



**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

**Staff Support**  
CHRIS INGLESE  
ALICIA HOLLAND

**Administration Building**  
Beaufort County Government  
Robert Smalls Complex  
100 Ribaut Road

**Contact**  
Post Office Drawer 1228  
Beaufort, South Carolina 29901-1228  
(843) 255-2180  
[www.beaufortcountysc.gov](http://www.beaufortcountysc.gov)

## Finance Committee Agenda

**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

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. *[Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act]*
4. APPROVAL OF AGENDA
5. APPROVAL OF MINUTES - November 4, 2019 and December 2, 2019

### CITIZEN COMMENTS

6. Citizen Comments (*limited to 3 minutes per speaker - 15 minutes total*)

### BOARDS AND COMMISSIONS

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

### PRESENTATION ITEMS

8. Reconstruction Era Funding Request and Discussion of Potential Lease

### DISCUSSION ITEMS

9. CAFR Update given by Assistant County Administrator, Alicia Holland
10. FY2021 Budget Update given by Ashley M. Jacobs, Beaufort County Administrator
11. Update on Beaufort County's Financial Obligations with regards to Pepperhall
12. Discussion of Priority Audit Issues

### ACTION ITEMS

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



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## BEAUFORT COUNTY COUNCIL

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### Agenda Item Summary

**Item Title:**

Approval of Minutes

**Council Committee:**

Finance

**Meeting Date:**

February 18, 2019

**Committee Presenter (Name and Title):****Issues for Consideration:**

Approval of the November 4, 2019 & December 2, 2019 minutes

**Points to Consider:****Funding & Liability Factors:**

None.

**Council Options:**

Approve, Modify or Reject

**Recommendation:**

Approve

**MINUTES  
FINANCE COMMITTEE**

**November 4, 2019**

County Council Chambers, Administration Building  
100 Ribaut Road, Beaufort SC

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

**ATTENDANCE:**

Present: Committee Chairman Joseph Passiment, and members Chris Hervochoch, Gerald Dawson, and Mark Lawson

Absent: Brian Flewelling,

Ex-officio: Alice Howard, Stu Rodman, Michael Covert, Gerald Glover, Paul Sommerville, and Lawrence McElynn

**CALL TO ORDER**

The time the meeting began 2:19 p.m.

**APPROVAL OF AGENDA**

**Motion:** It was moved by Councilman Hervochoch seconded by Councilman Covert to approve the agenda. The vote: YAYS- Councilman Covert, Councilman McElynn, Councilman Hervochoch, Councilman Passiment, Councilman Glover, Councilman Dawson, and Councilwoman Howard. The motion passed.

**APPROVAL OF MINUTES**

**Motion:** It was moved by Councilman Hervochoch seconded by Councilwoman Howard to approve the minutes of August 19, 2019, September 23, 2019, and October 7, 2019. Councilman Passiment abstained from only October 7, 2019. The vote: YAYS- Councilman Dawson, Councilman Passiment, Councilman Hervochoch, Councilman Glover, Councilman Covert, Councilwoman Howard, and Councilman McElynn. The motion passed.

**PRESENTATION**

**Item: Outcome of the tax sale and end-of-tax-year collections - Maria Walls, Beaufort County Treasurer**

**Discussion:** Maria Walls stated the outcome of tax year 2018 which took place in 2019. Total collected during posting and advertising \$4,787,129 for the delinquent tax sale. There was 279 parcels out of 347 that was sold during the tax sale. Out of those parcels that was sold there was only 1 parcel that was forfeited. By partnering with Wells Fargo the Treasurer Office has been able to lower the earning credit rate of 1.5%. The taxpayers will no longer receive any fees when using an electronic check and when the taxpayer uses a credit card the fee will now only be 2.35% and debit card usage fee at 1% rate. The current financial funds in the bank to unrestricted funds is \$161,691,596 and restricted funds is \$72,743,033. The investment returns for 2019 is \$4,700,399, which is more than 50% over the previous year. This is putting Beaufort County in a very healthy financial rate.

**Status: For Informational Purposes only.**

**Item: Budget Calendar - Ashley Jacobs, Beaufort County Administrator**

**Discussion:** Ashley Jacobs stated the budget calendar is different from last year this is a broad overview of what the budget calendar will look like. Would like to see the strategic plan co-inside with the budget. In January every department will receive a base budget. Every department will enter into SharePoint or Munis a budget request. The request will be put into the system so everyone will be able to see a line item budget. In March there will be a work session where no votes will be done at. In April the budget will be presented, in May 11 there will be first reading. On May 26 there will be second reading and public hearing. In June there will be the 3<sup>rd</sup> reading and adoption.

**Motion:** It was moved by Councilman Sommerville seconded by Councilman Dawson to. The vote: YAYS- Councilman Dawson, Councilman Passiment, Councilman Hervochon, Councilman Glover, Councilman Rodman, Councilman Covert, Councilman Sommerville, Councilwoman Howard, and Councilman McElynn. The motion passed.

**Status: For Informational Purposes only.**

## **DISCUSSION**

**Item: Discussion regarding Filot Agreement between Beaufort County and Burnt Church Distillery, 3rd Reading scheduled for November 18, 2019 – John O’Toole, Executive Director, Economic Development Corporation**

**Motion:** It was moved by Councilman Dawson, seconded by Councilwoman Howard to Discuss Burnt Church Distillery.

**Discussion:** John O’Toole stated would like to know if the council would like a 20-year filot or 30-year filot. If the filot is approved for the 20 year fix, there will not be an issue extending it the additional 10-years. The company is wanting to invest 10 million dollars into Beaufort County. The company will be hiring from Beaufort County and will only be bringing 3 individuals from out of the county.

**Status: For Informational Purposes only.**

**Item: Reimbursable expenses and submittal process for Finance approval and disbursement of 2% Accommodation Tax funds – Alicia Holland, Assistant County Administrator Finance**

**Discussion:** Alicia Holland stated there are quarterly disbursements issued out to the DMO. There is a discussion about the county paying the vendors directly. Would like to see the DMO's present the documentation that shows what and who they paid the money to if there is an issue in the future with transparency. Instead of having to request the information from the DMO's.

Councilman McElynn stated will this take away from the application process now.

Councilman Passiment stated there is an application process and recording process set up this will no change it.

Alicia Holland stated this will not change process. The DMO's receive a 2% accommodations taxes process and the local has a 3% accommodations taxes. Those funds are disbursed and we are requesting no information.

Councilman Hervocho stated if it is possible that the vendors split the payment themselves.

Alicia Holland stated the DMO's are doing this. They are paying multiple vendors from one check. We want to have this information available for foyer request. Since we do not have anything to provide about these disbursements such as who was paid and what they spent.

Councilman Passiment would like the finance committee to look at the budget in a monthly basis.

Alicia Holland has a summary one page report that has the budget ordinance and summary with details. However, the financial reports are available on the county website.

**Status: For Informational Purposes only.**

**Item: State (2%) Accommodations Tax Board fiscal year 2020 Grant Recommendations to Tourism-Related Organizations in the cumulative amount of \$550,000**

**Discussion:** Dick Farmer, Chairman of A-Tax Board stated the public notice is sent out in August. In September the applications are accepted and they are given to the board. The board is given the application and they go through each one. There is an interview done by the chosen expert and the applicate is given 10 minutes. They have a pot of money at a certain amount that is issued to distribute. Once the person is approved the committee comes to the finance committee and request funds.

Councilman Covert asked how they is the accounting presented to the board or anyone else.

Dick Farmer stated the finances is presented to the A-tax board

Councilman Rodman asked is an audit of the accounting required

Dick Farmer stated an audit is not required because some of them cannot have one.

Councilman Hervochoch asked is it a required to present tax returns

Dick Farmer stated it is required, the committee receives the 990 from the taxpayers that requested money.

**Motion:** It was moved by Councilman Glover seconded by Councilwoman Howard to accept the grant recommendation. The vote: YAYS- Councilman Dawson, Councilman Passiment, Councilman Hervochoch, Councilman Glover, Councilman Rodman, Councilman Covert, Councilman Sommerville, Councilwoman Howard, and Councilman McElynn. The motion passed

**Status: Moved to County Council**

**Item:** Funding options for the Design-Build of the Fort Frederick Boat Ramp - Robert McFee, PE, Division Director Construction, Engineering and Facilities

**Discussion:** Alicia Holland stated current funding is Rural and Critical Lands that allocates \$500,000.00 to the project. We recommend the remaining \$666,227.20 to be funded from the 2017 GO Bond Contingency with a current available balance of \$1,000,995 as of 10/31/2019.

