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City of Beaufort
1911 Boundary Street
Beaufort Municipal Complex
Beaufort, South Carolina 29902
(843) 525-7070

**City Council Amended Worksession Meeting Agenda
March 24, 2026**

Statement of Media Notification

"In accordance with South Carolina Code of Laws, 1976, Section 30-4-80(d), as amended, all local media was duly notified of the time, date, place and agenda of this meeting."

Amended Worksession Meeting - Council Chambers - 5:00 PM

Please note, this meeting will be broadcast via zoom and live-streamed on YouTube. You can view the meeting at the City's page; City Beaufort SC

I. Call to Order - Philip Cromer, Mayor

II. Employee New Hire Recognition

- A. City Managers Office - Danny Rozek
- B. Police Department - Michael Perez
- C. Public Works - Tyler Olivieri

III. Presentations

- A. Mayoral Proclamation being presented to the American Red Cross for American Red Cross Month
- B. Cummings Foundation Grant Program Update

IV. Discussion

- A. Discussion of Short-Term Rentals Ordinance
- B. Southside Park Phase II and Parks and Tourism Revenue Bond Reallocation Discussion
- C. Hospitality Fee- 1.1% and 5% Distribution Discussion

V. Executive Session

- A. Pursuant to Title 30, Chapter 4, Section 70 (a) (2) of the South Carolina Code of Law: Receipt of legal advice regarding appropriateness of activity in the Commerce Park
- B. Pursuant to Title 30, Chapter 4, Section 70 (a) (2) of the South Carolina Code of

Law: Discussion regarding the conveyance of property located in the Beaufort Commerce Park:

1. Lot D - 5.25 acres
2. Lot B - 6.64 acres
3. Lot K - 7.0 acres
3. Lots A,C,E,F,H and J - approximately 31.79 acres

- C. Pursuant to Title 30, Chapter 4, Section 70 (a) (1) of the South Carolina Code of Law: Discussion regarding personnel employed by City Council

VI. Adjourn



City of Beaufort
Department Request for City Council Agenda Item

To: City Council **Date:** 03/04/2026
From: Traci Guldner, City Clerk
Item Name: Mayoral Proclamation being presented to the American Red Cross for
American Red Cross Month
Meeting Date: March 24, 2026
Department: City Managers Office

Background Information:
Introduction:

Background:

Legal Authority:

Staff Recommendation:

Placed on Agenda For:

Attachments:

1. Mayoral Proclamation - American Red Cross - March 24, 2026



Mayoral Proclamation

City of Beaufort, South Carolina

WHEREAS, in March, we celebrate American Red Cross Month by honoring our neighbors who make its humanitarian mission possible in Beaufort, South Carolina. Every day, their acts of kindness change lives, bringing relief, comfort and hope when help can't wait. This compassionate spirit runs deep in our community, just as it has for 145 years through the American Red Cross; and

WHEREAS, today, those who serve light the way during emergencies — whether it's delivering shelter, food and comfort after disasters; providing a safe, lifesaving blood supply for patients facing conditions like cancer treatments, childbirth complications and traumatic injuries; assisting military members, veterans and their families with 24/7 global support; or empowering individuals with skills like first aid and CPR that save lives; and

WHEREAS, these collective efforts are a powerful reminder that the strength of our community lies in our shared commitment to one another. As we mark Red Cross Month, let's celebrate our local heroes and resolve to continue lifting each other up, so no one faces an emergency alone.

NOW, THEREFORE, I, Philip E. Cromer, Mayor of the City of Beaufort, South Carolina, by virtue of the authority vested in me by the laws of the City of Beaufort, South Carolina, do hereby proclaim March 2026 as Red Cross Month. I encourage all citizens of Beaufort to reach out and support its humanitarian mission.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Beaufort to be affixed this 24th day of March, 2026.

Philip E. Cromer

Mayor, City of Beaufort, South Carolina



City of Beaufort
Department Request for City Council Agenda Item

To: City Council **Date:** 03/17/2026
From: Stephenie Price, Police Chief
Item Name: Cummings Foundation Grant Program Update
Meeting Date: March 24, 2026
Department: Police Department

Background Information:

Introduction:

The purpose of this workshop agenda item is for City Council’s awareness and information on the partnership between the Cummings Foundation and the City of Beaufort’s Police Department Officer Health and Wellness Initiative.

Background:

In April 2023, the City of Beaufort partnered with the Cummings Foundation to strengthen officer health and wellness initiatives. The collaboration focuses on improving recruitment, retention, supporting physical and mental health, and reinforcing the knowledge that when officers are treated well, they become more resilient and better equipped to serve the community effectively.

Legal Authority:

Staff Recommendation:

The Police Department respectfully requests the continued support of Council in sustaining and expanding the officer health and wellness initiative established in April 2025. This partnership has proven instrumental in providing our officers with critical resources that support both their mental and physical health, directly contributing to improved resilience, retention, and overall job performance.

Investing in the well-being of our officers not only strengthens the workforce but also enhances their ability to engage with and serve the community in a professional and compassionate manner. We extend our sincere gratitude to the Cummings Foundation for their ongoing

commitment to this effort and for helping to ensure that our officers are equipped to meet the demands of modern policing with strength, balance, and dedication.

Placed on Agenda For:

Attachments:

1. Cummings Foundation One Year Update

Beaufort Police Department Wellness Program Update

Advancing Officer Well-Being Through the
Cummings Foundation Grant
1 Year Anniversary



THE
**CUMMINGS
FOUNDATION**
FOR BEHAVIORAL HEALTH





Officer Wellness Grant

April will mark the one-year anniversary of the launch of the CFBH Behavioral Wellness Program with the Beaufort Police Department.

A robust set of services were offered in 2025 and participation in the program continues to grow. The Foundation Board recognizes and respects the strong support for the program provided by Chief Price and the Command Staff.

As a result of the national coverage that was provided for the opening on April 1, 2025, the CFBH saw a significant increase in interest in the wellness program.

