAUFORT COUNTY.**

WHEREAS, §24-13-235, *et seq.*, *Code of Laws of South Carolina*, 1976, as amended, provides for the establishment of a Day Watch Program as an alternative to confining certain criminal offenders in Beaufort County Detention Center; and

WHEREAS, there are many financial and other advantages to Beaufort County which would result from the establishment of such a program; and

WHEREAS, it is the opinion of the Beaufort County Council that a Day Watch Program, should be established in Beaufort County as an alternative to incarceration.

NOW, THEREFORE, BE IT ORDAINED BY THE BEAUFORT COUNTY COUNCIL:

SECTION 1. A Day Watch Program is hereby established in Beaufort County as an alternative to confinement in Beaufort County Detention Center in accordance with the Voluntary Program (§24-13-235, *et seq.*, *Code of Laws of South Carolina*, 1976, as amended.);

SECTION 2. Pursuant to §24-13-235, *et seq.*, *Code of Laws of South Carolina*, 1976, as amended, as an alternative, an individual selected by the Court is allowed to serve their sentence on weekends by performing various community service oriented tasks as designated by the Beaufort County Detention Center Coordinator. These tasks include, but are not limited to, litter control and trash pick up within Beaufort County.

SECTION 3. In addition to any other court costs, the court shall collect a \$15.00 one-time administration fee to cover the cost of registering the participants, which shall be paid to Beaufort County. Beaufort County Detention Center shall also assess the individual performing such community service \$5.00 per day to cover the cost of supervisory personnel and transportation costs. The determination of the individual's ability to pay the administrative fees will be determined by the court prior to sentencing.

SECTION 4. Each individual engaged in performing public service will wear an orange or yellow fluorescent vest with Beaufort County Detention Center or BCDC printed on the back.

SECTION 5. The Day Watch Program hereby established in Beaufort County shall comply with all applicable state and local laws and regulations, including, but not limited to, §24-13-235, *et seq.*, *Code of Laws of South Carolina*, 1976, as amended.

SECTION 6. If any section, subsection or clause of this Ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected thereby.

SECTION 7. This Ordinance shall take effect upon third reading approval.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Ladson F. Howell, Staff Attorney

ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council

First Reading:

Second Reading:

Public Hearing:

Third and Final Reading:

2011 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE, APPENDIX S. DAUFUSKIE ISLAND CODE (ADDS A NEW APPENDIX WITH DEVELOPMENT STANDARDS FOR DAUFUSKIE ISLAND COMMUNITY PRESERVATION DISTRICT).

Whereas, Standards that are underscored shall be added text and Standards ~~lined through~~ shall be deleted text.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Ladson F. Howell, Staff Attorney

ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council

First Reading: January 10, 2011  
Second Reading: January 24, 2011  
Public Hearing:  
Third and Final Reading:

(Amending 99/12)

2011 /

**BEAUFORT COUNTY ZONING MAP AMENDMENT FOR DAUFUSKIE ISLAND  
(CHANGES THE ZONING DISTRICTS TO IMPLEMENT THE NEW DAUFUSKIE ISLAND  
CODE).**

BE IT ORDAINED, that County Council of Beaufort County, South Carolina, hereby amends the Comprehensive Plan Future Land Use Map of Beaufort County, South Carolina. The map is attached hereto and incorporated herein.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Ladson F. Howell, Staff Attorney

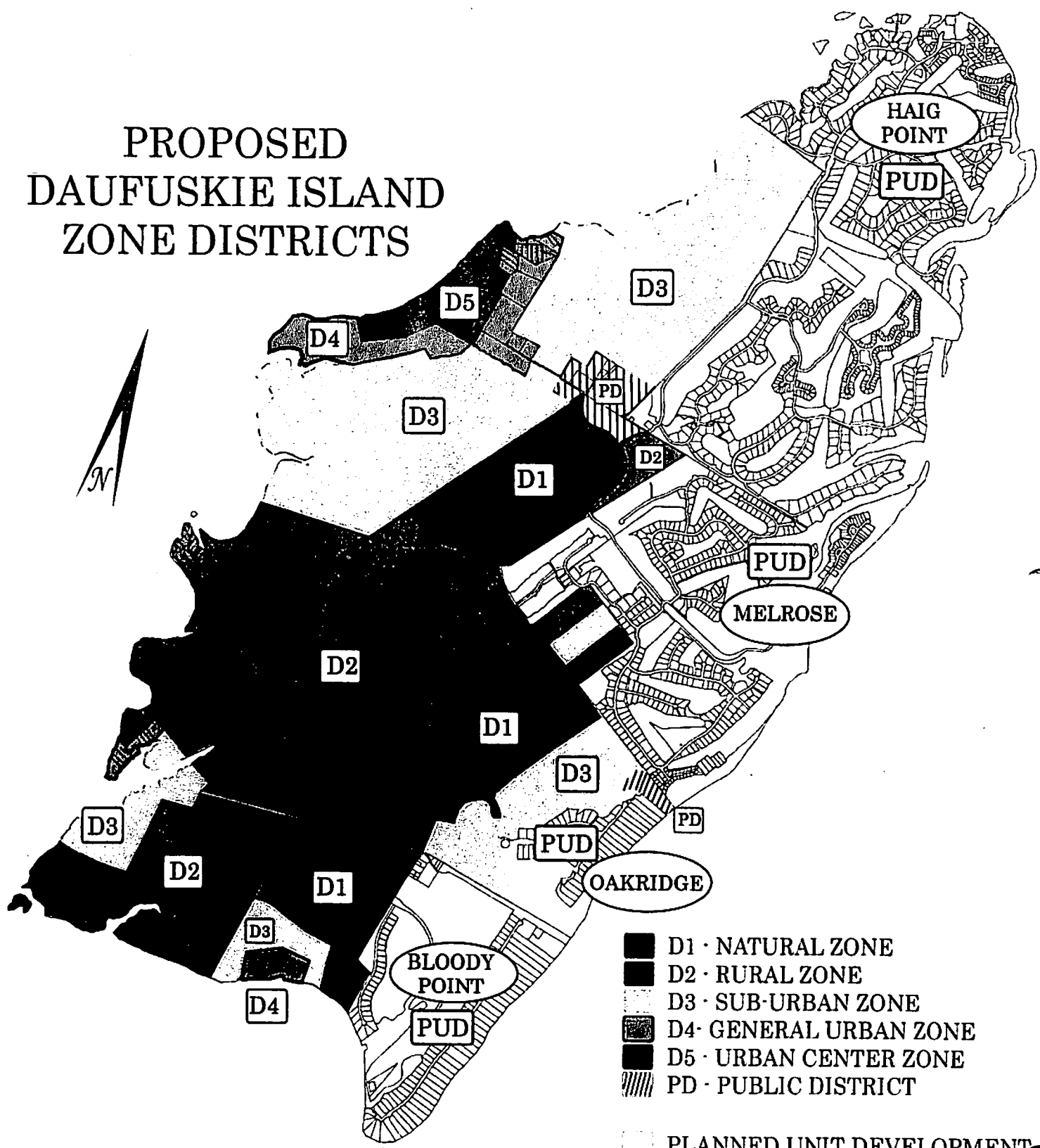
ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council

First Reading: January 10, 2011  
Second Reading: January 24, 2011  
Public Hearing:  
Third and Final Reading:

(Amending 99/12)

# PROPOSED DAUFUSKIE ISLAND ZONE DISTRICTS



- D1 · NATURAL ZONE
- D2 · RURAL ZONE
- ▨ D3 · SUB-URBAN ZONE
- ▩ D4 · GENERAL URBAN ZONE
- ▧ D5 · URBAN CENTER ZONE
- ▨ PD · PUBLIC DISTRICT

○ PLANNED UNIT DEVELOPMENT

2011 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE, APPENDIX D. COMMUNITY PRESERVATION AREAS (DELETES ALL INTERIM STANDARDS RELATED TO BRIGHTON BEACH, BUCKINGHAM, BLUFFTON-MAY RIVER/HIGHWAY 46 CORRIDOR, AND DAUFUSKIE ISLAND, INCLUDING SECTIONS 9 AND 10—DAUFUSKIE ISLAND BUFFER DISTRICT AND GATEWAYS).

Whereas, Standards that are underscored shall be added text and Standards ~~lined through~~ shall be deleted text.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Ladson F. Howell, Staff Attorney

ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council

First Reading: January 10, 2011  
Second Reading: January 24, 2011  
Public Hearing:  
Third and Final Reading:

(Amending 99/12)



- Delete all interim standards or references to Brighton Beach, Buckingham, Bluffton-May River/Highway 46 Corridor, and Daufuskie Island in Appendix D, especially in Tables 1, 2 and 4, and in Sec. 5(b)(5)—see below:
  - (5) Grocery stores are limited to 10,000 square feet within Big Estates and Sheldon ~~and on Daufuskie Island.~~
- Delete Sections 9 and 10 (Daufuskie Island Buffer District and Gateways) in Appendix D, in their entirety.
- Renumber Section 11 (Coosaw Island Rural and Rural Residential Districts) as Section 9; renumber all its subparagraphs accordingly – 11.1, 11.2, etc. should be 9.1, 9.2, etc.; and renumber any reference to Section 11 within Appendix D to Section 9.
- Renumber all the tables in the newly numbered Section 9 (Coosaw Island Rural and Rural Residential Districts) as indicated below, and renumber any references to Tables 8, 9 and 10 within Appendix D to Tables 5, 6, and 7, respectively:
  - TABLE ~~8~~ 5. PERMITTED USES FOR COOSAW ISLAND RURAL AND COOSAW ISLAND RURAL RESIDENTIAL DISTRICTS
  - TABLE ~~9~~ 6. RESIDENTIAL LOT SIZE AND DENSITY STANDARDS FOR COOSAW ISLAND DISTRICTS
  - TABLE ~~10~~ 7. DEVELOPMENT STANDARDS FOR COOSAW ISLAND DISTRICTS

**PUBLIC NOTICE**  
**Beaufort County Community Development Block Grant**  
**Public Hearing**  
**Concerning Needs Assessment**

**NOTICE IS HEREBY GIVEN THAT**, on Monday, February 14, 2011, at 6:00 p.m. in the Council Chambers at the Beaufort County Administration Building located at 100 Ribaut Road, Beaufort, SC. Beaufort County will hold a public meeting to solicit public input on community needs and priorities for housing, public facilities and economic development of Beaufort County. At this public hearing Beaufort County will provide information concerning the amount of funds available for proposed community and economic development and the range of activities that may be undertaken, and will present, for public comment, the results of its needs assessment and the activities which might be undertaken to meet identified needs, including the estimated amount proposed to be used for activities that will benefit persons of low-to-moderate income.

This public hearing and the matters to be discussed are subject to the provisions of Beaufort County's Citizens Participation Plan, developed in anticipation of participation in the State of South Carolina's Community Development Block Grant (CDBG) Program, providing for the participation of citizens of Beaufort County in the planning and implementation of community and economic development projects which involve CDBG funds.

The Citizen Participation Plan is available for review at the above address, between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday. Persons with questions or comments concerning the public hearing or the Citizen Participation Plan may contact Michelle Knight, Lowcountry Council of Governments, PO Box 98, Yemassee, SC 29945, (843) 726-5536.

Beaufort County does not discriminate on the basis of disability status in the admission or access to, or treatment or employment in its federally assisted programs or activities. Morris Campbell, Beaufort County, 100 Ribaut Road, Beaufort, SC 29901, (843) 470-2600, has been designated to coordinate compliance with the nondiscrimination requirements contained in the US Department of Housing and Urban Development's regulations implementing Section 504 (24 CFR Part 8, dated June 2, 1988).

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

**AN ORDINANCE TO APPROVE THE APPROPRIATION OF FUNDS NECESSARY TO ACQUIRE REAL PROPERTY KNOWN AS THE BEAUFORT COMMERCE PARK AND TO PROVIDE THE SOURCE OF SUCH FUNDS FOR ACQUISITION**

WHEREAS, South Carolina Statutes encourage counties and political subdivisions to purchase properties and provide incentives to new industries; and

WHEREAS, economic development through recruitment of viable nonpolluting commercial and light industrial companies is a vital part of the mission of Beaufort County; and

WHEREAS, the use of the Beaufort Commerce Park to attract new nonpolluting industries would be of great financial and economic value in providing jobs as well as interstate and intrastate commerce; and

WHEREAS, the Beaufort Commerce Park has become available for purchase at a reasonable price by reason of the current economic conditions in Beaufort County as well as the nation.

**NOW THEREFORE, BE IT ORDAINED BY COUNTY COUNCIL OF BEAUFORT COUNTY:**

**SECTION 1. APPROPRIATION**

The County Council of Beaufort County hereby appropriates funds in the approximate amount of \$2,500,000.00 necessary to purchase the Beaufort Commerce Park.

**SECTION 2. SOURCE OF FUNDS**

The County Council of Beaufort County approves the source of funding for the purchase of the Beaufort Commerce Park, which is approximately 165 acres, from the following sources:

A. Funds will be obtained from the St. Helena Library Bond Monies, which are in excess of the cost of the project by reason of a grant received from the United States Department of Agriculture.

~~B. Excess funds which are currently available from the proceeds recovered from litigation previously borrowed for the St. Helena Library now covered by the USDA loan to renovate certain parts of the Courthouse and Administration Buildings.~~

C. Reimbursements to these funds will occur from future borrowings necessary to coordinate the fiscal affairs of Beaufort County Capital Improvement Projects.

SECTION 3. EFFECTIVE DATE

This Ordinance shall be effective February \_\_\_\_, 2011 upon the approval and adoption by Beaufort County Council on third and final reading and a public hearing.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Ladson F. Howell, Staff Attorney

ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council

First Reading, By Title Only: January 10, 2011

Second Reading: January 24, 2011

Public Hearing:

Third and Final Reading:

## Committee Reports

February 14, 2011

### A. COMMITTEES REPORTING

#### 1. Community Services

① Beaufort Memorial Hospital Board

<i>Nominated</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
1/24/2011	Terry Murray	At-Large	Reappoint	8 of 11
1/24/2011	James Simmons	At-Large	Reappoint	8 of 11

② Disabilities and Special Needs Board

<i>Nominated</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
1/24/2011	Algredda Ford	At-Large	Reappoint	6 of 11

③ Parks and Leisure Services Board

<i>Nominated</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
1/24/2011	Arthur Middleton	Northern Beaufort County	Reappoint	10 of 11
1/24/2011	Allan Stern	Southern Beaufort County	Reappoint	10 of 11

#### 2. Executive

① Minutes provided from the [January 24](#) meeting. No action is required.

#### 3. Finance

① Minutes provided from the [February 7](#) meeting. No action is required.

② Minutes are provided from the [January 18](#) meeting. No action is required.

#### 4. Natural Resources

① Minutes are provided from the [February 1](#) meeting. See agenda items #11 and #12.

② B/J Water and Sewer Authority

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	James O'Neal *	At-Large	Reappoint	10 of 11
2/14/2011	Skeet Von Harten *	At-Large	Reappoint	8 of 11

\*Section 2-193, Membership. "No reappointment can be considered more than 30 days prior to the expiration of a particular term."

③ Coastal Zone Management Appellate Panel

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	Carroll Crowther	At-Large	Reappoint	10 of 11

④ Historic Preservation Review Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	Rita Igleheart	Historic Beaufort Foundation	Reappoint	8 of 11
2/14/2011	Sally Murphy	Northern Beaufort County	Reappoint	8 of 11

⑤ Planning Commission

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	Robert Semmler	Port Royal Island	Reappoint	10 of 11
2/14/2011	Parker Sutler	At-Large	Reappoint	8 of 11
2/14/2011	John Thomas	At-Large	Reappoint	8 of 11

⑥ Rural and Critical Lands Preservation Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	Malcolm Goodridge	District 11	Reappoint	8 of 11
2/14/2011	Selena Brown	District 2	Reappoint	8 of 11
2/14/2011	Ed Pappas	District 10	Reappoint	8 of 11
2/14/2011	Jacob Preston	District 4	Reappoint	8 of 11
2/14/2011	Steve Riley	District 1	Reappoint	10 of 11
2/14/2011	Joseph Vercellotti	District 3	Reappoint	8 of 11

⑦ Zoning Board of Appeals

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	Tim Rentz	At-Large, northern Bft Cty	Reappoint	8 of 11
2/14/2011	Cecil Mitchell	Lady's Island	Appoint	6 of 11

**5. Public Facilities**

- ① Minutes are provided from the [January 25](#) meeting. See agenda items #9 and #10.
- ② Airports Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	Will Dopp	Proximity to HHI Airport	Reappoint	10 of 11
2/14/2011	Paul Jorgensen	Proximity to Bft. Cty Airport	Reappoint	10 of 11
2/14/2011	Norman Kerr	Active/recently retired commercial pilot	Reappoint	8 of 11
2/14/2011	Leonard Law	Proximity to HHI Airport	Reappoint	10 of 11
2/14/2011	Joseph Mazzei	Active pilot/aircraft owner HHI Airport	Reappoint	8 of 11
2/14/2011	Jared Newman	Proximity to Bft. County Airport	Reappoint	10 of 11
2/14/2011	Richard Wirth	Qualifications	Reappoint	6 of 11
2/14/2011	Derek Gilbert *	Beaufort Chamber	Reappoint	8 of 11
2/14/2011	Joseph Zimmerman **	HHI Town Council	Reappoint	8 of 11

\* January 28, 2001 email from Carlotta Ungaro, “The Beaufort Regional Chamber of Commerce Board and VCB re-nominated Derek Gilbert to the Airports Board January 27 at our board meeting.”

\* February 1, 2001 email from Vicki Pfannenschmidt, “Mr. Zimmerman was reappointed at the regular Town Council meeting last night, Tuesday, February 1, 2011.

③ Solid Waste and Recycling Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	Gordon Bowers	Solid Waste District 7 – Lady’s Island	Reappoint	10 of 11

**6. Public Safety**

① Action item summary provided from [February 7](#) meeting. Minutes provided February 28 from the February 7 meeting. See agenda item #13.

② Construction Adjustments and Appeals Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	Andrew Corriveau	Design prof/contractor/bldg. industry	Reappoint	10 of 11
2/14/2011	Don Dean	Design prof/contractor/bldg. industry	Reappoint	10 of 11
2/14/2011	Bruce Kline	Design prof/contractor/bldg. industry	Reappoint	8 of 11

③ Burton Fire Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	Thomas Peeples	Burton Fire service area	Reappoint	10 of 11

④ Daufuskie Island Fire Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	Patricia Beichler	Daufuskie Island service area	Reappoint	10 of 11

⑤ Lowcountry Regional Transportation Authority

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
2/14/2011	Chris Hutton	At-Large	Reappoint	10 of 11

**B. COMMITTEE MEETINGS**

**1. Community Services**

*William McBride, Chairman*

*Gerald Dawson, Vice Chairman*

➔ Next Meeting – Monday, February 21 at 4:00 p.m., BIV #2

**2. Executive**

*Weston Newton, Chairman*

**3. Finance**

*Stu Rodman, Chairman*

*William McBride, Vice Chairman*

➔ Next Meeting – Monday, February 21 at 2:00 p.m., BIV #2

**4. Natural Resources**

*Paul Sommerville, Chairman*

*Jerry Stewart, Vice Chairman*

➔ Next Meeting – Monday, March 7 at 2:00 p.m.

**5. Public Facilities**

*Herbert Glaze, Chairman*

*Steven Baer, Vice Chairman*

➔ Next Meeting – Tuesday, March 1 at 4:30 p.m.

**6. Public Safety**

*Jerry Stewart, Chairman*

*Brian Flewelling, Vice Chairman*

➔ Next Meeting – Monday, March 7 at 4:00 p.m.

**7. Transportation Advisory Group**

*Weston Newton, Chairman*

*Stu Rodman, Vice Chairman*

➔ Next Meeting – February or March 2011



## EXECUTIVE COMMITTEE

January 24, 2011

The electronic and print media were duly notified in accordance with the State Freedom of Information Act.

The Executive Committee met on Monday, January 24, 2011 at 2:30 p.m. in the Executive Conference Room, Administration Building, Beaufort, South Carolina.

### ATTENDANCE

Executive Committee Chairman Weston Newton and members William McBride, Herbert Glaze, Stu Rodman, Paul Sommerville and Jerry Stewart were present. Non-committee member Brian Flewelling was present.

County Staff: Morris Campbell, Division Director – Community Services; Tony Criscitiello, Division Director – Planning and Infrastructure; Bryan Hill, Deputy County Administrator; Gary Kubic, County Administrator; David Starkey, Chief Financial Officer.

Media: Richard Brooks, *Bluffton Today*; Joe Croley, Hilton Head Association of Realtors and Kyle Peterson, *Island Packet / Beaufort Gazette*.

### INFORMATION ITEMS

#### 1. **Public Services / Fiscal Policy Considerations**

**Discussion:** Mr. Newton explained this was a follow-up to a previous meeting, when the Executive Committee tasked the administration to share information based on categories of County expenditures. This is part of the County's long-range review of spending as it looks at challenges relative to revenues, and what the County can and must do, depending on what happens on the revenue side with regard to County expenditures. The last time the Executive Committee met it indicated it would be helpful to have a summary of what the County does, what is required by law and what it does because it decided it is appropriate or morally the thing to do. He then deferred to Mr. Hill to explain the handouts in the meeting packet.

Mr. Hill said, per the previous discussion at the last Executive Committee meeting on September 27, 2010, the main focus was to determine the mandated items for the County to continue funding versus items that do not need to be funded, with a clear indication of what was outgoing via the County allocation process. He cited a chart included in the meeting packets that lists the allocation item, budget amount, whether it is mandated or not and fund source. Many are not mandated, but some are, Mr. Hill said. He added there was some trouble with a few items. For example, the Legislative Delegation with a 2011 budget line for \$68,777 has two staff members, but Mr. Hill said they could not determine whether that was a mandate or non-mandated funding. There are also funding sources such as the FY 2011 local accommodations

tax going to the various chambers of commerce. These were created by local ordinance, so he said he assumes it is mandated by ordinance, but could change. On the general fund side, about \$14 million to \$15 million are allocated outward, not much of that is mandated. As we go through this budgetary process, staff is looking for Council's advice on whether to start discussing funding sources or whether to look in other areas.

Mr. Newton asked Mr. Hill about the difference between the two charts included in the meeting packets. Is the first chart, the one just referenced, outside agencies? Mr. Hill answered that it was a mix of outside and internal agencies. The column heading starts with mandated, description, FY 2011 budget allocation, then a description of category and fund source. The first five or six listed are general fund contributions, i.e. Lowcountry Council of Governments, the Solicitor's Office, Economic Development Partnership and a small business development center. There are other general fund sources within this chart, but he did not sort them by external versus internal funding. He added they would review "description of services" after reviewing mandated items. The Executive Committee also requested a detail of every item and activity Beaufort County provides its citizens, as well as how much each costs. This is under a separate item, so he deferred the topic until after discussing mandated / non-mandated. The chart of mandated / non-mandated shows areas that may be considered for cuts to bring the budget in line. Mr. Hill then referenced a memo he distributed. See image below.



Mr. Hill said Mr. Kubic, Mr. Starkey and he discussed the budget for the last six months, specific to the receipt collection. He said they are looking at a \$97.5 million receipt collection, which is down from \$104 million, or down 6.6%. They are examining avenues and areas to find efficiencies to bring it down from \$104 million to \$97.5 million for fiscal year 2012. This assumes where the County should be for the budget, but does not account for potential of tax increase.