**Motion:** It was moved by Councilwoman Howard seconded by Councilwoman Glover to use current funding from GO Bond of \$666,227.20. The vote: YAYS- Councilman Dawson, Councilman Passiment, Councilman Hervochoch, Councilman Glover, Councilman Rodman, Councilman Covert, Councilman Sommerville, Councilwoman Howard, and Councilman McElynn. The motion passed

**Status: Move to County Council**

## **BOARDS AND COMMISSIONS APPOINTMENTS AND REAPPOINTMENTS**

**Item:** A-Tax

**Discussion:** Vacancy / District 10 and Vacancy / Hospitality/lodging

**Motion:** It was moved by Councilman Glover seconded by Councilman Howard to use current From A-Tax board to appoint Constance Gardner and Dick Stewart. The vote: YAYS- Councilman Dawson, Councilman Passiment, Councilman Hervochoch, Councilman Glover, Councilman Rodman, Councilman Covert, Councilman Sommerville, Councilwoman Howard, and Councilman McElynn. The motion passed

**Motion:** It was moved by Councilman Covert seconded by Councilman Dawson to use current From A-Tax board to appoint Dick Stewart. The vote: YAYS- Councilman Dawson, Councilman Passiment, Councilman Hervochoch, Councilman Glover, Councilman Rodman, Councilman Covert, Councilman Sommerville, Councilwoman Howard, and Councilman McElynn. The motion passed.

**Status: Moved to County Council**

**Item: Board of Assessment Appeals**

**Discussion: 4 Vacancies**

**Status: None needed for Appeals**

**CITIZENS COMMENTS**

**No Comments**

**Adjournment**

The meeting adjourned at 3:46

Ratified by Committee:

DRAFT

**MINUTES**  
**Finance Committee**

**December 2, 2019**

Council Chambers, Administration Building  
100 Ribaut Road, Beaufort, South Carolina 29902

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

**ATTENDANCE**

Present: Councilman Paul Sommerville Councilman Chris Hervochoon, Vice Chairman;  
Councilman Joseph Passiment, Chairman; Councilman Gerald Dawson and  
Councilman Mark Lawson.

Absent:

Ex-officio: Councilman Stewart Rodman, Councilman Alice Howard, Councilman York  
Glover, Councilman Lawrence McElynn, Councilman Brian Flewelling, and  
Councilman Michael Covert (Non-committee members of Council serve as *ex-*  
*officio* members and are entitled to vote.)

Media: Joe Croley, Low country Inside Track

**CALL TO ORDER** 2:00 pm

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

**APPROVAL OF AGENDA**

**Motion:** It was moved by Councilman Hervochoon, seconded by Councilman Flewelling to  
approve the agenda as presented. The vote: YAYS – Councilman Rodman, Councilman  
Sommerville, Councilman Hervochoon, Councilwoman Howard, Councilman Passiment,  
Councilman McElynn, Councilman Flewelling, Councilman Covert, Councilman Dawson and  
Councilman Lawson. The motion passed.

**PRESENTATION**

**A: USCB AND TCL Capital Needs-** *Al M. Panu, Ph.D., Chancellor, USCB and Richard Gough,  
President, TCL*

Al M. Panu, USCB: The most recent impact study, which is about a year old, indicated a  
\$122 Million impact to this area. Compare that from a study from six or seven years ago it



was only at \$74 Million. This growth could not have happened without your long sustained and ongoing support and investment in USCB and higher education in our area. Our heartfelt thanks is given today. Two years ago the chronical of education published to their statistics, USB ranked 5<sup>th</sup> in the Nation for Public Colleges in growth rate and 1<sup>st</sup> in South Carolina. This validates the creation for this public institution which is the youngest in South Carolina in the comprehensive sector. The growth has also brought the need to expand facilities and infrastructure space such as, classrooms, laboratory, faculty offices, and other specialized space. At my arrival 4 years ago, the space challenge was so glaring that we immediately prioritized at \$12 Million new academic building yearly in our request with the state and have done so every year. When making the request for such space we rely on standards that are published by the South Carolina CHEO Commission on Higher Education. The case was so compelling that we exceeded the space utilization metrics for all structurally related spaces. New spaces are associated with Bond Bills, when no Bond Bill was in site, we were encouraged to add in our capital request an additional \$8 Million for renovations to the Library which was done 3 years ago and have continued to do. Not only are we need of space but we are also need of large space for events and activities and student related spaces. In order to remain competitive and continue to grow we need critical space to expand on STEM programs. Compete in athletic programs, opportunity to host indoor commencement events. All this can be accommodated in a multi-purpose facility which is the focus of the request. Most institutions call them convocation centers. Generally, it is agreed that student housing space in Bluffton has contributed to the growth of USCB. The Convocation Center will also draw growth.

Land has been identified on campus for the space. The state has given 6.2 Million as down payment for the renovation project, for the library or for the new building if the bond bill comes to pass. We fill the best use of these funds is not for the renovation of the library but to repurpose these funds to a comprehensive project that will meet the needs if it additional fund sources can be shown. Considering that state has only invested 4 million dollars total, I believe they will be willing to work with us. Investing in a feasibility study to establish size, cost, and economic impact will be the best recommend course of action. We will then know a specific figure to ask from County Council and additions funds from the State. If Council is agreeable, we ask that 50/50 arrangement for the feasibility study with the County and USCB which should be less than \$50,000.00.

Councilman Sommerville: Do you know the funding stream was for Coastal Carolina?

Chancellor Panu: The penny tax, or a tax that was done for Horry County/Georgetown County that was done for k-12, Coastal Carolina, and technical college.

Councilwoman Howard: Peach Bell Conference what universities are affiliated?

Chancellor Panu: USC- Aiken, Lander, NC- Pembroke, N. Georgia. We are a part of the NEIA. The cost is outstanding to compete and sometimes we would have to travel all the way to Miami.

Councilman Rodman- There has been some discussion on an educational sales tax. How long do you thing the feasibility study will be? Do you have a range of an investment in the facility?

Chancellor Panu: We have a large space that can be converted. We would also have classroom space, laboratory space, faculty space, which is why we have called it a multi-purpose space. We could probably have something done in a 5-8-week window.

Councilman McElynn: Is it your plan to only have 2 contributors to the feasibility study? County and University?

Chancellor Panu: To expedite the study, yes.

Councilman Covert: This year commencement was phenomenal.

Councilman Flewelling: Do you estimate your facilities value you have today, over \$25 Million?

Chancellor Panu: Well more than that, yes.

Councilman Flewelling: Of course we want to help. The question is source of funds. Where are we going to find the money? Is there anything left on the bonds previously.

Chancellor Panu: No sir.

Councilman Flewelling: Has staff had any idea of another TIF?

Chancellor Panu: Councilman Rodman and I have talked about it but I think that window has passed.

Councilman Flewelling: Would feasibility study provide a funding mechanism for any share that may be provided by the County?

Chancellor Panu: We can add that to the scope, yes.

**Motion:** It was moved by Councilman Flewelling, seconded by Councilman Glover to forward the recommendation to the County Council in sharing the cost of the feasibility study with USCB, not to exceed fifty-thousand, to be shared fifty-fifty. When it arrives at County Council for final reading, that it includes a funding source. If no funding source can be determined at a county level that it come back to Finance Committee for further consideration. The vote: YAYS – Councilman Rodman, Councilman Sommerville, Councilman Hervochon, Councilwoman Howard, Councilman Glover, Councilman Passiment, Councilman McElynn, Councilman Flewelling, Councilman Covert, Councilman Dawson and Councilman Lawson. The motion passed.

**Recommendation:** Move forward to County Council

Richard Gough, President TCI:

i. College Update-

\*1 of the 16 Colleges in South Carolina Technical College System

\*Provide Opportunities for workforce Development

- \*Nearly half of the undergraduates in the area attend
- \*Tuition is a third of University Costs
- \*Most of the students come from our service area- Beaufort, Jasper, Hampton Colleton
- \*Targeted to work needs.94% will find employment or transfer to University
- \*Offer over 80 programs – Health Science is most popular

\* Enrollment-

Steady increases over the past three years

Over 3300 students

72% from Beaufort County

30% attend full time

70% female

50% white

30% African American

10% Hispanic

\*Update: New Program- Mingledorff, Inc. HVAC Technology Training Lab at TCL

\*Update: US Department of Education Strengthening Institutions Grant

- Highly competitive national grant. TCL is the only college in South Carolina to receive the grant.

-\$2,202,111 over five years

-Project Goals

~increase student engagement and achievement through enhanced curriculum and instruction

~increase persistence and retention through expanded student support

~increase the graduation rate

\*Culinary Institute

\*Dedication of the Beaufort Mather Campus February 21, 2020

ii. College Critical Needs: Priorities 2020

\*Health Sciences Expansion

- Current facilities cannot accommodate student interest and industry demand

- Today, there are 569 health sciences pre-major students.

- Due largely to facility limitations, only 220 will advance into major.

A direct, negative impact on impact workforce.

-Plan:

~Beaufort Campus: renovate space to add classrooms and labs

~New River Campus: construct 50000 building to enable relocation and expansion of business and technology programs

iii. Cost of Capital Projects and Program Developments

~1.2 Million needed to expand/upgrade Beaufort Campus

~3.5 Million current funds

~ Capital Renovations and Capital Construction \$19Million

iv. College Investment Value

Economic Analysis from EMSI. 17-18 Economic Impact for our service area \$129.3 Million, net impact.

~ 129.3 million total income added in the region

~1.3% of region's GRP

~ 2,279 total jobs supported

Benefit Cost Ratio for Tax Payers: For every dollar invested there is a \$3.30 return for services.

Student- for every dollar invested in their education is a return of \$6

Benefits-cost ration for society 10.1

As a college focused on the citizens here now. This is a very good partnership.

