



**County Council of
Beaufort County
Finance Committee
Meeting**

Chairman
JOSEPH PASSIMENT

Vice Chairman
CHRIS HERVOCHON

Committee Members
GERALD DAWSON
MARK LAWSON
PAUL SOMMERVILLE

County Administrator
ASHLEY M. JACOBS

Clerk to Council
SARAH W. BROCK

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Finance Committee Minutes

Tuesday, February 18, 2020 at 3:00 PM

(or at the conclusion of the Public Facilities Meeting)

Council Chambers, Administration Building
100 Ribaut Road, Beaufort

ATTENDANCE:

Present: Chairman Joseph F. Passiment, Vice Chairman Chris Hervochoon, Council Member Gerald Dawson, Council Member Mark Lawson, and Council Member Paul Sommerville

Absent:

Ex-officio: Council Member Stu Rodman, Council Member York Glover, Council Member Michael Covert, Council Member (Non-committee members of Council serve as *ex-officio* members and are entitled to vote.)

Media: Joe Croley, Lowcountry Inside Track

CALL TO ORDER

1. Call to Order

Chairman Passiment called the meeting to order at 5:00 p.m.

2. Pledge of Allegiance

3. FOIA

Chairman Passiment noted that Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act.

APPROVAL OF AGENDA

4. Approval of the Agenda

Motion to Amend: It was moved by Vice Chairman Chris Hervochoon, seconded by Council Member Stu Rodman to amend the agenda; under action items, item number fourteen (14) shall read: recommendation to the full council for a resolution that the proceeds of the Myrtle Park sale be deposited in the Beaufort County Economic Development, site development job retention fund. Adjournment is moved to number fifteen (15). The Vote - Voting Yea: Council Member Rodman, Council Member Sommerville, Vice Chairman Hervochoon, Council Member Howard, Council Member Glover, Chairman Passiment, Council Member Covert, Council Member Dawson, and Council Member Lawson. The motion passed.

Main Motion: It was moved by Council Member Rodman, seconded by Vice Chairman Hervochoon to approve the agenda as amended. Voting Yea: Council Member Rodman, Council Member Sommerville, Vice Chairman Hervochoon,

Council Member Howard, Council Member Glover, Chairman Passiment, Council Member Covert, Council Member Dawson, and Council Member Lawson. The motion passed.

APPROVAL OF MINUTES

5. Approval of Minutes

Motion: It was moved by Vice Chairman Hervocho, seconded by Council Member Dawson to approve minutes from November 4, 2019 and December 2, 2019. The Vote - Voting Yea: Council Member Rodman, Council Member Sommerville, Vice Chairman Hervocho, Council Member Howard, Council Member Glover, Chairman Passiment, Council Member Covert, Council Member Dawson, and Council Member Lawson. The motion passed.

CITIZEN COMMENTS

6. Citizen Comments

Chairman Passiment opened the floor for citizen comment. No one came forward.

BOARDS AND COMMISSIONS

7. Consideration of the reappointments of Wayne Corley, Bruce Doneff, Kenneth Joy, and Stephen Koch to the Board of Assessment Appeals

Motion: It was moved by It was moved by Vice-Chairman Hervocho, seconded by Council Member Lawson to reappoint Wayne Corely, Bruce Doneff, Kenneth Joy, and Stephen Koch to the Board of Assessment Appeals. The Vote - Voting Yea: Council Member Rodman, Council Member Sommerville, Vice Chairman Hervocho, Council Member Howard, Council Member Glover, Chairman Passiment, Council Member Covert, Council Member Dawson, and Council Member Lawson. The motion passed.

PRESENTATION ITEMS

8. Reconstruction Era Funding Request and Discussion of Potential Lease \$7,000,000.00 is being requested.

Discussion: Council Member Howard: I have several questions about this list. I would like to see more details and would like to see specifics on where the money will be used. The Town of Port Royal already started construction, so is the money still needed? I question that and that is the only one I am familiar with. I personally need more details.

