



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

Chairman

CHRIS HERVOCHON

Vice Chairman

MARK LAWSON

Committee Members

GERALD DAWSON
STU RODMAN
PAUL SOMMERVILLE

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Finance Committee Minutes

Monday, March 16, 2020 at 1:00 PM

Council Chambers, Administration Building Beaufort County
Government Robert Smalls Complex 100 Ribaut Road, Beaufort

CALL TO ORDER

Council Member Passiment called the meeting to order at 1:00PM

FOIA

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

Council Member Passiment: Since I have been elected as County Council Chairman, I am stepping down from Chairman of the Finance Committee. I am electing Council Member Hervochoch who is currently Vice Chairman to assume the role of Chairman and Council Member Lawson as Vice Chairman. I will turn the gavel over to Chairman Hervochoch.

APPROVAL OF AGENDA

Motion: It was moved by Council Member Howard, Seconded by Council Member Flewelling to approve the agenda. Voting Yea: Chairman Passiment, Council Member Sommerville, Council Member Covert, Council Member Dawson, Council Member Flewelling, Council Member Rodman, Council Member Glover, Chairman Hervochoch, Council Member Howard, Vice Chairman Lawson. The motion passed.

DISCUSSION ITEMS

Review of ATAX and HTAX Applications and Award Recommendations

Discussion: Hayes Williams: We were tasked with getting a Committee together to review the applications. The committee consisted of myself, Shannon Milroy, and Edward Stephens. Our procedure was to review the grant applications, we read over the code, we scored the applications. Some we felt met the code requirements and awarded funds appropriately. This is our first time with this and there may be some growing pains but we are trying to get a process together and make things easier. I assume all of the Council read the documents needed.

Council Member Flewelling: Do you have a copy of the code section you can read to us?

Hayes Williams: Yes. 3% local accommodation tax funds the revenue generated by local accommodation tax must be used exclusively for the following purposes: tourism-related buildings including but not limited to civic centers, coliseums, and aquariums; cultural, recreational or historic facilities; river/beach access, and re-nourishment; highways, roads, streets, bridges, boat ramps providing access to tourist destinations; advertisements

and promotions related to tourism development; water and sewer infrastructure to serve tourism-related demand; and the operation and maintenance of those items provided in a (1)- a (6) above including police, fire protection, emergency medical services, and emergency preparedness operations intended for those facilities. H- Tax is very similar, the wording of some items is a little different but I'll read those for you too. Revenue generated by hospitality tax must be used exclusively for the following purposes: Tourism-related buildings including but not limited to civic centers, coliseums, and aquariums; Tourism- related cultural, recreational or historic facilities or land acquisitions; river/beach access, and re-nourishment; highways, roads, streets, bridges, boat ramps providing access to tourist destinations; advertisements and promotions related to tourism development; water and sewer infrastructure to serve tourism-related demand; and the operation and maintenance of those items provided in a (1)- a (6) above including police, fire protection, emergency medical services, and emergency preparedness operations directly intended for those facilities.

