

**ACCOMMODATIONS TAX ADVISORY COMMITTEE  
SPECIAL MEETING**

11:00 a.m., Wednesday, June 15, 2011

The Special Meeting of the Accommodations Tax Advisory Committee was held at 11:00 a.m., Wednesday, June 15, 2011 in the second floor conference room of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Committee Members Burgis, Ferencz, Linville, Nelson, Chair Ward, City Administrator Tucker, City Treasurer Suggs and Assistant to the Administrator Dziuban. Committee Members Carroll and Miller were excused. A quorum was present to conduct business.

1. Chair Ward called the meeting to order and acknowledged that the press and public had been duly notified in accordance with the Freedom of Information Act.

**2. Review of Revised FY 12 Budget**

Administrator Tucker began the review with some history leading up to the presentation of this revised budget. The Planning Commission has been discussing the issue of beach access parking for almost a year, and, on May 11, 2011 the Planning Commission and City Council held a joint meeting on the topic. The Planning Commission sought feedback from City Council regarding the direction of their discussions.

At that meeting, the Planning Commission presented an idea to create public parking "nodes," which are mini-parking lots, to be implemented initially in the Ocean Boulevard section of the island. Currently, no parking is allowed on Ocean Boulevard with the exception of the Front Beach area. Concurrently, all residential streets except Ocean Boulevard in the area of Breach Inlet to 10<sup>th</sup> Avenue would be residential parking only. The Joint Meeting included discussion of the parking problems on Palm Boulevard, but no decision was reached.

Generally speaking, City Council seemed to feel like they needed to take an action to give the residents some relief to beach-visitor parking. City Council also seemed committed to still serving the same amount of beach visitors without reducing the number of visitors. Discussions concluded that the most frequently visited spots in front of the County Park and the Front Beach could accommodate only a fixed number of visitors. In other words, requiring all visitors to park in the county lots, the municipal lots and Front Beach is not feasible because the those sections of adjacent beach cannot accommodate all the island's visitors.

At the Joint Meeting, City Council directed staff to re-examine the FY 12 budget to determine what fiscal resources would be required to implement phase one of the parking before the next beach season. At the time, phase one was considered to be the creation of eight (8) mini-parking lots on Ocean Boulevard.

A Ways and Means Committee Special Meeting was called for June 6, 2011, and, at that meeting, staff presented what they had learned between May 11 and June 6 about the feasibility of implementing on the desired timeline. Staff had determined that, from a numbers standpoint, the project was feasible.

Administrator Tucker distributed to the Committee the worksheet (a copy of which is attached to the historical record of this meeting) the worksheet also distributed at the Ways and Means Committee Special Meeting that staff developed as a cost estimate. To develop the worksheet, the staff researched the permits required for the project and estimated costs for engineering, design, construction, enforcement through ticketing, residential permits and signage in the area.

Staff determined that three (3) permits would be required, i.e., 1) an Office of Coastal Resource Management (OCRM) Land Disturbance Permit, 2) a South Carolina Department of Transportation (SCDOT) Encroachment Permit for driveways in the right-of-way, and 3) an SCDOT permit for encroachments for placing signs in the right-of-way.

The cost estimate sheet also included the component of actually managing the issuance of the parking permits to residents. For example, residents who live in that area who wish to invite guests to a party will need a mechanism to receive temporary permits for their guests.

Also included are the same type of kiosks in use at Front Beach to create consistency in the pay-for-parking systems that are on the island; one (1) kiosk will be placed in each node. Two (2) additional Beach Services Officers (BSOs) will be hired during the season to accomplish enforcement. One (1) individual will work out of the Public Safety Building, with a non-traditional schedule to include evenings and weekends, to handle the issuing of permits.

Administrator Tucker called the Committee's attention to the revenue component of the estimate worksheet. In preparing the worksheet, staff determined that the City could not afford to construct eight (8) lots before the next beach season, so the budget draft included costs to construct half, or four (4) lots. The proposed source of the money is one hundred forty-eight thousand seven hundred sixty dollars (\$148,760) from the Municipal Accommodations Tax fund and one-hundred sixty-one thousand seven hundred eighty dollars (\$161,780) from the State Accommodations Tax fund. The prior version of the budget included fifteen thousand dollars (\$15,000) for implementation of a parking initiative, so these State ATAX budgeted expenditures are one hundred forty-six thousand seven hundred eighty dollars (\$146,780) above what was previously approved.

At the Ways and Means Special Meeting, the Committee requested that staff re-examine the chosen street extensions to use four (4) sixty foot (60 ft.) extensions in the first year as opposed to the three (3) sixty foot (60 ft.) and one (1) forty foot (40 ft.) that were initially identified based on highest usage. Administrator Tucker then distributed photographs of the proposed street extensions and reminded the Committee that the one (1) depicted at 3<sup>rd</sup> Avenue was likely to change.