Vice Chairman Hervocho: I echo everything Councilwoman Howard said. In the A-Tax/H-Tax list there is an award for the Capers Creek access purchase. Is that part of the \$700,000 or is that an additional \$700,000?

Chairman Passiment: Going forward I see that Mayor Keyserling needs to provide a more detailed list and will pass that along to him through administration.

Vice Chairman Hervocho: Proposed source of funds for the \$700,000.00.

Mayor Keyserling: There are two purposes for the money. First is to help the National Park Service move forward with a huge investment with the community by the attraction of a National Park. Second is to take specific sites that are privately owned, at least under an easement agreement, once improved under parks service.

Council Member Howard: Naval Heritage Park, I don't understand why money is still needed if construction has already started by the Town of Port Royal?

Mayor Keyserling: Town of Port Royal has started construction because they couldn't wait. We still have to raise the money for it. It was moved and the frame needed to be restructured.

Council Member Lawson: Is that \$700,000.00 amount needed at one time or is it spread throughout a period of time.

Mayor Keyserling: On the four projects, I think we need to come back to Council with real budgets, but it is at one time.

Chairman Passiment: They \$700,000.00 is going to be for capital improvements?

Mayor Keyserling: Yes, sir.

Chairman Passiment: We can't commit to funds just yet because we don't know where they are going to come from yet. Item #13 we have already spent A-Tax/H-tax funds and if we have any available for the remainder of the year. The best we can do is to acknowledge what you would like for us to do and we have an idea now that it is for capital projects.

DISCUSSION ITEMS

09. CAFR Update given by Assistant County Administrator, Alicia Holland

Discussion: Alicia Holland: We expect the CAFR to be published by the end of this month. We also hope to have it published online in weeks' time after that.

Vice Chairman Hervochon: Will we get a hard copy of that?

Alicia Holland: Yes, and I am planning to have the external auditor do a presentation in March.

10. FY2021 Budget Update given by Ashley M. Jacobs, Beaufort County Administrator

Discussion: Ashley Jacobs: The budget process for FY21 is moving along as planned but I wanted to give you some updates on where we are with some things. We held a budget kick off meeting with our department head on January 16th. Staff created a budget request manual with instructions on how to enter that information so we could have that budget book we have been talking about. The Departments have been in the process of entering that information and it is due by Friday the 21st. Once we have that we will start compiling the budget book. We will probably have a budget book for you in mid-March with line item budgets for all the departments. Through March and April, we will be meeting with these Department heads about their budget request and if they have anything unusual or additional than what was requested last year. If they do, we will meet and discuss that and bring it forward to the committee to see if that is something that we need to fund. Right now we are looking at preliminary revenue information that will become more complete and it will continue to become more complete as we continue the process and if the state will fund the local government fund, those types of things. I would like to talk more about the next budget retreat. Right now I have that on the calendar for March 19th and I would like to do a full day again. In the morning I would like to give you the budget book and we can go over the line items and we can discuss what our revenue items look like now and how out of balance are. Understand that, through the budget request what the departments are doing, is they are submitting operating request, new personnel, and capital improvements. In the afternoon we will talk about the CIP and the capital improvements we need to fund. Chris described a little bit of this process for you and remember from our retreat, there are three distinct groups of capital projects we have going on. You have the projects that are in progress, that are already funded and what we are doing is putting those in a schedule so you will know when they will be completed and how they are funded. Then you have the requests that are being submitted with the budget process for this year. These are things that are not funded, haven't been built or not in progress that we need to consider and that will be taking into consideration what is planned for this building, some other buildings that we are considering at the moment. CC Haige the improvements there for Dufauski Ferry Landing. Once we have the capital facilities master plan, once that is done in 6-12 months, then we will incorporate that information into the CIP. Remember your CIP document is fluid, it is a document that can change, what we will want to do is at least start mapping out the next 5 years for facilities and have some idea about what we need to build and how we might fund it.