Mr. Newton asked Mr. Hill to explain the difference in the two charts. Mr. Hill answered that the Executive Committee asked in September for a summary of mandates, outside agency allocations, how much the County funds and whether it should fund. The second chart is a description of services for all general fund operations – every item provided to the citizens of Beaufort County. Mr. Hill noted that the total for these items is within 1% of the total budget. The description of services outlines every department, every function done as a County, within the general fund.

“The same mandated designation for what the County does, is that available?” Mr. Newton asked. He explained he wanted to know because the County operates libraries but there is not a law saying libraries have to be operated. The same could be said for parks. The County operates a jail, but he said he suspects there is a law saying a jail must be operated. He said he understood the mandated / non-mandated summary was for County services, not just outside agencies.

Mr. Stewart said he was not sure, but he understands that there are items the state mandates the County must do. The state may not fully fund the items it requires of the County making them unfunded mandates. However, there are many items the County provides that are not mandated, but done simply because it is something important to the citizens for the County. Those, non-mandated, are the ones the County can examine. He also noted there are changes in funding coming from the state level with budget cuts.

Mr. Hill said they examined agency allocations first and foremost. These are included on the mandated / non-mandated chart, then the second chart contains description of services for all items within the general fund. He explained many of the other items discussed are within the enterprise fund – Disabilities and Special Needs and Alcohol and Drug Abuse departments. The charts do not include any elected officials within the grouping, but only those items under the County Administrator’s purview. Yes, the detention center is a funded mandate, Mr. Hill said. “To what level?” Mr. Hill asked. “That is up to County Council.” The descriptions and current funding are provided, it is up to the Executive Committee to decide how vigorously the items will be done or how much funding will be allocated.

Mr. Newton said on the description of services chart, items one through 20 are Library issues. He asked if he adds all of those items if he would get the total amount spent on libraries. Mr. Hill concurred. Mr. Newton said the next grouping is Parks and Leisure Services (PALS). Mr. Hill said yes, it would be about \$3.4 million. Mr. Newton stated he thinks the intention is to not just look at outside agencies, but also internal. If we ultimately will discuss adjusting or

modifying in some form or fashion in the short or long term what services the County provides, we have to understand what things we cannot touch.

Mr. Hill said at the September Executive Committee meeting a sheet was provided that illustrated every fund within the general fund and how much it cost. What we are trying to do is match that sheet, per Council's request, to the description of services. The previous information should add to these items being examined by the Executive Committee at this meeting, Mr. Hill explained. Mandated items will be dealt with internally, but for the non-mandated items, those can be adjusted.

Mr. Kubic stated: the way he looks at the process is that today the Executive Committee functions in terms of awareness – being aware of everything the County does and pays for out of the general fund. The enlightenment process, where does every penny of the general fund go, starts the process. The next step is how much is being spent as a result of state statute. Whether it is funded or unfunded, it is required by state law.

Mr. Kubic gave an example of budget allocations as part of a whole using \$1 as the total for illustration purposes. He said, the assumption is if the general fund is \$1, and state law states the County has to spend \$0.50. What is that? What services comprise that \$0.50? Now, there is a balance of \$0.50. Then, as Council, you say it is not mandated or non-mandated in terms of County services, but it then becomes a different thing – essential versus non-essential. If the definition for the remaining \$0.50 is an essential service, any service that an individual cannot provide for himself. For example, ambulances or detention centers would fall under that category. Then, Council, in the budgetary process, defines what is essential if it is not a requirement by state statute, or ordinance. Mr. Kubic said he guesses that most of the general fund remaining is determined by whatever is Council's policy. Then, Council tells administration that the state statute requirements and essential requirements of Council are in, but asks what is left as "discretionary." "Discretionary" becomes \$0.20 (from \$0.50 down by \$0.30 for essentials). Then, by definition, Council explained what is "discretionary" and we determine how to apply the \$0.20. Coupled with that, Mr. Hill provided the follow-up memo, as included above with items evaluating other options such as employee buy-out. For example, if you have employees with more years of service, offer them a buy-out and they take it, but their position is not filled as a method of taking down the appropriation level. What would that mean? Is it worth it or not? We are doing cost-benefit analyses for Council in those areas as outlined in the above memo in order to illustrate many different things – consolidation, renegotiation of professional contracts, Mr. Kubic explained. He added they are examining surplus lands and equipment, evaluating whether to put it up for sale, thereby converting it from a non-taxing production under County ownership to taxing ownership. All of these things are done to blend into the Council's definition of what is classified as "essential" or "non-essential" for the remaining portion of the general fund. The list of what the County does is a long list, and by no means do we need to analyze every line, but it is good to know each function is indexed to allow for sorting and examining data as Council sees fit, Mr. Kubic said.

Mr. Flewelling said a few things stood out to him. He asked Mr. Hill about line item 123 on the description of services chart, which says, "123 / EMD / Public Safety/ Notify Media and

County Officials of Incidents / 0.3 / 0.3 / \$339,983” He said he assumes these are Emergency Management Department items. But he asked if it is for the Sheriff’s Office. Mr. Hill said, they did not do any description of services for elected officials so it is for Emergency Management / Public Safety. Mr. Flewelling said he wants to know how these classifications work, trying to get a sense of what is happening. He said it seems like it could be a misallocation.

Mr. Kubic suggested Council provides questions, such as those about line item 123, to staff for vetting. If the Executive Committee begins to condense its areas of interest, the County Administrator’s obligation is to get the answers. So, once the Committee digests the information provided today, questions will follow.

Mr. Newton asked if staff assembled this information or pulled it from other places. Was it created? He pointed out lines 397 and 398, under Broadcast for “33 traffic signals maintain” and “2 school flashers maintain.” This has nothing to do with Broadcast. It does because The County Channel broadcasts traffic cameras, Mr. Hill interjected. Mr. Newton clarified that he wanted to know if these description of services are listed in the respective department budgets. Mr. Hill confirmed they are.

Mr. Hill said when Mr. Kubic brought together the new finance team, it went through an exhaustive approach to figure out what the budget is and how much the County expends. Two years ago, the finance team asked each director to define what the department does, tell how many people and what funding is allocated to provide those services. This has been a process put together over two years. “Is it an exact science? No, but we are trying to reallocate our funds to go forward,” Mr. Hill said. He said the documents before the Executive Committee are useful as the County moves forward with the budget. He added that even though it is not exact, his estimates were less than 1% off the actual budget so he is very comfortable with the numbers, and as they move forward the descriptions will be tightened.

Mr. Flewelling reiterated these charts are fascinating and commended the staff for a great job.

Mr. Newton asked Mr. Kubic how the County gets from this point to getting the information on the mandated / non-mandated chart, then essential / non-essential to figure the total dollar amount.

Mr. Kubic recommended the Executive Committee continues to have meetings. For example, if he took the ferry service to Daufuskie Island he cannot, as an administrator, tell Council the ferry service is purely essential. But it is essential, Mr. Kubic said. In the collective discussions, whatever the definitions become, they are then applied to those types of listings and sorted based upon the definitions, with other things added on top. In the memo handed out, the staff suggests a few matters the Executive Committee may want to do. One would be: Some counties and municipalities by way of their reserve policy, adopted as a piece of legislation, a formula, stating whatever the total appropriation is the reserves should equal a specific percentage of that. So an administrator in the upcoming year’s budgetary process reduces expenditures by that percentage to come into compliance with the reserve policy requirement as

an expenditure or budgetary example. This is more set in stone. Mr. Kubic compared this practice to that of Beaufort County. Here there is basically a good feeling about what the reserve is, but it moves. Mr. Kubic stated that administration needs some definition. The topic boils down to how they will define the terms. Mr. Kubic said the descriptions, as Mr. Hill indicated in his list, could be reviewed. He added he also believes as the Council talks about where the County is going with all these matters, particularly at the Retreat, as major policy determinations in the budgetary process. The definitions need to be set to help. There will be a lot of movement in March or April when these things begin to come together, Mr. Kubic concluded.

Mr. Glaze asked about the convenience center hours and the evaluations illustrating that Wednesdays and Sundays are downtimes. He said his concern is: when last Council looked at these topics and closed convenience centers certain days, trash still accumulated and people were concerned. Council should look at these matters closely because those closures can have a devastating effect.

Mr. Kubic stated one thing not done is analyze the impact of moving toward modern convenience centers with high-end compactors, which means less hauls going to the disposal and a reduction to the County, therefore making a positive in the general fund. The County invests in the equipment, it works, the County reduces hauls and reduces the cost of operation. The problem is that we find out if we operate on the schedule we currently run, there is no downtime to do preventative maintenance required weekly on the units. He said administration is trying to match high-end, residential days together with required maintenance and hours of operation. Then it will come forward with 20 factors associated with convenience centers; if it is tweaked here, here and here, it may have this positive or negative result. Mr. Kubic said they want to illustrate to the Executive Committee that they captured ways to provide essential services by tweaking some of the internal methods. One example he pitched was if Council agrees it is essential to have a south of the Broad River office building. There are two, but for example purposes he said to assume there is only one. The southern Beaufort County office is a lease. The building is valued at about \$3 million plus, but the lease is \$22,000 per month. By buying that building and using the lease money to go toward some portion of the debt service, amortize it out, and it makes more sense to buy the building rather than lease. The cost difference allows the County to plow the difference into, for example, a convenience center to avoid shuttering. Mr. Kubic stated administration is looking at all the combinations the County has control over. He added he is trying to avoid, and he stated in an email earlier, vetting the level of Sheriff's Office operations, the level of EMS and 911 dispatchers. All of those concepts, he would start by defining essential service, then make sure what that is and decide to fund at a certain level. Then, take the chunks out of what is decided as the \$97.5 million budget, and as Council comes up with little parts left it figures out where that goes. Or, the County raises taxes, Mr. Kubic said.

Mr. Flewelling said the charts the Executive Committee received in their meeting packages are a start to the process, so it can examine them to say, "include one from Row A and one from Row B." At the end, it will all balance out. We, as Council, hope to see where the County is at that point.

Mr. Kubic said the beauty of Council starting the budget process now, earlier in the year than last year's budget cycle, is an option of examining the adjustments on agency allocations. If some places say, "If an agency wants a portion of the County money, the agency has to prove if three agencies look alike why is there not one finance team?" Why are there three? Then as incentive money, instead of giving an agency 100% of last year's allocation, if the agencies combine forces to create one finance team the allocation will not be reduced by 20%, but will keep the agency at 90%. So, use the allocation to drive efficiency. That is what this memo is designed to do, engage in conversations early because these are not easy conversations. Everyone will come before Council to say their agency is just like everyone else's, suffering from the downturn and needs every bit of the allocation. Mr. Kubic told the Committee members they will hear this over and over again, and needs to figure out if the County can create a formula. That is why the list of description of services, combined with mandated services and essential services, leaves the discretionary services; that is where there is tough work.

Mr. Stewart said he understands the lists, but to break down the services to what is essential versus discretionary is overwhelming. He added he likes how the description of services outline the different services, but said he would like to see, for example, how much is spent on the library and how much it costs. What is the level of service we want to provide? Could the libraries be open 50 hours as opposed to 60 hours? Look at EMS. What services are provided? What does it cost to provide an extra ambulance or conversely what does it cost to decrease by one? Does the County want to provide supplies such as gauze, Band-Aids, etc. or charge patients for those types of things. Mr. Stewart said he thinks at the management level they should be looking at each department, as opposed to services, to illustrate what is provided as a lump sum. Then we can look at the categories and levels to decide if we want to continue that level. Or could it be cut or expanded?

Mr. Kubic agreed with Mr. Stewart and said he thinks that is what the Committee is doing. The benefit for administration to work with 11 members of Council is that he knows what services Council feels are important. This is the purpose for asking Council members to do the district priorities. Those responses of the 11 members will be used to put together a matrix based on commonalities to give a flavor of what is mirrored among districts, Mr. Kubic explained. That then is set by administration as a priority. He said he thinks Council and administration should take the charts as detail, get responses on what services Council members want to really examine, have a series of meetings such as evening work sessions to review portions of this for the community to view – the service and numeric value assigned to it. People need to understand the County is doing another exercise. On the charts, people cannot discern the millage but only numbers. Instead of doing numbers for the charts, we can also display the data as a percent of a mill. If the County's operation is 44 mills and the 400-line item list is condensed into about 20 categories, how much of a mill goes to pay for the Sheriff's Office, for example? How much of a mill goes to the Treasurer's Department? How much of a mill goes to pay for traffic lights? We already fund the traffic lights, but we want to examine how much the electric bill is to provide that service so we can see the value. Mr. Kubic stated his staff is trying to do a better job of bringing the budget forward. He referred to Mr. Glaze's question and said he understands the concerns of convenience to the public, and wants the public to know the actual cost to operate a convenience center. He wants to break down the costs for a library as well. Does the library have

to be open at 8 a.m. or at 9 a.m.? Could it open at 10 a.m.? Do County parks have to open for pure recreation continuously from 8 a.m. to 9 p.m.? Mr. Kubic said he does not know, but he does know it is worth asking the questions about the cause and effect of changing those times. He added it is a good exercise, which is long overdue. There are other things that need to be analyzed; those are professional service agreements. The County is putting on the website all AP expenditures. For example, there is ABC Engineering Company and would like to see what was paid in 2009 it is visible on the website. Mr. Starkey will make a presentation to the Finance Committee about that initiative, he said. This is another example of us examining spending \$3 million for ABC Engineering Company in Georgia while there are four or five companies in Beaufort County that may not have the same size, but there is a potential for combining for a joint venture with an exercise divided into three parts with reduced contract costs. It is an effort to keep it local and part of the budgetary process. Mr. Kubic stated he is convinced of one thing; the County can get to \$97.5 million budget. 6.6% is not a difficult number, but it will mean some changes. He said he thinks the County can still make positive investments because there is a part of the budgetary process to adjust for, not only \$97.5 million under the assumption that is the County's receipt projection and so should be the spending. It can also be determined if the County has opportunities for investment. He cited examples for investment are changing technology, whatever those new issues are and equipping our parks with better facilities (perhaps less parks with more resources). That investment is what will be put in place over the next few years. Mr. Kubic added that he thinks with the three- to five-year budget there will be some good control. There will be fewer employees. There are no two ways about it. The County will not be in a hiring mode. 70 positions have been defunded, which has a value of \$2.5 million. Mr. Kubic stated, administration does not believe under the current economic climate that there will be a reversal – investing in more people. It will be very, very selective and that is where Council's definition of what is essential will help, Mr. Kubic concluded.

Mr. Rodman said he is very comfortable with the approach and said he thinks as a Council it is better to react to what the administration does rather than to get into the mix and micromanage any particular thing. Administration should go through and figure out what the proper way is to go about things, and Council is then in a position to ask constituents if something is wrong. He reiterated that he is comfortable with the approach, but added the Council should remember that the state of South Carolina has to cut \$800 million this year. This may influence the amount of money flowing to some of the social services such as mental health, meaning the County may be the safety net for funding. There is always a question, from a word standpoint, when we talk about a tax increase if that means the County will hold revenues the same but tax base may shrink, or whether the millage holds the same. Mr. Rodman said it would make sense to run back through the assumptions taking the County to the \$97.5 million at a Finance Committee meeting. The exercise would be helpful in conversations with our friends at the School Board, who have concerns about the accuracy of our projects, Mr. Rodman said. He cited their request last fiscal year for an additional \$2 million that was not granted, but when revenues came in they had \$2 million more than expected. The exercise of examining the County's assumptions will be helpful to start early; it is a process that has never been easy to pin down because of the situation with the Treasurer's Office, he added.



Mr. Hill returned the discussion to the School Board and notified the Executive Committee that the finance group met with the School Board last week. He stated, Mr. Starkey and he will put together a schedule the School Board and County staffs are online with. Mr. Hill noted that last year 1,300 properties went from a 6% assessment ratio to a 4% assessment ratio, which greatly impacts the School Board and County. As the County continues on in fiscal year 2012, he said he does not know if they should use the same number of properties, but they will look at the same number of properties going from 6% to 4% again; that information is forthcoming. Going forward, the County is working with the School Board, municipalities and various partners to understand what is happening in the districts. Mr. Hill stated there will be millage rate calculations, as last year, from approximately March 15<sup>th</sup> onward that will change daily. The School Board wants one number on X date and then a follow-up number on June 30<sup>th</sup>. If that is the way the School Board wants to do it, the County will not stand in the way. However, Mr. Hill stated he and Mr. Starkey want to be very precise in dealings with the Beaufort County Council and as a result will have numbers that change on a regular basis until they are comfortable with the outcome. The millage rate last year came in at about \$1.742 million; that is exactly where it is now, Mr. Hill said. 3% was discounted in the calculations knowing that some funding would be lost somewhere. This is what the finance team is doing and Mr. Hill said they believe the School District will be on-board as well.

Mr. McBride said Mr. Hill touched on this in a previous meeting when Mr. Dawson asked if the County verifies fully when an individual property changes from the 6% assessment ratio to a 4% assessment ratio. Mr. Hill answered that per state law, yes. If a property owner provides the County with certain documents, per state statute, the County is obligated to make the adjustment after verification.

Mr. Caporale asked how that matches up with the results of the audit. Mr. Hill questioned to which audit Mr. Caporale referred. Mr. Caporale answered, the audit that was spot-checked.

Mr. Hill confirmed that the County follows the agreed upon procedures, and added that Mr. Ed Hughes, County assessor, received 17,000 appeals and is working through them with all due diligence. Again, 1,300 properties changed over the last year. Mr. Hill added that he received an email this morning stating about 200 properties changed over, but 50 properties went from 4% to 6%.

Mr. Caporale said he does not mean this in the way it comes off, but he asked if of the 1,300 properties was each validated from A to Z with all acquired documents on file. Mr. Hill confirmed they are.

Mr. Sommerville referred to a point made earlier that the Council members may not know what each service provided by the County is, but there will be a meaningful discussion where those responsible for the various accounts explain to Council.

Mr. Hill said that would not be a problem. The documents that came before the Executive Committee for this meeting were a result of a directive by one of the committee members who

likes details, but who is unfortunately not present. Mr. Hill reiterated that the administration staff is trying to provide the Executive Committee with all items requested.

Mr. Sommerville said, "The [transfer] of whatever to whatever raises all sorts of questions." He would like elaboration. Mr. Hill told him the administration staff can answer any question Mr. Sommerville wants. He said he would break out the transfers to show Council members the exact allocations.

Mr. Stewart stated the discussion brought up the idea of opportunity cost. He said it is easy for Council to ask Mr. Hill or another member of staff to pull all this information, but it costs Mr. Hill or someone else in the County time and effort to do that when they should be doing something else. Mr. Kubic mumbled his agreement. Mr. Stewart said, we, as Council members, should sit down and decide if we really need all the information we ask of staff. Could we not streamline and allow the staff to do it in a more productive manner? Somehow Council has to understand, when asking for all this detail, there is a cost to it. It does not come for free. Many times we ask for more detail than we need or than most of us will ever use. Mr. Stewart said he wants the group to start viewing such matters from the top-down, as opposed to looking at all the detail from the bottom-up. We need to cut out this frivolous waste of time; he does not need 500 line items, he added.

Mr. Kubic made a recommendation. The beauty of technology is learning how to format and do a variety of things. What Mr. Stewart is referring to is a distillation process. How do you take all the data before the Executive Committee and distill it to make an effective decision as district leaders? That is a pathway he thought the Executive Committee would work on – the distillation process leading to a product, Mr. Kubic said. The first year when there is an ability to produce a lot of data, it becomes easier after a foundation is created. Then, with the technology, detail can be extracted for use in determinations. This accomplishes two things – the ability to review to a finite detail but not encumber staff to come up with the detail. Mr. Kubic told the Executive Committee they are actually much closer in the process than may be the impression, and that he likes distillation as a management process.

Mr. Rodman said he agrees with Mr. Stewart, and he trusts the administration will calculate the numbers. If the administration says it went from \$102 million down to \$97.5 million by adding two ambulances, taking in six people, changing hours, doing A and B while making these investment, that is all Mr. Rodman said he needs to know. He trusts the numbers were calculated correctly, Mr. Rodman said.

Mr. Kubic stated he believes there is a marriage. Give the Executive Committee more choices and then that body makes decisions because that is the relationship from board to administrator.

Mr. Rodman noted if the Council members question the two ambulances or 10 people, they could ask for the actual impact.

Mr. Kubic told the Council members he wants them to know they have commissioned from the last Retreat interesting items and exercises in management. For example, the EMS study is done in draft form and people are commenting on it. There are many agencies associated with law enforcement, medical response and fire. Those agencies are in their comment period for the EMS study, but the distillation process is coming toward this budgetary process, where the Council begins to plan. Also, the water transportation / ferry service is an example of a budgetary item that is undefined in the County's process, but is being molded in the sense that if the Daufuskie Island property is in a devaluation process, the question the County should ask is how to restore demand to reverse the devaluation. If the component of consistent water transportation is valuable, then maybe the \$70,000 to \$100,000 the County traditionally commits, it should invest more. Mr. Kubic said he wants to bring forward the big ideas of what the County is doing, and he also suggested the elected officials get more involved in how this process works because there are things about law enforcement and other areas he said he cannot answer. He asked the Executive Committee to give him an exercise to come up with a schedule of meetings to begin the budgetary process, perhaps before the Retreat having two working sessions on the essential versus non-essential within the general fund. Then, at the Retreat vet out those definitions before going through the regular budgetary process in March, April and May.

Mr. Newton asked the Executive Committee members for thoughts on essential versus non-essential definitions. No members commented. Mr. Newton said Mr. Kubic suggested members of Council examine definitions of essential versus non-essential, and as a result Council members may want to ask staff to look at how the federal government defines essential. If the overall exercise is to examine if the County needs to make some cuts, separate and apart from the 6.6% decrease at this juncture as we head into the 2011-2012 budget, keep in mind the big elephant in the corner of the room is reassessment in 2012. What will the reassessment look like for property values throughout the County as a whole? The work product the Council is trying to put together to understand where the money is being spend, how and the prioritization of what the County does will likely be more important, not in the short term, but in 18 months from now with the next reassessment process. Does Council want to take a stab at trying to define essential? Mr. Newton said Mr. Kubic suggested a few items for defining essential that then will give staff a recommendation on how to proceed and allow Council to react. Mr. Newton asked if the data provided in the charts was pulled down from some other documents already in the budget process.

Mr. Hill said yes. The data was created because administration wanted to add this information to the process. Now that it is available, it does not need to be recreated. It can be massaged now more than anything else, he said. It was two years in the making trying to get to this point.

Mr. Stewart said if one line item is removed from the description of services, then ask those responsible to defend and explain will take time. Does Council really need to know the detail for that one line item in order to make an intelligent decision?

Mr. Hill said Mr. Kubic asked for a document and they have nine out of the 11 documents that will be put into a matrix, which will be used to deem what is essential versus

non-essential based on Council's definition. Then, the budget process will begin. That is why we have done a step-by-step process as we go forward. All of these items will be aggregated into a nice package for Council, Mr. Hill said. He added he thought the discussion today would be over mandated versus non-mandated, and that he is glad the committee members see all the things County employees.

Mr. Newton said he thinks the Executive Committee still wants to talk about mandated versus non-mandated services in the context of all the County does, not just outside agencies. He added he thinks it is first, everything required by law of the County, regardless of whether it is inside funding sources or external. Mr. Hill stated it was easy to figure out the internal general fund mandates, but the outside mandates were more difficult.