The photographs depicted street extensions at 3<sup>rd</sup> Avenue, 4<sup>th</sup> Avenue, 8<sup>th</sup> Avenue and 9<sup>th</sup> Avenue. City staff stood in key locations in the photographs to demonstrate the width of the street extensions, the depth seaward of the proposed parking nodes, and the dunes and vegetation that will need to be altered to accomplish the project. A previous

surface rather than an non-pervious surface is proposed. Eight to ten (8-10) parking spaces would be available in each node; however, handicapped parking must also be accommodated.

Committee Member Nelson asked if cars would pull in at an angle, and Administrator Tucker stated that much still depended on the engineer's recommendations.

Committee Member Ferencz asked if the adjacent property owners had been notified. Administrator Tucker stated that a public hearing would be held on this section of the budget. Additionally, to accomplish the project the City will need to amend at least three (3) of its ordinances, including a minor change to the zoning code, which will necessitate another public hearing. Administrator Tucker also believes that the next edition of *The Island Eye* will include a story on the parking initiative.

In response to Committee Member Ferencz's query, Administrator Tucker remarked that the next four (4) parking nodes would be constructed in the same area. Administrator Tucker confirmed that parking would then be restricted on the residential streets, so that day-visitors would wind up parking closer to the beach. Committee Member Ferencz commented that the available parking seemed reduced, and Administrator Tucker confirmed that for the first year the City might be out of compliance with its Beachfront Management Plan. The goal is to come back into compliance the following year.

Chair Ward asked if the intention was to implement this initiative island-wide if it was deemed successful in the initial phase, but Administrator Tucker said that such decisions had not yet been made. When queried by the Chair about the motivation for this initiative, Administrator Tucker opined that Council seemed to feel some urgency to take an action to provide relief to residents who are impacted by beach parking on the right-of-ways.

Committee Member Ferencz stated that the problem seems more acute on Palm Boulevard, and Administrator Tucker said the first phase was not chosen based on the acuity of the problem.

Regarding the remainder of the island, Administrator Tucker reported hearing the following comments, which may or may not influence decision making. On Palm Boulevard cars seem to bunch in certain areas despite the availability of spaces along the entire Boulevard, and a more even distribution would be desirable. Also, there are concerns about safety and the blocking of visibility on corners. The white chalk line the City has been drawing as a guide to park four feet (4 ft.) from the pavement seems to have helped.

Assistant to the Administrator Dziuban, who attended the most recent Planning Commission meeting, reported her perception that concurrence existed on this initial phase, but the brainstorming regarding the rest of the island had not reached concurrence.

Chair Ward posed the scenario of a resident in the area of the island with residential parking only streets wanting guests to visit her or his home. Administrator Tucker confirmed that the property owner would need to obtain temporary permits from the Public Safety Building. If permits were not obtained, guests would either need to park in the pay-for-parking lots or in the property owner's driveway. The property owner, who should have residential parking stickers, could then put her or his car in the right-of-way.

Administrator Tucker confirmed that some of the logistics of the residential parking program needed to be determined; however, the intention is that all residents will be eligible to receive residential parking stickers even if their property is not in the streets from 10<sup>th</sup> Avenue to Breach Inlet. However, all residents and visitors will be required to pay to park in the parking nodes.

Committee Member Linville articulated his concern that, after dark, these areas would become gathering places which will create security concerns.

Chair Ward asked if pay-to-park would be enforced twenty-four hours (24 hrs.) per day. Administrator Tucker said that many details must still be worked out but that consistency between the nodes and the Front Beach is a goal.

Administrator Tucker reported that the State of South Carolina has indicated to the City that they would be okay with the plan as a similar plan has been implemented on state roads in the City of Charleston. Administrator Tucker has sent them a query in writing and is waiting on the response.

The City has received a legal opinion indicating that it has the right to create these nodes. Likewise, even though SCDOT owns the rights-of-way, the City owns the street extensions where the nodes will be constructed.

Committee Member Linville advocated signage indicating that parking after 6 p.m. was prohibited. He feared complaints from the neighbors regarding after-dark activity.

Chair Ward indicated he had seen similar parking nodes at Oak Island, but the parking in the Oak Island nodes is free. Administrator Tucker remarked that on-going maintenance costs created a feeling in the City that some revenue should be generated to off-set those costs.

The Committee received a draft of the State Accommodations Tax Budget that included the necessary changes to construct the first four (4) lots. Several line items were changed.

Administrator Tucker confirmed for Chair Ward that the current budget draft indicated using four hundred thirty-five thousand dollars (\$435,000) of the nine hundred thirty-eight thousand dollars (\$938,000) in State Accommodations Tax fund balance in FY 12.

Committee Member Ferencz commented that the FY 13 budget would include similar expenditures to construct the other four (4) lots.