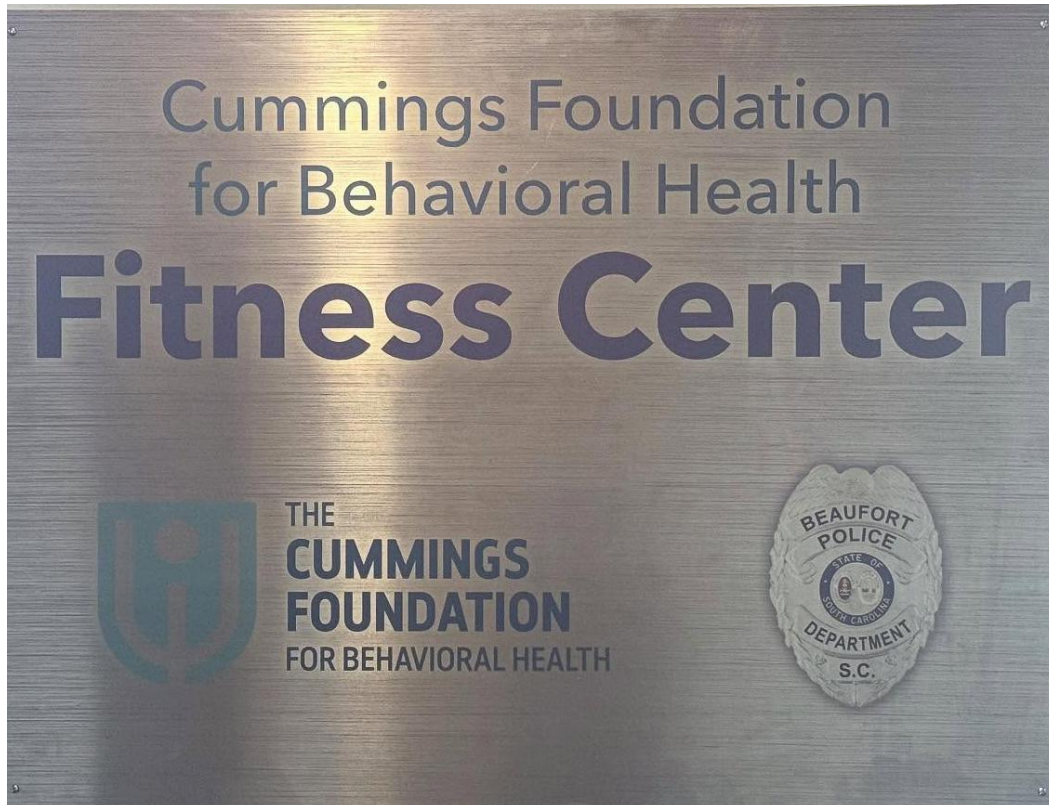


BPD- Flag Ship Program

The Beaufort Police Department program remains the flagship program for the CFBH and serves as a model for other departments. Given the success of the Beaufort program, the Foundation Board decided in November to expand services to other interested departments including Danbury, Connecticut; Milton, Ohio; Barrington, New Jersey; and Ramapo, New York,

The Foundation Board also decided to fund these programs for the next five years.

2026 Updates



- Semiannual health fairs with biometric screenings
- Full gym schedule with personal training
- Annual mental wellness checks
- Outfitting of recovery room
- Peer support training
- Onsite psychoeducational support
- Regional Public Safety Wellness Symposium
- Dietician Consultation



City of Beaufort
Department Request for City Council Agenda Item

To: City Council **Date:** 03/20/2026
From: Curt Freese, Community Development Director
Item Name: Discussion of Short-Term Rentals Ordinance
Meeting Date: March 24, 2026
Department: Community Development Department

Background Information:

Introduction:

At first reading, City Council amended the proposed ordinance revising the City’s short-term rental regulations with a number of substantive changes. Those amendments affected multiple sections of the ordinance and altered several policy components central to the proposed regulatory framework, including neighborhood applicability, cap calculations, accessory structure use, transfer-related provisions, appeals, and enforcement concepts. Because of the significance and breadth of the amendments adopted on first reading, it is prudent for Council to discuss the ordinance in detail between first and second readings to ensure a full and common understanding of the ordinance in its amended form.

Background:

The proposed ordinance amends Chapter 18 to revise the City’s regulatory framework for short-term rentals, including provisions related to licensing, caps, operational standards, and enforcement. At first reading, City Council adopted multiple substantive amendments that significantly altered the original draft.

Key changes included modifications to the six percent cap calculation, removal of the prohibition on short-term rentals in The Point neighborhood, expanded allowance for accessory structures to be used as short-term rentals, and direction to revisit provisions related to ownership transfers, appeals or exceptions, and enforcement mechanisms.

Given the scope and policy implications of these amendments, additional discussion between first and second readings is warranted to ensure clarity, alignment, and appropriate direction to staff prior to final consideration.

Legal Authority:

City Council may amend the City Code by ordinance pursuant to its general police powers and home rule authority under the laws of the State of South Carolina. The short-term rental regulations are administered through the City's business license framework, and the draft ordinance specifically references the City's business license provisions, including Sections 7-1004, 7-1005, and 7-1016, for licensure, application, and enforcement. The ordinance also references applicable provisions of South Carolina law relating to property tax classification and assessable transfers of interest in real estate.

Staff Recommendation:

Staff recommends that City Council conduct a focused discussion of the ordinance as amended on first reading to ensure a clear and shared understanding of its provisions and policy implications.

Following discussion, Council should identify next steps and provide direction to staff and the City Attorney regarding any revisions to be incorporated prior to second reading.

Placed on Agenda For:**Attachments:**

1. STR Worksession Memo
2. Ex A with amendments 3-19-26



CITY OF BEAUFORT
Community Development Department

SCOTT MARSHALL
City Manager

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CURT FREESE
Community Development
Director

March 19, 2026

To: City Council (Worksession)
From: Curt Freese, Community Development Director

RE: Short Term Rental Amendments

The following amendments were made to the Short Term Rental Ordinance at the City Council Meeting on March 11, 2026. Staff has met with the City Attorney, and has the following analysis for each item below.

1) Removal of the grandfathered exemption highlighted below:

No more than six percent (6%) of the dwelling units in the neighborhoods as shown on the City of Beaufort Neighborhoods Map zoned T3-S, T3-N, T4-HN, T4-N, and T5-UC may be STRs. However, any properly permitted and licensed STR operating before April 14, 2026, shall not be counted toward the six percent (6%) cap unless and until there is a conveyance of the STR, there is a revocation of the STR owner's business license, or the STR has not been rented for a period of six months or more.

Analysis: Existing grandfathered (i.e. STR's which would not meet the new standards) would now count towards the 6% cap, likely capping any neighborhood with many STR's for some time (however, these neighborhoods are capped right now)

2) Removal of the Point exemption:

STRs are prohibited in The Point neighborhood, as shown on the City of Beaufort Neighborhoods Map

Analysis: Removal of the prohibition would result in 12 additional STR's in the Point; however, only 6 new STR's would be permitted as due to the current neighborhood map, there are 6 "grandfathered" STR's on the Eastern side of Carteret which would be counted as part of the Point neighborhood. The end result would be the allowance of 6 additional STR's in the Point.

3) Removal of the ISTR restriction for accessory units.

Accessory structures, to include without limitation, accessory dwelling units, carriage houses, or pool houses, shall not be used as an ISTR.



CITY OF BEAUFORT
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CURT FREESE
Community Development
Director

Analysis, this would combine to just one sentence: (1) Accessory structures, to include without limitation, accessory dwelling units, carriage houses, or pool houses, subject to the provision that there shall be no more than one STR per parcel of real property.

Analysis: This would allow accessory buildings to be utilized as STR's. The former restriction limited to owner occupied only. The new change levels the playing field between ISTR's and OSTR's, and would allow an investor to rent out a primary home, and operate a STR in the ADU.

- 4) **Conveyance/Corporations:** Council had some questions of when the STR is conveyed to a corporation which wouldn't trigger a deed transfer:

Conveyance. An assessable transfer of interest in real estate triggering an appraisal and reassessment for taxation purposes as defined described by SC Code § 12-37-3150.

Analysis: Indeed without a revision, a corporation could be sold to another corporation, and this would not trigger the new restrictions, nor would the City even have knowledge of the transfer. The City Attorney is working on language to correct this.

- 5) **Appeals:** The Council wanted an exemption, or a sort of special exception hearing to allow in certain cases after a hearing, the number of STR's to be increased by one.

Analysis: After discussion with the City Attorney, a ZBOA Special Exception would not be statutorily allowed, as the new rules make this a business license type issue. The City Attorney will adopt such an appeal. Staff would caution this request could create a great deal of appeals clogging up Council or Administrative meetings, and would not align with the goals of the STR revisions.

- 6) **Nuisance:** Council wanted to place the three strike nuisance type rules back into the ordinance.

Analysis: This was removed by the City Attorney and instead enforced as the City enforces business licenses. The City attorney will craft language to place this into the ordinance.