Mr. Newton said he is one of the culprits because he has not turned in his district priorities for Mr. Hill. He said the important part of those district priorities is the distillation process, in his judgment, of which a significant component part is for Council to discuss it at the Retreat. These lists should not be taken off in a vacuum somewhere without Council members' input on the various priorities.

Mr. Hill stated that everything administration has done thus far is for the Retreat. He pointed out the agency allocation letter to all entities in Beaufort County, which is for the Retreat with a due date of February 25, 2011 to allow for data to be culled and ready. Everything done now is predicated on a March 4, 2011 date.

Mr. McBride asked about the dates of the Retreat. This year's Council Retreat will be held March 3 to March 5, 2011.

Mr. Rodman shared two thoughts. First, he said he is glad to see the Council going through this process because in reality good things will come out of it. Also, we may find places where the County ought to invest in capital to save money. A lot of private industry, even in the best of times, will say it out to remove 3% of costs as a challenge to themselves. Second, he said Council needs to think about the employees, and not necessarily balance the budget on their backs. There may be some cases where we want to say if we expect more, maybe we reduce more positions but increase the pay of those positions still in existence. He said he knows the County has stretched its employees for several years. We should not start with the assumption there will not be some sort of compensation adjustment.

Mr. Hill reiterated that Mr. Kubic stated the goal is to reinvest into the workforce – technology and employees. He added administration is trying to get the data in line in order to reinvest in the people, their skills and bolster the County moving forward.

Mr. Newton said, looking forward, Council will challenge administration to come up with both a schedule in advance of the Retreat, as well as letting administration recommend to Council what is considered essential and non-essential, mandated and non-mandated expenditures from staff's perspective. "Does that sound like an appropriate direction to head?" he asked the Executive Committee.

Mr. McBride said he thinks his personal role is to make sure the people who came to the table and got the smallest piece of the pie last year are not the first to be dropped in the process of cutting back. That is generally what happens. People who generally have the least influence, and probably need the County's services the most because they may not have the political clout or expertise, get left out. He said he knows the County has to downsize and everyone around the table knows it will be really, really difficult, especially with the state cutbacks. The County does not want to increase taxes. Revenues are down. The needs are greater now than ever before because people are out of work. This is not going to be an easy task and he does not look forward to it, Mr. McBride said. Mr. Newton agreed. Mr. McBride restated he wants to ensure the people who need County services the most, and often get these services last, are not the first axed out of the budget.

Mr. Newton agreed and said Mr. Rodman's point and example of mental health services being cut illustrate the issue. There is also employee compensation. Council does not need to lose sight of the fact that "its guys" have not gotten a cost of living adjustment in three years. That is something Council needs to wrestle with, Mr. Newton said. Some of the things the County historically does are not going to be able to be done to the same level as before. The talk is of a reallocation of dollars, not necessarily a reduction of dollars at the same time, and recognizing whatever the established priorities are may drive what that is. Unless anyone else has a different idea of how to get there, Council ought to ask Mr. Hill and Mr. Kubic to begin to define mandated and non-mandated first then essential and make a recommendation.

Mr. McBride agreed by saying he thought that was the most practical approach Council could take.

Mr. Glaze reinforced what Mr. McBride mentioned. He said as Council proceeds with the process, it must remember the government is designed to do for people what they cannot do for themselves.

Mr. Hill stated administration will take the list of district priorities created by each Council member and use it as the matrix start point.

Mr. Caporale asked Mr. Hill if the responses what he expected. Mr. Hill said some were. Mr. Caporale said he was not certain what was desired.

Mr. Newton said the assignment asked for priorities in the district, not essential versus non-essential, so many of the members did not list public safety or social services as the top items. Mr. Hill said some did. Mr. Newton stated his point is that not everyone operated under the same parameters of thinking for what is defined as essential versus non-essential. That is why, in part, he suggested part of this process should be done well in advance of the Retreat.

**Status:** For information only. No action necessary by Council. The administration will return with a list of mandated versus non-mandated internal and external expenditures, as well as

a definition of essential versus non-essential items to be reviewed by Council in advance of the Retreat.

DRAFT

## FINANCE COMMITTEE

February 7, 2011

The electronic and print media were duly notified in accordance with the State Freedom of Information Act.

The Finance Committee met on Monday, February 7, 2011 at 2:00 p.m. in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

### ATTENDANCE

Finance Committee members: Chairman Stu Rodman, Vice Chairman William McBride, and members Steven Baer, Brian Flewelling, Jerry Stewart attended. Members Paul Sommerville and Laura Von Harten were absent. Non-committee member Rick Caporale also present.

County Staff: Bryan Hill, Deputy County Administrator; Colin Kinton, Engineering; Gary Kubic, County Administrator; Rob McFee, Division Director – Engineering and Infrastructure.

Public: Steve Andrews, Andrew and Burgess; Anthony Barrett, Manager Town of Bluffton; Terry Finger, Attorney Town of Bluffton; Sarah Roberts, McNair Law firm; Jerry Shultze, Chairman Beaufort Memorial Hospital Board; David Tedder, representing Beaufort Memorial Hospital; Rick Toomey, CEO Beaufort Memorial Hospital.

Media: Richard Brooks, *Bluffton Today*; Joe Croley, Hilton Head Association of Realtors; Kyle Peterson, *Beaufort Gazette/Island Packet*.

Pledge of Allegiance: The Chairman led those present in the Pledge of Allegiance to the Flag.

### INFORMATION ITEM

#### **1. Beaufort Memorial Hospital Property Full Road Access to U.S. Highway 278 and Buckwalter Parkway**

**Discussion:** Mr. Rick Toomey presented the Committee with a PowerPoint presentation. He gave an overview of Beaufort Memorial Hospital (Beaufort Memorial). He spoke in regard to the community focus, Bluffton operations, driving strategies and the expansion of Bluffton services. As a governmental and IRS 501(c)(3) charitable organization, we are committed to serving all people who need our services. Beaufort Memorial provides healthcare to patients, regardless of race, creed, religion, national origin, disability, or ability to pay. Uncompensated care for bad debt and charity in 2009 was \$31,449,000, with \$14,960,000 being charity. In 2010, there was \$37,551,000 in bad debt and charity, of which \$21,600,000 was charity. Charity is considered individuals who do not have the resources to pay. Bad debt is individuals who may have the resources to pay, but do not. A lot of times the bad debt are those we have not completed the necessary forms to be categorized as charity versus bad debt. Another thing that is

in the paper a lot right now is Medicaid. First quarter charges for Medicaid were more than over \$53,462,000. How the State handles potential cuts in the Medicaid reimbursement that will affect the hospital. Medicare defines a certain amount of what is cost. They have a specific cost report. The way they define cost, if related to the charges, is basically 1/3. He presented the numbers for 2009 - \$11,860,000 and 2010 - \$12,920,000.

He then spoke before the Committee in regard to the Beaufort Memorial Bluffton operations. Currently at Westbury Park, the Hospital rents 13,857 square feet of space at 11 Arley Way. There are 23 individuals (FTEs) working there. The salary and benefits for those individuals is \$1.7 million. The Hospital is in the process of renovating some space (3,987 square feet) at 7 Arley Way. There are six Beaufort Memorial providers at Bluffton Primary Care. There are 11 positions that rotate and come down to the space, through the MedShare arrangements. It is a busy location that continues to grow.

The Board, through their planning process, looked at five driving strategies – expand geographically, develop core services, enhance physician relationships, ensure facilities meet needs, and operational excellence. We are before Council to speak about expanding geographically – south of the Broad River. The first part was Ribaut Road acquisition and how we can decompress the master facility. We are growing and have limited space on Ribaut Road, therefore have bought several plots of land across the street. South of the Broad River, during the Hospital's planning process and afterwards engaged the Hammes Company to develop conceptual plans – both space and timing. A consultant has been hired to help identify potential sites. More than a dozen sites have been evaluated and through that process identified the Buckwalter location which has been determined to be the best to meet a majority of the critical criteria. We would have an agreement with a seller to acquire approximately 20 acres of land for future development of Beaufort Memorial services in the Bluffton market place. We would eventually relocate existing services at Westbury Park to this new facility and provide for continued expansion. Connectivity to Buckwalter Parkway is critical. Initial plans would be to develop 40,000 – 60,000 square foot facility, which would provide land space for future expansion for a capable total build out of 120,000 – 140,000 square feet.

Mr. David Tedder, representing Beaufort Memorial Hospital, spoke about the history of this project. In looking at this site we identified there was a potential connector road running through it. That was put on the 1% sales tax impact fee maps, which provides the necessary connectivity to make this work. The future plans for U.S. Highway 278 include immediate enclosure at the present opening. In doing further investigation, it was determined that SCDOT looked at this years ago and agreed that this median cut would stay open until the connector frontage road was put in place. Engineers and McNair Law Firm then began looking at things and discovered there is a wetland crossing we will have to deal with and other matters as we engineer the road to go through there. This is in the Town of Bluffton. There is an approved PUD Master Plan as part of a Development Agreement that also had to be looked at. In due diligence, it was determined that this road has been identified as being needed since the Short-Term Needs Study on U.S. Highway 278 in 2001. It appears it was included in the development impact fee study and the capital improvement program in 2006. The County adopted, as part of its Development Fee Impact Program, what the state statute provides for. If there is a system



improvement there is a program, included in Chapter 82 that allows for a developer to come to the County and say they want to build the system improvement, and in exchange for credits against the road facilities fee. The ordinance further provides for a capital front ending agreement, which is in place in case the cost of the road (system improvement) were to exceed that of what the development impact fees that would be otherwise payable. This would create a credit program in the future so that the Hospital, in this case, recognizes that money is tight and there are not impact fees available through the general pool. The Hospital would then act as the financier of this with the provision that as it builds or applies for building what was paid would be a credit against those road facility fees. This proposed Intergovernmental Agreement is the document under which Chapter 82 provides for this to occur. Also, terms include inclusion of engineering, permitting and process in one section. The wetland permitting and the road alignment have been looked at to accommodate some of the comments from Beaufort County Engineering for where this road ought to end up. We will have to do an OCRM Army Joint Permit for a wetland crossing. That is an onerous and lengthy process. In order to begin that process, there are numerous studies that need to be done. There was an exhibit to a memorandum that included the engineering and other proposal costs that total about \$207,000

Another section utilizes that procedures used on the first phase of the Bluffton Parkway as a potential design build project whereby this particular system was used in order for them to begin construction of the Parkway. Senior staff, Administrator and Council approved that process. He stated he used that same oversight process - the Hospital is the design-builder with the County giving approvals of design and specifications so County needs are met. Ultimately this road is a County road because it is a public infrastructure project.

Mr. Tedder distributed, to Council, the preliminary drawings of where this road ends up, the design and the access points. If there is a need for an enhancement, over and beyond what the County would normally design, that would not be a part of the impact fee credit arrangement.

Mr. Tedder pointed out that the Hospital serves the citizens of all of Beaufort County – poor and rich. The need for expansion has been determined. Through a multiyear process of elimination and investigation, this particular site has been identified as being best suited to provide those services. This road connection is a critical component of it. The Hospital feels the intergovernmental agreement is the solution to provide these without having to pay for both the road and impact fees. This is not a private partnership. It is a public partnership. It solves a long identified traffic need and an identified medical services needs. This is a win-win solution. He asks the County to support this. There were some questions about the access points.

At a previous meeting, a member of Council had a question regarding the economic impact of this. Mr. Tedder stated the Hospital is looking at about \$5 million in salaries, at this facility, and 80 employees in the first phase.

Mr. Baer wanted to know what they want from Council today. Mr. Tedder replied they are asking the Committee to recommend Council enter into the Intergovernmental Agreement.

Mr. Baer stated he is sympathetic to this project, but has not had a chance to read the agreement. He stated he has numerous questions. How does this fit into our 1% sales tax priority list? Bottom line is he would like time to study the material and ask questions. He feels overwhelmed with this today. Going back to the 1% sales tax priority list, he stated the County is running a negative balance because we cannot afford to do all the projects. We cannot do the overpass promised on that list. There is a Highway 170 project that is in the wings that we cannot do. Is this going to jump ahead of those other projects?

Mr. Tedder informed Mr. Baer of the differences between the 1% sales tax projects and this list. The Hospital is not asking for any money from the 1% sales tax. All we are doing is looking at road development impact fees. We are not asking Council to give anything from anyone else at this point. We are saying – if we give you the money to build this road, that we get credits against our future impact fees for the amount of money expended.

Mr. Baer stated the 1% sales tax program included impact fees in the total. The Hospital would be taking some of those impact fees for another project. Mr. Tedder stated he cannot say they will be taking those impact fees, because he is not well versed as to what impact fees were put into the budget that was created by the Dennis Corporation when they implemented the 1% sales tax. There was a dividing up of the 1% sales tax among the 10 projects that they had, which did include frontage roads, and what they, at that time, perceived the impact fee program to be able to generate over a period of time what they were talking about doing.

Mr. Baer stated he does not recall this particular frontage road being in there. He still believes Council needs a couple of weeks for review. Mr. Tedder stated he sent the documentation to the County and thought it went out with Council's package.

Mr. Stewart stated he did receive the package, electronically, due to the new iPad. He commends Mr. Kinton and Mr. McFee for their work in answering questions. Of which, the most important was related to the Meggett Tract and this Buckwalter Commercial being the same tract. It is called Meggett in the 1% sales tax and Buckwalter Commercial in other documents. That being said, he does not have any problem with what we are going forward with. The only concern of his is the timing of the payback to the Hospital for the impact fees.

Mr. Tedder stated he tried to include the concept that there are impact fees already earmarked for projects. What we have said is that we want to go there, but if impact fees become available that are not earmarked for other projects, would pay the Hospital back for the actual cost expended beyond what was applied for credits.

Mr. Stewart stated he would not have a problem if the payback was put on the BTAG list after S.C. Highway 170 and U.S. Highway 278.

Mr. Flewelling believes this to potentially be a really good way for us to get a road that we already identified as something we need in our list of CIP projects. He however has a couple of concerns he hopes are addressed before this goes to Council for final approval. This really should have been negotiated in the normal course of development agreements. No subcommittee

was created to negotiate this. This surprises him. He hopes a small group of Council could look at this in great detail. His biggest concern is this being a fully functional road with minimal curb cuts and terminus on both sides. Connectivity must be encouraged from this development and any other developments. Any maintenance of the road on the Beaufort Memorial Hospital property should be the function of Beaufort Memorial. If we were to design it, it would be with minimum maintenance. He suspects Beaufort Memorial to want something better than our prison driveway road design. They would want something really nice, meaning the maintenance would be above and beyond what is normally required of a public road. That additional maintenance cost should be borne annually by the Hospital.

Mr. Tedder stated the reason there is not a development agreement involved is because the County ordinance adopted as part of the road facilities fee included the statutory process that was authorized under the impact fee act for this to be the process. We are engaged in the ordinance statutory process. We come to County Council with a project. This is the project. The ordinance itself already has the methodologies for determining the values for what you all are getting. That is in chapter 82. He continued in saying the Hospital recognizes everyone is concerned about connectivity for vehicles and pedestrians. Included in the preliminary site plan are sidewalks and a bike path. The Hospital is trying to make it a functional road. The maintenance responsibility of the road right-of-way has to be dedicated to the County, however there is a provision to have Council make the specifications and the Hospital has to construct it to the County's specifications. The County would then accept it into the system, which it would then become the County's maintenance responsibility. It is a frontage road. Having it go across the northern edge of the property adjacent to U.S. Highway 278 really does not provide the commercial opportunities for the other properties. He also stated the site plan includes a deceleration lane off U.S. Highway 278 and no acceleration lane near the lighted intersection. The road has been straightened to more a "T" at the bottom end. There is also the provision for future connectivity toward Island West as it goes through the property and over the wetlands to U.S. Highway 278 to accommodate the engineering suggestions of a roundabout. We are then outside the dedicated right-of-way on Buckwalter Parkway on either side. That is going to require us to deal with the property owner on the opposite side of the road from the Hospital. The Hospital looked at what the County would normally require and have enhanced it to provide pedestrian connectivity and bike connectivity. The Hospital also agrees any enhancements beyond the plain frontage road would be on the Hospital's dime.

Mr. Flewelling stated the Town of Bluffton must also be in agreement. Mr. Tedder stated they have been in touch with the Town of Hilton Head who is here today to speak on the Town's position at this point. They have yet to take an official position on it. It is the County that drives the wagon on the intergovernmental agreement. The Town of Bluffton merely collects the road facility fees and passes them on to the County.

Mr. Stewart stated he does not support the terminus of around 900 feet from the intersection. Our access management plan for Buckwalter specifies 2,000 feet. The rotary circumvents that which he stated he does not appreciate. The only purpose of the rotary is to service the eastern side of Buckwalter Parkway. Coming west on U.S. Highway 278, you would turn right into the establishment. If one is wants to go east on U.S. Highway 278 from the

facility, one could go out on the exit. If one is coming from the east, they would turn onto Buckwalter and right into the facility. If one wants to go to Bluffton, they would leave and turn right. A rotary is not necessary. He stated his desire is that the terminus be moved farther down and ideally, the County has in its original plans a road to go down to the cinema where there is a lighted intersection and come out there and/or put a right-in, right-out somewhere between U.S. Highway 278 and the cinema that would be fine. He does not agree with a median cut or a rotary. The frontage road's minimum access out to Buckwalter and adhering to the access management plan where there are ample distances between major intersections. We are at that point right now. He hopes we have learned a lesson from the Parker situation. He cannot support this if this is the final configuration. Page 4, Section C of the intergovernmental agreement needs to be rewritten as well. He suggests changing the wording.

Mr. Tedder stated he looked at the Bluffton Access Management Plan adopted in 2007. This intersection is identified as C1 on that particular access management plan.

Mr. Stewart stated he never agreed to a median cut at that point. This is a time to fix it before we move forward.

Mr. Tedder stated he can only deal with what the policy was at the time. The area and the impact have been taken into account. The Hospital proposed the language which was the language that was understood to be in the Bluffton Access Management Plan. Getting feedback from the County engineering staff, we understood that they wanted that to be a roundabout to provide for better traffic access, flow, etc. There are fiscal impediments to dropping this road down farther south than currently planned. There are wetland impacts that will prevent it from moving forward. There are ownership issues of the southern tracts below this that cannot be resolved at this particular time.

Mr. Stewart wanted to know who would incur and be responsible for the cost of this rotary. Mr. Tedder stated if you do a right-in and right-out, using the demographic studies we cannot provide the services for that area of Bluffton Township without having access off the Buckwalter Parkway. That is a reason we looked at this and decided we have to have connectivity that way. We have done what we can do there. At this particular point in time, the initial preliminary engineering estimates are about \$240,000 for the roundabout. If we have to do a roundabout and fund it, we want to be paid back for it at some point in time. That is what this agreement provides.

Mr. Baer stated if there are ownership issues in regard to moving this closer to Sea Turtle Cinema, can't we use eminent domain to get some of that land if it is the right thing for everyone. Mr. Tedder stated the County is welcome to use its eminent domain powers; the Hospital does not typically condemn property. That would mean the County would have to have the money available to pay for it, tender it and it would then have to go through approximately a 6 month process to get the appraisal and do the tendering offering to get to the point where it can be taken into possession.

Mr. Stewart stated the Hospital can satisfy all their needs, forget about the concern and needs of the Town of Bluffton and other people on the east side, by simply having a right-in and right-out at that intersection. Mr. Tedder disagreed.

Mr. Toomey stated the value of the land is zero to the Hospital without the access off Buckwalter. Mr. Stewart stated there would be a right-in and right-out off of both Buckwalter and U.S. Highway 278.

Mr. Flewelling wanted to know how you would leave if going toward Sun City. Mr. Stewart stated he would turn and then come out Bluffton Parkway to S.C. Highway 170.

Mr. Tedder stated you cannot get back from there. Mr. Stewart stated he can turn right and go to the traffic light at cinema and come back or can go beyond the cinema down to the Bluffton Parkway, make a right and cut across to S.C. Highway 170.

Mr. Tedder stated the original traffic analysis and the analysis submitted to the Town of Bluffton as part of the master plan PUD, shows that is what we need through there. He stated he was not party to the agreements between the County and the Town. We are only moving forward with what has been presented. The Board has indicated that without full access, punt. It would then be another two year process to fulfill a medical need that we identified throughout traffic, out growth and other factors that we put in through there.

Mr. Rodman stated since this was potentially in the CIP or the 1% sales tax that is the logic for the Hospital to go ahead and us to reimburse. If that was not in either of those, how would this road be built to support the hospital?

Mr. Tedder stated it would have been put into the *pro forma* of what was looked at for the development cost on a per square foot basis to see if we could make the facility work. We have done that.

Mr. McFee stated this Buckwalter Commercial frontage road was included in the overall project listing as frontage roads on U.S. Highway 278, which were identified in the late 90's, early 2000s, with a short-term and long-term needs study.

Mr. Rodman stated when we went through the BTAG prioritization; he assumes this is one of those not in the projects currently underway.

Mr. McFee stated the concept plan was done, and submitted to the Town of Bluffton in November 2008. At that time there was no interest in this property, therefore there was no point in pursuing something that did not exist.

Mr. Rodman stated this was not in the BTAG projects that were prioritized, but is in the balance of projects. Mr. McFee stated when staff got together and prioritized, frontage roads along U.S. Highway 278 were the very first priority, because they do all of the things we seek to do in regard to capacity improvement, safety improvements, interconnectivity.

Mr. Rodman stated we are going to come up short on the impact fees for the sales tax projects. The sales tax has a fixed ending point. Does the impact fees end at the same time, or do they continue on?

Mr. McFee stated impact fees continue for 20 years.

Mr. Rodman stated 20 years of impact fees can still be applied to sales tax projects, even when the sales tax ends.

Mr. McFee stated there will be a collection of impact fees for duration of 20 years in Beaufort County. The reallocation of those funds is up to County Council.

Mr. Kubic stated Mr. McFee is correct on term. There are some possible changes, because it is a fluent process. Impact fees are created by emerging need. The idea of impact fees is that if a development occurs it impacts in some future way and teeter-totters in its application. The frontage roads were part of the sales tax. We spent a minor amount on this frontage road, simply to prepare a concept plan. When the property became attractive to a development, we had a presentation we could submit and an idea of what we wanted to do with it. He stated when he was asked to get involved; he followed the pathway of a previous ordinance. He viewed the concept here as more of an economic development piece more so than a roadway creation. He liked the location and recommended the location because it was away from the headwaters of the Okatie. It does not present all of those storm water considerations and concerns near the Okatie.

Mr. Rodman is struggling with this in the sense of would we be building this particular road if it wasn't for this development. When we did the 2001 short-term study, U.S. Highway 278 was anticipated as being a 4-lane road, not it is going to be a 6 lane road. There is not a need to move through-traffic on that road. There is plenty of capacity to come down to the light on U.S. Highway 278, and then turn onto Buckwalter. He stated from the Hospital prospective, you'd think you wouldn't want the traffic and the people on that road. What would the traffic volumes be on this particular road?