Council Member Flewelling: I had a lengthy conversation with Larry Holman today who is the director of the Beaufort Black Chamber of Commerce and he appreciates the committee's recommendation to fund the advertising budget in each of four events that he plans to introduce to Beaufort County specifically targeting an audience that we feel is under brought here, in other words, we don't reach out to the African American community there is a large population in specific areas. He has designed four events to help notarize Beaufort County and bring that target audience to Beaufort County, entice them to come and spend their tourism dollars here. Specifically, these events are; African Fashion Week 2020, The Gullah Christmas 2020, The Kentucky Derby 2020, and Southeast Regional Business Summit. All of these are designed again, to target the African American Community, especially in the Southeastern United States and highlight to them that Beaufort County is an appropriate tourist destination for them, welcoming them and their tourist dollars. Larry is thankful for the advertising approval in each of the budgets. Ultimately his thought process for asking for the budgeted amount in each and then the compromise that I had brought out at the last Council Meeting were this was sent back to the committee. His thought process was that asking for that much money was knowing that a certain amount of revenue would be generated back at each one of the events, internally from admission fees and speaker fees, meals, drinks, and other revenue-generating items for the Black Chamber of Commerce. In talking with him I told him that it would be unfair for Beaufort County to pay for the entire event without sharing the revenue. His thought was that the revenue generated would be used as seed money for the next year so that for each one of these events he wouldn't have the same large ask in subsequent years as he held these events and would only be requesting the advertising amount. My suggestions were that it may be a more efficient use of taxpayers' dollars is to fund one event and then use that revenue from the one event to pay for the subsequent events throughout the year and at the end of the year just have an accounting of it. He would like for us to entertain that and thought that is what he was getting and though he was asking for. So what he would like to do is ask for the \$65,000.00 Gullah Christmas amount and then each of the advertising budgets. Roughly \$102,000.00. His justification is that each one of these events contains a cost for reimbursement of the building which is a cultural facility and that is why he believes it is eligible for the grant. So, I would like to amend the amounts to roughly \$102,000.00.

Council Member Howard: I spent a lot of time reading these applications. We need to stick to the criteria. The next time maybe the applicant can come before the committee and be questioned. I strongly suggest that we stick to the criteria because if we change it for one group than we will have to change it for all groups.

Council Member Flewelling: I disagree; I don't believe we are changing the rules. Mr. Holman volunteered to come today, I waved him off because of the circumstances with the coronavirus, I suggested that he did not come to a public meeting and I am sure he is watching this on the County Channel. I am sure he is hoping for a positive vote from the County Council.

Vice-Chairman Lawson: I am a huge supporter of the Black Chamber of Commerce, however, I agree with Council Member Howard on this. the fact that we have put rules in place and be transparent, we are trying to make sure everyone has the same criteria when they come in here and we give money the same way. If you look at this list and you look at the past could of years of how much money we have given away, we are

giving a lot more to a lot more groups. I believe some people have missed the boat and I think next year we are going to have a larger list. I understand Council Member Flewelling where you are coming from and the committee that we have put our trust in went through this and looked at it and decided what should be covered and what is under the guidelines. We put our trust in them to figure this out. The next question would be; why would you pick the Gullah Christmas as your event to fund if the Kentucky Derby is first?

Council Member Flewelling: The idea is because it is the largest of the events, largest purse, the largest cost, and the revenue from that will sufficiently fund the remainder of the events of the year. So if he gets the funding from that he can use that money wherever he sees fit in the remainder of that cycle.

Vice-Chairman Lawson: I think all of those are great plans but we have put something in place. It is tough to do but I think we need to follow what has been established as our transparency criteria and go from there.

Council Member Sommerville: We wanted to have a process for this and Council Member Passiment's committee worked hard on creating criteria for this and we have a committee we have entrusted to enforce the rules and criteria we have set out and we have to be careful about making a last-minute change because someone got to a council member and or a council member feels sympathetic to someone because that is going to open Pandora's box. I think the committee did a great job of selecting the beneficiaries and awarding the amounts and I am not going to overrule them.

Council Member Rodman: I like the concept of the seed money at the rolling over of the monies. But doesn't that happen within the four events that if we give them money for one or two events that it would create money in the current year as opposed to funding all four at this time?

Council Member Flewelling: His answer to that was that the advertising dollars we are approving need to be spent specifically for that event. If he is asking for advertising dollars he has to show a receipt for that within a half year, he has to show that he has used that money appropriately. He felt that it was inappropriate not to continue to ask for that as a single entity but he wants everybody to understand that this is four new events.

Council Member Glover: The Black Chamber, probably like many organizations are struggling. I like what Council Member Flewelling has said and I think we should fund that. They are going to come back and one of the criteria we should ask for is for them to demonstrate how this has helped them because this should not be asking again and again for the same thing if they are using those funds to get them started. They are trying, and the Black Chamber has a reputation that they are trying to reach interesting parties to come to these events. I am going to support Council Member Flewelling's motion because I think they want to demonstrate and model something that is in our best interest to see if it is going to work or not for them and they are putting themselves on the line for that.