Recommendation: Discuss amendments and whether they need to move forward based on analysis and provide direction to Staff for Second Reading.

EXHIBIT A

CHAPTER 18. – SHORT TERM RENTALS

Sec. 7-18001. - Definitions.

- (a) Designated Agent. An attorney, real estate agent, or property manager licensed in the State of South Carolina who has been designated by the owner of a short term rental to act on the owner's behalf relating to the business and operation of the short term rental.
- (b) Dwelling Unit. A room or group of internally connected rooms that may be either an improvement to real property or a boat in an approved marina that have sleeping, cooking, eating, and sanitation facilities, but not more than one kitchen, which constitute an independent housekeeping unit, occupied by or intended for one household on a long-term basis.
- (c) Investment Short Term Rental ("ISTR"). A short term rental that is not the legal residence of the owner.
- (d) Legal Residence. A dwelling unit taxed on an assessment equal to four percent of the fair market value of the property assigned a 4% property tax ratio by the Beaufort County Assessor's Office under the requirements pursuant to S.C. Code § 12-43-220(c).
- (e) Owner-Occupied Short Term Rental ("OSTR"). A short term rental which is the legal residence of the owner of the short term rental.
- (f) Parcel. A piece of real property to which Beaufort County has assigned a unique property identification number.
- (g) STR Occupant. Any person who rents a short term rental.
- (h) Short Term Rental ("STR"). A dwelling unit, or any portion thereof, rented for the purpose of overnight lodging for any periods of less than thirty (30) days and used in a manner consistent with the residential character of the dwelling. The following are not considered STRs:
 - a. Tourist accommodations, including hotels, motels, inns, and bed and breakfasts;
 - b. Dwelling units which are subject to "vacation time sharing plans" as defined in S.C. Code § 27-32-10(9); and
 - c. Dwelling units which are subject to "vacation multiple ownership interests" as defined in S.C. Code § 27-32-250(1).
- (i) Conveyance. An assessable transfer of interest in real estate triggering an appraisal and reassessment for taxation purposes as defined described by SC Code § 12-37-3150.
- (j) Notice: Within ten (10) days following the approval and issuance of a business license for a short-term rental, the City shall provide written notice to all owners of adjoining properties, including those directly adjacent, diagonally adjacent, and across any street or alley. Such notice shall be sent via first-class mail. The notice shall include the following:
 - (1) The Street address of the Short Term Rental;
 - (2) The name and contact information of the licensee or designated local agent;
 - (3) A summary of applicable Short Term Rental Regulations; and
 - (4) Contact information for reporting complaints or concerns to the Codes Enforcement/Business License department.

Sec. 7-18002. - Requirements for Licensure of STRs.

(a) Limitation on Number of STRs.

- ~~(1) No more than six percent (6%) of the dwelling units in the neighborhoods as shown on the City of Beaufort Neighborhoods Map zoned T3-S, T3-N, T4-HN, T4-N, and T5-UC may be STRs. However, any properly permitted and licensed STR operating before April 14, 2026, shall not be counted toward the six percent (6%) cap unless and until there is a conveyance of the STR, there is a revocation of the STR owner's business license, or the STR has not been rented for a period of six months or more.~~ **No more than 6% of the residential lots in the neighborhoods as shown on the City of Beaufort Neighborhoods Map may be STR's.**
- ~~(2)~~ **(2)** In the event that a business license would be issued but for the application of the above-described cap on number of STRs per neighborhood, the proposed STR will be added to a waitlist for the neighborhood. When the cap on the number of STRs for a neighborhood is no longer met, the City shall utilize the waitlist to determine licensing for new STRs.
- (3) There shall be no more than one STR per parcel of real property, **except as provided in Subsection 4 below.**
- (4) ~~STRs are prohibited in The Point neighborhood, as shown on the City of Beaufort Neighborhoods Map.~~ **Special exception for Multiple STR's per parcel. The appropriate designated review body may grant a special exception to allow more than one STR per parcel upon application and public hearing provided the applicant demonstrates:**
 - 1) The multiple STR's were lawfully established and operating (or permitted) prior to the effective date of this amendment.**
 - 2) The property was purchased or developed with reasonable reliance on the ability to maintain multiple STR's (e.g., based on prior approvals, site plans, or vested rights).**
 - 3) Granting the exception will not materially undermine the purposes of the city-wide cap, adjacency requirements, or neighborhood character. The special exception shall be subject to such conditions as the reviewing body deems necessary to mitigate impacts.**

(b) Limitation on Adjacency of STRs.

- (1) No STR may be located closer than three hundred feet (300') to any other STR. The distance between STRs shall be located from the closest point between boundary lines of the parcels of real property on which the STRs are located.
- (2) Any properly licensed STR operating before April 14, 2026 is exempt from this requirement unless and until there is a conveyance of the STR, there is a revocation of the STR owner's business license, there is a revocation of the STR's business license, or the STR has not been rented for a period of six months or more.

(c) Accessory Structures as STRs.

- ~~(1) Accessory structures, to include without limitation, accessory dwelling units, carriage houses, or pool houses, shall not be used as an ISTR.~~
- (1) Accessory structures may be used as an OSTR subject to the provision that there shall be no more than one STR per parcel of real property.

- (d) The minimum stay for STRs is two nights.
- (e) Parking
 - (1) Parking shall be provided on-site and located to the side or rear of the dwelling.
 - (2) On-site parking shall be clearly delineated with an improved surface such as pavement, gravel, or another method approved by the license official.
 - (3) If formalized parking is provided on the street(s) adjacent to the STR, this may be utilized in lieu of on-site parking.
 - (4) The number of vehicles allowed to be parked at a STR shall be determined in the discretion of the license official and be based on the number of bedrooms and the design of the driveway.
- (f) The owner or designated agent of the STR shall utilize a rental agreement which specifies the following:
 - (1) The minimum stay;
 - (2) The maximum number of guests;
 - (3) The maximum number of vehicles permitted at the unit;
 - (4) Where guests are to park;
 - (5) Reference to and inclusion of a copy of the City's noise ordinance;
 - (6) The prohibition of large gatherings such as weddings and reunions unless specifically approved by the City;
 - (7) That pets, if permitted, are not to be left outside unattended.
- (g) Property Management. The owner or designated agent shall maintain a property management plan which specifies:
 - (1) Whether the owner or designated agent will be managing the property;
 - (2) That the person managing the property must be available to appear on the premises to respond to a complaint within three hours of being notified by the City;
 - (3) That there is a back-up property manager, unless the owner or registered agent certifies that the STR will not be rented when the owner or registered agent is not physically present in the City; and
 - (4) That the license official will be notified immediately when any information contained in the property management plan is changed.
- (h) Rental rules, including use of the sanitation and recycling roll-carts, and emergency contact information including the police non-emergency number, shall be posted in a conspicuous location in the STR.
- (i) On-site signs are prohibited.
- (j) A monitored fire alarm is required for all STRs except boats. Boats are required to provide documentation that a Coast Guard Auxiliary Safety Vessel Check has been performed. The Vessel Safety Check can be arranged through this link: <http://www.cgaux.org/vsc>. Existing facilities not meeting this requirement shall be brought into conformance within six months of the date of adoption of this Code.
- (k) Outside Approvals Required.
 - (1) For properties subject to restrictive covenants, written confirmation from the president of the homeowners association that short term rentals are permitted on the property is required. If the homeowners association president fails or refuses to provide such confirmation or there is no active homeowners

association, the property owner must provide other documentation which confirms that short term rentals are not prohibited on the property.

