

# COUNTY COUNCIL OF BEAUFORT COUNTY

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VICE CHAIRMAN

## COUNCIL MEMBERS

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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, September 27, 2010

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 – [August 23, 2010](#)
  5. PUBLIC COMMENT
  6. COUNTY ADMINISTRATOR'S REPORT  
Mr. Gary Kubic, County Administrator ([report](#))
    - The County Channel / Broadcast Update
    - Two-Week Progress Report ([report](#))
    - County Assessor / 2010 Distinguished Assessment Jurisdiction Award ([backup](#))
    - Presentation / Emergency Medical and Fire Support Study  
Mr. Dave Hunt, Project Manager / Director of Technical Assistance Planning, CRA
  7. DEPUTY COUNTY ADMINISTRATOR'S REPORT  
Mr. Bryan Hill, Deputy County Administrator
    - Two-Week Progress Report ([report](#))
    - FY 2012 Proposed Budget Timeline ([timeline](#)) ([accounts summary](#))
    - Construction Project Updates  
One Cent Sales Tax Referendum Projects:  
New Bridge over Beaufort River / US 21 / SC 802 Construction Project  
SC Highway 802 Roadway Construction Project  
Mr. Robert McFee, Division Director, Engineering and Infrastructure
- Over



*CONSENT AGENDA*  
*Items 8 through 15*

8. 2% (STATE) ACCOMMODATIONS TAX FUNDING
  - Finance Committee discussion and recommendation to approve occurred September 20, 2010 / Vote 6:1([backup](#))
  
9. FRIENDS OF HUNTING ISLAND
  - Project: Four double-changing rooms, four shower towers with four showers and a hose bib each including plumbing; four flat benches made of recycled plastic; four bicycle racks for 8 to 10 bikes each made a recycle plastic and two all terrain wheelchairs
  - Project cost: \$42,000
  - Funding source: Local accommodations 3% tax
  - Finance Committee discussion and recommendation to approve occurred September 20, 2010 / Vote 6:0 ([backup](#))
  
10. ALLOCATION OF \$200,000 FROM HOSPITALITY TAX FUND
  - Finance Committee discussion and recommendation to approve occurred September 20, 2010 / Vote 4:3 ([backup](#))
  
11. REQUEST FOR QUALIFICATIONS FOR ARBORIST SERVICES FOR BEAUFORT COUNTY
  - Finance Committee discussion and recommendation to approve occurred September 20, 2010 / Vote 7:0
  - Contract award: Preservation Tree Care, Beaufort, SC
  - Contract amount: \$60,000
  - Funding source: FAA Grant #30 (95%), State Grant #30 (2.5%), Town of Hilton Head Island (2.5%) and local match (2.5%). The local match for this phase will not exceed \$1,500 which is the Airports budget covered by FY 2011 under account number 13480-54301. ([backup](#))
  
12. RENTAL CAR CONCESSIONS AT THE HILTON HEAD ISLAND AIRPORT
  - Finance Committee discussion and recommendation to approve occurred September 20, 2010 / Vote 7:0
  - Revenue Contract awards: Hertz, Park Ridge, New Jersey; Enterprise Leasing Company (Alamo, National included), Columbia, South Carolina; ILM Transportation, Inc. d/b/a Dollar/Thrifty, Greer, South Carolina; Avis Budget Car Rental, LLC, Parsippany, New Jersey
  - Revenue Contract amount: For the right and privilege to operate an automobile rental car concession the successful contractors agreed to pay 10% of gross revenue (industry-wide standard), payable monthly or payable 1/12<sup>th</sup> per month for the minimum annual guarantee of \$43,200, whichever is greater.
  - Funding: These revenue contracts will result in monthly deposits into Hilton Head Island Airports accounts 58001-47130 (Rental Car Counter Space, 58001-47131 (Ready Return Spaces) and 58001-47132 (Rental Car Commissions) ([backup](#))

13. AN ORDINANCE PURSUANT TO SC CODE SECTION 12-43-360 TO REDUCE THE AIRCRAFT PERSONAL PROPERTY TAX FROM 10.5% TO 6%
  - Consideration of second reading approval September 27, 2010
  - Finance Committee discussion occurred September 20, 2010
  - Public hearing to occur Monday, October 11, 2010 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
  - Consideration of first reading approval occurred August 23, 2010 / Vote 7:4
  - Finance Committee discussion and recommendation to approve occurred August 16, 2010 / Vote 6:0 ([backup](#))
  
14. TEXT AMENDMENT TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE XII. SUBDIVISION DESIGN (THAT REPLACE RURAL SUBDIVISION WITH RURAL SMALL-LOT SUBDIVISION):
  - DIVISION 3, SECTION 106-2539. RURAL SMALL LOT SUBDIVISIONS
  - DIVISION 4, SUBDIVISION 2. SMALL LOT RURAL SUBDIVISIONS: SECTION 106-2596. MINIMUM DEVELOPMENT STANDARDS FOR SMALL LOT RURAL SUBDIVISION; AND SECTION 106-2597. CONDITIONS AND LIMITATIONS
  - Consideration of second reading approval September 27, 2010
  - Public hearing to occur Monday, October 11, 2010 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
  - Consideration of first reading approval occurred September 13, 2010 / Vote 11:0
  - Natural Resources Committee discussion and recommendation to approve occurred September 7, 2010 / Vote 7:0 ([backup](#))
  
15. ZONING MAP AMENDMENTS TO CHANGE THE ZONING OF ALL LANDS CURRENTLY ZONED RURAL RESIDENTIAL TO RURAL IN THE FOLLOWING AREAS OF THE COUNTY – SHELDON TOWNSHIP, ST. HELENA ISLAND, AND PORT ROYAL ISLAND (IN AREAS LOCATED OUTSIDE OF THE AIRPORT OVERLAY DISTRICT)
  - Consideration of second reading approval September 27, 2010
  - Public hearing to occur Monday, October 11, 2010 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
  - First reading approval occurred September 13, 2010 / Vote 11:0
  - Natural Resources Committee discussion and recommendation to approve occurred September 7, 2010 / Vote 7:0 ([backup](#))

*PUBLIC HEARINGS*  
*Items 16 through 22*

- 6:00 p.m.**
16. TEXT AMENDMENT TO THE BEAUFORT COUNTY COMPREHENSIVE PLAN, APPENDIX F, SECTION 8, MAY RIVER PLAN (ADDS NEW SECTION FOR MAY RIVER COMMUNITY PRESERVATION AREA PLAN)
    - Consideration of third and final reading approval September 27, 2010
    - Second reading approval occurred September 13, 2010 / Vote 11:0
    - First reading approval occurred August 23, 2010 / Vote 11:0
    - Natural Resources Committee discussion and recommendation to approve occurred August 10, 2010 / Vote 4:0 ([backup](#))
  
  17. COMPREHENSIVE PLAN FUTURE LAND USE MAP AMENDMENT FOR THE MAY RIVER COMMUNITY PRESERVATION DISTRICT FROM RURAL TO RURAL COMMUNITY PRESERVATION AREA
    - Consideration of third and final reading approval September 27, 2010
    - Second reading approval occurred September 13, 2010 / Vote 11:0
    - First reading approval occurred August 23, 2010 / Vote 11:0
    - Natural Resources Committee discussion and recommendation to approve occurred August 10, 2010 / Vote 4:0 ([backup](#))
  
  18. TEXT AMENDMENT TO THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), APPENDIX R, MAY RIVER COMMUNITY PRESERVATION (CP) DISTRICT (ADDS NEW APPENDIX FOR DEVELOPMENT STANDARDS FOR THE MAY RIVER CP DISTRICT)
    - Consideration of third and final reading approval September 27, 2010
    - Second reading approval occurred September 13, 2010 / Vote 11:0
    - First reading approval occurred August 23, 2010 / Vote 11:0
    - Natural Resources Committee discussion and recommendation to approve occurred August 10, 2010 / Vote 4:0 ([backup](#))
  
  19. ZONING MAP AMENDMENT FOR THE MAY RIVER COMMUNITY PRESERVATION DISTRICT FROM RURAL, RURAL-RESIDENTIAL, AND RURAL-TRANSITIONAL OVERLAY DISTRICTS TO MAY RIVER COMMUNITY PRESERVATION DISTRICT
    - Consideration of third and final reading approval September 27, 2010
    - Second reading approval occurred September 13, 2010 / Vote 11:0
    - First reading approval occurred August 23, 2010 / Vote 11:0
    - Natural Resources Committee discussion and recommendation to approve occurred August 10, 2010 / Vote 4:0([backup](#))
  
  20. ZONING MAP AMENDMENT/ REZONING REQUEST ON LADY'S ISLAND R201-15-118, -508, -509, AND -510 (4 PROPERTIES) FROM LADY'S ISLAND COMMUNITY

**PRESERVATION (LICP) AND PROFESSIONAL OFFICE DISTRICT (POD) TO VILLAGE CENTER (VC)**

- Consideration of third and final reading approval September 27, 2010
- Second reading approval occurred September 13, 2010 / Vote 11:0
- First reading approval occurred August 23, 2010 / Vote 11:0
- Natural Resources Committee discussion and recommendation to approve occurred August 10, 2010 / Vote 4:0 ([backup](#))

**21. TEXT AMENDMENT TO THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE V: TABLE 106-1098. GENERAL USE TABLE, COMMERCIAL USES – COMMERCIAL RETAIL, NEIGHBORHOOD (ADDS ALLOWABLE USE OF VARIETY STORES); AND SECTION 106-1285(D)(1) COMMERCIAL RETAIL, NEIGHBORHOOD (ADDS 10,000-SQUARE FOOT LIMITATION FOR VARIETY STORES IN RURAL BUSINESS DISTRICTS)**

- Consideration of third and final reading approval September 27, 2010
- Second reading approval occurred September 13, 2010 / Vote 11:0
- First reading approval occurred August 23, 2010 / Vote 11:0
- Natural Resources Committee discussion and recommendation to approve occurred August 10, 2010 / Vote 4:0 ([backup](#))

**22. TEXT AMENDMENT TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE I, SECTION 106-9(B)(1)--NONCONFORMITIES (ADDS SUBSECTION THAT ALLOWS NONCONFORMING HISTORIC BUILDINGS TO BE ADAPTIVELY REUSED AND BECOME CONFORMING THROUGH APPROVAL OF A SPECIAL USE PERMIT)**

- Consideration of third and final reading approval September 27, 2010
- Second reading approval occurred September 13, 2010 / Vote 11:0
- First reading approval occurred August 23, 2010 / Vote 11:0
- Natural Resources Committee discussion and recommendation to approve occurred August 10, 2010 / Vote 4:0 ([backup](#))

**23. [COMMITTEE REPORTS](#)**

**24. PUBLIC COMMENT**

**25. EXECUTIVE SESSION – Receipt of legal advice relating to pending and potential claims and negotiations incident to proposed contractual arrangements and proposed purchase of property**

**26. 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 252
Hargray Video on Demand	600
Time Warner Hilton Head Cable	CH 66
Time Warner Sun City Cable	CH 63

Official Proceedings  
County Council of Beaufort County  
August 23, 2010

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, August 23, 2010, 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 were present.

**PLEDGE OF ALLEGIANCE**

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

**INVOCATION**

Councilman Stu Rodman gave the Invocation.

**REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD AUGUST 9, 2010**

It was moved by Mr. Flewelling, seconded by Mr. Glaze, that Council approve the minutes of the regular meeting held August 9, 2010. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Ms. Von Harten. ABSTAINED – Mr. Stewart. The motion passed.

**PUBLIC COMMENT**

The Chairman recognized Mr. Rick Butler, a Lady's Island resident and Best for Beaufort member, remarked Sunday *Beaufort Gazette* said just tough if a minority perhaps won't even be able to use their property when the F-35B comes. This is several thousand of your constituents. Just toss us under the bus. He disagrees. We can do better at finding helpful compromises so we can all live with the F-35B whichever alternative is chosen wherever you live in the county. Several slides were displayed. The first slide shows the existing safety zones in yellow and orange. The only new proposal in the Environmental Impact Study (EIS) is shown in purple, the safety zone for the LHD/LHA crash pad/zone. But something else is missing here. In Chapter 4-40, page 202, of the EIS, "Under any action alternatives, additional, new Clear Zones and Accident Potential Zones (APZ) would be established for the Vertical Landing (VL) pads and LHD/LHA Training Facility." But there is not a trace in the draft of where these student drives

will need safety zones to get in or out of these five pads. Existing neighborhoods that are affected by these nearest pads, in red, are all within 2.5 miles of the two outmost pads, including the County Administration Building. What can local government do to best help balance the scales and limit property loss, quality of life issues, whichever alternative is selected by the Marine Corps? Only your interest can make these small essential changes, which will make living with this more tolerable for us all. Keep tracking the vital LHD/LHA location issue. Moving this aircraft carrier simulated deck toward the center of the base is essential as this will be the key noise source the F-35B will bring to Beaufort. Most of the hovering is going to take place over this deck. Here is where the pilots will balance on their thunder's exhaust. These are key noise sources. Even a half mile further from living under these learner-permit pilots would really help your neighbors. There are some other things you could do to help us at no risk to any of the alternatives being proposed. The draft EIS never discusses these five little pads. They are a real center piece to the change to base operations. Convey your concerns to make MCAS Beaufort the best neighbor it can be.

Mr. Jim Rowe, a Pleasant Point Plantation resident and Best for Beaufort (B For B) member, asked, "What is Best of Beaufort"? It is a collation of neighbors from the Beaufort area dedicated to the acquisition, examination and provision of factual data related to the proposed basing of the F-35B at the Beaufort Air Station. B For B also serves as a forum for the discussion and formal expression of concerns and positions related to the F-35B's impact on the maintenance and enhancement of our most fundamentally and commonly-shared value, our quality of life. You have already heard from one of our members. You are going to hear today from two others who will be addressing specific components of our mutual quality of life issues that will indeed be directly affected by the operation of the F-35B at the Beaufort Air Station should this plane ever come to town. In closing, the members of B For B have an abiding respect for the long and proud relationship the Marine Corps has had with the American people. B For B is impelled to action largely by their respect and reverence for greater Beaufort's natural and historic environment. It is our commitment that we will involve ourselves with those public officials who have an open ear and open heart and an open mind to make this the very special place we call home.

Ms. Teresa Bruce, a Beaufort City resident, stated as a former reporter she is very concerned about the incomplete noise impact information that has been presented to the public so far concerning the basing of the F-35Bs in Beaufort. She is not retired. She represents the generation who, thanks to the internet, can work anywhere we live as long as we can hear ourselves think and as long as if we have kids they can go to school on a good night's sleep. She has studied her copy of the draft Environmental Impact Statement (EIS) and two-thirds of it deal with the noise impact of any of these basing options. That says to her the Navy acknowledges the noise impact is the chief environmental impact that we will be facing here in Beaufort in its basing decision. Yes, this noise impact analysis is based on the wrong plane, the wrong neighborhoods and the wrong flight operations. Wrong plane because the actual variant Beaufort is scheduled to get, the F-35B, is so far over budget and behind schedule the Navy, itself, tells us safety and noise results will not be available until 2013. That is after the training facilities will already be built here and too late to change course. We are told to just presume the noise will be about as loud as any of the other variants. Presume that a heavier engine that can literally invert

itself underneath like a rocket to do vertical landings will have the same loudness as planes that cannot do that. She finds that an illogical hypothetical. We deserve better numbers. We are also told the noise impacts were modeled on 13 representative communities. Guess what; that is wrong too. The 13 representative communities in this book do not include Pigeon Point, Pleasant Point, Red Bluff, in fact, the entire northern half of Lady's Island is left out of those representative communities. The closest one they studied was around Publix's on Lady's Island. That seems to be a little ingenuous to be studying communities that aren't really impacted by the noise and saying that those communities are representative. We do know the vertical landings and short takeoffs will be the loudest new flight operations Beaufort has ever seen. Where that new training happens is critically important. They are going to build an entire new runway that simulates the short takeoff capabilities on an aircraft carrier and they call that an amphibious assault deck and six vertical landing pads where those plans will do their vertical landings. They are also going to fill in two acres of marsh to do that. Guess where those new loudest training facilities are schedule to be built. According to the diagram in this EIS, in the quadrant of the Air Station's property closest to the neighborhoods, that conveniently did not get studied – Pigeon Point, Pleasant Point, and northern Lady's Island. These incomplete contours don't even take a stab at guessing the impact of this new flight operation over our neighborhoods, our schools and our children. We are not just talking about annoyance and property values. We are talking about decibel levels that have impacts on human hearing. And to ask our residents, our schools, our kids and our churchgoers to be human Guinea pigs is just unconscionable. We need to know the numbers. Council represents all of us. Help us and help our citizens by negotiating with the Air Station to move the loudest component of that new training to away from the neighborhoods to the center of the base where it will impact the fewest neighborhoods and taxpayers. Please act soon. Negotiate with the Air Station on our behalf.

Mr. Rob Pollard, a Red Bluff resident and Best For Beaufort member, addressed the loss in property value that is going to be experienced as a result of the 71% increase in flight operations along with a plane that is twice as loud as the plane that we currently have. He has done some calculations and believes the devaluation of property will be something in the order of \$13 million. That translates into a loss in property tax revenue for the County of about \$5.5 million a year once these planes are here and have been implemented. He believes that loss in tax revenue either will result in lower services by the county or more likely increases in taxes to the rest of the population that live in Bluffton and Hilton Head Island. He bases that on two primary pieces of information. From the Naval Research Advisory Committee Report on Jet Engine Noise, April 2009, "The noise power watts per square meter, not just decibels generated by the F-35A, is two times greater than that generated by the FA-18EF . . . all tactical aircraft engines grow in thrust over time and that equates to even greater noise in the future." The plane we are about to get is not the F-35A. It is 3,000 pounds heavier using the same underpowered 4,200 pound jet engine. We are going to have more noise than they are reporting in this study. In addition, we have another difference. What they are talking about is the Super Hornet and what we have is the standard Hornet. Therefore, they are already working off a plane that is louder than what we have. That \$135 million in loss property value and \$5.5 million in lost revenue stem from another key piece of data and that comes from the environmental impact report and from the US Environmental Protection Agency in their book called, *Noise Effects Handbook, Desk Reference for Health and Welfare Effects of Noise* and the same reference is identified in the Federal

Aviation Administration's book, *Aviation Noise Effects*. They reference the study, as the primary premier study to determine property value loss when building around an airport. What that is, for each decibel increase in noise you have about a 2% loss in property value. The study says it is 1.8% to 2.3%. Those are the two things that are going to affect this difference in property value \$135 million loss and about \$5.5 million in property value. The real question for us is, "What is northern Beaufort County going to look like in 5, 10 or 20 years"? Is it going to look like an airbase town? An example is Sumter, South Carolina. No growth. Is it going to look like Cherry Point, North Carolina? Again, retarded growth. What are we going to do to our children, our health? There is such a huge body of data that talks about the health risks of this noise that is why just about every time there is a lawsuit, residents always win. The numbers he is using are really understated because there are so many errors in the document, they don't talk about the reflectivity of noise on water and yet our complete community is surrounded by water. It is almost as if you are standing on the Airbase property if you are standing across the water. Please think about that loss in property value, loss in tax revenue and what we might do about it.

Dr. Valerie Truesdale, School District Superintendent, remarked Council is scheduled this afternoon to consider the millage for the School District. She reminded Council and viewers in 2008 Act 388 removed a key stable source of revenue for school operations. We have seen 1,022 properties shift from 6% non-occupied homeowners to 4% occupied homeowners in just six months which removed \$52 million from the tax rolls for schools. Why this is a serious concern because 4% percent homeowners pay no taxes for operating schools. Revenue for that \$52 million in tax rolls is lost forever to the school system, about \$3 million a year and that is only six months. If we were to study for over the last year and half that it has become so problematic, the numbers would be staggering. About the same time that Act 388 passed, which has damaged school district budgets across South Carolina and has been a continuing concern for Council as well as the Board of Education, the State decided that Beaufort County would receive no funds on the per pupil allocation under the State Education Finance Act. We know Council has joined us in our concern over these two most disastrous simultaneous occurrences which are positioning Beaufort County School District for a precarious position in upcoming years. We are asking for Council to consider the value of a mill at a 97% collection rate which is the rate the County recommends along with the School District finance staff bringing the ordinance that Council approved to \$116 million. Looking at that with a mill value brings us to 91.72 mills and that is what we are asking and imploring County Council to consider as it sets our millage this afternoon. We need to keep 15% in our fund balance. One of the concerns of Council is the School District has money in the fund balance to offset this and it is true we could dip into our fund balance for \$4.1 million this year and then another \$6.9 million next year, but it would, at the end of next year, bring down to an absolutely unacceptable level in order to operate the schools. We urge the passage of millage this year that would generate a cost to a homeowner of \$200,000 non-owner property \$21 this year so we can avoid future years of even more significant tax increases and/or deep cuts in programs. Thank you to Council for the many, many hours you have spent deliberating this budget. We have given you nine or so extensive presentations and the Chairman has been very kind in his patience as we have given you these long presentation, but so that you would understand our challenge as we face these two disastrous activities of Act 388 coupled with the State's cut in EFA to Beaufort County Schools.

## **COUNTY ADMINISTRATOR'S REPORT**

### **The County Channel**

Mr. Gary Kubic, County Administrator, said The County Channel Broadcast Services Team, working in conjunction with the School District has produced a documentary for teachers to shed some light as to the effects of sickle cell anemia on their students. The next event is Library Card Awareness Month for the month of September 2010. Promos will appear on The County Channel to show all of the positive impacts of our entire library services to the general community whether they are using the internet for job applications, children having fun in the library. These promos are intended to improve our distribution for library cards at all of our libraries. The next event is the Mayor Debate Town of Hilton Head Island. It will be our first live production, hopefully. It is the first public debate of this kind on The County Channel. It is scheduled for Tuesday, October 12. Hopefully, if we like this format we intend to probably make it available throughout the county for all campaigns. It is a good way to communicate directly with our residents.

The next feature deals with the *Coastal Kingdom*. We have our fourth production called "Creatures of the Night". Some suggested that these Creatures of the Night should be called "The Eye of a Gator". It is our fourth video on creatures. Council viewed a two minutes video promo.

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

Mr. Gary Kubic, County Administrator, circulated copies of his Two-Week Progress Report, which summarized his activities from August 9, 2010 through August 20, 2010. He updated Council on a result of its joint session with Hilton Head Island Town Council. At that joint session the Chairman and Mayor agreed to a noise study and \$25,000 was the contribution from each of us for a total of \$50,000. He announced the scope of work and the process has been completed. He has signed his portion of the contract, it was sent to the Town, and we received it signed today. That is an increase with Talbert & Bright. The consultant has been selected and we have sent the scope of work contract, to be made available to Council as well as Mr. Richardson of Palmetto Hall. A portion of what is contained: the consultant is Andy Harris, who the community knows. We will be doing primarily data collection on the north end of the runway. There will be a public meeting September 10, conducted by Mr. Harris, to explain how the noise study will ensue. When he starts it, Saturday, September 11, he has an open invitation for any resident who wants to go to those sites, watch how we works, he will explain the collection of data, the coordination and what he is trying to achieve. We had two meetings last week with Hilton Head Island Town staff to talk about the tree trimming and removal bid. That is moving forward on multiple fronts. The bid has been vetted and a recommendation has been forwarded to Mr. Kubic and it will go to Public Facilities committee. The application processes and all of the corresponding materials, the sign offs by the various federal and state agencies are all complete and that has been forwarded to the Town of Hilton Head Island so that the application to obtain the necessary permits is underway. Mr. Kubic instructed staff to try to do

these things concurrently so that we can move the process along. We have also advised the FAA and they are in agreement to provide their grant offer. That, too, will also be coming before Public Facilities committee and will be explained by staff for the tree removal and trimming process. We made a special effort with our consultant to be fully compliant with all of the requirements of the Town of Hilton Head Island Land Management Ordinance (LMO) so that the restrictions about the method used to remove trees in the buffered areas or near the wetlands is in full compliance with the language and intent of the Town. We used those two meetings to go point-by-point through the law and its application in this bid process.

Mr. Baer inquired of the next Talbert & Bright meeting as a follow-up to the July 12 joint session of County Council and Town Council. Mr. Kubic will ask that question tomorrow and will email to Council the result.

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

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

Mr. Bryan Hill, Deputy County Administrator, circulated copies of his Two-Week Progress Report, which summarized his activities from August 9, 2010 through August 20, 2010.

#### **Description of Services**

Mr. Bryan Hill, Deputy County Administrator, circulated copies of a description of services.

#### **U.S. Highway 17 Widening**

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the U.S. Highway 17 project is a design-build contract for the widening of six miles of divided highway and major intersection in Beaufort County. The contractor is Phillips and Jordan of Knoxville, Tennessee. The project cost is \$100,471,305. The contract completion date is October 1, 2010. The project is 86% complete. The contractor continues work on the bridge and existing roadway upgrades at the Gardens Corner interchange. Final paving on the north end should begin next week.

#### **New Bridge over Beaufort River / U.S. 21 / S.C. 802 Construction Project**

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the new bridge over the Beaufort River will be a 4,200-foot bridge. The contractor is United Contractors, Inc. of Great Falls, South Carolina. The cost is \$34,573,368. The completion date is August 2011. The contractor is installing drill shafts, working on girder spans, columns and footings.

#### **S.C. Highway 802 Roadway Construction Project**

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the widening of 5.2 miles of SC Highway 801 (two sections). The contractor is Sanders Bros. of Charleston, South Carolina. The cost is \$10,852,393. The completion date is December 2010.

APAC continues paving operations. Final phase of pipe placement is underway on the Lady's Island section. Shell Point pipe operations and grading operations continue.

### **SC Highway 46 and Simmonsville Road**

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the widening of SC Highway 46 to the Bluffton Branch Library and Simmonsville Road to Bluffton Parkway for a total of 2.15 miles. SCDOT is administering this project. The contractor is Rea Contracting of Columbia, South Carolina. The cost is \$7,503,367.03. The completion date is December 2010. Pipe placement and storm drain basin construction is complete on SC Highway 26. Curb, gutter and sidewalk work is 75% complete. Simmonsville pipe placement is 70% complete.

Mr. Stewart stated the last time Mr. McFee reported to Council on US Highway 278, he mentioned that we were waiting for permits from the Corps of Engineers and there was some concern or question about the timing of obtaining those permits would be consistent with the timing needed to apply for federal funds for continuing work and widening on US Highway 278.

Mr. McFee replied at this time it is still scheduled for November 2010 letting. The county has retained Dennis Corporation to pursue the application which is due September 15, 2010 for the additional funding that we are pursuing for the shortfall on this project. SCDOT will have a decision the end of October 2010. The county is operating under the belief, based on exchanges with SCDOT staff, those two things are not going to be, with regard to the application and additional funding issue, are not incongruous. With regard to the permit, Mr. McFee cannot predict what the Corps of Engineers (Corps) will do. They certainly could affect the project materially by a long and drawn-out evaluation similar to what they have done on other projects in the Charleston County. It would not be out of character. There are four issues: application process, additional funds, letting date and the Corps permit. The application process, additional funds and the letting dates will be coordinated. The Corps permit is truly a wildcard.

Mr. Newton remarked according to the Secretary of Transportation the fact the Corps permit has not been issued, but will not serve as a disqualifying factor of the application for matching funds under the \$50 million federal stimulus program.

### **Plantation Business Park Frontage Road**

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the construction of frontage between Westbury Parkway and Plantation Park Drive to Simmonsville Road in Bluffton. The contractor is Cleland Construction of Ridgeland, South Carolina. The cost is \$1,017,385.72. The completion date is February 2011. Clearing and grubbing is underway. Embankments placement started from Simmonsville Road side.

### **Disabilities and Special Needs Adult Day Care Center**

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project is a 25,000 square foot multi-use facility with client activity and program areas and administrative space. The contract is Emory J. Infinger and Associates of Charleston, South Carolina. The cost is \$6,436,974. The completion date is March 2011. Foundations for the buildings are complete. Finishing of floor slabs and working on masonry walls underway. Installation of geothermal wells is underway.

### **Hilton Head Airport Aircraft Rescue Firefighting Facility**

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project is a 7,200 square foot facility with two equipment bays and administrative space. The contract is Creative Structures of Knoxville, Tennessee. The cost is \$1,669,415.43. The completion date is March 2011. Exterior walls for the building are approximately 90% complete and interior framing walls are underway.

### **Daufuskie Island Convenience Center**

Ms. Von Harten inquired of the text step in this process. Mr. Kubic, County Administrator, commented a single resident had filed an appeal and the appeal requires a stay. Two motions will be filed this week. One motion is to expedite the hearing on the appeal. The second motion requires the party to post a surety bond for any potential damages the county may incur as a result of us hiring a contractor, having that contractor prep, begin the work and stopped in mid-motion. He would expect the court would probably have an expedited hearing and, hopefully, the issue will be resolved in a couple of weeks.

Mr. Newton knows staff has looked, both prior to the recommendation to move forward at this site and since that recommendation to move forward, at alternative sites as recommended by the some groups or individuals on the islands. County staff has found all of those potential alternatives to be less than acceptable from the current proposed site.

Mr. Kubic agreed in the affirmative. The county has also left the door open because we believe there are certain aspects brought forward by Daufuskie Island residents on commercial recycling and those type things which we want to vet. We have asked for a business concept. We, as a county, will turn that over to Beck Consultants, county consultant. The concept gets very close to a mini-transfer station and that involves a great deal of permitting. In the interest of time and what is the most logical step to be taken, we think we have done the right thing and we have moved on our original site. But we have not closed the door to say that there may be other aspects from which we can gain better recycling for both the residents and commercial activity on the island. We have to move carefully and cautiously when we are talking about any commingling of commercial waste streams, whether it is recyclable product or other, into convenience centers designed primarily for residential purposes. And that then begins to become a problem when we begin to interfere in a commercial activity subsidized by public tax dollars. It gets real complex. We are trying to find ways where we can improve the capability of offerings to recycling, but also keep into consideration when you recycle on Daufuskie Island it has to be ferried off of island. It becomes an issue of transportation cost. Our general principle in

expanding the convenience center was to put in compactors and devices that would reduce the size of the product and take fewer trips. We estimate that when we complete that in a year, the cost difference will be \$50,000 in our favor. When you take \$50,000 in savings and forecast out five years, then we are talking about \$250,000 so that in five years we have basically recaptured our investment and we want to move forward. As he told the citizens of Daufuskie Island, further analysis or stopping completely jeopardizes the ability of this borrowed money not be redirected by Council. If we are talking about another 18 to 24 month period that money could, perhaps, be reallocated for a project that is equally important and is just waiting its turn in line to get funded. The alternative site is about 1,000 feet by line of sight from the original location. It is not a major move. It is not on public property. It is not adjacent to a public road.

Mr. Newton commented the recently-adopted Daufuskie Island Community Preservation Plan, page 116, states the County will allow the discussion and review of a comprehensive island-wide approach at that facility.

Ms. Von Harten understands trash is a valuable resource kind of like the railroad tracks that a private enterprise is interested in using. If there is a private firm that is interested with working with the county on this Daufuskie Island solution, do we need to send out request for proposals to other firms that may also be interested in this so we won't have to wait months and months.

Mr. Kubic replied if it involves an expenditure of public money and certain thresholds are met, we have to follow the requirements of a public bid process. The County is working on trying to come up with a proposal for Council to consider a water transportation consultant. In his opinion one of the problems with the convenience center is having consistent capability of commuting from the mainland to the island and back. Seeking those types of alternatives or solutions tied directly into the preservation of property value also offers commercial development an opportunity to rely on consistency which, as you know, is not there currently with the transportation network. The County is doing a couple of things – fixing the convenience center, but we are also looking for ways to come up with new ideas to improve property values for both the residents and the commercial aspects of that island.

Mr. Caporale asked if location is the issue in a nutshell.

Mr. Kubic replied there are a variety of issues provided by the other side. As presented to the county, we have vetted each and every one of those. We came to a conclusion that in the development of the Daufuskie Island Community Preservation Plan, which took 18 to 24 months, we have come to this point. The appeal was perfected by one individual who is adjacent to that property. Perhaps the interest of that one resident is keener to him as the property next to the convenience center than it may be to others. That being said the problem is when you relocate a convenience site, depending upon how the state agency views that activity as a transfer station, it will kick to a five to seven year permitting process. Five to seven years on average if the state decides that what is being proposed is, in fact, a version of a transfer station. It may be. That is why we have asked, but not received a copy of the proposed business plan as to the nature, type and characteristics of the alternate proposal. We have had several discussions as to what that is. The reason why we wanted something more definitive in writing was that would

give us the capability to present it to our consultant for vetting that plan against federal, state and local regulations. Unfortunately, we do not have that capability just yet. Mr. Kubic is told they are working on it and will be forthcoming soon.

Mr. Newton said in the numerous conversations Mr. Kubic, staff and he has had with the Daufuskie Island Council, the number one advanced concern was the ability to have a facility that would accommodate private enterprise in the recycling business. That was the number one reason why these other sites would be better. Staff reiterated the commitment the county is willing to entertain and, in fact, required to do in the Daufuskie Island CP, the concept of public/private partnerships to address recycling at that current site. At that point in time, some members of the Daufuskie Island Council said they never exactly heard it put in those terms before, that that was our biggest concern. Since that point, there has been some who have said that really was not the biggest concern. Now, it is something other. Mr. Newton is not exactly sure what that “something other is”, but Daufuskie Island is in his district and has asked staff to run this site down to the greatest extent they could and what alternatives might exist and they have come back that there is not. We can simply not move forward and continue on with a series of boxes in the woods on a 20-acre site that has been a refuse collection point on the island for at least 20 years or do nothing or the alternative to move forward with this convenience center. Daufuskie Island presents a different set of opportunities. Hopefully, through the new CP Plan that does envision this site that we can promote the private sector participation somehow that recognizes it is barrier island.

**TEXT AMENDMENT TO THE BEAUFORT COUNTY COMPREHENSIVE PLAN, APPENDIX F, SECTION 8, MAY RIVER PLAN (ADDS NEW SECTION FOR MAY RIVER COMMUNITY PRESERVATION AREA PLAN)**

Mr. Tony Criscitiello, Division-Director Planning and Development, pointed out some basic elements of the May River Community Preservation Plan (CP Plan). The CP Plan addresses Natural and Cultural Resources, Land Use, Transportation and Recreation. The goals of the plan address six objectives: preserve the low density character of the SC Highway 46 Corridor, preserve the rural character along the May River, protect and enhance the environmental integrity of the May River, maintain and preserve a clear rural edge between the CP District and the urbanizing Town of Bluffton, preserve as long as possible the undeveloped lands within the CP District, and provide contextual pathways and trails. The reason to do this the May River and SC Highway 46 are at a tipping point and becoming unsustainable in the current zoning. The biggest threat to the May River is over development. Without the protections as outlined in this CP Plan, there will be tremendous pressure for additional annexations.

As for the particulars of the CP Plan and the zoning code, the highlights include protection of the south side of Highway 46 is more stringent. On density for S.F. units, it is one unit for five acres on the south side of SC Highway 46. On the north side it is one unit for three acres for S.F. Units. There is an allowance for accessory dwelling units and quests houses in the CP District. On the north side of SC Highway 46 accessory dwelling units are allowed and they are called residential outbuildings. On the south side of SC Highway 46 guest houses are allowed and they are not counted against the density, and may not be subdivided out from the parcel.

The Land uses for the CP District are very limited. The CP District allows for single-family detached, single family cluster, guest houses, home occupation, home business, and commercial and retail, limited to – bed and breakfast – and produce stands.

Finally, the CP Plan sets-up a river overlay district and scenic road overlay district - each implemented by the development standards in Tables 1, 2, 3, and Section 7 of the Zoning Code.

Mr. Criscitiello pointed out on page 6 of 9 of the Plan, Development within the Scenic Road Overlay, paragraph 1, Regulation/ Review, the CP Committee will have the right to nominate two additional members to sit in and vote when commercial projects from the May River CP District are heard by the Joint Corridor Review Board. The two nominees shall reside in the May River CP District.

Mr. Newton commented the May River CP District is located in his Council district. The bigger picture is the Joint Corridor Review Board with the Town of Bluffton (Town). The Town and the folks involved in this CP process are particularly interested especially in this CP. These folks ratcheted down their density fairly dramatically, given the extent that corridor is an area, these folks want to have some say with regard to what happens in the corridor within the CP District. The Town supported that position in this overall concept of a Joint Corridor Review and Mr. Newton supports it. If this language gets removed, he would be in a position to advancing an amendment at this juncture to put it in. The citizen's panel of the May River CP Committee was very firm in their belief that this an appropriate activity and the Town agreed to it wholeheartedly. Mr. Newton thanks the people who have been working on the CP for five years. They have spent a lot of time and effort in moving this forward. Mr. Newton applauds their effort wholeheartedly. He asked Council to embrace this Plan as presented.

Ms. Von Harten inquired of the property owners who did not want to be included in the CP District.

Mr. Criscitiello replied those properties were removed from the District. Members of the CP Committee worked approximately five years on the CP Plan. One of the members, who was involved in that process, appeared before the Natural Resources Committee and expressed his discomfort with the idea that maybe, not now, but in the future, the CP Committee may decide to do something in regard to the District and recommend that more difficult standards be applied that he may not be able to live with. Those parcels have been removed from the CP District.

Mr. Stewart applauded the residents because they did a great job. From his perspective he thinks and hopes it will help in slowing down any annexations in this area and will help preserve the land in the way we want it to be. It is commendable what the residents and property owners are doing.

Mr. Criscitiello reported Bluffton Town Mayor Lisa Sulka wrote a letter in support of the CP District process and the Plan. The Planning staff is working diligently with Town staff on form-based code. This may, in fact, become a transition into a rural edge for form-based code.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approve on first reading a text amendment to the Beaufort County Comprehensive Plan, Appendix F, Section 8, May River Plan (adds new section for May River Community Preservation Area Plan). The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**COMPREHENSIVE PLAN FUTURE LAND USE MAP AMENDMENT FOR THE MAY RIVER COMMUNITY PRESERVATION DISTRICT FROM RURAL TO RURAL COMMUNITY PRESERVATION AREA**

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approve on first reading Future Land Use Map Amendment for the May River Community Preservation District from Rural to Rural Community Preservation Area. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, 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 R, MAY RIVER COMMUNITY PRESERVATION (CP) DISTRICT (ADDS NEW APPENDIX FOR DEVELOPMENT STANDARDS FOR THE MAY RIVER CP DISTRICT)**

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approve on first reading Text Amendment to the Zoning and Development Standards Ordinance (ZDSO), Appendix R, May River Community Preservation (CP) District (adds new appendix for development standards for the May River CP District). The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**ZONING MAP AMENDMENT FOR THE MAY RIVER COMMUNITY PRESERVATION DISTRICT FROM RURAL, RURAL-RESIDENTIAL, AND RURAL-TRANSITIONAL OVERLAY DISTRICTS TO MAY RIVER COMMUNITY PRESERVATION DISTRICT**

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approve on first reading Zoning Map Amendment for the May River Community Preservation District from Rural, Rural-Residential and Rural-Transitional overlay Districts to May River Community Preservation District. (Mr. Stephen Bishop's property, R600 037 000 0090 0000, will be removed from the CP District lines per his request.). The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**WATER BUDGET ASSISTANCE AGREEMENT WITH SC DEPARTMENT OF NATURAL RESOURCES (DNR)**

This item comes before Council under the Consent Agenda. It was discussed and approved at the August 10, 2010 Natural Resources Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. McBride, that Council approve the S.C. Department of Natural Resources proposal called “Scope of Work for Quantifying Water Budgets in Beaufort County, SC” in the amount of \$50,000. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**BEAUFORT COUNTY STORMWATER UTILITY EXTENT OF SERVICE (EOS) AND LEVEL OF SERVICE (LOS)**

This item comes before Council under the Consent Agenda. It was discussed and approved at the August 10, 2010 Natural Resources Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. McBride, that Council approve and post the Stormwater Utility Extent of Service (EOS) and Level of Service (LOS) documents. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**SMALL MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4) / STORMWATER UTILITY INTERGOVERNMENTAL AGREEMENT (IGA) RECOMMENDATIONS OPERATIONAL ALTERNATIVE AND MINIMUM CONTROL MEASURES**

This item comes before Council under the Consent Agenda. It was discussed and approved at the August 10, 2010 Natural Resources Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. McBride, that Council approve the recommended operational alternative and recommendations for the first two Minimum Control Measures of Education and Public Involvement. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**AN ORDINANCE TO AMEND CHAPTER 18 OF ARTICLE III (BUSINESS AND PROFESSIONAL LICENSE)**

This item comes before Council under the Consent Agenda. It was discussed and approved at the August 4, 2010 Finance Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. McBride, that Council approve on third and final reading an ordinance to amend Chapter 18 of Article III (Business and Professional License). The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr.

McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010C, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$9,000,000**

This item comes before Council under the Consent Agenda. It was discussed and approved at the August 4, 2010 Finance Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. McBride, that Council approve on second reading an ordinance authorizing the issuance and sale of general obligation refunding bonds, series 2010C, or such other appropriate series designation, of Beaufort County, South Carolina, in the principal amount of not exceeding \$9,000,000. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman announced a public hearing would be held Monday, September 13, 2010 beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library.

**RESOLUTION ADOPTING THE COUNTY AND FIRE DISTRICT FISCAL YEAR 2010/2011 MILLAGE RATES**

This item comes before Council under the Consent Agenda. It was discussed and approved at the August 23, 2010 Finance Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. McBride, that Council adopt a resolution approving the County and Fire District fiscal year 2010/2011 millage rates as follows: County operations 40.21 mills, Purchase of Real Property Program 2.76 mills and County debt service 4.57 mills; Bluffton Fire District operations 19.67 mills and debt service 0.38 mills; Burton Fire District operations 55.87 mills and debt service 5.53 mills; Daufuskie Island Fire District operations 30.72 mills and debt service 0.00 mills; Lady's Island/St. Helena Island Fire District operations 31.00 mills and debt service 1.50 mills; and Sheldon Fire District operations 32.22 mills and debt service 2.18 mills. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**ZONING MAP AMENDMENT/ REZONING REQUEST ON LADY'S ISLAND R201-15-118, -508, -509, AND -510 (4 PROPERTIES) FROM LADY'S ISLAND COMMUNITY PRESERVATION (LICP) AND PROFESSIONAL OFFICE DISTRICT (POD) TO VILLAGE CENTER (VC)**

This item comes before Council under the Consent Agenda. It was discussed and approved at the August 10, 2010 Natural Resources Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. McBride, that Council approve on first reading a requested rezoning to Lady's Island R201-15-118, -508, -509 and -510 (four properties) from Lady's Island Community Preservation (LICP) and Professional Office District (POD) to Village Center (VC). The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, 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), ARTICLE V: TABLE 106-1098, GENERAL USE TABLE, COMMERCIAL USES – COMMERCIAL RETAIL, NEIGHBORHOOD (ADDS ALLOWABLE USE OF VARIETY STORES); AND SECTION 106-1285(D)(1) COMMERCIAL RETAIL, NEIGHBORHOOD (ADDS 10,000-SQUARE FOOT LIMITATION FOR VARIETY STORES IN RURAL BUSINESS DISTRICTS)**

This item comes before Council under the Consent Agenda. It was discussed and approved at the August 10, 2010 Natural Resources Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. McBride, that Council approve on first reading a text amendment to the Zoning and Development Standards Ordinance (ZDSO), Article V: Table 106-1098 General Use Table, Commercial Uses – Commercial Retail, Neighborhood (adds allowable use of variety stores); and Section 106-1285(D)(1) Commercial Retail, Neighborhood (adds 10,000-square feet limitation for variety stores in Rural Business Districts). The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**TEXT AMENDMENT TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE I, SECTION 106-9(B)(1)--NONCONFORMITIES (ADDS SUBSECTION THAT ALLOWS NONCONFORMING HISTORIC BUILDINGS TO BE ADAPTIVELY REUSED AND BECOME CONFORMING THROUGH APPROVAL OF A SPECIAL USE PERMIT)**

This item comes before Council under the Consent Agenda. It was discussed and approved at the August 10, 2010 Natural Resources Committee meeting

It was moved by Mr. Stewart, seconded by Mr. McBride, that Council approve on first reading a text amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article I, Section 106-9(B)(1) — Nonconformities (adds subsection that allows nonconforming historic buildings to be adaptively reused and become conforming through approval of a special use permit). The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**RESOLUTION ADOPTING THE SCHOOL DISTRICT FISCAL YEAR 2010/2011  
MILLAGE RATES**

**Main motion**

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council adopt a resolution approving the School District fiscal year 2010/2011 millage rates as follows: School Operations 90.26 mills and School Debt Service 26.33 mills.

**Motion to amend by substitution.**

It was moved by Ms. Von Harten, seconded by Mr. Glaze, that Council approve School District fiscal year 2010/2011 millage rates as follows: School Operations 91.72 mills and School Debt Service 26.33 mills.

Mr. Caporale will vote against the motion to amend. However, after serving four years as a Council member, Chairman Washington and Dr. Truesdale are two of the most powerful, persuasive, persistent candidates that our School District has had in a long time.

Mr. Baer added likeable and honest.

Mr. Rodman spoke briefly against the motion to amend. The Board of Education, Superintendent and Chief Financial Officer has done a great job and continue to do a great job. What we are talking about here is a relatively small difference of opinion. We have, over the years, approved the expenditure budget as requested. What we are talking about here is whether or not we should have a tax increase in the current year that would affect what is going to happen in the out years. Obviously, that can have an effect as they plan the current year. Basically, we are dealing with a current tax increase in a tough economy versus whether it is really needed for fund balance purposes in out years. There are two things that have come up in the course of conversation Mr. Rodman will address that Council has not talked about before.

One issue that continues to come up is whether or not it will significantly impact the bond rating. Mr. Rodman actually does not believe \$1 million or \$2 million with a \$30 million fund balance makes any difference. The fund balance has increased significantly so it is probably higher than the bonding agencies were looking at. We have gone through a tremendous building program. Most of the money is basically bonded and he does not see a lot of downstream bonding.

A second issue is whether you need money on hand in the event of hurricane recovery. We need to remember we basically collect our taxes at year end and hurricanes usually come in September. Therefore, the money is on hand in September and would take the District through year end when the new taxes come in.

Mr. Rodman tends to discount those two arguments although there is some validity to them. When Council last met in June, we had a subsequent small meeting with a couple of Board of

Education members, Mr. McBride, Mr. Sommerville and he and two things came out of that meeting. One, what is the enrollment increase the District is looking at. As you look at staffing and enrollment (Council has never seen the actual numbers that are driving the plan), it does appear looking at the cost portion and listening to their discussion, they are looking at a higher increase in enrollment in the next couple of years than they have actually seen in the last couple of years. Two, County staff brought up the concept of Tax Increment Financing (TIF) that none of us had really not thought about. The New River TIF is scheduled to complete sometime in the 2020 / 2024 timeframe and because of all of the growth in Bluffton, that TIF has been accumulating a lot of money, a lot faster, and a large fund balance. The first opportunity to retire that bond is 2013, a little less than three years from now. County staff ran the numbers and we would anticipate that that would be retired in June 2013, *i.e.*, starting in fiscal year 2014 there would be roughly a \$3.8 million pick up for each year going forward on the operating side and in the order of \$1 million on the debt service side. That does add to the out year fund balance.

Mr. Rodman continued there has been some discussion about whether or not Council has impeded what the School District needed. Looking at increases in the last five years and looking at a six-year total, enrollment has remained kind of flat, heavily driven by the economy in recent years. The average general fund expenditure per student has grown from roughly \$7,000 to \$9,000 roughly a \$2,000 increase during a period of fairly light inflation. That is about the same on general fund expenditures. If, in fact, you look at what the State did historically, whether maintenance of local effort or in recent years the Act 388 cap (you typically apply enrollment increase and CPI), CPI is a little bit higher in the school environment than it is in the general economy because of some mandated costs that they have. The difference between that and what was actually approved over the years adds up to about \$60 million. In addition to that there has been about a \$20 million increase in fund balance. Mr. Rodman would not know how to calculate what it has cost the taxpayers, from a state standpoint, but over the five-year period it is more than \$100 million -- a sizable burden borne by the taxpayers.

A lot of our conversations centered on what actually has been the collection rate. The District was kind enough to update this information. From 1999 through 2005/2006 you see some ups and downs, but by and large it kind of averages out. That supports the understanding that typically in any year we have some number of real estate holdings that are either going into foreclosure or bankruptcy, but in either case there is a general consensus that we do recover that money -- it is just a matter of timing as to when that comes. Looking at 2006, 2007, 2008 and 2009 we were running about one percentage point below budget on collections. In 2010 it is about 2% and that includes an estimate for what would be collected in the month of August.

The School District budget ordinance Council adopted June 28, 2010 was 90.26 mills for school operations to get \$116.1 million and required a mill value of \$1.286 million which is equal to 98.6% collection of what everybody now agrees should be the mill value at 100% of that 103.5. What Ms. Von Harten has put forward to get that \$116.1 million alternatively would be 91.72 mills, an increase of approximately ½%, and that would essentially say you need 95% collections.

In summary for whatever reason the District has had a very sizeable increase in fund balance and do we want to burden the taxpayers with a tax increase basically that we do not need this year and we may or may not need in the out years. If, in fact, they need it, we can certainly come back and apply it. Mr. Rodman will vote against the motion to amend by substitution. It is not voting against the District. He cannot see this tax increase, with this amount of money on hand, for taxpayers of Beaufort County.

Ms. Von Harten is concerned about future years. If we do not raise the millage slightly now, we are going to raise millage drastically in a few years. Now is not a great time to raise millage, but Ms. Von Harten would rather see small gradual increases than shocking large increases all at once which would affect second homeowners and businesses of our County. We owe it to them to provide a certain level predictability.

Mr. Caporale spoke to the \$6.1 million. He thinks Council is agreeing it is owed to the District as a result of delinquent tax collections. There is a \$6.1 million deficit and somewhere along the line Mr. Caporale would like to see that amount narrow. He asked the District to keep an eye on it. It is their money.

As a point of clarification, Mr. Newton stated the difference Mr. Caporale is talking about, actual versus budgeted, is the actual collection of dollars into the county and allocation within the fiscal year that has been reported. There is \$6.1 million, apparently, since 1999 that has been included in tax bills that has not been collected in accordance with its time.

Vote on the motion to amend by substitution: FOR – Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Sommerville and Ms. Von Harten. OPPOSED - Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. Newton, Mr. Rodman and Mr. Stewart. The motion failed.

Vote on the main motion: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville and Mr. Stewart. OPPOSED – Mr. Dawson, Mr. Glaze and Ms. Von Harten. The motion passed.

### **AIRCRAFT HANGAR RENTAL RATES**

Main motion.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council approve a 2.5% increase in hangar rental rates at the Hilton Head Island Airport and an increase from \$210 to \$252 for the older T-hangars at Beaufort County Airport (Lady's Island).

Mr. Baer will vote against this issue for several reasons. On August 6, 2007, the finance Committee voted on an annual hangar rate increase of 5% at Hilton Head. This was because we started with rates below our costs. This is also covered in the August 13, 2007 County Council minutes. Savannah just raised its hangar rates 33% from \$300 to \$400 per month - higher than our new Hilton Head rates. Plus, we have a waiting list for hangars at both airports. Taxes and fees on ordinary citizens on Hilton Head Island are going up 5.8% this year. Some of that is to

cover airport losses produced by these hangars. The Airports Board's recommended 2.5% rate increase (actually 2.3%) for the Hilton Head hangars is too low: (i) These Hilton Head hangars lose around \$30,000 per year, we think. He has asked for an accounting of that number to ensure that it also includes maintenance, utilities, and other expenses, and the hangar we give away. (ii) These losses must be made up by ordinary citizens via the General Fund. Last year we had to pump \$150,000 additional into Hilton Head Airport from the General Fund, plus additional loans to make up for this. It looks like this year the losses may be double that. The total funds from taxpayers to the airports as of June 30, 2010 were over \$2.1 million dollars. (iii) The amount needed to get from the Airport Board's current 2.3% recommendation of \$370/month to the 5% of the previous Council's recommendation (\$380/month) is equivalent to one Starbucks per week. (iv) These hangar users are far from the average citizens of the County. Paying the fair costs for what they use would not be a burden. Otherwise, every other taxpayer has to subsidize them. (v) A higher rent will also help establish a higher sales price, should we decide to sell the hangars.

Given all of this, Mr. Baer cannot support a 2.5% increase at Hilton Head. They should be paying the 5% increase we set in our previous Council recommendation. Present = \$361.62; Airports Board recommendation = \$370 (2.3%); Council previous 5% recommendation = \$380 per month. Someone is going to say that they are now also paying a hangar property tax. But even including that and the 5% increase, they would still be at roughly the Savannah rate. And they get convenient free parking that ordinary passengers do not. It is not fair that we ask our struggling taxpayers to subsidize rents for 25 people, below our costs and below competitive rates.

Motion to amend by substitution.

It was moved by Mr. Baer, seconded by Mr. McBride, that Council raise hangar rental rates to 5% for Hilton Head Island Airport (\$380 per month).

Mr. Caporale agrees with Mr. Baer's comments. However, the Airports Board (Board) looked at these issues and talked about them at length. The Board could have done a better job with it. They would be wise to think some about what Mr. Baer is saying about what we are asking taxpayers to do. At some point it is going to be absolutely necessary to get closer to Mr. Baer's position on these costs than it is to the Board's position. But in this particular case, Mr. Caporale has defended the Board, has asked that he be included in all kinds of deliberations, and appreciates their efforts, especially, Mr. Will Dopp, who has worked hard on all of these issues. As much as Mr. Caporale agrees with Mr. Baer, he will go with what he thinks is a compromise position the Board has recommended.

Ms. Von Harten is finding the situation very odd. We are saying we do not want to go against the Airports Board, an advisory board, and we can take their advice or leave it. In this case we need to leave it and support Mr. Baer's position. On the other hand we just had a funding request from a group of elected officials, elected by voters, yet we turned down their request. She is having a hard time seeing how the Airports Board has more influence over Council than

the School District. It just seems illogical. If Council is willing to go against the Board of Education, let's go against the Airports Board.

Mr. Newton commented with all due request to the Airports Board, Council spent a lot of time rearranging the Airports Board and vetting the new members. Perhaps the Airports Board was not aware that on August 17, 2007 Council approved per square foot hangar rental rate and that the rental rates be increased 5% annually. Mr. Newton does not know if the Airports Board exercised their independent judgment. Council has appointed them, given them the authority to do so and Mr. Newton appreciates their input. The next agenda item deals with a decrease in tax rate for airports from 10.5% to 6% and discussion will largely center on economic development and having a bigger and expanded tax base with regard to airplanes. Mr. Newton will support Mr. Baer's motion to amend by substitution consistent with his vote and the action taken on August 17, 2007.

**Vote on the motion to amend by substitution.**

Council approve a 5.0% increase in hangar rental rates at the Hilton Head Island Airport and an increase from \$210 to \$252 for the older T-hangars at Beaufort County Airport (Lady's Island). FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Stewart and Ms. Von Harten. OPPOSED – Mr. Caporale, Mr. Rodman and Mr. Sommerville. The motion passed.

**Vote on the amended motion, which is now the main motion, and includes the motion to amend by substitution.**

Council approve a 5.0% increase in hangar rental rates at the Hilton Head Island Airport and an increase from \$210 to \$252 for the older T-hangars at Beaufort County Airport (Lady's Island). The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Stewart and Ms. Von Harten. OPPOSED – Mr. Rodman and Mr. Sommerville. The motion passed.

**AIRCRAFT PROPERTY TAXES**

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council approve on first reading, by title only, an ordinance to reduce the personal property aircraft tax assessment from 10.5% to 6% effective for the tax year 2010 and thereafter.

Mr. Baer has no problem with going to 6% eventually. But he is going to vote against it now. Put yourself in the role of a taxpayer. The airports produce losses that ordinary taxpayers have to make up via a combination of costs in their tax bills, and airport IOUs of questionable payback ability to the County Reserve fund. The total funds from taxpayers to the airports as of June 30, 2010 were over \$2.1 million dollars. We refuse to deal with the cross-subsidization from commercial passengers and taxpayers to private plane owners. We subsidize hangars for private plane owners, and provide other favors such as free parking and favorable leases. Despite knowing about this for over a year, we still don't have a credible airports financial plan to

eliminate these problems and taxpayer drain. I just discovered that we don't even have a credible airport budget for right now. We do not even have a schedule or plan or data to fix this. Meanwhile, general taxpayers and the reserve fund cover the losses. That is unfair. By voting on this tax cut, we are fast tracking tax cuts for a few people wealthy enough to own an airplane, while we continue to slow track the repair of subsidies to them from general taxpayers. Several people have said that it is not clear that we will get any additional registrations by lowering taxes. But, by approving this recommendation it is clear that we will lose revenues from those people honest enough to pay us. Remember, when we reduce revenues in one place, taxpayers or other important County projects will be the donors - especially in a tight year. Now, instead of sincerely working on fixing this, we move up a tax reduction for private airplane owners ahead of all these other serious issues. That's not right. Until we get a credible airport budget and see a sincere effort to eliminate the subsidies and cross subsidies for private planes, it is premature to discuss any tax decrease for them. There are several additional other concerns that he brought up in the Finance Committee discussion on August 16, 2010: (i) Total Taxes Compared with Competitive Counties - In looking at comparable Counties, we don't know if having a lower tax rate, combined with a higher millage there, produces a tax on a given airplane that would be higher than in Beaufort County. It would be useful to take a look at a half million dollar airplane and determine how much they would pay in Beaufort vs. in Jasper County. (ii) Data and Collection Ability - Our knowledge of aircraft actually here and paying us taxes is very cloudy, to say it kindly. Our collection ability is in even worse shape. Furthermore, many people who use our services register their planes elsewhere to minimize their taxes - in some States to zero. They will continue to do so. Until we get a clearer picture on all of this it is premature to discuss any tax decrease.

Mr. Dawson will vote against the motion. We seem to be consistently trying to find ways to cut and reduce taxes knowing and understanding it is going to affect our general fund balance. Mr. Baer is right in that while we might need to look at this issue in the future, Mr. Dawson does not think we should do it now. He will vote against the motion.

Mr. Rodman commented when you look at what is happening in the other counties, there is a pretty good shift from the 10.5% to 4% so more than likely that shift is going to create an incentive for our folks to accelerate our decrease in property taxes. It has less to do with the property taxes we are collecting and has more to do with whether we are going to lose those property taxes anyway. If all things were equal, shifting from 10.5% to 6% you would lose \$46,000 of property taxes and from 10.5% to 4% you would lose another \$21,000 of property taxes as well as having the lowest property taxes on airplanes in the state because we have basically the lowest millage rates in the state and we would actually end up creating an incentive. Mr. Rodman tends to think the county would actually pick up revenue by going to the 4%. On the national level the State of Delaware has no property taxes so a lot of the more expensive airplanes are registered there. He is noted ready to put the 4% on the table yet, but 4% would be better than 6% and better than 10.5% in terms of generating revenue.

Mr. Baer stated the county could go to zero and compete with the State of Delaware. Part of the reason for the reduction is that the planes are going elsewhere we are just simply not collecting the taxes. The tax collection ratio had dropped to about 33%. Airplane owners are not going

anywhere else, they are just not paying their bill. Six percent is not bad, but at a different time when we have done a fair job at stopping the cross subsidization of taxpayers into private planes and passenger planes.

Ms. Von Harten looks at all the benefits businesses provide to our economy. Planes are expensive. It is rich people who own them. It is just not a matter of what is on the balance sheet it is also a matter of what makes us a functioning community. We have situations with our airport that makes it a lot less than desirable than it is. Anything we can do to promote economic development and help people who can bring jobs to our community is not much.

Mr. Newton intends to vote in support of reduction from 10.5% to 6%. He recognizes and appreciates the economic impact of the airport and having those planes here and the job creation that is attendant to that.

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

**AN ORDINANCE AUTHORIZING A LOAN OF HOSPITALITY TAX FUNDS TO HERITAGE CLASSIC FOUNDATION FOR THE PROCUREMENT OF THE 2011 PGA HERITAGE GOLF TOURNAMENT TO BE HELD ON HILTON HEAD ISLAND, SOUTH CAROLINA**

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council approve on second reading an ordinance authorizing a loan in the amount of \$1,000,000 of hospitality tax funds to Heritage Classic Foundation for the procurement of the 2011 PGA Heritage Golf Tournament to be held on Hilton Head Island, South Carolina and further, the contemplated execution of a promissory note outlining the terms upon which the money is to be repaid.

Mr. Baer stated he will not repeat my extensive comments of August 9, 2010. They contain an analysis of things to look at, and are in the Finance Committee minutes of August 9, 2010. Since that meeting, there have been no further discussions on those issues. We need to save the Heritage, but instead of this one-year bailout, we need to be working on a three-year plan involving all the stakeholders: Sea Pines, Chambers of Commerce, Hotels, Restaurants, Town, County, and State. Mr. Baer is going to repeat the GM analogy he used two weeks ago. GM had to be saved, but they needed to change their business plan to survive in the long term. By making this so-called Heritage loan without adequate conditions, we are delaying the change needed, possibly by a fatal amount. To help save the Heritage we need to exert some control to make sure scarce taxpayer funds are used to the best effect. We won't have any more funds available next year without a tax increase, and we want to make sure the financial recovery plan covers at least two to three years. Some on Council felt that having a say in the use of a million dollars of our funds slated for other projects, is micromanagement. Mr. Baer disagrees. We were elected to protect taxpayers' interests. A lot of this hospitality tax money comes from our taxpayer's purchases. A lot of it was destined for other local projects dear to our taxpayers. Now

someone else important declares an emergency to jump ahead in the line to claim a large amount of these funds. Don't we have an obligation to help repair that emergency - not just with a temporary bailout patch? One of my questions covered potential Heritage revenue enhancement. The Heritage only raises \$9.68 per visitor day, about 1/5 of what Disneyworld does. Raising ticket prices would fix that. Some on this Council stated that a \$50 increase would drive away spectators. He finds that hard to believe. According to Heritage data, those spectators now spend an average of \$2386 here per badge. It is hard to believe that they would spend \$2,386 here, but leave if they had to spend \$50 more. If it is true, then the hotels and restaurants that get the \$2,386 need to contribute an extra \$50 from their revenues, just as taxpayer projects are now being asked to contribute. They also need to look at controlling expenses, just as the County, other business and taxpayers are being forced to do. Even though our contribution is called a loan, there is no real collateral. Would anyone pay \$3.72 million for the TV time? How do we evaluate its real worth? And we only get our money back if the PGA gets sponsors for over \$4 million. This week's words don't even have that condition. This is clearly a gift disguised as a loan. His real concern is next year. Will there be someone here with the Heritage issue again - this time arguing for a tax increase - because that is the only funding source remaining?

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

The Chairman announced a public hearing on this issue would be held Monday, September 13, 2010, beginning at 6:00 p.m. in the large meeting room of the Hilton Head Island Branch Library, Hilton Head Island, South Carolina.

### **PUBLIC HEARING**

### **AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO ADD THE DAUFUSKIE ISLAND COMMUNITY PRESERVATION PLAN TO APPENDIX F, SECTION 7, TO THE BEAUFORT COUNTY COMPREHENSIVE PLAN OF 2007**

The Chairman opened a public hearing at 6:30 p.m. for the purpose of receiving information from the public regarding an ordinance of the County of Beaufort, South Carolina, to add Daufuskie Island Community Preservation Plan to Appendix F, Section 7, of the Beaufort County Comprehensive Plan of 2007.

After calling once for public comment, the Chairman recognized Mr. Aaron Crosby, Chairman of the Daufuskie Island Council, commented Council for having voted on two occasions to pass the Daufuskie Island CP Plan. He encouraged Council to approve the Plan on third and final reading, make it a part of the Beaufort County Code of Ordinances and allow us to move forward in a phenomenal new direction with a very special part of Beaufort County here on Daufuskie Island. This is a monumental step forward for Daufuskie Island. It is a brilliantly thought out plan and enormous compliments to Mr. Brian Herrmann and Mr. Tony Criscitiello as well as the CP Committee that devoted five years of hard work to make this happen. After calling twice

more for public comment and receiving none, the Chairman declared the hearing closed at 6:32 p.m.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman, that Council approve on third and final reading an ordinance of the County of Beaufort, South Carolina, to add Daufuskie Island Community Preservation Plan to Appendix F, Section 7, of the Beaufort County Comprehensive Plan of 2007. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

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

## **COMMITTEE REPORTS**

### **Community Services Committee**

#### **Alcohol and Drug Abuse Board**

Mr. McBride, as Community Services Committee Chairman, nominated Mrs. Judy Lohr to serve as a member of the Alcohol and Drug Abuse Board.

Mr. McBride nominated Dr. Joseph Brown to serve as a member of the Alcohol and Drug Abuse Board.

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

### **Finance Committee**

#### **Natural Resources Committee**

##### **Stormwater Retrofit Contract, Phase 2**

Mr. Sommerville, as Natural Resources Committee Chairman, reported members received information on the second phase of the Stormwater Retrofit Contract. Staff appeared before the Committee at its December meeting to give information about an engineering firm assisting with regional and non-regional retrofit projects. Subsequent to that approval, it decided to just do the first phase — the regional system. Now, after a long negotiation process, staff has come up with a scope for the second phase — the non-regional system. The initial estimate was between \$56,230 and \$68,200, while the final contract will be \$39,100. The overall retrofit contract is a cooperative agreement among the County and the municipalities (paying 50% of these contracts). This is the final phase of this to complete the retrofit funding for the studies. Committee approved the Ward Edwards proposal called “Non-regional BMP Conceptual Engineering Design” in the amount of \$39,100.

### **Construction Adjustments and Appeals Board**

Mr. Sommerville, as Natural Resources Committee Chairman, nominated Mr. Albert Thomas, representing design profession/contractor/building industry, to serve as a member of the Construction Adjustments and Appeals Board.

### **Public Safety Committee**

#### **Bluffton Fire District**

Mr. David Meeder

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. David Meeder garnered the six votes required to serve as a member of the Bluffton Fire District.

#### **Lowcountry Regional Transportation Authority**

There are two candidates for one vacancy.

Mr. Mark McCain

The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. Mark McCain garnered the six votes required to serve as a member of the Lowcountry Regional Transportation Authority.

Mr. Al Wattay

The vote was: FOR – Mr. Rodman. Mr. Al Wattay failed to garner the six votes required to serve as a member of the Lowcountry Regional Transportation Authority.

Mr. Caporale and Mr. Newton did not vote.

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

### **CITIZENS AGAINST VIOLENCE EVERYWHERE (CAVE)**

Mr. Glaze announced an upcoming event that will benefit our youth and adults. The second Youth Speak Out in Beaufort County, sponsored by CAVE and Boys and Girls Club of the Lowcountry, will be held Saturday, August 28 at the Boys and Girls Club of Hilton Head Island. This event will run from 4:00 p.m. to 7:00 p.m.

### **PUBLIC COMMENT**

There were no requests to speak during public comment.

**ADJOURNMENT**

Council adjourned at 6:52 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

ADMINISTRATION BUILDING  
100 RIBAUT ROAD  
POST OFFICE DRAWER 1228  
BEAUFORT, SOUTH CAROLINA 29901-1228  
TELEPHONE: (843) 255-2026  
FAX: (843) 255-9403  
[www.bcgov.net](http://www.bcgov.net)

**BRYAN J. HILL**  
DEPUTY COUNTY ADMINISTRATOR

**LADSON F. HOWELL**  
STAFF ATTORNEY

**COUNTY ADMINISTRATOR'S REPORT  
Monday, September 27, 2010  
County Council Chambers, Administration Building**

**INFORMATION ITEMS:**

- The County Channel / Broadcast Update
- Two-week Progress Report (Enclosure)
- County Assessor / 2010 Distinguished Assessment Jurisdiction Award (Enclosure)
- Presentation / Emergency Medical and Fire Support Study  
Mr. Dave Hunt, Project Manager / Director of Technical Assistance Planning, CRA



## Memorandum

DATE: September 24, 2010  
TO: County Council  
FROM: Gary Kubic, County Administrator  
SUBJ: County Administrator's Progress Report

The following is a summary of activities that took place September 13, 2010 through September 24, 2010:

### September 13, 2010

- Meeting with Bryan Hill, Deputy County Administrator, Mark Roseneau, Director of Facilities Management, and Rob McFee, Division Director of Engineering and Infrastructure re: Courthouse, Administration and Detention Center renovations
- Meeting with Management Information Services (MIS) staff
- Beaufort Transportation Advisory Group meeting (BTAG) at Hilton Head Island Library
- County Council meeting at Hilton Head Island Library

### September 14, 2010

- Conference call with Hilton Head Island Town Manager Steve Riley and staff re: Various Issues
- Staff meeting to discuss Beaufort County / SCDOT roadways / maintenance

### September 15, 2010

- Meeting with Scott Dadson, City Manager
- Meeting with staff re: Web Page /Document Access & Retrieval
- Meeting with Todd Ferguson, Director of Emergency Management
- Lowcountry Economic Jobs Summit regional dinner at Hampton Hall Clubhouse

### September 16, 2010 (County Administrator Bluffton Office Hours)

- Meeting with Andy Patrick, President of Advance Point Global
- County / Town of Bluffton meeting

### September 17, 2010

- Meeting with staff and Sheriff's Office Finance team re: Capital and General Fund Projects and GASB 54

- Meeting with County Assessor Ed Hughes

September 20, 2010

- Staff meeting re: Risk Management issues
- Finance Committee meeting
- Community Services Committee meeting

September 21, 2010

- CRA Audit Interview re: Fire/EMS Study

September 22, 2010

- Agenda review with Chairman, Vice Chairman and Administrative Staff
- Meeting with Staff Attorney Lad Howell and Airport Director Paul Andres re: FBO Hangar Management Agreement
- Meeting re: Beaufort Memorial Hospital Land purchase at Town of Bluffton

September 23, 2010

- Meeting with Councilman Gerald Stewart re: Economic Development
- Meeting with Deputy County Administrator Bryan Hill

September 24, 2010

- Meeting with Robert McFee, Division Director, Engineering and Infrastructure



**INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS**  
314 W. 10TH ST. • KANSAS CITY, MISSOURI 64105-1616  
816/701-8100 • 800/616-4226 • FAX 816/701-8149 • WWW.IAAO.ORG  
CAE • AAS • CMS • RES • PPS PROFESSIONAL DESIGNATIONS

**FOR IMMEDIATE RELEASE**

Contact: Lisa Daniels  
(816) 701-8100

September 15, 2010

**Beaufort County Named Recipient of Distinguished Assessment Jurisdiction Award  
by International Association of Assessing Officers**

KANSAS CITY, Mo. - The International Association of Assessing Officers (IAAO) is pleased to announce that the Beaufort County Office of the Assessor has been named the recipient of the 2010 Distinguished Assessment Jurisdiction Award.

The Distinguished Assessment Jurisdiction Award is conferred on a national, state/provincial, regional or local assessment agency that has instituted a technical, procedural or administrative program that is, for the affected jurisdiction, an improvement over prior programs, and is generally recognized as a component of a model assessment system and a contributing factor to equity in property taxation.

This award was presented during a ceremony at the IAAO 76th Annual International Conference on Assessment Administration held at the Walt Disney World Dolphin Hotel in Orlando, Fla., Aug. 29 - Sept. 1, 2010. IAAO Awards recognize excellence in various areas of the assessment industry, ranging from public information programs to journalistic reporting to research studies.

IAAO is the leading nonprofit, educational and research association for individuals in the assessment profession and others with an interest in property valuation and taxation. IAAO's mission is to promote innovation and excellence in property appraisal, assessment administration and property tax policy through professional development, education, research and technical assistance. IAAO currently serves over 7,000 members worldwide, and celebrated its 75th anniversary in 2009.

For information on IAAO, the conference or awards, visit [www.iaao.org](http://www.iaao.org) or call (816) 701-8100.

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###



## Memorandum

DATE: September 24, 2010  
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 September 13, 2010 thru September 24, 2010:

### September 13, 2010 (Monday):

- Courthouse/Administration/Detention Center Renovation Status meeting with Gary Kubic, County Administrator
- Meet with MIS Department - Announce Dan Morgan as interim Director
- BTAG Meeting - Hilton Head Island
- County Council - Hilton Head Island

### September 14, 2010 (Tuesday):

- Meet with Chief Turner, Bluffton Fire Department
- Meet with Morris Campbell, Community Services re: PALS Reorganization
- Meet with Larry Holman, Black Chamber of Commerce
- Meet with Gary Kubic, County Administrator re: Beaufort County Road System

### September 15, 2010 (Wednesday) :

- Meet with David Starkey, CFO re: Various Matters
- Meet with Todd Ferguson and David Zeoli re: Various Matters
- Meet with Stephanie Coccaro and Alexis Garrobo re: Interactive Department
- Meet with Gary Kubic, County Administrator re: Web Page/Document Access & Retrieval
- Meet with William Winn, Public Safety re: Employee Evaluations

### September 16, 2010 (Thursday)--Bluffton:

- Meet with Scott Trezevant and Dan Morgan, MIS, Robert McFee, Public Services and William Winn, Public Safety re: ARFF Facility
- Bluffton Hours

September 17, 2010 (Friday):

- Finance Meeting with Sheriff's Office representatives and David Starkey re: Capital Projects, General Fund Projects and GASB 54
- Meet with Morris Campbell, Community Services re: PALS Reorganization

September 20, 2010 (Monday):

- Meet with David Starkey, CFO re: Finance Committee Meeting Preparation
- Finance Committee Meeting
- Bluffton Hours

September 21, 2010 (Tuesday)--Bluffton:

- Bluffton Hours
- Meet with Duffie Stone, Solicitor
- Meet with Fred Hamilton, Bluffton Town Council
- Investigate Incident at Scott Center

September 22, 2010 (Wednesday):

- Meet with Dan Morgan, GIS/MIS
- Agenda Review
- Meet with Theresa Roberts, MIS re: VOIP
- Meet with David Starkey, CFO
- Meet with Mark Roseneau, Facility Management re: Contracts

September 23, 2010 (Thursday):

- Meet with Suzanne Gregory, Employee Services
- Meet with Morris Campbell, David Hughes, Dave Thomas and Wlodek Zaryczny re: St. Helena Library RFID Technology
- Meet with Robert McFee, Public Services re: Dennis Corp Invoices and Other Issues
- Meet with Dan Morgan, GIS/MIS, Ryan Jenkins from IE and Marta Thomas from CISCO re: Internetwork Engineering
- Meet Gary Kubic, County Administrator in Bluffton

September 24, 2010 (Friday):

- CRA Audit Interview

**FY 2012 BUDGET PREPARATION SCHEDULE (DRAFT)**

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September ..... Budget parameters detailed

October ..... Budget Meetings parameters detailed

October- March ..... Budget preparation and continued discussion

February 4<sup>th</sup> ..... Goals and Objectives

February 4<sup>th</sup> ..... Description of Services

March 4<sup>th</sup> ..... New Personnel Request Forms submitted to Employee Services

March 4<sup>th</sup> ..... Vehicle Replacement

March 4<sup>th</sup> ..... Capital Item Requests

March 11<sup>th</sup> ..... Departmental Revenue estimates submitted to Finance

March 11<sup>th</sup> ..... Departmental Expenditure requests submitted to Finance

March 18-31 ..... Review of Departmental requests

April 15<sup>th</sup> ..... FY2011 capital cutoff/all purchases requiring bids  
(Except CIP Projects)

April 11<sup>th</sup> ..... Finance Committee Meeting

April 25<sup>th</sup> ..... Finance Committee Meeting

May 23<sup>rd</sup> ..... Finance Committee Meeting

June 13<sup>th</sup> ..... Finance Committee Meeting

May 9<sup>th</sup> ..... First Reading of FY 2012 Budget

May 23<sup>rd</sup> ..... Second Reading of FY 2012 Budget (HHI)

May 23<sup>rd</sup> ..... Public Hearing

June 13<sup>th</sup> ..... Third Reading and Adoption of FY 2012 Budget

June 13<sup>th</sup> ..... Public Hearing

June 27<sup>th</sup> ..... Third Reading and Adoption of FY 2012 Budget (If needed)

June 27<sup>th</sup> ..... Public Hearing (If needed)