Council Member Covert: For the Black Chamber and anyone else on this list that received money last year, have we seen receipts for what they got last year. Do we know that from all entities did what we gave them money for?

Hayes Williams: As a part of our awards process this year, we are requesting detailed financial statements, invoices, canceled checks so that we can see what they used the money on.

Council Member Covert: Shouldn't we see that first before we award more money?

Chairman Hervochon: This is a part of a new process, not necessarily the old process but point taken.

Council Member Dawson: Speaking of the new process, based on what Council Member Howard said about the presenters coming before the committee and making a presentation validating their request, that is how we used to do it in the past. I don't know how or why we got away from it but I certainly think every applicant would benefit from that process if we reengage that process and let them defend their request instead of us being the defense for them.

Council Member Flewelling: I would like to make a motion that we amend the list, the recommendation to County Council so amount awarded to the Black Chamber of Commerce receives the amount suggested by the committee staff for each of the advertising budget except for the Gullah Christmas and for that event they receive the entire \$65,000.00.

Chairman Hervochon: One of the good things the Council did last year was to put this process in place and Council Member Passiment led that charge. We have tasked Administration with the task and told them to take a look at all of these applications and make a recommendation and I think we need to trust that process and trust them and we need to be consistent. So to that end, I am not going to support this.

Motion: It was moved by Council Member Flewelling, Seconded by Council Member Glover to amend the list, and the recommendation to County Council so amount awarded to the Black Chamber of Commerce receives the amount suggested by the committee staff for each of the advertising budget except for the Gullah Christmas and for that event they receive the entire \$65,000.00. Voting Yea: Council Member Dawson, Council Member Flewelling, Council Member Glover. Voting Nay: Council Member Passiment, Council Member Sommerville, Council Member Covert, Council Member Rodman, Chairman Hervochon, Council Member Howard, Vice Chairman Lawson. Motion Denied.

Council Member Flewelling: I have some others. The next one was the funds requested by the engineering department for demolishing a county-owned building at Camp St. Mary's. The decision of the committee and staff recommendation is a denial of that request demolishing does not fit the criteria of A-tax or H-tax expenditures. I distinctly remember hearing that river/water access and the maintenance of those facilities were included. Camp St. Mary's has a dock, and we are intending to promote river/water access property and to remove the existing buildings that are decrepit and a public safety hazard and are eligible under A-Tax and H-Tax funds under any interpretation. I would like to make a motion to amend the recommendation of staff to include the \$43,785.00 requested by the engineering department as a reimbursement of expenses for demolishing county-owned structures at Camp St. Mary's.

Chairman Hervochon: I believe in the fall in order to the demolishing.

Chris Inglese: No funds were ever appropriated by the finance committee and that is where the idea to apply for A-tax/H-tax funds came from so they submitted an application.

Hayes Williams: We did deny this grant but we also contacted engineering. We needed to know more about what was going on were they making this into a passive park, was it to put a parking lot in? The application didn't have a whole lot of detail to it just that they were demolishing the building. I'm new here, obviously so I didn't have the background so just reading it on its face so what the whole committee thought the bigger ask would be a pavilion with bathrooms and good parking. When you read these application it is for one year and we have to take that into account. If we would have added the opportunity to speak with engineer and they had the chance to vet the idea and the bigger plan but you don't know that off the application and that is why we denied it.

Council Member Flewelling: I can address what the plan it, I had a meeting with residents of Camp St. Mary's area. Clearly the citizens there want something. Currently there is river access, it is generally open to the public, there are about 15-20 people that use that property every day. It is an attractive nuisance so we need to do something to take care of our property that people are using. The citizens out there recommend that we do allow specific access to the people of the public. They want to have some conditions and some rules like night time vs day time, the amount of people allowed at one time. Generally, they are in favor of some type of park there until we can get staff to decide specifically what we can recommend to county council to fund. The first order of business is to remove those unsafe buildings, it is urgent and important, they are hazardous. People will continue to go in them and it will continue to get worse.