Mr. Tedder stated this goes back to an encroachment permit on U.S. Highway 278 that was issued to the present owners, back in 2000 which says "in effect to a point that is part of exhibit b or attachment b, you cannot, SCDOT will not close the median on U.S. Highway 278 until a frontage road is built." In November/October of 2010, another letter was obtained from the Secretary of Transportation that reiterated their position: that road media cut will not be closed until this frontage road is done. We are trying to meet some of the County's immediate traffic needs, the long term need and the U.S. Highway 278 widening program that provides for at least three median cuts being closed down. Is there immediacy to this? Yes there is. The County is trying to get the design and SCDOT approval to get the U.S. Highway 278 widening. That is one of the immediacy items. There is a traffic study – more than one. There was one that was performed when the master plan for this site, which identified traffic, flows. Those were incorporated into the 2006 and 2007 access management plan. One thing, the Hospital has to do for the wetland permitting is present another traffic impact analysis to the County. That is part of

the \$207,000 we spoke of at the beginning that is just to get the permitting going. The longest lead time is the Army Corp, OCRM.

Mr. Stewart stated he fully supports this project. He would like to see the hospital there. It fits. It is the right things. There is a way to work this out. We can solve this traffic problem, which is the main issue at hand. He asked Mr. McFee to clarify whether or not if the terminus comes out and be a traffic bite, it would be opposed to the access management plan. Mr. McFee stated that is correct.

Mr. Stewart stated the only way it fits the access management plan is because of a roundabout. When we did the access management plan, none on Council had ideas of roundabouts. This is a new concept to what we were considering at that point in time. Unless it is a roundabout and someone agrees to pay for it, it comes out there with a terminus at a traffic light it is not in agreement with the access management plan. We do have in the County's plan to run a frontage road to the cinema and to the light.

Mr. McFee stated as far as another frontage road to the south, and as far as all of the concepts and plans that have been developed, there are other factors which influence whether or not these things get built. Yes, there is an exhausted plan of many roads and connectivity, some of which are more viable / doable than others. In regard to Mr. Stewart's statement – were this a full service intersection it would comply, but where land use to change from underdeveloped, greater traffic generated would create a situation where we had an intersection which would meet warrants for a traffic signal but not ability by ordinance. This is a solution that meets all the requirements.

It was moved by Mr. Flewelling, seconded by Mr. McBride, that Finance Committee approve and recommends to Council an Intergovernmental Agreement among the County of Beaufort, the Town of Bluffton and Beaufort Memorial Hospital regarding road design and construction of Buckwalter Commercial Park frontage road.

Mr. Stewart would like the consideration of amending the motion to this item moving forward with the condition that we resolve the issue of how this terminus onto Buckwalter Parkway is handled. We have made it very clear that ultimately a traffic light there would not be appropriate. If we are going to do this, then someone has to pay for that round-about or punt and move down to a later date and time which we still will not have a solution to the problem.

Mr. Baer thinks it to be a good project but will vote against it due to it being moved along in a non standard way.

Motion to amend by addition.

It was moved by Mr. Flewelling, seconded by Mr. Baer, that the language include the condition that the County resolve the issue of how the terminus onto Buckwalter Parkway is handled.

Mr. McBride could not support the motion to amend. The Hospital has already done an analysis of what is needed to make the project work. They know what is required regarding traffic engineering to make that be a viable site for people in that area to utilize that site.

Vote on motion to amend by addition.

The vote was: FOR – Mr. Baer, Mr. Flewelling, and Mr. Stewart ABSENT – Mr. Sommerville and Ms. Von Harten. OPPOSED – Mr. McBride and Mr. Rodman. The motion passed.

Mr. Baer stated he will vote against it in looking out for the taxpayers interested there may be some things he has not seen.

Mr. Rodman stated he will vote against the main motion, as amended, because it is better to handle changes at that Committee level as opposed to at the Council level.

Mr. McBride stated he will also vote against the main motion, as amended, based on comments he made previously. This project is a desirable project. He does not want to see it killed because some members of County Council objecting to design of the roadway and intersection.

Mr. Flewelling as maker of the motion withdrew the motion.

It was moved by Mr. Flewelling, seconded by Mr. Rodman, that discussion and action of this item be postponed until the next Finance Committee meeting.

Mr. Kubic informed the Committee that he had two key items he wanted to present to the Finance Committee. Unfortunately, he needed to review the data further before presenting it. He asked that the Committee schedule to meet in a week – February 14, 2011. That would allow a little time for review of this issue as well.

Mr. Stewart stated he does not feel this necessarily kills the project. He does not want that to happen. There is a way to work with the engineering staff and solve this problem. Maybe the solution is to come up with the money for the round-about. There is a solution out there.

The vote was: FOR – Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman and Mr. Stewart ABSENT – Mr. Sommerville and Ms. Von Harten. The motion passed.

Mr. McBride stated Mr. Baer will be unavailable to attend next Monday's meeting.

Mr. Rodman wanted to know if two weeks out would be problematic. Mr. Kubic stated for his purposes he needs to meet with the Finance Committee the following week.

**Status:** This item was postponed to a later Committee meeting.



## FINANCE COMMITTEE

January 18, 2011

The electronic and print media were duly notified in accordance with the State Freedom of Information Act.

The Finance Committee met on Tuesday, January 18, 2011 at 2:00 p.m. in the Conference Room of the Beaufort Industrial Village, Building 2, Beaufort, South Carolina.

### ATTENDANCE

Finance Committee members: Chairman Stu Rodman, Vice Chairman William McBride, and members Steven Baer, Paul Sommerville, Jerry Stewart and Laura Von Harten attended. Non-committee members Rick Caporale and Gerald Dawson also present.

County Staff: Bryan Hill, Deputy County Administrator; Greg Hunt, Mosquito Control; Gary Kubic, County Administrator; Miriam Mitchell, Risk Management Director; David Starkey, Chief Financial Officer; Dave Thomas, Purchasing Director;

Lowcountry Economic Network: Jessica Bridges and Kim Statler.

Media: Kyle Peterson, *Beaufort Gazette/Island Packet*.

Pledge of Allegiance: The Chairman led those present in the Pledge of Allegiance to the Flag.

### ACTION ITEM

#### **1. Financing Options and Committee Recommendation/Authorization to Purchase the Beaufort Commerce Park**

**Discussion:** County Administrator Gary Kubic opened discussion of this item by giving the Committee an overview of the history of this item. He was given the administrative task to discuss with the banks the purchase of this loan with a cap of \$1.5 million. He did have a meeting with the banks that stated it was not going to work. The second mission was to negotiate the same topic, but he was given a larger parameter for which to negotiate. The banks are South Carolina Bank and Trust, BB&T, First Citizens, Palmetto Bank and Regions Bank. All five are shareholders of this loan. They indicated they would not discuss discounting the loan agreement. With that, we went back because the work we have been doing relates to the fact that all of these decisions impact the CIP and we need to discuss the potential borrowing as a component part where one part affects another.

Mr. Kubic asked staff to review the \$36 million of odds and ends that we have on our books that could be eligible for capital improvements, and also include the Rural and Critical Lands component on the debt side of our program. A determination has been made and endorsed

by himself that we would be looking at the Beaufort Commerce Park (Commerce Park) purchase in accordance with the Retreat directive, by Council, the St. Helena Island Library which we have committed to, renovation of the County Courthouse which needs re-skinning, and Myrtle Park which is the south of the Broad River administration building currently under a general fund annual lease as a possible purchase for the County.

He asked the Finance Team to look at the impact of those items and the potential borrowing of the remaining \$10 million in the Rural and Critical Lands Program and also consider in out years if we would pursue a similar referendum for rural and critical lands. Mr. Starkey, Chief Financial Officer, has produced future financing assumptions and will take you through this purchase of \$2.5 million. The principle due on the loan as of January 15 is \$2,412,000. It started in March of 2006 at \$2,926,000. It had a recent appraisal in August 2009 of \$3.7 million. The current remaining principle balance is within that appraised value. You will see it as a building block, stepping stone project, to allow you to get a flavor of future CIPs as well.

Mr. Starkey presented the Committee with a PowerPoint presentation. Without any new debt, with the current assumptions of the prior year, a mill value of \$1.74 million, we are looking at a total millage of 8.8 mills for General Obligations and Voted Debt (Rural and Critical Land Debt). That is a .27 mil increase in General Obligation and 1.2 mil increase in Voted Debt. There are several reasons behind that which include the re-classing of bond premiums that previously were put in CIPs to be put back into Debt Service -- the proper way of accounting for it. That temporarily reduced our millage requirement for FY 2011 as we then took that savings and used it as a part of the budget this year. Furthermore, our debt service requirements can increase and decrease in a particular fiscal year. One big increase in FY 2012 is our FY 2009, \$5 million borrowing, as a three-year bond. Three million (\$3 million) of that is coming due in FY 2012, after which that bond will be paid in full. Our bonds never have straight line amortization. The size of the bonds and how they are broken out are determined by our bond sale.

The two imminent requirements that we have are the St. Helena Library which has been voted on in accepting the USDA Loan/Grant and the Capital Asset Repairs (Administrative Complex Re-skin) which currently has \$6 million from the settlement and has a total estimation of \$13 million, of which \$8 million is the estimated amount for the first phase, the Courthouse. Upon accepting the USDA Loan/Grant of \$10 million, the County will receive \$6 million in loan monies in FY 2011. The next \$4 million in grant monies are considered reimbursements. How most federal grants work is that you make the expenditure and draw it down. Accepting the Loan/Grant, the original \$5 million borrowed in 2006, will now be re-classed into the Re-skin Project, giving that particular fund \$11 million. That would allow the St. Helena Library to then have \$10 million. The St. Helena Library is top priority of our strategic plan. With that in mind, we add the potential of the last \$10 million left in \$50 million referendum. There were two referendums - one of which was in 2001 and the other in 2005. The 2001 was for \$40 million which was completely borrowed out around 2005. Then another \$50 million was then approved by the voters. So far \$40 million of that has been borrowed. The balance in the fund, the unrestricted piece of it, is currently at \$4.9 million and the Rural and Critical Lands Board has

since requested the last \$10 million of that borrowing. The Rural and Critical Lands Program was also a top priority of Council's strategic plan.

The County is already committed to the \$6 million USDA loan. Coupled with the \$10 million voted debt on top of that, that 8.8 mil will become 9.54. It will be a .49 mil increase on general obligations debt and a 1.72 mil increase from 2011 on voted debt. There will be the same kind of debt service payments in FY2013 and FY2014 where the requirements go down slightly. They pick back up in FY2015 and FY2016. That is placing our estimates on the new debt requirement and assuming that the mil value is at \$1.74 million per mil.

Mr. Starkey then spoke in regard to the Commerce Park purchase. There is approximately \$2.5 million in payoff of the Network note. The Commerce Park, as valued in 2009, was \$3.75 million. One would assume that if we are paying \$2.5 million, that that land is probably worth more than that \$2.5 million or at least at \$2.5 million. If we did do this purchase, upon getting that land appraised, we should not have to write down our purchase. In the accounting world, if we purchase something for more than what it is worth, you immediately have to write that asset down to the value that it truly is. Again, the Commerce Park was a high priority in the Strategic Plan.

Mr. Baer wanted to know if this \$2.5 million included a spec building. Mr. Starkey replied in the negative.

Mr. Baer wanted to know if we currently pay taxes on that piece of property or if it is a tax free place.

Mr. Starkey stated it is tax exempt.

Mr. Starkey continued his presentation by reviewing the financing options for the Commerce Park. The three options are as follows:

#### Option 1

This option is to borrow \$2.5 million. That coupled with the \$6 million USDA Loan, and the \$10 million Rural and Critical Land (Voted), would bring the mills to 9.67 – a .62 mil increase on General Obligations and a 1.72 mil increase on Voted Debt. The mil requirements would then go down in years FY2013 and FY2014, and increase in FY2015 and FY2016.

#### Option 2

The Courthouse Re-skin Project should not need the full \$11 million within the first year. That \$11 million consists of the \$5 million pushed over from the St. Helena Library borrowing which now has the USDA funds and the \$6 million in the current settlement fund. The idea would be to use the \$2.5 million temporarily from the Re-skin Project monies to purchase the Beaufort Commerce Park. A future borrowing would then replenish the \$2.5 million back to the Re-skin Project prior to those monies being needed. The County already has \$16.2 million in

unspent bond monies ranging for 2001 – 2009. Some of that relates to items such as Hilton Head and some disagreements there related to their parks and them withholding monies. There was a Finance Committee meeting several years ago, where that was discussed. Furthermore, there were other projects that got delayed for one reason or another. That being said, with that \$16.2 million hanging out there, the idea would be to not borrow more but temporarily use some of those monies that are not going to be used right now and replenish it later. This temporarily reduces a millage increase need on at least the Commerce Park portion and it will help smooth future mil requirements.

Mr. Baer stated this is a good idea (using unspent monies), but he stated he views this bucket as having three parts - some of those funds are uncommitted, some are committed and some are morally committed. They are not all free, uncommitted funds.

Mr. Starkey stated that \$2.5 million would come from the Re-skin Project. If you take the money from that project, the full amount will not be needed at this particular point in time.

Mr. Starkey continued by saying that with unspent bond monies, the County is required to obtain arbitrage audits on a regular basis. What that proves to the IRS is that we are not making more money on the interest that we are earning on those unspent monies, as opposed to what we are paying out in interest on those bonds, because they are tax free bonds. Once those monies are spent in full, we do not need an arbitrage audit. We had an IRS audit on our New River TIF Bonds here recently.

### Option 3

This option is to draw down the General Fund balance which would eliminate the need for additional borrowing and would temporarily reduce the County's reserve until the Commerce Park would make enough money to replenish what had been taken out of there. There is no indication as to when that would be.

Mr. Baer stated we have always argued about reserve – County Reserve vs. Cash Reserve. We have \$2 million taken from the County Reserve for the Airports already, with no pay back plan. The Cash Reserve gets lower and lower all of the time. It is probably about \$16 million.

Mr. Starkey stated the unrestricted piece of it was \$16 million as of June 30. There are certain General Fund requirements which are encumbered.

Mr. Starkey stated Option 2 is the recommendation of staff. This Option would temporarily reduce millage increase and will keep the reserve up. Keeping the reserve up, also helps in our bond ratings.

It was moved by Ms Von Harten, seconded by Mr. Sommerville, that Finance Committee approve and recommend to Council Option 2.

Mr. Stewart wanted to know how often we conduct an arbitrage audit, how much it generally costs, and how close are we to having spent down to where it is no longer needed.

Mr. Starkey stated audits are needed until we are down to zero. That is for us to prove to the IRS that we have not made money off of the tax free monies borrowed. We tend to have them audited once a year, in which the company that has been doing our audits will ask quarterly for information. They will basically calculate what we have made in interest and what the bonds have made in interest. They will make the comparison back to the beginning of borrowing and forward. An outside party conducts the audit. The cost of that has been significant over the last number of years. He will provide the exact amounts.

Mr. Baer stated it is premature to vote on the motion until we see the plan for the Commerce Park, other costs required, how else we may use those monies, what else we can use the monies on, if there is a better way to produce jobs with that amount of money, etc. None of that has been told. Questions have been asked since March 1, 2010. No answers.

Mr. Sommerville stated that \$16.2 million of unspent CIP is called what?

Mr. Kubic stated arbitrage. The past practice of sitting down and coming up with ten projects, valued at \$10 million and working on getting those projects done is no longer going to be our method of choice. Our plan is - if we have ten projects, valued at \$10 million, we would look at short term borrowing to bring the architects and engineers on board for these projects, spec, go out to bid, bring the actual prices in, size the bond on an actual bid price, then give out ten notices to proceed. This will eliminate the holding of funds to be applied to designated projects by Council. We built this up ourselves. It is \$16.2 million that is subject to arbitrage. The prudent practice for us is do the arbitrage audits in advance of being challenged by groups that come in and say we have not intent to spend. The determination between the County and the banks was decided a while ago. The inability to bring it forward was the other consideration that has primary importance and will impact our community. We chose five years out. The Rural and Critical Lands Program is voted. His view is that the voters have said, we agree to tax ourselves more because we like this program. He wanted to make the distinction today between voted and non-voted debt so you can see that on the General Obligations side is where we are determining primarily for the enterprise of the County, yet no one is questioning the fact that a referendum and self-imposed millage requirements, when added together, have an overall impact. The economic reserve typically is a value we hold back predicated on what we try to do to satisfy the investing market. He recommends a topic for later on is an ordinance that specifically tells us what target of reserve we are to initiate each year so that we maintain \$20 million. You would then have that requirement in the budgetary project that if you were at \$19 million, and the ordinance says you were suppose to be at \$20 million, we would present you with a budget to accommodate that to ensure it is back at \$20 million. It is a problem for us to budget when we don't know where that number should be.

Mr. Starkey continued his presentation by presenting other near-term need that is fairly pressing – the south of the Broad River office purchase. Currently the County expends \$22,244 per month in rent. Tacked on to that are the taxes we are required to pay as part of the agreement.

This particular item costs us approximately \$275,000 a year to rent. A purchase of a particular property would produce a net savings within 10 to 15 years depending on the purchased price and an immediate General Fund savings. If you purchase something directly through a capital improvement fund, you are no longer paying rent -- a sheer General Fund expenditure. The only General Fund expenditure you would be paying is maintenance. Furthermore, the County has \$727,274 available in its FY2005 Bonds as part of that \$16.2 million, which was originally borrowed to purchase a property there.

Mr. Kubic stated we are currently in negotiations. The amount available represents approximately one-third. If you are currently spending, out of the General Fund, approximately \$300,000 a year, in ten years that is approximately \$10 million. Borrowing the money, which in this case would be \$2 million, we gain and control that piece. That building has five acres of land and is a total package. The question for Council is, "Do you all want to continue as a lease or try working it in." In our scenario, we are working it in, because we believe it to be a good thing to do. It does not have to be done. We are negotiating and believe we can reach an agreement with the party.

Mr. Starkey stated assuming that we stay constant at a mil value of \$1.74 million, assuming that future borrowings and straight-line amortization (assumed to get an estimate) each million borrowed would produce a .05 mil increase for the first five years of any borrowing. You basically multiply that by whatever amount we borrow as a general assumption as to how we move forward and what we particularly think about purchasing, especially without the look of any growth.

Mr. Rodman remarked the Commerce Park works out to about .12 mills. Mr. Starkey stated that is correct.

Mr. Rodman commented in regard to Mr. Baer's point being valid in that we may not be able to totally consider this until we look at the other. Secondly, this is a look-see as to where we are headed, not a recommendation for approval.

Mr. Kubic added it is to give Council an idea as to where we are.

Mr. Rodman stated it needs to be considered together (the purchase of the Commerce Park and the finance option of the purchase). He deferred a recommendation until hearing from the Network and then the Committee can take both simultaneously.

Ms. Von Harten, as maker of the motion, withdrew her motion.

Mr. Sommerville stated the \$16.2 million is a "freeze frame" in time as to what we have in the account that is identified for some use. If we are changing our policy to reduce that overall number (flow), he wanted to know what that number looked like as you go backward in time. Where is it going in the future?

Mr. Rodman stated his view is that the \$16.2 million will not go away. We may have borrowed some money that was not designated for a particular project and at some point in time we would take down the debt on a particular project after it has gone through Engineering.

Mr. Starkey stated in regard to the borrowings, they have all been tied to specific projects that have been held up for one reason or another. The idea behind all of this is to basically say – let's try to get our borrowing in real time. If we can borrow from a project that we definitely know will not be completed within a year or so, then let's take some of that money that we are already paying the interest on rather than borrowing more money and paying more interest for this large pool to just sit there. In adding up all of the Debt Service funds it was roughly \$21 million at June 30, but that ebbs and flows. It is definitely a peak- and valley-type situation and has been over the last several years.

Mr. Starkey informed Council that the quarterly reports that have been produced and the one that is in the process of being produced does have a CIP detailing of all of our particular borrowings. It does not have the \$6 million of settlement funds for the Re-skin Project, but does show all of the original projects and what is available in them, and the bank balance. That is where we are showing, by project, the progress.

Mr. Rodman stated if we told a lender that we were going to put \$5 million in Penn Center and then we use some of that money for something else, is there some obligations to disclose that to the people that bought the bonds. Mr. Kubic stated we would have to follow up with the proper legislation. If we have \$16 million of borrowed money approved by an ordinance, we are only talking about cash management within the \$16 million. Ultimately, in this case, we will be spending \$18.5 million. All we are saying is that we can, by application of some cash management techniques, utilize that existence in a better way but ultimately some point in the future you will be spending \$18.5 million. We are not suggesting that somehow we are going to absorb that entire \$2.5 million. There may be opportunities in contingency and such to where we can apply those contingencies, but it will not reach the entire \$2.5 million. We can use that as a source and can apply true contingencies available that will not impact any of the predetermined projects, if Council agrees, and then come back with other subsequent ordinances to modify that, but ultimately whether it is utilization of the cash reserve or utilization of another borrowing we will have to make up that \$2.5 million with some process.

Mr. Stewart wanted to know if we have ever had a penalty from the arbitrage. Mr. Kubic stated not in the seven years he has been here.

Mrs. Kim Statler, Executive Director of the Lowcountry Economic Network presented the Committee with the history of the Commerce Park's ownership and a PowerPoint presentation regarding the Network. The Network was formed in an effort to enhance economic diversity and quality of life in Beaufort County. Each organization represented has a vested interest in the prosperity and economic viability of Beaufort County and provides insight and guidance on all decisions made by the Network. The organization is made up of both public and private memberships. Board-level members include 303 Associates, BJWSA, Beaufort Memorial Hospital, Buckwalter Commercial, CareCore National, City of Beaufort, Palmetto Electric

Cooperative, SCANA, TCL, USCB, Town of Hilton Head Island, Jasper County, Town of Bluffton and Vetronix. Those are entities paid (\$15,000) to be on the Board, as well as Beaufort County for their \$275,000 investment in the organization and therefore receives five seats – two of which occupied by Council, and three of which occupied by various chambers. The Network has more than 30-member businesses and organizations from the private sector.

She presented a map of the Beaufort Commerce Park. There have been questions in the past related to the property being conducive to what is happening with the military. We are in the AICUZ, but the military sees industrial development as conducive and a complementary development for what they do. Their concerns typically arise around the residential component. The Network has been working closely with them to find out how to become better allies in development moving forward. The timeline of the property and how it was purchased began with the Beaufort Industrial Park, Inc. owning it for more than 40 years. In 2006, the Network purchased this property from the Beaufort Industrial Park, Inc. After the Network purchased it, that same year it received a Multi County Industrial Park (MCIP) designation. In 2007, in working with the Planning Department and the Economic Development Committee a streamlined permitting process waterline was completed. We are awaiting some final permits closure on the Master Stormwater System.

The improvements since ownership by the Network includes an upgraded waterline system, installation of Master Stormwater System, installation of signage at U.S. 21 gateway and the Commerce Park (Park) entrance, and general upkeep.

Since the Network purchased the property, 3 tracts have been sold: 1.56 acres was sold to Walter Oliver, 2 acres to TST Enterprises and 27.824 acres to Carolina Door and Millwork. In addition to doing the Master Stormwater System, the Network has utilized 13 acres in creating stormwater ponds. There are two options when doing development – create stormwater as you go, permitting and executing on a site by site basis or to be more competitive, you master plan which usually gives you a better system for the property. That is what was done.

The original site appraisal conducted at the time of purchase valued the land at \$3 million. An appraisal dated August 6, 2009 values the property at \$3.75 million. That was prior to the Master Stormwater System being complete.