Councilman Covert: Of all 569 students that are pre-majoring in Health Science where able to go through how many will be job ready?

President Gough: All of them when they finish, if they were able to all get in.

Councilman Covert: You have a great relationship with Beaufort Memorial, Hilton Head Hospital and Coast Carolina, are you continuing to work with them as an outside source for Health Science?

President Gough: We are continuously working with these hospitals, they provide clinicals for our Health Science students. We take as many slots as they will give us and we are also competing with other Universities for these openings.

Councilman Glover- The Mathis Campus will be turned into a welding program?

President Gough- I was unhappy with the welding curriculum and our instructor was about to retire, so I consolidated the program to the Hampton Campus. It remains up in the air if I can restart the welding program in Beaufort, unless there is a demand.

## DISCUSSION

### **A. Penn Center request for ATAX Dollars- Councilman Hervochon**

Councilman Hervochon: The response was explemary and very well appreciated and I am satisfied to move forward with 3<sup>rd</sup> reading.

**B. Audio and Video Portions of Committee and Council Meetings-** *Committee Chair Joseph Passiment*

Brief presentation by Broadcast Service Manager, Scott Grooms on sound and microphone etiquette in chambers and how to effectively use them for better quality sound.

**ACTION ITEMS**

**A. Approval of Talbert, Bright and Elington Work Authorization 18-03, Amendment 1 to provide consulting for development of contractual documents –** *Jon Rembold, Airport Director*

This work authorization provides specialized consulting for development of important contractual documents such as airline use agreements at the Hilton Head Island Airport. Estimated Time Schedule: Work shall be completed in accordance with the schedule established and agreed upon by the Owner and Engineer.

Cost of Service: The method of payment shall be in accordance with Article 6 of the contract. The work shall be performed in accordance with Article 1 as a lump sum of \$8250.00. Special services shall be performed on a not to exceed basis with a budget of \$51,750.00, which includes reimbursable expenses. For a total of \$60,000.00.

**There was no motion: Motion: It was moved by Councilman Flewelling, seconded by Councilman Hervochon to forward the recommendation to the County Council for approval of the Talbert, Bright, and Elington Work Authorization 18-03, Amendment 1 to provide consulting for development of contractual documents. YAYS – Councilman Rodman, Councilman Sommerville, Councilman Hervochon, Councilwoman Howard, Councilman Glover, Councilman Passiment, Councilman McElynn, Councilman Flewelling Councilman Covert, Councilman Dawson and Councilman Lawson. The motion passed.**

**B. Discussion of Approval of New Employee Sick Leave Policy-** *Chris Inglese, Deputy County Administrator*

Beaufort County does not provide for a sick leave benefit to its employees and provides the least number of holidays compared to other counties. Sick leave benefits and paid holidays are a recruiting tool that helps to attract and retain quality employees. Full-time employees accrue 3.69 hours each bi-weekly pay period. A maximum of 720 hours may be carried over from the last pay period in one year to the first pay period in the following year. Employees working 12- hours shift accrue sick leave at the rate of 3.87 hours per pay period, and may carry over up to a maximum of 756 hours. Employees working a 24 shift accrue sick leave at the rate of 5.2 hours per pay period, and may carry over up to a maximum of 1008 hours. Regular part-time employees who position is designated to work at least 20 hours per week accrue sick leave on a pro-rata basis. Regular part-time employees working an average of less than 20 hours per week, PRN and similar classes of employees do not accrue sick leave.

Sick leave may be used for personal or an immediate family member's (spouse, child, or parent) illnesses, medical appointments, and like purposes provided the employee's presence is required. The County reserves the right to require appropriate certification or confirmation that the employee's presence in fact required.

**Motion:** It was moved by Councilman Glover, seconded by Councilwoman Howard to amend the sick leave policy to include definition of parent/legal guardians to the new employee sick leave policy. YAYS – Councilman Rodman, Councilman Sommerville, Councilman Hervocho, Councilwoman Howard, Councilman Glover, Councilman Passiment, Councilman McElynn, Councilman Flewelling, Councilman Covert, Councilman Dawson and Councilman Lawson. The motion passed.

**Motion:** It was moved by Councilman McElynn, seconded by Councilman Dawson to amend the sick leave policy to include, after three consecutive days of absence that a doctor's note is required for current 8 hour employees only, to the new employee sick leave policy. YAYS – Councilman Rodman, Councilman Sommerville, Councilman Hervocho, Councilwoman Howard, Councilman Glover, Councilman Passiment, Councilman McElynn, Councilman Flewelling, Councilman Covert, Councilman Dawson and Councilman Lawson. The motion passed.

**Motion:** It was moved by Councilman Rodman, seconded by Councilman McElynn to amend the sick leave policy to retroactive sick leave from January 1, 2019 for current employees, to the new employee sick leave policy. YAYS – Councilman Rodman. NAYS- Councilman Sommerville, Councilman Hervocho, Councilwoman Howard, Councilman Glover, Councilman Passiment, Councilman McElynn, Councilman Flewelling, Councilman Covert, Councilman Dawson and Councilman Lawson. The motion failed

**Motion:** It was moved by Councilman McElynn, seconded by Councilman Hervocho to amend the sick leave policy to create the ability to have employees to request sick leave in advance that has not yet been accrued, to the new employee sick leave policy. Motion withdrawn by Councilman McElynn, seconded by Councilman Hervocho.

**Motion:** It was moved by Councilman Hervocho, seconded by Councilman Glover to forward the recommendation to the County Council for approval of new employee sick leave policy as amended. The vote: YAYS – Councilman Rodman, Councilman Sommerville, Councilman Hervocho, Councilwoman Howard, Councilman Glover, Councilman Passiment, Councilman McElynn, Councilman Flewelling Councilman Covert, Councilman Dawson and Councilman Lawson. The motion passed.

**CITIZEN COMMENTS** - *(Limited to 3 minutes and comments must be regarding agenda items only)*

**Motion:** It was moved by Councilman Glover, seconded by Councilman McElynn to go into executive session. The vote: YAYS – Councilman Rodman, Councilman Sommerville, Councilman Hervocho, Councilwoman Howard, Councilman Glover, Councilman Passiment, Councilman McElynn, Councilman Flewelling Councilman Covert, Councilman Dawson and Councilman Lawson. The motion passed.

### **EXECUTIVE SESSION**

**A. Discussion of employment and compensation of persons regulated by Council; discussion of contractual arrangements for independent contractors; and receipt of legal advice where the legal advice is related to pending, threatened, or potential claims and other matters covered by the attorney-client privilege- *Chris Inglese, Deputy County Administrator***

### **ADJOURNMENT**

## Rigg, Elizabeth

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**From:** Wayne Corley <waynecorley@me.com>  
**Sent:** Tuesday, December 3, 2019 11:03 AM  
**To:** BAABeaufort  
**Cc:** Wayne Corley  
**Subject:** Fwd: Re-appointment

[EXTERNAL EMAIL] Please report any suspicious attachments, links, or requests for sensitive information to the Beaufort County IT Division at [helpdesk@bcgov.net](mailto:helpdesk@bcgov.net) or to 843-255-7000.

Liz,

Below is the email I sent on November 12th concerning re-appointment. Is this sufficient?

Wayne

Begin forwarded message:

**From:** Wayne Corley <[waynecorley@me.com](mailto:waynecorley@me.com)>  
**Subject:** Re-appointment  
**Date:** November 12, 2019 at 3:04:38 PM EST  
**To:** [BAABeaufort@bcgov.net](mailto:BAABeaufort@bcgov.net)  
**Cc:** Wayne Corley <[waynecorley@me.com](mailto:waynecorley@me.com)>

Liz,

I am available for re-appointment to the BAA for another term. Please also note that my address should be Bluffton (Okatie) and not Hilton Head Island.

Thank you,

Wayne Corley

Wayne Corley  
Charter One Realty & Marketing  
Broker Associate  
1024 Berkeley Hall Blvd.  
Bluffton, SC 29909  
(843) 247-3131



**Bruce J. Doneff**  
**Stratagic Communications Consulting**

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60 Scipio Road  
Beaufort, SC 29906  
843.476.3022 (cell)  
843.379.9514 (office)

Greetings;

With this letter, I wish to state my request to be reappointed as a member of the Beaufort County Board of Assessment Appeals.

Thank you and best regards,



Bruce J. Doneff

RECEIVED  
DEC 03 2019  
BEAUFORT COUNTY  
ASSESSOR'S OFFICE

**Vaughn, Tithanie**

---

**To:** Rigg, Elizabeth  
**Subject:** RE: RE-Appointment to Board of Assessment Appeals

**From:** Kenneth Joy <[kenjoy1941@gmail.com](mailto:kenjoy1941@gmail.com)>  
**Sent:** Sunday, November 24, 2019 4:12 PM  
**To:** BAABeaufort <[BAABeaufort@bcgov.net](mailto:BAABeaufort@bcgov.net)>  
**Subject:** Re: RE-Appointment to Board of Assessment Appeals

[EXTERNAL EMAIL] Please report any suspicious attachments, links, or requests for sensitive information to the Beaufort County IT Division at [helpdesk@bcgov.net](mailto:helpdesk@bcgov.net) or to 843-255-7000.