July 1 ..... Implementation of FY 2012 Budget

		2008	2009	2010	Actual to date	Budget
<b>Organization</b>	<b>ORG.</b>	<b>Actual</b>	<b>Actual</b>	<b>Actuals</b>	<b>2011</b>	<b>2011</b>
Taxes	41	(923,653)	(917,616)	(987,545)	(850,962)	(79,985,015)
Licenses/Permits	42	(408,064)	(351,869)	(207,711)	(61,770)	(2,501,000)
Intergovernmental	43	(160,711)	(96,892)	(140,148)	(4,962)	(7,986,826)
Charges for services	44	(999,067)	(1,275,006)	(1,507,451)	(1,302,792)	(10,387,650)
Fines & Forfeitures	45	(1,930,767)	(189,957)	(206,873)	(87,961)	(1,351,650)
Interest	46	(6,660)	(6,640)	7,557	(4,250)	(83,500)
Miscellaneous	47	(3,396)	(53,374)	(24,553)	(26,941)	(500,000)
Other Finance Sources	48	-	(133,333)	(183,333)	-	(1,396,395)
Revenue		(4,432,317)	(3,024,687)	(3,250,058)	(2,339,638)	(104,192,036)
Council	11000	111,384	192,731	109,938	115,018	586,470
Auditor	11010	107,418	115,560	107,905	95,096	575,759
Treasurer	11020	152,879	163,855	123,254	117,987	537,102
Treasurer	11021	0	0	0	18,424	0
Clerk of Court	11030	217,666	161,919	149,457	135,481	903,410
Clerk of Court	11031	78,471	75,156	57,523	50,739	247,667
Probate	11040	145,610	145,732	145,779	126,908	785,967
Coroner	11060	54,612	69,541	68,557	45,184	331,645
Magistrate	11100	21,263	23,211	13,389	113	0
Magistrate	11101	106,109	109,918	116,476	109,793	615,136
Magistrate	11102	73,366	93,755	94,555	62,969	421,938
Magistrate	11103	7,839	8,580	8,796	10,289	63,906
Magistrate	11104	2,925	13,733	14,030	12,133	76,250
Magistrate	11105	13,544	16,585	15,453	12,738	82,645
Magistrate	11106	28,932	17,543	12,115	19,100	73,533
Master in Equity	11110	46,258	53,300	52,265	48,798	298,687
General Government Subsidies	11199	171,560	289,370	212,994	212,994	1,340,662
County Administrator	12000	73,648	69,391	108,610	106,600	716,789
Housing	12003	14,849	40,640	50	0	0
PIO	12005	21,231	57,738	126,477	16,641	89,280
Broadcast Services	12006	0	0	0	21,678	173,613
Staff Attorney	12010	101,402	121,403	104,720	88,261	575,746
Internal Audit	12015	17,831	0	18,942	25,538	104,434
Public Defender	12020	121,855	122,464	44	3,933	0
Voter Registration	12030	149,306	140,329	115,373	130,351	647,193
Voter Registration	12031	0	0	-1,050	0	0
Assessor	12040	403,500	393,320	434,193	336,564	2,105,957
Register of Deeds	12050	246,363	190,055	176,351	142,856	464,347
Risk Mgmt	12060	20,051	23,556	21,929	16,762	97,095
Delegation	12080	9,151	13,975	14,080	11,256	68,777
Zoning	13330	38,261	41,419	40,805	32,368	217,624
Planning	13340	146,190	145,584	150,789	119,880	715,344
Planning (Comp Plan)	13341	85,848	51,785	15,653	5,595	238,175
GIS Map	13350	90,320	92,435	184,782	107,473	519,263
Community Service	14000	40,290	36,364	59,844	32,106	234,561
Staff Services	14010	60,805	72,344	54,504	60,978	354,568
Employee Services	14020	121,583	146,932	143,166	135,706	775,583
Records Management	14030	90,638	38,680	43,372	65,325	262,153
Finance	15010	81,727	127,292	100,179	105,353	516,577
Purchasing	15040	24,400	43,749	67,886	42,029	242,714
Business License	15050	11,429	142,896	94,916	42,883	441,102
MIS	15060	369,750	428,352	504,981	642,261	2,263,340
MIS	15061	593	-385	468	0	0
Public Works	17000	38,639	27,273	46,385	35,623	207,773
Fringe Benefits-General Govt	19199	0	0	0	0	2,321,440

		2008	2009	2010	Actual to date	Budget
<b>Organization</b>	<b>ORG.</b>	<b>Actual</b>	<b>Actual</b>	<b>Actuals</b>	<b>2011</b>	<b>2011</b>
Sheriff	21050	0	35	2,002	517	0
Sheriff	21051	1,122,580	1,337,928	1,188,403	1,028,862	7,654,578
Sheriff	21052	2,041,980	2,190,417	1,999,104	1,644,196	12,673,837
Sheriff	21053	0	0	0	25,521	0
Sheriff	21055	168,102	176,648	234,116	208,030	1,503,863
Emergency Management	23140	131,797	111,163	130,614	133,189	831,168
Emergency Management	23141	8	0	0	0	0
Emergency Management	23142	0	0	0	22,647	200,159
Emergency Management - Comm	23150	1,679,878	769,104	1,649,601	1,459,482	4,112,010
Emergency Management - DATA	23155	104,220	149,687	219,138	88,997	973,747
EMS	23160	1,053,418	1,130,440	1,077,481	823,785	5,383,213
Detention Center	23170	1,435,223	1,400,819	1,385,483	1,446,591	5,724,510
Traffic-Signal Management	23322	144,415	76,233	66,670	45,867	318,979
Traffic-Signal Management	23323	0	0	0	3,919	0
Building Codes	23360	384,534	261,560	232,449	168,699	1,045,812
Fringe Benefits-Public Safety	29299	0	0	0	0	2,964,868
Facilities Management	33020	268,870	370,540	377,552	306,999	2,287,952
Bldg Facilities Maint	33030	242,682	256,271	182,399	206,700	954,647
Grounds North	33040	212,094	251,105	238,828	206,174	1,022,968
Grounds South	33042	156,371	222,121	202,648	156,715	945,817
Public Works General	33300	224,553	143,915	154,022	78,157	732,500
Public Works Roads North	33301	173,673	184,069	171,410	138,585	899,244
Public Works Roads South	33302	78,176	93,133	101,007	118,835	654,258
Public Works Admin	33305	74,856	79,643	69,249	51,990	440,424
Engineering	33320	178,115	169,878	75,064	62,012	570,464
SWR- Adm	33390	505,579	250,826	5,087,622	4,464,967	5,253,758
SWR- Beaufort	33391	251,527	235,000	0	0	0
SWR- Port Royal	33392	314,860	278,197	0	0	0
SWR-HHI	33393	1,303,001	1,283,102	19,779	19,173	108,341
SWR- Bluffton	33394	1,147,230	1,153,051	27,801	26,023	151,501
SWR-Burton	33395	708,725	661,456	25,441	29,698	125,223
SWR-Ladys Isl (7)	33396	408,893	339,401	9,544	44	49,856
SWR- St., Helena (8)	33397	493,177	456,980	26,260	24,782	180,015
SWR- Sheldon	33398	214,229	214,174	19,117	18,077	155,953
Fringe Benefits-Public Works	39399	0	0	0	0	1,687,942
Animal Shelter	43180	165,592	195,997	157,381	133,002	758,758
Mosquito Control	43190	426,724	521,962	538,572	429,247	1,397,638
Environmental Sciences	43195	0			0	110,000
Public Health Subsidy	44199	16,082	594,202	452,786	445,907	2,586,045
Fringe Benefits-Public Health	49499	0	0	0	0	375,735
Veterans	54050	35,876	37,586	38,367	23,924	192,409
Social Services	54060	36,267	45,802	34,413	28,579	219,450
Public Welfare	54299	0	0	4,650	6,399	484,000
Fringe Benefits-Public Welfare	59599	0	0	0	0	42,400
PALS-Admin	63310	60,780	69,336	58,658	66,205	367,609
PALS-summer	63311	76,838	87,068	104,707	96,969	115,700
PALS-Aquatics	63312	236,380	208,823	210,402	190,899	1,065,360
PALS-HH	63313	46,848	85,507	51,880	20,000	80,000
PALS-Bluffton	63314	85,355	168,023	74,486	118,513	826,834
PALS-Athletic Programs	63316	130,275	109,841	101,751	38,398	615,507
PALS-Rec Centers	63317	153,823	172,763	161,151	120,221	878,036
Library Admin	64070	164,428	183,181	140,062	125,024	825,229
Library Beaufort	64071	110,363	113,668	112,891	79,128	684,330
Library Bluffton	64072	123,149	136,952	136,645	109,844	725,228
Library Hilton Head	64073	123,545	129,161	129,799	109,840	692,585
Library Iobeco	64074	34,886	36,344	36,944	22,840	198,989
Library St. Helena	64075	8,584	16,741	16,684	15,198	99,563
Library Technical Services	64078	218,896	109,141	130,441	107,114	787,272

		<b>2008</b>	<b>2009</b>	<b>2010</b>	Actual to date	Budget
<b><u>Organization</u></b>	<b><u>ORG.</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actuals</u></b>	<b><u>2011</u></b>	<b><u>2011</u></b>
Library SC Room	64079	14,518	21,127	20,176	16,803	101,907
Fringe Benefits-Parks & Cultural	69699	0	0	0	0	1,019,913
General Funds Transfers	99100	507,353	509,124	702,025	10,000	3,323,407
County General Fund Budget		21,718,821	21,917,325	22,317,608	18,845,068	99,475,736
Education Allocation	64399			0	0	4,716,300
Total County Budget					18,845,068	104,192,036

### 2011 ATAX Tax Board Recommendations

Organization	Event/Project	2010 Funding	Amount Requested	Board Recommended 1st *	Board Recommended 2nd **	Council District	Finance Recommended 9/20/10
Keep Beaufort County Beautiful	Clean Waterways Project	\$ -	\$ 5,000	\$ 2,800	\$ -	All	\$ 2,800
Hilton Head Symphony Orchestra	2011 Hilton Head International Piano Competition	\$ 2,500	\$ 22,156	\$ 2,500	\$ 2,500	1, 2, 3	\$ 5,000
Exchange Club of Beaufort / CAPA	Ghost Tours	\$ 2,000	\$ 3,000	\$ 1,500	\$ -	11	\$ 1,500
Bluffton Historical Preservation Society	Town of Bluffton Welcome Center / Heyward House Historic Center	\$ 15,000	\$ 25,000	\$ 10,000	\$ 5,000	4	\$ 15,000
Hilton Head Concours d'Elegance	Concours d'Elegance and Motoring Festival	\$ 13,000	\$ 20,000	\$ 10,000	\$ 3,000	All	\$ 13,000
Main Street Beaufort, USA	Tourism Advertising Campaign	\$ 17,000	\$ 40,286	\$ 14,700	\$ 3,000	11	\$ 17,700
Gullah Festival	Gullah Festival	\$ 3,900	\$ 25,000	\$ 2,500	\$ -	All	\$ 2,500
Beaufort County Black Chamber of Commerce	Cultural Tourism Marketing	\$ 40,000	\$ 75,000	\$ 30,000	\$ 5,000	5, 6, 7, 8, 9, 11	\$ 35,000
Penn Center, Inc.	Penn Center Heritage Days & Sesquicentennial	\$ 15,000	\$ 30,000	\$ 10,000	\$ 5,000	5	\$ 15,000
Coastal Discovery Museum	Cultural and Eco-Tourism Support	\$ 10,000	\$ 20,500	\$ 7,500	\$ 2,000	1, 2, 3	\$ 9,500
The Sandbox	The Sandbox Marketing and Advertising	\$ -	\$ 5,355	\$ -	\$ -	1, 2, 3	\$ -
Hilton Head Chorale Society	Advertising Support for 2011 Concerts	\$ 1,000	\$ 5,000	\$ 1,000	\$ -	1, 2, 3	\$ 1,000
Beaufort County Historical Society	Installation and Maintenance of Historic Markers in Beaufort	\$ -	\$ 9,000	\$ -	\$ 2,000	All	\$ 2,000
Beaufort Film Society	Beaufort International Film Festival	\$ -	\$ 30,000	\$ 5,000	\$ -	11	\$ 5,000
Historic Beaufort Foundation	Exhibition of the Life and Times of Congressman Robert Smalls: a traveling exhibit by the S.C. State Museum	\$ 3,600	\$ 5,000	\$ 2,500	\$ -	11	\$ 2,500

Organization	Event/Project	2010 Funding	Amount Requested	Board Recommended 1st *	Board Recommended 2nd **	Council District	Finance Recommended
Lowcountry Estuarium	Maintaining Port Royal's only active tourist attraction	\$ 1,000	\$ 20,000	\$ 1,000	\$ -	11	\$ 1,000
Daufuskie Island Foundation	Daufuskie Day	\$ 3,500	\$ 8,000	\$ 3,000	\$ -	4	\$ 3,000
Art League of Hilton Head, Society of Bluffton Artists, Beaufort Art Association	Beaufort County Art Associations Co-op Tourism Advertising	\$ 1,000	\$ 6,000	\$ 1,000	\$ -	1, 2, 3, 4, 10	\$ 1,000
Arts Council of Beaufort County (dba ARTworks)	Arts Council of Beaufort County National Arts Marketing Campaign	\$ 10,000	\$ 10,000	\$ 5,000	\$ -	11	\$ 5,000
Arts Center of Coastal Carolina	Tourism Marketing of Unincorporated Areas of Southern Beaufort County	\$ 17,000	\$ 20,000	\$ 12,000	\$ 5,000	1, 2, 3	\$ 17,000
Heritage Library Foundation	Fort Mitchel Civil War Sesquicentennial Refurbishments	\$ -	\$ 20,000	\$ -	\$ 4,500	All	\$ 4,500
Old Village Association	"Come Discover Port Royal"	\$ 3,000	\$ 36,800	\$ 3,000	\$ -	11	\$ 3,000
Beaufort County Open Land Trust	Maintaining "The Green" in Historic Downtown Beaufort, SC	\$ -	\$ 7,500	\$ -	\$ -	All	\$ -
Lowcountry & Resort Islands Tourism Commission	Promotion of Beaufort County and the Lowcountry	\$ 16,000	\$ 30,500	\$ 20,000	\$ -	All	\$ 20,000
Hilton Head Island - Bluffton Chamber of Commerce	Destination Marketing for Southern Beaufort County	\$ 16,000	\$ 78,000	\$ -	\$ 35,000	1, 2, 3, 4, 10	\$ 35,000
Island School Council for the Arts	"Art on the Green" at Honey Horn Plantation	\$ -	\$ 36,212	\$ -	\$ -	1, 2, 3,	\$ -
Beaufort Regional Chamber of Commerce	Tourism Marketing	\$ 55,000	\$ 111,000	\$ 55,000	\$ 28,000	5, 6, 7, 8, 9, 11	\$ 83,000
<b>Total</b>		<b>\$ 245,500</b>	<b>\$ 704,309</b>	<b>\$ 200,000</b>	<b>\$ 100,000</b>		<b>\$ 300,000</b>

- 1- Caporale
- 2- Baer
- 3- Rodman
- 4- Newton
- 5- McBride
- 6- Dawson
- 7- Sommerville
- 8- Glaze
- 9- Flewelling
- 10- Stewart
- 11- Von Harten

\* 09.20.10 Finance Committee recommended Council approve the award of \$200,000 of state (2%) accommodations tax dollars as presented in the Board's first recommendations.

\*\* 09.20.10 Finance Committee recommended Council allocate \$200,000 from hospitality tax funds and to approve the award of \$100,000 of said funds as presented in the Board's second recommendations.



# The Friends of Hunting Island State Park

P.O. Box 844, Saint Helena Island, S.C. 29920

[www.friends-of-hunting-island-sc.org](http://www.friends-of-hunting-island-sc.org)

September 1, 2010

**Executive Board** Stewart Rodman, Finance Committee Chairman

County Council of Beaufort County

Bonnie Wright  
*President*

P. O. Drawer 1228

Beaufort, SC 29990

Re: Friends of Hunting Island 3% Accommodations Tax Request

Amount requested \$42,000

Jonathan Greene  
*Vice President*

Request Qualification Section 66-47 (c) (2) River Beach Access, (section 66-44 (a) (3))

Friends of Hunting Island State Park is requesting funds to improve beach access at the park by:

Nancy Grimaldi  
*Secretary*

Adding: 4 double (8) changing rooms

\$14,000

4 shower towers with 4 showers and a hose bib each including plumbing

17,000

4 flat benches made of recycled plastic

2,000

John Dittmer  
*Treasurer*

4 bicycle racks for 8-10 bikes each made of recycled plastic

3,000

2 all-terrain wheelchairs to provide beach and water access to handicapped

6,000

Total

\$42,000

Hunting Island State Park had for fiscal year ending July 1, 2010 a major impact on tourism in Beaufort County:

Over 1.2 million visitors this last fiscal year with one-third from out of state

\$89,584 paid into Beaufort County Accommodation Tax

\$34,809 paid entry fee tax to the county

## Board of Directors

Bruce Doneff

Cyndi Foltrich

Roberta Gunderson

Walter Lee

Vicki Anne Nestor

Denise Parsick

Neville Patterson

Merl Redfern

Terry Stone

Tom Valentino

Alan Welch

Karen Whitehead

State funding is not available for this project. Hunting Island continues to be the most popular park in South Carolina and the park attracts visitors from every state and certainly is enjoyed by Beaufort County residents. This ocean beach park is a major tourist attraction bringing many visitors to our county.

Friends of Hunting Island is a volunteer organization with over 700 family members contributing over 12,000 hours working at the park last year. Virtually all funds collected from memberships, donations and grants go directly to the park. We have no paid employees. Our mission is to "Support Hunting Island State Park in its mission of conservation, education, interpretation and protection of the park's natural and cultural resources.

Sincerely,

Tom Valentino  
31 Petigru Drive  
Beaufort, SC 29902  
379-4895

### 2011 ATAX Tax Board Recommendations

Organization	Event/Project	2010 Funding	Amount Requested	Board Recommended 1st *	Board Recommended 2nd **	Council District	Finance Recommended 9/20/10
Keep Beaufort County Beautiful	Clean Waterways Project	\$ -	\$ 5,000	\$ 2,800	\$ -	All	\$ 2,800
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Hilton Head Concours d'Elegance	Concours d'Elegance and Motoring Festival	\$ 13,000	\$ 20,000	\$ 10,000	\$ 3,000	All	\$ 13,000
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Penn Center, Inc.	Penn Center Heritage Days & Sesquicentennial	\$ 15,000	\$ 30,000	\$ 10,000	\$ 5,000	5	\$ 15,000
Coastal Discovery Museum	Cultural and Eco-Tourism Support	\$ 10,000	\$ 20,500	\$ 7,500	\$ 2,000	1, 2, 3	\$ 9,500
The Sandbox	The Sandbox Marketing and Advertising	\$ -	\$ 5,355	\$ -	\$ -	1, 2, 3	\$ -
Hilton Head Chorale Society	Advertising Support for 2011 Concerts	\$ 1,000	\$ 5,000	\$ 1,000	\$ -	1, 2, 3	\$ 1,000
Beaufort County Historical Society	Installation and Maintenance of Historic Markers in Beaufort	\$ -	\$ 9,000	\$ -	\$ 2,000	All	\$ 2,000
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Heritage Library Foundation	Fort Mitchel Civil War Sesquicentennial Refurbishments	\$ -	\$ 20,000	\$ -	\$ 4,500	All	\$ 4,500
Old Village Association	"Come Discover Port Royal"	\$ 3,000	\$ 36,800	\$ 3,000	\$ -	11	\$ 3,000
Beaufort County Open Land Trust	Maintaining "The Green" in Historic Downtown Beaufort, SC	\$ -	\$ 7,500	\$ -	\$ -	All	\$ -
Lowcountry & Resort Islands Tourism Commission	Promotion of Beaufort County and the Lowcountry	\$ 16,000	\$ 30,500	\$ 20,000	\$ -	All	\$ 20,000
Hilton Head Island - Bluffton Chamber of Commerce	Destination Marketing for Southern Beaufort County	\$ 16,000	\$ 78,000	\$ -	\$ 35,000	1, 2, 3, 4, 10	\$ 35,000
Island School Council for the Arts	"Art on the Green" at Honey Horn Plantation	\$ -	\$ 36,212	\$ -	\$ -	1, 2, 3,	\$ -
Beaufort Regional Chamber of Commerce	Tourism Marketing	\$ 55,000	\$ 111,000	\$ 55,000	\$ 28,000	5, 6, 7, 8, 9, 11	\$ 83,000
<b>Total</b>		<b>\$ 245,500</b>	<b>\$ 704,309</b>	<b>\$ 200,000</b>	<b>\$ 100,000</b>		<b>\$ 300,000</b>

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**COUNTY COUNCIL OF BEAUFORT COUNTY  
PURCHASING DEPARTMENT**

Building 2, 102 Industrial Village Road  
Post Office Drawer 1228, Beaufort, SC 29901-1228  
Phone: (843) 470-2735 Fax: (843) 470-2738

TO: Councilman Stewart H. Rodman, Chairman, Finance Committee

VIA: Gary Kubic, County Administrator *GK*  
Bryan Hill, Deputy County Administrator *BH*  
Robert McFee, Director of Engineering and Infrastructure *RM*  
David Starkey, Chief Financial Officer *DS*  
Paul Andres, Director of Airports *PA*

FROM: Dave Thomas, CPPO, Purchasing Director *DT*

**SUBJ: RFP # 6961/100669 Rental Car Concessions at the Hilton Head Island Airport**

DATE: September 15, 2010

**BACKGROUND:** Beaufort County advertised an RFP in July 2010 requesting proposals from qualified rental car concession service providers. Our current providers are Hertz, Avis Budget, Dollar-Thrifty, and Enterprise (Alamo/National) occupying five (5) counter spaces and utilizing one hundred and five (105) ready return parking spaces. The County's intent is to continue this service at a fair and reasonable cost to the public while providing a revenue-generating contract in support of Airport operations.

For the right and privilege to operate an automobile rental car concession the successful contractors agreed to pay ten percent (10%) of gross revenue (industry-wide standard), payable monthly or payable one-twelfth per month of the minimum annual guarantee of \$43,200, whichever is greater. Last year these rental car contracts yielded a total of approximately \$453,000.00 in revenue to the Hilton Head Island Airport. An increase in the minimum annual guarantee and expansion in the definition of the term "gross revenue" is expected to increase the amount of revenue generated this next year by an additional \$30,000.00 to \$50,000.00.

**SUBMITTED RFPs:**

1. Hertz, Park Ridge, NJ
2. Enterprise Leasing Company (Alamo, National included), Columbia, SC
3. ILM Transportation Inc., dba Dollar/Thrifty, Greer, SC

4. Avis Budget Car Rental, LLC, Parsippany, NJ

**FUNDING:** These revenue contracts will result in monthly deposits into HHI airport accounts 58001-47130 (Rental Car Counter Space), 58001-47131(Ready Return Spaces), and 58001-47132 (Rental Car Commissions).

**RECOMMENDATION:** The Finance Committee approve and recommend to County Council approval of revenue contracts to Hertz, Enterprise Leasing Company, ILM Transportation Inc., and Avis Budget Car Rental to provide automobile concession services for one (1) year with four (4) one year renewal options at the Hilton Head Island Airport.

Cc: Richard Hinline



**COUNTY COUNCIL OF BEAUFORT COUNTY  
PURCHASING DEPARTMENT**

Building 2, 102 Industrial Village Road  
Post Office Drawer 1228, Beaufort, SC 29901-1228  
Phone: (843) 255-2353 Fax: (843) 470-2738

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

VIA: Gary Kubic, County Administrator *GKubic*  
Bryan Hill, Deputy County Administrator *BHill*  
David Starkey, Chief Financial Officer *DStarkey*  
Robert McFee, Director of Engineering and Infrastructure *RMcFee*  
Paul Andres, Director of Airports *PA*

FROM: Dave Thomas, CPPO, Purchasing Director *DThomas*

SUBJ: RFQ # 3947/110703 Request for Qualifications for Arborist Services for Beaufort County

DATE: August 31, 2010

**BACKGROUND:** Beaufort County in partnership with the Town of Hilton Head Island issued a Request for Qualifications (RFQ) to firms capable of providing professional Arborist services to represent both parties during the upcoming tree removal project at the Hilton Head Island Airport. The selected Arborist will assist the County and Town in performing our oversight/monitoring of the contractor hired to trim, cut, and remove selected trees at the Airport. The evaluation committee consisted of five (5) members: Salley Krebs and Teri Lewis, Town of Hilton Head Island, Amanda Flake, Beaufort County Planning Department, and Paul Andres, Director of Airports. Beaufort County received three (3) responses to the RFQ. The evaluation committee reviewed and evaluated all responses and selected all three (3) firms for interviews: Preservation Tree Care, Ward Edwards, and Mullane Associates.

After the interviews and based on the RFQ evaluation criteria and professional experience, Preservation Tree Care was selected as the top ranked firm to provide professional arborist services for the Hilton Head Island Airport's upcoming tree obstruction removal project.

**FINAL EVALUATION RANKING:**

1. Preservation Tree Care, Beaufort, SC
2. Mullane Associates, Bluffton, SC
3. Ward Edwards, Bluffton, SC

**FUNDING:** Funding for these services will come from FAA Grant #30 (95%), Town of HHI (2.5%), and local match (2.5%). These services will be billed on an hourly basis at a cost not to exceed \$60,000.00 for the on-airport tree obstruction removal phase. The local match for this phase will not exceed \$1,500.00 which is the Airports budget covered by the FY2011 under account number 13480-54301.

**RECOMMENDATION:** The Finance Committee approve and recommend to County Council a contract award to Preservation Tree Care to provide Professional Arborist Consulting Services in support of the Hilton Head Island Airport's Tree Removal Project for the on-airport portion at a cost not to exceed \$60,000.00.

2010 / \_\_\_\_

**AN ORDINANCE PURSUANT TO SC CODE SECTION 12-43-360 TO REDUCE THE AIRCRAFT PERSONAL PROPERTY TAX FROM 10.5% TO 6%**

WHEREAS, the South Carolina Code provides, pursuant to S.C. Code Section 12-43-360, that a county may reduce the assessment ratio otherwise applicable in determining the assessed value of general aviation aircraft subject to property tax in the county to a ratio not less than four percent of the fair market value of the general aviation aircraft so long as it applies uniformly to all general aviation aircraft subject to property tax in the county;

WHEREAS, Beaufort County desires to reduce the tax on all general aviation aircraft; and

THEREFORE, pursuant to S.C. Code Section 12-43-360, Beaufort County hereby enacts an ordinance to reduce the personal property aircraft tax assessment from 10.5% to 6% effective for the tax year 2010 and thereafter.

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, By Title Only: August 23, 2010

Second Reading:

Public Hearings:

Third and Final Reading:

**Airplane Property Taxes**  
(000's - \$)

	<b>Taxes</b>	<b>Per Yr 5 Yrs</b>
2000	60	
2001	142	
2002	154	
2003	111	
2004	210	
2005	151	-28%
2006	130	-14%
2007	127	-2%
2008	95	-25%
2009	108	14%
	<b>1,288</b>	<b>-13%</b>

	<b>Taxes</b>			
<b>Ratio</b>	<b>10.5</b>	<b>6.0</b>	<b>4.0</b>	<b>4.0</b>
<b>% Change</b>	<b>-13%</b>	<b>0%</b>	<b>24%</b>	<b>48%</b>
2010	94	62	41	41
2011	82	62	51	61
2012	71	62	63	90
2013	62	62	78	132
2014	54	62	97	195
2015	47	62	120	288
2016	41	62	148	425
2017	35	62	183	627
2018	31	62	227	926
2019	27	62	281	1,366
	<b>543</b>	<b>617</b>	<b>1,288</b>	<b>4,151</b>

2010 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE XII. SUBDIVISION DESIGN (THAT REPLACE RURAL SUBDIVISION WITH RURAL SMALL-LOT SUBDIVISION): DIVISION 3, SECTION 106-2539. RURAL SMALL LOT SUBDIVISIONS; DIVISION 4, SUBDIVISION 2. SMALL LOT RURAL SUBDIVISIONS: SECTION 106-2596. MINIMUM DEVELOPMENT STANDARDS FOR SMALL LOT RURAL SUBDIVISION; AND SECTION 106-2597. CONDITIONS AND LIMITATIONS.

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

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: September 13, 2010

Second Reading:

Public Hearing:

Third and Final Reading:

(Amending 99/12)

## DIVISION 3. TYPES OF SUBDIVISIONS

### Sec. 106-2536. Scope.

There are three types of subdivisions permitted under this chapter: major, minor, and rural. Refer to article III of this chapter regarding review procedures for major or minor subdivisions. (Ord. No. 99-12, § 1 (div. 13.200), 4-26-1999)

### Sec. 106-2537. Major subdivision.

Major subdivisions are land developments that include subdividing any tract or parcel of land into five or more lots. Refer to section 106-18 for a detailed explanation of major subdivision. Major subdivisions shall comply with this article and article XIII and other applicable sections of this chapter. Administration for major subdivisions begins with the ZDA and receives final approval by the DRT. Refer to articles II and III of this chapter for review responsibility and procedures for major subdivisions. (Ord. No. 99-12, § 1 (13.210), 4-26-1999)

### Sec. 106-2538. Minor subdivision.

Minor subdivisions are land developments that include subdividing any tract or parcel of land into four or less lots. Refer to section 106-1 for a detailed explanation of minor subdivisions. Minor subdivisions shall comply with this article XII and article XIII and other applicable sections of this chapter. Administration for minor subdivisions begins and ends with the ZDA, who retains final approval authority for them. Refer to articles II and III of this chapter for review responsibility and procedures for minor subdivisions. Refer to section 106-7 for exemption options for certain types of subdivisions. (Ord. No. 99-12, § 1 (13.220), 4-26-1999)

### Sec. 106-2539. Rural small lot subdivision.

(a) The Rural Small Lot Subdivision is designed to allow owners of small rural lots greater flexibility to subdivide land that would normally be restricted with the application of the rural density as prescribed in Table 106-1526. The Rural Small Lot Subdivision allows a designated number of "by-right lots" to be subdivided from a parent parcel with the rural density as prescribed in Table 106-1526 applying to the remainder of the parent parcel. The number of by-right lots that can be subdivided from a parent parcel are limited by the following geographic restrictions:

~~(a) The rural subdivision is a minor subdivision designed to allow rural families to subdivide their land as simply as possible without providing open space or creating multiple access problems on rural roads and, thus, has specific standards that do not apply to the other types of subdivision. This subdivision provides limited development opportunity in the rural (R) district if the landowner desires to continue agricultural operations, house family members, or raise income to supplement agricultural operations. It may also be used in areas where growth potential is limited by facilities capacity. This subdivision permits development at minimal cost, while providing protection from multiple access points along existing rural streets.~~

- (1) Port Royal Island. For land zoned rural on Port Royal Island outside of the Airport Overlay District, parcels of record are permitted to have 2 by-right subdivided lots, after which the base underlying density prescribed in Table 106-1526 shall apply to the remainder of the parent parcel pursuant to the requirements of this section.
- (2) Sheldon Township. For land zoned rural located north of the Whale Branch and Coosaw Rivers parcels of record are permitted to have 3 by-right subdivided lots, after which the base underlying density prescribed in Table 106-1526 shall apply to the remainder of the parent parcel pursuant to the requirements of this section.
- (3) St. Helena Island. For land zoned rural located on St. Helena Island east of Chowan Creek and the Beaufort River and south of Morgan River, parcels of record are permitted to have 3 by-right subdivided lots, after which the base underlying density prescribed in Table 106-1526 shall apply to the remainder of the parent parcel pursuant to the requirements of this section.
- (4) The small lot rural subdivision option does not apply to rural and rural residential properties located south and west of the Broad River, on Lady's Island, and in the Airport Overlay District for MCAS Beaufort.

~~(b) The rural subdivision permits a landowner to subdivide a large tract into four residential lots, for a total of five lots making up the entire original tract or parcel; the four newly subdivided lots are designated the "residential lots." The remaining parcel is designated as the "residual lot." The residual lot shall be included as part of the final plat for recordation purposes. The residual lot shall be used in part for access and as a reserve for future development that promotes sound land use patterns.~~

~~(c) All rural subdivisions permit development with special treatment of local streets. No parcel in existence on the effective date of the ordinance from which this chapter derives shall use this rural subdivision process more than one, regardless of change in ownership. No further subdivision of a lot or the residual lot created by a rural subdivision shall be permitted except as a major subdivision meeting the requirements of this chapter. The requirements in subdivision II of division 4 of this chapter must be met for a development to qualify as a rural subdivision. Administration for rural subdivision begins and ends with the ZDA who retains final approval authority for them. Refer to articles II and III of this chapter for review responsibility and procedures for rural subdivisions.~~

(b) Use of the Small Lot Rural Subdivision option is limited to parcels of record at July 1, 2010 and cannot be transferred to any other parcel. The requirements in subdivision II of division 4 of this chapter must be met for a development to qualify as a rural small lot subdivision. Administration for rural small lot subdivisions begins and ends with the ZDA who retains final approval authority for them. Refer to articles II and III of this chapter for review responsibility and procedures for rural small lot subdivisions.  
(Ord. No. 99-12, § 1 (13.230), 4-26-1999)

Secs. 106-2540--106-2565. Reserved.

## DIVISION 4. SUBDIVISION LAYOUT

### Subdivision I. In General

#### Sec. 106-2566. Scope.

The sections in this division provide design guidance in laying out blocks, lots, open spaces and streets in a subdivision development. The subdivision development shall be designed with a system of major and minor streets creating blocks of land.  
(Ord. No. 99-12, § 1 (div. 13.300), 4-26-1999)

Secs. 106-2567--106-2595. Reserved.

### Subdivision II. Small Lot Rural Subdivisions

#### Sec. ~~106 2596~~. Minimum layout standards.

~~The parcel upon which a rural subdivision is proposed shall have at least two and no more than four residential lots, in addition to the residual lot. No parcel shall be able to use the rural subdivision standards unless it meets the minimum area standards in table 106 2596. Newly subdivided lot sizes shall be no smaller than one acre.~~

#### ~~TABLE 106 2596. MINIMUM AREA STANDARDS FOR RURAL SUBDIVISIONS~~

<del>Number of</del> Lots	<del>Minimum</del> Acreage
2	30
3	45
4	60

(Ord. No. 99 12, § 1 (13.310), 4 26 1999)

#### Sec. 106-2596. Minimum Development Standards for Small Lot Rural Subdivisions

(a) Minimum lot size for by-right lots is 1/2 acre.

(b) Once the permitted number of by-right lots is subdivided from the parent parcel in compliance with Table 106-2596, the Open Space and Density Standards in Table 106-1526 shall apply to the remaining acreage of the parent parcel with the following exception. Where by-right lots are less than 1 acre, 1 acre per subdivided by-right lot will be subtracted from the original acreage of the parent parcel before applying the density standards in Table 106-1526 to the parent parcel.

**TABLE 106-2596. MAXIMUM NUMBER OF LOTS THAT CAN BE SUBDIVIDED FROM  
A PARCEL OF RECORD UTILIZING THE SMALL LOT RURAL SUBDIVISION**

<b><u>Parcel Size (base site density) in Acres</u></b>	<b><u>Maximum Number of Lots with no "By-Right" Lot Splits (Lady's Island, Southern Beaufort County, Airport Overlay District)</u></b>	<b><u>Maximum Number of Lots with 2 "By-Right" Lot Splits (Port Royal Island outside of Airport Overlay District)</u></b>	<b><u>Maximum Number of Lots with 3 "By-Right" Lot Splits (Sheldon Township, St. Helena Island)</u></b>
<u>2</u>	<u>1</u>	<u>2</u>	<u>2</u>
<u>3</u>	<u>1</u>	<u>3</u>	<u>3</u>
<u>4</u>	<u>1</u>	<u>3</u>	<u>4</u>
<u>5</u>	<u>1</u>	<u>3</u>	<u>4</u>
<u>6</u>	<u>2</u>	<u>3</u>	<u>4</u>
<u>7</u>	<u>2</u>	<u>3</u>	<u>4</u>
<u>8</u>	<u>2</u>	<u>4</u>	<u>4</u>
<u>9</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>10</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>12</u>	<u>4</u>	<u>5</u>	<u>6</u>
<u>15</u>	<u>5</u>	<u>6</u>	<u>7</u>
<u>20</u>	<u>6</u>	<u>8</u>	<u>8</u>
<u>25</u>	<u>8</u>	<u>9</u>	<u>10</u>
<u>30</u>	<u>10</u>	<u>11</u>	<u>12</u>
<u>40</u>	<u>13</u>	<u>14</u>	<u>15</u>
<u>50</u>	<u>16</u>	<u>18</u>	<u>18</u>
<u>100</u>	<u>33</u>	<u>34</u>	<u>35</u>

**Sec. 106-2597. Conditions and limitations.**

~~Rural~~ Small lot rural subdivisions shall meet the following conditions and limitations. Where the adjoining public right-of-way is an arterial or collector street, the required right-of-way of such streets shall be dedicated to standards as designated by the county or SCDOT.

- (1) *Access easement.* All lots shall take direct access from an access easement or right-of-way having a minimum ~~right-of-way~~ width of 50 feet ~~located on the residual parcel~~. The access easement shall be improved with gravel and ditches for drainage. A 40-foot access easement may be permitted to serve no more than four lots with documentation provided to the ~~DRT~~ ZDA if emergency vehicles can be accommodated. Landowners with private accesses are exempt from the width and improvement (gravel and ditches) requirements with documentation that emergency vehicles can be accommodated.
- (2) *Access limitations.* Any lot abutting a public right-of-way classified as an arterial, collector, or emergency evacuation route shall have an accompanying plat note prohibiting direct access to that lot from the abutting arterial, collector, or emergency evacuation route. ~~The DRT may require such limitations on other roads where there exists the possibility of upgrading that road to the above status.~~
- (3) *Improvements.* The responsibility of the ~~residual lot~~ parent parcel owner to pave install, in accordance with the requirements of Section 106-2597(1), roads and install all public utilities, water, sewer, and storm drainage for the initial lots shall be noted on the final plat.
- (4) ~~*Residual lot requirement.* A note shall appear on all plans for rural subdivisions specifying that the residual lot cannot be further subdivided until all public improvements for water, sewer, and roads are satisfied or when infrastructure improvements and a zoning amendment take the land out of the rural district. The note on the plan shall specify that the developer of the residual lot shall be responsible to improve all streets, utilities, and drainage for the subdivision's initial residential lots in accordance with this chapter, in conjunction with the subsequent planning of the residual parcel. When the residual lot is developed, the 40 percent open space requirement must be met and calculated on total acreage.~~
- (4) *Restrictions on future subdivisions.* A note shall appear on all plans for rural small lot subdivisions specifying the number of remaining by-right lots that can be subdivided from the parent tract. If all by-right lots are subdivided, the note shall state that remaining subdivisions of the parent tract shall meet the density requirements prescribed in Table 106-1526.

(Ord. No. 99-12, § 1 (13.311), 4-26-1999)

2010 /

ZONING MAP AMENDMENTS TO CHANGE THE ZONING OF ALL LANDS CURRENTLY ZONED RURAL RESIDENTIAL TO RURAL IN THE FOLLOWING AREAS OF THE COUNTY – SHELDON TOWNSHIP, ST. HELENA ISLAND, AND PORT ROYAL ISLAND (IN AREAS LOCATED OUTSIDE OF THE AIRPORT OVERLAY DISTRICT).