Council Member Sommerville: Are you saying that the applicant misstated or didn't include what they really wanted to do?

Hayes Williams: Exactly. That is where we are and these are just recommendations, this is the County's money and based on the fact on application it was demolishing of a building. We fully support what you'd like to do.

Council Member Sommerville: Forget about what we would like to do, what do you recommend based on the information you have now?

Hayes Williams: We have absolutely no problem putting it back on the list. This is our first learning experience we are going down a bumpy road and we are just trying to improve.

Council Member Sommerville: I think the bigger question is that if an application comes in and submits an application that is incomplete or it doesn't describe exactly what they want to do and the committee acts accordingly and then later they find out it wasn't really what they meant. We are going to have to treat everyone equally and just because this is a department of the County doesn't mean we are going to give them special consideration to them that we wouldn't give to someone else. If some incompletely states their reason for the application are we going to them to a second bite of the apple.

Council Member Flewelling: Was there any misstatement about what was said here or did they ask for money for demolishing the building and that is it?

Hayes Williams: They asked for money to demolish the building.

Council Member Flewelling: They are not asking for anything else, there was no misstatement about what the money was for they application was timely received and all the documentation necessary for that. There are no changes necessary for that.

Council Member Rodman: It seems to me that there is high probability that this will fit in nicely in terms of going forward with tourism and recreation and I am in favor of the motion.

Council Member Howard: I have a question for administration, is that enough money for demolishing the building?

Chris Inglese: that was the estimate that brought forward from passive parks.

Council Member Covert: In the column on was application complete it said no. What was not complete?

Hayes Williams: I think we just meant that it wasn't a whole lot of detail on that application.

Shannon Milroy: I don't recall specifically but one of the requirements on the County applications was to justify the impact on tourism. A lot of the county asks were infrastructure related and not necessarily an event that can draw crowds. That could have been a reason for that incomplete because they were unable to provide tourism impact estimates on that one and probably not a marketing plan.

Council Member Covert: That would be hard wouldn't you say?

Hayes Williams: I guess it should have been a maybe but based on what we read we would think it would be a great thing for a passive park community use. We would say no to the funds and suggest that they come back next year with a bigger picture. Having been here only a month and a half and not having the background and only reading the application that is what it is. Now talking to Council we are getting the bigger picture.

Council Member Passiment: If we do not fund this through A-Tax/H-Tax what source of funding would we have because those buildings are a nuisance and should be demolished.

Ashley Jacobs: It is something we could include into next year's budget in the general fund.

Hayes Williams: It is already part of CIP.

Council Member Howard: I just pulled up the estimate from March 2019 for the demolishing all five buildings. It was from an outside company that does that type of work.

Council Member Glover: We've been talking about Camp St. Mary's for three years and doing something to remove those buildings that are deteriorating. We talked about restoring and the cost was prohibited so technically if the committee didn't recommend it and the county wants to move forward, I want to support the motion.

Chris Inglese: I did a site visit with some staff and one of the possibilities was trying to preserve the chapel. My field meeting with staff we talked about the other buildings. The two pole barns are fine, the other three buildings are the Chapel, the lodge and the kitchen dormitory. If staff agrees to move the Chapel for preservation that leaves the lodge and the kitchen shelter. We are in the process of sending staff out to do clean up, tarp some structures, fix the holes in the fence and make the area safe. One of the ideas is instead of renovating the kitchen would be to gut it and make it open shelter and reduce the cost of \$2.3M project of renovating the three buildings. Council did vote to demolish them all but based on the community meeting and field visit and what happens on Wednesday we may be back before Council to revisit that question of raising the building. That is just an update for your discussion to consider. I will add that in my conversation with staff and their review with legal was that demolishing the buildings did nothing to improve water access. There is already water access it is not blocked; the buildings aren't in the way of water access or inhibiting water access. I think there wasn't any connection to demolishing the building and water access. The improvements later on, there will be arguments to say that will improve water access and parking etc.