- (2) For multifamily structures and developments, property management for the structure or development must provide written approval of the proposed short term rental.
- (l) The owner of the STR must make proper payment of local, county, state, and federal taxes.
- (m) The STR shall be subject to and pass an inspection by the City for the purposes of confirming the safety of the STR and the STR's compliance with the City's ordinances and other applicable law.
- (n) The STR shall comply with all business license, revenue collection, and health laws of the City of Beaufort, Beaufort County, and the State of South Carolina.
- (o) No STR may operate in a dwelling unit for which a certificate of occupancy has not been issued.
- (p) STRs shall only be operated by the owner of the STR or a Designated Agent.
- (q) An annual short term rental fee, as set by City Council and reviewed periodically, shall be paid in addition to the business license tax required by Sec. 7-1004.
- (r) STR Occupancy.
 - (1) The maximum number of adult guests shall be no more than two per bedroom;
 - (2) STR occupants may not host events attended by more than twenty-five people; and
 - (3) STR occupants may not play outdoor amplified music, including without limitation bands, deejays, music broadcast through speakers and electronic musical instruments.

Sec. 7-18003. – Addendum to Business License Application.

- (a) When seeking a business license for the operation of a STR, the STR's owner or designated agent shall submit a STR Addendum with the business license application required by Sec. 7-1005.
- (b) The STR Addendum shall be in a form prepared by and maintained by the license official and shall provide the information necessary for the license official to determine whether the proposed STR is compliant with the requirements of Sec. 7-18002.
- (c) Only the STR's owner or designated agent may submit a STR Addendum.
- (d) A revised STR Addendum shall be submitted to the license official within sixty (60) days following any change in the information provided in a prior STR Addendum.

Sec. 7-18004. – Enforcement.

- (a) Any person who has violated any of the provisions of this chapter is deemed to have "breached any condition upon which the license was issued or has failed to comply with the provisions of this chapter" for the purposes of Sec. 7-1016(2).
- (b) Any person violating any provision of this chapter shall be deemed guilty of an offense and shall be subject to a fine of up to five hundred dollars (\$500.00) or imprisonment for not more than thirty (30) days or both, upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided for in this chapter.

- (c) Any person who operates a STR without a business license shall be subject to the above-stated penalties and shall be prohibited from receiving a business license for the operation of STR for a period of two years.



City of Beaufort
Department Request for City Council Agenda Item

To: City Council **Date:** 03/18/2026
From: Alan Eisenman, Finance Director
Item Name: Southside Park Phase II and Parks and Tourism Revenue Bond Reallocation Discussion
Meeting Date: March 24, 2026
Department: Finance Department

Background Information:

Introduction:

During the February 17, 2026 Quarterly Capital Projects meeting, there was discussion about whether remaining 2024 Parks and Tourism Revenue Bonds could be spent on the Henry C. Chambers Waterfront Park Project. The City contacted Lawrence Flynn, City's Bond Counsel with Pope Flynn, and he stated that the City can ask for the bond purchaser's consent, which is Webster Bank, to amend the 2024 Series Ordinance and expand the scope of the projects to include Henry C. Chambers Waterfront Park. Mr. Flynn sent a letter to Webster Bank on March 6, 2026 to ask whether it would be willing to consider providing consent to an amendment to the 2024 Series Ordinance and the proposed reallocation of Bond proceeds. Webster Bank responded that they were fine with this modification. A draft of the 2024 Series Ordinance amendment is included in the agenda packet for Council's consideration that would require two readings which could take place on April 14, 2026 and May 12, 2026.

Background:

Southside Park Phase I project is complete and site design for Phase II is expected to be completed in August 2026. There will be approximately \$1.2M remaining in Parks and Tourism Revenue Bonds funds. Brandon Turkse, PE with Davis and Floyd can discuss available options for Southside Park with the remaining funding. The cost estimate for Option 1 is \$1,197,522 and Option 2 is more scaled back with a cost estimate of \$816,312. Council will also need to consider whether to reallocate remaining funds to the Henry C. Chambers Waterfront Park project.

Legal Authority:

Staff Recommendation:

Placed on Agenda For:

Attachments:

1. Amendment to 2024 Series Ordinance (2024 City of Beaufort Hosp Bond) DRAFT
2. Option 1 Cost Estimate with Site Plan
3. Option 2 Cost Estimate with Site Plan

AN ORDINANCE AUTHORIZING AND APPROVING A FIRST AMENDMENT TO THAT CERTAIN 2024 SERIES ORDINANCE DATED JANUARY 9, 2024; AND OTHER MATTERS RELATING THERETO

Dated May 12, 2026

AN ORDINANCE AUTHORIZING AND APPROVING A FIRST AMENDMENT TO THAT CERTAIN 2024 SERIES ORDINANCE DATED JANUARY 9, 2024; AND OTHER MATTERS RELATING THERETO

BE IT ORDAINED by the Mayor and the City Council Members of the City of Beaufort, South Carolina (the “City”):

Section 1. Findings of Fact. Incident to the enactment of this ordinance (this “First Amendment”), the City Council of the City, the governing body of the City (the “City Council”), finds that the facts set forth in this Section 1.01 exist and the following statements are in all respects true and correct:

(a) On July 26, 2011, the City Council enacted a general bond ordinance (the “General Bond Ordinance”) providing for the issuance and sale of Hospitality and Accommodations Fee Revenue Bonds.

(b) Pursuant to the terms of the General Bond Ordinance, the City subsequently issued its (i) \$3,500,000 Hospitality and Accommodations Fee Revenue Bond, Series 2011 (the “2011 Bond”),¹ and (ii) its \$7,100,000 Hospitality and Accommodations Fee Revenue Bond, Series 2024 dated January 11, 2024 (the “2024 Bond”).

(c) The 2024 Bond was originally purchased by Webster Bank, National Association (the “Bondholder”) and the Bondholder continues to own and hold the 2024 Bond as of the date hereof. At present, the City has approximately \$1,676,000 of unspent bond proceeds still remaining.²

(d) Pursuant to the provisions of a series ordinance dated January 9, 2024 (the “2024 Series Ordinance”), the terms of which authorized the issuance of the 2024 Bond under the General Bond Ordinance, the proceeds of the 2024 Bond were to be used “for the purposes of constructing, improving, and equipping [the] Southside Park and Washington Street Park projects (the “Existing Projects”). The City is in the process of closing out the Existing Projects and desires to reallocate a portion of the remaining proceeds of the 2024 Bond to fund engineering, design, construction, improvement, equipping, and other related costs associated with improvements to Henry C. Chambers Waterfront Park (the “Waterfront Park”). The Waterfront Park is a community-defining recreational asset located along the City’s waterfront, portions of which, particularly the pedestrian promenade, have been closed due to safety concerns and are in need of evaluation and repair. The City believes the Waterfront Park constitutes a tourism-related facility and a community recreational asset that attracts visitors to the City’s waterfront and supports the local hospitality and tourism economy. As such, any planned expenditures for the engineering, design, repair, and improvement of the Waterfront Park qualify as a permitted use under Section 6-1-530 of the Code of Laws of South Carolina 1976, as amended.

¹ The 2011 Bond is scheduled to mature on July 27, 2026,

² The City acknowledges the provisions of the Tax Certificated dated January 11, 2024 relating to the 2024 Bond. Notwithstanding the provisions of this First Amendment, the City confirms and ratifies its obligations to conform to the spending requirements for the 2024 Bond as described in such certificate.