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 \_\_\_\_\_, 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: September 13, 2010

Second Reading:

Public Hearing:

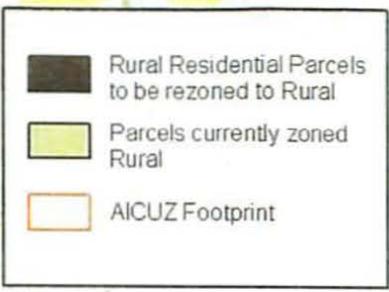
Third and Final Reading:

(Amending 99/12)

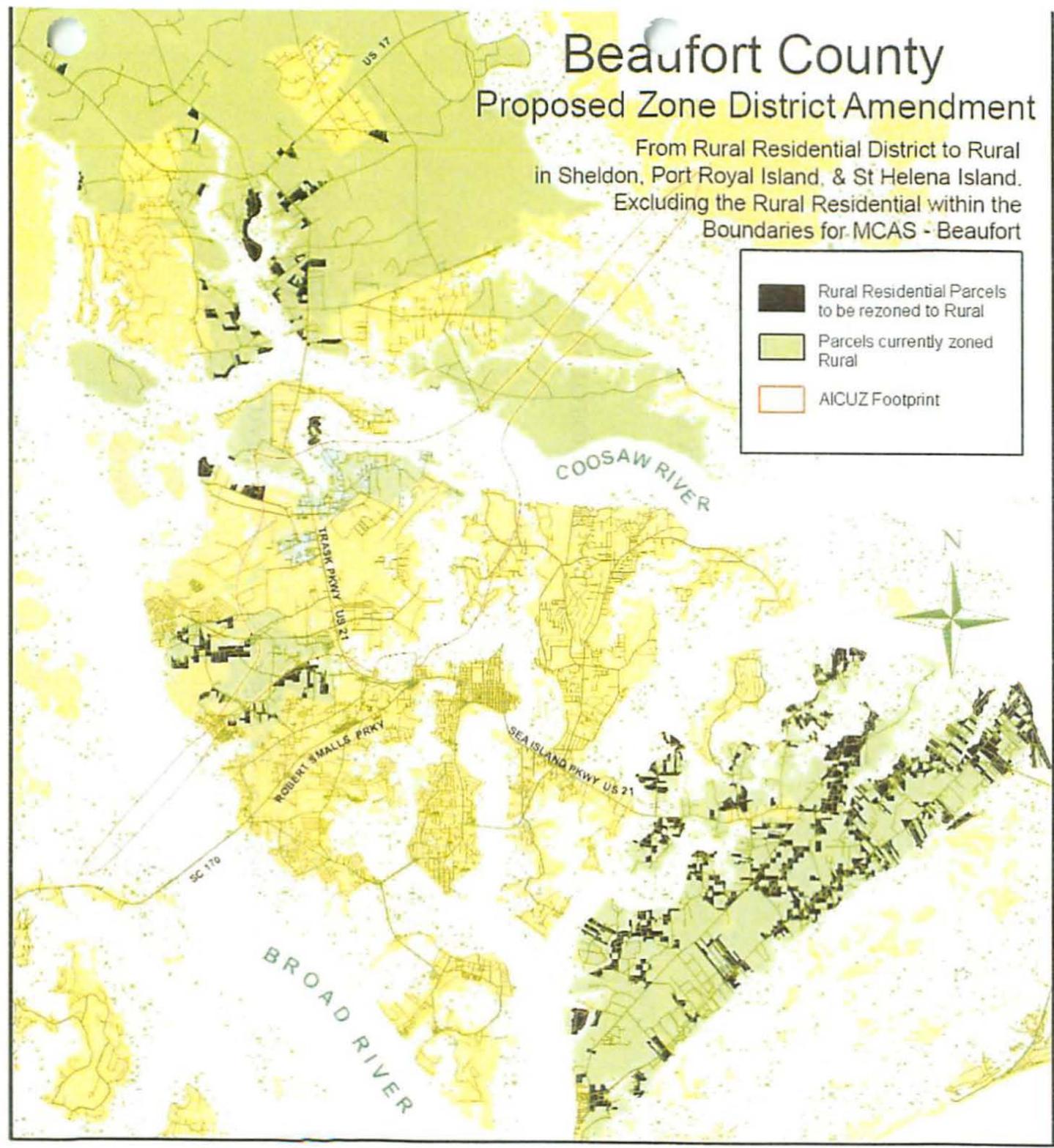
# Beaufort County

## Proposed Zone District Amendment

From Rural Residential District to Rural  
in Sheldon, Port Royal Island, & St Helena Island.  
Excluding the Rural Residential within the  
Boundaries for MCAS - Beaufort



-  Rural Residential Parcels to be rezoned to Rural
-  Parcels currently zoned Rural
-  AICUZ Footprint



2010 / \_\_\_\_

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO ADOPT AN ADDITION TO THE BEAUFORT COUNTY COMPREHENSIVE PLAN OF 2007.

BE IT ORDAINED that County Council of Beaufort County, South Carolina, hereby adds to the Beaufort County Comprehensive Plan of 2007, enacted by Ordinance 2007 / 40, Appendix F, Section 8, entitled May River Community Preservation Area Plan.

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

COUNTY COUNCIL OF BEAUFORT COUNTY

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

APPROVED AS TO FORM:

\_\_\_\_\_  
Ladson Howell, Staff Attorney

ATTEST:

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

First Reading: August 23, 2010  
Second Reading: September 13, 2010  
Public Hearing:  
Third and Final Reading:

Amending 2007 / 40

**APPENDIX F, SECTION 8.  
MAY RIVER COMMUNITY PRESERVATION (CP) PLAN**

**MAY RIVER COMMUNITY PRESERVATION DISTRICT PLAN**

**Purpose**

The purpose of the May River Community Preservation Plan is to preserve the unique character of the May River / Highway 46 corridor by articulating a direction for future development of this community. The Plan addresses Natural & Cultural Resources, Land Use, Transportation, and Recreation. As a policy document, appended to the County's Comprehensive Plan, this plan is to be used to guide zoning, subdivision, facilities funding and design, and community development decisions made by government officials and agencies. The May River Community Plan serves as a foundation and the structure upon which more detailed policies, standards and master plans may be developed.

**Process**

In 2005, a group of concerned citizens (unofficially known as the May River Road Planning Committee) began meeting on a regular basis to identify critical issues affecting the May River / Highway 46 Corridor, as well as potential solutions. The group envisioned their efforts as a precursor to the County's Community Preservation process. The official CP process convened in 2007. Those interested in serving on the committee were asked to submit their names to the County's CP Planner. Citizens from surrounding (unincorporated) communities, as well as those who had served on the May River Road Planning Committee were deemed eligible. At a subsequent meeting, the community selected, by vote, the 13 member May River CP Committee. The Beaufort County Planning Commission approved and appointed the Committee.

The Committee met with representatives from agencies that service or might potentially impact the May River / Highway 46 Corridor (the Trust for Public Lands, the Town of Bluffton, Greater Bluffton Pathways, BJWSA, May River Waterbody Management Plan Project Team, etc.). Through this process the Committee was able to identify issues which they believed were most pertinent to the future of their community. These include:

- Preserving the low density and rural residential character of the corridor
- Preserving the existing rural character along May River Road
- Preserving the environmental integrity of the May River
- Maintaining a clear edge between urbanized areas (Bluffton, Pritchardville) and rural areas (the May River Road corridor)
- Preserving undeveloped lands within the District through acquisition and easements.
- Providing contextual pathways and trails

## **THE MAY RIVER COMMUNITY PRESERVATION DISTRICT**

The majority of issues and goals outlined in this plan relate to preserving the status of the May River Corridor. Both Highway 46 and the May River have a capacity at which point they will reach a tipping point and become unsustainable in their current form. Given all of the approved development in Southern Beaufort County, Highway 46 is predicted by the County to fail by 2025.

Beaufort County and the Town of Bluffton are engaged in a constant effort to keep the May River pristine and healthy. The biggest threat to the river is overdevelopment of the immediate area. Currently, the average density of the entire CP District is just one unit per 8 acres.

The Town and County have committed to the establishment of consistent and compatible zoning regulations along the Highway 46 Corridor. Yet, along the eastern portion of the corridor the two jurisdictions utilize different regulatory tools and zoning. If this is to be the case, it is important that the future land use map for Beaufort County and the Town Of Bluffton are compatible in this area. Otherwise, there will be tremendous pressure for additional annexations.

### **Recommendation**

Protect the unique rural character that exists along the Highway 46 corridor by promoting low intensity development that preserves the district's scenic attributes and rural feel while severely limiting commercial uses.

## **MAY RIVER CP DISTRICT DEVELOPMENT INTENSITY & CHARACTER**

### **a. Development North of May River Road**

The established density should be one unit per three acres on the north side of May River Road. This is in keeping with the density of Beaufort County's Rural Zoning District. The required open space will be 60% of the site. The minimum lot size is ½ acre.

Should the applicant agree to intense clustering of residences, with 80% open space, then the applicant should receive a bonus that permits them to subdivide at a rate of one unit per two acres. The applicant will be encouraged to construct a range of lot sizes, from ¼ acre cottage lots to 1 acre estate lots.

Connectivity to existing communities shall occur. When developing new neighborhoods open spaces shall be contiguous, usable (greenway with trails, parks, playgrounds, etc), and used to define the neighborhood edge. Whenever possible these lands shall be linked to neighboring green belts and open spaces.

b. Development South of May River Road

Due to the environmental sensitivity of the May River and the anticipated capacity of Highway 46 the established density should be one unit per five acres on the south side of May River Road. It is recommended that the required open space be comprised of 60% of the site. The minimum lot size should be 1 acre, unless the subdivision is on sewer, in which case the minimum lot size should be 1/2 acre.

Unless otherwise noted in the Scenic Road Overlay Standards, all development should reside behind a 100 foot setback (measured from the edge of the ROW), the first 75 feet of which shall be a vegetated buffer with 80% opacity (overstory, understory, and shrubs). Whenever possible the buffer should be comprised of indigenous species, requiring minimal (initial) to no irrigation or replacement. If non-indigenous species are utilized, the buffer shall require the use of irrigation to ensure survival.

1. River Lots

Waterfront lots in new subdivisions should have a minimum of 250 feet of parallel frontage along the May River or its tributaries. Furthermore, all development should be set back 100 feet from the OCRM Critical line. Existing lots of record should be exempt.

2. Guest Houses

Existing lots of record of 2 acres in size or greater are permitted one guest house not to exceed 2,000 square feet. A Guest House is deemed to be a part of the main property owner's "compound" and is not intended to be subdivided for other uses. They are for use by the property owner and his/her family and guests only. They should not be used for lease or rent, and should gain their access from the driveway of the principal house.

Parcels created after the adoption of the May River CP Code that are 5 acres or more in size should be permitted to have one or more Guest Houses. However, the total square footage of all guest dwellings (guest houses) should not exceed 75% of the square footage of the principal house. Furthermore, the total square footage of all guest houses (when added together) should not exceed 5000 square feet.

This formula allows for the equivalent of two estate homes (principal, and guest house); a "main" house with two "significantly" sized houses (principal, and two guest houses); or a "main" house and three traditionally sized cottages (principal, and three guest houses). Anything more significant essentially establishes the definition of a neighborhood. Construction of the principal dwelling must occur prior to, or in conjunction with any guest houses. Manufactured homes shall not be permitted to be used as guest houses.

## MAY RIVER CP DISTRICT DEVELOPMENT FUNCTION

In order to ensure that this stretch of corridor remains rural it is anticipated that residents will head to Town or to Pritchardville to fulfill their daily needs. Therefore, the CP District should primarily consist of low density residential development. However, a few very low intensity, businesses (in keeping with the character of the roadway) such as farm stands, bed and breakfasts, and home based businesses will be allowed in the district. The design specifications for businesses requiring additional exposure and access will be addressed in the SCENIC ROAD OVERLAY DESIGN STANDARDS.

- Permitted Without Limitations
  - Agricultural
  - Residential
    - Single Family detached
    - Single Family Cluster
    - Family Compound
- Permitted With Limitations
  - Residential
    - Guest House
    - Home Occupation
    - Home Business
  - Commercial and Retail
    - Bed and Breakfast (not in excess of 6 rentable bedrooms)
    - Permanent Produce Stands

## MAY RIVER CP DISTRICT DEVELOPMENT FORM

The Community Preservation District is actually bisected by two geographic features, the May River, and Highway 46. Both the River and the Highway serve as transportation and recreation corridors. These serve as the windows to the District. It is from these vantage points that people interpret the "character" and "feel" of the area. Therefore, the committee recommends the application of two overlay districts specifically aimed at addressing development within these corridors. These overlay districts shall be referred to as the Scenic Road Overlay and the River Overlay.

The boundary for the River Overlay will be measured 500 feet from the critical line and the boundary for the Scenic Road Overlay will extend 500 feet from the centerline of the road respectively. The current Corridor Overlay District regulations (located in Appendix B of the Beaufort County Zoning and Development Standards Ordinance (ZDSO)) will apply to Highway 46 unless they are in direct conflict with regulations found in the Scenic Road Overlay; in which case the Scenic Road overlay supersedes the Corridor Overlay District. The additional standards reflect the area's natural surroundings and ensure that development portrays a rural context.

## **Recommendation**

Encourage a NATURAL and RURAL aesthetic by promoting context sensitive design standards, preserving the existing tree canopy over and adjacent to the highway, and maintaining the thoroughfare as a two lane highway.

### **a. Development within the Scenic Road Overlay**

#### **1. Regulation / Review**

Within the May River Corridor, only non-residential properties and those places where the public frontage (i.e. road right of way) and the private frontage (i.e. a new neighborhood entranceway) converge shall be reviewed by the Joint Corridor Review Board (JCRB). Such non-residential uses are extremely limited in scope within the Community Preservation District and do not warrant the establishment of an individual review board. The CP Committee will have the right to nominate two additional members to sit in and vote when commercial projects from the May River CP District are heard by the JCRB. The two nominees shall reside in the May River CP District. Ideally, one citizen representative and one "design professional" (employed in a field such as Planner, Urban Designer, Architect, and Landscape Architect) will characterize the representatives from the May River CP District.

#### **2. Aesthetics**

This overlay is intended to give the impression that the Highway 46 corridor primarily bisects lands in an open or cultivated state or that are sparsely settled. Despite the increasing population density of this area, the primary viewshed should make every effort to reflect woodlands and agricultural land.

It should be recognized that there is a vast difference between a low intensity, formally regulated corridor, and one with a truly "rural" context. Outside of Town, May River Rd. exudes a truly rural context. The informality of the corridor allows for "eclecticism" and promotes a "sense of uniqueness". While the corridor is no longer agricultural, the dominant features are woodlands, wetlands, and scattered vernacular buildings of various setbacks. There is also an undeniable character associated with this Corridor; one that is very much in keeping with the "rural south".

All new residential development shall reside behind a 100-foot setback (measured from the edge of the right-of-way (ROW)), the first 75 feet of which will include a vegetated buffer with 80% opacity (both overstory & understory and shrubs). The buffer shall be comprised of indigenous species and shall be irrigated and replaced wherever and whenever necessary.

#### **3. Streets and Trails**

Highway 46 is a very heavily traveled roadway that would normally be considered by S.C. Department of Transportation (SCDOT) for widening. In order to prevent

this, every measure possible to slow traffic down while allowing free movement must be attempted. The posted speed should not exceed 45 mph.

Secondary roads should be designed to calm or slow traffic as opposed to promoting its free flow. Promote creative ways to narrow road width and defer to the natural landscape as much as possible. Roads shall not utilize curb and gutter, but rather swales. Turning radii should be shallow unless impeded geographically. "Environmental or green" features and "rural & natural" materials shall be listed and encouraged in the code. Off-road bicycle trails and walkways that are that are pervious, natural, and appropriate for rural settings should be included in every new development. However, to exclude the "resort look" and maintain both the tree canopy and overall rural character they shall be considered for placement off of the road. Sidewalks are only appropriate for small lot clusters, and these should utilize surface materials that are pervious and or natural.

The Community Preservation Committee will form an implementation committee that will meet seasonally as needed. This committee will be charged with implementation (as needed), accessing how the plan is working, and nominating to the County Council two representatives for the JCRB. In terms of the Corridor Overlay, as improvements are made along the highway or communities develop along the highway frontage, this committee will work with various public entities (County, SCDOT, SCE&G) and landowners / developers to examine the burying of existing power lines along the ROW. Portions of this ROW could serve as a trail system or bike lane.

#### 4. Plantings and Lighting

Plantings in rural areas are typically naturalized and native as opposed to being formal and symmetric. Plantings (landscaping) within the Highway Buffer should native or indigenous species. These require minimal (initial) to no irrigation or replacement. If non-indigenous species are utilized, the buffer shall require the use of irrigation to ensure survival.

As an ecologically sensitive, rural corridor, overhead lighting should be used only when necessary to address issues of safety. Such lighting should not consist of standard cobra head lights, but rather an aesthetically pleasing alternative. Lighting is anticipated on both signage (private business) and for security purposes (residences). At this scale, Pipe and Post lighting is most appropriate. Within a subdivision, column lighting may also be used; however, it is most appropriate around clustered housing or smaller lots.

#### 5. Fencing, Private Entryway Features, Signage

Fencing on land that abuts the Highway 46 ROW should be split rail (2, 3, or 4 rails) and maintained in its natural condition, or painted a color currently found along the corridor (i.e. white, Charleston green, black, etc). Living fences composed of wood and wire are also allowed and encouraged both in

neighborhoods and in lieu of privacy fences. Chain link, metal, or so called "privacy" fences are prohibited. Picket fences, while filled with character, are more indicative of sub-urban housing districts. They are prohibited along Highway 46.



Examples of rural split rail fencing.

Private gatehouses and monumental or ornate entryways are prohibited along the Highway 46 ROW. A break in the fencing, a small hanging sign, and possibly a light is all that is necessary. Those developments requesting additional entryway structures must locate them at least 150' from the centerline (at the buffer line). All entry features shall be in keeping with the rural nature of the preservation district and shall be approved as part of the JCRB process.

Projecting, wall, and monument type signage should be permitted; however, it is critical that it be of a proper scale and rural character. These items are encouraged to be unique in their composition and made of natural materials (wood, metal, brick, etc).



Examples of rural signage.



## **Recommendation**

Accommodate future development along the May River and discourage visual blight by promoting context sensitive (Lowcountry maritime) and environmentally sound design standards.

### **b. Development within the Scenic River Overlay**

#### **1. Future Development Pattern**

The Scenic River Overlay is intended to ensure that future structures are befitting of their maritime setting and do not overwhelm the corridor both visually and environmentally.

The Scenic River Overlay should require all development to be setback a minimum of 100 feet from the OCRM critical line. Guidelines will also address vegetation standards, selective clearing criteria, and enforcement provisions. With the exception of the view corridor guidelines found in the ZDSO, the first 50 feet of the 100-foot setback shall be maintained in its natural state.



A principal residence should not exceed a maximum height of 2.5 stories (35 feet) or 40 feet with appurtenances.

In order to prevent visual clutter, houses that directly front the river or a tidal creek should maintain a minimum riverfront lot width of 250 feet and locate accessory structures or Guest Cottages on the landward side of the main residence. The setback and lot width negates the need for architectural review of individual residences within the River Overlay.

If a property is located in both Overlay Districts the primary dwelling may front whichever corridor the applicant chooses. Residential uses on Highway 46 are not part of the JCRB review process.

#### **2. Docks**

Docks will adhere to those standards currently found in the Beaufort County ZDSO under Water Dependent Uses.

2010 /

**COMPREHENSIVE PLAN FUTURE LAND USE MAP AMENDMENT FOR THE MAY RIVER COMMUNITY PRESERVATION DISTRICT FROM RURAL TO RURAL COMMUNITY PRESERVATION AREA.**

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 \_\_\_\_\_, 2010.

COUNTY COUNCIL OF BEAUFORT COUNTY

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

APPROVED AS TO FORM:

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

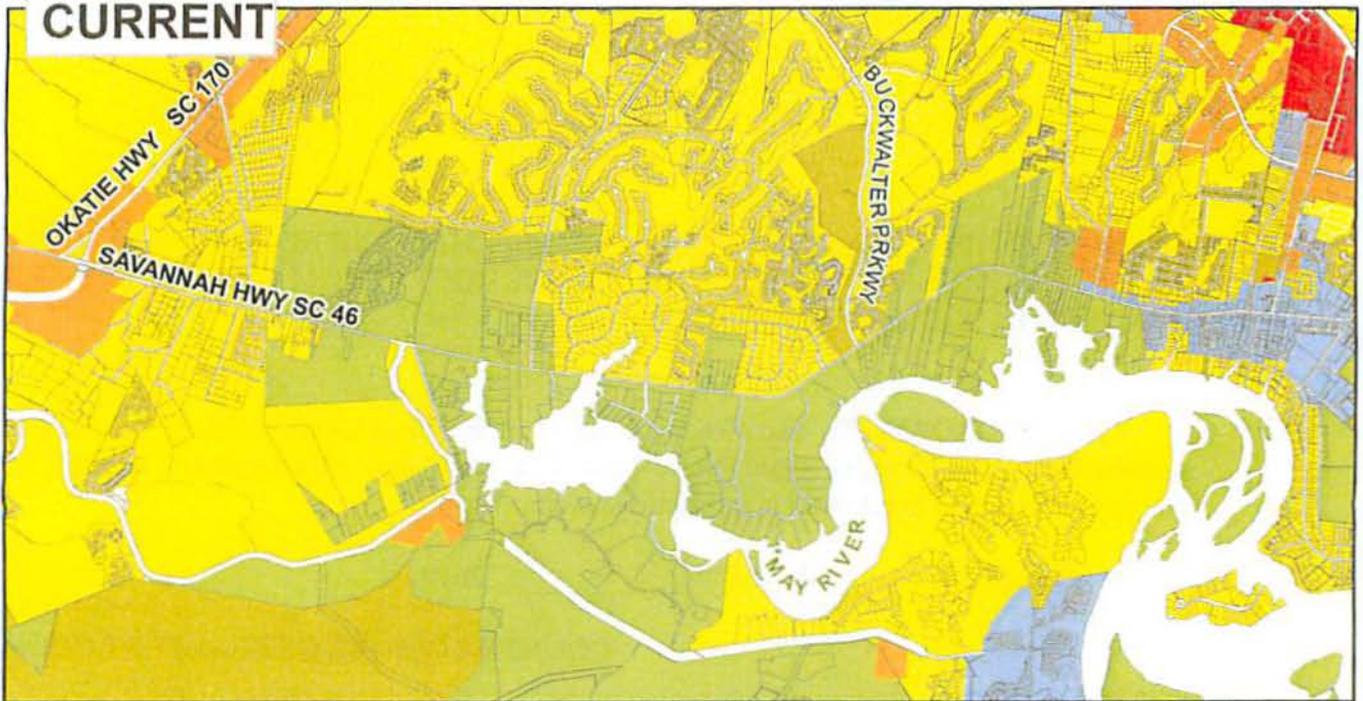
ATTEST:

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Suzanne M. Rainey, Clerk to Council

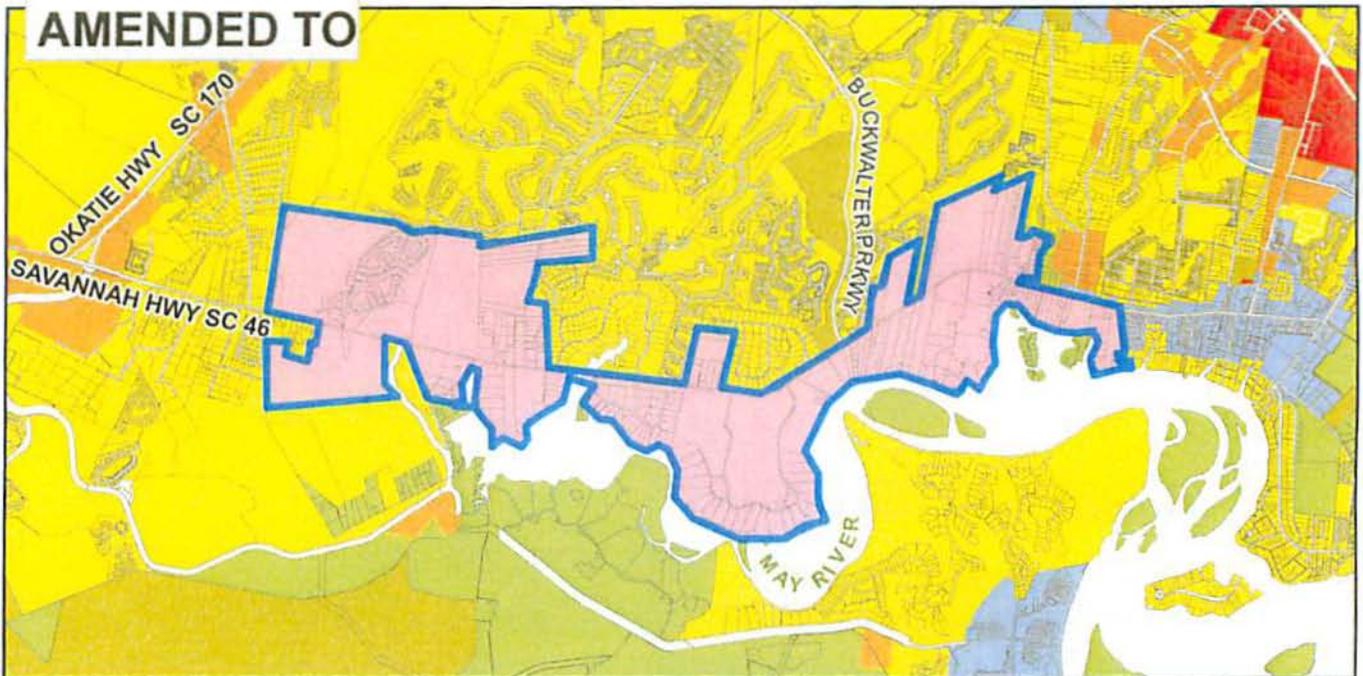
First Reading: August 23, 2010  
Second Reading: September 13, 2010  
Public Hearing:  
Third and Final Reading:

(Amending 99/12)

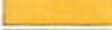
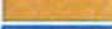
**CURRENT**



**AMENDED TO**



**LEGEND**

-  Parcels
-  Preserved Land
-  Rural
-  Rural Community Preservation
-  Neighborhood / Mixed Use
-  Community Commercial
-  Regional Commercial
-  Core Commercial
-  MAY RIVER Community Preservation District, Proposed

**May River Community Preservation  
Future Land Use Map Amendment**

From Rural to Rural Community Preservation



2010/

TEXT AMENDMENT TO THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), APPENDIX R, MAY RIVER COMMUNITY PRESERVATION (CP) DISTRICT (ADDS NEW APPENDIX FOR DEVELOPMENT STANDARDS FOR THE MAY RIVER CP DISTRICT).

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: August 23, 2010  
Second Reading: September 13, 2010  
Public Hearing:  
Third and Final Reading:

(Amending 99/12)

## APPENDIX R. MAY RIVER COMMUNITY PRESERVATION (CP) CODE

### DIVISION 1. MAY RIVER COMMUNITY PRESERVATION DISTRICT CODE

**Sec. 1.0. Purpose.**

The May River Community Preservation District (MRCPD) is intended to promote low intensity rural development patterns comprised primarily of residential uses; while encouraging and allowing more urban development to locate outside the District at either end of the corridor.

**Sec. 2.0. Applicability.**

The May River Community Preservation District requirements apply to all uses within the May River CP District boundaries. The Beaufort County Zoning and Development Standards Ordinance (ZDSO) shall apply to all development in this district, unless expressly exempted or otherwise provided for in this section. When in conflict, the development and architectural design standards of the District shall supersede the development standards of the ZDSO and the Corridor Overlay District.

**Sec. 3.0. District Boundaries.**

The delineation of areas that fall under the May River Community Preservation District zoning designation are outlined on the official zoning map of Beaufort County.

**Sec. 4.0. Permitted Activities.**

The permitted uses in the May River Community Preservation District are primarily residential. Table 1 includes descriptions of permitted uses for the CP District. Uses not listed in Table 1 are prohibited.

- (a) Uses permitted in the CP District are indicated in Table 1 with a "Y" in the "Permitted" column. These uses are permitted as a matter of right subject to all performance standards.
- (b) Limited uses ("L") are permitted only if all the "limiting" criteria for that use, as listed in Section 4.2 are met. The "limitations" listed in section 4.2 supersede any and all limitations for that use that are included in Article V Division 2. The Zoning and Development Administrator (ZDA), or, when applicable the Development Review Team (DRT) issue final approval of limited uses.
- (c) Special uses ("S") are permitted only by approval of the zoning board of appeals (ZBOA). A special use must conform to any limited use criteria listed for that use as well as the ZBOA review criteria included in sections 106-552.
- (d) Not all properties may meet the limited and/or special use requirements, thus sites upon which the use could be built may be limited.
- (e) If a limited or special use is proposed as part of a subdivision or land development, the site plan must designate their locations.

**Table 1. May River CP District Permitted Uses**

Land Use	Use Definition	Permitted
<b>AGRICULTURAL USES</b>		
Agriculture	Crop and animal production, plant nurseries, tree farms. (NAICS 111, 112)	Y
Forestry	Perpetual management, harvesting and enhancement of forest resources for ultimate sale or use of wood products, requiring replanting, and subject to S.C. Forestry Commission BMPs. (NAICS 113)	Y
Commercial stables	Stabling, training, feeding of horses, mules, donkeys, or ponies, or the provision of riding facilities for use other than by the resident of the property, including riding academies. Also includes any structure or place where such animals are kept for riding, driving, or stabling for compensation or incidental to the operation of any club, association, ranch or similar purpose.	L
<b>RESIDENTIAL USES</b>		
Single-family detached	An unattached (stand alone) dwelling unit intended for only one family.	Y
Single-family cluster	A traditional form of neighborhood development that preserves meaningful open spaces by requiring development to be grouped together using a grid or close pattern.	Y
Family compound	A traditional rural development that allows family members to place additional family dwelling units on, and/or subdivisions of, a single lot owned by the same family for at least 50 years. Family compound regulations in section 106-2105 apply.	Y
Outbuilding	A structure used for storage, detached garage, garage with second story residential dwelling, or accessory residential dwelling unit that is located on the same lot but clearly secondary to an existing single-family dwelling.	L
Guest House	A second dwelling unit, clearly subordinate and separate from the principal unit, but otherwise resembling a principle residential unit and functioning as a single family home. A Guest House is deemed to be a part of the main property owner's "compound" and is not intended to be subdivided for other uses. A Guest House is for use by the property owner and his/her family and guests only.	L
<b>HOME USES</b>		
Home occupation	A business, profession, occupation or trade located entirely within a residential dwelling, which does not change the essential character of the residential structure.	L

Land Use	Use Definition	Permitted
<b>COMMERCIAL USES</b>		
Bed and Breakfast	A lodging establishment in which there are no more than six guestrooms, or suites of rooms available for temporary occupancy for varying lengths of time by the general public with compensation to the owner. Meals may be prepared, provided that no meals are sold to persons other than guests. The establishment must be the owner's principal place of residence (NAICS 721191).	L
Roadside stand	A temporary or permanent structure used in the sale of agricultural produce, home made goods, seafood, and flowers. More than one vendor may sell at a single stand.	Y
<b>RECREATION USES</b>		
Outdoor recreation	Active recreational activities and supporting services limited to: jogging, cycling, tot lots, playgrounds, tennis courts, private docks, community docks and fishing clubs. Passive recreational uses including, but not limited to: wildlife sanctuaries, forests, and areas for hiking, nature areas. Includes picnic areas and garden plots (NAICS 71219).	S
<b>TEMPORARY USE</b>		
Model homes sales office	A dwelling unit or modular unit in a subdivision used as a sales office for that subdivision.	Y
Contractor's office	Security guard buildings and structures, construction equipment sheds, contractor's trailers and similar uses incidental to a construction project. Limited sleeping and/or cooking facilities may also be permitted. This use must be removed upon project completion.	Y

Source: NAICS 2008

**Sec. 5.0 Limited and special use standards.**

This section describes the standards governing the limited and special uses designated in Table 1. These standards are in addition to other standards required elsewhere in the Beaufort County ZDSO, but supercede the limited and special use standards in Article V, Division 2 of the ZDSO. New uses within the MRCPD shall be consistent with surrounding neighborhood character in size, scale and architecture. Some of the uses listed below include the statement, "The ZDA and/or DRT may require one or more impacts analyses." These analyses include, but are not limited to: a community impact statement (CIS), an area impact assessment (AIA), an environmental impact assessment (EIA), a traffic impact assessment (TIA) and/or an archaeological and historic impact assessment (AHIA). The ZDA and/or DRT may also request additional data or reports from the applicant.

**(a) Commercial Stables**

- (1) Additional buffering shall be required whenever the use is within 100 feet of a developed residential lot. The buffer shall be increased to a minimum of 50% of the required setback.
- (2) The minimum site area shall be five acres.

- (3) A five-foot-high fence is required around paddock areas.
- (4) *Reports/studies required.* All applications for this use shall include an area impact assessment.
- (b) *Outbuildings (Residential and Non-Residential).*
  - (1) Residential Outbuildings:
    - A. Shall be permitted on the north side of May River Road only.
    - B. Front Setback: Minimum 20 feet behind front face of primary building.
    - C. Side Setback: 10 feet minimum.
    - D. Rear Setback: 3 feet minimum with rear access lane, 10 feet without.
    - E. Only one residential outbuilding may be created per principal dwelling.
    - F. The property owner for a lot with a Residential Outbuilding must hold title to, and occupy the principal unit as their permanent or seasonal residence.
    - G. The livable space of residential outbuildings (heated
    - H. Residential Outbuildings may be located no more than 50 feet from the principal dwelling unit.
    - I. Residential Outbuildings may be rented or leased and shall not count towards the density of the lot.
    - J. Usable space (heated space) shall not exceed 950 square feet or 35 percent of the principal dwelling's total floor area.
    - K. The Outbuilding shall be designed to maintain the architectural design, style, appearance and character of the principal dwelling as a single-family residence. The Outbuilding shall be consistent with the facade, roof pitch, siding and windows of the principal dwelling.
  - (2) Non-Residential Outbuildings:
    - A. Are permitted on both sides of May River Road.
    - B. Shall not exceed 35 percent of the principal dwelling's total floor area. However, outbuildings on lots of more than 2 acres whose main function involves the storage of goods shall not be limited by size.
    - C. Side Setback: 10 feet minimum.
    - D. Rear Setback: 10 feet minimum.
    - E. Front Setback: Minimum 20 feet behind front face of primary building.
    - F. The Outbuilding shall be designed to maintain the architectural design, style, appearance and character of the principal dwelling as a single-family residence. The Outbuilding shall be consistent with the facade, roof pitch, siding and windows of the principal dwelling.
- (c) *Guest Houses*
  - (1) Guest Houses shall be permitted South of May River Road.
  - (2) A Guest House shall be subordinate to the principal dwelling and be for use by the property owner and his/her guests only.
  - (3) A Guest House is deemed to be a part of the main property owner's "compound" and is not intended to be subdivided for other uses. They shall adhere to the front, rear, and side setbacks listed for the principle structure.

(4) A Guest House is for use by the property owner and his/her family and guests only. They shall not be leased or rented, and must gain their access from the driveway of the principal house.

(5) Existing lots of record that are 2 to 5 acres in size are permitted one guest house, not to exceed 2000 square feet. Lots created after the adoption of the May River CP District that are 5 acres or more in size are permitted one or more Guest Houses; however, the total square footage of all guest dwellings (houses) may not exceed 75% of the square footage of the principal house. Furthermore, the total square footage of all guest houses (when added together) may not exceed 5000 square feet.

(6) Nothing herein shall prevent the construction of a guest house prior to the construction of the principal dwelling.

(7) Manufactured (i.e., mobile) homes shall not be permitted to be used as guest houses.

(d) *Home occupation.*

(1) Home occupations shall be clearly incidental and secondary to the dwelling and shall not change its character or use as a residence.

(2) The owner of the home occupation shall reside on the property, in the residence.

(3) The maximum floor area permitted for home occupations shall be 25 percent of the finished floor area of the dwelling unit. This shall include any area used for indoor storage.

(4) There shall be no outside storage of goods, products, equipment, or other materials associated with the home occupation.

(5) No toxic, explosive, flammable, radioactive, or other hazardous materials shall be used or stored in conjunction with a home occupation.

(6) No outdoor trash receptacles or dumpsters over 55 gallons in capacity shall be permitted.

(7) Signage is limited to 10 square feet (see signage below).

(8) The type and volume of traffic generated by a home occupation shall be consistent with the traffic generation characteristics of other dwellings in the area. The home occupation shall not negatively affect the safety, ambience or character of the neighborhood in any way.

(9) Additional parking for a home occupation is limited to two parking spaces constructed of pervious materials.

(e) *Bed and breakfast.*

(1) The ZDA and/or DRT may require one or more impacts analyses.

(2) Bed and breakfast signs are limited to 10 square feet total sign area (See Signage below).

(3) Parking shall be off-street and located behind the principal structure. If a physical constraint prohibits rear-loaded parking for a structure that fronts an Arterial Road or Collector Road, the CRB/DRT may approve side loaded parking. If the structure fronts a Local Road, both side loaded and on-street parking shall be permitted if the design maintains the character of the area and safety is adequately addressed.

(4) Off-street parking must be screened from adjoining land uses by hedges and canopy trees.

(5) If newly constructed for use as a bed and breakfast, the building must be compatible with the neighborhood, preferably using traditional or "lowcountry" architectural design.

**Sec. 6.0 Development Standards.**

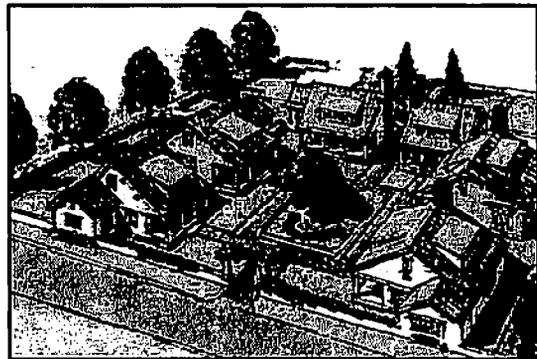
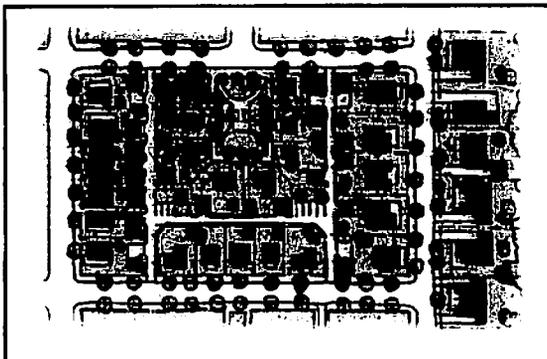
Development standards address how a land use is situated on a parcel. In addition to the following standards, the development standards of the Beaufort County ZDSO shall apply.

**Table 1 – Development Standards.**

Zoning District and Development Type	Min. OSR or LSR	Density		Sewer	Min. Lot Size	Min. Site Area (Acres)
		Max. Gross	Max. Net			
<b>May River CPD – North Side of May River Road</b>						
Single-Family	0.60	0.34	N/A	OS		6.0 ac.
Single-Family (Traditional Cluster)	0.80	0.50	N/A	P/CS		8.0 ac.
Family Compound	See ZDSO Sec. 106-2105					
Commercial Uses	0.60	N/A	N/A	OS		na
<b>May River CPD – South Side of May River Road</b>						
Single-Family	0.60	0.20	N/A	OS		10 ac.
Family Compound	See ZDSO Sec. 106-2105					
Commercial Uses	0.60	N/A	N/A	OS		na

Note: The Single Family Traditional Cluster shall allow for a development pattern know as a Rural Cottage Close. The Rural Cottage Close requires a minimum site of 8 acres with a minimum of four dwellings and maximum of six dwellings arranged in a traditional close pattern.

Note: A minimum of 50% of the required Open Space shall remain entirely undisturbed.



Diagrams a & b. The Single Family Traditional Cluster in the form of a traditional cottage close.

**Table 2 – Lot and Building Standards.**

	Minimum	Maximum
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District & Development Type	Lot Area (sq. ft.)	Lot Width (feet)	Front Setback (feet)	Side Yard (feet)	Rear Yard (feet)	Height (feet)
May River CPD – North Side of May River Road						
Single-Family	21,780 sq. ft.	<del>80-ft.</del> <u>100 ft.</u>	primary & secondary mass min 1/3 of lot depth	<del>30-ft.</del> <u>15 ft.</u>	30 ft.	**2.0 stories or 35 ft.  ^^Appurtenances 40 ft.