Chair Ward questioned the urgency behind the initiative. Administrator Tucker opined that appeals have been made to do something about beach access parking for a long time and discussions had been occurring in the Planning Commission and City Council for years. At one point, perhaps five (5) year ago, the City wrote and issued a request for proposals (RFP) for engineering firms to evaluate the City's parking and make recommendations for improvements. The RFP was issued twice, but no firms responded. City Council feels like the time has come to take an action to offer some relief to the problem but still allow room for beach visitor parking.

Committee Member Linville asked if the Turtle Team had been consulted. Administrator Tucker stated that a member of the Turtle Team sits on the Planning Commission, and another member of the Turtle Team is on City Council.

Administrator Tucker acknowledged that "wrinkles" may come up during implementation which have not yet been considered. Staff has even discussed clearing just one (1) of the street extensions in preparation for parking to determine if that would garner the attention of folks affected by the project. Unfortunately, despite the City's best efforts to communicate with citizens, some affected parties may not be aware of the project until construction begins.

Committee Member Ferencz stated that if this same initiative was implemented on the Palm Boulevard side of the island there may be increased problems because of the increased activity. She stated that the reality of less parking in the first year gives her pause.

Administrator Tucker stated that the parking spaces would still exist and that the City would only lose credits in the parking plan. She believed that arguments could be made to OCRM, as well, that the City remained in compliance despite the reduction. The City has much more beach access parking than other beach communities. The temporary variance between the plan and the new parking initiative is less than ideal, but Administrator Tucker believes that the City will not experience negative consequences.

Chair Ward speculated that beach access existed every two (2) blocks. He asked for specificity on the location of the first four (4) parking lots, and Administrator Tucker that staff was still determining which to use based on Council's wish that the first four (4) be all sixty foot (60 ft.) wide accesses.

Chair Ward asked if the adjacent Ocean Boulevard properties are short-term rentals. Administrator Tucker did not know, but the City could find out. The Planning Commission stipulated that the parking lots should go to a depth of one hundred twenty feet (120 ft.) to avoid having those homes viewing parking lots from their ocean-front porches.

Chair Ward asked for the total budget for the first year; he was told it is three hundred ten thousand five hundred forty dollars (\$310,540). Chair Ward remarked that this number would come from fund balance.

Chair Ward indicated that, for this meeting, he requested that staff provide historical fund balance for the State Accommodations Tax fund (a copy of the schedule is attached to the historical record of this meeting). He observed that the fund balance had been more consistent in the past and that, in this year, a "bigger chunk" of fund balance was being used. Administrator Tucker remarked that, once the infrastructure was in place, the only expenditures would be maintenance and operations.

In response to Chair Ward's questions, Administrator Tucker commented that the temporary parking permits for guests would have to have expiration dates. She also confirmed that the permits would be free.

In this initial phase, only the residential streets excluding Ocean Boulevard, from 10<sup>th</sup> Avenue to Breach Inlet would be marked residential parking only; however, no matter where they live on the island, all residents should be entitled to a residential parking sticker in the initial implementation. Residents would need to provide proof of residency, and there would be limit on the number available to each resident. A significant data base would need to be established, and staff has communicated with Wild Dunes regarding their system.

Chair Ward asked if the City's current hurricane stickers would be able to serve the purpose. Administrator Tucker said that had been considered but deemed not feasible, but the residential parking sticker may be able to eventually replace the hurricane re-entry stickers.

**MOTION:      Committee Member Ferencz moved to approve the revised budget as presented; Rick Linville seconded for discussion.**

Administrator Tucker clarified that additional public meetings on the subject would occur at the public hearings regarding the budget and the necessary ordinance changes. These changes will not affect property taxes. Council may decide that they wish to have an additional public hearing. Several steps will need to take place before the City is able to begin construction.

Committee Member Ferencz expressed concern that citizens were not aware of the project.

Administrator Tucker clarified that the vote before the Committee was to approve or not approve the expenditure of State ATAX funds, as outlined, for this parking project should it become a reality. If they approved, Council could use the funds approved by the ATAX Committee for an alternate parking initiative should something change in the implementation process.

Chair Ward asked what would occur if the ATAX Committee failed to approve this budget. Administrator Tucker stated that her instincts told her that the will of Council was strong enough to move forward with the project by over-riding the Committee's decision. However, Council's vote is not known until it actually occurs.

**VOTE: The motion FAILED on a vote of 3 against and 2 in favor. Committee Members Ferencz, Linville and Ward cast nay votes.**

Committee Member Nelson expressed the desire to see a public hearing on the issue.

Committee Member Ferencz voted nay in the hopes of pushing the issue towards more public discussion.

Committee Member Linville expressed concerned about the noise and safety problems.

Chair Ward expressed concern about the funds required to execute the project.

### **3. Adjourn**

**MOTION: Chair Ward moved to adjourn at 11:48 a.m.; Committee Member Nelson second and the motion PASSED UNANIMOUSLY.**