Chairman Passiment: We know there are some outside entities that may be presenting their wants and needs are you going to give them the exact methodology for presentation.

Ashley Jacobs: Yes

Council Member Hervochon: Is there a cut off limit for outside entities get that data to us?

Ashley Jacobs: We are in communication with them but it will be the end of May.

Council Member Rodman: Just a comment, we have basically cancelled the committee meetings for the budget process to take place. Mondays are available because we work are schedule around Mondays.

Ashley Jacobs: If there isn't a committee meeting on Monday we could do a Monday.

Chairman Passiment: So the budget workshop on that Monday instead of Thursday?

Council Member Rodman: Do what is convenient for everybody that was just an option.

11. Update on Beaufort County's Financial Obligations with regards to Pepperhall. Eric Greenway, Director of Planning and Zoning

Discussion: On February 1, 2020 the County Council entered into a Development Agreement for the development of the Pepperhall property owned by Robert Graves. The Development Agreement carries certain financial obligations from Beaufort County which are as follows:

1. Pave and Improve Graves Road from Hwy. 278 to the northern property boundary. (Delivery within 24 months of development construction commencement unless agreement to advance reimbursement is reached)
2. Construct the "Primary Okatie Park Access Road" from Graves Road to the park boundary. (Delivery within 24 months of development construction commencement unless agreement to advance reimbursement is reached)
 - a. The budget needs for items 1 and 2 are \$1,109,022.00 for FY20/21 and if everything goes to plan \$1,109,022.00 for FY21/22- \$2,218.044 total. Funding source can be CTC and/or County TAG funds.
3. Construct Okatie River Park. (Delivery with 24 months of 150 residential dwelling units being permitted)
 - a. Total of \$1,406,600.00 Funding source will be Passive Parks funding which may require the re-prioritizing of other parks projects.
4. 50/50 Cost share on off-site and on-site Stormwater improvements
 - a. 50% of these cost will be \$400,000.00 with the funding source being the Stormwater Utility

*All numbers are preliminary and approximate.

Planning and project cost estimating is currently underway for certain aspects of the project with construction likely beginning toward the end of this or the beginning of the next fiscal budget cycle. It is time for the County Council to consider these obligations for funding in the upcoming budget. The Neighborhood Improvement District will permit the recapture of some or all of the expenditures for the roads and the park.

Highlights from Power Point regarding County Responsibility:

- Okatie River Park Improvements, On-Site: County will pay the cost of designing and constructing the Okatie River Park Improvements, On-Site. This will include reimbursing Owner for all of the costs of design for the Okatie River Park done by Owner or his professional design team, as well as any additional costs incurred by Owner for construction of the Okatie River Park Improvements for roadways, paths, docks, piers, sheds, buildings, restroom facilities, parking, interpretive exhibits and signage, electricity, water sewer and other desired utilities and services.
- Residential Improvement District: Recover the costs for design and construction of improvements in the Okatie River Park by establishing a Residential Improvement District pursuant to S.C. Code of Laws Section 6-35010 et. Seq.
- Okatie River Park Improvements, Off-Site- Roads and Traffic Improvements: The Owner and the Community Development Director may agree to shift the site location and route of the Primary Park Access Road, as final plans for the Development of the Property evolve. The County will pay for the design, permitting, and constructions costs of Graves Road (as outlined in Section VI.B. Hereof) and the construction costs of the Primary Park Access Road from Graves Road to the central village of the Property, which will be near the Okatie River Park.
 - o Owner will provide non-exclusive use of his lands within the Property.
- Graves Road: The County will pay for the necessary condemnations of rights of way, and the design, construction and maintenance, of Graves Road from its intersection with U.S. Highway 278, northerly to the intersection with the northerly entrance to the Property.
 - o Northerly extension of Graves Road improvements desired by the Owner, or others, will be paid for by the owner, or others
- The parties agree that 50% of the costs of design, permitting, construction, operation and maintenance of the stormwater management system for the Off-Site Flows, the developed Property and the developed Okatie River Park will be paid for by the County
 - o The balance 50% will be paid for by the owner