(e) Subject to the Bondholder’s consent as the sole holder of the 2024 Bond,³ the City proposes to amend the 2024 Series Ordinance to expand the scope of the Existing Projects to additionally include the Waterfront Park. A copy of a form of written consent (the “Consent”) is attached hereto as Exhibit A.

(f) Upon the execution and delivery of the Consent by the Bondholder, the definition of the “Project” in the 2024 Series Ordinance shall be expanded to include the Waterfront Park (as further described in Section 2 below) and all other terms and conditions of the 2024 Series Ordinance shall remain in full force and effect.

Section 2. Project. Based on the findings described above, the term “Project” in the 2024 Series Ordinance shall be amended and restated in its entirety as necessary to authorized the proceeds of the 2024 Bond to be used to defray the cost of engineering, design, construction, improvement, equipping, and other related costs associated with improvements to Southside Park, Washington Street Park, and Waterfront Park.

Section 3. Severability. If any one or more of the covenants or agreements provided in this First Amendment on the part of the City to be performed should be contrary to applicable law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this First Amendment.

Section 4. No Event of Default. There does not exist an Event of Default, nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute an Event of Default under the General Bond Ordinance.

Section 5. Interested Parties. Nothing in the General Bond Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City and the Bondholder, any right, remedy or claim under or by reason of the General Bond Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the General Bond Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the Bondholder.

Section 6. Effective Date. This First Amendment shall become effective upon the later of: (i) its date of enactment, or (ii) the date of receipt of the executed Consent from the Bondholder.

[End of First Amendment]

³ The 2011 Bond is unaffected by the changes proposed by this First Amendment. As a result, the consent of Truist Bank, as the holder of the 2011 Bond and successor in interest to Branch Banking and Trust Company, is not required to authorize or implement the provisions of this First Amendment.

DONE, RATIFIED AND ENACTED THIS 12th day of May 2026.

CITY OF BEAUFORT, SOUTH CAROLINA

(SEAL)

Mayor

Attest:

City Clerk, City of Beaufort, South Carolina

First Reading: April 14, 2026

Second Reading: May 12, 2026

FORM OF CONSENT

CONSENT OF BONDHOLDER

The undersigned hereby certifies that he is authorized to execute and deliver this consent certificate on behalf of Webster Bank, National Association (the “Bank”) as holder of the \$7,100,000 Hospitality and Accommodations Fee Revenue Bond, Series 2024 dated January 11, 2024, of the City of Beaufort, South Carolina. The Bank hereby acknowledges the execution and delivery (or the planned execution and delivery, as applicable) of an amendment to the 2024 Series Ordinance dated January 9, 2024 by the City Council of the City of Beaufort, the governing body of the City of Beaufort, South Carolina (the “City”), through the enactment of an ordinance entitled, “AN ORDINANCE AUTHORIZING AND APPROVING A FIRST AMENDMENT TO THAT CERTAIN 2024 SERIES ORDINANCE DATED JANUARY 9, 2024; AND OTHER MATTERS RELATING THERETO”, dated May 12, 2026 (the “First Amendment”). Terms used herein and not otherwise defined shall have the meanings ascribed thereto in the First Amendment.

The First Amendment authorizes the City to amend and restate the definition of Project to include the Waterfront Park. The City has requested the Bank’s consent to the First Amendment. Based upon the foregoing, and after reviewing the City’s request and the terms of the proposed First Amendment, the Bank approves of and consents to the execution and delivery of the First Amendment by the City.

WEBSTER BANK, NATIONAL ASSOCIATION

By: _____
Its: _____

Dated: May __, 2026

Engineers Probable Construction Cost Estimate

(Based on Proposed Phase 2 Site Layout Option 1 Exhibit dated 03/19/2026)

Date: March 19, 2026



ITEM NUMBER	ITEM DESCRIPTION	Cost
	TOTAL ESTIMATED CONSTRUCTION COST (A-E)	\$1,197,522.00

ITEM NUMBER	ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	COST
	Construction Cost				
PHASE 2					
A	Disc Golf Course (9 holes) & Trailhead				
1	Clearing & Grubbing (Approx. two 200' holes)	1	LS	\$ 10,000.00	\$ 10,000.00
2	Disc Golf Seed (Equivalent of 3 holes)	26,990	SF	\$ 0.30	\$ 8,097.00
3	Disc Golf Trail Head (Map & Starting Point)	1	LS	\$ 6,250.00	\$ 6,250.00
4	Disc Golf Baskets (9 holes)*	1	LS	\$ -	\$ -
5	Disc Golf Course Tees (4" concrete slab)	9	EA	\$ 500.00	\$ 4,500.00
6	Signage (Each Hole)	9	LS	\$ 1,500.00	\$ 13,500.00
	* Baskets are already purchased as part of course design				
	Disc Golf Course (9 holes) & Trailhead Total				\$ 42,347.00
B	Dog Park				
1	Site prep	1	LS	\$ 10,000.00	\$ 10,000.00
2	Fence Enclosure (PVC Coated Chain Link, 4')	1,586	LF	\$ 37.50	\$ 59,475.00
3	Entrance Gates	4	EA	\$ 1,750.00	\$ 7,000.00
4	Maintenance Gates (Double Arm)	2	EA	\$ 3,500.00	\$ 7,000.00
5	Concrete ADA Walks (includes Improved Entry Area)	17,800	SF	\$ 7.50	\$ 133,500.00
6	ADA Parking Restriping	1	LS	\$ 500.00	\$ 500.00
7	Leash Holder (1 Each Entry)	2	LS	\$ 1,000.00	\$ 2,000.00
8	Water Service	300	LF	\$ 60.00	\$ 18,000.00
9	Dog Drinking fountain with lockable hose bibb (1 Each Entry)	2	LS	\$ 8,850.00	\$ 17,700.00
10	Human Drinking fountain with Bottle Filler	1	LS	\$ 8,850.00	\$ 8,850.00
11	Shredded Hardwood Mulch surfacing (Large & Small dog areas) @ 4" Depth	1	LS	\$ 98,500.00	\$ 98,500.00
12	Large Dog agility course	1	LS	\$ 25,000.00	\$ 25,000.00
13	Large, Four Table Pavilion (16' X 24')	1	EA	\$ 68,486.00	\$ 68,486.00
14	Medium, Two Table Pavilion	1	EA	\$ 41,187.00	\$ 41,187.00
15	Rules Signs	2	EA	\$ 1,500.00	\$ 3,000.00
16	Landscaping (Outside of fencing)	1	LS	\$ 10,000.00	\$ 10,000.00
17	Sod (Outside of fencing)	3,100	SF	\$ 1.25	\$ 3,875.00
18	Mulch (Alley Between Dog Parks)	1,600	SF	\$ 0.75	\$ 1,200.00
19	Irrigation (outside of fencing)	1	LS	\$ 5,000.00	\$ 5,000.00
20	Benches- City provided, Contractor Installed	12	EA	\$ 420.00	\$ 5,040.00
21	Picnic Tables	6	EA	\$ 2,500.00	\$ 15,000.00
22	Dog Wash Station	1	EA	\$ 6,850.00	\$ 6,850.00
23	Yard Inlet	1	EA	\$ 2,500.00	\$ 2,500.00
24	Dog Wash Outfall (#57 Stone and Underdrain)	1	EA	\$ 2,000.00	\$ 2,000.00
25	Trash Receptacles- City provided, Contractor Installed	3	EA	\$ 350.00	\$ 1,050.00
26	Waste Stations	3	EA	\$ 3,975.00	\$ 11,925.00
	Dog Park Total				\$ 564,638.00