District & Development Type	Minimum					Maximum
	Lot Area (sq. ft.)	Lot Width (feet)	Front Setback (feet)	Side Yard (feet)	Rear Yard (feet)	Height (feet)
<b>May River CPD – North Side of May River Road (cont'd)</b>						
Single-Family (Traditional Cluster)	4,000 sq. ft.	40 ft.	18 ft. primary mass  8 ft. secondary mass*	10 ft.	10 ft.	**2.5 stories or 40 ft.  ^^Appurtenances 45 ft.
Family Compound	See ZDSO Sec. 106-2105					
Commercial Uses	10,890 sq. ft.	50 ft.	15 Arterial 15 Collector 50 Local	18 ft. <u>10 ft.</u>	50 ft.	**2.0 stories or 35 ft.  ^^Appurtenances 40 ft.
<b>May River CPD – South Side of May River Road</b>						
Single-Family	1 ac.	250 ft.	primary & secondary mass min 1/3 of lot depth from front parcel line or from the OCRM critical line^	50 ft.	100 ft. <u>50 ft.</u>	**2.5 stories or 40 ft.  ^^Appurtenances 45 ft
Family Compound	See ZDSO Sec. 106-2105					
Commercial Uses	21,780 sq. ft.	80 ft.	15 Arterial 15 Collector 50 Local	18 ft.	50 ft.	**2.0 stories or 35 ft.  ^^Appurtenances 40 ft.
<b>May River CPD – Scenic River Overlay<sup>Δ</sup></b>						
Single-Family	1 ac.  21,780 sq. ft. with (CS) or (PS)	250 ft.	Lots abutting the May River and tributaries primary & secondary mass min 1/3 of remaining lot depth from OCRM Critical Line <sup>Δ</sup>	18 ft.	50 ft.	<del>**2.5 stories or 40 ft.</del>  <del>^^Appurtenances 45 ft.</del>

\* Secondary Mass - constitutes an open porch or two story porch without screening.

\*\* Building height shall be measured in number of Stories, excluding Attics Appurtenances and raised basements AND / OR the lowest ground elevation to the eave or roof deck. A Story constitutes the portion of a building or structure between the upper surface of a floor and the lower surface of the ceiling or exposed roof next above. Each mezzanine that exceeds the percentage of floor area for a mezzanine defined in the South Carolina Building Code is counted as a story for the purposes of measuring height. Each story used exclusively for parking vehicles is also counted as a story.

<sup>A</sup> Lots that abut the May River or tributaries shall be treated as if they front the River. In this case the setback from the OCRM Critical line shall be in addition to the front setback for the lot, and the Rear Setback from the rear lot line shall serve as the Rear Setback. In the case of conflict, the OCRM setback shall supersede any other setback, ensuring that every lot is buildable. The first 50 ft of the OCRM Critical Line setback shall remain in a natural state. If a lot extends from May River Road to the May River or tributaries then the principle structure may front whichever corridor is desired. If the principle structure fronts the river or a tidal creek, any Outbuildings or Guest Cottages shall locate on the landward side of the main residence.

<sup>AA</sup> Appurtenance – Architectural features not used for human occupancy, consisting of spires, belfries, cupolas or domers; parapet walls, and cornices without windows; chimneys, ventilators, skylights, and antennas.

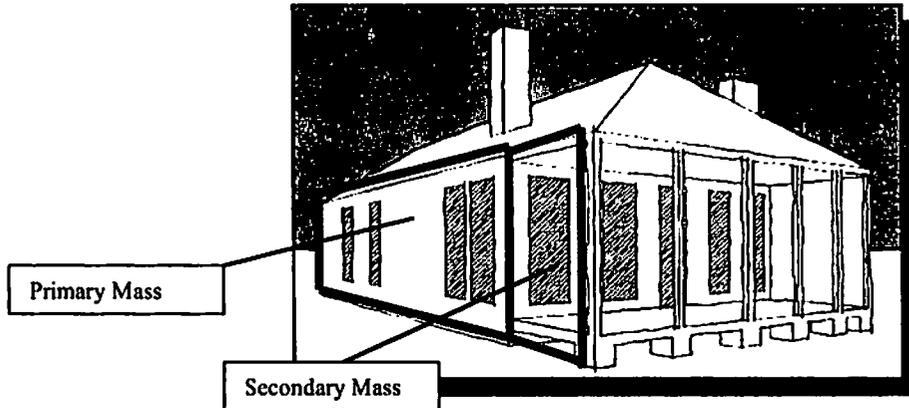


Diagram c. The Primary Mass (Principle Structure) and Secondary Mass (Porch).

**Table 3 – Setback, Buffer, and Tree Standards**

Zoning District and Development Type	Lot	Number of Landscaping Canopy or Existing Trees per:		Road Tree Spacing per:	Setback Depth (ft.), Buffer Depth (ft.), Adjoining Roads		
		Acre Open Space	Parking Spaces	Feet of ROW	Arterial	Collector	Local
<b>May River CPD – North Side of May River Road</b>							
Single-Family (Traditional Cluster)	2 trees per /du	10 trees	N/A	50 ft.	Setback 100 Buffer 75*	Setback 100 Buffer 75*	Setback 100 Buffer 75*
Single Family	2	5	N/A	N/A	Setback Min. 1/3 of lot  Buffer** Min. 1/2 of setback	Setback Min. 1/3 of lot  Buffer** Min. 1/2 of setback	Setback Min. 1/3 of lot  Buffer** Min. 1/2 of setback
Family Compound	See ZDSO Sec. 106-2105						
Commercial Uses	4	8	1/8	50	Setback Min. 50 Buffer**	Setback Min. 50 Buffer**	Setback Min. 50 Buffer**

Zoning District and Development Type	Lot	Acre Open Space	Parking Spaces	Feet of ROW	Setback Depth (ft.), Buffer Depth (ft.), Adjoining Roads		
					Arterial	Collector	Local
<b>May River CPD – South Side of May River Road</b>							
Single-Family	2	5	N/A	N/A	Setback Min. 1/3 of lot Buffer** Min. ½ of setback	Setback Min. 1/3 of lot Buffer** Min. ½ of setback	Setback- Min. 1/3 of lot Buffer** Min. ½ of setback
Family Compound	See ZDSO Sec. 106-2105						
Commercial Uses	4	10	1/8	50	Setback Min. 50 Buffer**	Setback Min. 50 Buffer**	Setback Min. 50 Buffer**

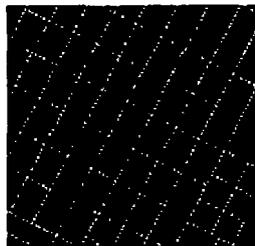
\* vegetated buffer with 80% opacity (overstory, understory, and shrubs), the majority of which is comprised of indigenous plantings that shall not require watering.

\*\* vegetated buffer at 30% opacity over ½ of the setback, the majority of which is comprised of indigenous plantings that shall not require watering.

**Sec. 7.0 Design Standards**

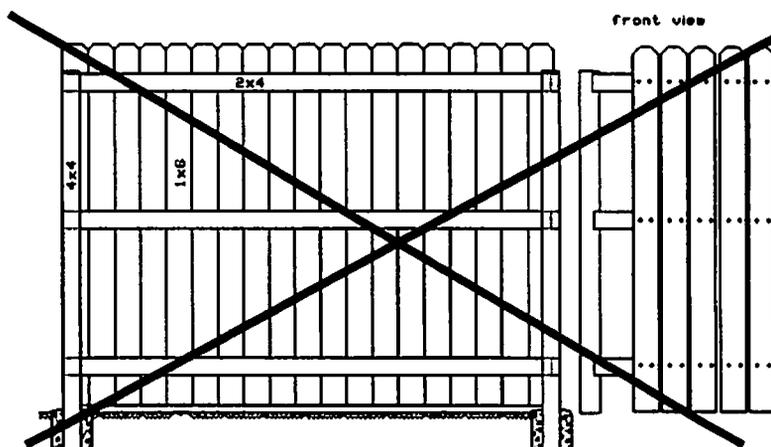
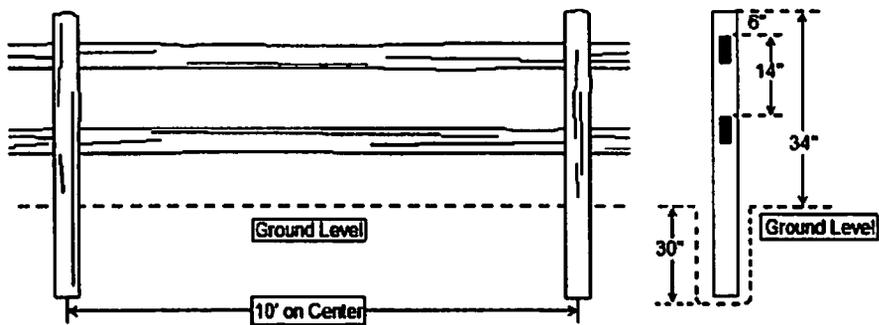
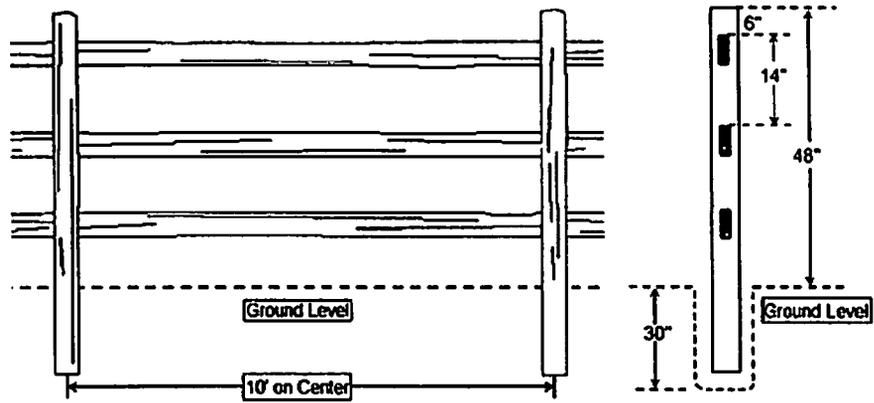
**(a) Block and Street Requirements**

On the North side of May River Road (Neighborhood and Traditional Cluster) the site shall be developed using a grid, modified grid, or cottage close pattern. Cul-de-sacs, pipe stems and dead ends shall not be permitted unless the natural conditions prohibit more traditional patterns and means of connectivity. Blocks shall be limited to a perimeter of 3500 feet in a Neighborhood and 2500 feet in a Traditional Cluster.



Diagrams d & e. The grid or modified grid and the cul de sac, and pipe stem.

- (b) ***Vehicular Access*** (Single Family Subdivision and Single Family Traditional Cluster)  
 Garages shall be located to the side and rear or as part of an Outbuilding. The driveway access shall be no more than ten feet in width. At a min, 50% of the driveway shall be comprised of pervious surface. Front-loading garages shall be detached and set back a minimum of 20 feet behind the front face of the primary building.
- (c) ***New Streets***  
 New streets shall connect to existing streets wherever possible. Larger-scale developments (more than 10 units) are required to provide stub streets to adjacent undeveloped or underdeveloped sites. The DRT may adjust the road standards if such changes would allow for a more rural, narrow street character.
- (d) ***Open Space*** (Single Family Subdivision and Single Family Traditional Cluster)
- (1) A min. of 35 percent of the property required to meet the OSR shall be designed as contiguous **common space**. Such space may be passive or active and is intended to provide green infrastructure, serve as a gathering place, or provide agricultural resources for the larger community. The construction envelope modulation standards of section 106-3032 of the ZDSO may be utilized to further preserve natural resources and create varied lot sizes. The use of the construction envelope standards also gives more privacy on small clustered lots and helps to maintain the rural character.
  - (2) Where a Single Family Subdivision abuts a body of water, a usable portion of the shoreline, as well as reasonable access to it, shall be a part of the common open space.
  - (3) **Common Space Uses.**  
 The common open space shall be useable for low-intensity recreation (path or trail), gathering (fire pit, bench swing, playground), agriculture (community garden) or other passive outdoor living purposes and for preserving the natural features of the site. The uses permitted shall be in accordance with section 106-1876 of the ZDSO.
- (e) ***Lighting***
- (1) Cutoff lighting fixtures are limited to a maximum lighting level of five foot-candles and a maximum mounting height of 20 feet. All other fixtures shall have a maximum lighting level of three foot-candles and a maximum mounting height of 15 feet.
- (f) ***Signage***
- (1) Standards are as follows:
    - A. Signage shall convey a rural character and be approved by the JCRB.
- (g) ***Fencing***  
 All fencing shall be split rail (2, 3, or 4 rails) and maintained in its natural condition, or painted white, Charleston green, or black (see below). Living fences composed of wood and wire shall be allowed and encouraged both in neighborhoods and in lieu of privacy fences. Chain link, metal, or so called "privacy" fences are prohibited. Picket fences, while filled with character, are more indicative of urban or sub-urban housing districts. They are prohibited in the May River Road Corridor Overlay. Fencing within the May River Road Corridor Overlay shall be split rail as approved by the JCRB.



**(h) Entry**

- (1) Private gatehouses or entryways shall be prohibited along May River Road, and all Collector and Local Roads. Entry shall be addressed via a break in the fencing or landscape, a small hanging sign, and possibly a light post.**
- (2) Those neighborhoods requesting additional entry ornamentation shall locate the ornamentation at least 150' from the centerline of the access road. All entry features shall be in keeping with the rural nature of the preservation district, and if located within the May River Road Corridor Overlay shall be approved as part of the JCRB process.**

**(i) Docks**

**Docks shall be permitted as specified in 106-1912.**

2010 /

**BEAUFORT COUNTY ZONING MAP AMENDMENT FOR THE MAY RIVER COMMUNITY PRESERVATION DISTRICT FROM RURAL, RURAL-RESIDENTIAL, AND RURAL-TRANSITIONAL OVERLAY DISTRICTS TO MAY RIVER COMMUNITY PRESERVATION DISTRICT.**

**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 \_\_\_\_\_, 2010.

**COUNTY COUNCIL OF BEAUFORT COUNTY**

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

**APPROVED AS TO FORM:**

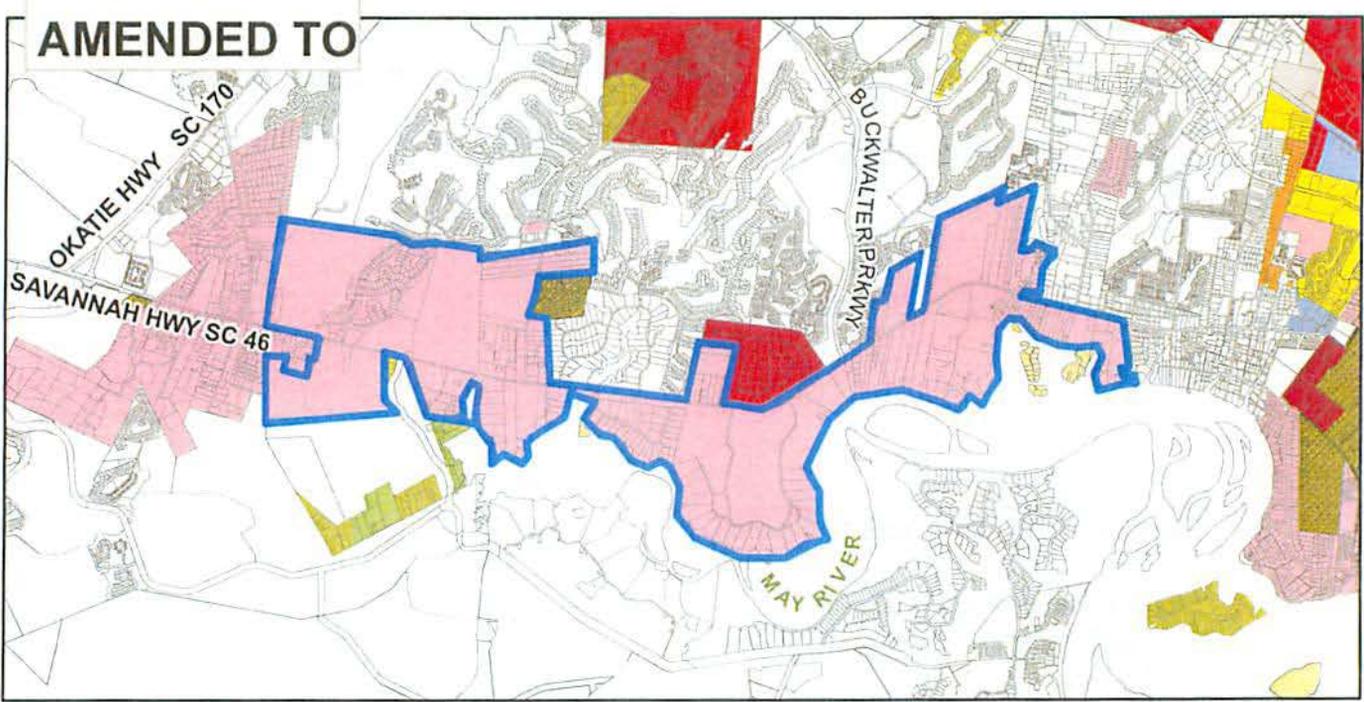
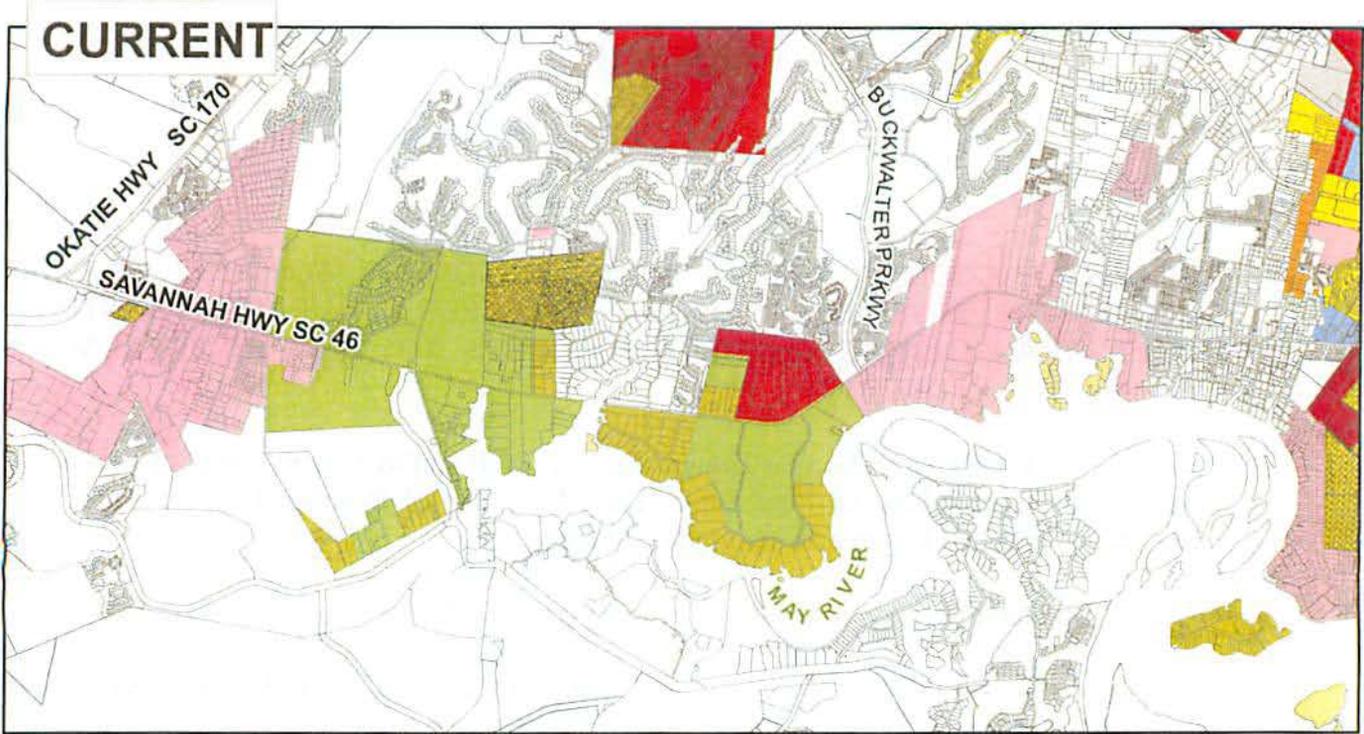
\_\_\_\_\_  
Ladson F. Howell, Staff Attorney

**ATTEST:**

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

**First Reading: August 23, 2010**  
**Second Reading: September 13, 2010**  
**Public Hearing:**  
**Third and Final Reading:**

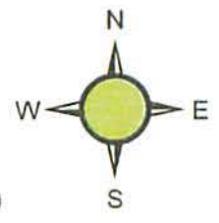
**(Amending 99/12)**



**LEGEND**

- Parcels
- Rural
- Rural Residential
- Rural Transitional
- Community Preservation
- Suburban
- Planned Unit Development
- MAY RIVER Community Preservation District, Proposed

**May River Community Preservation  
Zone District Map Amendment**  
From Rural, Rural Residential, Rural Transitional  
To Community Preservation



2010 /

**BEAUFORT COUNTY ZONING MAP AMENDMENT / REZONING REQUEST ON LADY'S ISLAND R201-15-118, -508, -509, AND -510 (4 PROPERTIES) FROM LADY'S ISLAND COMMUNITY PRESERVATION (LICP) AND PROFESSIONAL OFFICE DISTRICT (POD) TO VILLAGE CENTER (VC).**

**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:**

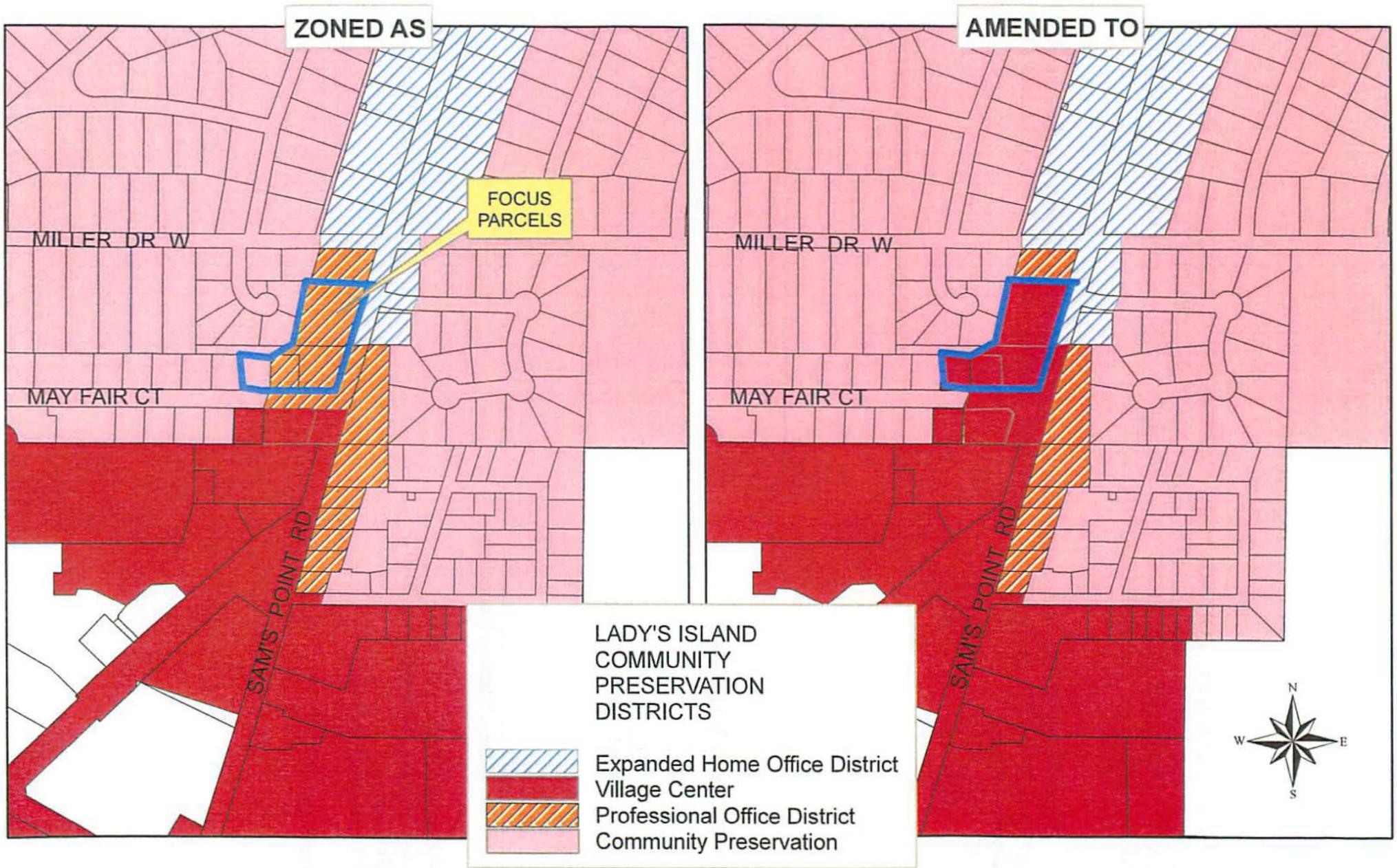
\_\_\_\_\_  
**Ladson F. Howell, Staff Attorney**

**ATTEST:**

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

**First Reading: August 23, 2010**  
**Second Reading: September 13, 2010**  
**Public Hearing:**  
**Third and Final Reading:**

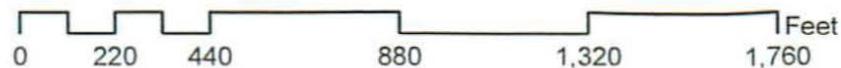
**(Amending 99/12)**



# LADY'S ISLAND ZONING MAP AMENDMENT

FROM Professional Office & Community Preservation Districts [POD, CP] TO Village Center [VC]  
 IN THE LADY'S ISLAND COMMUNITY PRESERVATION DISTRICT

Action involves Parcels: R201 015 0118; R201 015 0508, 0509, & 0510;



2010 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE, TEXT AMENDMENT TO THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE V: TABLE 106-1098. GENERAL USE TABLE, COMMERCIAL USES – COMMERCIAL RETAIL, NEIGHBORHOOD (ADDS ALLOWABLE USE OF VARIETY STORES); AND SECTION 106-1285(D)(1) COMMERCIAL RETAIL, NEIGHBORHOOD (ADDS 10,000-SQUARE FOOT LIMITATION FOR VARIETY STORES IN RURAL BUSINESS DISTRICTS).

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

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: August 23, 2010  
Second Reading: September 13, 2010  
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	C R	C S	RD	LI	IP	R	RR	RB	RC		
<b>COMMERCIAL USES</b>													
Commercial retail, neighborhood	L	L C	Y	L	N	Y	N	L C	N	L	N	106-1285	<p>The maximum size of any neighborhood commercial retail use shall be 10,000 sq. ft. These uses are retail uses that primarily serve their immediate neighborhoods, and include the following types:</p> <ol style="list-style-type: none"> <li>1. Hardware stores</li> <li>2. Grocery store with general merchandise for resale, with limited uses allowable in CS and CP districts up to 40,000 sq. ft., exclusive of ancillary uses</li> <li>3. Food and beverage stores</li> <li>4. Boutiques, gift shops, antique shops, liquor stores, bookstores and drugstores</li> <li>5. Garden centers</li> <li>6. <u>Variety stores (NAICS 452990)</u></li> </ol>

**Section 106-1285. Commercial retail, neighborhood.**

(d) *Limited standards for neighborhood commercial retail uses within rural business districts.* Limited standards for neighborhood commercial retail uses within rural business districts are as follows:

- (1) All neighborhood commercial retail uses are limited to 3,500 square feet of floor area except for hardware stores and ~~grocery~~-variety stores which are limited to 10,000 square feet of floor area and grocery stores which are limited to 20,000 square feet of floor area respectively. These size limitations may not be used collectively to produce a larger building.

2010 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TEXT AMENDMENT TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE I, SECTION 106-9(B)(1)--NONCONFORMITIES (ADDS SUBSECTION THAT ALLOWS NONCONFORMING HISTORIC BUILDINGS TO BE ADAPTIVELY REUSED AND BECOME CONFORMING THROUGH APPROVAL OF A SPECIAL USE PERMIT).

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

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: August 23, 2010  
Second Reading: September 13, 2010  
Public Hearing:  
Third and Final Reading:

(Amending 99/12)

## Section 106-9. Nonconformities.

(b) *Procedure for becoming conforming.* Nonconformities may become conforming as follows:

(1) *Types of situations.* The following are ~~two~~ three types of situations whereby a nonconforming use, building, structure, lot or sign can become conforming:

- a. *Correct the nonconforming situation.* If the nonconformity is terminated and a different use is proposed which is permitted within the subject zoning district, the ZDA shall ensure that all standards for the proposed use, building, structure, lot or sign within the zoning district are met. Once this review by the ZDA is completed and approved, the new use, building, structure, lot or sign shall become conforming through issuance of the appropriate permit. Note: Where a proposed change of use is different than the nonconforming use, and a special use permit is required according to table 106-1098, the procedures beginning in subdivision IV of division 3 of article III of this chapter must be followed.
- b. *Apply for special use permit as nonconformity.* Many nonconformities have existed in their neighborhood locations for a long time. In fact, some may have only recently become nonconforming. In some instances, the nonconformity is even an integral part of the neighborhood's function. Since zoning's purpose is to protect neighborhoods, and if the community is comfortable with the particular nonconformity, the classification "nonconformity" may run counter to community desires. Under such conditions, the nonconforming situation may be mitigated and made conforming through application for, and approval by the ZBOA for a special use permit. The purpose of this is to remove the stigma typically associated with the designation of being nonconforming with this chapter. The provisions of this section for nonconforming uses, buildings, structures, and lots provide the procedures for making a nonconformity become conforming. In no case shall nonconforming signs be approved as a special use.
- c. *Apply for special use permit to adaptively reuse nonconforming historic structures.* Beaufort County has a rich inventory of vernacular architecture, much of which is being lost to redevelopment and neglect. Protection of these older structures is a goal of the Beaufort County Comprehensive Plan. For buildings listed in the Beaufort County Above Ground Historic Resources Survey (1997), or eligible to be listed in the survey as determined by the Historic Preservation Review Board, a special use permit to make the site conforming may be approved by the ZBOA even if the structure has been vacant for more than 120 days and/or is damaged more than 50% of market value. The proposed use of the structure shall be the same or similar to its historic use, unless the ZBOA determines that another use is compatible with the surrounding community. In addition to the required submittals for a special use application, the applicant shall provide plans for rehabilitation of the structure, which shall be reviewed and approved by the Historic Preservation Review Board and Corridor Review Board, if applicable, prior to final approval of the special use permit.

**Committee Reports  
September 27, 2010**

**A. COMMITTEES REPORTING**

**1. Community Services**

① [Minutes](#) provided from the September 20 meeting. No action is required.

**2. Executive Committee**

① [Minutes](#) provided from the August 23 meeting. No action is required.

**3. Finance**

① [Minutes](#) provided from the September 20 meeting. See agenda items 8, 9, 10

② [Minutes](#) provided from the August 23 meeting. No action is required.

③ [Minutes](#) provided from the August 16 meeting. No action is required.

④ Accommodations 2% Tax Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
09.27.10	Anita Singleton-Prather	Cultural	Appoint	6 of 11

**4. Public Facilities**

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

**B. COMMITTEE MEETINGS**

**1. Community Services**

*William McBride, Chairman*

*Gerald Dawson, Vice Chairman*

➔ Next Meeting – Monday, October 18 at 4:00 p.m., Building 2, BIV

**2. Executive**

*Weston Newton, Chairman*

➔ Next Meeting – Monday, September 27 at 2:00 p.m.

**3. Finance**

*Stu Rodman, Chairman*

*William McBride, Vice Chairman*

➔ Next Meeting – Monday, October 18 at 2:00 p.m., Building 2, BIV

**4. Natural Resources**

*Paul Sommerville, Chairman*

*Jerry Stewart, Vice Chairman*

➔ Next Meeting – Tuesday, October 4 at 2:00 p.m.

**5. Public Facilities**

*Herbert Glaze, Chairman*

*Steven Baer, Vice Chairman*

➔ Next Meeting – Tuesday, September 28 at 4:00 p.m.

**6. Public Safety**

*Jerry Stewart, Chairman*

*Brian Flewelling, Vice Chairman*

➔ Next Meeting – Tuesday, October 4 at 4:00 p.m.

**7. Transportation Advisory Group**

*Weston Newton, Chairman*

*Stu Rodman, Vice Chairman*

# COMMUNITY SERVICES COMMITTEE

September 20, 2010

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

The Community Services Committee met on Monday, September 20, 2010 at 4:00 p.m. in the Conference Room of the Beaufort Industrial Village, Building 2, Beaufort, South Carolina.

## ATTENDANCE

Community Services Committee members: Chairman William McBride, Vice Chairman Gerald Dawson, and members Steven Baer, Rick Caporale, Herbert Glaze, Stu Rodman and Laura Von Harten attended. Non-Committee members Brian Flewelling, Paul Sommerville and Jerry Stewart also attended.

County staff: Morris Campbell, Division Director – Community Services; Scott Marshall, Executive Director of Board of Elections and Voter Registration; Jan O'Rourke, Libraries Assistant Director; Wlodek Zaryczny, Libraries Director.

## INFORMATION ITEMS

### 1. Department Presentation — Libraries

**Discussion:** Mr. McBride introduced this topic for discussion by telling the Community Services Committee part of its responsibilities lie in knowing what happens at the various agencies, boards and commissions under the purview of Community Services.

Mr. Wlodek Zaryczny, Libraries Director, updated the Community Services Committee on the status of libraries in Beaufort County. This included statistics, a description of programs, strategic planning and challenges the libraries face (There was a particular focus on vacancies and budget cuts.). Mr. Zaryczny noted the impact the libraries have relative to the recession – usage patterns indicate people are spending more time at the library and require more one-on-one assistance to help them manage and improve their lives. To highlight that point, he provided data. By state law, the libraries are required to do an annual report. Included in that FY2010 report, the following information was highlighted: 566,585 people visited the library; 865,961 items were checked out; 119,256 people used 161 public computers; and 87,048 library card holders used our services. The library provides programs to help in “difficult times,” such as those listed in the table below.

<i>Workforce Development Assistance (job skills &amp; computer classes, referrals to other service providers, resumé help and database training)</i>	<i>Adult and Family Literacy</i>	<i>Children's Literacy</i>
<i>Computers for the public</i>	<i>Teen programs to build leadership</i>	<i>Adult programs to support household needs</i>
<i>Readers' Advisory</i>	<i>A virtual branch library (access to databases, catalogue and</i>	<i>Community outreach</i>

	<i>community information at all times)</i>	
<i>Local history resource</i>	<i>References</i>	<i>Space for the public to meet</i>

Mr. Zaryczny also took time to discuss WorkStarts, Early Childhood Literacy and Teen Zone.ly [sic], programs to respond to critical needs.

During the strategic plan activities, which are required by the state, the intent was to identify the needs of the community to respond effectively while managing limited resources, according to his presentation. The Beaufort County Library completed the 2011-2013 Strategic Plan, “but are challenged to implement the changes given the loss of staff.” According to Mr. Zaryczny’s presentation, the department lacks 19 people or 22%. He then went on to mention two initiatives to protect library assets. A Beaufort District Collection, with compact shelving, will reopen on the second floor of the Beaufort Branch Library on September 29, 2010 at a ribbon-cutting ceremony. This improvement was done to address need for expanded and suitable quarters. Beaufort County Libraries is pursuing a Federal Emergency Management Agency pre-hazard mitigation grant for just less than \$1 million to strengthen the Beaufort Branch Library – retrofitting windows, hurricane shutters and safe-room capacity for historic assets.

According to the Library presentation, on March 22<sup>nd</sup> there were 11 vacancies and by October 31<sup>st</sup> there will be 19 vacancies. The short-term solution is to have exempt and part-time staff work more in order to keep libraries open, but given the increase in vacancies the short-term solution is no longer viable with the current level of service (LOS). Some services such as the Bluffton Branch children’s programming and regular outreach at schools have been cancelled.

Council members asked questions about vacancies and budget. Mr. Baer compared the percentage of vacancies at the library to those of the County as a whole.

Mr. McBride clarified that Mr. Zaryczny combined full-time and part-time employees in his calculation. Mr. Zaryczny said he could pull out full-time equivalents (FTEs) data and bring it back to the Community Services Committee. He said the problem is operating at the current hours given the shortage of staffing; there is a decrease in staff morale. The library staff looks at the County website and sees posted positions and have a hard time understanding why some positions in other departments are filled while those in the library are not, Mr. Zaryczny said.

Mr. Baer asked about the total budget last year versus this year. Mr. Zaryczny said it was reduced by about 10%. Mr. Baer noted the budget decreased by 10% but staffing by 20%.

Mr. Caporale asked about use of volunteers. Mr. Zaryczny stated they already use volunteers, but there are concerns about reliability and capabilities to perform certain tasks.

Mr. Stewart asked about whether staffing needs for the St. Helena Branch Library at Penn Center were considered. Mr. Zaryczny said they are part of the five-year plan. Mr. Stewart also asked about state funding for libraries. Mr. Zaryczny said the funding was reduced from roughly \$2.25 per capita to about \$1.03 per capita. The State Library Director indicated additional reductions may come. Through the state, they did receive about \$35,000 of Stimulus funds. Mr. Zaryczny said this has a negative effect on the overall budget, because they originally expected

\$175,000, but will be down about \$60,000. Normally, the library received lottery funds from unclaimed money, but that has ended, he added.

The Community Services Committee continued to discuss budget reductions and the effects of such for the libraries at some length. The budget process and budget application were paid particular attention. Mr. Zaryczny introduced the idea of reduced hours to maintain the LOS – at the three regional libraries. He stated equity of service would be factored into any such decision about change in services.

Mr. Caporale asked if they anticipated cuts when they got the budget. Mr. Zaryczny said, no. He stated, when they submitted the budget staffing was at full level. He added they continue to lose positions when they are not filled. Mr. Flewelling noted, they received everything they asked. Mr. Zaryczny agreed; it is in the budget, but they do not have the bodies.

Mr. Morris Campbell, Division Director – Community Services, added the budgets were funded at a certain level, but in the overall County operations picture we are setting priorities. The library is a priority, but not at a level to positions available. When the budget was presented, the dollars removed were basically for material, and since the budget process people resigned, and vacancies are put in a pool where priorities are identified. Hence, we may not be able to fill all the positions. We will eventually take a look at the LOS and return with a recommendation. The vacancy factor is being kept at that level to keep us afloat, Mr. Campbell stated.

Mr. Caporale stated when Council goes through the budget process, it should make a statement about what it will spend, what it will support and what it will not support. There is no point in going through the process to find out a couple months later about cuts, he said. He does not recall the alternative of reduced library hours as part of the budget discussion.

Mr. Baer stated he thinks Council voted on a flat budget – no millage increase, about \$104.7 million operations, and it knew there were 70 to 80 open positions Countywide. “You have budget, but aren’t allowed to hire. Is that what I just heard?” Mr. Baer asked. Mr. McBride clarified as vacancies occur, the County Administration makes a decision about whether it is absolutely critical; those not absolutely critical are not filled. Mr. Baer countered the library should get a share of the filled vacancies. Mr. Campbell said they will have to compare the FTE’s.