- County will reimburse Owner for costs associated with the County's 50% share provided herein upon receipt of supporting invoices, and as long as County has approved Owner's design engineer and contractor and construction contract for such storm water infrastructure.
 - o Owner will provide the non-exclusive use of the appropriate lands within the Property for those purposes, and the County will provide, as part of the overall considerations exchanged and/or shared by the Parties in this agreement, the use of the appropriate lands within the Okatie River Park for those purposes.
- County herewith agrees to allocate and expend a portion of the funds from the "Storm Water Utility Fees" generated from the Development of the Property and other locations within the County to partially fund, as a "shared cost" with Owner, the constructions, installation and maintenance of storm water systems and features that are designed and incorporate "green infrastructure technologies" and elements on, under or upon the Property. County further agrees Stormwater Utility Fees for ongoing water quality monitoring in the Okatie River Headwaters during and after development activities are completed upon the Property and the Okatie River Park as budgeted by Stormwater Manager.
- Delivery Dates for Public Facilities: Agreement provides for public facilities for a passive park, roads, and stormwater to be provided by the County. As to the Okatie River Park, the County's passive park, delivered within 24 months after 150 residential dwelling units have been permitted for the property. Roads provided by the County under this agreement. County shall deliver the roads within 24 months after construction begins on the first phase of Development of the Property. However, the Owner, or subsequent developer, may accelerate the delivery of such roads by mutual agreement with the Community Development Director by providing for the construction of such road as soon as practical. Community Development Director is hereby authorized to enter into an agreement with the Owners for an accelerated delivery of roads, subject to the Owner's demonstrated compliance with County procurement procedures, and subject to the County's budget process, for the County's timely reimbursement of expenditures by Developer or Owner in performing the delivery of such roads.

No Committee or Council action is necessary at this time. This is an update based on preliminary time lines and cost estimates.

Council Member Howard: The \$400K I'm interested on how that is going to be prioritized when Stormwater has other projects.

Eric Greenway: Once the Stormwater project start on the Property and around the Property we are going to need to complete everything.

Council Member Howard: We do not get reimbursed for those costs?

Eric Greenway: No you do not, unless you want to include that 50% in the residential improvement district.

Council Member Howard: It only seems fair, because other people in the county are paying their monthly fee and their projects for their neighborhood are getting pushed to the bottom and the \$400K spent here. You are taking from the Stormwater Utility Enterprise hub.

Eric Greenway: I don't think anything is going to happen with this property until there is an approximate number for an assessment because no one wants to purchase the property with an unknown tax liability.

Council Member Covert: I believe when we were in the sub-committee for this we were insisting on was that all improvements we put any money up for would go back to the NID at part of re-compensation.

Council Member Lawson: Pepper hall was approved in 12/18. With all the line items we agree too, and then you sat down and wrote this agreement that you have agreed to as of 2020. Can you explain that to me?

Eric Greenway: We are working through the agreements right now; we haven't entered into any additional agreement. What the property owner has requested is that we enter into an agreement with them soon so that can take that to lending institutions and say the County is obligated under the development agreement and this is when they can expect

to fulfill the obligations. This may not happen for several months because we still have to go through the budget process.

Council Member Rodman: I believe that were also willing to finance the work over a period of time if we viewed it as a cash flow problem. That may be useful as we work through our capital requirements. You may could even go as far as to have their long term financing do it and we could pay for it over a long period of time. Were they will to self-finance as long as they knew they would could reimbursed and they could proceed with their own financing.

Eric Greenway: I know Mr. Graves and his legal counsel are prepared to spend money to put in some of the infrastructure improvements as long as they are guaranteed to abide by this agreement. I don't know why they need that additional agreement because we have the developmental agreement and that is a contract. These are things we will have to work through on our side with our legal team and their side with their legal team.