Engineers Probable Construction Cost Estimate

(Based on Proposed Phase 2 Site Layout Option 1 Exhibit dated 03/19/2026)

Date: March 19, 2026

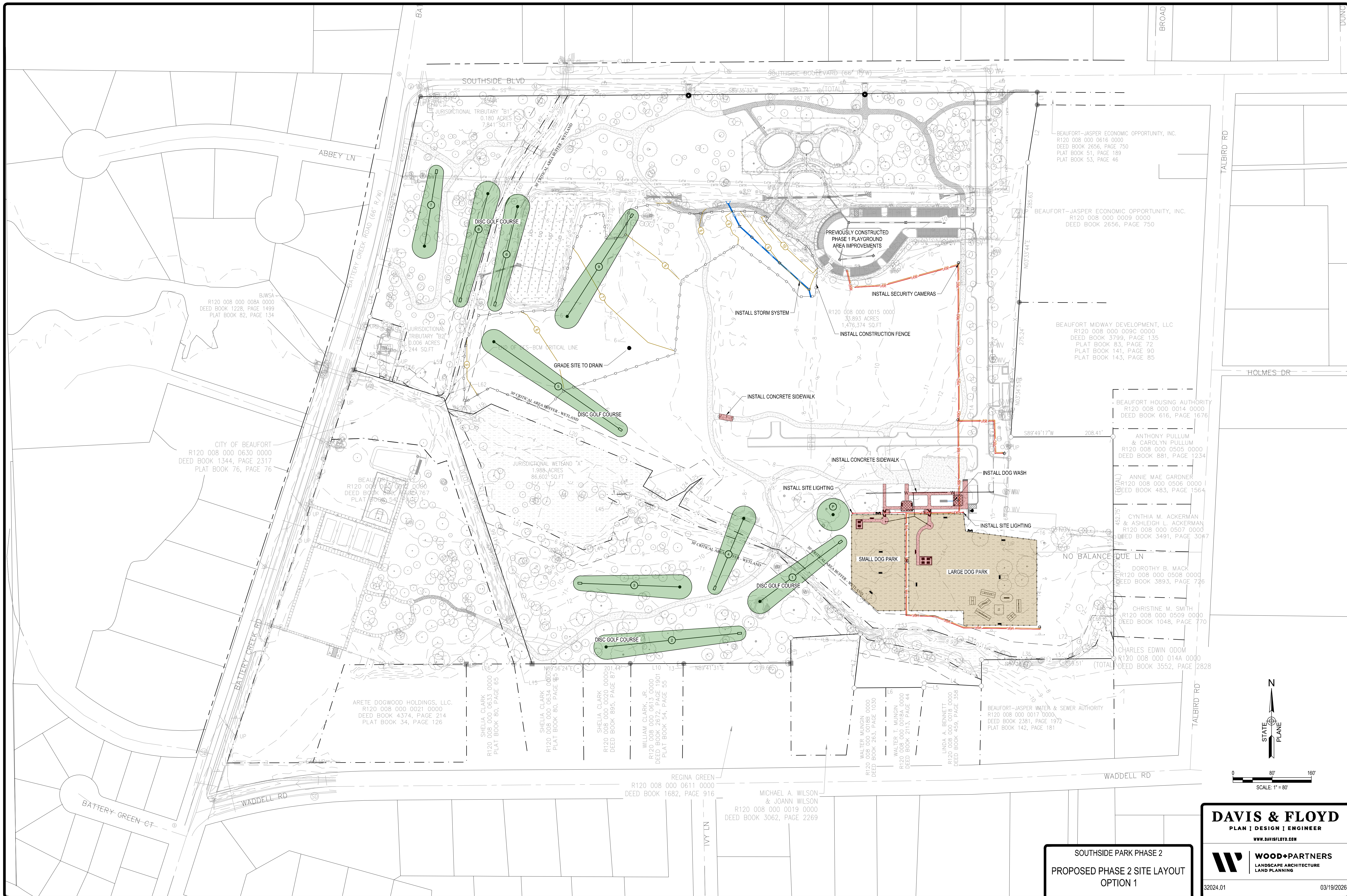


ITEM NUMBER	ITEM DESCRIPTION	Cost
	TOTAL ESTIMATED CONSTRUCTION COST (A-E)	\$1,197,522.00

ITEM NUMBER	ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	COST
	C Existing Field Drainage Improvements				
1	Mobilization	1	LS	\$ 20,000.00	\$ 20,000.00
2	Demolition	1	LS	\$ 50,000.00	\$ 50,000.00
3	Soil Stripping	2.8	AC	\$ 6,500.00	\$ 18,200.00
4	Silt Fence	400	LF	\$ 15.00	\$ 6,000.00
5	Construction Fence	2,200	LF	\$ 8.00	\$ 17,600.00
6	Inlet Protection	4	EA	\$ 500.00	\$ 2,000.00
7	Construction Entrance	1	EA	\$ 5,000.00	\$ 5,000.00
8	Earthwork (Net Fill)	750	CY	\$ 45.00	\$ 33,750.00
9	Landscaping (Bermuda Seeding)	123,000	SF	\$ 0.50	\$ 61,500.00
10	Headwall	1	EA	\$ 3,500.00	\$ 3,500.00
11	Riprap Outfall Protection	30	CY	\$ 80.00	\$ 2,400.00
12	Grate Inlets	4	EA	\$ 5,000.00	\$ 20,000.00
13	24" RCP	260	LF	\$ 200.00	\$ 52,000.00
	Existing Field Drainage Improvements Total				\$ 291,950.00
	D Security Camera and Site Lighting				
1	Electrical Conduit for Security Camera	1,600	LF	\$ 25.00	\$ 40,000.00
2	Fiber Optic Conduit for Security Camera	1,600	LF	\$ 10.00	\$ 16,000.00
3	Electrical Conduit for Site Lighting	120	LF	\$ 25.00	\$ 3,000.00
4	Site Lighting Fixtures	2	EA	\$ 20,000.00	\$ 40,000.00
	Security Camera and Site Lighting Total				\$ 99,000.00
	PHASE 2 TOTAL				\$ 997,935.00
	CONTINGENCY (20%)				\$ 199,587.00
	PHASE 2 TOTAL ESTIMATED CONSTRUCTION COST				\$ 1,197,522.00

(End of Engineers Probable Construction Cost Estimate)

N:\Sub\2024\01\Production\Civil\Design\2024\03\10 Phase 2 Site Plan\2024.01 SITE PHASE 2 OPTION 1.dwg, 2/19/2026 7:20:17 PM, Barbara A. Turner, PE
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SOUTHSIDE PARK PHASE 2
PROPOSED PHASE 2 SITE LAYOUT
OPTION 1

DAVIS & FLOYD
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WWW.DAVISFLOYD.COM

WOOD+PARTNERS
LANDSCAPE ARCHITECTURE
LAND PLANNING

32024.01 03/19/2026

Engineers Probable Construction Cost Estimate

(Based on Proposed Phase 2 Site Layout Option 2 Exhibit dated 03/19/2026)