Mr. Rodman said what happened was the staff had a request of “about 132 and they ended up bringing it down to about 104.” What we did as Council was say if they adhere to the tax increase, we trust them to allocate where that will be unless a department or Council member raises an issue.

Mr. Flewelling stated when going through the budget review, he did not notice a drastic cut for this budget from last year’s. They are getting funded at the same relative proportion as everyone else. He noted he wants to know where the employees (vacancies) come from and the key to that is FTE’s.

**Status:** No action necessary. For information only. Mr. Zaryczny will supply FTE information to Community Services Committee, per request.

## 2. Department Presentation — Board of Elections and Voter Registration

**Discussion:** Mr. Scott Marshall, Executive Director of the Board of Elections and Voter Registration (henceforth Elections), gave a presentation that included a department overview, the upcoming General Election, a status report on the Bluffton Extension Office, a brief on the Electronic Voter Registration List (EVR) and future challenges.

Elections manages voter registrations, administers elections and certifies election results. The Elections Board consists of nine at-large members who are appointed by the Beaufort County Legislative Delegation. Mr. Marshall explained each member covers an area of the county to improve efficiency.

Scope of Operations	
95,000 + active registered voters	84 physical precincts in 60 locations
More than 600 qualified poll workers	368 iVotronic voting machines
9 full-time administrative staff	

Mr. Marshall reviewed information for this year's November 2<sup>nd</sup> General Election, which will include:

<b>Federal</b>	U.S. Senate & U.S. House of Representatives District 2
<b>State</b>	13 offices (9 Constitutional office & 4 House seats)
<b>Countywide</b>	20 offices: Probate Judge, Sheriff, Auditor, Treasurer, 7 County Council seats, 7 School Board seats, Soil & Water commissioners (2 seats)
<b>Beaufort Municipal</b>	3 seats (including Mayor)
<b>Hilton Head Island Municipal</b>	4 seats (including Mayor)
<b>Hilton Head #1 PSD</b>	3 seats
<b>Fripp Island PSD</b>	2 seats

Mr. Marshall noted there will be four Constitutional questions on the ballot as well.

Of the 20 County offices on the ballot, only three are opposed (the Treasurer, School Board district 5 and School Board district 7). On School Board district 2, no candidate is listed on the ballot; it is purely write-in. He said, as an elections official, he likes to see participation and competition because that is what fuels our society to the level where we have a good lifestyle.

The Bluffton Recreation Center will host an absentee voting and year-round voting location. The expected opening date is slated for no later than October 4<sup>th</sup>. Advantages of this site include ample parking, a more centralized location and a layout better suited for voters. Right now, Elections is pursuing connectivity and furnishings, Mr. Marshall said. One of the

humps in the process was that the building was not wired – connectivity to the South Carolina mainframe computer is needed. The building has DSL and the Management Information Systems department is working on wiring into the offices. Once in place, they will get offices in there. There is already Department of Justice approval to open this location. He said they believe they can serve a greater majority of voters in this location.

To get Electronic Voter Registration List (EVRL) laptops, \$30,000 was inserted into Elections' budget. Each unit costs \$600. MIS, which is managing the purchase, placed 44 on order. If we received EVRL's today, we would not be able to get them in place for the November election, he said. The state is providing an additional 22 laptops. These tools will help poll workers check in voters and identify where voters at an incorrect precinct should be voting. These laptops are not connected to the internet, radio transmission features are disabled and they can only communicate when connected with a physical cable.

Mr. Marshall concluded by noting challenges on the horizon such as redistricting/precinct reapportionment and the need for bilingual materials as a result of the 2010 Census; aging iVotronic voting machines and reduced resources.

**Status:** No action necessary. For information only.

**Executive Committee  
Minutes from August 23, 2010  
Conference Room, Building 2, Beaufort Industrial Village  
Beaufort, South Carolina**

Committee Members:

Weston Newton, Chairman  
William McBride, Chairman, Community Services  
Stewart Rodman, Chairman, Finance  
Paul Sommerville, Chairman, Natural Resources  
Herbert Glaze, Chairman, Public Facilities  
Jerry Stewart, Chairman, Public Safety

Non-Committee Members:

Steven Baer  
Brian Flewelling  
Laura Von Harten  
Rick Caporale  
Gerald Dawson

Staff:

Gary Kubic, County Administrator  
Ed Hughes, Assessor

Chairman Newton called the meeting to order at 3:08 pm.

**2011 RETREAT DISCUSSION**

Mr. Baer said the retreats have caused him concern based on costs, paper, etc. He thinks retreats are valuable and proposed forming a small sub-committee on how to organize next year's retreat. Chairman Newton asked if Mr. Baer was suggesting that they didn't need a facilitator. He discussed the history of those facilitators used. Mr. Baer said they spent \$17,000 last year for 4 days, and they could have had a better cost-benefit ratio. Chairman Newton said the amount spent was \$12,000, not \$17,000. Mr. Baer said he's concerned about issues that should be covered, and how it's facilitated, specifically the style of how things are covered, not what will specifically be discussed. He would advise a different methodology. Chairman Newton said he was unclear what the small group would do. Mr. Baer gave the example of the group producing 3 lists of priority issues from staff, council and the community. Mr. Caporale said the municipalities might weigh in. Mr. Baer said he's proposing a brainstorming session among a few council members.

Mr. Caporale said he's more satisfied than when he thought the last retreat cost \$18,000. He said the facilitators are being paid for their leadership, keeping people on task. Chairman Newton observed that the benefit of professional facilitators is that they draw participation and comments out of everyone. Otherwise, only the most dominant voices are heard, not everyone's voice. Chairman Newton said rather than form a sub-committee, they could do it now. Ms. Von Harten said she liked the method used by the last facilitator. She felt it was a very valuable exercise, though they may not need two days for the process. Mr. Rodman said they could think of it as a two-year exercise.

Mr. Caporale said he wasn't sure that staff was given sufficient input prior to the retreat. Mr. Kubic said he'd like to pitch that in the next 6-8 months, council give him topics. He feels services are analyzed every week, and they need to look at socio-economic changes in the county, *i.e.*, unemployment and the dredging of the marina. The Executive Committee could say, "Are there 10 issues we could provide more information on that can help us plan, things we don't always talk about during the course of the year?" The white papers could then be applied to where resources are appropriated. Mr. Kubic added that a portion of the retreat needs to look at whether they are matching services to the comp plan or not. He iterated other issues of concern to people in the county that should be addressed.

Ms. Von Harten proposed a theme for the retreat: "resilience," *i.e.*, what can be done to make our community stronger. She said she doesn't want to have "stuff presented to her" that she can read. She feels they need more time to talk with each other.

Mr. Stewart said he was pleased with last year's retreat. He agreed with Mr. Kubic that they need to look at the big picture and educate themselves more, which can be done at the retreat and at workshops with an expert present. He felt there was a lot of good discussion and communication between council members. Mr. Sommerville said he agreed with Mr. Stewart; the skeleton of the retreat was good and accomplished what he felt it should.

Mr. Dawson said he felt the process was very beneficial in affording everyone a chance to discuss key issues. Mr. McBride said he thought the format was good. He thinks parameters might be helpful beforehand. Mr. Stewart said it was the first retreat where they set action items and are adhering to them and seeing if they address the items they say they want or need to address.

Mr. Flewelling said Mr. Sumek called everyone ahead of time and got a list together of what they wanted to have discussed. He recommended that they go forward with him again. Chairman Newton said the discussions are only as good as what he gets from staff and elected officials beforehand.

Mr. Glaze arrived at the table at 3:30. Chairman Newton informed him of the discussion up to this point. Chairman Newton said \$750 of last year's retreat was for payment "of the person

brought in for the economics discussion”; \$1200-1500 was refreshments. The moderator was paid \$7000. Chairman Newton offered possible dates in March 2011 for council to consider for a potential retreat.

### **STATUS OF 2010 RETREAT ACTION ITEMS**

Mr. McBride said he wanted the Executive Committee to look at the status of where the committee assignments were with regard to the action items from the retreat. They have tracking information in their packet.

### **SMART DECLINE CONTINGENCY PLAN**

Chairman Newton said they will be in a reassessment cycle in 2012-13. He asked **Ed Hughes, Assessor**, to give broad range projections and to discuss the impact of the recession on the Beaufort County tax base.

Mr. Hughes summarized the reassessments and appeals his staff received. They received 14,700 appeals; staff changed about 1 in 3. They have completed all but about 200 as of the previous week. The data value was pinpointed at December 31, 2007. The prior year reassessment which was implemented in 2004 had a data value of December 31, 2002. For the next scheduled reassessment in 2013, that data value is moved forward to December 31, 2012. As a result of the analysis of the Accessible Transfer of Interest (ATI) properties for this tax year 2010, countywide they are seeing about 3500 properties that will be triggering market value appraisals, as of the end of December 2009. The assessor is required to establish market value as of December 31 of the year of transfer. They looked at the valuations that they will publish as a result of those transactions compared against two sets of numbers: one was the market value appraisals established 12-31-07 (there was a bar graph provided to council) and the other was, from a taxation standpoint, the December 31, 2009 valuations against the taxable, which was in most cases the limited or 15% cap value. The taxable or cap value above the market value as established by his office showed a decline for unincorporated Bluffton and the Town of Bluffton. The taxable base for Bluffton is declining while “the rest of the county is still on the positive side of the chart.”

He went on to demonstrate on a projected graph the way to get an idea of “the delta relative to average and the median sale price for what’s occurring to the tax base.” In accordance with Act 388, they have to cap or limit the taxable appraisals again. He said “it’s multiplicative in nature” and gave the example that if they had \$100,000 value for TY2009, it would be taxed at \$115,000; for TY2013, they would take 15% of the \$115,000 which would be \$132,250,

Mr. Hughes said if the trend continues, that would be a decrease in the tax base since the last published reassessment. There is the only place they see so far that’s trending downward. He said that if they were to follow this trend, reassessment in 2013 may result in a stabilized tax base from that which was published in 2009. Mr. McBride asked if the Bluffton decline is as a result of rapid growth in that area. Mr. Hughes agreed that there’s too much inventory.

Chairman Newton said despite the fact that it shows a 20% reduction from MLS data, there was already a delta between values and assessed values. Mr. Hughes said the county experienced huge increases in market value from 2002 to mid-2007, so the difference between the market value and the assessor's market value was fairly significant. The assessor's market value was as low as 60%; in 2007 that started creeping up to 70% which means the market value is declining. The delta would be in the taxable value as established by the capping in 2009. 90% of the properties in the county were subject to capping in 2009.

Mr. Baer confirmed that the average value went up, so the tax base of the county is higher. Then in 2012, if "the blue trend" continues, the assessed value may be lower than in December 31, 2007. Mr. Hughes said yes, "and the capping does not take place. In other words, it's market value." Mr. Baer said that what Mr. Hughes is trying to say is that if spending isn't limited, the millage will have to go up. Mr. McBride said it's a rollback calculation, subject to generate the same number of dollars, and the millage cap applies from there. Mr. Hughes said the roll back may be an inverse, or "a roll-up."

Mr. Caporale said if the spending would stay the same, there'd be a one-to-one relationship with a decline in property values and an increase in property taxes. Someone paying \$2000 in property taxes could pay \$3500 in three years. Mr. Kubic said they match the level of operation because they're anticipating the effect Mr. Caporale described. Chairman Newton said the idea behind the effort is – rather than to realize that mill values have gone down dramatically, which in turn drives the number of mills up - was to try to project this out in the future and prioritize, asking for county service priorities to modulate the effect of roll-up.

Mr. Rodman said a couple of years from now when the reassessment's done, if the property values go down by half, and the mill rate doubles, the taxpayer would pay the same amount. It seems like prior to that, there will be properties coming off the tax rolls at a high value and maybe coming back on at a low value. So until they do the reassessment, they risk revenue going down and the problem between 2 people who live next door to each other paying different rates. He feels a way to get around that is for the reassessment to be done earlier to equalize everybody.

For the 2010 tax year, Mr. Hughes said there's a positive gain as a result of the ATIs. From the county's perspective, ATIs haven't had a negative impact so far. Mr. Baer said taxes are going up by 5.8% in his area because of an increase in debt for the county, school, stormwater fees, etc.

Mr. Sommerville asked if everyone in the county asked all appealed, and all of them came out 45% below appraised as of 12-31-07, what would be the net effect on tax revenue. They changed 1 in 3 appeals, Mr. Hughes said. The impact was fairly minimal. Those changed were about an 8% decrease. Mr. Hughes indicated that what Mr. Sommerville was referring to were those properties that appealed; not all appealed. Mr. Sommerville said comparing the 2006 and

2010 peaks shows a drop in either average or median, so why are the average houses down 45% when the appeal value is only down 8%? Mr. Hughes said the appeal received in 2010 will be a retrospective analysis of the market in 2007. The only exception will be the ATI properties, 3500 of them in Beaufort County, which will have a valuation date of December 31, 2009. Except for Bluffton unincorporated and the town of Bluffton, all else was positive above the taxable value.

Chairman Newton suggested that council plan the Monday before council meetings to be used as a scheduled date for them to meet to discuss the retreat action items. There was general assent to this.

**ADJOURNMENT**

There being no further business to come before the committee, the meeting adjourned at 3:54 pm.

DRAFT

## FINANCE COMMITTEE

September 20, 2010

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

The Finance Committee met on Monday, September 20, 2010 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, Brian Flewelling, Paul Sommerville, Jerry Stewart and Laura Von Harten attended. Non-committee members Rick Caporale and Gerald Dawson also present.

County Staff: Paul Andres, Airports Director; Bryan Hill, Deputy County Administrator; Gary Kubic, County Administrator; David Starkey, Chief Financial Officer; Dave Thomas, Purchasing Director;

Media: Joe Croley, Hilton Head Association of Realtors and Luke Thompson, *Island Packet*.

Public: Jeff Atkins, Hunting Island Park Superintendent; Frank Babble, resident; John Demure, Friends of Hunting Island; Bruce Domlee, Friends of Hunting Island; Dick Farmer, Accommodations Tax Board; Larry Holman, Beaufort Black Chamber of Commerce; Bill Miles, Hilton Head Island-Bluffton Chamber of Commerce; Liz Mitchell, Beaufort County Black Chamber of Commerce; Bob Moakley, Beaufort Chambers Visitors Commission Bureau; John Moore, Block Construction and Beaufort Black Chamber of Commerce; Pamela Owens, Beaufort Historical Society; Jack Reynolds, Accommodations Tax Board; Jeff Thomas, Accommodations Tax Board; Lisa Thomas, Hilton Head Island-Bluffton Chamber of Commerce; Tom Valentino, Friends of Hunting Island; Jim Wescott, Lowcountry and Resort Islands Tourism Commission; Carlotta Ungaro, Beaufort Regional Chamber of Commerce; Bonnie Wright, Friends of Hunting Island; Dave Zunker, Hilton Head Island-Bluffton Chamber of Commerce.

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

### ACTION ITEMS

#### 1. Friends of Hunting Island

**Discussion:** Mr. Rodman gave an overview of this item. In the case of local (3%) accommodations tax dollars by ordinance the monies fall into several categories: operations, chambers, tourism infrastructure, rivers and beaches, reserve fund which currently totally approximately \$1.7 million. There has been discussion of possibly using some of the monies

toward Fort Fremont, Camp St. Mary's, Fort Mitchell, and Mitchelville. Since we have to go through the CIP anyway, it would be logical to have staff fold these items into the CIP discussion as a potential funding source. His thought is that this item is for informational purposes only, and then staff can get a more comprehensive look.

Mr. Flewelling disagreed. It is a unique circumstance. The Friends of Hunting Island (Friends) is a cross between several different things and provides an unusual service.

Mr. Tom Valentino, Friends of Hunting Island State Park (Park), spoke before the Committee. The Friends is requesting funds to improve beach access at the park by 4 double changing rooms, 4 shower towers with 4 showers and a hose bib each including plumbing, 4 flat benches made of recycled plastic, 4 bicycle racks for 8-10 bikes each made of recycled plastic, and 2 all terrain wheelchairs to provide beach and water access to the handicapped. We are trying to make the Hunting Island State Park (Park) more ADA accessible. That was done by the generous contribution from the County for the trails. 4.5 of the 9 miles of trails were improved and widened.

The Park had for fiscal year ending July 1, 2010 a major impact on tourism in Beaufort County. There were over 1.2 million visitors this last fiscal year, with one-third from out of state. \$89,584 was paid into the Beaufort County Accommodation Tax and \$34,809 of entry fee tax was paid to the County.

State funding is not available for this project. Many are cutting back. SCDRT are no exception. The Friends and the County have been trying to take up some of the slack. The Friends has over 700 family members contributing over 12,000 volunteer hours at the Park. All the funds collected from membership, donations and grants go directly to the Park. There are no paid employees. The mission is to support the Park in its mission of conservation, education, interpretation and protection of the Park's natural and cultural resources.

Mr. Valentino reviewed, with the Committee, how the funds will be used, the budget for the funds and previous local (3%) accommodation tax (Local A-tax) requests as presented in their application.

Mr. Flewelling wanted to know if the changing rooms and shower towers would be mobile. Mr. Valentino replied they will be mobile enough. He talked about how they initially looked at constructing changing rooms out of wood, but later found modular units.

Mr. Baer is confused about the allocation of Local A-Tax dollars. Where is the list of organizations requesting dollars?

Mr. Rodman informed him that not much has been done in previous years and only a couple of requests had been received. That is why he is asking staff to look at this with other CIP items.

It was moved by Mr. Flewelling, seconded by Mr. McBride, that Finance Committee approve and recommend to Council award of \$42,000 of local accommodation tax (3%) to fund 4 double changing rooms, 4 shower towers with 4 showers and a hose bib each including plumbing, 4 flat benches made of recycled plastic, 4 bicycle racks for 8-10 bikes each made of recycled plastic, and 2 all terrain wheelchairs to provide beach and water access to handicapped. The vote was: FOR –Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville, and Mr. Stewart. ABSENT – Ms. Von Harten. The motion passed.

**Recommendation:** Council award \$42,000 of local accommodation tax (3%) to fund 4 double changing rooms, 4 shower towers with 4 showers and a hose bib each including plumbing, 4 flat benches made of recycled plastic, 4 bicycle racks for 8-10 bikes each made of recycled plastic, and 2 all terrain wheelchairs to provide beach and water access to handicapped.

## **2. 2011 Accommodations Tax 2% (State) and Hospitality Tax Fund**

**Discussion:** Mr. Dick Farmer, 2% Accommodation Tax (State) Board Chairman, reviewed the Board's recommendations with the Committee. He presented a recommendation for the use of \$200,000 and an additional recommendation just in case there were additional monies. With the declining funding availability, the Board looked at all requests with laser intensity. There were about 28% of available dollars compared to the requests received. Most recommendations ranged from 11% - 60% of dollars requested. He mentioned the Hilton Head Island-Bluffton Chambers being the "elephant in the room of not showing up". The Board requests dollars not be given but if additional monies become available, money would then be given.

Mr. John Moore stated there if there is a rule then it should be number one, never change and not be sidestepped. Whenever you are giving away money, someone should be there to represent. Mr. Farmer replied that it is not on the original recommendation.

Mrs. Carlotta Ungaro wanted to clarify that they received \$70,000 not \$50,000 in 2010 funding.

Mr. Starkey stated that the monies were not recognized until 2011. Being that it corrected a prior year mistake it was off of the prior year fund balance. The fund balance is still in the negative. It needs to go back to the positive.

Mr. Stewart commented that he is tired of overspending the accounts. Maybe we should reduce the amount, give out less, so that over the course of a couple years we get on the right track. The Chambers get a statutory amount. They get the lion's share of the discretionary funds. Others get a lower percentage. He has a hard time with that. It seems that it is not a fair system for the Chambers to be on both sides of the equation to receive money.

Mr. Holman corrected Mr. Stewart saying that the Beaufort Black Chamber of Commerce does not receive monies other than state (2%) accommodation tax (2% A-Tax).

Ms. Susan Thomas, Hilton Head Island-Bluffton Chamber of Commerce, stated their not showing up was a case of human error. They got confused when the week prior they had a meeting with Council regarding Hospitality Tax. The date got confused. She thought it had been moved. It was not intentional. They were participating and planning with a group they are working to bring to the region – eco-tourism.

Ms. Von Harten thanked her for the apology. This rule about not giving people money for not showing up is to rule out people that are “fly by night”. She supports giving them more funding than currently recommended.

Mr. Rodman wanted to know if the Board would give additional monies to the Hilton Head Island-Bluffton Chamber of Commerce, before the rest in the second recommendation category.

Mr. Farmer stated if less than \$100,000 of additional dollars were available they would reduce the rate by a percentage.

Mr. Dawson stated when looking at the Board’s recommendation it seems the Gullah Festival’s reduction in funding is much greater. There are a lot of reductions, but there is an inordinate proportion to them.

Mr. Farmer stated some of the other recommendations are either equal or more reduced. He can attest the Gullah Festival was not singled out. We always ask for their priorities and he stated if memory serves him correctly, theirs just had a block called advertising. There was not a single portion to fund.

Mr. McBride expressed his thanks to the Board for all of their hard work.

Mr. Baer pointed out that the three Chambers in 2011 will receive \$572,000 with the first recommendation. With the second recommendation they would receive an additional \$68,000. Plus they also receive monies from the municipalities. If the second recommendation occurs, the amount they receive will be higher than what they received last year.

Mr. Rodman stated there are two possible paths to go down. The Committee could approve the \$200,000 as presented or the Committee could recognize that we need some money for the Hilton Head Island-Bluffton Chamber of Commerce and the amount identified is almost the same as the projected difference between the money coming in this year, less the \$200,000 Council requested the Board to allocate. This is a case where we should allocate the money as it is coming in as opposed to building up a one year reserve.

Mr. Starkey asked the Committee to keep in mind that there is a negative fund balance. That is part of the reason to be conservative or we will be looking at a general fund transfer next year.

Mr. Baer wanted to know the status of Hospitality Tax (H-Tax) for the Chambers. Mr. Rodman stated they have requested H-Tax dollars but we have yet to allocate any.

Ms. Von Harten feels we are getting somewhere compared to where we used to be, but she would like to see more money put into marketing for things that are always here rather than a one-time event to promote place-based tourism. We can spend a ton of money promoting one time programs but we will not be building a strong foundation to build cultural tourism. She feels we are nickel and diming. We are not getting the “bang for our buck”. She is willing to accept the Board’s recommendation for this year.

**Main Motion. (2% State Accommodations Tax)**

It was moved by Mr. McBride, seconded by Mr. Flewelling, that Finance Committee approve and recommend to Council approve FY 2010-2011 accommodations tax (2% state) funds in the amount of \$200,000 (first recommendation): Keep Beaufort County Beautiful \$2,800, Hilton Head Symphony Orchestra \$2,500, Exchange Club of Beaufort/CAPA \$1,500, Bluffton Historical Preservation Society \$10,000, Hilton Head Concours d’Elegance \$10,000, Main Street Beaufort \$14,700, Gullah Festival \$2,500, Black Chamber of Commerce \$30,000, Penn Center \$10,000, Coastal Discovery Museum \$7,500, Hilton Head Chorale Society \$1,000, Beaufort Film Society \$5,000, Historic Beaufort Foundation \$2,500, Lowcountry Estuarium \$1,000, Daufuskie Island Foundation \$3,000, Art League of Hilton Head/Society of Bluffton Artists, Beaufort Art Association \$1,000, Arts Council of Beaufort County \$5,000, Arts Center of Coastal Carolina \$12,000, Old Village Association \$3,000, Lowcountry & Resort Islands Tourism Commission \$20,000 and Beaufort Regional Chamber of Commerce \$55,000.

**Motion to amend.**

It was moved by Ms. Von Harten that \$10,000 of the funds be redistributed from the Arts Center of Coastal Carolina to the Hilton Head Island-Bluffton Chamber of Commerce. The motion died for lack of a second.

**Vote on main motion (2% state accommodations tax).**

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

Mr. Caporale stated there was similar conversation last year regarding organizations not showing up. Is not there some way to get around this? Is there a confirmation where folks confirm their appointments?

Mr. Farmer replied we get a return receipt.

Mr. Flewelling said this is a volunteer group that is working tremendous hours. He does not think it is fair to ask for a second go around or a second bite at the apple. If there are

additional funds we can help the Hilton Head Island-Bluffton Chamber of Commerce, but for now this has to be done.

Mr. Rodman reviewed a chart on H-Tax Fund. The chart showed how the amount of money going to the general fund has increased from \$400,000 to \$1,200,000 from 2008 to 2010. We assume that it would stay the same for this year. There is a small amount that has been targeted for grass cutting. Some thought is that perhaps, given the economy and the importance of tourism, we should look at allocating some money from H-Tax to 2% A-Tax. Perhaps \$200,000 would be appropriate to take out of the H-Tax Fund and allocating it to 2% A-Tax. We could then ask the Board to take the amount, run back through the exercise to see where that would lead us. If in fact they do that, are there other groups that might have not been considered a part of the 2% A-Tax submissions but might be in line for some of the H-Tax monies. Tourism is extremely important. We are in a down economy and want to encourage people to come here.

Mr. Sommerville stated he has been struggling with complaints from constituents about grass not being cut. Why don't we step in behind SCDOT and mow the grass. Mr. Starkey will get back to him in regard to what fund the monies come from.

Mr. McBride wanted to know if we transferred \$200,000 from H-Tax to 2% A-Tax, could that not be used for the additional \$100,000 tentatively allocated in the Board's second recommendation. Mr. Rodman says we could look at it.

Mr. Flewelling wanted to know if there are legal requirements to spending this money in a different way. Mr. Rodman says we are okay on this. There is a series of things which include advertising.

Ms. Von Harten stated this grass cutting stuff is something we can do as volunteers as part of a competition. We are going in to tough times. There are many people with big, fancy lawn mowers that live in this County. Her suggestion is to block off the highway and have a lawn mower race. They can pay us for the privilege of mowing the grass.

**Main motion. (Hospitality Tax)**

It was moved by Mr. McBride, seconded by Mr. Flewelling, that Finance Committee approve and recommend to Council the allocation of \$200,000 from hospitality tax funds.

Mr. Starkey stated since Council is charging the Board to go back out for new applications they will have to repeat the process. The additional \$100,000 (second recommendation) could be used in that process instead. That would be Council's charge to the Board. The fund balance is a negative \$25,000 and last year we distributed \$280,000. To be conservative and not run on a deficit for a fourth year, it would probably be best to use hospitality tax monies.

Mr. Baer stated we should fund the Board's second recommendation of \$100,000 then keep the additional \$100,000 to offset the negative \$25,000 and \$75,000 as spare for the next round.

**Motion to amend by addition.**

It was moved by Mr. McBride, seconded by Mr. Flewelling, that Committee recommend and approve the allocation \$100,000 of hospitality tax money to fund (second recommendation): Hilton Head Symphony Orchestra \$2,500, Bluffton Historical Preservation Society \$5,000, Hilton Head Concours d'Elegance \$3,000, Main Street Beaufort \$3,000, Black Chamber of Commerce \$5,000, Penn Center \$5,000, Coastal Discovery Museum \$2,000, Beaufort County Historical Society \$2,000, Arts Center of Coastal Carolina \$5,000, Heritage Library Foundation \$4,500, Hilton Head Island/Bluffton Chamber of Commercial \$35,000 and Beaufort Regional Chamber of Commerce \$28,000. And the remaining \$100,000 to be used at the Board's discretion pursuant to requirements of the hospitality tax statute.

Mr. Flewelling stated that Mr. Baer's recommendation was to also fund the negative balance of \$25,000.

Mr. Starkey stated there is already a cushion left for the negative in the event we were down on revenue.

Mr. Farmer suggested the Board to only have to see new applications. Mr. Rodman stated that would be left between the Board and staff to figure out.

Ms. Thompson spoke in terms of the content for what these dollars are being requested for by the three Chambers. They have already made presentations and the requests for the funds are quite different from the use of requests for the 2% A-Tax dollars. In fact their request is to be able to submit a new application for consideration for this \$200,000.

Mrs. Adams, Hilton Head Hospitality Association, stated they support their local Chamber as it relates to what they do and what they contribute to our industry. If the H-Tax does become available they would come to the table.

Mr. Stewart clarified the H-Tax funds open up to additional applicants and possible uses of the monies. The same narrow criteria cannot be used for the next \$200,000. Also, there is \$665,000 request from the Chambers, out of H-Tax. We are going to take \$200,000 move it and use it as if it were 2% A-Tax, but it is really going to be A-Tax/H-Tax, broadening the scope of whom can apply. Does that mean we are still looking at \$465,000 of additional monies out of H-Tax or are we wiping the slate clean?

Mr. Rodman said we are wiping it clean for the time being. The Chambers have to come back and prioritize their requests.

Mr. Caporale asked that Mrs. Ungaro speak on to the rules of H-Tax dollars.

Mrs. Ungaro distributed to Council a handout on the laws – county and state. H-Tax is a 2% fee on the sales of goods, foods and beverages. It has the same list of items that can be funded as the State 2% A-Tax and the Local 3% Accommodations Tax. Only tourism related projects can be funded out of this pot. It should not open it up to any additional applicants unless someone missed the deadline or came up with something new.

Mr. Rodman stated he is confused in the case of the Hospitality Association. Mrs. Adams wants to know the clarification so they know what to do and what to tell the members.

Mr. Rodman wanted to know if they would potentially submit a request for consideration. She stated they would for another project.

Mr. Farmer stated there was roughly \$750,000 worth of proposals and now we are going to spend \$400,000. It would seem that the people who came after the monies originally would still be eligible for funding.

Mr. Rodman stated there are some applicants that would have prioritized their items differently if they knew there was limited money. Mr. Farmer stated we could go back to what was asked for and reconsider.

Mr. Rodman stated is it fair to say that in the case of the three Chambers, we had a different set of requests, over and above the 2% A-Tax piece. Therefore it would be logical for them to explain those that were not in their original submission. There is not anyone else of the current people that submitted but there be a couple people from other areas that may want to come in. His personal belief is to say that there is \$200,000 additional and give the Board the flexibility to look at all of it.

**Motion to table.**

It was moved by Ms. Von Harten, seconded by Mr. Stewart, to table this item. The vote was: FOR - Mr. Stewart and Ms. Von Harten. OPPOSED – Mr. Baer, Mr. Flewelling Mr. McBride, Mr. Rodman, and Mr. Sommerville, The motion failed.

Vote on the motion to amend by addition. FOR – Mr. Baer, Mr. Flewelling Mr. McBride, and Mr. Sommerville. OPPOSED – Mr. Rodman, Mr. Stewart and Ms. Von Harten. The motion passed.

**Vote on the amended motion, which is now the main motion, and includes the motion to amend by addition:**

Council allocate \$200,000 from hospitality tax funds and approve \$100,000 of hospitality tax money to fund (second recommendation): Hilton Heed Symphony Orchestra \$2,500, Bluffton Historical Preservation Society \$5,000, Hilton Head Concours d’Elegance \$3,000, Main Street Beaufort \$3,000, Black Chamber of Commerce \$5,000, Penn Center \$5,000, Coastal

Discovery Museum \$2,000, Beaufort County Historical Society \$2,000, Arts Center of Coastal Carolina \$5,000, Heritage Library Foundation \$4,500, Hilton Head Island/Bluffton Chamber of Commercial \$35,000 and Beaufort Regional Chamber of Commerce \$28,000. And the remaining \$100,000 to be used at the Accommodations 2% Tax Board's discretion pursuant to requirements of the hospitality tax statute. The vote was: FOR – Mr. Baer, Mr. Flewelling Mr. McBride, and Mr. Sommerville. OPPOSED – Mr. Rodman, Mr. Stewart and Ms. Von Harten. The motion passed.

Mrs. Pamela Ovens, Beaufort County Historical Society, pleaded for the original requested amount to be funded. The project is for historical markers. We are the oldest organization in Beaufort County dedicated to the study and preservation of history. Because of our 300<sup>th</sup> anniversary, these markers are important north and south of the Broad River. They are sanctioned by the Department of Archives. History is important. People come here for the history of this area. The amount in the Board's second recommendation is only enough to buy one marker. We want to buy five.

Mr. Rodman suggests that she send a letter to the Board.

**Recommendation 1:** Council an approve FY 2010-2011 accommodations tax (2% state) funds in the amount of \$200,000 (first recommendation): Keep Beaufort County Beautiful \$2,800, Hilton Head Symphony Orchestra \$2,500, Exchange Club of Beaufort/CAPA \$1,500, Bluffton Historical Preservation Society \$10,000, Hilton Head Concours d'Elegance \$10,000, Main Street Beaufort \$14,700, Gullah Festival \$2,500, Black Chamber of Commerce \$30,000, Penn Center \$10,000, Coastal Discovery Museum \$7,500, Hilton Head Chorale Society \$1,000, Beaufort Film Society \$5,000, Historic Beaufort Foundation \$2,500, Lowcountry Estuarium \$1,000, Daufuskie Island Foundation \$3,000, Art League of Hilton Head/Society of Bluffton Artists, Beaufort Art Association \$1,000, Arts Council of Beaufort County \$5,000, Arts Center of Coastal Carolina \$12,000, Old Village Association \$3,000, Lowcountry & Resort Islands Tourism Commission \$20,000 and Beaufort Regional Chamber of Commerce \$55,000.

**Recommendation 2:** Council allocate \$100,000 of hospitality tax money to fund (second recommendation): Hilton Heed Symphony Orchestra \$2,500, Bluffton Historical Preservation Society \$5,000, Hilton Head Concours d'Elegance \$3,000, Main Street Beaufort \$3,000, Black Chamber of Commerce \$5,000, Penn Center \$5,000, Coastal Discovery Museum \$2,000, Beaufort County Historical Society \$2,000, Arts Center of Coastal Carolina \$5,000, Heritage Library Foundation \$4,500, Hilton Head Island/Bluffton Chamber of Commercial \$35,000, Beaufort Regional Chamber of Commerce \$28,000. And the remaining \$100,000 to be used at the Accommodations 2% Tax Board's discretion pursuant to requirements of the hospitality tax statute.

**3. Consideration of Reappointments and Vacancies**  
• **State (2%) Accommodations Tax Board**

**Recommendation:** Council nominates Anita Singleton, representing cultural, to serve as a member of the State (2%) Accommodations Tax Board.

**4. Consideration of Contract Award**

**• Request for Qualification for Arborist Services for Beaufort County**

**Discussion:** Mr. Dave Thomas, Purchasing Director, reviewed this item with the Committee. Beaufort County, in partnership with the Town of Hilton Head Island, issued a Request for Qualifications (RFQ) to firms capable of providing professional Arborist services to represent both parties during the upcoming tree removal project at the Hilton Head Island Airport. The selected Arborist will assist the County and Town in performing our oversight/monitoring of the contractor hired to trim, cut and removed selected trees at the Airport. The evaluation committee consisted of Salle Krebs and Teri Lewis, Town of Hilton Head Island, Amanda Flake, Beaufort County Planning Department, and Paul Andres, Director of Airports. Beaufort County received three responses. The evaluation committee reviewed and evaluated all responses and selected all three firms for interviews: Preservation Tree Care, Ward Edwards and Mullane Associates.

After the interviews and based on the RFQ evaluation criteria and professional experience, Preservation Care was selected as the top ranked firm to provide professional arborist services for the Hilton Head Island Airport's upcoming tree obstruction removal project. Funding for these services will come from FAA Grant #30 (95%), Town of Hilton Head Island (2.5%), and local match (2.5%). These services will be billed on an hourly basis at cost not to exceed \$60,000 for the on-airport tree obstruction removal phase. The local match for this phase will not exceed \$1,500 which is the Airports budget covered by FY2011 under account 13480-54301.

It was moved by Mr. Baer, seconded by MR. Flewelling, that Committee approve and forward to Council an award of contract to Preservation Tree Care to provide Professional Arborist Consulting Services in support of the Hilton Head Island Airport's Tree Removal Project for the on-airport portion at a cost not to exceed \$60,000. Funding for these services will come from FAA Grant #30 (95%), Town of Hilton Head Island (2.5%), and local match (2.5%). These services will be billed on an hourly basis at cost not to exceed \$60,000 for the on-airport tree obstruction removal phase. The local match for this phase will not exceed \$1,500 which is the Airports budget covered by FY2011 under account 13480-54301. The vote was: FOR –Mr. Baer, Mr. Flewelling Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**Recommendation:** Council award a contract to Preservation Tree Care to provide Professional Arborist Consulting Services in support of the Hilton Head Island Airport's Tree Removal Project for the on-airport portion at a cost not to exceed \$60,000. Funding for these services will come from FAA Grant #30 (95%), Town of Hilton Head Island (2.5%), and local match (2.5%). These services will be billed on an hourly basis at cost not to exceed \$60,000 for the on-airport tree obstruction removal phase. The local match for this phase will not exceed \$1,500 which is the Airports budget covered by FY2011 under account 13480-54301.

**5. Consideration of Contract Award**

**• Rental Car Concessions at the Hilton Head Island Airport**

**Discussion:** Mr. Dave Thomas, Purchasing Director, reviewed this item with the Committee. Beaufort County advertises a RFP in July 2010 requesting proposals from qualified rental car concession service providers. Our current providers are Hertz, Avis Budget, Dollar-Thrifty, and Enterprise occupying five counter spaces and utilizing 105 ready return parking spaces. The County's intent is to continue this service at a fair and reasonable cost to the public while providing a revenue-generating contract in support of Airport operations.

For the right and privilege to operate and automobile rental car concession the successful contractors agreed to pay 10% of gross revenue, payable monthly or payable 1/12 per month of the minimum annual guarantee of \$43,200, whichever is greater. Last year these rental car contracts yielded a total of approximately \$453,000 in revenue to the Hilton Head Island Airport. And increase in the minimum annual guarantee and expansion of the definition of the term "gross revenue" is expected to increase the amount of revenue generated this year by an additional \$30,000 to \$50,000. These revenue contracts will result in monthly deposits into Hilton Head Island airport accounts 59001-47130 for rental car counter space, 58001-47131 for ready return spaces and 58001-47132 for rental car commissions.

Mr. Baer inquired as to what happens if someone rents a car from the FBO. Mr. Andres replied we still get 3%.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling, that Committee approves and forward to Council an award of revenue contracts to Hertz, Enterprise Leasing Company, ILM Transportation Inc., and Avis Budget Car rental to provide automobile concession services for one year with four one year renewal options at the Hilton Head Island Airport. These revenue contracts will result in monthly deposits into Hilton Head Island airport accounts 58001-47130 for rental car counter space, 58001-47131 for ready return spaces and 58001-47132 for rental car commissions. The vote was: FOR –Mr. Baer, Mr. Flewelling Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

**Recommendation:** Council award revenue contracts to Hertz, Enterprise Leasing Company, ILM Transportation Inc., and Avis Budget Car rental to provide automobile concession services for one year with four one year renewal options at the Hilton Head Island Airport. These revenue contracts will result in monthly deposits into Hilton Head Island airport accounts 59001-47130 for rental car counter space, 58001-47131 for ready return spaces and 58001-47132 for rental car commissions.