Council Member Sommerville: When this developmental agreement was debated it hotly debated and it was not unanimous. At least 3 or 4 people did not get to vote. At the time I strongly suggested that we moved this matter into the following year 2019 because they were going to have to live with that and should have a chance to vote on it and I lost that vote. The two most controversial things at that time was the 50% on the storm water. Depending on whose version you like, maybe 3% of it is our part and the 97% was for a private development. On the road last Council agreed to spending \$1Million on a road we don't own, no one knows who owns it, it is a private road. This was hotly debated and now you are saying that they are asking for another agreement of some kind supplemental to this?

Eric Greenway: Maybe agreement isn't the appropriate word. They are asking for us to give them something in writing to say when they can expect us to fulfill the obligation. I have told them they have that in the agreement but that might not be sufficient for a lending institution.

Chairman Passiment: In 24 months after 150 have been permitted. It doesn't mean they have been built only permitted to build them.

Eric Greenway: That is correct. That is why I am saying that their position may be if the get permits to build an apartment complex they may hit that quicker than if they are building single family dwellings.

12. Discussion of Priority Audit Issues

Chairman Passiment: This revolves around one of our citizens that has constantly come before County Council regarding A-Tax and FOIA. One of the things we wanted to take a look at in this committee, is what is our obligation.

I have asked Administration to pull some of the records from South Carolina Code of Ordinance and our County Ordinances regarding A-Tax. I am going to read you one that may put some of this into perspective. It says: In accordance with State Law the DMO's shall submit for approval a budget of planned expenditures the proposed budgets from the two DMO's shall be presented at the April finance committee meeting. At the end of each fiscal year an organization receiving funds shall render an accounting of expenditure to the county. The final reports from the two DMO's shall be presented at the August committee meeting. Therefore, some of the things that are being asked we are allowed to receive and we should receive it because that is what the ordinance says. We are going to take a look at the 2% and 3% A-tax and see if there are any additional changes that can be recommended by the finance committee to full council to change the ordinance before us.

Council Member Rodman: It has always seemed to me that the admissions and the hospitality ordinances parallel quite a bit.

Chairman Passiment: We are going to look at all of them and see if we have to make changes.

Vice Chairman Hervochon: Based on those ordinances it sounds to me that we haven't been receiving this information or we haven't in the past.

Chairman Passiment: Correct, we may not have asked for it correctly or asked for it at all in the past. It clearly says we have the right to audit their books.

Vice Chairman Hervochon: How far back in history are we going to go, or if we are at all?

Chairman Passiment: I don't know if we are going to be able to go back in history but based on this, in April we are going to get all the information we need in April because that is what the ordinance says.

Council Member Rodman: It sounds like the question the county standpoint will boil down to is are we entitled to information beyond what a normal external audit for the DMO's.

Chairman Passiment: My opinion we do it one step at a time. It states clearly they are going to report their revenue and expenditures in April once they have gone through their fiscal year. They are going to give us a report, if that report is not sufficient for us to understand what you planned to do and what you actually did, we may call for an audit.

Vice Chairman Hervochon: Sounds reasonable to me but I think you would also need a legal opinion though.

Council Member Rodman: It may turn out that there are some things that you want that may not occur in a normal audit that you might want to have actually have a condition posed on them with their regular audit that may answer those points

Council Member Lawson: I may be jumping ahead of myself but anything we ask for it become FOIA able and public knowledge is that correct?

Chairman Passiment: It sure would

Vice Chairman Hervochon: How old is that Ordinance?

Chairman Passiment: It says 1982. Update in 2009 and again in 2015. Once again we might not have been following our own Ordinance but now we will.

ACTION ITEMS

13. Approval of Local A-Tax and H-Tax Grant Award Recommendations totaling \$4,000,000

Chairman Passiment: We have the recommendations based on the applications we received the analysis that was done and the award amounts being recommended.