Date: March 19, 2026



ITEM NUMBER	ITEM DESCRIPTION	Cost
	TOTAL ESTIMATED CONSTRUCTION COST (A-E)	\$816,312.00

ITEM NUMBER	ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	COST
Construction Cost					
PHASE 2					
A Disc Golf Course (9 holes) & Trailhead					
1	Clearing & Grubbing (Approx. two 200' holes)	1	LS	\$ 10,000.00	\$ 10,000.00
2	Disc Golf Seed (Equivalent of 3 holes)	26,990	SF	\$ 0.30	\$ 8,097.00
3	Disc Golf Trail Head (Map & Starting Point)	1	LS	\$ 6,250.00	\$ 6,250.00
4	Disc Golf Baskets (9 holes)*	1	LS	\$ -	\$ -
5	Disc Golf Course Tees (4" concrete slab)	9	EA	\$ 500.00	\$ 4,500.00
6	Signage (Each Hole)	9	LS	\$ 1,500.00	\$ 13,500.00
	* Baskets are already purchased as part of course design				
	Disc Golf Course (9 holes) & Trailhead Total				\$ 42,347.00
B Dog Park					
1	Site prep	1	LS	\$ 10,000.00	\$ 10,000.00
2	Fence Enclosure (PVC Coated Chain Link, 4')	1,586	LF	\$ 37.50	\$ 59,475.00
3	Entrance Gates	4	EA	\$ 1,750.00	\$ 7,000.00
4	Maintenance Gates (Double Arm)	2	EA	\$ 3,500.00	\$ 7,000.00
5	Concrete ADA Walks (includes Improved Entry Area)	15,800	SF	\$ 7.50	\$ 118,500.00
6	ADA Parking Restriping	1	LS	\$ 500.00	\$ 500.00
7	Leash Holder (1 Each Entry)	2	LS	\$ 1,000.00	\$ 2,000.00
8	Water Service	300	LF	\$ 60.00	\$ 18,000.00
9	Dog Drinking fountain with lockable hose bibb (1 Each Entry)	2	LS	\$ 8,850.00	\$ 17,700.00
10	Human Drinking fountain with Bottle Filler	1	LS	\$ 8,850.00	\$ 8,850.00
11	Shredded Hardwood Mulch surfacing (Large & Small dog areas) @ 4" Depth	1	LS	\$ 98,500.00	\$ 98,500.00
12	Large Dog agility course	1	LS	\$ 25,000.00	\$ 25,000.00
13	Large, Four Table Pavilion (16' X 24')	1	EA	\$ 68,486.00	\$ 68,486.00
14	Medium, Two Table Pavilion	1	EA	\$ 41,187.00	\$ 41,187.00
15	Rules Signs	2	EA	\$ 1,500.00	\$ 3,000.00
16	Landscaping (Outside of fencing)	1	LS	\$ 10,000.00	\$ 10,000.00
17	Sod (Outside of fencing)	3,100	SF	\$ 1.25	\$ 3,875.00
18	Mulch (Alley Between Dog Parks)	1,600	SF	\$ 0.75	\$ 1,200.00
19	Irrigation (outside of fencing)	1	LS	\$ 5,000.00	\$ 5,000.00
20	Benches- City provided, Contractor Installed	12	EA	\$ 420.00	\$ 5,040.00
21	Picnic Tables	6	EA	\$ 2,500.00	\$ 15,000.00
22	Trash Receptacles- City provided, Contractor Installed	3	EA	\$ 350.00	\$ 1,050.00
23	Waste Stations	3	EA	\$ 3,975.00	\$ 11,925.00
	Dog Park Total				\$ 538,288.00
C Existing Field Drainage Improvements					
1	Mobilization	1	LS	\$ 20,000.00	\$ 20,000.00
2	Soil Stripping	0.25	AC	\$ 6,500.00	\$ 1,625.00
3	Silt Fence	400	LF	\$ 15.00	\$ 6,000.00
4	Earthwork (Net Fill)	300	CY	\$ 45.00	\$ 13,500.00
5	Landscaping (Bermuda Seeding)	12,000	SF	\$ 0.50	\$ 6,000.00
	Existing Field Drainage Improvements Total				\$ 47,125.00
D Site Lighting					
1	Electrical Conduit for Site Lighting	500	LF	\$ 25.00	\$ 12,500.00
2	Site Lighting Fixtures	2	EA	\$ 20,000.00	\$ 40,000.00
	Site Lighting Total				\$ 52,500.00
	PHASE 2 TOTAL				\$ 680,260.00
	CONTINGENCY (20%)				\$ 136,052.00
	PHASE 2 TOTAL ESTIMATED CONSTRUCTION COST				\$ 816,312.00

(End of Engineers Probable Construction Cost Estimate)

N:\Sub\2024\01\Production\DWG\2024-03-10 Phase 2 Site Plan\2024.01 SITE PHASE 2 OPTION 2.dwg, 2/19/2026, 8:34:40 PM, Barbara A. Turner, PE
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SOUTHSIDE PARK PHASE 2
PROPOSED PHASE 2 SITE LAYOUT
OPTION 2

DAVIS & FLOYD
PLAN | DESIGN | ENGINEER
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WOOD+PARTNERS
LANDSCAPE ARCHITECTURE
LAND PLANNING

32024.01 03/19/2026



City of Beaufort
Department Request for City Council Agenda Item

To: City Council **Date:** 03/17/2026
From: Alan Eisenman, Finance Director, Linda Roper, Downtown Operations Director
Item Name: Hospitality Fee- 1.1% and 5% Distribution Discussion
Meeting Date: March 24, 2026
Department: Finance Department

Background Information:

Introduction:

City Ordinance includes 5% hospitality fees distribution to the City's Designated Marketing Organization (DMO) and 1.1% hospitality fee distribution to non-profits for advertising to increase tourism and revitalization of the downtown economy.

Background:

Beaufort Area Hospitality Association provided information for Council's consideration regarding 1.1% hospitality fee allocation. It is worth a discussion to revisit the Hospitality Fee Ordinance to see if the language should change or remain the same.

Legal Authority:

Staff Recommendation:

Placed on Agenda For:

Attachments:

1. Hospitality Fee Discussion
2. BAHA 1.1% Request Letter

Scott Marshall
CITY MANAGER
843-525-7070
FAX 843-525-7013



CITY OF BEAUFORT
1911 Boundary Street
BEAUFORT, SOUTH CAROLINA 29902

COUNCIL MEMBERS:
Philip E. Cromer, Mayor
Mike McFee, Mayor Pro Tem
Neil Lipsitz
Mitch Mitchell
Josh Scallate

Background: The City's current hospitality fee ordinance is presented below:

CHAPTER 13. - HOSPITALITY FEE

Sec. 7-13002. - Declaration of purpose and intent.

This article is enacted to preserve the general health, safety and welfare of the general public within the City of Beaufort, South Carolina, by creating a uniform fee for the purpose of creating a fund to pay in whole or in part for the current and future preservation, maintenance, nourishment, renourishment, and improvement of the historic and waterfront areas of Beaufort, and those public facilities related to the use of the waterfront; public transportation improvements, including street construction, storm drainage, right-of-way acquisitions, median and right-of-way enhancements and landscaping, walkways and bikeways; public park facilities, public parking, and capital facilities and equipment necessary for the provisions of police, fire, sanitation, and other public activities.