## **INFORMATION ITEMS**

### **6. TRAC Commission Accommodations Tax Recommendation**

**Discussion:** Mrs. Ungaro distributed handouts and presented the Committee with an update on TRAC. The TRAC Commission is looking at all kinds of taxes. Last February she stated she was asked to serve on a state-wide task force for the tourism industry to work on a recommendation on the tourism taxes. They started meeting in June and all of a sudden were told they'd have to have a recommendation in August. Unfortunately the recommendations are somewhat sound. The timing has not been the best in getting the word out to all of the groups. The newspaper has taken a position on a 30-year old law that they think is sound. Basically what this law is trying to do is simplify an extremely complicated process and give the local governments more control and hopefully put more dedicated funding into the DMO's pockets. While a lot of the things the state funds are internal, there are three areas where we compete with external communities in other states: economic development, universities for students, and tourism. The law has the "robin hood effect". Beaufort County donates about 8% of their funds to the robin hood. The first recommendation is to freeze that. Theory is if communities are doing a good job they will bump up to the tiers (there are three). Eventually the funds in that pot should decrease. The way the structure is, the two bottom tiers are held harmless and keep the funds they are currently receiving. She reference how Georgia gets 50/50% and explained that Savannah gets 33% because of bond issue against the tourism center. Overall, national average DMOs get 54%. The South Carolina average is about 12%. We have done a good job getting money therefore we are at 25%. Of that fund, 33% is in grants. She stated 33% of her budget depends on asking for money and not knowing when it will come in. Other states do not have to deal with that. She explained the freeze. Another big change is when you pay your 2% up to the state, currently revenue gets its cut, the scatters get their cut and the rest comes to Beaufort County. What this is recommending is that the 2% taxes go up to the state, 1% goes to the DOR, 5% to PRT, and the next 5% would go to the scatters. The funds that come back to the County are then allocated 50% to the DMO and 50% to the government. That is the basic changes of that 2% law.

Mr. Rodman stated it is basically a recommendation in the TRAC Commission. He wanted to know if it has been accepted by the TRAC Commission. Mrs. Ungaro stated it is out there as a proposal.

Mr. Rodman stated if it is approved by them then it would go to the legislature, etc. Correct? Mrs. Ungaro confirmed.

Mr. Stewart stated it is outside of the TRAC Commission's purview because they are to look at removing special interests and this is looking at the internal workings. It steps on the turf of home rule and the TRAC Commission is set up to where a recommendation is either voted up or down (either the whole package or nothing). Right now with them wanting to put a tax on pharmaceuticals, food, etc, it is dead on arrival and will never go anywhere. Yes, people can submit special legislation for each individual item.

Mrs. Ungaro finds it interesting that the state agency thinks it takes away home rule when she thinks it gives more. The other piece, attempts to put a tax on time shares. There is also a piece on ticket taxes and a piece where local taxes to be collected from the state to streamline how the business that pays the taxes have to file their reports. Local governments will have to submit reports on how those funds are expended for the 2% grants. Those are the major changes in the legislation. There is a book she has been reading called "We don't make widgets" by Ken Miller. It talks about how government processes serving their customers, and this is one of these process that has so much room for improvement.

Mr. Rodman stated we should leave it with the Chairman of the Public Safety Committee to see if anything needs to be done in the near future, where it ends up, etc. Mr. Stewart stated they will not be meeting again until they go into session in January. At that time they will see if there has been any prefilled bill, where they stand, and will follow it.

Mr. Rodman wanted to know if the Hilton Head Island-Bluffton Chamber of Commerce has weighed in on the issue. Mrs. Thompson stated their board has not taken a position.

Mr. Stewart stated something that would be beneficial is hearing from the chambers as to what the future is for tourism and how they plan on going forward. What are we looking at? What is our approach? He would like a detailed understanding of where we are headed with tourism, is it going to grow or be sustained. What is our long term spending and approach?

Mrs. Ungaro stated the state is doing product development studies across the state that can help us answer that question better. When we do our annual reports that will be addressed.

Mrs. Thompson is looking at the new Carolina tourism and state funding for it. The next piece is putting the plan locally in place. Jim Wescott organization, Lowcountry and Resort Islands Tourism Commission, has been instrumental in organizing us locally to work with consultants and stakeholders to put together that product development plan. A marketing program has to wrap in order to meet this bigger 2020 goal of growing tourism from being about an \$18 billion industry to \$40 billion industry. That does not happen overnight. It takes a lot of collaborative engagement. That ongoing discussion with government, as a partner with the private sector industries of the non-profits is really critical.

**Status:** Informational purposes only.

## **7. Smart Decline Contingency Plan**

**Discussion:** Mr. Rodman stated this is something that came out of the Retreat and will be handled as an Executive Committee item. One potential piece that we may have is finance. The useful role for us and staff to take a look at current revenue sources, the downside. Looking at scenarios as the downside would be important in terms of what Council, as a whole wants to do in terms of prioritization of services.

**Status:** Informational purposes only.

**8. Radio Frequency Identification (RFID) System Purchase for Library Department**

**Discussion:** Mr. Rodman stated this came forward and then disappeared. They never came back before the Committee. He stated he is dropping this off of the list.

**Status:** Informational purposes only.

**9. Hurricane Revenue Anticipation Note**

**Discussion:** Mr. Rodman stated we should keep this item in front of us. If we have a bad hurricane we won't have enough money and if we do not have one, we will probably have too much money. Rather than having all of these pockets of money, including the municipalities and school district, we may be better off having \$50-\$100 million in a fund that could be used for that.

**Status:** Informational purposes only.

**10. Treasurer's Office**

**Discussion:** Mr. Rodman stated we do not want to lose sight of this issue. We were collecting a nominal fee in credit cards and people were taking advantage of that which caused us to have a shortfall in an amount in excess of \$1 million. Staff concluded that there was enough money in the Treasurer's Execution Fund to cover that.

Mr. Starkey stated the Treasurer agreed to move \$1 million from the Treasurer's Execution Fee Fund to the General Fund to make the convenience fees collected plus her transfer equal the credit card charges plus tax billing that were not spread out. In turn she has made the General Fund whole through the Treasurer's Execution Fee Fund. That will be a 2010 transaction. Not to speak for the Treasurer, they are currently looking at the situation so that it does not happen again.

Mr. Stewart wanted to know how it affects the bottom line for the year.

Mr. Starkey stated it does not affect the General Fund; it affects the Treasurer's Execution Fee Fund.

Mr. Rodman stated we have an issue where we are collecting County taxes that go into the Treasurer's Execution Fee Fund which she is now using to reimburse us.

Mr. Starkey stated it was to be set up to where the credit card convenience fee would offset the credit card fee. Our General Fund would recognize \$1 million worth of credit card fees as an expenditure and \$1 million worth of credit card convenience fees as revenue. In turn it offsets to zero which did not happen this year as the tax system was only charging \$3.95 per

transaction. If that credit card bill multiplied by 2% was more than \$3.95, we were out that money. It was in the vicinity of \$1.3 million that the General Fund was out - roughly \$100,000 related to tax billings and \$1.2 million in credit card fees.

Mr. Rodman stated the Treasurer's money for the Treasurer's Execution Fee Fund comes out of our tax line.

Mr. Starkey stated the Treasurer's Execution Fee is a fee that occurs every April 1 and September 1 for anyone that is late. The problem in the past is that it was determined the Treasurer's Office was not allocating those revenues to the proper expenditure. She put most of her staff in the General Fund and had very few staff and expenditures out of the Treasurer's Execution Fee Fund. Current taxes are collected from January to March 15. After that they are considered delinquent. From March 15, until the next tax billings go out, they are delinquent. That expenditure should, in theory, be allocated in that Fund. Those monies being transferred into the General Fund made up for past inequities.

Mr. McBride stated those fees should be used for the collection of delinquent taxes, but they went into a separate account for the Treasurer's discretionary use. The fees that were charged were excessive the way they were used.

Mr. Starkey stated only one employee's salary came from that fund. The problem was that there were several employees charged out of the General Fund. The General Fund was out of whack with this fund.

Mr. Rodman wanted to know at the end of the day if our General Fund is out any money because of this stuff in the Treasurer's Office. Mr. Starkey stated not because of the credit card fees after that transaction.

Ms. Von Harten stated in that meeting three years ago she does not remember us doing anything to change the situation. Mr. Starkey stated it was for information only. We didn't have the authority to change anything.

Mr. Flewelling wanted to know if it has been corrected now.

Mr. Starkey stated for FY 2010 yes there have been some salaries transferred over. Looking at this year's CAFR the Treasurer's budget will only be out by about \$4,000. He now meets with Treasurer's Office staff and asks permission to transfer funds to the general fund budget.

Mr. Flewelling stated we are out of pocket on this transfer because if she is using money to reimburse us for credit card fees and using money which should have been allocated to the General Fund to pay expenses that were paid out of the General Fund years ago, we are owed the money. In effect we are paying for the credit card problem.

Mr. Rodman stated we are absorbing 100% of that loss. The municipalities, school district and fire districts at that point are not participating.

Mr. Starkey stated the County has engaged Elliott Davis for an agreed upon procedure that we are looking at from how a tax bill is generated to how it is distributed.

Mr. Rodman stated we have an obligation to make sure Council understands this and to see if there is any action Council needs to take.

**Status:** Informational purposes only.

## **11. Airplane Property Taxes**

**Discussion:** Mr. Rodman showed a handout on the airplane property taxes. It showed the amount of taxes that has been collected - \$1.3 million. From 2004 to 2009 it has gone from \$200,000 to \$100,000. Our sense is there are people registering their plane elsewhere. We have been decreasing at 13% for the last five years. If that were to continue that amount of money would decrease and over the next ten years instead of collected \$1.3 million we would be collecting \$.5 million. What is on the table is to go to 6% and assume that we stay the same at that amount. Let's assume that if we are losing people because we were higher than everyone else, what happens if we are less than everyone else. He presented the numbers with the 4% amount. We would have to increase at 24% a year to get at the \$1.2 million. He also presented figures with a double rate and what would happen – it would grow to \$4 million. He is beginning to think that there is some logic to consider going to the 4% assessment ratio. Delaware has no tax; therefore many planes get registered there. Of the planes registered in South Carolina, were we to go to a 4% ratio with us having the lowest millage rate in the state, we would have the lowest airplane tax. This might encourage people to register their planes here. It is not a bad gamble.

Mr. Baer stated he went through the county profiles which show if you have a plane in Jasper County; it is a 10.5% rate and has a much higher millage rate. Your taxes would be much higher there. It is true in other counties as well. If you look at taxes on an airplane, Beaufort County would have one of the lowest dollar taxes of all the counties. It is important to look not just at the percentage but the dollars paid. We have no idea what our collection ratios are – the last we looked they were about 1/3. He and some of his constituents would like to understand the collection ratio for airplanes versus boats. That is a simple question. Do we do better on boats than airplanes?

Mr. Starkey stated the last interim financial statements which were May; it does have a section in there that lists by property type collection rates. He stated he knows the County Auditor, after it was brought up that the airplane collection rates were low, ended up taking it off the books realizing that some of these planes never were here.

Mr. Baer stated we are spending a lot of time to reduce the property taxes on airplanes. 6% is a reasonable goal. Instead of putting this much energy into this first, us should put as much

energy into understanding the airports budget. We need to understand the budget before reducing their taxes.

Mr. Rodman stated he wanted to wait until the CAFR was finished then schedule a meeting to discuss it.

**Status:** Informational purposes only.

DRAFT

**Finance Committee  
Minutes from August 23, 2010  
Executive Conference Room, Administration Building  
Beaufort, South Carolina**

Committee Members:

Stu Rodman, Chairman  
William McBride, Vice Chairman  
Steven Baer  
Brian Flewelling  
Paul Sommerville  
Jerry Stewart

Laura Von Harten was absent.

Non-committee members:

Rick Caporale  
Weston Newton

Staff:

Gary Kubic, County Administrator  
Bryan Hill, Deputy County Administrator  
David Starkey, Chief Financial Officer

Public:

Carlotta Ungaro  
Bob Moquin  
Susan Thomas  
Valerie Truesdale  
Fred Washington  
Phyllis White

Chairman Rodman called the meeting to order at 12:49 p.m.

**2011 HOSPITALITY TAX AND LOCAL ACCOMMODATIONS TAX DISCUSSION**

Chairman Rodman reviewed the handouts in the packet regarding allocations which he has updated.

State 2% Accommodations Tax:

Chairman Rodman said in 2011, they carried forth a \$36,000 negative. The assumption is that the money would come in at the same level, as in the past. By ordinance, a certain amount goes to the County and to the chambers. In theory, this leaves \$326,000 were they to target for a

zero balance. The requests that have come in are \$264,000 from the three chambers and for everyone else there is \$445,000. Council approved \$200,000 and asked the Accommodations Tax (A-Tax) board to prioritize what they would do if they had up to another \$100,000.

Local 3% Accommodations Tax:

A portion goes into operations, destination marketing organizations (DMOs), infrastructure, rivers and beaches and reserve fund. The beginning balance for 2011 is approximately \$1.6 million; \$563,000 should be revenues, and \$431,000 is already committed, which leaves a balance uncommitted of \$1.7 million. Chairman Rodman asked the committee to consider if there are areas that should be looked at as investments in 2011 infrastructure, *i.e.*, Fort Fremont, Camp St. Mary's, a convention center, Fort Mitchell and others.

Chairman Rodman said under rivers and beaches there is \$210,000 and Hunting Island will be asking for some money. Mr. Flewelling said he believes it is \$64,000. The reserve fund is a little more than half a million; some of it needs to be allocated back to tourism infrastructure and rivers and beaches. Chairman Rodman said he would tidy that up. Mrs. Carlotta Ungaro, Beaufort Regional Chamber of Commerce president, said it is allocated under 2% state tax but the other two taxes can be applied as they see fit.

Hospitality Tax:

The total column is \$2.5 million. If revenues stay the same, it is \$1.1 million; \$1 million has been committed to Heritage and Council is at second reading as to whether it will come from this fund. "\$1.345" will be the ending balance. The requests were highlighted last week from the three chambers. Chairman Rodman said the task is how much if any of the reserves should be allocated and what kind of process should occur to ensure that all who have a suggested need are considered.

It was moved by Mr. Flewelling, seconded by Mr. Sommerville, to fund the Chambers of Commerce combined requests of \$665,000.

Chairman Rodman said the A-Tax falls under the A-Tax Board.

Mr. Flewelling said it is clear they reached a point where they need to make an investment in the tourism industry. If it is not made now, who knows what the winter and next summer will look like? Mr. Sommerville said advertising is always problematic: "You don't really know what you're going to get until you do it." If this is approved, he would hope for feedback on how it is doing.

Mr. Baer asked for all the money the chambers receive. He said he felt there are discrepancies. Chairman Rodman said on page 1, \$487,000 for chamber expenditures is included as required by ordinance. A-Tax requests of \$264,000 on page 2, and \$665,000 on page 4, come to

\$929,000, which is discretionary. Mr. Baer said the total is \$1.416 million. Chairman Rodman said the \$487,000 is already approved as it is required by ordinance.

Mr. Stewart said over time there has been a significant amount of property annexation into Bluffton in particular. Therefore A-Tax has been increasing. He asked if the funds they have provided through discretionary and ordinance requirements increased proportionally and what they are getting in total numbers from the governments in Beaufort County.

Mrs. Ungaro said state and local funding for tourism is confusing. The City of Beaufort has not increased their pots. They get the City's hospitality tax (H-Tax) and the City provides the visitors' center at no charge. The 3% and other money is spent on a direct tourism asset, Waterfront Park. Mrs. Ungaro said the chambers compete with communities in other states to get tourists. Last year, the Chamber of Commerce's A-Tax money was \$359,000. By state statute, in Georgia, at 5% they would have gotten \$710,000. In North Carolina, they would have \$950,000 without coming to ask for grants. Most states in the Southeast fund their DMO's at 50% of the tax.

Mr. Stewart asked if those numbers come from the state. Mrs. Ungaro said all of the tax is local. Mrs. Ungaro said few states have state sales tax, but she compared 5% A-Tax. Mr. Stewart asked the total amount of funding from all government entities in Beaufort County. The municipalities should be going up proportionally; they should not be looking to the county for all of it. Mrs. Ungaro said Susan Thomas, vice president of the Hilton Head Island-Bluffton Chamber of Commerce and Visitor Convention Bureau, "gets the Bluffton money." The City of Beaufort or Town of Port Royal have had no annexations of hotels, but they are getting the additional benefit of the visitors' center.

Ms. Thomas said in the past year, their DMO funding plus a supplemental grant from the Town of Hilton Head Island's 2% state accommodations tax amounted to about \$1.3 million. That was out of a total collected of \$10 million. They also received funding from the Town of Bluffton for accommodations within the city limits of Bluffton of just less than \$50,000. From all county sources and the Town of Bluffton, total funding was \$1.6 million last year. The balance of the total budget of \$3 million came from private investment and state grant funds.

Ms. Thomas said in a national comparison, in all destinations across the United States, "lodging tax usually funds to the tune of 54% the officially designated DMO." In South Carolina, DMO funding falls into a 10% category of the overall collections. The allocation designated by law is 10% as opposed to 54% nationally. Mr. Stewart asked if the shortfall was state, county or local. Ms. Thomas said 2% is state accommodations tax and the state allowed a local tax to be put into place. When it was, no designation was set up by the state for a portion of those funds to be specifically allocated for destination marketing. They can be but are not legally obligated to. The state legislature could change that but it is unlikely.

Mr. Stewart asked Ms. Thomas how much of what the state collects is allocated back to DMOs. Ms. Thomas said 2% of the 2% state A-Tax goes to the Department of Revenue. 2% goes to regional tourism offices. The rest comes back to the local entity for distribution. The county receives 5% plus \$25,000, the DMO receives 30% of the remaining and the other 65% are the funds Chairman Rodman referred to as the purview of the local A-Tax board. Mrs. Ungaro said a little less than 10% of Beaufort County's goes into the Robin Hood. Ms. Thomas said any county that collects more than \$900,000 has to fund-share with other counties that do not collect as much money. For Hilton Head Island, that amounts to several hundred thousand dollars. Mrs. Ungaro said, \$450,000 for the whole county.

Mr. McBride asked if there has been a significant increase from the Town of Bluffton because of annexation of hotels into Bluffton in the last several years. Ms. Thomas said they only began collecting A-Tax when they reached the \$25,000 threshold about 4 years ago, so there is not a comparative history over time. The first entity to fall within the town was Inn at Palmetto Bluff, then Comfort Inn annexed back into town. It has helped but has not filtered to the DMO by the time they were designated and enough was collected, there is about \$50,000 a year and that held steady for the last few years.

Mr. Baer asked about how the \$631,000 was calculated for the chambers. Chairman Rodman referred to \$281,000 on page 2, \$350,000 on page 3, and nothing on page 4. Mr. Baer said they are asking for double what they asked for last year. Chairman Rodman said that is correct. Chairman Rodman said to Mr. Stewart's point, there should be a summary of what the total government sources of money look like. He suggested they should commit \$500,000 of the \$665,000, recognizing it will have to come back to them anyway. Then, make decisions on prioritizing later on the rest. Mr. Flewelling asked how the money will be allocated among the chambers. Chairman Rodman said he thinks the three chambers should decide on a fair division. Chairman Rodman said Chairman Newton has said since the A-Tax board meeting and since some of the meetings will come out of that anyway, the committee might be considered to do the allocation.

Motion to amend by substitution: It was moved by Mr. Flewelling, seconded by Mr. Sommerville, to commit \$500,000.

Chairman Rodman asked if they were comfortable with the A-Tax board doing the allocation, and there was general assent.

Mr. McBride said the county has not come into a lot of money and the mandated services are not being met. The chambers have come back to the Council in an economic downturn as if it were a goose with a golden egg. He wonders about the wisdom of divvying up the money when they have a shortfall for funding essential needs in the County. He cannot support the motion. Chairman Rodman asked if there was a number less than \$500,000 that would make sense to him and do the allocation in \$50,000 increments if the money is available. Mr. McBride said he

is not fully comfortable with that because he thinks the County as a whole has a greater need than the Chamber of Commerce does.

Mr. Stewart said he has a problem with the Hospitality Tax (H-Tax) and taking a significant amount out of it. Hospitality primarily comes from restaurants, etc. He would like to know the percentage of prepared food purchased by residents, not tourists; that money should stay in the county for infrastructure, etc. He feels they are being very generous and that money should go for the citizens who support that and pay that bill, for projects like Fort Fremont. A lot of the tourism dollars are not what he considers tourism, i.e., Parris Island graduation in northern Beaufort County. He is not in favor of giving any money out of the hospitality fund to the chambers. In lean times, he does not feel comfortable with them asking for more. He feels the chambers needs to focus on their region, not compare it with others.

Mr. Flewelling said yes, the fund allows them to do different things. Fort Fremont and Camp St. Mary's will not be done for awhile because of overhead costs, including Mitchelville. He feels if they do not fund the chambers, they lose pace with other ad dollars in other competing communities. They need to stay in the game.

Chairman Rodman said as far as infrastructure, he referred to the 3% tax on page 3. He asked the committee's pleasure on how they would like to proceed. He said funds from it have not been spent on tourism for three years.

Bob Moquin, Beaufort Convention and Visitors Bureau, said the number of Marines' families who used to come to graduations were as high as 9 people per graduate and now it is less than 5. The military graduations cannot be relied on. If they continue to take the same approach, it will continue to dwindle. When the economy went down, there were fewer residents in the restaurants. If they depend on residents or any one segment, they "deserve to be in a world of hurt."

Dick Stewart said he is concerned about this money being perceived "as a gift to the chambers." Since 2007, the unemployment rate in Beaufort County doubled. One of the essential services is to put those people back to work, i.e., housekeepers and restaurant workers. They are getting money and jobs in the hospitality industry because the chambers have been funded. He said this is "a public good sort of issue." Revenues are going down dramatically, he said, as a hotel owner. He wants this to be considered as an investment in unemployed workers.

Mr. Baer asked why hotels do not put their own money in for the investment. Ms. Thomas said her organization has a \$3 million budget, and a significant portion is private investment, i.e., a matching fund. In response to an earlier question from Mr. Stewart, she said the amount of taxes paid by visitors, the impact of visitors and their spending in southern Beaufort County, pays 70% of H-Tax collections. The law says those dollars are to be used for tourism marketing and tourism-related projects. The three chambers are official designated marketing

organizations. She said "This is an investment in the industry in a forum that is stipulated by law to be spent that way...to maintain economic vitality."

Mr. Sommerville, referring to the motion on the floor to fund \$500,000 of the \$650,000 request, asked those who planned to vote against it if they would vote for another number. Chairman Rodman said the motion is that the Accommodations Tax Board addresses the 2% with a minimum of \$200,000. The 3% is not being addressed now. On the hospitality side, a proposal was made to allocate \$500,000 and have the A-Tax board do it if they are willing and then to address where they would prioritize further allocations in \$50,000 increments.

Mr. Baer said if the numbers they were told were correct, they are asking for a total this year of \$1.416 million, and for 2010 they got \$631,000. He said he would be comfortable with bringing them to that total for last year plus whatever percentage tourism increased from last year to this.

County Council Chairman Weston Newton said he did not know a recommendation was coming out today; he anticipated it would be a discussion and fuller understanding by council of the tourism-related projects are for which the money has been accumulated. He is not saying more should not be given to tourism and marketing. He feels they need to understand the full picture. There have been concerns for a couple years that no money is being spent on hospitality for the promotion of tourism. The money from A-Tax was with the big picture in mind. There are dollars being spent, so it is appropriate to look at the overall picture. If it makes sense to make a bigger investment in tourism promotion, then they should do it, but they should also look at projects that would be funded from this. He said he is not sure how the requests have come up, but at the retreat they said to look at the Capital Improvement Plan (CIP), which included those things for which the money has been accumulated. A convention center would also be appropriate. He is reluctant to spend \$500,000 on this before they have looked at those projects that were previously identified projects for those funds. There are more requests than there is money. He does think it would be a good idea to go to the A-Tax board to divvy up the funds that are given; a competitive process is appropriate. He would vote against it today until the price tags are better understood, he stated.

Chairman Newton said this could not take place at their regularly scheduled A-Tax meeting. Doing something today would not move the discussion forward. The A-Tax board could only evaluate the submissions made today. If the direction is to shift, it should be widely known that tourism promotion funding will increase in the process. Chairman Rodman suggested that if the A-Tax board could look at the 2% funds and the hospitality funds, the 3% infrastructure could perhaps best be determined by county staff as part of the CIP. Chairman Newton said some of the tourism-related infrastructure projects fall within that statutory definition too.

Chairman Rodman said if the A-Tax board agreed to it, they would probably need to meet twice in September to look at the expanded requests, and give others have the opportunity to weigh

in. Mr. Flewelling said it needs to be moved somehow, but he is not sure how to do that. Mr. Flewelling said he would like to see the A-Tax board weigh in on this matter, even if the dollar amount is removed. He asked the committee if that was acceptable to them. Chairman Newton said they will have to have a subsequent meeting. They need the numbers on Ft. Fremont, etc. and then may decide to spend it on tourism.

Chairman Rodman called the question, reiterating that it was to ask the A-Tax board, if they were given \$500,000, what the priorities up and down would be from that number or if they were given another number. If they decided it was \$300,000, they would show how they would allocate it. Mr. Stewart said the motion said there was \$500,000 being allocated and specifically for tourism, split up among the chambers.

Vote on the motion to amend by substation: FOR – Mr. Rodman, Mr. Sommerville and Mr. Flewelling. OPPOSED - Mr. Baer, Mr. McBride and Mr. Stewart voted against. The motion failed.

### **SCHOOL DISTRICT FY2010/2011 MILLAGE RATES**

After a short break, the Finance Committee meeting reconvened, and Chairman Rodman said that when the ordinance was approved in June, the expenditure level as submitted was approved. The discussion at this meeting is in order to finalize the millage.

Chairman Rodman reviewed documents he created and provided to the committee to summarize the issues. Chart 1 looked at some key statistics going back five years to see that enrollment edged up slightly; the amount of General Fund allocated per pupil increased 28%. General Fund expenditures increased 32%. General Fund actual versus minimum is \$62 million over the five years. There has also been an increase in the General Fund and \$100 million that has been put in by taxpayers to the fund the shortfall.

Chairman Rodman referred to Chart 2, column 3 “difference”: In the early years, they bounced back between being short and not. The ins and outs off-set each other, and in the last couple years, there has been a shortfall. This chart runs from September 1 through the end of August. He said that’s a snapshot of collections historically. There’s been some buildup in the amount of uncollected money, i.e., foreclosures and bankruptcies, money that is always recovered, though it takes time to work through the system.

Chart 3 reflects that the plan was to collect \$114 million (what the Board of Education certified). The ordinance changed the amount to \$116 million. The difference is the mill values, Ms. White said. The mill value is \$1.304 million, and the current mills are 90.26. He said if the collection rate was at 97%, they would get \$114 million and if collection was 99%, they would get \$116 million.

Chart 4 showed where they are on the mill values. He and Ms. White discussed the differences in numbers. The ordinance passed in June was for \$116 million, which is what the School Board wants, and 91.72 mill value, which equates to a 97% collection rate.

Chairman Rodman said since June, there was a meeting in which it appeared the level of staff and enrollment was higher than what the schools experienced in the last year. Also, it was pointed out that the New River Tax Increment Finance district (TIF) will end in June 2013; then the School District and the County will pick up money annually as of FY2014. He said he is "hard-pressed to advocate a tax increase."

Mr. Baer said the mill value is something that ought to be known. Chairman Rodman said on page 4 it is \$1.305 million at 100%. Mr. Sommerville said on chart 2, he guesses the number will be the same or worse. He wonders if people stop paying property taxes, if the county eventually gets the 2.1%. Are they less likely to get it all today than they were five years ago? Logically, though they are supposed to be fixed, he wonders if they are certainly getting it. Mr. Flewelling said by law there is nothing to be done. Mr. McBride said it cannot be done by law. Mr. Flewelling said if there are no bidders at a tax sale, it is bought by the Forfeited Land Commission, and then it would be bought from the General Fund, so it always eventually comes in. Mr. Sommerville asked, if it sits in the Forfeited Land Commission, there is reason to know it will be sold at any certain point of time. The County has no off-setting revenue, he said. Chairman Rodman asked how much of it goes past the first tax sale. Mr. Flewelling said a year. The only exception is bankruptcy, and then all bets are off. County Council Chairman Newton said taxes will be paid in bankruptcy; Mr. Flewelling added that it may be two or three years, but they will get paid.

Ms. White said the 6% to 4% will never be collected. Mr. Flewelling said every dollar taxed eventually gets paid, but if it was originally billed at 6% and goes to 4%, there is a difference that does not get paid. Mr. Sommerville said the migration generated from the 6% to 4% was about \$50 million originally, so 6% of that is \$3 million, which is not far off from the \$2.4 million. Mr. Sommerville said he wants to understand for what he is voting. He said the \$2.4 million is money that "vaporized when people went from 6% to 4%." The state will not pay it. Chairman Rodman said that is part of the answer, but that effect is also spread over prior years as well.

Mr. Sommerville asked Ed Hughes, County Assessor, when the migration started. Mr. Hughes said part of the reason was they added to the tax rolls, from 2007 to 2010, just under 7,700 single-family homes in new construction. They did not exist, they were built, and the owner came in at 4%. Mr. Sommerville said there is not a number that were 6% and went to 4%. Mr. Hughes said they have that number. Ms. Truesdale said 1,022 properties changed in six months. Mr. Sommerville said the average selling price in Beaufort County is under \$300,000. Mr. Sommerville said that amounts to \$20 million.

Mr. Baer asked Mr. Hughes what is being done to audit those going from 6% to 4% to see if they are legitimate. Mr. Hughes said it is an application process, and the property owner has to bring paperwork i.e., vehicle registration, South Carolina income tax return, etc. Mr. McBride asked if they had to provide all the documents and Mr. Hughes said yes. Mr. Caporale asked if they are obligated by law to allow that opportunity. It seems to him that people are "undermining the tax base after the fact." Mr. Hughes said the statute is clear: the property owner must occupy it for as little as one day during the tax year in which they seek the 4% assessment ratio. They have through January 15 of the following year to make an application for the current tax year. For tax year 2010, if they move in December 31, and make application on or before January 15, 2011, and they meet other requirements, they would qualify, and the tax notice would be converted from a 6% to a 4 % notice.

Mr. Caporale asked about Table 8. He said the discrepancy was over \$20 million. He then indicated a figure of \$6.1 million. He said he wants to know what they commit to when they commit to a budget with the School District. Is it a tentative number based on tax collections, etc? He does not see consistency in the numbers. There is a document which the School District's auditors provided in the CAFR, and the numbers he is looking at in the documents in front of him, and it is a 300% or more difference. He asked again what the County commits to when they commit to that number.

Ms. Truesdale said the County Council approved an ordinance for \$116 million. The value of the mill they expect is \$1.265 million; that is the millage that should be set. They would expect logically that it should come in at \$116 million. But for 8 out of the last 9 years, they have been short. The distressed property dollars are not posted back to the school system. Mr. Caporale asked who is responsible for making those cash transfers to the School District. Ms. White said the Treasurer's Office. Mr. Caporale said so they have a record of the disbursements that have been sent to the school district over the last 10 years. He said he would like to see that, more so than the fund balance numbers. He would like to see documentable evidence of what has been received and whether it fell short.

Ms. White said except for 2010, those are audited numbers. Of the 2010 projected shortfall, they estimate \$1.3 million will be collected in August. Mr. Caporale said there appears to be an obvious problem with the way the money is received. He would like to see the records from the Treasurer's Office. Ms. White said in the \$2.4 million, she has estimated August collections in that \$111 million of \$1.3 million; if they only get \$500,000, the difference will put them short \$3 million, not \$2.4 million. Mr. Baer asked what the County collection ratio is, and he was told 97%. Mr. Caporale asked what other county entities suffer when collections fall short and do not receive funds, i.e. fire districts. He was told yes, and he said it is an evenhanded shortfall, then.

Chairman Rodman said no matter how the numbers are cut, the shortfall is in spite of the fact that the fund balance has been increasing. Mr. Washington said in the last discussion, they

discussed that planning has to be adjusted if there is more or less to go into the fund balance. Based on their records and what they have done to solidify the fund balance, bond rating, etc., they plan to do things in a gradual manner. Ms. White will explain the accounting in more detail.

Ms. White said there is some confusion between what the board certified and what is in existence today. Mr. Starkey, Mr. Hill and she met and reached an agreement on the mill value; there was discussion of the mill value versus the budgeted value. They did not do a very good job at the budgeted mill value. They took that into consideration and adjusted the mill value to reflect the vulnerability of the changes from 6% to 4%. They put in 97% collections. They agreed that it is \$1.265 million for budgeted purposes. Then, she took Chairman Rodman's sheets of calculations. Her page 2 recalculated the maintenance of local effort, which is no longer in existence. She explained the differences over the last three years. By Council's ordinance in June, they had a mill value of \$1.285 million at 90.26 mills. That generated \$116 million. If the new mill value of \$1.265 is multiplied by 90.26, it will generate \$114 million, which is not what their board approved. Ms. White said it is an old calculation brought up at the previous week's meeting, and the methodology is based on revenues generated, not expenditures. The inflation factors used on the spreadsheet were repealed, so it is irrelevant.

Ms. White discussed page 3 of her packet. With the new mill value (\$1.265 million at 90.26 mills), in FY2011, that would be the result of the end of year projected. In the original ordinance, they were projected at no mill increase to use \$2.8 million of the fund balance. With the new adjusted mill value, they would use \$4.1 million. In 2012, if they were allowed a 2.5 mill increase, they would use \$6.9 million of their fund balance, and in 2013, \$8.6 million. They also have projected expenditures, and she reminded Council the estimates do include a percentage increase for teachers for their salary and STEP. It is \$1 million per 1%, a substantial amount of their budget and it could occur in future years. Mr. Sommerville asked about non-certified staff. Ms. White showed a form demonstrating the methodology for those calculations. From 2011 to 2012, there is a change of \$3 million estimated for salary increases. There is a \$6 million between the '11 and '12 budgets. It runs reasonably as in prior years.

Ms. White said their teachers are not owing to growth, as would be typical, they are for growth as it relates to expansion of classrooms, i.e., because of special needs students or 37 students in an honors class that needed to be split up. Ms. White said it's only August, and they've used eight of the ten positions. They learned they can move 3 teachers around, but they have to hire a pre-K, so they are at nine now.

On page 3 of her handout, she showed how the board approved a 2% tax increase for 2011. The Board policy is a minimum of 10% but it has been suggested they have a fund balance closer to 14.8%. Under either plan, they do not meet the minimum of their best practices. Chairman Rodman asked if the calculation for 2014 includes the TIF adjustment, and Ms. White said it does not.

Ms. White indicated page 4 of her handout – historical tax collections. In reference to the projected shortfall, she restated that they hope to get \$1.3 million in August. If there are no collections from those switching to 6% to 4%, the state does not make up the difference. The amount received as property tax relief remains the same, so if someone drops off the tax rolls to go to 4% that money is just lost.

Regarding page 5, Chairman Rodman said the School District has “done a super job” of holding it to a 2.6 to 2.7% increase. With all the new schools opened and enrollment flat, they are now predicting it will go up 3.6 to 3.93% in future years. He said he is having trouble understanding that, once the schools are all opened and all fixed costs are in place. Ms. White said the state did not give any teacher salary increase, and they had as high of 3.85% teacher salary increase two years ago. There is a STEP but not an increase, Ms. White said. 3.85% is \$6 million, and they had to take benefit increases into account. \$114 million is not their plan; it is the implications of the new mill value taking into consideration the tax collection percentage times 90.26.

Mr. Washington reminded the committee of an August 2 document. Some projections and calculations were not quite accurate as presented to this body, i.e., tax sales income, the insurance company settlement (which is still not settled), he said. If they budgeted those dollars, they would be further behind. In reference to the TIF, there is no assurance. The impact of the industrial parks affects them. As those factors grow, they have to be monitored and taken into account. They do plan, but they do it with known figures, not projections, especially when they have no history with it.

Mr. Stewart said they have never passed an multi-county industrial park (MCIP) in which the school district doesn't get their share. There are no dollars being taken away from the school district on MCIPs.

#### **ADJOURNMENT**

There being no further business to come before the committee, the meeting adjourned at 3 p.m.

**Finance Committee  
Minutes from August 16, 2010  
Conference Room, Building 2, Beaufort Industrial Village  
Beaufort, South Carolina**

Committee members:

Stu Rodman, Chairman  
William McBride, Vice Chairman  
Steven Baer  
Brian Flewelling  
Paul Sommerville  
Jerry Stewart  
Laura Von Harten

Non-Committee members:

Rick Caporale  
Gerald Dawson

Staff:

Gary Kubic, County Administrator  
Bryan Hill, Deputy County Administrator  
David Starkey, Chief Financial Officer

Chairman Rodman called the meeting to order at 1:33 pm.

**ACTION ITEMS**

**1. AIRCRAFT HANGAR RENTAL RATES**

Mr. Baer asked that the following points about the Hilton Head hangars be entered into the record:

“The Airports Board's recommended rate increase for the Hilton Head hangars is too low for the following reasons:

The Hilton Head hangars lose \$30-40,000 per year, which contributes to the Airport's losses that must be made up by ordinary citizens via the General Fund. Last year we had to pump \$150,000 additional into Hilton Head Airports from the General Fund, plus additional loans to make up for this.

Savannah just raised its hangar rates 33% from \$300 to \$400 per month - higher than our comparable Hilton Head rates. Plus, we have a waiting list for hangars at both Airports.

At previous meetings we set the hangar rates lower than needed to cover costs, with the clear recommendation that we would phase in higher rates via a 5% per year increase. That should be in the minutes (Finance Committee 8/6/07). We have already stretched out the time between increases to over a year. Now we drop the increase from 5% to 2.3% as well?

By comparison, taxes and fees on ordinary citizens in my area are going up 5.8% this year. Some of that is to cover Airport losses such as produced by these hangars.

To be able to afford an airplane makes these hangar users not the average citizens of the County. Paying the costs for what they use would not be a burden - especially since the needed increase this year from that recommended is equivalent to one Starbucks per week. Otherwise, every other taxpayer has to subsidize them. Plus, a higher rent will also help establish a higher sales price, should we decide to sell the hangars.

Given all of this, I can't support a 2.5% increase. (Actually the Airports Board recommendation would only produce 2.3% for the T hangars.) They should be paying the 5% increase we assumed in our previous recommendation. Thus instead of the increase from \$361.62 to \$370 recommended (amounts to 2.3%) it should go to \$380 (amounting to 5.08%). For the T hangars, the difference between the Airports Board's recommendation and the 5% is roughly one Starbucks per week. Rates for the other (larger) Hilton Head hangars should also go up by 5%."

Main motion: It was moved by Mr. Flewelling, seconded by Mr. Sommerville, that Committee approve and recommend to council an approximate 2.5% increase in hangar rental rates at the Hilton Head Island Airport and an increase from \$210 to \$252 for the older T-hangars at Lady's Island Airport.

Motion to amend by substitution: It was moved by Mr. Baer, seconded by Mr. Flewelling, to amend the motion to raise it to 5% for Hilton Head and to stay with the proposed amounts for Lady's Island hangars.