Each year, Beaufort County awards grant fund from available Accommodations Tax and Hospitality Tax collections. For the 2019-2020 award cycle, the County instituted an online application process; from October 1 through December 31, 2019, applications were accepted from local entities. During that timeframe, twenty applications were received, including three from Beaufort County Departments. The total award requests totaled \$2,850,883.00. County Staff reviewed and scored the applications; the results are on the attached spreadsheet along with award recommendations. A carryover reserve for County purposes is also included on the spreadsheet. Available funds as of June 30, 2019 for making awards are as follows: 20010011- Local Accommodations Tax: \$1,800,000 and 20020011- Local Hospitality Tax: \$2,200,00 Total Funds: \$4,000,000.00.

Chairman Passiment: Were these all the applications received?

Shannon Milroy: Yes

Council Member Howard: I see Beaufort County Engineering Department, Spanish Moss Trail Planning notes here are, staffed was informed by D. Moss that there was a potential alternative.

Shannon Milroy: We had little correspondence and it was indicated that there was a potential alternative and they may recede their application.

Vice Chairman Hervochon: Does this \$1.8 Million equal the totality of the A tax funds?

Shannon Milroy: That is the total we are saying is for recommendations. It is actually \$4 Million between A-Tax and H-Tax available for distribution. \$1.8M is what we are recommending to award.

Chairman Passiment: For A-tax?

Shannon Milroy: For both.

Council Member Howard: Is there another opportunity for applications?

Shannon Milroy: No, it is closed. It will re-open again in October.

Council Member Howard: There will be no more opportunities this year?

Shannon Milroy: Correct.

Council Member Sommerville: We have three pots of tax, 3% A- Tax, 2% A-tax, and Hospitality. This contemplates the 3% plus the Hospitality?

Shannon Milroy: Yes

Council Member Sommerville: The only thing you don't deal with is the 2%?

Shannon Milroy: Correct

Chairman Passiment: 2% was awarded in October by a separate A-Tax board, separate and apart.

Council Member Covert: There is \$4Million dollars and you are recommending \$1.8, where does the rest go?

Alicia Holland: It stays within the local A-Tax and H-Tax fund.

Council Member Covert: Does that just add value?

Alicia Holland: At the end of every fiscal year you have your revenues and expenses and your net difference between them, that just adds to the funds balance. So the \$4 Million is what is valuable as of June 30, 2019, we have that in our hands. When the application process opens back up then we will look at what we have as of June 30, 2020.

Council Member Covert: When the fiscal year ends, does that balance roll over into a general fund?

Alicia Holland: It stays in those funds.

Chris Inglese: The policy you adopted last year contemplates rolling over any sort of saving and having some sort of reserve for big projects because that is what historically A-Tax funds were for, so they will roll over automatically in this instance.

Vice Chairman Hervochon: Can you remind me what the revenue is on average per year.

Alicia Holland: 3% accommodation tax it has been roughly \$1.2 Million and for the Hospitality tax it has been \$2.3 Million

Council Member Glover: You have a couple of big ticket items I am not that familiar with. You have the Coastal Discovery Museum can you give me some more information on that?

Shannon Milroy: They are planning on building a new \$20-Million-dollar facility and this contemplates the funding for design and planning for this facility. They have support from the town of Hilton Head and you probably seen the referendum that has been delayed until November 2021. They expect to receive at least \$5 Million from the Town of Hilton Head for that facility and they have different funding sources identified and this funding will be just for the preliminary phase for the design of that building. for that facility.

Council Member Glover: Can I get that information from you, what you just said. I'm not familiar with the Museum.

Shannon Milroy: Sure

Council Member Glover: I'm not familiar with the Port Royal Sound Foundation can I get some information on that?

Shannon Milroy: Would you like a copy of the application?

Council Member Glover: Yes

Council Member Glover: You scored these applications?

Shannon Milroy: Yes, there were three of us.

Council Member Glover: Of our Staff?