Re-sending my conflict of interest statement. Please confirm receipt of same as it sounds that some may have not been received.

Happy thanksgiving,

Ken joy

On Wed, Nov 13, 2019 at 8:13 AM Kenneth Joy <[kenjoy1941@gmail.com](mailto:kenjoy1941@gmail.com)> wrote:

Miss Rigg,

Please accept this as my request for re-appointment to the Beaufort Board of Assessment Appeals. My service on the Board assists me in completing my civic responsibility.

Attached please find the updated conflict of interest statement.

Best regards,

Kenneth W. Joy  
14 Canters Circle  
Bluffton, SC 29910

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**Stephen L. Koch**

8 Hadley Lane  
Hilton Head Island, SC 29926  
843-689-6870  
skoch1940@gmail.com

**November 26, 2019**

RECEIVED

DEC 02 2019

BEAUFORT COUNTY  
ASSESSOR'S OFFICE

Liz Rigg  
BOAA Coordinator  
Beaufort County, SC

Dear Ms. Rigg

Please accept this letter as my request to continue serving on the Beaufort County Board of Assessment Appeals when my current term expires in 2020.

If you require any other information, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Stephen L. Koch". The signature is written in a cursive style with a large, prominent "S" at the beginning.

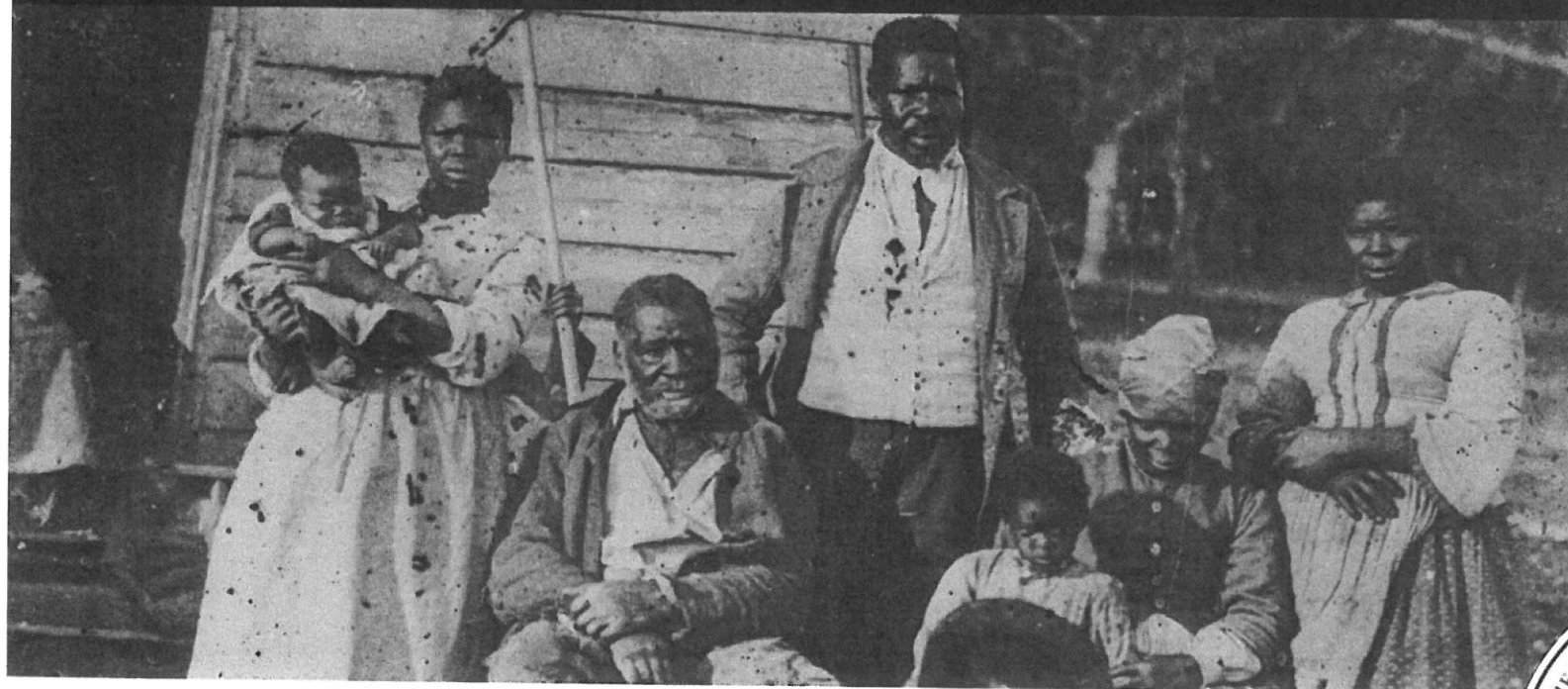
Stephen L. Koch

# Reconstruction Era

National Park Service  
U.S. Department of the Interior



Reconstruction Era National Monument



Five Generations on Smith's Plantation,  
Beaufort, South Carolina  
LOC Image / LC-DIG-ppmsc-00057

The Reconstruction era, 1861-1898, was the historic period in which the United States grappled with the question of how to integrate millions of newly freed African Americans into social, political, economic and labor systems. The historical events that transpired in Beaufort County, South Carolina, make it an ideal place to tell stories of experimentation, transformation, hope, accomplishment, and disappointment.



**Estimated Local, Foundation, Federal, State and Private Investment for Support of Reconstruction Era  
National Historical Park**

NEH-USCB teachers Institutes (4 x est. \$150,000)	\$600,000
Planning Grant for Interpretative Programs: Aps, Maps, USC COE	\$78,000
NEH Interpretation Program	\$260,000
Archieves and History - Education Planning`	\$150,000
Donation of Darrah Hall and five acres by Penn Center	\$300,000
Donation of Fire House including all studies and closing costs	\$450,000
Funds by Conservation Lands Fund for studies and closing costs: Darrah and Brick + Travel	\$250,000
Donation by Brick Church of to be restored historic cottage and land	\$100,000
Donation by Town of Port Royal of new site and historic church to be moved	\$100,000
Out of Pocket Expenses invested locally for advocacy, public hearing and travel	\$50,000
NPS Mobiliation Expenses, 3 Interim Superintendants, public outreach, publishing and events	\$350,000
NPS FY 18 Apropriation Soon to be available for permanent superintendent and overhead	\$170,000
Anonymous donor to Reconstruction Beaufort: Operations and Student Programming	\$100,000
Mitchelville	
<b>Total Local, Partners and Outside Investment</b>	<b>\$2,688,000</b>
Funds to Be Raised by NPS to become Fully Operational - Based on Leverage of	\$2,500,000
Subtotal	\$5,188,000
County Ask	\$700,000
<b>TOTAL</b>	<b>\$5,888,000</b>
% of County ask	<b>12%</b>



## BEAUFORT COUNTY COUNCIL

### Agenda Item Summary

#### Item Title:

Graves/ Pepperhall Development Agreement Obligations

#### Council Committee:

Finance

#### Meeting Date:

February 18, 2020

#### Committee Presenter (Name and Title):

Eric Greenway, Director of Planning and Zoning

#### Issues for Consideration:

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)
3. Construct Okatie River Park. (Delivery within 24 months of 150 residential dwelling units being permitted)
4. 50/50 Cost share on off-site and on-site Stormwater improvements.

#### Points to Consider:

1. 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.
2. The Neighborhood Improvement District will permit the recapture of some or all of the expenditures for roads and the park.

#### Funding & Liability Factors:

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). 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 for FY21/22- \$2,218,044 total. Funding source can be CTC and/or County TAG funds.
  3. Construct Okatie River Park. (Delivery within 24 months of 150 residential dwelling units being permitted): Total of \$1,406,600. Funding source will be Passive Parks funding which may require the re-prioritizing other park projects.
  4. 50/50 Cost share on off-site and on-site Stormwater improvements. 50% of these cost will be \$400,000.00 with the funding source being the Stormwater Utility
- \*All numbers are preliminary and approximate.

#### Council Options:

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

#### Recommendation:

No Action requested.