Council Member Flewelling: Not to argue but to suggest that at some point in time that maintenance includes demolishing. If the building is in bad enough shape, then demolishing is maintenance of the property itself not just the building.

Council Member Rodman: It sounds like what Chris has said in the next couple of weeks or months we are going to have a better definition of what needs to be done and it may be different than demolishing the building.

Chairman Hervochon: I think we need to be consistent with how we treat these items. I think there are quite a few question on how Camp St. Mary's is going to proceed. It is a small enough amount that we can probably budget for that and I am totally sympathetic with the fact that it is a safety hazard, which is troubling but we can probably deal with the funding source fairly quickly. It also preserves the appearance of us being fair and uniform and I am going to vote against this.

Motion: It was moved by Council Member Flewelling, Seconded by Council Member Glover to amend the recommendation of staff to include the \$43,785.00 requested by the engineering department as a reimbursement of expenses for demolishing county-owned structures at Camp St. Mary's made.

Voting Yea: Council Member Flewelling, Council Member Glover, Vice Chairman Lawson

Voting Nay: Council Member Passiment, Council Member Sommerville, Council Member Covert, Council Member Dawson, Council Member Rodman, Chairman Hervochon, Council Member Howard. Motion denied.

Council Member Flewelling: I had questions for Campbell Chapel with the approved amount of \$140,000.00 from the staff recommendation. Knowing that it is in the Town of Bluffton, I am wondering why it isn't being fully funded by the Town's H-Tax funds? Why is the County being picked for this? I don't mind being a part of it but was an application made to the Town?

Hayes Williams: We don't have that background on that? The only thing we did, we limited them for a professional fund raiser fee of \$25,000.00. We can get in touch with Bluffton and find out.

Council Member Covert: I have worked with Dr. Reverend Black on this and it is really a great story. This was the first church that was bought back in the 1800's and it falls in line with a lot of other things we are doing. I have helped getting involvement from the federal side. I don't want to speak for them or the Town, as with a lot of the things we do the Town will follow suite with the County. In meeting with these folks I believe that the Town would be involved when the County is involved.

Vice Chairman Lawson: They have come to us asking for money and I know they will be going to the Town of Bluffton but I don't know what the details are. My meetings and my understanding is that them ask from the Town of Bluffton will be larger than us ask. They have already committed their own money, I think it was \$500,000.00 from the Church and the Church members. They put the seed money in themselves to start this because it is going to be a large project that they feel will be a part of the heritage tourism that is going to bring more people to Beaufort County. To answer your question, from everything I have understood, is yes they will be going to the Town of Bluffton asking for money there and they are out there actually raising money on their own and doing fundraisers. We will not be sole provider or the only person asked for money in that process.

Hayes Williams: I would like to add that it is a three phase project. If they don't get anything from the Town on the next phase it may be a significantly larger ask and they can contribute to that also. There are several that are multi-phased.

Council Member Flewelling: I want to make a motion to remove the entire asked amount of \$792,880.00 for the Coastal Discovery Museum at this time because that amount is included in the referendum that is forthcoming. So I don't understand using County A/H Tax money when there will be a referendum later on.

Council Member Glover: I second.

Council Member Passiment: You are right; I agree if it's coming from other sources that is a large amount of money.

Council Member Howard: I support this in this situation since it is pending on a referendum. It is so many unknowns.

Council Member Flewelling: If the referendum fails or if it wasn't part of the referendum I would fully support this because this is actually what A-Tax/H-Tax is supposed to be funding. Hilton Head has a larger A-Tax budget than we do. Our A/H-Tax funds are derived from the unincorporated part of the County. Very little is unincorporated on the Town of Hilton Head. It may be very appropriate to be on some level of partnership with Town of Hilton Head. The significant part of revenue comes from Northern part of Beaufort County and of course we want to support everything North and South of the Broad.