Mr. Baer wanted to know if taxes are paid on the land once it is purchased. Mrs. Statler replied in the affirmative. The three tract sold (Carolina Door and Millwork) were embodied into a fee-in-lieu agreement. They pay taxes, but do not pay the industrial rate. They pay the 6% fixed rate. That was approved by Council.

Why should the County be interested in purchasing the Commerce Park?

The Network believes, passionately, that the Commerce Park is critical to creating jobs in that corridor. It is strategically located. It is along the South Carolina Aeronautics Corridor. Boeing announced a large expansion in North Charleston. Gulfstream has also announced an expansion in Savannah, GA, with



over a thousand jobs all related to building of aircraft. Also, there is the arrival of the F-35B to MCAS Beaufort. All of that puts us in a nice position to capitalize on that traffic. There has always been an interest because of the natural outgrowth of industry from the municipalities.

Mrs. Statler stated the Network has always had a subcommittee of folks who have looked at projects that have come in for consideration of purchase. The Network has denied purchases before. They have been denied as a board due to the understanding that we would be utilizing and keeping this property for the best public possible purpose. There could have been parcels sold but it would have had no job creation attached. The Board determined that was not the agreement in why the property was purchased.

Mr. Baer wanted to know if the last property sold was for \$35,000 per acre. She concurred.

Mrs. Statler stated the Network has moved forward in relationship with the Alliance. The Network has recently issued an RFP for further analysis on exactly what we should be targeting in the aerospace industry. We are already receiving interest from folks responding to that. We will have a much more targeted approach to exactly what we can recruit inside this park. In addition to what is going to happen as a ripple effect out at the Air Station.

Why from a public policy prospective should we do this?

The Park is adjacent to the County's poorest census tract with 33.5% poverty. Due to our limited transportation in this County, you have to ask yourself if low income residents have transportation issues but there are no jobs in proximity to them. How do we ever change that paradigm? This property is critical for that purpose. It also feeds into the academic plans for Whale Branch High School. Whale Branch High School has been targeted for education programs that relate extensively to the private sector. It will also assist with the retention of our youth population and assist with the retention of our exiting military.

Mrs. Statler then reviewed with the Committee the terms of the current note for the Commerce Park. The maturity date is January 15, 2011. The original loan date was March 24, 2006 with an original amount of \$2,926,603.73. The balance due as of January 15, 2011 is \$2,412,619.67 for principle and \$12,984.58 in interest, totaling \$2,425,604.25. The original agreement with the bank, which was somewhat modified in the beginning, was that the Network had monthly interest only payments which was then negotiated to quarterly. The agreement with the bank was 80/20. If a piece of property was sold 80% would go to the bank, and 20% would go to the Network to pay interest and do additional improvements within the Park. That is how the Park has always been separate from the operating account of the Network. The Park had an independent account, that through that 80/20 agreement, where it was funded out of. The interest payments have always been paid out of that separate account. A lot of that had to do with accounting purposes and our auditors wanting us to keep that asset separate.

The Network has been asked by Committee before in regard to the numbers, the business plan and the exit strategy. She stated she would be foolish to say that in economic development you sell every acre, because you do not. There is always some negotiation point with the prospect where you have to sell the property at a reduced value or some combination of taxes/land for the right prospect that is deemed viable. Instead of giving a model that makes no sense, the Network went to the cost benefit analysis model developed for local governments, by the South Carolina Department of Commerce. It has been presented to the Council previously in May for Council to look at scenarios as to what it would mean for the County if things were to move forward. The most conservative model of projects, cost per square foot, and employees were used. In the most conservative arena and assuming everyone of them got a fee-in-lieu locked in at 6% for 20 years and frontloading the cost of purchasing the Park, you still see a net benefit of what the community has to bear by taking those new jobs and that capital investment and rippling it through the economy. This piece of property has the potential to draw potential economic impact to the area. She also presented a moderate figure and an aggressive figure.

Mr. Baer stated he looked at the material provided May 3, 2010 and wanted to know if the numbers are possible. Mrs. Statler stated you have to look at any economic development piece of property and asked, what is its potential?

Mr. Baer stated if he was coming in with a company that big, wouldn't he be looking at other buildings available now or converting existing space on the market. Mrs. Statler stated this is the only industrial property of any size that we have in Beaufort County. We are sad to see the Mr. Machine Building go, but are excited to have a piece of property to market and hope to do that. No matter what you do there are prospects that your existing space does not fit. That is where green space comes in. That is where this property becomes viable. In the Beaufort-Jasper region there are very few buildings with which you can actually do an industrial project. One is in Ridgeland and is 90,000 square feet. Minster will become the next largest. There is a portfolio of any building we can get our hands on. However, in manufacturing it is very difficult to utilize an existing building if your process is at all intense.

Mr. McBride inquired as to the square footage of the Minster Building. Ms. Starkey replied 47,000 square feet.

Mr. Baer inquired as to the size of the building Malphrus is constructing on Hwy 170. Mrs. Statler stated it is not zoned industrial. That piece of property is zoned commercial.

Mr. Baer inquired as to the size of the Yemassee Park. Mrs. Statler stated the Network looked at it in their business plan analysis as a potential site. You would have to be a very unrestricted manufacturer who could take on the fill equation. The property is about 80% wet. There are significant wetlands on site. The Network and the Board looked at it several years ago. Even though it is in a key corridor, there are significant wetland issues to look at. She presented the Committee with Park's Business Plan, specifically Appendix A – a wetlands map of the Yemassee Industrial Park.

Mr. Baer wanted to know if the document is an analysis of competitive sites. Mrs. Statler stated it is an analysis the Network done when looking at building and promoting the Corridor Commerce Park in Yemassee. An Alliance consultant was hired to look at all of the sites in the Yemassee Corridor for the potential of creating a Corridor Park. The document she presented was created by an Alliance, and at that time showed it as a possible piece of property. She stated her intent is not to leave Council with the impression that wetlands cannot be filled, because we all know they can. She stated she does not know what is delineated and what is not, and the cost for fill. She encouraged Council to talk to Mr. Marshall. Last spring when he got in contact with the Network, the Network contacted him in return and requested a meeting with him to talk about any needs he might have to market his property or to talk about any concerns, but never received a response in return. The Network would be happy to do so. She continued by saying there are small wetlands in the Commerce Park, but they have been delineated and the Network has a mitigation plan.

Ms. Von Harten requested staff to pull up the site [www.sccommerce.com](http://www.sccommerce.com) to show what it is like for a prospect that is looking for a site in Beaufort County. In browsing buildings and sites, buildings in particular, you find zero available. If people are looking for a building they come to the South Carolina Department of Commerce site they get nothing.

Mrs. Statler stated the Park is on the Commerce site. Not just any piece of dirt can go on the site. You have to be site certified which means consultants had to come in and value the validity of the site for potential site consultant. We have done that on our site. It was certified on the Commerce site. Furthermore, they will not take just any building. It has to be properly zoned and properly positioned. The Network created their own GIS site through the Network and Alliance because, like you, we felt there might be some potential for current buildings to be retrofitted.

She also spoke in regard to the spec building. It is very clear that resources are absolutely tight wherever you go. The Network issued an RFP to determine what the private sector's interest might be in working with the Network on a spec building. Three individuals were interviewed and would like to entertain some sort of creative formula, but there is nothing the Network can do until this issue is resolved. She stated she has pledged to individual Council members that the Network realizes what they are asking of the County in regard to the purchase of the Commerce Park, but will continue to be aggressive as possible to bring space to the area or market what we currently have.

Mr. Baer stated if we are spending \$2.5 million on the purchase of the Commerce Park, who is to say that spending it on a convention center in Beaufort, a business incubator at TCL/USCB, or an art center at Beaufort USCB would not produce more jobs. Ms. Von Harten stated it would not produce the jobs we said we want.

Mr. Baer stated we are not sure we are going to get them. He does not see the connection between this and the jobs because of the past history. For the time he has been on Council he has been hearing about this and about the spec building, projects, etc., but nothing has happened.

It was moved by Mr. Sommerville seconded by Ms. Von Harten, that Finance Committee approve and recommend to Council the acquisition of the Beaufort Commerce Park in the amount of approximately \$2.5 million in order to pay off the Lowcountry Economic Network bank note. The financing of this endeavor will be achieved by borrowing \$2.5 million from the County administrative complex re-skin project, which will be replenished via a future County borrowing. This option temporarily reduces millage increases and keeps the General Fund reserve up.

Mr. Sommerville stated in looking at the map of the property (Commerce Park) there is a "donut hole" (26 acres in the middle of the Commerce Park parcels). He wanted to know if it would make the property more valuable for economic development if we had that piece in addition to the other pieces of property.

Mrs. Statler replied that piece of property came before Council for a fee-in-lieu of agreement, but it ended up taking a different route in expansion. That piece of property is very viable as it stands, because all of the infrastructure improvements the Network has made, including stormwater, water line extension, and sewer have been done around that piece of property. If it were a donut hole that we had ignored (meaning infrastructure hadn't been put in place) then she stated she suggest Council to purchase that property so that we are competitive. Everything we have done was in anticipation of that project coming to fusion on that site and with the understanding that the piece of property was valuable to completing the hole. If a manufacturer comes in with a very large footprint, it would make the most sense to go on that central property because of the depth of it. It has been master planned and we have seen what an 18-wheeler could do coming in and out of there. The piece of property has value, separate from the parcels around it, due to the depth of it and it being in the center. That is obviously for Council's consideration.

Mr. Sommerville stated if it were a good price, would it make sense to purchase that parcel as well. Ms. Bridges presented a map to the Committee and informed them that only half of that donut hole was purchased. She pointed it out on the map.

Mr. Sommerville stated if part of our motivation is to control it and if this piece is critical to the Park and at some future time may be a prim selection for some development, does it make sense for us to have control over that. Mrs. Statler stated she cannot answer that. The County has a relationship with that piece of property that dates back to 2006. That precedes majority of Council. It was a fee-in-lieu of agreement that was done with that particular prospector that committed \$11 million in capital investment and 50 jobs. In return the County committed to lock in the property taxes at 6% for 20 years and to put the water line down. The County has done those things and the project did not happen. The project was to manufacture residential doors and because of the economy they ended up taking a less expensive route and purchased a building in Ridgeland where they are doing a smaller scale operation.

Mr. Sommerville stated he would like to know if we should consider that piece. In order to do so we need a price. He asked staff to approach the owners to find out how much they would sell the property for. A decision can be made from there.

Mr. Kubic stated we have a contractual relationship with the property owner in effect. If you read the fee-in-lieu of agreement, there is a requirement that if the terms and conditions by either side are not affected, then the agreement requires a call of reformation. We need to sit down and reverse back to its original position. The amount of investment and the commitment for the water lines is a part of the negotiation process. We will be discussing with the property owner the reformation process that he and we committed to if the thing did not come to fusion. Any tax advantage that was gained by the private owner must be reversed, and the County must be made whole to its position prior to the execution of the fee-in-lieu.

Mr. Baer stated that reformation would include their paying normal property taxes which would induce them to sell more rapidly and cheaper.

Mr. Kubic stated there is a realization, whether or not their project went forward, of a gain from the property owner.

Mr. Caporale stated his sense is that we are not ready to vote on this. There are too many questions hanging in the air. He asked Mrs. Statler to speak in regard to the spec building.

Mrs. Statler stated at the last Council meeting when discussing the regional plan, she brought forward four major issues that keep us from having job creation – built product, infrastructure, integration education programs and business climate/environment. Those four things need work. This piece of property is not in position to be competitive. In the grand scheme of things, regionally speaking, we have work to do. Does all of it fall in the Network's domain? No. The Network goes out and markets prospects to look at this region. We have seen a great up-tick in traffic and have also seen why we do not land them. We have never come to conclusion on any of this, in all of this time frame of discussion. If we want things to change we have to make a decision and have to act to change the pyridine we are in. We are never going to get to the next point until we make a decision on this one.

Mr. Dawson stated we should not delay a vote on this today. We need to make the decision to purchase the property. He agreed with Mr. Sommerville's suggestion -- that staff negotiate with the property owner of the piece of property in the donut hole. When we look at the revenue generated for Beaufort County, we rely solely on tourism and property taxes. The day has come where we have to position ourselves to cash in on commercial and industrial businesses in order for us to develop another stream of taxes being generated for our uses. We cannot sit idly by any longer and keep talking about this industrial park. We are dealing with 165 acres. That is not a whole lot when you begin talking about commercial and industrial development, but it is all we have in Beaufort County. We need to step up to the plate, get on with the business, utilize what we have and be prepared to take advantages of any prospects that come our way. As long as we keep discussing this thing and putting it off, we are losing valuable time. He stated he will be voting in favor of this item.

Mr. Stewart stated what he has learned in this process is that the time has passed by on the spec building. You can now do virtual spec buildings on the computer, in segments, and can

put them together, etc. You can build a building from ground up with only making decision with the virtual design as fast as you can take a spec shell and modify it to meet the company's needs. There is a lot less need to have a firm, concrete spec building. One aspect is to do more site preparation – cutting trees, laying gravel, etc. He does not see us coming back and wanting to build a spec building. What we have are opportunities to work with these companies and they can work with us in this virtual imaging process.

Mr. Caporale stated it behooves us to go the extra mile on these things in regard to the Yemassee Corridor.

Mr. McBride stated he will support the motion. He believes that the proposal before us today has been a long time coming. He stated he has been interested in securing the property in question and feels it is the right thing to do and the right time to move forward with it.

Ms. Von Harten wanted to know how important it is that the site has natural gas. Also, what is SCE&G's role at this point in helping us move forward? Mrs. Statler stated we are the only industrial property with gas. Site consultants come with a list of things they are looking for. If you do not have a particular item on that list you are kicked out. Not having gas has caused significant problems in Jasper County. In working with SCE&G, there are funds called Rural Development Funds. The Co-Ops received them up to about \$300,000 per year. The Co-op that serves our territory is Palmetto Electric. This property is not served by a Co-op but is served by SCE&G who receives the same dollars that that pool receives state-wide. We are in competition with other locations, however SCE&G has never made an investment in the Park because it was not owned by a government entity.

Mr. Baer stated he is going to email his list of question, updated from the last two times he has asked them. Creating jobs is important. If this thing had a 60% chance of success he stated he would vote for it. He has not seen the demonstration of that and cannot risk peoples' money without some kind of demonstration of success, risks and analysis that have been done. In "other uses for that money" – if we had \$2.5 million to invest why wouldn't we invest it into a convention center, business incubator, or doing something else that demonstrates job creation rather than a manufacturing building. He agrees that manufacturing jobs are better than service jobs, but business incubators and convention centers produce good jobs as well. What if we did nothing? The bank would end up stuck with this land. When banks are stuck with land, the price drops significantly. You would not believe the bargains available at 30-40% discounts. If we did nothing and the banks were stuck with it and paying taxes on it, he would like to see what happens.

Mr. Kubic cannot speculate on what the banks would do, he cannot answer. It is a difficult proposition. If there is any default on the loan then whatever the provisions of the loan agreements are it would revert to those loan provisions. The potential use in sale, incentives and disincentives therein include a merit of what Mr. Baer had indicated. It is hard to project what could happen. His advice is to size your decision predicated on where you believe this should go. He stated when he worked for economic development he land banked a lot of property. Land is

the greatest bargaining chip we have on an economic development process. Land is the precipitating factor that leads into everything else.

Mr. Rodman wanted to know how much the County has invested in that we would be walking away from.

Mrs. Statler stated the Network has paid considerable pieces.

Mr. Rodman stated the investment in improvements between stormwater and the water it is around \$2 million. Mrs. Statler stated yes if not more.

Mr. Rodman wanted to know the County's share of that. Mrs. Statler stated cash wise \$350,000.

Mrs. Statler stated doing nothing has a cost too. We hear a lot about what it cost to do something, but nothing has a cost as well.

Mr. Rodman stated if there is \$2 million of improvements and the County purchases the property for \$2.5 million, we are basically buying it for the improvements.

Mr. Stewart stated there are also opportunity costs – it is a MCIP, it is certified by the state, tree survey, etc. Those are costs too that an outside party would have to do.

Mr. Baer wanted to know the reason it has not been selling. Mrs. Statler stated we had considerable prospect traffic before the downturn. We have had some interest of prospects now, but part of the problem is who they are negotiating with and the ability to negotiate. Publicly held property is much easier to negotiate, especially in this competitive environment, then privately owned.

Mr. Baer asked if the County owned the property. Mrs. Statler stated no, the Network owns the property.

Mr. Baer wanted to know if the County buys the property for \$2.5 million will Beaufort County own it rather than the Network. She replied yes. The County will have an asset they can sell and negotiate with. The Network will bring the prospects to the County as a partner.

Ms. Von Harten showed the Committee a graph from Thomas & Hutton, Inc. that showed the local impact fees and Georgia's fees. We lose a lot of opportunities to Georgia. One reason we need to negotiate is to mitigate some of the cost of those high South Carolina fees. This is one example of several things we need to do.

Mr. Sommerville stated he would like to see staff bring forth a number on the donut hole for Council to vote on at some point.

The vote was: FOR – Mr. Baer, Mr. Flewelling Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart, and Ms. Von Harten. OPPOSED – Mr. Baer. The motion passed.

**Recommendation:** Council approve on second reading the acquisition of the Beaufort Commerce Park in the amount of approximately \$2.5 million in order to pay off the Lowcountry Economic Network bank note. The financing of this endeavor will be achieved by borrowing \$2.5 million from the County administrative complex re-skin project, which will be replenished via a future County borrowing. This option temporarily reduces millage increases and keeps the General Fund reserve up.

## **INFORMATION ITEMS**

### **2. Consideration of Contract Award – Aircraft Insurance for Beaufort County Animal Control (less than \$50,000)**

**Discussion:** Mr. Dave Thomas, Purchasing Director, reviewed this item with the Committee. Beaufort County advertised for bids in December of 2010 requesting proposals from qualified aircraft insurance service providers. Our current provider is Hope Aviation Insurance from Columbia, South Carolina. The current premium is \$89,750 annually which covered four aircraft, equipment and pilots, at that time. Since September 2010, we have reduced our fleet to one fixed winged aircraft and one helicopter. The County's intent is to reduce our overall insurance premium by requesting competitive bids. The new contract will need to begin on February 8, 2011. The following bids were received on December 17, 2010: NationAir Insurance, Sebastian, FL in the amount of \$36,713; and Hope Aviation, Columbia, SC in the amount of \$37,518. Funding for this would come from account 41390-51540, with an available 2011 budget of \$89,750.

Staff recommends the Committee approve the contract award to NationAir Insurance in the amount of \$36,713 for an initial contract term of one year, with four additional one year renewal periods, all subject to the approval of Beaufort County.

Mr. Sommerville asked about the amount of coverage provided.

Mr. Thomas stated the insured value for each aircraft is different. The fixed wing is \$500,000 and the helicopter is \$600,000. Liability is \$1 million, per occurrence which is standard.

Mr. Sommerville commented that didn't seem like an adequate amount.

Mr. Thomas stated in checking with legal counsel, there is only a certain amount of insurance that we can provide because of tort laws.

Mr. Baer stated if two houses are hit worth \$1 million each, there is \$2 million in replacement of the houses, plus the liability of the people inside, and wanted to know what would happen in that instance.



Mr. Thomas stated he does not have an answer for him at this time.

Mr. Baer wanted to know if the County would be out money. Mr. Thomas introduced Ms. Miriam Mitchell, Risk Management Director, to answer that question. Ms. Miriam Mitchell stated there are other insurances that cover us. She, however, is not prepared to answer that direct question at this time. She will find out and get back with the Committee.

Mr. Kubic stated he'll instruct the County Attorney to take a look at this. We have to add the immunities the state also provides with the insurance and risk fund. He recommends Council to entertain this motion, due to the time restraint.

It was moved by Ms. Von Harten, seconded by Mr. McBride, that Finance Committee award a contract award to NationAir Insurance in the amount of \$36,713 for an initial contract term of one year, with four additional one year renewal periods, all subject to the approval of Beaufort County, to be funded from account 41390-51540. The vote was: FOR –Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart, and Ms. Von Harten. The motion passed.

Later on in the meeting Mr. Thomas came back before the Committee to inform them that in speaking with the County Attorney he confirmed that it is tort law that the County have \$500,000 per occurrence. He is happy to provide a letter to explain the law and said he would do so.

Mr. Baer wanted to know if there was any opportunity for someone to sue. Mr. Thomas stated they could sue but there is a limit they can sue us. Mr. Rodman added that the County's limit is capped.

**Status:** Committee approved a contract award to NationAir Insurance in the amount of \$36,713 for an initial contract term of one year, with four additional one year renewal periods, all subject to the approval of Beaufort County, to be funded from account 41390-51540.

### **3. Consideration of Reappointments and Vacancies**

- **State (2%) Accommodations Tax Board**

**Status:** This item will be taken up at a later meeting.

**References Behind my Comments on Purchase of Beaufort Commerce Park**  
**Finance Committee - Jan. 18, 2011**  
**S.M. Baer - Beaufort County Council District 2**

We have been asking for information on this project for 10 months now (see references below). Several of us stated in the past that we need this to guard the taxpayer's interests before making any decisions on such a complex project.

To date we have no answers to our questions and no written business plan to review. Last year we heard verbal comments on potential benefits fly by, with no time to write them down or analyze them. We heard appraisal numbers fly by, but it is likely that few people in Beaufort County could sell their property for the appraised value.

We are being asked to make a rapid decision without understanding the complete picture. **That to me, represents poor supervision of the taxpayer's dollar.**

Before we go any further we need to see a written business plan, with time to digest it advance, and ask questions. **We have asked for this for 10 months now.** That plan should contain at a minimum:

- Cost of land, vs. cost of competing land
- Are taxes paid on property? How much? What is appraisal?
- Other costs required, such as buildings, improvements, infrastructure, environmental mitigation, etc
- How financed: impact on taxes, deferment of other projects
- Revenue, timing, method of payback to taxpayers, if any
- Benefits - How will this create jobs? What number and salary range? Do we have a track record to support this? - Risks (doing nothing, buying property and having a continuation of no sales)
- Alternatives:
  - E.G. Let the property go to default and buy it at a lower price, other partners, etc.
  - Purchase and convert an existing property (and building). I understand that one has become available.
  - Partner with Yemasee (Marshall) site.
  - Joint venture with the Jasper (Malphurus) Business park being built near Rt 170.
- How managed
- Other major factors to be considered
- Are there any potential conflicts of interest or the appearance of conflicts? For example, do any of the banks holding the loan have directors or advisors that also serve in some capacity with the Economic Network? Do any beneficiaries serve with the Network?
- Can the \$2.5M produce jobs a better way? (e.g. incubator at TCL/USCB, arts - meeting facility, etc.)
- Are there better County uses for this money?

On May 3, 2010, we received some meeting handouts from the Network that purported to be business plan. But they were all of the form: "If we had the land and someone spent \$65 million on a new building and \$31.5 million on equipment and created 3900 jobs, then this would be the benefit." They mentioned nothing about the methods, probabilities and risks of really accomplishing that. I would call that a "what-if" study, and not a business plan.

Tonight we received some other details on the fly including mention of the "donut hole" property now for sale, the fact that it might establish an opportunity for us at additional cost, or a reference price if it sells to someone else, verbal discussion of other potential sites and their opportunities and issues, sunk costs by the Network and County, and the possibility of some utility-based credits. No coherent assemblage of all this data was presented.