PRELIMINARY based on 30% Drawings		Pepperhall Site Costs Summary			1/27/20
	Graves		County		
1	Tree & Topo Survey	20000	9500	Coastal Surveying	
2	JD Wetlands letter	3000	3000	Newkirk Enviromental	
3	ACOE Nationwide Permit	4500	4500	Newkirk Enviromental	
4	Environmental Phase 1	2882	618	Newkirk Enviromental	
5	Geo Tech Borings	4182	918	GHD Services	
6	Park Improvements and Fixtures	0	997100	WJKL Plan & Budget	
7	Piers 3 each	0	400000	Plug	
8	Buildings	0	500000	WJKL Plan & Budget	
9	Graves Road	0	1326736	D&F Plan & Budget	
10	Park Road	0	891275	D&F Plan & Budget	
11	Hardscape(Graves and Park Rds)	0	574416	WJKL Plan & Budget	
12	Landscape(Graves and Park Rds)	0	326052	WJKL Plan & Budget	
13	Street Lighting	0	0	Lease	
14	Signalized intersection	691247	0	D&F Plan & Budget	
15	Hardscape(Signal Rd)	58090	0	WJKL Plan & Budget	
16	landscape(Signal Rd)	74016	0	WJKL Plan & Budget	
17	Utilities(Water, Sewer)	1577950	0	D&F Plan & Budget	
18	Storm Water	274615	274615	D&F Plan & Budget	
19	Civil Design Fees	254381	249263	D&F Plan & Budget	
20	Civil Construction Contingency 20	508762	498525	D&F Plan & Budget	
21	Legal Fees	35000	35000	Barry?	
22	Blueprinting	2500	2500		
23	Management Fees	280000	480000		
24	Interest Carry			???? For County	
25	Park Maintenance Cost			?????	
	Total	3791125	6574018		

## **FUNDING AND LIABILITY**

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). 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 for FY21/22- \$2,218,044 total. Funding source can be CTC and/or County TAG funds.
3. Construct Okatie River Park. (Delivery within 24 months of 150 residential dwelling units being permitted): Total of \$1,406,600. Funding source will be Passive Parks funding which may require the re-prioritizing other park projects.
4. 50/50 Cost share on off-site and on-site Stormwater improvements. 50% of these cost will be \$400,000.00 with the funding source being the Stormwater Utility

\*All numbers are preliminary and approximate.



# **Skip Hoagland's Priority Audit Issues**

**(that apply to Beaufort County)**

- 1. SC ATAX FOIA - Skip requests that Beaufort County obtain specific information from the Hilton Head Island Chamber that he has requested and the Chamber refuses to provide.**
- 2. SC NON PROFIT CORPORATION ACT LAWS - Skip requests that Beaufort County extend its inspection rights of all accounting records from all Chambers receiving County funds to all taxpayers.**
- 3. DMO CONTRACTS & TAX RECIPIENT AGREEMENTS -Skip requests that Beaufort County insure that non-profit recipients of County funds are contractually obligated to 1) limit expenditures to legal and proper uses and 2) audit such uses in a timely and acceptable manner.**

## **Path Forward**

- Finance Committee, which also serves at the Audit Committee for Council, to analyze these issues and provide recommendations.**
- Finance to also re-open the 2% State ATAX, 3% Local ATAX, Hospitality, and Admissions Ordinances and provide enhancing recommendations for Council consideration.**



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## BEAUFORT COUNTY COUNCIL

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### Agenda Item Summary

#### Item Title:

Local ATAX and HTAX Grant Awards

#### Council Committee:

Finance

#### Meeting Date:

February 18, 2020

#### Committee Presenter (Name and Title):

#### Issues for Consideration:

Each year, Beaufort County awards grant funds 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 (20) applications were received, including three (3) from Beaufort County Departments. The total award requests totaled \$2,850,883.00.

#### Points to Consider:

County staff reviewed and scored the applications; the results are included on the attached spreadsheet along with award recommendations. A carryover reserve for County purposes is also included on the spreadsheet.

#### Funding & Liability Factors:

Available funds as of June 30, 2019 for making awards are as follows:  
20010011 - Local Accommodations Tax: \$1,800,000  
20020011 - Local Hospitality Tax: \$2,200,000  
Total Funds: \$4,000,000

#### Council Options:

Approve staff recommendations as provided  
Suggest edits to award amounts and/or the carryover reserve

#### Recommendation:

The Finance Committee approve and recommend to County Council the award of local accommodations tax and local hospitality tax as proposed.

**ORDINANCE NO. 2020/ \_\_\_\_**

**AN ORDINANCE TO APPROPRIATE GRANT AWARDS TO LOCAL ENTITIES FROM THE COUNTY'S LOCAL (3%) ACCOMMODATIONS TAX AND LOCAL HOSPITALITY TAX COLLECTIONS FOR THE YEAR ENDING JUNE 30, 2019.**

**WHEREAS**, Beaufort County Council (“County Council”) is authorized to utilize Local Accommodations Tax (“Local A-Tax”) and Local Hospitality Tax Funds (“Local H-Tax”) for limited tourism-based purposes described in Beaufort County Code Ordinance Sec. 66-44 and Sec. 66-534; and

**WHEREAS**, Beaufort County Code Ordinance Sec. 66-44(b) states “authorization to utilize any funds from the ‘County of Beaufort, South Carolina, Local Accommodations Tax Account’ shall be by ordinance duly adopted by the County Council; and

**WHEREAS**, Beaufort County Code Ordinance Sec. 66-534(b) states “authorization to utilize any funds from the ‘County of Beaufort County, South Carolina, Hospitality Tax Account,’ shall be by ordinance duly adopted by the County Council”; and

**WHEREAS**, Beaufort County (“County”) initiated a formal grant application process, and accepted applications from local entities from October 1, 2019 through December 31, 2019 to receive grant funds from those locally collected Local A-Tax and Local H-Tax; and

**WHEREAS**, County staff received twenty (20) applications and has reviewed and scored each application for the purpose of making award recommendations to County Council for approval and appropriation of funds; and

**WHEREAS**, County Council finds that it is in the best interest of its citizens, residents, visitors and tourists to provide the recommended funds to local entities and projects as set forth in the attached “Exhibit A” which is incorporated herein by reference.

**NOW, THEREFORE, BE IT ORDAINED BY BEAUFORT COUNTY COUNCIL**, that appropriations shall be made in the form of grant awards to local entities from Beaufort County’s Local (3%) Accommodations Tax and Local Hospitality Tax Funds as set forth in the attached Exhibit A.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: \_\_\_\_\_  
Stewart H. Rodman, Chairman

ATTEST:

---

Sarah Brock, Clerk to Council

Chronology:

Third and Final Reading

Public Hearing

Second Reading

First Reading



COUNTY COUNCIL OF BEAUFORT COUNTY  
**FINANCE DEPARTMENT**  
106 Industrial Village Road, Bldg 2 –Post Office Drawer 1228  
Beaufort, South Carolina 29901-1228

TO: Councilman Passiment, Chairman, Finance Committee

FROM: Shannon Milroy, Grants Accountant

SUBJ: Local Accommodations Tax and Local Hospitality Tax Grant Award Recommendations and Approval

DATE: February 18, 2020

**BACKGROUND:** Each year, Beaufort County awards grant funds 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 (20) applications were received, including three (3) from Beaufort County Departments. The total award requests totaled \$2,850,883.00.

County staff reviewed and scored the applications; the results are included on the attached spreadsheet along with award recommendations.

**FUNDING:** Available funds as of June 30, 2019 for making awards are as follows:

20010011 – Local Accommodations Tax:	\$1,800,000
<u>20020011 – Local Hospitality Tax:</u>	<u>\$2,200,000</u>
Total Funds:	\$4,000,000

**FOR ACTION:** Finance Committee on February 18, 2020.

**RECOMMENDATION:** The Finance Department recommends that the Finance Committee approve and recommends to County Council to approve the authorization for the County Administrator to issue grant awards as recommended by County staff as outlined on the attached spreadsheet.

cc: Ashley Jacobs, County Administrator  
Christopher Inglese, Deputy County Administrator  
Alicia Holland, Asst. Co. Administrator, Finance

Attachment: Local ATAX and HTAX Grant Application Scores and Recommendations

Once all parties approve the Agenda Packet, the Agenda Packet will be sent to the appropriate Assistant Deputy Administrator and the Deputy Administrator for final approval. Once approved, the packet will be forwarded to the Clerk to Counsel for placement on the appropriate Committee. Once approved by committee, the Purchasing Director will submit an updated packet to the Deputy Administrator for Council approval and if approved the packet will be sent to the Clerk to Council for placement on County Council Agenda.

# ADD-ONS

The document(s) herein were provided to Council for information and/or discussion after release of the official agenda and backup items.