Vice Chairman Lawson: I don't know how much we have given them over the years. I don't know if they are counting on this for their operating cost that we are looking at removing. I don't want to hurt them by us being a larger portion of their funding and us pulling it out from underneath them and they are expecting it.

Council Member Flewelling: It's for planning and design.

Hayes Williams: It's roughly going to be a \$20-million-dollar museum all together.

Chairman Hervochon: This is going to be a November 2021 referendum?

Council Member Rodman: Yes, I think that this request came through this was before the decision to have a referendum and then subsequently it got put on the backburner. Historically, people came in on as needed basis and we have switched to doing them as a group and I think this being our first year we are on a learning curve just like when we did the 2% electronic system. I see as we are finding a procedure that it would be ok to take some in mid-year instead of waiting until the enrollment.

Chairman Hervochon: The allocation says it is funding for preliminary site work and professional services from July 2020 through July 2021. If we don't approve these funds is it going to delay that?

Hayes Williams: We can ask that question and if you vote to take it off pending an answer from the museum that if they needed \$250,000.00 or \$300,000.00 for planning. We don't know right now.

Council Member Rodman: Some of the things, like with Mitchellville we joined with Hilton Head and it was a joint request. If they are able to make a case whatever the potential one is but certainly not for \$700,000.00.

Motion: It was moved by Council Member Flewelling, Seconded by Council Member Glover to remove the entire asked amount of \$792,880.00 for the Coastal Discovery Museum Voting Yea: Council Member Passiment, Council Member Sommerville, Council Member Covert, Council Member Dawson, Council Member Flewelling, Council Member Rodman, Council Member Glover, Chairman Hervochon, Council Member Howard, Vice Chairman Lawson. Motion Passed.

Council Member Flewelling: Marsh Tacky request, I think the \$1.00 a year to rent to them is the only liability we have for this and I don't really like the idea of constructing facilities at our expense for someone else to use as a single purpose use. I recall asking if there were going to be any further request for funding and I was told there wasn't going to be. I think it unreasonable for us give them the property to use at such a low amount and then for them to ask for us to build the facilities for them. I want to make a motion to remove the Marsh Tacky funding.

Group: There is no funding on it.

Council Member Flewelling: Changing my motion from the recommended maybe to no for the Marsh Tacky funding.

Motion: It was moved by Council Member Flewelling, Seconded by Council Member Passiment. To change staff recommendation from maybe to no for Marsh Tacky funding. Voting Yea: Council Member Passiment, Council Member Sommerville, Council Member Covert, Council Member Dawson, Council Member Flewelling, Council Member Rodman, Chairman Hervochon, Council Member Howard, Vice Chairman Lawson Voting Nay: Council Member Glover. Motion Passed

Council Member Flewelling: The Friends of Hunting Island for the virtual light house. Why do we need a virtual light house when the light house is already there?

Council Member Howard: Reading this application I think that it is a great project. For those who cannot climb the stairs of the light house, this will give them the ability to see the virtually the top of the lighthouse.

Council Member Glover: This is in the museum in the Welcome Center and if you haven't been there you need to go. They have a local artist and every specimen from plant to animal in there and once completed you would be able to sit in your wheelchair and virtually see what you would see at the top of the lighthouse.

Council Member Howard: Also, the lighthouse is going to be closed for about a year for renovations so during that closure you can still experience the lighthouse.

Council Member Covert: How often do The Friends of Hunting Island come to the well, I don't remember them asking for much at all.

Council Member Glover: I can't tell you where they got their funding from but they have basically said at their annual meeting that they appreciate the County's help with funding.

Council Member Flewelling: I recall a couple of instances of relocating shower facilities due to changing dune structures and purchasing beach accessible wheelchairs. This is a good idea and I am in favor of this but I wanted the statement out in public.