None of this constitutes a business plan. There may be more of a case here than appears, but it is just not being made in a coherent business-like fashion. (Hopefully, when we present information to potential purchasers in the park who must analytically defend their decisions to their managements and Boards, we are more rigorous.)

We have many other worthy uses for these funds. We are cutting back services everywhere in the County. Study of this project should proceed as rapidly as we can, consistent with the need for analysis and due diligence to guard the taxpayer's interests. Until we receive that, I can not vote for it.

Steven M. Baer

**Selected References:**

- 1 - Request for more information by S.M. Baer - Public Safety Committee, March 1, 2010.
- 2 - Previous similar comments by S.M. Baer - Public Safety Committee March 15, 2010 and County Council March 15, 2010.
- 3 - Email from S.M. Baer to Kim Statler (Economic Network), March 31, 2010 detailing specific information required to analyze project.
- 4 - Comments to Beaufort County Council by S.M. Baer - January 10, 2011
- 5 - Email from Charlie Marshall to S.M. Baer - January 13, 2011, relayed to all of County Council and key staff.
- 6 - Email from Charlie Marshall to County Council - March 22, 2010.
- 7 - Island Packet Editorial - January 13, 2011.

## NATURAL RESOURCES COMMITTEE

February 1, 2011

The electronic and print media was duly notified in accordance with the State Freedom of Information Act.

The Natural Resources Committee met on Tuesday, February 1, 2011 at 2:00 p.m., in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, SC.

### ATTENDANCE

Natural Resources Committee Members: Chairman Paul Sommerville, Vice Chairman Jerry Stewart and members Brian Flewelling and William McBride attended. Committee members Steven Baer, Gerald Dawson and Stu Rodman were absent.

County Staff: Dan Ahern, Stormwater Utility Manager; Tony Criscitiello, Division Director – Planning and Development; Bob Klink, County Engineer; Gary Kubic, County Administrator.

Media: Richard Brooks, *Bluffton Today*.

Public: Brenda Dooley, Executive Director Lowcountry Habitat for Humanity; Rodney Small, New Life Deliverance Temple Administrator; Daniel Russell, Pastor of New Life Deliverance Temple; Judy Russell, member of New Life Deliverance Temple; Robert Gallant, Coosaw Point; William “Red” Mitchell, Beaufort County property owner; David Gasque, local land surveyor; Sally Mitchell, Carolina Containers; Allen Patterson, Allen Patterson Residential, LLC and developer for Mint Farms also Homebuilders of the Lowcountry; Nate Schoen, Bridgewater Consulting and Construction Management

Mr. Sommerville chaired the meeting.

### ACTION ITEMS

- 1. Text Amendments to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article V. Use Regulations; Table 106-1098. General Use Table; and Section 106-1247. Assembly and Worship, Small (that allows schools as a limited use in small assembly and worship uses and removes size requirements).**

**Discussion:** Mr. Sommerville introduced this topic to the Natural Resources Committee by saying it would allow for schools, as a limited use, in small assembly or worship uses.

Mr. Criscitiello gave more detailed background on this item stating this text amendment allows the opportunity for the small designation for assembly and worship to locate schools for use on the property. The action before the Natural Resources Committee is the result of a

determination that the use was non-conforming. The revision is to allow for amendments to the use definition in Article V, Use Regulations Division 1, Table 106-1098, and then to allow for the limiting of special use standards to be amended to complement the change. The Planning Commission reviewed and unanimously recommended approval to the Natural Resources Committee based on its conformance with the Comprehensive Plan, which recommends in the rural areas uses such as this are allowed. Such things as daycares, food banks, business associated with public services are also allowed in the Comprehensive Plan and Zoning Ordinance, and this proposal was deemed to be compatible with those types of uses. Mr. Criscitiello referenced Table 106-1098 that illustrates the uses; the location of churches with or without schools would be allowed, limited to 15,000 square-feet total and the sight area limitations in the limiting standards be removed in regard to the 10-acre requirement. Mr. Criscitiello concluded by saying his staff recommended approval as well.

Mr. Sommerville asked if this is being changed in order to make a school on St. Helena Island. Mr. Criscitiello answered that the school already exists, but this will make it conforming.

At this point, there was not a quorum of Council so the matter was postponed until another member of Council entered the room. Discussion went to discussing text amendments to the Beaufort County Zoning and Development Standards Ordinance as they related to Stormwater Volume Controls until Mr. McBride entered the room, at which point the Natural Resources Committee took the matter back up for discussion.

Mr. Sommerville noted representatives from the church prompting the change are in attendance.

It was moved by Mr. McBride, seconded by Mr. Flewelling that the Natural Resources Committee forwards to County Council the approval of the Text Amendment to the Zoning and Development Standards Ordinance (ZDSO), Article V, Table 106-1098. General Use Table and Section 106-1247 that will allow schools as a limited use in small assembly and worship uses and removes the size requirement. The vote was: FOR – Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Baer, Mr. Dawson and Mr. Rodman. The motion passed.

**Recommendation:** Council approves on first reading the text amendment to the Zoning and Development Standards Ordinance (ZDSO), Article V, Table 106-1098. General Use Table, and Section 106-1247 that will allow schools as a limited use in small assembly and worship uses and removes the size requirement.

**2. Off-agenda Item - Port Royal Island Zoning Map Amendment / Rezoning Request From Rural With Transitional Overlay (R-TO) And Rural-Residential With Transitional Overlay (RR-TO) To Commercial Suburban (CS)**

**Discussion:** Mr. Sommerville stated he does not think this is an off-agenda item, but asked the Parliamentarian, Mr. McBride for his opinion. Mr. McBride agreed it was acceptable to hear this topic as long as no member of the Natural Resources Committee had any objection.

Mr. Sommerville said the Council, as a body, reviewed this matter some months ago. It is a piece of property outside the Laurel Bay gates with Mr. Timothy Schwartz representing the property owners. At that time, the Natural Resources Committee referred the matter to the Development Review Team (DRT) to consider a special use permit. Recall, Mr. Schwartz had a small, mini-storage warehouse that he wanted to make conforming in order to get his bank loan. Natural Resources sent the item to the DRT and Mr. Sommerville stated he presented the item to Council in his Committee Reports that was done. At that time, Council voted on the matter and agreed Natural Resources' decision was correct. Since that time, the applicant, Mr. Schwartz indicated through a letter he has not been before the DRT and that he has no intention, but he now wants a rezoning for reasons other than what was originally discussed. Mr. Sommerville said he does not see any other choice than to bring it before the Council on February 14, 2011 for a vote on the rezoning. Council previously stated if Mr. Schwartz's request for a special use were turned down it would reconsider the topic, but because he is not applying for a special use but rather a rezoning it will be an up or down vote on the latter.

Mr. Stewart asked if this item went before Council only once, to which Mr. Sommerville answered that it came before Council under Committee Reports so it is correct. Council voted to essentially validate what was done in Natural Resources in order to help the man, who said he was having problems refinancing with his bank. Mr. Stewart asked if this would have to go before three readings, and Mr. Sommerville nodded his head.

Mr. Criscitiello said if the matter is sent back to Council, it would then decide one of two things. Council could decide to not rezone, and the matter would be done at that point. If Council decides to rezone based on the applicants original application in August 2010, it would require three readings and a public hearing.

Mr. Stewart stated when it came before Council previously it was not with an approval or disapproval, but it was simply out of the Committee Reports. Mr. Sommerville explained further that it went before Council as an information item, and someone made a motion that Council agrees, at which time it was voted upon. Then, the matter went back to DRT for consideration.

Mr. Stewart asked if the Natural Resources Committee wants to send the matter back to Council with its consent or that it disagrees. Mr. Sommerville said he does not believe there is anything to agree or disagree with, but that this Committee voted based on what the applicant told members at the time to have the applicant go to DRT. He has not gone to DRT.

Mr. McBride asked Mr. Criscitiello what the Planning Commission's recommendation was on this matter, and he answered the Planning Commission recommends approval.

Mr. Criscitiello explained Mr. Schwartz's original request was to the Planning Commission, which recommended approval of rezoning. Then, when it went before the Natural Resources it was considered in regard to Mr. Schwartz's statement to the Planning Commission on why he wanted the property rezoned, because he had a non-conforming use on the property. The Committee said if that is the issue; it can be resolved without a rezoning through a special use process in order to make it conforming. Mr. Schwartz chose not to do that. He returned with a request for an up or down vote on the rezoning.

Mr. McBride stated at this point, he thinks the Natural Resources Committee, based on the Planning Commission's recommendation, recommend approval of the rezoning or recommend non-approval.

Mr. Sommerville noted Beaufort County staff did not agree with the Planning Commission's recommendation to approve the rezoning request.

Mr. Criscitiello said the original point was the County is in the midst of doing form-based code and that brings forward to code, therefore the recommendation was because the County will already do charettes and workshops it wants to take advantage of that as it looks at this area of Port Royal Island. Staff did not have an objection to commercial development on the property per say, but felt we should take advantage of the form-based code and subsequent workshops to determine the best vision for this property in the future. He added it was the request of the City of Beaufort to not bring forward a rezoning; the Planning Commission did not agree with that and recommended approval.

Mr. Sommerville added it is now known the Northern Regional Plan Implementation Committee voted at the last meeting to make this part of their receiving area for transfer of development rights (TDRs) with this particular property in that area meaning any "up zoning" as part of that agreement needs to avail itself of the TDR program. This still has to pass County Council, but it left the Northern Regional Plan Implementation Committee and is on its way to Beaufort County, Port Royal and Beaufort.

Mr. Criscitiello added they are in the process of writing an ordinance in order to put it into the ZDSO, which would go to the Planning Commission then return to Council.

Mr. Sommerville said there was a forthcoming charette for form-based code and a request from the City of Beaufort to not "up zone" because it is in the receiving areas for TDRs.

Mr. Flewelling said he is going from memory, but recalls this property has been commercial in nature for more than 50 years and currently has a commercial property on site, but during the Comprehensive Planning process it was inadvertently changed to rural although it had been commercial prior. The owner of the property discovered this during trying to refinance the

facility he maintains and was told by the bank he could not refinance as the property was nonconforming. Since that time, the applicant has been advised there is a potential buyer for the property if it has the appropriate zoning, which it should have had from the beginning, Mr. Flewelling informed the committee. In other times, the Council has, despite an upcoming charette, approved zoning change. He said he does not see this as a huge problem in this case. The result of any charette will almost certainly be this has to be commercial; it is already commercial. The point of form-based code is that what exists and surrounds is what it will be in the future, he added. Mr. Flewelling then asked Mr. Criscitiello if he saw any way this would not be commercial use after a charette, to which Mr. Criscitiello replied he could not.

It was moved by Mr. Flewelling, seconded by Mr. Stewart, that the Natural Resources Committee forwards recommendation of a Port Royal Island Zoning Map Amendment / Rezoning Request for R-100-21-20 and 416 (8.29 acres) from Rural With Transitional Overlay (R-TO) and Rural-Residential With Transitional Overlay (RR-TO) to Commercial Suburban (CS); Owner / Applicants: Timmark General Partnership / M. Carey and T. Schwartz.

Mr. Flewelling added he is not sure why a citizen needs to wait when the County cannot give him a timetable or a definitive answer and impacting the use of his property in the manner of use as it is now.

Mr. McBride asked if this property is surrounded by / contiguous to commercial suburban property. Mr. Criscitiello answered the Laurel Bay housing facility is across the street and down the street in both directions are commercial locations. He said it is a potpourri of different uses in that area. Mr. McBride asked if it is adjacent to any commercial property at this time, and Mr. Criscitiello answered that he believes so.

Mr. Sommerville summarized and said he spent two hours on a Saturday trying to figure out what the applicant desired, and he told Mr. Sommerville he had an unconforming piece of property which he wished to make conforming to get a bank loan. That is what came before this Committee, and we realized it did not need a rezone that would make the property worth three times as much as it is now. The question was what the applicant wants to accomplish, and he said it is to make his mini-warehouse conforming. When the County suggested the process for special use the applicant did not follow through as he was told. Mr. Sommerville said people can draw their own conclusion about what the actual motive was, but now the applicant says he wants to rezone and is not interested in discussion of a special use. He added the applicant wrote a scathing letter to all members of Council calling us liars, saying it was not voted down in Council, calling Mr. Criscitiello a liar and was anything less than endearing. Now, the applicant says he wants to have a rezoning because he may have a buyer, Mr. Sommerville explained.

Mr. Stewart said the committee cannot make a decision on whether or not someone calls Mr. Sommerville a liar or not. He said he had his wrists gently slapped by previous chairmen several times saying a rezoning cannot occur based on the fact someone might have a buyer or what they may want to do with the property. Another thing that concerns him, going back to the days discussing growth boundaries, is whether Council likes it or not this property is in Beaufort County and therefore under its purview. Although the City of Beaufort may come forward and



say it wishes for a certain thing to occur, it does not have any jurisdiction or standing, Mr. Stewart said. All this said, he added he has concerns about the rezoning of this property and is not inclined to favor the rezoning, but the applicant is entitled to the Council making a decision on the property. Council cannot abdicate its responsibilities to the City of Beaufort or anyone else, he stated.

Mr. Flewelling added that the applicant requested a zoning changed ruled upon by the Planning Commission, then some different plan to satisfy some of his requests was discussed but he declined the plan. Now he is asking for a ruling on what he originally asked for and what the Planning Commission asked. Mr. Flewelling said he thinks it has been around long enough that the Council owes him a decision based on what he asked.

The vote was: FOR – Mr. Flewelling. OPPOSED – Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Baer, Mr. Dawson and Mr. Rodman. The motion failed.

Mr. McBride explained this will go forward to Council that the Natural Resources Committee did not recommend approval.

**Recommendation:** Council denies a Port Royal Island Zoning Map Amendment / Rezoning Request for R-100-21-20 and 416 (8.29 acres) from Rural With Transitional Overlay (R-TO) and Rural-Residential With Transitional Overlay (RR-TO) to Commercial Suburban (CS); Owner / Applicants: Timmark General Partnership / M. Carey and T. Schwartz.

### **3. Consideration of Appointments / Reappointments**

#### Beaufort / Jasper Water and Sewer Authority

Mr. Sommerville stated Mr. James O'Neal's seat on the Beaufort/Jasper Water and Sewer Authority is up for reappointment. Mr. O'Neal was reappointed last in July 2006 and the Governor's expiration is July 2006, pending so maybe the Governor never appointed, but he was unsure, Mr. Sommerville said.

Committee members briefly discussed the status of Mr. Skeet Von Harten on the board. Mr. Flewelling said he is approved and on the board, but there was some question of whether he already received gubernatorial approval. Mr. Sommerville said as of three or four weeks ago Mr. Von Harten had not been appointed.

It was moved by Mr. Flewelling, seconded by Mr. McBride, to approve and forward to Council the reappointment of Mr. James O'Neal and Mr. Skeet Von Harten to the Beaufort / Jasper Water and Sewer Authority. The vote was: FOR – Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Baer, Mr. Dawson and Mr. Rodman. The motion passed.

#### Coastal Zone Management Appellate Panel

Mr. Sommerville said Mr. Carroll Crowther was appointed in 2007 and seeks reappointment.

It was moved by Mr. McBride, seconded by Mr. Flewelling, to approve and forward to Council the reappointment of Mr. Carroll Crowther to the Coastal Zone Management Appellate Panel. The vote was: FOR – Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Baer, Mr. Dawson and Mr. Rodman. The motion passed.

#### Historic Preservation Review Board

Mr. Sommerville stated the following are up for reappointment to the Historic Preservation Review Board: Rita Igleheart and Sally Murphy.

It was moved by Mr. Flewelling, seconded by Mr. McBride, to approve and forward to Council the reappointment of Ms. Rita Igleheart and Ms. Sally Murphy to the Historic Preservation Review Board. The vote was: FOR – Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Baer, Mr. Dawson and Mr. Rodman. The motion passed.

#### Planning Commission

Mr. Sommerville stated Mr. Robert Semmler, Mr. E. Parker Sutler and Mr. John R. Thomas are up for reappointment to the Planning Commission.

It was moved by Mr. McBride, seconded by Mr. Flewelling, to forward to Council the reappointment of Mr. Robert Semmler, Mr. E. Parker Sutler and Mr. John Thomas to the Planning Commission. The vote was: FOR – Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Baer, Mr. Dawson and Mr. Rodman. The motion passed.

#### Rural and Critical Lands Preservation Review Board

Mr. Sommerville stated the following are up for reappointment to the Rural and Critical Lands Preservation Review Board: Mr. Malcolm Goodridge, Ms. Selena Brown, Mr. Ed Pappas, Mr. Jacob Preston, Mr. Stephen Riley and Mr. Joseph Vercellotti.

It was moved by Mr. Flewelling, seconded by Mr. McBride, to forward to Council the reappointment of Mr. Malcolm Goodridge, Ms. Selena Brown, Mr. Ed Pappas, Mr. Jacob Preston, Mr. Stephen Riley and Mr. Joseph Vercellotti to the Rural and Critical Lands Preservation Review Board. The vote was: FOR – Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Baer, Mr. Dawson and Mr. Rodman. The motion passed.

#### Southern Corridor Review Board

Mr. Stewart tabled the consideration of an appointment until the next committee meeting.

Zoning Appeals Board

Mr. Sommerville said there is the reappointment of Mr. Tim Rentz to consider, as well as a vacancy created by Mr. Claude Dinkins' resignation.

It was moved by Mr. Flewelling, seconded by Mr. McBride, to forward to Council the reappointment of Mr. Tim Rentz to the Zoning Appeals Board. The vote was: FOR: Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Baer, Mr. Dawson and Mr. Rodman. The motion passed.

Mr. Sommerville passed the gavel to Vice Chairman Mr. Stewart. Mr. Sommerville brought forward the nomination of William Cecil Mitchell, who is from District 7.

It was moved by Mr. McBride, seconded by Mr. Flewelling, to forward to Council the appointment of Mr. William Cecil Mitchell to the Zoning Appeals Board. The vote was: FOR – Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Baer, Mr. Dawson and Mr. Rodman. The motion passed.

**Recommendation:** Council approves the following reappointments: Mr. James O'Neal and Mr. Skeet Von Harten to the Beaufort/Jasper Water and Sewer Authority, Mr. Carroll Crowther to the Coastal Zone Management Appellate Panel, Ms. Rita Igleheart and Ms. Sally Murphy to the Historic Preservation Review Board, Mr. Robert Semmler, Mr. Parker Sutler and Mr. John Thomas to the Planning Commission, Mr. Malcolm Goodridge, Ms. Selena Brown, Mr. Ed Pappas, Mr. Jacob Preston, Mr. Stephen Riley and Mr. Joseph Vercellotti to the Rural and Critical Lands Preservation Review Board, Mr. Tim Rentz to the Zoning Appeals Board.

Council approves the appointment of William Cecil Mitchell to the Zoning Appeals Board.

**INFORMATIONAL ITEMS**

1. **Text Amendments to the Beaufort County Zoning and Development Standards Ordinance (ZDSO) that allow for control of Stormwater Volume from "Lots Of Record But Not Built." These Controls Will Mitigate Water Resource Impacts from Construction in Previously Approved Developments that do not have Volume Controls. A. Section 106-7. Exemptions of Development Types. B. Section 106-8. Exemption from Subdivision Review. C. Section 106-18. Definitions. (Adding New Definition—Best Management Practices, On-Site) D. Section 106-732. Zoning Permit. E. Section 106-2857. Exemptions from Site Runoff Control and Drainage Planning/Design. F. Section 106-2861. Retention/Detention Facilities. G. Section 106-2865. On-Site Single Family Lot, Best Management Practices (BMP). (Adding New Section)**

**Discussion:** Mr. Ahern gave a brief presentation of second and final step of ordinance changes to control Stormwater runoff volume in Beaufort County. The first step was control on

future, or new, development. The third step will be retrofit of areas with impairments that do not have current runoff controls. These changes were developed with the help of a number of consultants including CDM, which developed the BMP manual, Allison Ramsey Architects, and primary consultant ATM. He explained the problems with volume control was an outcome of impairments to shellfish harvesting in May River in 2008 and harvesting closures in 2009. This prompted a huge investigation to determine the cause; everyone thought it was development. Monitoring done to determine the cause of the impairment did not find the suspected sources, but it indicated the excess stormwater runoff volume discharged by development was a factor. Low concentration stormwater discharges caused large increases in concentration and loads of fecal coliform from natural area discharges – primarily wetlands. This was an unexpected find, Mr. Ahern explained. In the May River, there was a low concentration of fecal coliform going into the natural drainage ways, but then all of a sudden there was a major jump in concentration. This led to the decision to control this excess volume too close to predevelopment amounts, similar to pollutants control measures. This commission was involved in that process and it led to Council adopting ordinance changes that controlled excess volume from new developments. However this caused major salinity variations. We also learned, from our marine scientists, this excess runoff, even if it was clean, could pose serious risks to our marine resources because our tidal headwaters were our spawning grounds and low salinity can be toxic in this cycle.

Mr. Ahern showed an illustration of pre-development stormwater runoff. Note the high evapotranspiration and low percentage of stormwater surface runoff. The 2004 S.C. Water Plan said, in Beaufort County, the average annual precipitation, less evaporation is less than 10 inches. This means more than 38 of our 48-inch rainfall goes back in the atmosphere. This means our waters are tidal waters ebbing and flowing. The illustration shows 16% of rainfall as runoff. He contrasted this with a depiction of when an area is developed without controls. This adds impervious surface and as a consequence increases the rate the water runs off, carries pollutants and increase the volume of water. In a developed situation there may be 63% of the rainfall as runoff – four times as much water as in an undeveloped situation. As an impact of this, flooding occurs. The County began addressing the matter by addressing flooding in the mid-1990s to decrease the rate. Then, the County said the water was a little dirty and should clean it up. Initiatives to clean up stormwater runoff occurred in the late-1990s to 2000s. Despite addressing the two prior concerns, there is still extra water. Mr. Ahern asked who would have thought clean water is a problem.

Mr. Stewart asked for the source of the illustrations presented to the Natural Resources Committee. Mr. Ahern explained that the slides come from Dr. Fred Holland's *Tidal Creek* pamphlet, based on research in the Charleston area. The last two slides were created by using data from Beaufort County to explain what the County historically did. Mr. Stewart asked about the type of undeveloped surface.

Mr. Ahern explained the data for an undeveloped situation considered an average wooded area; it could be a coastal environment. The second situation assumes at least 50% impervious surface. The method commonly used in Beaufort County to address stormwater runoff is ponds, which slow down the peak flow from developed land. Ponds also clean up the water, namely pollutants of concern and bacteria. The County slowed down the flow of water and cleaned it up.

What is the problem? The problem is the volume, even if it is clean and going out at a slower rate, causing problems. The volume control measures attempt to deal with the cross-hatch portion of the systems – ways to reduce the amount of water running off sites. There is another factor to consider – irrigation. Beaufort-Jasper Water and Sewer Authority estimates in areas of the County south of the Broad River during growing season there is an additional 200 gallons daily per lot. It is unclear whether that has an impact, Mr. Ahern said. Another item mentioned was the range of salinity, and here Mr. Ahern referenced a graph illustrating salinity ranges (See Figure 1). As mentioned before marine scientists are telling us that freshwater can be toxic during the spawning process. This range of salinity is called salinity “flashiness.” These occur naturally in unusual rain events, but are occurring with greater frequency with development. This chart compares salinity ranges of forested to developed watersheds in the Charleston area. Some of the creeks in the developed areas go nearly fresh. He asked Natural Resources Committee members to notice the two highlighted creeks –Shem Creek in Mt. Pleasant. Also, note the range of salinity compared to the forested watershed highlighted. Volume controls will prevent further increases in the salinity “flashiness.” If this situation occurs during spawning season, it is toxic. It can occur naturally in years with heavy rainfall, Mr. Ahern noted. He also added that with development the frequency of such situations increases.