Shannon Milroy: Yes

Council Member Glover: The Black Chamber of Commerce scored 50% why is that?

Shannon Milroy: We felt most of their budget was not applicable to the criteria of A-Tax and H-Tax funding which is why they received a partial award.

Council Member Glover: Can I get a copy of that application as well?

Shannon Milroy: Yes

Ashley Jacobs: If Council would like to see all of the applications we can get those to you so you can have that level of detail.

Alicia Holland: We can provide those to you electronically so all members can have access to them and review all applications.

Council Member Covert: Has there been any audit to make sure monies were spent properly?

Chairman Passiment: We didn't have policy and producers in place to do that. We now do. Now the only thing I would ask is that we know that the \$1,798,480 is A-Tax and H-Tax. I would suggest another column that delineates that this application was A-Tax this application was H-Tax so we have a full break down of where the funds are distributed. This then will be the recommendation to go to full council for approval at a future meeting. Before it goes to full council those questions/requests should be answered. All applications have been delivered. This won't be a consent agenda item but a discussion at a future council meeting.

Ashley Jacobs: Would you like to bring it back to finance with all the detailed information.

Council Member Covert: I don't think that will happen again until April.

Chairman Passiment: We can take action at any one of our sessions in the month of March because we have set it up as a workshop besides the budget. If we felt that we were ready to vote on this, we certainly can. I just want us to be comfortable. This is a whole new process and procedure that we are going through, to spring all this on everyone today and ask them to vote on this when we've had questions. I want everyone in the room to be comfortable.

Council Member Covert: As long as you think it's appropriate at a workshop I am ok with it.

Chairman Passiment: I don't mind moving forward with it as long as you get a chance to take a look at the application so if there are any other questions.

Council Member Rodman: I think these will require an ordinance so there will be three readings and a public hearing. I think in the interest of time I would think it would be best to move forward. I think Mayor Billy brought something we should consider and my sense was that the A-Tax would be the place to do that so we should consider that in parallel as we are going through this.

Chairman Passiment: Must we go through three readings of an ordinance?

Chris Inglese: Yes

Chairman Passiment: Ok then we should put it on the next available council agenda for first reading and begin the process of the three readings.

Council Member Glover: If Mayor Billy requests to go through the process, there should have been an application and so forth but the application process is closed.

Chairman Passiment: The application process is closed so the application won't happen until October by our own rules and regulations.

Council Member Howard: Can you briefly describe how you let the organizations know how to apply?

Shannon Milroy: We had a press release that was done by our communications department and everything was available online.

Vice Chairman Hervochoch: What is the turnaround time for us to be able to see the applications?

Alicia Holland: I think within a week we would be able to get those to you electronically.

Vice Chairman Hervochoch: We should have plenty of time to review those application before first reading.

Council Member Glover: Maybe that you have here means that maybe you will consider it, so is this something that needs to go through Public Facilities to clarify an issues with the Duafuski Marsh Tacky application.

Shannon Milroy: Going back to your recommendations we just had questions about conservation easements and if it was ok to build on that property or not.

Council Member Glover: So should that go through the public facilities to address that issue or not.

Ashley Jacobs: Instead of going through public facilities how about it how about you let us know what questions you have as you go through the applications and we can bring that information forward.

Council Member Rodman: They Haige Point Landing, 196 is that the under the bridge connection?

Shannon Milroy: Yes

Council Member Rodman: I was always under the impression that fits under the corridor project and that would free up a couple of hundred thousand dollars. I would be interested to see what staff would have to say if that is a ligament use of that money rather than A-Tax

Motion: It was moved by Vice-Chair Hervochoch, seconded by Council Member Howard to approve Local A-Tax and H-Tax Grant Award Recommendations and forward the matter to council. The Vote – Voting Yea: Council Member Rodman, Council Member Sommerville, Vice Chairman Hervochoch, Council Member Howard, Council Member Glover, Chairman Passiment, Council Member Covert, Council Member Dawson, and Council Member Lawson. The Motion Passed.