Vice Chairman Lawson: After thinking about it I would like to go back and consider at least something for the Black Chamber of Commerce by making a motion to add \$16,400.00 which would get them to their total of \$65,000.00. Obviously that money must be used to pay for something that is acceptable by A/H-tax.

Council Member Rodman: I second that.

Council Member Flewelling: I believe the rental of their facility is acceptable use and would be part of the budgetary amount.

Council Member Covert: It sounds like we just voted that we not change to the criteria and now instead of denying we are allowing, is that correct?

Vice Chairman Lawson- This is our first year putting this together and I made the motion and as I sit here and think about helping an organization. I'm sure if they sat back actually set back and did their application the correct way knowing what our criteria is and they could come up with that amount of money and that is why I put in there that they need to spend it on something that is A/H-tax acceptable.

Council Member Howard: I'm looking at the application and I don't see anything listed as rent for the facility, I don't see it in their budget. Unless someone else can point it out. Are you saying we are paying them to rent their own facility.

Motion: It was moved by Vice Chairman Lawson, Seconded by Council Member Rodman to add \$16,400.00 to the award amount for The Black Chamber of Commerce, which would get them to their total of \$65,000
Voting Yea: Council Member Dawson, Council Member Flewelling, Council Member Rodman, Council Member Glover, Vice Chairman Lawson
Voting Nay: Council Member Passiment, Council Member Sommerville, Council Member Covert, Chairman Hervochoch, Council Member Howard. Motion denied.

Council Member Rodman: Haige Landing Improvements for \$195,000.00. It seemed to me that it lends itself to be funded out of the corridor project. Corridor recommended alternative should be given to us no later than September and so far all of the proposed recommendations have this connection included. We could reserve the A/H-Tax funds and draws it from the Corridor Project fund.

Chris Inglese: This request has been specifically for architectural and planning design for the whole project dock improvements and parking improvements. As an update we have been working to partner with Palmetto Breeze to pursue some DOT funding for ferry transportation projects and Palmetto Breeze has committed a grant writer, our public works staff has provided some information and we are partnering with them to pursue that grant at an 80/20 match. That would include construction of the on ramps and that part of the project would be eligible for referendum money because it is directly related to the corridor improvement and we estimate that to be \$1M from the corridor project. We have asked DOT for the whole \$2M and if we get 80% that is \$1.6M and the remaining we can get from the referendum. I recommend this moving forward because if we don't get the money from here we aren't sure where we are going to get it.

Council Member Glover: I thought the Haige Landing improvements included buildings for restrooms etc. so that \$196,000.00 is also including the restrooms right?

Chris Inglese: No, this is specifically for planning and design. No construction dollars are included in the request. \$2 Million is specifically for the road.

Chairman Hervochoch: So referendum dollars do not include this \$196,000.00?

Chris Inglese: The referendum is for the corridor improvements and construction not planning or architectural or engineer work that needs to be done.

Chairman Hervochoch: So you are still considering this \$196,000.00 to be eligible?

Chris Inglese: Yes, it is for the on and off ramp, bathrooms, ticket booth, parking and dock improvements.

Chairman Hervochoch: The Palmetto Breeze match is that is going to factor into that or is that a separate process?

Chris Inglese: Yes, Palmetto Breeze is our partner and have provided a grant writer and the county would provide a match. DOT will provide 80% and the County/local match will be 20%. They are our partner in that they are an eligible entity to receive the funds.

Chairman Hervochoch: So is the \$196,000.00 going to counted toward that 20%?

Chris Inglese: No, the grant is just pursuing construction dollars.

Council Member Rodman: I can understand money for the design of the road construction but the road portion of it given it is a SC highway will be whatever the design is for the preferred alternative. It needs to

be done by the people that are going to be doing that design. It seems to me that a good portion of this is going to be in the final design of the corridor project.

Chris Inglese: I just don't know what proportion would be appropriate to apply for the road vs the rest of this project. At this point I don't know how to divide it up.