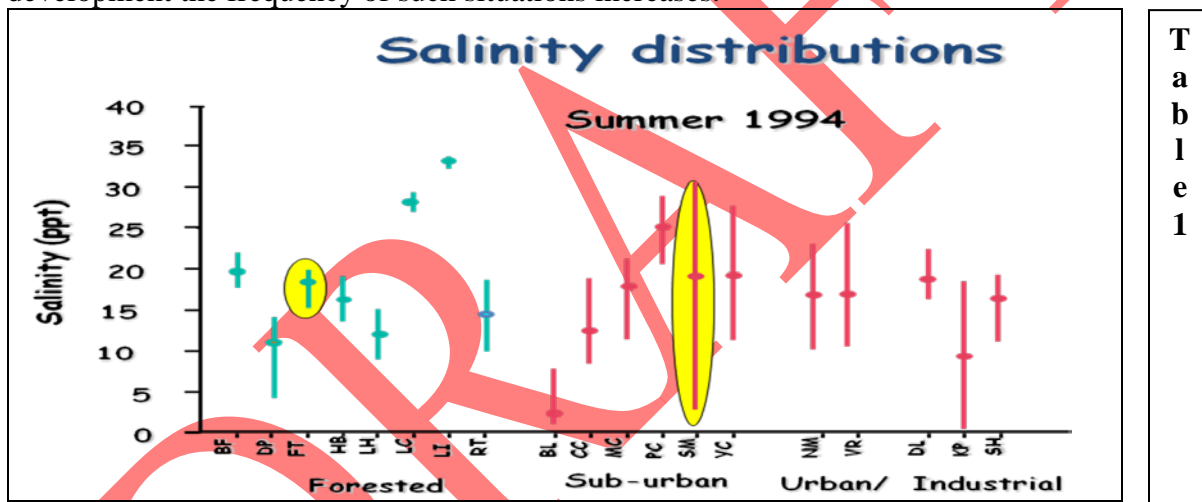


Table 1

Beaufort County controls new developments, so what else can be done? Mr. Ahern said there are many developments approved with controls for peaking, water quality, but there are so many developments out there. More than 22,000 lots in Beaufort County are either by right or in subdivisions or planned unit developments. Mr. Ahern cited Dataw Island, which has been developed for years, but still has 200 lots that are not built. When looking at the situation in total, the potential is equivalent to the current population of Beaufort, or Port Royal – a big potential impact. The impact would add more volume. While Beaufort County controls new development, the already approved developments would continue without controls, Mr. Ahern explained. He paraphrased that Director of the Lowcountry Institute Chris Marsh has said this set of controls before the Natural Resources Committee is needed to essentially “stop the bleeding.” Mr. Ahern stated Beaufort County needs to ensure the waters do not get worse, then it can address where it wants to improve or repair.

Mr. Ahern then reviewed the strategy to address the problem of volume. On-lot controls will focus on utilizing stormwater as a resource. For example, stormwater can be used for irrigation, thereby employing the natural filtration capabilities. Then, rain gardens can also be enlisted. Currently people need to get a zoning permit, a building permit, etc. These have been linked to the controls for a zoning permit. The process allows a homeowner or builder to decide how to pursue stormwater control through the proposed ordinance, Mr. Ahern explained. He then reviewed some of the changes. The key change is Section 106-2865. On-site, Single-Family Lot, Best Management Practices (BMP). This is a new section, applicable on all vacant lots where there is no volume control system. It is not for homes in new developments, but essentially for homes in existing developments that did not have volume control in their overall original plan.

Mr. Sommerville asked for clarification on whether there is any volume control included in the current best management practices. Mr. Ahern answered that all the approved subdivisions and planned unit developments were approved with peaking and water quality controls, not volume controls. There may be some areas with standards close to those proposed; he cited Dataw Island, which uses a lot of stormwater for irrigation on the golf courses. He noted the ordinance would allow for a community to develop a system in lieu of adopting Beaufort County's and thereby on-lot controls would not be required.

Mr. Sommerville asked for more clarification in terms of Dataw Island, if it has a community-wide policy and if it would be exempt from Beaufort County controls. Mr. Ahern answered, if the volume coming off the site was no more than 10% impervious surface or equivalent then the community would meet the volume controls. "It has to do with what is coming off the site?" Mr. Sommerville asked. "How are they keeping on-site? It is their choice, as Mr. Ahern is saying."

Mr. Ahern went on to review some of the other changes that link to the key change. For example Section 106-7. Exemptions of Development Types, links the changes to the zoning ordinance. These changes are all complementary to making the change effective. In summary the changes will require on-lot volume controls, focus on use of stormwater for irrigation, utilize infiltration capacity of home site, utilize rain gardens to reduce runoff, incorporate into existing permit process, and the process will allow homeowner some flexibility to select controls. Mr. Ahern added there was a recommendation to put this in place for new construction or renovation of an existing home in excess of 50% of the taxable appraised value. For example, if a landowner has a home and wants to double its size, the addition would fall under these new controls.

Mr. David Gasque, a local land surveyor, said when he saw the title of the proposed ordinance said, "text change for undeveloped lots and new lots," as someone who uses this manual a lot, which is misleading. Now we are talking about lots with houses on them, as Mr. Ahern said a house with more than 50% change. The exemptions also state if a landowner has one acre and exempts by doing less than 2% increase. Well, 2% of a 1,000-square-foot house is 20 feet, an air conditioner path. As someone who uses this manual, it needs to be clear and concise so citizens of Beaufort County can understand. He also gave an example of lots of record. For example, in Coosaw Point lots were developed to control runoff. Would those individual lots not developed not have to control volume or have to control volume? Mr. Ahern

said it does have to control volume; however those already built do not. Mr. Gasque interjected by saying unless those are altered by adding. Mr. Ahern said that is if there is more than 50% of the appraised value. Mr. Gasque asked what the 2% of the area in the exemption portion of the proposed ordinance is about then. Mr. Ahern stated Mr. Gasque's question does not deal with the changes before the Natural Resources Committee and he could not answer at the time. He did say Mr. Gasque has a valid question. Mr. Gasque reiterated he wants a good, concise set of rules the citizens of Beaufort County understand. Mr. Ahern answered that if there are contradictions he will make sure they are addressed.

Mr. Ahern returned to his presentation and reminded the Natural Resources Committee members and the public present the changes focus on vacant lots, building new houses on vacant lots, or expanding a house more than 50% of the appraised value. Existing homes have no new requirements. New homes in new developments that have volume control have no new requirements.

Someone in the audience interjected to ask if he is sitting on a 2,000-square-foot house with five acres of land and wants to put a 1,000-foot driveway in would he be subject to volume control. Mr. Ahern answered the situation would need to be reviewed because it might require volume control or it might be within the limits.

Mr. Ahern said the intent is that a homeowner can understand and use this process, and be able to get some flexibility, to determine the solution. The volume controls are linked to the existing process. It will not be a new process, but is tied to the building and zoning permits. There is an official worksheet allowing for people to do the calculations on their own to figure out how to address the volume controls. Costs for various situations on the worksheet vary from \$0 in a rural, 5-acre lot to \$1.40 per square-foot in tighter lots. Mr. Ahern added they studied seven different situations in conjunction with Allison Ramsey Architects on existing lots designs. Again, many of the by right lots may not actually require action other than taking the 5,000-foot driveway into the drainage canal, Mr. Ahern said. The worksheet is up on the Beaufort County website, 90% completed. He encouraged those present to go on and play with the worksheet, to give feedback on its usefulness. For those who are not comfortable with the web-based worksheet, there is the option to call the office.

Mr. Ahern gave the following examples of possible home situations as they relate to stormwater control as noted in his presentation. Mr. Ahern explained water comes off the roof in two different directions, which need to factor into calculations in addition to amount of impervious surface and soil type. The rooftop surface area, not the total home square-footage, is what is used to determine the impact for stormwater calculations, Mr. Ahern explained. So for each project, you enter certain data. For "Homeowner Input: rooftop [at] 2,472 square feet, other [impervious surface is at] 680 square feet, lot size [is at] 16,263 square feet, the soil type [is] sandy and irrigated [for] 5,160 square feet." The excess stormwater volume equals 3,525 gallons. The program practices (gallons) are storage and reuse (including two rain barrels – 140, and 2 cisterns – 800), disconnected impervious surface areas (first direction – 836 and second direction – 2,138), and for rain garden there are none. The volume controlled equals 3,914 gallons. A key

factor when a homeowner comes through the process is whether he or she irrigates. If there is irrigation on the lot, some type of storage is required.

The Natural Resources Committee took a brief intermission from this discussion in order to conclude a vote on the text amendment to the Beaufort County Zoning and Development Standards Ordinance, Article V, Table 106-1098 and Section 106-1247.

The homeowner input determines how much stormwater runoff comes from a house, and then shows how much should be done to reconcile that runoff. Mr. Ahern went over some specifics included in the examples of different types of homes and possible remedies as calculated by Allison Ramsey as presented in his PowerPoint. Mr. Ahern noted people at Allison Ramsey doubted these exercises, so during the cost analysis to remedy the stormwater volume control took the smallest lots in the City of Beaufort to examine what would happen. Costs were based on square-foot of heated space, and ranged from \$1.12 to \$1.77. It was on average \$1.40 per square foot. This home scenario was a mobile home on a half-acre lot.

Ms. Mitchell asked what the solutions to stormwater volume control were. Mr. Ahern said Allison Ramsey Architects took a variety of solutions – storage, irrigation, disconnected impervious and rain gardens.

Mr. Patterson asked if engineering costs were included in the cost analysis. Mr. Ahern said no because Allison Ramsey just drew in the square footage. Mr. Patterson asked Mr. Klink if the builder would be able to do the design. Mr. Klink said this will go on the website and be a fill-in-the-blank worksheet, no engineers will be required. Mr. Patterson said he appreciated that, but asked when the number needed is figured out and the irrigation goes to an underground retention, will a professional engineer, PE, be required to sign off. Mr. Ahern said a homeowner could do this, and he reiterated the intent that this not be a further burden on the taxpayer.

Ms. Mitchell asked if there is any way to review the information compiled by Allison Ramsey Architects. She added that she does not doubt Allison Ramsey's experience and works with them, but from the homebuilding industry's perspective the prices being presented are off. She stated that builders pull the permit and are therefore responsible, so they attach a markup for that to the builder fee. Often the builder will hire a professional to do the work in order to avoid a risk. She said she hears figures very different from those presented to the Natural Resources Committee, and added figures go up as the house size decreases raising concerns as it relates to affordable housing. Homes smaller in square-footage, generally starter homes, would have more of a burden as this is presented, she said.

Mr. Ahern stated all the matters being discussed are online. Ms. Mitchell said she looked at the items posted online, but said there is still disconnect. There needs to be more extensive take-offs, she said. Mr. Ahern said that is valid.

Mr. Patterson, representing the building community, said he has done these calculations. A house at \$1.12 is for a 4,000-square-foot house. That is a two-story, Mint Farms house. The cost worked out to be \$3.40. Also, these costs were rough estimates based on everyone



participating, but there is no way to do these systems at the particular rate given in the examples before the Natural Resources Committee unless everyone participated, yielding a large volume, Mr. Patterson said. The cost would be between \$8,000 and \$15,000, maybe higher. Currently, he said he can get it done for \$10,000 in-house for smaller houses. He said he wants the County to put it into perspective. The cost of \$3.44 for his houses in Mint Farms, which are affordable housing, is pretty devastating.

Mr. Stewart brought up the topic of cisterns. He said he knows some of the neighborhoods' covenants forbid cisterns. Many of the developments have control documents from the homeowners association that forbid the use of cisterns. This becomes an issue particularly when you get to retrofitting existing homes. He asked what the plans are. He stated he spoke with the Legislative Delegation to see if they can lift the restriction of these cisterns for use of one's own stormwater or irrigation purposes.

Mr. Ahern clarified he does not specifically mean cisterns, but storage which can be cisterns. He noted some people use septic tanks.

Mr. Stewart said whatever it is called, it is still not allowed. He suggested Mr. Ahern look at the various covenants in some of the developments. Mr. Criscitiello addressed that point by saying it was already addressed in 106-7. Exemptions, it states the Zoning and Development Appeals can make a determination and no lot will be unbuildable. In other words, if covenants restrictions prohibit and there is no other solution available, a lot cannot be made unbuildable by the standards in the planned unit development or by right development.

Mr. Stewart expressed his interest in going a step further and stating it will be allowed, even in areas where covenants prohibit. It is a tremendous restriction on citizens, the owners, in how they deal with their property. Mr. Criscitiello said that would require a separate legislative action in regard to his suggested. Mr. Stewart acknowledged that but said Council should examine alleviating some of those issues.

Mr. Flewelling stated he whole-heartedly supports Mr. Stewart in that it is a provision of many restrictive covenants that should be nullified by statute.

Mr. Ahern mentioned that during step three of this stormwater process, a more community wide solution will be examined.

Ms. Mitchell asked if this is a one-size fits all approach. If there are areas of the County that would not be as great an impact on the headwaters versus those homes right on the water, will they be treated differently? Also, she said her worry is the County will impact some homeowners who have no impact on the stormwater runoff. How is that being addressed?

Mr. Ahern said her concerns were brought up in the consideration, but unfortunately no resolution could be made on how the divide would be made. What comes out of that discussion, is that some areas have little impact while others have a great impact, is that may be a key aspect of the new stormwater management plan study – try to make that determination.

Ms. Mitchell asked how they could make that determination before passing into an ordinance impacting homeowners by \$4,000, or whatever the estimates are. She stated she is trying to be real, and does not want the question to be put to the side saying it cannot be determined now, but it may in the future. It worries her, she said.

Mr. Kubic said it goes both ways. The difficulty is the accrual effect. If you put 10 houses in an area that may not have an environmentally sensitive watershed, river or creek, but more structures keep accruing so the accumulation may have an effect. These types of questions go back and forth to figure out a process; it cannot be examined only in real-time. If the accrual effect goes forward for five years, a critical mass may be reached. That is part of the science of this and what makes it interesting. One thing about this topic is that no one anticipated if stormwater was controlled there would be a freshwater issue. So, it is a good question to examine, but it should also examine the new science. How does it all work together? That is what we are trying to figure out. There are some areas with more creeks but no major water tributary. The first blush would be to have a more liberal approach in that particular area, but then when is critical mass reached. It is something the County did not anticipate over the last 15 to 20 years, Mr. Kubic said. Another thing to note is the discussion that the creation of retention ponds as stormwater devices should also consider whether testing, maintaining and cleaning should be done within a certain time frame. Part of the issue may be, now looking at the other side of this, is if there is a microbiology factor creating in these retention ponds mini-ecosystems. If they become mini-ecosystems, there may be other parts such as bacteria or microorganisms as an unintended consequence of the contaminated water retention over time because these are not dredged or cleaned. Mr. Kubic informed those at the meeting that they are basically talking about ideas and this is an approach to resolve, to consider the cost of the structure and the science. He said he wants to make sure people understand the County is trying to deal in real-time as well as with the accrual effect. With six good numbers he could win the lottery and may watch people from somewhere else, but he cannot do that, he said. The crystal ball effect has to be based on what the County, as a consensus, figures it should do.

Mr. Stewart told Mr. Kubic another point to consider is maintenance. For example, consider septic systems or cisterns. What will be done to ensure maintenance, proper operation and the continuation of such over lengthy periods of time?

Mr. Kubic said he does not have an answer, but the question is a good question and it is one concerning all in the County. He said talks have begun with groups such as ATM and Ward-Edwards, groups which combine science with engineering, to figure out what is the proper maintenance. That depends on the use of what is being put in the ground and many other issues such as size. The program just evolves. The program then becomes a situation where citizens and builders will come to the County asking, "Excuse me? A stormwater fee." It is an interesting process because it is something new, but it is important because everyone is environmentally conscious, Mr. Kubic said. He said it is a great question of how to approach the maintenance because a program cannot just be built; it must be maintained. He said then it gets into all the ditches, maintenance, taking out debris, approach for wetlands, evaporation, etc. He acknowledged digressing, but told those present that the County is examining whether or not

Rural and Critical Lands could be expanded to include key properties to assist in the water management post-development to create, in concept, a new wetland or controlling stormwater to avoid flushing into a headwater. It is an interesting concept, but we do not have all the signs or answers; we want to get into it. He asked those present to not be too hard on Mr. Ahern, but that they appreciate the questions posed at the meeting.

Mr. Flewelling asked if anyone has thought of using stormwater from individual homes, or even in subdivisions, to recharge the aquifer. Is this water of sufficient quality to do so?

Mr. Ahern answered it would really get into regulatory requirements when recharging an aquifer, especially if it is a drinking aquifer. He said the issue should be: why bring water in from Savannah and treat it to drinking water quality, then put it on the lawn? He mentioned Dean Moss, who manages Beaufort-Jasper Water and Sewer Authority, says that is stupid. Look at using the stormwater rather than bringing it all the way from Savannah. That would help a little. In the long term, there could be incentives to use free water versus paying for water. Mr. Ahern acknowledged there are maintenance issues. He said they are encouraging community endeavors and mentioned Sun City using ponds for a public irrigation system. Sun City states the system cost \$100,000 to build and was paid off in a matter of one year in terms of savings.

Mr. Robert Gallant said he speaks on behalf of several builders by saying there is not a lot of money out there to put in new community wide stormwater facilities. Most homeowners are having a hard time paying their dues, and probably would not want hefty, end-of-year change they would have to pay. He said he has a lot to say, but he will refrain. He noted while Mr. Ahern is doing a good job articulating the changes the ordinance would be a large brush to paint with and he sees instances where this should be implemented – namely on headwaters or major waterways. Mr. Gallant said when developing Coosaw Point they used the latest BMPs and in the years through El Niño he has never seen the ponds overflow. Mr. Ahern suggested Mr. Gallant check to see if they are already in compliance with the volume standards. Mr. Gallant countered that based on what he read it is not clear. Mr. Ahern said if Mr. Gallant goes back, vacant lots in divisions that do not meet the developmental volume requirements will have to do that; it is encouraging communities to look at the most cost-effective solution. Mr. Gallant said he does not understand what that solution is at this point. Mr. Gallant changed subjects and addressed the numbers. He said he did a calculation based on his house and irrigation. He said he has eight zones using 20 gallons a minute. My 800-gallon system would be drained in five minutes, he said. Mr. Ahern said the suggested storage units are meant to be based on the amount of water flowing off the property.

Mr. Stewart asked how thoroughly the Stormwater Board viewed, discussed and had these types of discussions and analysis. Mr. Ahern answered that for a year they have been briefing the Stormwater Board. Mr. Stewart inquired if the Board members had similar questions to those raised at this meeting. Mr. Ahern said, no. Mr. Stewart said he would be interested to know where the Board stands on the maintenance topic.

Mr. Ahern summarized the first issue will be maintenance of ponds, which is not even addressed.

Mr. Gallant asked if the cisterns and drainage wells will be allowed in the setbacks or will they have to be kept within the building outlay. Has anyone looked at the river overlay ordinance, with the 51-foot setback, because all the houses are built right on that line? Where are we going to put this water because most of the water on the riverfront breaks? He said at his house half of the water goes to the front and the other to the back. How will the County treat the setback issues? Third, will family compounds be exempt or will they have to apply this ordinance as well? He said family compounds are usually exempt from many ordinances. Mr. Ahern said he would not envision so. To answer one part of Mr. Gallant's questions on setbacks, if planning and there is the 50-foot buffer with water running over it, the disconnected impervious would certainly count in the calculations.

Mr. Sommerville said Mr. Ahern briefly addressed distinguishing between properties near headwaters and those not. He clarified that the answer was there is no distinction because they could not figure out how to determine – fair enough. He asked about whether the speed with which a waterway flows has a factor in the calculations. Mr. Ahern said there was a long discussion period on that as Mr. Sommerville mentioned, but the outcome is that the County will just have to be careful at areas that are near headwaters or are more sensitive.

Mr. Criscitiello said this mostly falls under the purview of the zoning administrator.

Mr. Ahern mentioned the Rose Dhu Study which illustrates wetlands are basically starving because all the 600-acre development in Rose Dhu Creek comes out in two locations. This touches on the volume issue.

Mr. Stewart stated discussion centered on the County today, but he asked what the attitude is toward municipalities following suite. Mr. Ahern answered that consultant ATM suggested the County start a workshop with the communities to have them discuss and answer some of the communities' questions. There was a big concern about in-fill and redevelopment, a major concern of the towns and cities committed to denser, walkable developments. Mr. Stewart stated he does not want to start another zone shopping process with this, and it is not just in Beaufort County and surrounding municipalities. Many areas have to worry about annexation into other municipalities. These are issues that need to be resolved, but he said he is not sure how it will be done because jurisdictions have oversight in their area. Mr. Stewart expressed he does not want to see this become another reason to zone shop.

Mr. Sommerville asked Mr. Ahern where Bluffton stands on this matter, and he answered Bluffton has been very positive about the step one controls, adopting the County's language verbatim. Mr. Ahern added he suspects the Town of Bluffton is waiting to see what Beaufort County will do. If Bluffton is committed to reducing volume, he said he suspects they will try to address step two as well.

Mr. Flewelling asked, "City of Beaufort?" Mr. Ahern stated that is why the County wants to have a workshop. Mr. Flewelling asked if Beaufort knows anything about this yet. Mr. Ahern said they do and have been briefed. ATM, the project consultant, is also the consultant for the

Town of Port Royal so they are abreast of the situation, Mr. Ahern explained. Mr. Flewelling asked about the Town of Hilton Head Island, to which Mr. Ahern replied that he did not know.

“Jasper County?” Mr. Stewart asked.

“Hardeeville,” Mr. Flewelling piped up.

Mr. Ahern stated Jasper County was brought into the process with the “319 grant” for Okatie. Part of Jasper County’s tact is to develop a new ordinance to control the volumes, so he said he suspects Jasper County is making similar moves.

Mr. Flewelling said frankly Mr. Stewart brings up a good point of this stormwater regulation being used as a means to zone shop for areas contiguous to municipalities and other jurisdictions. He said he is specifically referring to Hardeeville, and until he has assurance from the City of Hardeeville, as well as other governmental entities, that it is willing to go along with this he hesitates to approve this. It would give him serious concern it would encourage people to leave the unincorporated parts of Beaufort County. He suggested taking this matter up at the Northern Regional Plan Implementation Committee to gauge a response at least north of the Broad River. He added Hardeeville and Bluffton need to be added to the equation before committing to making this a County regulation.

Mr. Sommerville noted with the vacant Hardeeville City Administrator slot, a new administrator will be coming and perhaps an emissary should go there to bring forth the topic.