**Jared Newman**, speaking on behalf of the Airports Board, said the real estate tax would balance it to 5%. Mr. Stewart asked why the rent for the hangars is different at Hilton Head than it is at Lady's Island. Mr. Newman didn't know.

**Paul Andres** said the Lady's Island rates were established long ago; at Hilton Head, the rates were established at 2006. They were to increase the rates in the future. After the last automatic increase, the committee wanted the Airports Board to determine the rates. Savannah rates just went up, he added. Mr. Flewelling asked why they decided to raise the old rates from \$210 to \$252. Mr. Andres said the Airports Board thought the newer hangars require more repairs because of their doors. The Airports Board voted 4-3 in favor of the increase on the older

hangars. Mr. Flewelling clarified that the Lady's Island Airport and the Beaufort County Airport are the same thing.

Chairman Rodman said the idea behind the 5% annual raise has always been that they should do what the competition in the area is doing. Mr. Flewelling asked what comparables were for a 52 x 60 and an 80 x 80 hangar at Savannah. Mr. Andres said they were renting in about the same range. Mr. Caporale said he was present for Airports Board discussions, and they were exhaustive. He thinks they did an excellent job preparing the proposal. He doesn't think it's time to go further on the rate adjustments at this time.

The vote was: FOR – Mr. Dawson, Mr. Flewelling, Mr. Glaze and Mr. Stewart. OPPOSED - Mr. Baer and Mr. McBride. ABSENT - Ms. Von Harten. The amended motion failed.

Mr. Stewart said some of the money is being returned to the county each year. He asked if there's been a total return on investment done and what should be charged on a return on investment calculation. He said staff could do accounting on it. Mr. Stewart said they should know what to charge and not be losing money. Mr. Baer said they started with a lower rate and a phase-in period. Mr. Stewart wants to know how far off they are from that. He said he'd ask staff to look at that and give an accounting of where they are.

Mr. Baer asked those who voted against the amended motion why taxpayers should subsidize this. Mr. Stewart said he wanted to make this a future agenda item.

Vote on the main motion: The vote was: FOR – Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, and Mr. Stewart. OPPOSED - Mr. Baer. ABSENT - Ms. Von Harten. The motion passed.

## **2. AIRCRAFT PROPERTY TAXES**

Chairman Rodman said the same issue is on the table about the aircraft. Mr. Andres said at the Airports Board meeting, the subcommittee recommended that, basically as a matter of fairness, aircraft should be taxed like boats and other personal property. They couldn't determine that it would raise more revenue, but felt that to be fair, they should be taxed.

It was moved by Mr. Flewelling, second by Mr. Sommerville, that committee approve and recommend council approve a reduction in aircraft personal property tax from 10.5% to 6%.

Mr. Baer said in regard to unpaid and uncollected taxes that this item was deferred until its known how many aircraft are here and an effort has been made to collect on those that are unpaid. He's in favor of tabling it until the tax collections and records are resolved. He asked that the following be entered into the record:

“While philosophically ok with the reduction, I would support tabling it for now for the following reasons:

These Airports produces losses that ordinary taxpayers have to make up via a combination of costs in their tax bills, plus Airports IOUs of questionable payback ability to the County reserve fund. The Airport's total requirements from taxpayers to cover their losses as of May 31, 2010 were almost \$2.3M dollars.

After knowing about this for over a year, we still don't have a credible Airport financial plan to eliminate this drain. Meanwhile, general taxpayers and the reserve fund must make it up. Until we get that fixed, it is premature to discuss any tax decrease.

In looking at comparable Counties, we don't know if having a lower tax rate, combined with a higher millage there, produces a tax on a given airplane that would be higher than in Beaufort County. It would be useful to take a look at a half million dollar airplane and determine how much they would pay here vs. in Jasper County.

Our knowledge of aircraft actually here and paying us taxes is very cloudy, to say it kindly. Our collection ability is in even worse shape. Furthermore, many people who use our services register their planes elsewhere to minimize their taxes - in some States to zero. They will continue to do so.

Several people have said that it is not clear that we will get any additional registrations by lowering taxes. But, by approving this recommendation it is clear that we will lose revenues from those people honest enough to pay us. Those will have to be made up by ordinary taxpayers, in an already tight year.

Until we get a clearer picture on all of this it is premature to discuss any tax decrease.”

Mr. Sommerville said he's going to support it because time and money is being spent on economic development, and there are “a lot of things to be done to be friendlier to business folks.” Mr. Flewelling agreed that all personal property should be taxed at the same rate as a matter of fairness. Mr. Baer said that the planes of business people who come to the county register elsewhere. Dropping the rate won't make a difference. He wondered about the rate for a small plane in Jasper County. Chairman Rodman said 6% would make them more in parity and lessen the incentive to go elsewhere. Mr. Baer reiterated that “the collectibles mess seems like this is the wrong time to do it.”

Mr. Stewart said it's safe to say that based on other counties, the number of aircraft registered here won't change based on the increase. He feels it's a matter of fairness to charge the same for all property and he'll support the 6%.

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

### **3. 2011 COUNTY BUDGET PROPOSAL**

Chairman Rodman said the open items are to go to council in the form of a resolution where they would approve the final millages for the fire districts in the county, etc. He broke it out into the county and the fire piece for today's meeting and the following day the joint committee would look at the school district's and addresses their concerns.

Mr. Hill said there is no change. He and Mr. Starkey still need to work on Lady's Island/St. Helena Island Fire District regarding some land acquisition. They'll need to see whether the numbers will hold at 30.39 mills for operations and 1.50 mills for debt service. Chairman Rodman asked about the slight movement upward in the mill value and said there could be a small increase available to the county, depending on collections. Mr. Hill said there may be a slight uptick. He said they have gone through the mill process with a value of \$1.74 million, which was discounted by 3% and he plans to keep the value there, owing to economic unpredictability. Mr. Starkey said he'd sent a schedule out about fire district millages where they were in a position last year where their expenditure budgets over the years were set much higher than where their revenues were coming in, especially for Lady's Island/St. Helena Fire District operations and Daufuskie Island Fire District operations. Like last year, they are still frozen as to how much they can increase operations, which is 2% this year. They need to determine if they will make the millages equal what has been approved on the expenditure side year after year. Daufuskie's debt millage is going to "0" this year.

Mr. Starkey handed out a fire district millage analysis sheet referred to earlier in the meeting. He said that all the fire district chiefs were met with, and they realized that over the years, expenditures in their budgets didn't match the revenues that were approved in the millage rates. The growth that was expected never materialized, so projections in mill growth weren't met. The worst are Lady's Island/St. Helena ops and Daufuskie fire ops.

In 4 of the 5 districts, throughout the year, they have a fund balance. Daufuskie Fire is in the negative. By the time the tax bills go out, all of their ops tend to be in the negative except for Bluffton fire district. If everything is kept the way it is, here's what the differences will be: Lady's Island/St. Helena ops, Sheldon fire ops and debt, Bluffton fire debt and Daufuskie ops will all eat into the fund balances they have with the county. He explained that the top part of his table showed, with the values of their mills and with last June's approved millages, these are the millages and here's what they would need to get even with their expenditures, or in the case of Lady's Island/St. Helena ops and Daufuskie ops, they are limited by the 2% growth factor. They can just be taken up to 2%. Daufuskie doesn't need debt millage this year, so it will go to 0. That drops their overall millage by 2.23 net; they are still going down in millage.

Chairman Rodman reviewed and confirmed what was presented on the chart Mr. Starkey distributed. He said Mr. Sommerville and Mr. Dawson would look at the numbers.

Mr. Sommerville made a motion to approve the revised numbers as submitted, seconded by Mr. McBride. Ms. Von Harten said she's concerned the salary schedule for the fire district is not being followed, and she plans to vote against it.

Mr. Caporale said he shares her concern, but he feels that part of their reason they're not catching up on the salary schedule may have to do with what they're spending overall. He said while he's not in a position to address this, someone should, before another year's budget is discussed.

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

## **INFORMATION ITEMS**

### **4. PRESENTATION / GALLAGHER BENEFIT CONSULTANT**

Mr. Kubic explained background on Gallagher Benefit Services, Inc. The county is attempting to cost out hospitalization and has been consulting with Gallagher on this. They will soon be discussing their results with council.

**Suzanne Gregory** introduced the consultants from Gallagher: **Roberta Ferdinand** and **John Tournet**.

Mr. Tournet gave an overview of Gallagher and explained the tools they have available. He presented background on the company, which is focused on the needs of the mid-market segment. They have a thin management layer and a team approach to more flexibly serve their clients' needs. He showed locations of their offices throughout the country.

**Meeting 1:** will include employee survey results, a tool online and on paper. To develop strategy and long-term goals, this helps them better understand what motivates employees from a wellness perspective. They spend a lot of time delivering and reviewing a customized financial reporting package. They will also focus on where dollars are being spent in terms of diseases. Gallagher has an internal reporting system for the self-insured. A budgeting tool will allow toggling around an Excel document to see various available options. Marketing decisions show present coverage and how the carriers are performing; they'll build a timeline based on costs and services.

**Meeting 2:** Marketing analysis will demonstrate opportunities for improvement. There is consideration of on-site member clinics within the county to save money for employees and

employers. He showed how much a day out of the office can cost. With a clinic, more prescriptions are likely to be filled. He showed a sample wellness plan with a communication piece that shows “points” employees can accrue to obtain incentives.

**Meeting 3:** They will put together a customized employee benefit guide to show the benefits all in one place. She showed the option of a customized employee video with a Power Point presentation and a voice-over. Every employee will get the same information all the time and can discuss it with a spouse and accurately relay the information. There is a customized employee web site as well, which can have as much or as little information as they like. An employee benefit fair with various vendors can raise awareness of wellness throughout the community.

**Meeting 4:** Compliance review findings will be done by gathering and analyzing all current contracts with carriers, looking for holes and break-downs. Compliance updates show current changes.

In regard to health care reform, Ms. Ferdinand explained the differences in requirements between maintaining and *not* maintaining grandfathered status. She also showed what the future holds for health care reform in 2011, 2013, and 2014 as it pertains to employers. A health care reform planner will show what changes need to be made in a way that is tailored to the client.

Ms. Ferdinand showed a memo about annual compliance training which GBS will conduct. She then summarized The Gallagher Difference.

Mr. Sommerville asked about the requirement to report; Ms. Ferdinand said it will be a requirement for everyone and will be a separate line. Mr. Caporale said that would only work for working people and they won't be affected. Ms. Ferdinand said that's correct, and it will be on the total portion. Chairman Rodman requested a copy of the Power Point for everyone.

Mr. Baer asked Mr. Kubic if he anticipate insurance costs going up in the current fiscal year. Mr. Kubic said yes, they have a 5% budgetary target included in this budget. Mr. Baer said the 5% has to come through balancing, rather than through taxes. Mr. Kubic said yes and gave an example of 70-80 vacancies in the organization which is “a rather large value”; to make sure they don't bring on more people than they can totally support system-wide, he monitors this daily. Mr. Kubic said this is so important for employees because they are trying to find ways to communicate with the staff that incorporates wellness, counseling, privacy, etc. They have not displaced any workers. They are doing things for staff and need to find ways to take this very expensive benefit and monitor it to help provide other things in the budget.

Mr. Caporale said in regard to Blue Cross/Blue Shield, it's difficult for people to know exactly what they're entitled to, and this seems to worsen every year. Whether procedures are covered

is based on how it's coded when it reaches Blue Cross/Blue Shield. He feels the administration of the plans is obtuse "nonsense." Mr. Kubic said staff through employee services would listen to concerns and intercede on behalf of those who need it. He feels council may not know how often they do this. That's part of the employee services customer service.

## 5. CHAMBER OF COMMERCE REQUEST

Chairman Rodman gave background on the requests regarding where they are seeking county funds to enhance tourism. He'd also like to use it as an opportunity for the committee to see what funds are available. The built up funds that can be used for infrastructure might be used at Fort Fremont or Camp St. Mary's.

Admission Fees: They are used county-wide. It was instituted a couple of years ago. The stipulation is that the funds be used for highway improvements, and if used for something else, the ordinance would sunset. Basically \$1 million has been spent toward debt service for the roads.

Hospitality Fund: In 2008 they had \$1.5 million which has grown to \$2.5 million. The bulk of the money has gone into the General Fund. The money from this would be loaned to the Heritage tournament. \$2 million is there and \$1 million could potentially fund Heritage.

Mr. Stewart asked why the General Fund has been going up. Mr. Starkey said Bluffton Parkway cuttings were paid out of the General Fund and reimbursed by the Hospital Fund. Mr. Stewart said they'd agreed before the contract for mowing was up for renewal to discuss it; he asked if that would occur soon. Mr. Starkey said he'd have to get back to him on the matter of the grass cutting. In FY08 and FY09, there is a contribution made to the General Fund on a yearly basis. The county general fund provides ambulance and public works services, etc. "for these sorts of areas." Mr. Baer asked about the ground rules on how this money can be used. Mr. Starkey said the county ordinance follows a lot of the state ordinances on hospitality. There are ten areas that area allowable and he will get a copy to them.

**Carlotta Ungaro**, Beaufort Regional Chamber of Commerce, said that the 2% tax collected for the state is subject to the same rules and has an oversight committee whose rule of thumb is that if this is an expenditure that would normally be expended for citizens, then it's not considered tourism. Tourism expenditures should be for tourism.

Chairman Rodman said there are 5 places the 3% local accommodations tax money can be used. The state 2% Accommodations Tax showed where the money goes to non-Chamber elements and then to the various chambers. They're at a \$26,000 negative.

### Hilton Head Island-Bluffton Chamber of Commerce

**Susan Thomas** said their areas of focus that need to be shored up are golf marketing and how their position in the marketplace affects jobs, etc. in the area. She also planned to talk about culinary marketing and a county-wide cycling program.

Golf is the #1 paid attraction in Beaufort County and contributor of admissions tax revenue. It's the #2 attraction, second only to beaches. Heritage brings \$82 million into local coffers. They are proposing a year-round program for golf; they've seen concerns. She showed immediate and long-term benefits for golfers coming in, and said they are among the highest value visitors in Beaufort County. The long-term benefits are sustaining jobs on a year-round basis. There's a direct connection between real estate and golf tourism. Competition is eroding the business base by outspending Hilton Head Island and Beaufort County by Myrtle Beach, for example. Golf parties spend 17% more than non-golf parties. Across the country, golf rounds in general have been flat or slightly down. Over 10 years, in Beaufort County, it's dropped 25% in total number of rounds

**Carey Corbett**, president of the Lowcountry Golf Course Owners Association explained the downward trend's effects.

Ms. Thomas said occupancy and lodging rates in 10 years have gone from 64% to 58-59%. The total number of tourists has declined somewhat. Ms. Thomas said they are looking at how they characterize tourists: who a visitor to the area really is. There have been some declines in the golfing segment in that period. Some areas have gone up, such as cultural and family-oriented visitors. She doesn't have a hard figure at this time.

Ms. Von Harten asked how much decline was owing to the closing of the Daufuskie resort. Mr. Corbett said it's not a significant number, and they took those anomalies out of the equation. Mr. Baer said his impression of the visitor numbers is that they are different because there's a different kind of visitor, one who doesn't play golf. Ms. Thomas said there's an opportunity to grow market share with increased marketing to the golfer.

Mr. Stewart asked if the numbers of rounds played included gated communities, etc. Mr. Corbett said they're strictly for-profit public facility numbers. Mr. Corbett said he doesn't agree that private courses are experiencing an increase in play. They're declining because of dues, property sales, etc. He doesn't think play has been displaced. Mr. Stewart said that over time, those courses have taken the homeowners away from public courses. As their numbers increased they have taken play away, including tourists who come to play with friends at their private courses. Mr. Corbett said he doesn't think that's a significant part of the slide.

Golf revenue pays 80% of local 2.5 % admissions tax: in 2004, \$1.8 million and in 2010, \$1.4 million. Mr. Stewart said he found this to represent a more accurate number that is higher than 6.6% but isn't as high as 25%.

Ms. Thomas said they're proposing an investment by the county and others "to shore up golf" and reverse the declining trend while maintaining the current golf customer base and generating new golf visitors.

They want to implement a 15-month campaign with integrated media. Rolling it out in October 2010 and then measuring return on investment and return on tax investment. They would report those metrics in spring and fall 2011. She showed the proposed media distribution. They're proposing \$200,000 from Beaufort County, \$200,000 from the Town of Hilton Head, and \$50,000 from the golf course owners. This will put them on par with what Pinehurst spends on this.

Mr. Baer asked if they could use county TV time. Mr. Stewart asked about the return on investment, and she said she'd report back. It's been a minimum of \$53 for every \$1 spent. They would expect to be at that level or higher. Mr. Stewart asked how much increase in people coming there would be. She said she'd get back to them. Mr. Stewart said the dollars are few, and they need to be carefully spent. Bringing in a business/company will bring a much bigger return on investment. Ms. Thomas said the money from the Hospitality tax is meant to serve the tourism industry and will lure in those who might want to relocate and open businesses or buy homes.

Ms. Von Harten contributed that more than golfing can be done on a golf course.

### **Culinary Marketing**

Ms. Thomas said that visitors rarely come here just for one area of interest. The research shows that visitors who come have a primary reason and then participate in other activities, especially restaurants. 17% of Americans declare themselves to be culinary destination travelers. She showed the most important factors in a good culinary destination. Culinary visitors are interested in other cultural activities, too. The Wine and Food Festival's popularity has grown and can grow more. They want to partner with *Bon Appétit* magazine for a year-round promotional program. It will include East Coast-focused advertising.

### **Bicycle Tourism in Beaufort County**

**David Zunker** discussed the joint program with NBC. The goal is to increase tourism in Beaufort County by marketing to destination bicyclists. The bike market is affluent, active, couples, families, and those considering retirement. The value of the market is remarkable in other areas – Outer Banks return on investment for infrastructure was 9-1, and they expect that getting marketing dollars will give back considerably more return on investment.

Mr. Zunker said the infrastructure is there, and there are paths available as well as bikes to rent and established mapped loops in Bluffton and Beaufort. To proceed, they want to identify 10-

12 routes that would appeal to destination bicyclists, print maps and distribute them through shops, welcome centers, hospitality community, online and mobile apps.

Ms. Thomas showed the proposed request from the Hilton Head Island/Bluffton Chamber of Commerce. \$270,000 is the total request for the county and the same to the town of Hilton Head. The balance is through state and private sources.

Mr. Baer asked how much they got last year. Ms. Thomas said the town funding was for golf at \$75,000 and they're asking for an increase based on their analysis of the situation in the golf community. They had none from Beaufort County prior to now. Private funding has stayed steady. The state allocation varies from year to year. They expect to get \$500,000 from the state with a match.

Ms. Thomas said the request for Beaufort for biking is at \$20,000, "but its cooperative," so Beaufort Regional Chamber will also be asking for that amount.

Ms. Thomas said they've applied to the state for programs in culinary and sustainability in Parks Recreation and Tourism.

#### Beaufort Regional Chamber of Commerce

**Bob Moquin** said that Tourism Works for Beaufort was launched in April. Tourism provides \$700 in tax savings per household for all in SC. It's the #1 job generator in the county and generates \$1 billion per year in revenue.

Beaufort County is in the top 5 counties in SC for tourism; for expenditures, it's the only county that's down. All the others are up. Payroll is flat; the other counties are all up, and the case is the same with tax receipts. This county pays the second-least in the state in taxes because of tourism. More than \$1 million in taxes were collected each year for the last 3 years. The more people who are coming and staying, the more people spend on various things like food, gas, etc.

Their strategies are to be more aggressive with marketing to get people to stay and spend more money. Tactics are more e-marketing, visitors' center travelling exhibits, a historic documentary film, and Project Bike. He showed an investment summary of how they'd like to spend money to get people here. He showed the various sources they have to depend on for funding. 70% of their dollars are spent on marketing.

#### Beaufort County Black Chamber of Commerce

**Larry Holman** briefly gave evidence that the BCBC's efforts are working. **Liz Mitchell** does the marketing consulting for the Beaufort County Black Chamber of Commerce. They support the other chambers' ideas but also promote "cultural heritage tourism." Ms. Mitchell said it's the thing the Black Chamber of Commerce can do best. Beaufort County should be the most

important spot in the Gullah-Geechee National Corridor. They have requested \$125,000 from the HTAX to produce a series of national exhibits and events, including trade show events.

Ms. Mitchell said another new opportunity is for cable TV advertising regionally. She showed research about how much the average guest spends and where they spend it. Planners are finding new travelers and they need to be attracted here.

Mr. Baer said he supports funding for Ft. Fremont and Camp St. Mary's, but money needs to go to Mitchellville so there will be something there to see.

Chairman Rodman suggested that between the 2 funds, they have about \$3 million, and \$1.7 should come in. The amount of money for the 3 chambers' requests is \$600-700,000. He thinks they should have staff put together a 1-2 page projection of what's expected to come in and what it would look like to honor all requests, including what Mr. Baer mentioned and Hunting Island. He thinks they should look at where they are, how much will come in, and how much would go out. This needs to be done relatively quickly, but they also want to see what their Hilton head partners do because that will have an effect. Mr. Baer said there needs to be a summary table.

#### **ADJOURNMENT**

There being no further business to come before the committee, the meeting adjourned at 4:15 pm.

**Public Facilities Committee  
Minutes from August 24, 2010  
County Council Chambers, Administration Building  
Beaufort, South Carolina**

Committee Members:

Herbert Glaze, Chairman  
Steven Baer, Vice Chairman  
Gerald Dawson  
Brian Flewelling  
William McBride  
Paul Sommerville  
Jerry Stewart

Non-Committee Member:

Stewart Rodman (by phone)

Staff:

Paul Anders, Airports Director  
Jim Minor, Solid Waste/Recycling Manager  
Ed Bellamy, Public Works Director  
Dave Thomas, Purchasing Director  
Rob McFee, Division-Director Infrastructure and Engineering  
David Starkey, Chief Financial Officer  
Gary Kubic, County Administrator

Public:

Earl Dietz, Solid Waste/Recycling Board Chairman

Chairman Glaze called the meeting to order at 4:00 PM.

**CONSIDERATION OF CONTRACT AWARDS**

**1. HILTON HEAD ISLAND AIRPORT RUNWAY 21 ON-AIRPORT TREE OBSTRUCTION REMOVAL**

Mr. Anders presented the background on the contract. The bidders were All-Care Tree Surgery, Casey Tree Experts, and Phillips and Jordan. The engineers' estimate was considerably higher than the bids received. The final contract price might vary slightly from what is here. Funding will come from an FAA grant, a state grant, and a local match. The recommendation is for the Public Facilities Committee to approve and recommend the contract.

It was moved by Mr. Flewelling, seconded by Mr. Baer, that Committee approve and recommend to Council approval of a contract for on-airport tree trimming and removal at the Hilton Head Island Airport to AllCare Tree Surgery, Inc. in the amount of \$469,948 contingent upon FAA grant funding.

Mr. Flewelling asked about the \$469, 948 and suggested it may vary as they attempted to calculate the trees. He asked if they think it will vary up or down. Mr. Anders said at this point they don't know. It might vary down a little bit; the arborist will decide which trees can be trimmed and survive. This does not include the arborist fees, but the FAA funding grant will include them. He reiterated that there are multiple funding pieces for this project. Mr. Baer asked about the timing in relation to the noise study. Mr. Anders said the noise assessment is scheduled for a public meeting on September 10, and the assessment will be September 11-13. The project will start around October 1. Mr. Baer asked if they will go 34-1 on the south end; Mr. Anders said yes, that's the plan. Mr. Stewart suggested adding that this is "contingent on FAA grant approval" in the motion.

Mr. Baer clarified that the \$469,948 will have the arborist and project manager costs added in. Mr. Anders said this will complete the removal and trimming portion, but there will be replanting and mitigation afterwards. Mr. Stewart asked Mr. Anders if the things that will follow will also be contracted by the FAA; Mr. Anders said it's included in the grant offer. They have agreed to pay for all reasonable replanting and mitigation, but they won't know what the requirements will be until they know how many trees are removed.

**Fran White** informed the committee that she didn't see the RFP, but the bid documents said that the contractor had to remove or trim trees as required by the Town of Hilton Head Island LMO. She is concerned that this might not go far enough. She distributed copies of critical comments that she felt the committee should be aware from a letter sent in 2008 to Wilbur Smith. It concerned the nature of the property around the airport and ideas to consider before recommending approval of any contract for trimming and removal around the airport. Almost all the property that will be trimmed on the north end comprises historic Mitchellville. She asked them to review the third paragraph: it said that the Baptist church won't qualify for National Registry status because it's not the original building and has burned down twice. But the Cherry Hill School across the street and Ft. Howell are eligible, and the effects of tree trimming on those spaces should be considered. The school will probably get the designation soon. The St. James Baptist Church has imminent "traditional cultural property" status. The Fish Hall Archeological Site/Mitchellville is eligible for the registry, and at some point an application will be submitted to make it so. The fourth paragraph said the proposal has to be done when the ground is dry and named other requirements for removal. She wants to know if the bidder included these provisions in their bid. If not, it will involve a lot of extra money. She added that a law suit is a possibility.

In regard to replacement of trees and the restrictions for that, Mr. Stewart asked Mr. Anders if the letter was taken into account, and Mr. Anders said it was. The letter's concerns are primarily about off-airport property, and this portion of work under discussion is confined to the on-airport work. The main concern pertains to Ft. Howell, off-airport property which might disturb any archeological artifacts that might be there. Mr. Flewelling asked if the contractor is appropriately bonded for this kind of work. Mr. Anders said yes, as far as he knows, he is fully bonded and insured. He is reputable and has been in business for years.

The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Stewart. The motion passed.

## 2. STORM DEBRIS REMOVAL AND DEBRIS MANAGEMENT SITE OPERATION AND DISPOSAL SERVICES

**Jim Minor** reviewed the background on the recommendation. The four firms that met with the panel June 4 were CERES Environmental; DRC Emergency Services, Storm Reconstructive Services, Inc., and Unified Recovery Group, Inc. The review panel agreed to DRC being the primary debris removal contractor and the second ranked firm, CERES, being the secondary debris removal contractor. The agreement with both firms is for an initial 2-year contract with three one-year renewal options.

Mr. Minor said they recommend that the Public Facilities Committee approve and recommend to council award of the primary contract for disaster debris removal, reduction, disposal, and other emergency clean-up services to DRC Emergency Services, LLC and that the secondary contract for those functions be awarded to CERES Environmental, Inc. The firms make no money until the contracts are activated. The bid was based on a Category 1 storm. Mr. Baer asked how many cubic yards are involved in the bid. He noted that the secondary contractor is twice the cost of the primary, and Mr. Minor said they are the primary contractor for the Corps of Engineers. He said "they bring an awful lot of capability and capacity to the table." That was a consideration as well as price. All of them bid a per unit price: tons and cubic yards, which is a FEMA requirement. The consultants put it together into a spreadsheet to aid in comparison of the complicated formula for projected costs based on an event. No scenario was specified. They each gave a unit price per cubic yard. The bid sheet was complicated and factored in hauling distances. They all quoted a "cradle to grave" price. Mr. Stewart said he assumed they bid on a worst case scenario, and Mr. Minor said not necessarily. Mr. Stewart said they could assume the consultant had the best information possible. Mr. Minor explained the economy of scale. Mr. Stewart asked if they really got that, and Mr. Minor said yes. Mr. Baer said he doesn't understand the process, though he trusts Mr. Minor and the consultant.

**Eddie Bellamy** said they put a bid out for unit prices; the consultant put all that should be in the RFP with everything staff thought should be in there. He applied the bid amounts to likely costs of a CAT 1 storm. They went through the four that presented the best value. The primary is the second *least* expensive, and the secondary is the second *most* expensive. If there is a storm, they have all the necessary skills, and "it's gonna cost us." Mr. Stewart asked if the contract as a guarantee or commitment to being here at a certain point after the storm. Mr. Minor said they will be here with 50% of their resources within 24 hours. Mr. Bellamy said they don't come until they're called.

Mr. Rodman asked if these kinds of contracts are performance-bonded. Minor said he can't recall, but he feels like they aren't because they don't know what the performance will be until the event. However, the firms stake their reputation on performance and being there, and they are very well-insured. He said they could verify that and let him know.

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Committee approve and recommend to council award of the primary contract for disaster debris removal, reduction, disposal, and other emergency clean-up services to DRC Emergency Services, LLC and that the secondary contract for those functions be awarded to CERES Environmental, Inc. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Stewart. The motion passed.

### 3. BRICKMAN CONTRACT FOR LANDSCAPING SERVICES FOR BLUFFTON AND BUCKWALTER PARKWAYS

**Dave Thomas** reviewed the current contract and the costs of renewal. Mr. Bellamy said the contract requires that there be weekly mowing, monthly trimming, blowing all curbs and areas after trimming and mowing, fertilization twice a year, re-seeding, putting out pine straw, and litter control 5-days a week through the growing season. The county has weekly to bi-weekly discussions with the contractor. There have been minimal problems and their response has been good, even for shrubbery they have no responsibility for. He said their performance has been at “the high-end of satisfactory.”

Mr. Stewart said the committee’s concerns weren’t about the quality or price of the work. He feels they should be going back to the Town of Bluffton to get support for costs of mowing, etc. on this highway. Two years ago at the retreat, council asked themselves what things they were *required* to do, what *should* be done morally and ethically, and what they were doing out of the goodness of their hearts. Nothing came of that discussion, and then they did it again at this year’s retreat, and he thinks this effort is questionable. He feels they are doing it because it’s nice as opposed to being required to. They need to be conscious of where they are spending their money and need to know where they’ve gone to get support.

**Rob McFee** said they tried to get the Town of Bluffton to provide assistance several times and were politely told that there would be no assistance forthcoming. Mr. Stewart said is there a legally binding requirement to maintain it. Mr. McFee said it must be maintained to a basic safety standard for the travelling public. He cited as the minimum the SCDOT standard on Highways 278, 170, and 21. Mr. Flewelling asked if that meant 3 times a year and Mr. McFee said yes. Mr. Stewart asked how many of the contracts the county has besides this one. Mr. Bellamy said they have no other contracts to maintain landscaping. Mr. Stewart asked how other county roads are maintained. Mr. Bellamy said they’re maintained basically to safety standards; 2-3 times a year, they mow with a bush hog. The only other place is in Garden’s Corner; previous councils agreed to maintain that, and it’s done in-house by the Facilities Management Department.

Mr. Stewart asked why this roadway had to be maintained at a higher level than other roadways. Mr. Bellamy said from his perspective, it’s a major landscape thoroughfare, and it protects the investment in the landscape. Those are the standards that County Council and the administration expected him to maintain. The contractor bids were half as much as bids to do it in-house. Mr. Stewart asked how that compares to the cost to maintain it as the state does. Mr. Bellamy said it would be about a fourth of what it is now. They couldn’t do anything now without other efforts in the county suffering. Mr. Baer asked what maintaining to the minimum safety standard would cost. Mr. McFee said he could make only an educated guess, but they could offer it that way.

Mr. McFee said they “got here” by the Public Facilities Committee’s decision to maintain it at this level for one year. Mr. Baer said “now it’s a new ball game.” Mr. McFee said if the Public Facilities Committee wants them to re-scope the costs, they’d be happy to do that. The simplest and safest guess is to say that half as much service would cost half as much. Mr. Baer asked which jurisdiction a speeding ticket on the highway would be from. Mr. Stewart said Bluffton. Mr. Baer asked where the money would come

from for continued maintenance. Mr. Bellamy said it's approved in this year's budget. Mr. Baer said they should serve notice to Bluffton that they are going to cut standards, and the town is welcome to pay to upgrade those standards if they want to.

Mr. Sommerville asked if this could become a state road. Mr. McFee said the DOT has a mileage cap, and Beaufort County is at its cap, so it's not likely. Mr. Sommerville asked what the minimum standards are and what the legal liabilities are. Mr. McFee said if the grass doesn't create a circumstance that is a problem for a reasonable, prudent driver, such as obscuring signs, the county's exposure would be no greater than the DOT's. Mr. Bellamy said there are pedestrians and bikers on the paths all the time, and they keep those paths clean of litter and vegetation. These are additional issues beyond driving, which are sight restrictions basically, as far as landscape is concerned.

Mr. McBride said he recalled last year's vote as a one-time vote, and they were going to try to get the Town of Bluffton involved. The Town of Bluffton had a lot of involvement in the design for the upkeep and maintenance. He's "disappointed that they are not stepping up to the plate" to maintain a road they had a lot of input on designing. He thinks "an awful lot of time and money" has been spent on one road, and he can see dropping back. He's concerned about extending the contract without the assistance of the Town of Bluffton.

It was moved by Mr. Baer, second by Mr. Flewelling, that Committee *not* approve the contract as stated but to work on a contract that will cut back to the minimum safety maintenance done on the other roads. Mr. Thomas asked to be allowed to get a bid from the current contractor for maintenance at these more minimal levels.

Mr. Stewart said if history is any indication, he is in a precarious position as a county councilman representing this area. While no one is trying to create a negative relationship, the Town of Bluffton built the parkways, had an intergovernmental agreement, and took their considerations into account. It's annexed into the town so they can control it, and if they want to take authority, they should take responsibility, too. He said he is meant to serve the citizens of the entire county.

The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Stewart. The motion passed.

#### **RFQ TO PROVIDE ARCHITECTURAL, ENGINEERING, AND PLANNING CONSULTING FOR BEAUFORT COUNTY AIRPORT PROJECTS**

Mr. Thomas reviewed the background on this RFQ and the evaluation committee that reviewed the RFQs. They received 9 responses and 4 firms were interviewed. Talbert & Bright and LPA were the top two firms capable of providing architectural, engineering, and planning consulting for Beaufort County Airport projects. He said this will be primarily funded by FAA grant funding. The recommendation is that the Public Facilities Committee approve and recommend to council approval of Talbert & Bright and LPA to provide professional aviation consulting services on an as-needed basis and to authorize county staff to negotiate an individual contract with either firm depending on the type of airport project and the availability of the firms to meet the county's schedule and budget. Mr. Flewelling asked how long the firms would be used; Mr. Thomas said it would be a year with four 1-year renewals.

It was moved by Mr. Flewelling, seconded by Mr. Baer, that Committee approve and recommend to council approval of Talbert & Bright and LPA to provide professional aviation consulting services on an as-needed basis and to authorize county staff to negotiate an individual contracts with either firm depending on the type of airport project and the availability of the firms to meet the county's schedule and budget. Each contract will be subject o approval by the appropriate council committee and full council.

Mr. Baer asked if "this ends the relationship with Wilbur Smith." Mr. Thomas said yes. Mr. Anders said they have the ability to go to another firm if necessary; this gives them the chance to custom-fit the firm to the project. Mr. Stewart said this limits the scope; Mr. Anders said it streamlines the process considerably. Wilbur Smith will be used to finish the projects they're currently working on. Mr. Anders said they already have FAA funding for the design work for the 34-1 approach.

Mr. Dawson said the motion should be amended to include that this is for a 1-year term with four additional 1-year renewals.

The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride , Mr. Stewart. The motion passed.

#### **RECYCLING AND TRANSFER FACILITY**

Mr. Minor introduced **Mr. Dietz** and said the advisory committee feels strongly about this. Beaufort County's contract with the Hickory Hill landfill expires in 2015. There is no other viable option for the disposal of solid waste. The county's consultants hired to address municipal solid waste have said that there might not be a functioning transfer station in 2015.

It was moved by Mr. Flewelling, second by Mr. Dawson, that committee recommend to council that Beaufort County purchase suitable property or properties and the construction of one or more RTFs to create waste disposal alternatives for the future to process wastes generated within Beaufort County.

Mr. Baer said he remembered the study from a year and a half ago. He asked when the data will be available to say how many sites are needed and when they could be available. In Mr. Dietz's opinion, they need two. Mr. Flewelling asked about site constraints they might be aware of. Mr. Dietz said the consultant is looking at that. Mr. Stewart said he thinks there were 3 sites being evaluated. Mr. Minor said the committee approved a site study and fatal flaw analysis for up to 3 potential sites. Staff is narrowing them down for the consultants to perform the analysis. The number will depend on the sites identified. There are many criteria to determine a facility's viability, not to mention bringing the community into the process. They don't want a bird hazard, for example, given the MCAS presence.

Mr. Stewart said that if there's the deadline, moving forward is of the utmost importance. Mr. Baer asked where the money for this would come from. Mr. Minor said there are many different approaches. It's beyond him how it would be financed. Right now, they're paying \$2.4 million just for disposal last year. With one site and the current contract, that price will go up. There's no way to hold that cost down without alternatives. There will be a ballpark figure and they will look at potential sites. They don't want to spend money to buy ground and then find out it won't work. They need to do research and due diligence to find out what site will work.

Chairman Glaze said this is a serious matter and they need to move rapidly. Mr. Dawson asked about packing and transfer. Mr. Minor said curbside recycling is growing, and there are opportunities now that weren't there a year or two ago. The transfer station would allow those trucks picking recyclables up to process them. Now they have to be taken to Savannah, and there's no process to take out electronics, paint, household items, etc. The waste stream is getting more and more complicated, Mr. Minor said, and these facilities give the capability to handle these kinds of waste as well as recycling.

The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Stewart. The motion passed.

#### **ACCEPTANCE OF MATTHEWS DRIVE / BEACH CITY ROAD RIGHT OF WAY**

Mr. McFee provided background on the matter, which centered on a request by the Public Facilities Committee to keep the new right-of-way to be transferred to the county at a minimum. Town of Hilton Head staff met with SCDOT to make sure the county took a minimum amount of right-of-way. They were able to prevail on SCDOT to eliminate 85' linear feet from county maintenance and minimize by 116' on Matthews Drive. The net result is 5000 square yards of new right-of-way for the county.

It was moved by Mr. McBride, seconded by Mr. Baer, that Committee approve and recommend to council the acceptance of the SCDPT right-of-way for Beach City Road / Matthews Drive Roundabout.

Mr. Dawson asked Mr. McFee if the county owns this area on Beach City Road / Matthews Drive if council accepts the proposal. Mr. McFee said they "own a lot of it anyway." Mr. Dawson said the letter dated August 17, 2010 says the county is accepting responsibility for maintenance. Mr. McFee said they previously agreed to do all the vegetation; they already do the pavement.

The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Stewart. The motion passed.

#### **OFF AGENDA ITEM: FY10 FAA GRANT OFFER**

Chairman Glaze read the background on the grant offer from the FAA in the amount of \$1,243,296.00 to fund Runway 21 tree removal and mitigation, design for the relocation of lighted airfield signs, reimbursement of legal expenses, and DBE Plan preparation. The local match is \$31,082.40. A state matching 2.5% grant will also be requested. The FAA grant offer must be accepted and executed no later than September 20, 2010, so Chairman Glaze said it was essential to bring this up at this time.

It was moved by Mr. Stewart, seconded by Mr. Baer, that committee approve and recommend to council acceptance of the FAA grant offer.

Mr. Baer asked if Phase 3 tree removal and mitigation was on-airport. Mr. Anders said yes, and the grant will cover the off-airport portion of legal expenses. Mr. Anders said it's approximately \$7,000. Mr. Baer clarified that this is only for past legal fees, and Mr. Anders said yes, it is reimbursement.

The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Stewart. The motion passed.

**ADJOURNMENT**

There being no further business to come before the committee, the meeting adjourned at 5:31 p.m.

DRAFT