Council Member Rodman: I guess the road is the lions share at this time. You are into permitting and into \$2M in construction and that is where the heavy dollars are going to be.

Council Member Passiment: I would like to make a motion that the finance committee recommend to the full council an ordinance to appropriate the grant awards to the local entities from the County's local 3% Accommodation Tax and the local hospitality tax collections for the year ending June 30, 2019 as amended today by excluding the amount of \$792, 880.00 and changing the Husky Marsh Tacky Society from a project award from maybe to no, that the total amount awarded will be \$1,165,600.00.

Council Member Rodman: Do we know how much we have in these two funds at this time?

Hayes Williams: Approximately \$4M. Several of these projects are ongoing and will require additional funding down the road so it would probably behoove us to roll that over and have a nest egg. I did have one question about the Port Royal Battlefield that's not financed on here

Council Member Howard: From what I understand because it may be considered as County property there was some discussion that we shouldn't be putting this type of money into that.

Council Member Rodman: It was approved at the committee level for it to come forward with rural and critical and it should necessarily all have to come out of rural and critical but maybe some funds could be used from A/H-tax funds. We need to be kind of flexible.

Council Member Flewelling: We need to reserve the option of funding appropriate visual aids or parking requirements in cooperation with what the Department of the Navy sends us. We need to hold that door open.

Chairman Hervocho: What is the run rate per year for the fund build?

Council Member Flewelling: \$750,000.00 maybe. It's a sizable amount.

Hayes Williams: I can get you an answer but it will be later it is a 200-page document.

Motion: It was moved by Council Member Passiment, Seconded by Council Member Howard that the Finance Committee recommend to the full Council an Ordinance to appropriate the grant awards to the local entities from the County's local 3% Accommodation Tax and the local Hospitality Tax collections for the year ending June 30, 2019 as amended today by excluding the amount of \$792, 880.00 and changing the Husky Marsh Tacky Society from a project award from maybe to no, that the total amount awarded will be \$1,165,600.00. Voting Yea: Council Member Passiment, Council Member Sommerville, Council Member Covert, Council Member Dawson, Council Member Flewelling, Council Member Rodman, Council Member Glover, Chairman Hervocho, Council Member Howard, Vice Chairman Lawson. Motion Passed.

Council Member Rodman: I've looked at where we are with Heritage Tourism. The stuff that jumps out at me are The Reconstruction Era, Mitchellville, and St. Helena is moving along and this is a good opportunity for economic development. In terms of the funding for those things. I don't think its incremental money but helping prioritize the money the chamber is spending anyways. The Town of Hilton Head and the referendum that got delayed had \$5M for the Discovery Museum and \$5M for Mitchellville. We have a couple of opportunities that are coming along, Penn Center and Gullah Geechee is still an undeveloped opportunity, revolutionary and civil war piece that may end up as a national park, The best use for the Court House. We need to have a director or Heritage Tourism. We've always had in front of us they fact that Boeing doesn't want to be piece milled it is a very well-considered and very large contribution. We had an item that was rejected that was part of Heritage Tourism. Council needs to look at the opportunity and figure out a way to support that.

Council Member Flewelling: Heritage Tourism is become our thing and we want to be in that market. Eco Tourism is also under represented as a part of our natural resources.

Council Member Glover: This is one of our goals is to establish Heritage Tourism and I am looking forward to what administration has to bring forward.

Status: Move forward to full Council.

CITIZEN COMMENTS

CITIZEN COMMENTS

Skip Hogland: Forensic Audit for A-Tax/H-Tax and will FOIA. Comply by issuing receipts and invoices for tax money used.

ADJOURNMENT: 2:31 PM

Motion: It was moved by Council Member Passiment, Seconded by Council Member Flewelling to adjourn.

VotingYea: Council Member Passiment, Council Member Sommerville, Council Member Covert, Council Member Dawson, Council Member Flewelling, Council Member Rodman, Council Member Glover, Chairman Hervochoon, Council Member Howard, Vice Chairman Lawson. Meeting Adjourned