Mr. Stewart said this is difficult. He said he wants to see this move forward in order to protect the environment and the watersheds the County has, but there have been enough questions asked around the room without adequate answers. Those questions brought forward by committee members and the public should be put into writing and more thoroughly examined with the intent to ultimately move forward with acceptance. Doing this with forethought and anticipating as many issues as the County can, as well as getting feedback from other governments, would be beneficial. Mr. Stewart stated he does not want to slow the subject down, but at the same time he said he does not think it is appropriate to forward it to Council with so many questions.

Mr. Flewelling said he feels as well as he knows the other members of Council that when push comes to shove all will say they want this to one degree, or another. This requires some political capital from all Council members and there will be constituents unhappy with this, but it is something all members of Council agree needs to be done. He said he would like to see answers to questions brought forward today, develop a response with the possibility of modifying the ordinance proposed, and approach the other municipalities or jurisdictions impacted by this. He added he thinks they should let the School Board have a whack at the subject. Mr. Ahern informed Mr. Flewelling it would not apply to School Board as this step only applies to single lots; the previous step dealt with School Board concerns.

It was moved by Mr. Flewelling that the Natural Resources Committee to tables for no longer than four months the text amendment to the Beaufort County Text Amendments to the Beaufort County Zoning and Development Standards Ordinance (ZDSO) that allow for control of Stormwater Volume from “Lots Of Record But Not Built.” These Controls Will Mitigate Water Resource Impacts from Construction in Previously Approved Developments that do not have Volume Controls. A. Section 106-7. Exemptions of Development Types. B. Section 106-8. Exemption from Subdivision Review. C. Section 106-18. Definitions. (Adding New Definition— Best Management Practices, On-Site) D. Section 106-732. Zoning Permit. E. Section 106-2857. Exemptions from Site Runoff Control and Drainage Planning/Design. F. Section 106-2861. Retention/Detention Facilities. G. Section 106-2865. On-Site Single Family Lot, Best Management Practices (BMP). (Adding New Section).

Mr. Sommerville referred to the public input that this will have a disproportionate effect on those with smaller lots or lower-income housing, in other words regressing affordable housing. He added that Council needs to discuss this as a body in addition to the topic of zone shopping. Mr. Sommerville said people should have an opportunity to submit questions to Mr. Ahern. Contact should also be made with the municipalities, he said. Mr. Sommerville said the committee members, Mr. Ahern, the administrator, etc. should get together as soon as possible to create a plan to involve the municipalities and get feedback. Mr. Ahern suggested they are already in the process for a September intergovernmental agreement for operation of stormwater utility, with one of those tenants being that municipalities have water quality controls at least as stringent as the County's. This would fit very well into that overall discussion. This was an operational alternative.

Mr. McBride weighed in with his support and added he believes the County needs to have more discussion with municipalities before moving forward. There needs to be some dialogue with the municipalities. Now, Hardeeville is in another county, and he doubts Beaufort County will ever be able to reach its developmental standards to what Hardeeville is looking for because they are primarily looking for annexation and development, he said. He added he is not sure he is willing to delay for four months, but agrees it should not go before Council at this point. He suggested leaving the matter before the Natural Resources Committee with four months being the outside parameter.

Mr. Stewart suggested this topic would be a good one to review at the annual retreat. He also mentioned the resolution promoting regionalism as another way to approach this matter.

Mr. Flewelling asked Mr. Ahern to come up with a schedule of visits to municipalities and to keep County Council apprised of that.

Mr. Reed Armstrong stated Beaufort County has shown leadership in the past in regard to its environmental initiatives such as the Rural and Critical Lands model and stormwater. He encouraged the members to support this stormwater volume control as well. He stated one reason this is important is because all of our waters are impaired or on the threshold of being impaired.

The main motion was seconded by Mr. Stewart. The vote was: FOR – Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. Baer, Mr. Dawson and Mr. Rodman. The motion passed.

**Status:** Natural Resources will review this text amendment in no longer than four months with the following being addressed: questions raised in this meeting forwarded to Mr. Ahern and answered with any necessary amendments to the proposed text amendment done, and solicit feedback from other governments.

**2. Executive Session – Discussion of negotiations incident to proposed contractual arrangements and proposed purchase of property**

**Status:** No action necessary. No items came out of executive session.

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## PUBLIC FACILITIES COMMITTEE

January 25, 2011

The electronic and print media were duly notified in accordance with the State Freedom of Information Act.

The Public Facilities Committee met on Tuesday, January 25, 2011 at 4:30 p.m., in the Executive Conference Room of the Administration Building, Beaufort, South Carolina.

### ATTENDANCE

Public Facilities Committee Members: Chairman Herbert Glaze, Vice Chairman Steven Baer and members Gerald Dawson, Brian Flewelling, and William McBride. Non Committee Member Stu Rodman was also present. Members Paul Sommerville and Mr. Stewart were absent.

County staff: Paul Andres, Airports Director; Bob Klink, County Engineering.

### ACTION ITEMS

1. **Consideration of Contract Award**
  - **Hilton Head Island Airport Runway 21 On-Airport Tree Obstruction Removal Contract Administration and Construction Engineering Inspection Services**

**Discussion:** Mr. Paul Andres, Airports Director, reviewed this item with the Committee. Over 1,400 tree obstructions have been identified on-airport that needs to be removed in the approach zone to Runway 21 at the Hilton Head Island Airport. Wilbur Smith Associates is currently under contract to provide professional engineering services in support of Beaufort County airport projects. Attached is the proposed scope of work for professional CA/CEI services necessary to address these tree obstructions. The Airports Board favorably endorses the tree obstruction removal project.

Funding will be from expenditure code 13480-54301 (Tree Obstruction Removal) – FAA Grant #30 (95%). Additional State Grant Funding of 2.5% is pending. The remaining 2.5% (\$2,426.80) will come from the Hilton Head Island Airport's Operating Budget.

Staff recommends the Committee to approve and recommend to County Council approval of a contract in the amount of \$97,072 to Wilbur Smith Associates to provide professional CA/CEI services for the Runway 21 On-Airport Tree Obstruction removal Project at the Hilton Head Island Airport.

It was moved by Mr. Flewelling, seconded by Mr. Baer, that Public Facilities Committee approve and recommend to County Council approval of a contract in the amount of \$97,072 to Wilbur Smith Associates to provide professional CA/CEI services for the Runway 21 On-Airport



Tree Obstruction removal Project at the Hilton Head Island Airport. Funding will be from expenditure code 13480-54301 (Tree Obstruction Removal) – FAA Grant #30 (95%). Additional State Grant Funding of 2.5% is pending. The remaining 2.5% (\$2,426.80) will come from the Hilton Head Island Airport's Operating Budget.

Mr. Baer wanted to know, why so late in this contract, including supervision of the work? Mr. Andres replied we were in limbo with Wilbur Smith Associates and whether we were going to award a new contract to them. The consensus of staff was that since Wilbur Smith Associates are so deeply involved with this project, they should see it through to completion.

Mr. Baer stated there are two other contractors on the official list and we have had a problem with Wilbur Smith Associates in the past – why would we award a new contract to them? Mr. Andres stated the concern was that if we had gone with a new consulting firm that they would want to start from scratch, with their own data, etc. That would incur potential additional costs.

Mr. Baer wanted to know if the data included an inventory of all the trees on Airport – North End. Mr. Andres replied saying there will be a data table maintained of the trees addressed in this process.

Mr. Baer wanted to know if that roster is ready. Mr. Andres stated the design work has already been done. When the contract is executed they will address those tree obstructions. They may identify a few more in the process, that were not previously identified, but all the trees trimmed or removed will be documented through this process.

Mr. Baer wanted a copy of that survey. Mr. Andres stated it is a large document and offered to share his copy with those interested.

Mr. Flewelling stated staff considered using someone else rather than Wilbur Smith Associates, but yet did not put it out for bid, is that correct?

Mr. Andres replied no, these professional service consultants are currently under contract. Also, we just got the other contracts executed.

Mr. Rodman stated in terms of the RFQ process for the environmental and cost benefit piece, where do they stand? Mr. Andres stated at this point we submitted it as part of this year's grant application for federal funding consideration which we should hear from sometime this Spring. The County Administrator did receive some correspondence from Talbert and Bright with information pertaining to that. He believes it to be his intention to bring that forward to Finance Committee for consideration.

Mr. Rodman wanted to know if both consultants get an opportunity to quote on the cost benefit. Mr. Andres replied we cannot compete one against the other due to federal law. We would select one of the consultants and negotiate a scope of work and fee. If acceptable we

would then recommend that for Council consideration and approval. If we are unable to reach a successful negotiation then we would break off with the one firm and negotiate with the other. .

Mr. Rodman wanted to know if all had to be with one firm or if two firms can do the work simultaneously. Mr. Andres stated for this project it is logical to have consistency with the consultant working on the project.

Mr. Rodman stated in all of these contracts that relate to the Airport it seems they may be headed toward trimming. Have we looked at that as an interim step?

Mr. Andres stated currently we cannot do anything because of the legal case pending. A lot of the work associated with this project is in fact trimming as opposed to removal. The only removal is the 300-400 feet off the end of the runway and only in the event a tree cannot be saved through trimming.

Mr. Baer stated a master plan was sent to the FAA. It contained different numbers than the master plan Council approved. Is there a way to see exactly what all those changes were? Mr. Andres stated he can ask the consultants to come down and respond to that. They did mention at the Airports Board meeting that there was differences in the capital improvement program costs in the document. The way it was explained was that depending on which table you look at there are assumptions made that in one case all of the safety related issues have been completed and in turn allows the FAA to participate in things such as hangar development, the other table does not reflect that. He stated if Mr. Baer could provide him a list of the inconsistencies he sees, he will forward it to the consultants.

Mr. Baer stated he only has the executive summary, not the plan. Mr. Andres interjected his understanding was that the Clerk of Council provided the plan to the Committee. Mr. Baer stated he does have the plan, but those numbers are different than that of the executive summary.

Mr. Baer informed him Ms. Elder said the passenger forecast number had been changed. Mr. Andres stated if anyone has specifics he will be glad to find out the answers.

Mr. Baer stated when numbers change after Council had approved them, then the consultant owes us a list of the changes.

The vote was: APPROVE – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, and Mr. McBride. ABSENT – Mr. Sommerville and Mr. Stewart. The motion passed.

**Recommendation:** County Council approves a contract in the amount of \$97,072 to Wilbur Smith Associates to provide professional CA/CEI services for the Runway 21 On-Airport Tree Obstruction removal Project at the Hilton Head Island Airport. Funding will be from expenditure code 13480-54301 (Tree Obstruction Removal) – FAA Grant #30 (95%). Additional State Grant Funding of 2.5% is pending. The remaining 2.5% (\$2,426.80) will come from the Hilton Head Island Airport's Operating Budget.

**2. Consideration of Contract Award**  
**• Wallace Creek Boat Landing Floating Dock Addition**

**Discussion:** Committee Chairman Glaze reviewed this item with the Committee. On January 6, 2011, Beaufort County accepted bids for improvements to the County's Wallace Creek Boat Landing located at the end of Sam Dole Drive, Lands Ends, on St. Helena Island, SC. This project will include the addition of a courtesy floating dock which will provide easier access to Wallace Creek and neighboring water bodies at all tide levels. A certified tabulation of the bid results is attached and totals for each of the 3 companies submitting bids as follows:

<u>Company Name</u>	<u>Location</u>	<u>Bid Price</u>
Alpha Construction Company, Inc.	4250 Ogeechee Road, Savannah, GA	140,400.00
R.L. Morrison and Sons, Inc.	623 Morrison St., McClellanville, SC	\$144,750.00
O'Quinn Marine Construction	95 Sheppard Road, Beaufort, SC	\$228,695.00
Engineer's Estimate		\$149,000.00

Alpha Construction Company, Inc. submitted the lowest qualified/responsible bid of \$140,000.00. Alpha Construction Company's bid was reviewed and found to be reasonable and is in compliance with the County's SMBE Ordinance. Alpha Construction Company will be self-performing the construction. There is no apparent cause for rejecting their bid.

**Funding:** Beaufort County has an agreement with SC Department of Natural Resources (SCDNR) for boating access facility improvement. The County has been granted a budget from SCDNR of up to \$149,000 for renovations to Wallace Creek Boat Landing. It is requested that funds for this project be used from the FY07 CIP Contingency Account #11437-56000 with a current balance of \$349,549.00. The FY07 Contingency Fund would then be reimbursed from SCDNR Grant.

Staff recommends the Committee to approve and recommend to County Council the award of a construction contract to Alpha Construction Company, Inc., in the amount of \$140,400.00 for the Wallace Creek Boat Landing Dock Addition utilizing the funding sources listed above.

It was moved by Mr. McBride, seconded by Mr. Baer, that Public Facilities Committee approve and recommend to County Council the award of a construction contract to Alpha Construction Company, Inc., in the amount of \$140,400.00 for the Wallace Creek Boat Landing Dock Addition. The vote was: APPROVE – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride. ABSENT – Mr. Sommerville and Mr. Stewart. The motion passed.

**Recommendation:** County Council the award of a construction contract to Alpha Construction Company, Inc., in the amount of \$140,400.00 for the Wallace Creek Boat Landing Dock Addition.

**3. Consideration of Reappointments and Appointments**  
**• Airports Board**

**Discussion:** Mr. Baer wanted to know if all the members whose terms are expiring are requesting reappointment. Mr. Glaze replied in the affirmative.

Mr. Baer stated they are a very good Board, who work well together.

It was moved by Mr. Baer, seconded by Mr. Dawson, that Public Facilities Committee approve and recommend to Council nomination of Will Dopp, Derek Gilbert, Paul Jorgenson, Norman Kerr, Bernard Law, Joseph Mazzea, Jared Newman, Richard Wirth, and Joseph Zimmerman to be reappointed to serve as a members of the Airports Board.

Mr. Rodman wanted to know if he could nominate someone being he is not a member of the Committee. Mr. McBride stated it would have to be done at Council.

Mr. Flewelling was under the impression that their terms were staggered so we did not have to do this right away.

Mr. Rodman stated two of the slots are those recommended by other entities and wanted to know if we have heard from the Chambers and Hilton Head Town Council in regard to their reappointment. Mr. Glaze stated he has not.

Mr. McBride stated that needs to be verified before going before Council.

Mr. Glaze stated the Chamber will let us know if they have anyone else for nomination before going before Council.

Mr. McBride recommended the Committee to approve and forward today pending verification from the Clerk of Council that the other entities recommend the reappointment of these two individuals – Derek Gilbert and Joseph Zimmerman.

Motion to amend by addition.

It was moved by Mr. Baer, seconded by Mr. Dawson, that Public Facilities Committee approve and recommend to Council nomination of Will Dopp, Derek Gilbert, Paul Jorgenson, Norman Kerr, Bernard Law, Joseph Mazzea, Jared Newman, Richard Wirth, and Joseph Zimmerman to be reappointed to serve as a members of the Airports Board. Derek Gilbert's nomination is contingent upon verification of recommendation from the Beaufort Chamber of Commerce and Joseph Zimmerman's nomination is contingent upon verification of recommendation from Hilton Head Town Council. The vote was: APPROVE – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, and Mr. McBride. ABSENT – Mr. Sommerville and Mr. Stewart. The motion passed.

**Recommendation:** Council nominates Will Dopp, Derek Gilbert, Paul Jorgenson, Norman Kerr, Bernard Law, Joseph Mazzea, Jared Newman, Richard Wirth, and Joseph Zimmerman to be reappointed to serve as members of the Airports Board. Derek Gilbert's nomination is contingent upon verification of recommendation from the Beaufort Chamber of

Commerce and Joseph Zimmerman's nomination is contingent upon verification of recommendation from Hilton Head Town Council.

**4. Consideration of Reappointments and Appointments**

**• Solid Waste and Recycling Board**

It was moved by Mr. Flewelling, seconded by Mr. McBride, that Public Facilities Committee approve and recommend to Council nomination of Gordon Bower to be reappointed as a member of the Solid Waste and Recycling Board. The vote was: APPROVE – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, and Mr. McBride. ABSENT – Mr. Sommerville and Mr. Stewart. The motion passed.

**Recommendation:** Council nominates Gordon Bower to be reappointed as a member of the Solid Waste and Recycling Board.

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## PUBLIC SAFETY COMMITTEE

February 7, 2011

The electronic and print media was duly notified in accordance with the State Freedom of Information Act.

The Public Safety Committee met on Monday, February 7, 2011 at 3:00 p.m., in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, SC.

This serves as a **summary** of the actions taken at the February 7, 2011 Public Safety meeting. The complete set of minutes for this meeting will follow.

### ATTENDANCE

Public Safety Members: Chairman Jerry Stewart, Vice Chairman Brian Flewelling and members Rick Caporale, Gerald Dawson, Herbert Glaze and Stu Rodman attended. Committee member Laura Von Harten was absent. Non-committee members Steven Baer and William McBride also attended.

County Staff: Arthur Cummings, Building Codes Director; Lt. Col. Neil Baxley, Beaufort County Sheriff's Office; Bryan Hill, Deputy Administrator; Gregg Hunt, Director of Mosquito Control; Todd Ferguson, Director of Emergency Management Department; Phil Foot, Detention Center Director; Ladson Howell, County Attorney; Gary Kubic, County Administrator; Toni Lytton, Animal Shelter Director; Donna Ownby, Emergency Medical Services Director; Sheriff P.J. Tanner; Dave Thomas, Purchasing Director; William Winn, Division Director – Public Safety.

Legislative Delegation: Senator Tom Davis attended and Representative Bill Herbkersman called into the meeting.

Media: Richard Brooks, *Bluffton Today*; Joe Croley, Hilton Head Island Association of Realtors; Kyle Peterson, *Island Packet / Beaufort Gazette*.

Public: George Simpson, Sun City resident. Representatives from several towing and wrecker companies were in attendance. Those who spoke on the topic of wrecker service regulation were: Jeffrey Robinowich, Morris Garage and Towing, Inc.; Fred Krumm, Earl's Body Shop; Dan Neighbors, Auto Care Center; Anthony Gurganius, All Points Towing & Automotive. Others present who did not identify themselves. Among those were representatives from Kipp's Towing and Recovery, Palmetto Towing, D&M Towing, Danny's Auto Body, Buff's Towing Hilton Head and Earl's Body Shop.

Mr. Stewart chaired the meeting.

## **ACTION ITEMS**

### **1. Discussion / Day Watch Program**

**Discussion:** Mr. Stewart introduced Detention Center Director Mr. Phil Foot who explained a proposed ordinance regarding a Day Watch Program.

Mr. Foot briefed the Public Safety members. The Day Watch Program is administered by the Detention Center, meaning it assigns people once the courts assign a person to the program. It is a diversion program to a person actually going to jail. It puts a person to work on Saturday or Sunday to allow them to keep their jobs during the workweek. The Day Watch Program is currently in place; the program is overseen by the Public Works department, which takes those people out on the weekend. He noted the Detention Center and its staff will take over the Public Works' portion. In order for this to happen, an ordinance is required per state law, for the detention center to take over the program entirely. The proposed ordinance is included in meeting documentation.

Mr. Stewart asked how this differs from the current practice. Mr. Foot explained the Detention Center will actually take people out to the sites and supervise.

Mr. Kubic added he prefers to have the correction officers under Mr. Foot's guidance, with the training and supervision, have a corresponding responsibility for direct control. The Public Works people are okay, but are not trained for that purpose, Mr. Kubic added.

Mr. Foot expanded to say it is a win-win situation as he does not have to put a person in his facility, feed them, bathe them, etc. From their perspective, they get to keep their job, home, their family and avoid falling apart. For whatever minor event that happened – driving with a suspended license – they can pick up trash on weekends.

Mr. Glaze asked if there would be any additional costs, to which Mr. Foot replied there would be no new employees, only some rearranging. He said he only needs the equipment from Public Works transferred to his department.

Mr. Caporale stated this sounds more cost effective than housing an inmate who has to be fed and monitored.

Mr. Foot brought attention to inclusion in the ordinance of "Beaufort County Detention Center shall also assess the individual performing such community service \$55 per day to cover the cost of supervisory personnel and transportation costs," which is allowed by the state as a pro-rated fee. He said he is not trying to make money on this, but to keep the department from moving over into overtime status for example.

Mr. Stewart asked if this was the same as the ankle monitoring system overseen by the Solicitor's Office. Mr. Foot said they are totally different. He explained the Day Watch Program

essentially is comprised of people sentenced by the courts to work. It is picking up litter on the side of the road on the weekends.

Mr. Dawson asked what would happen should someone not show up for their Day Watch duties. Mr. Foot answered typically they would be referred back to sentencing court, which often means extending a person's involvement in the program longer or 30 days of jail.

Mr. Rodman asked how many people are a part of the program. Mr. Foot answered there are roughly 20 in the program. The average is between 15 and 20.

It was moved by Mr. Rodman, seconded by Mr. Dawson, that the Public Safety Committee approves and forwards to Council a recommendation to approve an ordinance to provide for a Day Watch Program as an alternative to incarceration in certain cases in Beaufort County. The vote was: FOR - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Rodman and Mr. Stewart. ABSENT – Ms. Von Harten. The motion passed.

**Recommendation:** Council approves on first reading an ordinance to provide for a Day Watch Program as an alternative to incarceration in certain cases in Beaufort County.

## **2. Consideration of Reappointments and Vacancies**

### Construction Adjustment and Appeals Board

Mr. Stewart briefed the committee that there are three members on the Construction Adjustment and Appeals Board who qualify for reappointment. Those are Mr. Andrew Corriveau, Mr. Don Dean and Mr. Bruce Kline.

It was moved by Mr. Flewelling, seconded by Mr. Caporale, that the Public Safety Committee approves and forwards to Council for reappointment Mr. Andrew Corriveau, Mr. Don Dean and Mr. Bruce Kline to the Construction Adjustments and Appeals Board. The vote was: FOR – Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Rodman and Mr. Stewart. ABSENT – Ms. Von Harten. The motion passed.

### Bluffton Fire District Commission

Committee members postponed making a decision on filling Ms. Patricia Fennell's vacant seat.

### Burton Fire District Commission

It was moved by Mr. Flewelling, seconded by Mr. Dawson, that the Public Safety Committee approves and forwards to Council for reappointment Mr. Thomas Peeples to the Burton Fire District Commission. The vote was: FOR – Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Rodman and Mr. Stewart. ABSENT – Ms. Von Harten. The motion passed.



Committee members postponed making a decision on filling Mr. Ricky Felts' vacancy.

Daufuskie Island Fire Commission

It was moved by Mr. Flewelling, seconded by Mr. Rodman, that the Public Safety Committee approves and forwards to Council for reappointment Ms. Patricia Beichler to the Daufuskie Island Fire District Commission. The vote was: FOR – Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Rodman and Mr. Stewart. ABSENT – Ms. Von Harten. The motion passed.

Lowcountry Regional Transportation Authority

It was moved by Mr. Rodman, seconded by Mr. Flewelling, that the Public Safety Committee approves and forwards to Council for reappointment Mr. Christopher Hutton to the Lowcountry Regional Transportation Authority. The vote was: FOR – Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Rodman and Mr. Stewart. ABSENT – Ms. Von Harten. The motion passed.

**Recommendation:** Council approves the reappointment of the following: Mr. Andrew Corriveau, Mr. Don Dean and Mr. Bruce Kline to the Construction Adjustment and Appeals Board; Mr. Thomas Peeples to the Burton Fire District Commission; Ms. Patricia Beichler to the Daufuskie Island Fire District Commission; and Mr. Christopher Hutton to the Lowcountry Regional Transportation Authority.