(Ord. No. O-20-94, 11-8-94)

Sec. 7-13003. - Hospitality fee

A uniform fee equal to two (2) percent is hereby imposed on the gross proceeds derived from the sale of all food and beverages served by a restaurant, hotel, motel, or other food service facility within the City of Beaufort. In addition, the fee shall be imposed for all food and beverages prepared or modified by convenience stores or grocery stores within the City of Beaufort, South Carolina. All hospitality fees received by the city shall be allocated as follows:

(1) Five (5.0) percent shall be allocated to the designated marketing organization specifically targeted for advertising to increase tourism, within the City of Beaufort.

(2) One and one-tenth (1.1) percent shall be available through appropriation, for advertising to increase tourism and revitalization of the downtown economy. The allocation will be awarded by the Beaufort City Council through the annual budget process, based on budget presentation of certain non-profit organizations invited by city council to present. The presentation to the city

council will be conducted during the normal budget period. An allocation of these funds shall be based on the objectives that best achieve city council goals and purposes.

(3)Ninety-three and nine-tenths (93.9) percent shall be allocated for uses permitted in [section 7-13006](#) below.

(Ord. No. O-20-94, 11-8-94; Ord. No. O-28-97, 7-22-97; Ord. No. O-36-99, 6-8-99; Ord. No. O-04-07, 1-23-07; Ord. No. O-22-17, 9-26-17; Ord. No. O-17-18, 6-26-18)

Sec. 7-13006. - Permitted uses of funds.

The city shall use the funds collected from the hospitality fees imposed hereunder for the purposes authorized under S.C. Code Ann. Section 6-1-730, as may be amended from time to time.

(Ord. No. O-20-94, 11-8-94; [Ord. No. 2024-18](#), 9-10-24)

Background: The City financial history for 1.1% and 5% of hospitality fees are presented below:

Financial History of 1.1% Distribution:

Fiscal Year 2020- \$22,050- Downtown Beaufort Merchants Association

Fiscal Year 2021- \$8,600- Downtown Beaufort Merchants Association
\$12,784- Beaufort Area Hospitality Association
\$21,384 Total

Fiscal Year 2022- \$9,034- Downtown Beaufort Merchants Association
\$4,000- The Friends of Spanish Moss Trail
\$9,034- Beaufort Area Hospitality Association
\$22,068 Total

Fiscal Year 2023- \$10,000- Downtown Beaufort Merchants Association
\$2,000- Beaufort Digital Corridor
\$5,500- Gullah Traveling Theater, Inc.
\$10,000- Beaufort Area Hospitality Association
\$27,500 Total

Fiscal Year 2024- \$11,351- Downtown Beaufort Merchants Association
\$2,000- Beaufort History Museum
\$2,000- Freedman Arts District, Inc.
\$2,000- The Original Gullah Festival of South Carolina

Scott Marshall
CITY MANAGER
843-525-7070
FAX 843-525-7013



COUNCIL MEMBERS:
Philip E. Cromer, Mayor
Mike McFee, Mayor Pro Tem
Neil Lipsitz
Mitch Mitchell
Josh Scallate

CITY OF BEAUFORT
1911 Boundary Street
BEAUFORT, SOUTH CAROLINA 29902

\$2,000- Penn Center
\$749- The Friends of Spanish Moss Trail
\$8,500- Beaufort Area Hospitality Association
\$28,600 Total

Fiscal Year 2025- \$22,000- Beaufort Area Hospitality Association
\$4,000- Gullah Traveling Theatre, Inc.
\$4,000- The Original Gullah Festival of South Carolina
\$1,900- Freedman Arts District, Inc.
\$31,900 Total

Fiscal Year 2026- \$33,000- Budgeted- Will Solicit for Applications in April 2026

Financial History of 5% Distribution:

Fiscal Year 2020- \$91,169- Greater Beaufort-Port Royal CVB

Fiscal Year 2021- \$110,604- Greater Beaufort-Port Royal CVB

Fiscal Year 2022- \$127,817- Greater Beaufort-Port Royal CVB

Fiscal Year 2023- \$142,220- Greater Beaufort-Port Royal CVB

Fiscal Year 2024- \$147,064- Greater Beaufort-Port Royal CVB

Fiscal Year 2025- \$151,060- Greater Beaufort-Port Royal CVB

Fiscal Year 2026- \$150,000 Budgeted- \$135,000 Distributed Year to Date- Greater Beaufort-Port Royal CVB



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Treasurer, Jill Breaux

Linda Miller

Stacie Kayser

Mandi Lee

Courtney Worrell

Robin Price

Craig Reaves

President & CEO,
Ashlee Houck

843-707-2705

www.bfthospitality.com

info@bfthospitality.com

701 Craven Street

City of Beaufort City Council Work Session

Re: Suggested Reallocation of 1.1% Hospitality Tax Funding

Dear Mayor, City Council Members, and City Staff,

On behalf of the **Beaufort Area Hospitality Association (BAHA)**, I would like to respectfully submit this letter for your consideration regarding the allocation of the 1.1% Hospitality Tax funding.

The 1.1% hospitality tax allocation stems from the original hospitality association formed in the early 2000s. Over time, this evolved into a formalized allocation within the City's framework, dedicated to supporting nonprofit efforts focused on tourism promotion and downtown revitalization. This structure reflects the longstanding intent to reinvest hospitality-generated revenue back into initiatives that directly benefit the industry and the economic health of the City.

At its core, this allocation recognizes a simple but important principle: **those who generate the tax should be supported through efforts that directly drive visitation, business growth, and economic activity.**

Today, BAHA serves as the unified voice of the hospitality industry across Beaufort, Port Royal, and the Sea Islands. Our organization works daily to support restaurants, lodging properties, attractions, and small businesses that collectively drive tourism and contribute significantly to the City's tax base.

Through strategic partnerships, most notably with the Convention & Visitors Bureau, we ensure that marketing efforts are amplified rather than duplicated, maximizing return on investment for every public dollar spent. BAHA focuses on **on-the-ground activation, business engagement, and locally driven initiatives** that complement regional destination marketing efforts.

Our work includes, but is not limited to:

- Producing and supporting events that drive visitation and foot traffic to downtown and surrounding areas
- Supporting and promoting local businesses through coordinated marketing and campaigns
- Advocating for the hospitality industry at the local and state levels
- Partnering with workforce development, education, and industry stakeholders
- Creating programs such as Only From Our Waters to strengthen local economic ecosystems
- Serving as a connector between businesses, government, and tourism partners



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701 Craven Street

These efforts translate into direct economic impact, increased visitation, extended stays, higher spending, and stronger business sustainability.

As Council considers the future of the 1.1% allocation, we respectfully recommend:

1. Reaffirming the original intent of the 1.1% allocation

To support the nonprofit organization that directly represents and promotes the hospitality industry and drive tourism-related economic activity.

2. Prioritizing investment in organizations with measurable, on-the-ground impact

Organizations like BAHA that actively engage businesses, produce programming, and deliver tangible economic outcomes within the City.

3. Expanding the scope of impact beyond the traditional downtown core

While downtown remains vital, the health of the entire city's hospitality ecosystem, including surrounding corridors and districts, contributes to overall tourism success and tax generation.

4. Maintaining a collaborative approach with regional partners

BAHA remains committed to working alongside the Convention & Visitors Bureau to ensure cohesive, strategic, and effective tourism promotion.

The Beaufort Area Hospitality Association stands ready to continue serving as a trusted partner to the City, delivering results that align with the purpose of the hospitality tax and the long-term vision for Beaufort's economic vitality.

We appreciate your time, consideration, and continued commitment to supporting the businesses and people that make Beaufort such a special place.

Respectfully submitted,

Ashlee Houck
President & CEO
Beaufort Area Hospitality Association