14. Recommendation to the full council for a resolution that the proceeds of the Myrtle Park sale be deposited in the Beaufort County Economic Development, site development job retention fund. John O’Toole, Executive Director, Beaufort County Economic Development Corporation.

The Contribution of \$600,000 from the sale of 7.7 acres, R600-031-000-1624-000, Myrtle Business Park to CSD Myrtle Park, LLC into the Beaufort County Economic Development Corporation’s site development/job retention fund. The \$600,000 from the sale will be put in escrow and will be used to move forward the development of a 64,000 square foot spec building within the Beaufort Commerce Park.

John O’Toole: We worked through the sale of Myrtle Park, that has been sitting there for a while. We had the possibility of those funds expiring, the UTCC’s expiring and we got an extension and that deal is moving forward. I’m not asking you to do anything with funds that haven’t been realized. I am just asking for your permission to anticipate that these funds would go to the site and job fund that was created for economic development. When Myrtle Park was bought there were utc funds used and county economic development funds from the sale of a parcel to create the funds to buy myrtle park. The reason I would like the funds to be used by the economic development corporation the funds will be held by the county is that previous economic development organizations in this County pursued the park itself and left several financial organizations holding the bag, not getting paid after the organizations ceased to exist. So personally it is my approach to business that if I make a promise to someone that I put the mechanisms in place to live up to those obligations. It is in the County, the City, and the residents interest that with the momentum we have right now for economic development that we be the type of organization that lives up to its commitments and as you recall when we went through this process of getting a spec building built with Sammot and that deal has fallen off, we have a new company stepping forward, Magnus, we were looking at guaranteeing that we make certain payments to them and it came through Council here at the County and external Council that we would have to add this language on

appropriations cost, which didn't give them the satisfaction. My intent would be to escrow the funds that would allow us to live up to our obligation. The proceeds from this sale would allow us to do that and move forward with the spec building while keeping the tax payers of Beaufort County minimally exposed to any ongoing obligation with our confidence that the same momentum we have had in the last 18 months that filled over 545,000 square feet of space is going to allow us to fill this building in Commerce Park. If you add the success we had with the prospect of a Georgia boat builder putting a 50,000 square foot building in that park, for a lot of people who have looked at that park as a monument to failure will now see it is something that is realizing some fruit, some jobs, some tax base for both the City and County.

Council Member Rodman: Any use of these funds would come back through us for approval?

Jon O'Toole: Correct

Council Member Rodman: You are not proposing to go back and pay something that happened 5-10 years ago are you?

John O'Toole: No, those banks have been very nice to us and forgiving but Sammot contacted one of those banks we had to work them through the fact that we were going to live up to our obligation.

Kirk Taylor: May I suggest procedurally, we want to give Mr. O'Toole the ability to give the comfort that he is seeking but that it would be appropriate to advance this out of committee to Council after the closing and the funds are actually realized.

Council Member Glover: I'm glad to see what Mr. O'Toole is doing, keep St. Helena in your mind when doing other things.

Motion: Council Member Dawson, seconded by Council Member Rodman to move to full council that the proceeds of the Myrtle Park sale be deposited in the Beaufort County Economic Development, site development job retention fund upon the closing of the property. The Vote – Voting Yea: Council Member Rodman, Council Member Sommerville, Vice Chairman Hervochon, Council Member Howard, Council Member Glover, Chairman Passiment, Council Member Covert, Council Member Dawson, and Council Member Lawson. The Motion Passed.

ADJOURNMENT

Motion: It was moved by Vice Chairman Hervochon, seconded by Council Member Rodman to adjourn. The Vote - Voting Yea: Council Member Rodman, Council Member Sommerville, Vice Chairman Hervochon, Council Member Howard, Council Member Glover, Chairman Passiment, Council Member Covert, Council Member Dawson, and Council Member Lawson. The motion passed.

The meeting adjourned at 4:41pm