County Council of Beaufort  
Local Atax Htax Awards  
2019-2020

Applying Organization	Amount Requested	Project Description	Was Application Complete?	Score	Project Awarded?	Award Amount	Staff Recommendation
Beaufort Area Hospitality Association	\$10,000	Print advertising across SC, GA and NC as well as social media marketing	Yes	85	Yes	\$10,000	Award full amount
Beaufort Area Hospitality Association	\$10,000	Advertising and promotion - Radio and TV Marketing of event	Yes	85	Yes	\$10,000	Award full amount
Beaufort County Black Chamber of Commerce	\$55,000	African Fashion Week 2020	Yes	50	Partial	\$13,500	Advertising in budget was only item to fit criteria
Beaufort County Black Chamber of Commerce	\$65,000	Gullah Christmas 2020	Yes	50	Partial	\$11,700	Advertising in budget was only item to fit criteria
Beaufort County Black Chamber of Commerce	\$55,000	Kentucky Derby 2020	Yes	50	Partial	\$11,700	Advertising in budget was only item to fit criteria
Beaufort County Black Chamber of Commerce	\$35,000	Southeast Regional Business Summit	Yes	50	Partial	\$11,700	Advertising in budget was only item to fit criteria
Beaufort County Heritage Tourism Corporation	\$270,000	Operations costs to get organization up and running	No	0	No	\$0	Project does not meet criteria of atax or htax expenditures; Marketing Plan not included, Tourism Impact vague. They requested \$90,000 per year for three years.
Beaufort County Open Land Trust	\$25,000	Capers Creek Access Purchase for Reconstruction Era National Park	Yes	85	Yes	\$25,000	Award full amount
Beaufort County Open Land Trust	\$272,268	Port Royal Island Battlefield Property Purchase	Yes	0	No	\$0	It appears that the Battlefield will become Beaufort County property. There is a building located on the property that would require maintenance or demolition as well as the general maintenance of the 12.16 acres.
Beaufort County - Engineering Department	\$43,785	Demolition of existing structures at County-owned Camp St. Mary's	No	0	No	\$0	Demolition does not fit the criteria of atax or htax expenditures. Engineering needs to come back with a planned passive park that can be used by local residents and tourists.
Beaufort County - Public Works	\$196,000	CC Haigh Landing Improvements	Yes	100	Yes	\$196,000	Award full amount
Beaufort County - Engineering Department	\$160,000	Spanish Moss Trail Planning	Yes	???	???	???	Staff was informed by Dean Moss that there was a potential alternative.
Bluffton Historical Preservation Society	\$10,000	Heyward House Museum and Welcome Center Improvements	Yes	95	Yes	\$10,000	Award full amount
Campbell Chapel Community Development	\$165,000	Planning for restoration of Campbell's Historic Chapel	Yes	85	Yes	\$140,000	.Award partial amount; reduction due to cost of a professional fundraiser, which does not fit atax or htax criteria
Coastal Discovery Museum	\$792,880	Planning and Design of New Museum	Yes	85	Yes	\$792,880	Award full amount
Daufuskie Marsh Tacky Society	\$65,000	Construction of Facilities for Marsh Tacky Society	Yes	40	Maybe	\$0	The property in question is owned by Beaufort County. Our understanding is the property is in a conservation easement. We need clarification for what can be placed on the property. We were unclear of the tourism draw to stables.
Friends of Hunting Island	\$65,000	Virtual Lighthouse in Museum	Yes	100	Yes	\$65,000	Award full amount
Greater Beaufort - Port Royal CVB	\$51,950	Feasibility Study	No	0	No	\$0	This project does not fit within the criteria of items to be awarded by atax or htax revenues.
Historic Port Royal Foundation & Museum	\$4,000	Partial salary for marketing duties and purchase of promotional materials	Yes	80	Partial	\$1,000	This amount represents the marketing related materials; the cost of a marketing director does not fit with atax or htax criteria.
Port Royal Sound Foundation	\$500,000	Construction of a multi-purpose pavilion next to the Maritime Center in Okatie	Yes	80	No	\$500,000	Award full amount
<b>Total Requested</b>	<b>\$ 2,850,883</b>						
		<b>Total Awarded</b>				<b>\$ 1,798,480</b>	



**OFFICE OF THE COUNTY ATTORNEY**

Post Office Drawer 1228 · Beaufort, SC 29901  
 102 Industrial Village Road, Building #1  
 843.255.2055 (O) · 843.255.9414 (F)

**LEGAL REVIEW REQUEST FORM**

Form Number: 2020 - 0183L

Originally submitted on: 2/3/2020 8:48:21 AM

Select Type: Ordinance/Resolution

Document Title: Proceeds of Myrtle Park to BC Economic Development Corp

Department: Community Development

Requester's Name: Charlie Stone

Ph: 843-705-8414

Em: cstone@beaufortscedc.org

Date Needed by: 2/3/2020

Is this item being presented to Council or Committee?  Yes  No Meeting date: 2/18/2020  
*(If Yes, please provide meeting date)*

Description of Document or Any Concerns:

Beaufort County Economic Development Corp is requesting that the proceeds from the sale of Beaufort County commercial property in Bluffton be provided to them.

Is the County receiving a reimbursement or any compensation?  Yes  No

If applicable, please provide the total value amount of the contract:




- Amount BELOW \$50,000.00
- Amount \$50,000 to \$99,999
- Amount \$100,000 and above

Has the item been approved by Council Committee?  Yes  No  N/A



Has the item been approved by full Council?  Yes  No  N/A

Attachments:




 AIS - Proceeds of Myrtle Park Sale .pdf 1.87 MB	 Incentive Agreement and Ordinance - Fully Executed.pdf 1.35 MB	 Resolution re Myrtle Park funds.docx 13.8 KB
2020-02-03T08:51:39	2020-02-03T08:51:51	2020-02-03T08:51:58

**ASSIGNED TO SECTION**

This request will be assigned to: Kurt Taylor

**LEGAL DEPARTMENT USE ONLY- INITIAL REVIEW**

Attachments:

 No file attached	 No file attached	 No file attached
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- Approved       On Hold       Send to Finance  
 Disapproved       Additional Documents Requested

Comments:

Kurt Taylor  
8:49:54 AM  
 Legal Staff

2/4/2020  
 Date / Time

**FINANCE DEPARTMENT USE ONLY - INITIAL REVIEW**

- Approved     Disapproved     N/A

Comments:

Finance is approving this item so that it can move forward for information only. As of February 2018, 2020, this property is still owned by Beaufort County. Therefore, Beaufort County has not received any proceeds for the transfer of ownership of this property.

aholland  
 Finance

2/18/2020    9:24:47 AM  
 Date/Time



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## BEAUFORT COUNTY COUNCIL

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### Agenda Item Summary

**Item Title:**

Proceeds of Myrtle Park Sale

**Council Committee:**

Finance Committee

**Meeting Date:**

Finance Committee Meeting, February 18th, 2020

**Committee Presenter (Name and Title):**

John O'Toole, Executive Director, Beaufort County Economic Development Corporation

**Issues for Consideration:**

The contribution of \$600,000 from the sale of 7.7 acres, R600-031-000-1624-0000, Myrtle Business Park to CSD Myrtle Park, LLC into the Beaufort County Economic Development Corporation's site development/job retention fund.

**Points to Consider:**

- \$600,000 from sale will be put in escrow and will be used to move forward the development of a 64,000 sq. ft. spec building within the Beaufort Commerce Park.

**Funding & Liability Factors:**

\$600,000 Sale Price to be contributed to Beaufort County EDC's site development/job retention fund

**Council Options:**

Finance Committee to recommend to full council for approval.

**Recommendation:**

Finance Committee to recommend to full council that the proceed of the Myrtle Park sale be deposited in the Beaufort County EDC's site development/job retention fund.

RESOLUTION 2019/\_\_\_\_\_

**A RESOLUTION AUTHORIZING THE ALLOCATION OF THE PROCEEDS OF THE SALE OF THE COUNTY'S MYRTLE PARK PROPERTY, R600-031-000-1624-0000 TO THE BEAUFORT COUNTY ECONOMIC DEVELOPMENT CORPORATION'S SITE DEVELOPMENT/JOB RETENTION FUND.**

**WHEREAS**, the County recently sold a parcel of property in Myrtle Park, parcel ID number R600-031-000-1624-0000 for the net sum of \$600,000.00; and

**WHEREAS**, County Council has established certain priorities for economic development in Beaufort County; and

**WHEREAS**, among the priorities are site development and job retention; and

**WHEREAS**, County Council finds that it is in the best interest of the citizens of Beaufort County to appropriately fund the site development and job retention;

**NOW, THEREFORE, BE IT RESOLVED** that Beaufort County Council, in meeting duly assembled, does hereby authorize the contribution of \$600,000 from the sale of 7.7 acres, R600-031-000-1624-0000, Myrtle Business Park to CSD Myrtle Park, LLC into the Beaufort County Economic Development Corporation's site development/job retention fund.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: \_\_\_\_\_  
Stewart H. Rodman, Chairman

STATE OF SOUTH CAROLINA )  
 ) INCENTIVE AGREEMENT  
 COUNTY OF BEAUFORT )

This Incentive Agreement (the "Incentive Agreement") is entered into this 16<sup>th</sup> day of January, 2019<sup>20</sup> by and between **BEAUFORT COUNTY, SOUTH CAROLINA** (the "County"), and **CSD MYRTLE PARK, LLC**, a South Carolina limited liability company, and its successors, assigns, and assignees (the "Company") (collectively, the "Parties").

**RECITALS**

**WHEREAS**, the County is a body politic and corporate under the laws of the State of South Carolina (the "State") and as such possesses all general powers granted by the Constitution and statutes of the State to such public entities; and

**WHEREAS**, the Company has expressed a desire to develop and construct buildings upon certain commercial property within the County (as more particularly described in Section 1.1 below) which is anticipated to provide both direct benefits to the County in the form of additional capital investment and job creation as well as indirect benefits in serving as a catalyst for additional investment and job creation in the County (the "Project"); and

**WHEREAS**, the Company currently estimates that the costs of planning, designing, acquiring, constructing, and completing the Project will require expenditures of approximately \$10,000,000 and has requested assistance from the County to support the development of the Project; and

**WHEREAS**, the County, acting through its County Council, the governing body of the County (the "Council"), is duly empowered to expend public funds for public purposes, and pursuant to an Ordinance of even date herewith, has authorized and approved the execution of this Incentive Agreement; and

**WHEREAS**, the County acknowledges that the Company is relying on the commitments set forth herein in making its decision to undertake the Project within the County, and the Company acknowledges that the County is relying on the representations set forth herein in making its decision to offer this inducement.

**NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:**

**ARTICLE I**  
**THE PROJECT**

**Section 1.1.** *The Project.* The Company shall construct and place in service a minimum of 60,000 square feet of buildings to be located in the County and developed upon an approximately 7.71 acre parcel presently owned by the County (Beaufort County Tax Map Number R600 031 000 1624 0000) (the "Property"). The County shall enter into a contract of sale to convey the Property to the Company for a purchase price of Six Hundred Thousand and

00/100 Dollars (\$600,000.00) (the "Purchase Price") to be paid by the Company and shall undertake certain Improvements to the Property (as described in Section 2.1 below). The date of conveyance of the Property shall hereinafter be referred to as the "Conveyance Date." Upon execution of the contract of sale, the Company shall deposit Sixty Thousand Dollars (\$60,000.00) to be held in escrow by the County, upon acceptance of the contract of sale. The Company shall commence development of the Project within sixty (60) days after the Conveyance Date. The Company anticipates that the Project shall create 120 full-time jobs within five years after the Conveyance Date of the Property, provided that the Company shall be required to create eighty-five full-time jobs within such time period (the "Jobs Requirement"). The Company expects that fifty percent (50%) of the jobs created will be in the light industrial, manufacturing, office, and/or healthcare sectors, as targeted industries identified by the County. Further, the Company expects that many of the newly created jobs will provide starting annual salaries exceeding the median area income for the County.

**Section 1.2.**     *Investment.* Within five years after the Conveyance Date, the Company anticipates investing approximately \$10,000,000 in the Project (as described in Section 1.1 above).

## ARTICLE II UTILITY LICENSE FEE IMPROVEMENTS

**Section 2.1.**     *Utility License Fee Credits.* The County shall undertake up to \$577,000 in expenses and improvements at the Property, prior to the Conveyance Date and at the direction of the Company, provided such costs constitute eligible "infrastructure" as define in Section 12-20-105(B) of the Code of Laws of South Carolina, 1976, as amended (the "Improvements). Upon completion of the Improvements, and subject to other terms and conditions contained in this Incentive Agreement and the above-referenced contract of sale, the County shall convey the Property to the Company.

## ARTICLE III COUNTY COMMITMENTS

**Section 3.1.**     *Permitting.* To the maximum extent allowed by law, the County will assist with the identification and coordination of, and will use its best reasonable efforts to cause, all County, and any other local construction and other permits for which appropriate application is made by the Company, to be issued or obtained on a timely basis. Based upon the information provided to the County by the Company concerning the Project, the County presently foresees no problem with respect to the permitting of the Project by the County.

**Section 3.2.**     *Zoning.* To the best of the County's knowledge, the Project is zoned for the Company's intended use, or the County does not anticipate any problems with obtaining such variances as may be required.

**Section 3.3.**     *Utilities.* To the best of the County's knowledge, all necessary utilities are available at the Property.

**Section 3.4. Miscellaneous.** The County agrees to work with the Company to assist in obtaining any reasonable approvals as may be required for the Project as described herein.

#### **ARTICLE IV CLAWBACKS**

**Section 4.1. Clawbacks.** The Company shall be subject to retroactive payments to the County as follows:

(a) If the Company does not commence vertical construction activity within one year from conveyance of the Property by the County, the County shall be entitled to either:

(1) exercise an option to repurchase the Property from the Company pursuant to the terms of the Agreement of Purchase and Sale between the County and the Company executed substantially contemporaneously herewith. If the County exercises said option to purchase, it shall forfeit the right to \$200,000.00 described in subparagraph (2) below; provided no additional liens or encumbrances have been placed on the Property by Company. Notwithstanding the foregoing, if a construction loan is closed and the Property is encumbered by a construction mortgage, the repurchase option shall be terminated and released, or

(2) the Company shall make a payment of Two Hundred Thousand Dollars (\$200,000.00) to the County, within 60 days following the applicable default, in which case the purchase option shall be terminated and released.

In either case, no further clawback obligations will be triggered.

(b) If the Company does not substantially complete 60,000 square feet of new building construction on the Property within two years after the Conveyance Date, the Company shall make a payment of Two Hundred Thousand Dollars (\$200,000.00) to the County within 60 days following the applicable default. In such case, no further clawback obligations will be triggered. The issuance of a Certificate of Occupancy by the applicable County official shall constitute substantial completion.

(c) If the Project does not create 85 full-time jobs on the site within five years of the Conveyance Date, a pro rata payment shall be remitted to the County. The pro rata payment shall be based on the highest number of jobs created and equals the percentage shortfall in the Jobs Requirement (as described in Section 1.1) times Two Hundred Thousand Dollars (\$200,000.00). For example, if the highest number of jobs reached is 68, the shortfall would be 20% (100% - [68/85]), thereby resulting in a payment obligation of  $\$200,000 \times 20\% = \$40,000$ . The Company's pro rata payment shall be due within 60 days following the five-year anniversary of the Conveyance Date.

**Section 4.2. Letter of Credit.** All payment obligations set forth in Section 4.1 of this Incentive Agreement must be secured by a letter or letters of credit initially in the amount of \$200,000, but subject to annual reduction upon partial satisfaction of the above criteria, as

approved by the County. In no event shall the total amount of the clawback obligations exceed \$200,000. The Company shall maintain the letter or letters of credit in place for a minimum of two (2) years plus 60 days or until the payment obligation in Section 4.1 have been satisfied, whichever first occurs.

## ARTICLE V MISCELLANEOUS

**Section 5.1.**     ***Applicable Law.*** This Incentive Agreement has been entered into in the State of South Carolina and shall be governed by, and construed in accordance with the laws of South Carolina, without regard to any conflict of law principles that would refer governance of this Incentive Agreement to any other state.

**Section 5.2.**     ***Binding Effect of Agreement.*** To the extent permitted by law, this Incentive Agreement represents binding and enforceable commitments between the County (including its constituent agencies and departments) and the Company.

**Section 5.3.**     ***Severability.*** In the event and to the extent (and only to the extent) that any provision or any part of a provision of this Incentive Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable the remainder of that provision or any other provision or part of a provision of this Incentive Agreement.

**Section 5.4.**     ***Further Actions.*** To the extent permitted by law, the County shall use its best reasonable efforts to take whatever actions are necessary and appropriate in order to comply with its undertakings in this Incentive Agreement.

**Section 5.5.**     ***Counterparts.*** This Incentive Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures hereto and thereto were on the same instrument.

**Section 5.6.**     ***Termination.*** The parties understand that the Company may choose not to proceed with the Project as herein provided, in which event this Incentive Agreement shall terminate upon notice by the Company to the County as to such choice.

**Section 5.7.**     ***Assignment.*** The Company may assign a part or all of its rights or obligations under this Incentive Agreement to any affiliated entity or related party without the consent of the County. Any other assignment of the Company's rights or obligations under this Incentive Agreement shall require the written consent of the County, which shall not be unreasonably withheld.

Notwithstanding the foregoing, County acknowledges and agrees that the Company may assign its rights and obligations under this Agreement at Closing to two entities controlled by its principals and referred to herein as the "Coker LLC" and the "Dolnik LLC." Upon such assignment, the County agrees that this Agreement will be amended so that the requirements in Section 4.1 and 4.2 of this Agreement shall be split between the Coker LLC and the Dolnik LLC based on a division to be indicated by the Company prior to Closing, provided that the total amount

of the letters of credit required in Section 4.2 shall not be less than \$200,000, or such lesser amount as the County may approve from time to time.

**Section 5.8.**      *Cooperation.* The County hereby agrees, to the extent permitted by law, to cooperate with the Company in sustaining the enforceability of this Incentive Agreement.

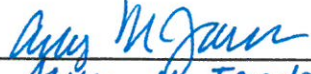
**Section 5.9.**      *Attorneys' Fees.* Each party shall be responsible for its own attorneys' fees incurred in connection with this Incentive Agreement and any other agreements or instruments entered into pursuant to the matters detailed herein.

*(Signature Page Follows)*



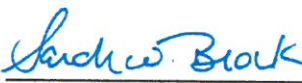
IN WITNESS WHEREOF, the Parties have executed this Incentive Agreement as of the day and year first above written.

**BEAUFORT COUNTY,  
SOUTH CAROLINA**

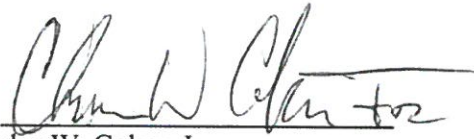
Signature:   
Name: Ashley M. Jacobs  
Title: County Administrator


(SEAL)

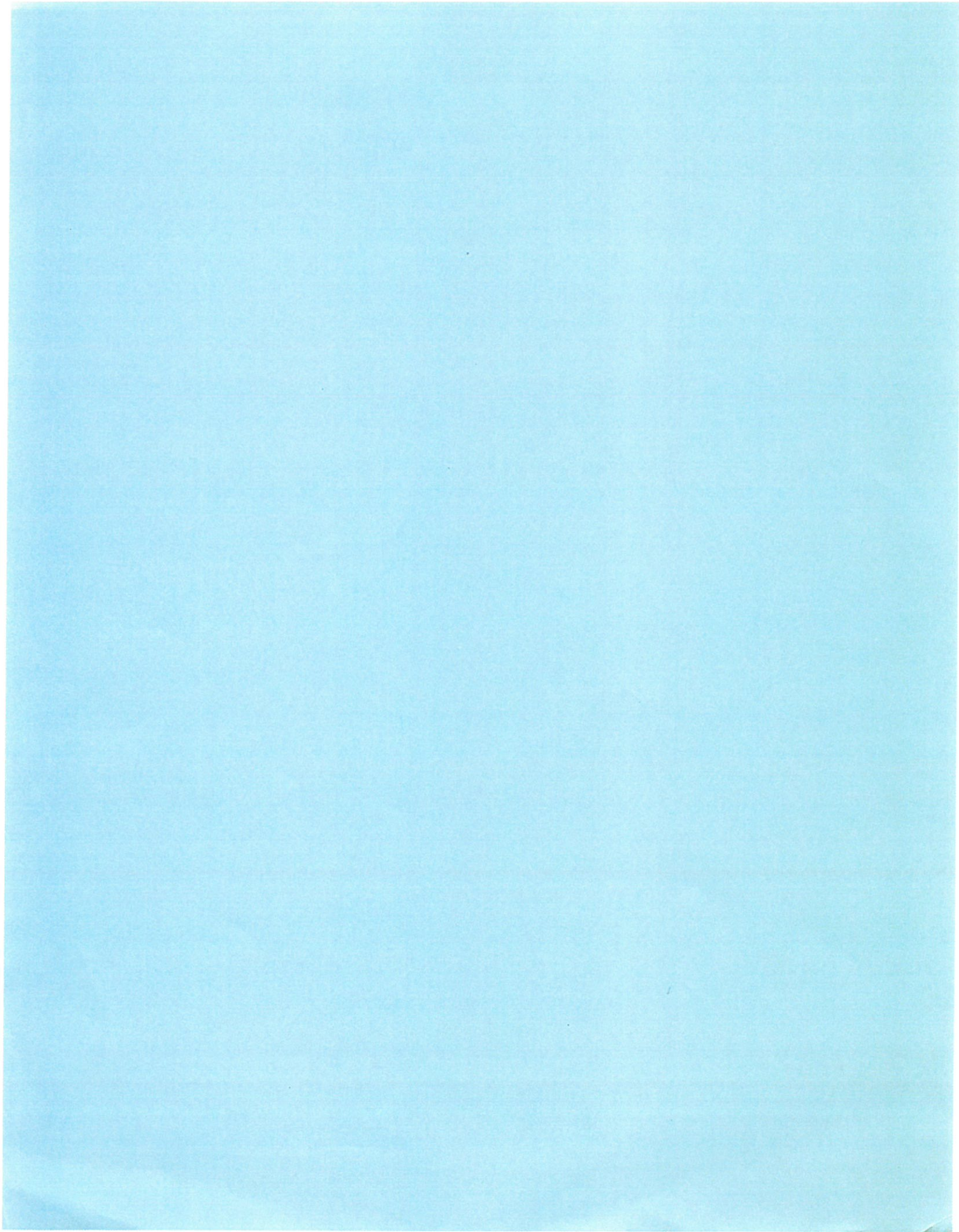
ATTEST:

Signature:   
Name: Sarah W. Brock  
Title: Clerk to Council

**CSD MYRTLE PARK, LLC**

Signature:   
Name: Charles W. Coker, Jr.  
Title: Manager

Signature:   
Name: Tim Dolnik  
Title: Manager



STATE OF SOUTH CAROLINA )  
 )  
 )                   ORDINANCE NO. 2019 / 55  
COUNTY OF BEAUFORT        )

**ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF AN INCENTIVE AGREEMENT BETWEEN BEAUFORT COUNTY, SOUTH CAROLINA AND CS PROPERTIES, BLUFFTON, LLC (OR ITS ASSIGNEE), PROVIDING FOR CERTAIN INCENTIVES ASSOCIATED WITH THE DEVELOPMENT OF MYRTLE BUSINESS PARK, AND AUTHORIZING THE CONVEYANCE OF PROPERTY FROM THE COUNTY TO CS PROPERTIES, BLUFFTON, LLC (OR ITS ASSIGNEE) UPON SATISFACTION OF CERTAIN CONDITIONS SET FORTH IN THE INCENTIVE AGREEMENT; AND ADDRESSING OTHER MATTERS RELATED THERETO.**

WHEREAS, CS Properties Bluffton, LLC, a limited liability company organized and existing under the laws of the State of South Carolina, or its assignee (referred to hereinafter as the "Company"), intends to invest in the development of Myrtle Business Park, to include the construction of approximately 60,000 square feet of buildings with estimated capital expenditures in excess of \$10,000,000 and the anticipated creation of 120 jobs (the "Project"); and

WHEREAS, the Project necessitates significant infrastructure expenditures including but not limited to entry roads, driveways, water, sewer, stormwater, power, and information technology expenses as well as significant expenses associated with site work and building improvements; and

WHEREAS, the Company has requested assistance from the County in facilitating the implementation of the Project; and

WHEREAS, Beaufort County, South Carolina (the "County") has carefully considered the requests of the Company, including anticipated investments and job creation as well as other anticipated costs and benefits to the County, and recognizing the critical need for available office space to attract new investment in the County, has agreed to provide assistance to the Project under the terms and conditions set forth in a comprehensive Incentive Agreement, a copy of which is attached hereto as Exhibit A (the "Incentive Agreement"); and

WHEREAS, the Incentive Agreement provides, among other things, for the County to undertake certain expenses and improvements that constitute eligible "infrastructure" as defined in Section 12-20-105(B) of the Code of Laws of South Carolina, 1976, as amended (the "Improvements"), subject to certain clawback rights if the Company does not satisfy certain performance thresholds and criteria; and

WHEREAS, the Incentive Agreement further provides that upon completion of the Improvements, and subject to such other terms and conditions contained therein, the County is hereby authorized to convey the property associated with the Project, consisting of approximately 7.71 acres (Beaufort County Tax Map Number R600 031 000 1624 0000) (the "Property") to the Company for a purchase price of Six Hundred Thousand and 00/100 Dollars

\$600,000.00) (the "Purchase Price"), subject to certain clawback rights if the Company does not satisfy certain performance thresholds and criteria; and

WHEREAS, this Ordinance authorizes the conveyance of the Property following the holding of a public hearing in accordance with the requirements of Section 4-9-130 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, it appears that the Incentive Agreement, which is now before this meeting, is in appropriate form and is an appropriate instrument to be executed and delivered by the County for the purposes intended.

NOW, THEREFORE, BE IT ORDAINED by the County Council in a meeting duly assembled as follows:

Section 1. In order to promote industry, develop trade, and utilize and employ the manpower, products, and natural resources of the State of South Carolina by assisting the Company to expand or locate the Project in the County, the Incentive Agreement is hereby authorized, ratified, and approved.

Section 2. Upon satisfaction of the terms and conditions set forth in the Incentive Agreement relating to the conveyance of the Property, such satisfaction of the terms and conditions to be determined by the County Administrator upon the advice of Counsel to the County, and upon payment of the Purchase Price by the Company to the County, the Chairman of County Council and/or the County Administrator are authorized, empowered, and directed to execute a limited warranty deed conveying title to the Property to the Company.

Section 3. It is hereby found, determined, and declared by the County Council, as follows:

- (a) The Project is beneficial to the County, and the County has evaluated the Project based upon all criteria prescribed by law, including the anticipated dollar amount and nature of the investment to be made and the anticipated costs and benefits to the County.
- (b) The Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally.
- (c) The purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes.
- (d) The inducement of the location or expansion of the Project within the County and State is of paramount importance.
- (e) The benefits of the Project to the public will be greater than the costs.

**Section 4.** The form, terms, and provisions of the Incentive Agreement presented to this meeting are hereby approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the Incentive Agreement were set out in this Ordinance in its entirety. The Chairman of the County Council and/or the County Administrator are authorized, empowered, and directed to execute, acknowledge, and deliver the Incentive Agreement in the name of and on behalf of the County, and thereupon to cause the Incentive Agreement to be delivered to the Company. The Incentive Agreement is to be in substantially the form now before this meeting and hereby approved, with such changes therein as shall not be materially adverse to the County and as shall be approved by the officials of the County executing the same, upon the advice of Counsel to the County, such official's execution thereof to constitute conclusive evidence of such official's approval of any and all changes or revisions therein from the form of the Incentive Agreement now before this meeting.

**Section 5.** The Chairman of the County Council and/or the County Administrator, for and on behalf of the County, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the Incentive Agreement and the performance of all obligations of the County under and pursuant to the Incentive Agreement.

**Section 6.** The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase, or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereunder.

**Section 7.** All orders, resolutions, ordinances, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and this Ordinance shall take effect and be in full force from and after its passage and approval.

(SIGNATURE PAGE TO FOLLOW)



Exhibit A  
Incentive Agreement

