



Town of Beaufort, NC

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**Board of Commissioners
Regular Meeting
6:00 PM Monday, October 13, 2025
Train Depot, 614 Broad Street**

Call to Order/Pledge of Allegiance

Mayor Harker called the meeting to order at 6:00 PM and led the Pledge of Allegiance.

Roll Call

Elizabeth Lewis, Town Clerk, called the roll:

PRESENT:

Mayor Harker
Mayor Pro Tem Cooper
Commissioner Gillikin
Commissioner LoPiccolo
Commissioner Oliver
Commissioner Spiegler

ABSENT: None

Agenda Approval

Commissioner Cooper made a motion to approve the agenda.

The motion carried unanimously with a (5-0) vote.

Proclamation Presentation

1. White Cane Safety Day: October 15, 2025

Mayor Harker presented a proclamation (included in the meeting packet) declaring October 15, 2025, as White Cane Safety Day in the Town of Beaufort. She recognized Peter Crumley, a member of the local Blind and Visually Impaired community who worked with state leaders to strengthen enforcement of North Carolina's White Cane Law.

Items of Consent

1. Meeting Minutes: September 8th & 22nd
2. 2026 BOC Meeting Schedule
3. Capital Project Budget Amendment #4: Street Rehabilitation & Pedestrian Improvements

4. Race to the North Pole Event Application
5. Christmas Parade & Santa House Event Applications
6. Resolution: Authorizing Donation of Surplus Rescue Equipment

Commissioner Gillikin made a motion to approve the Items of Consent.

The motion carried unanimously with a (5-0) vote.

Public Comment

Robert Harper: 1020 Broad Street, Beaufort NC

Mr. Harper expressed concerns about the proposed parking lot agreement on the agenda. He noted issues related to liability, maintenance obligations, permitted activities, and the overall financial benefit to the Town. He questioned whether the agreement represented a mutually beneficial arrangement and suggested that the \$10,000 payment did not appear to provide significant value.

Old Business

1. TAFT Family Ventures, Development Agreement (Draft)

Kyle Garner, Planning Director, introduced the draft development agreement with TAFT Family Ventures, noting it was a follow-up from a prior meeting where the Board had requested an agreement linking sewer allocation to workforce housing. He explained that this type of agreement was new for the Town.

Representatives from TAFT Family Ventures, Kevin Johnson and Tom Taft, described the proposal as the result of extensive collaboration with Town staff and officials to balance the developer's goals with Beaufort's housing priorities. The project would include two- and three-bedroom units, with 10% designated as workforce housing at 80% of the Area Median Income (AMI).

Commissioner Gillikin raised concerns about affordability, pointing out that workforce rent rates exceeded what a single earner at 80% AMI could reasonably afford.

The developers clarified that the units were intended for families and noted that tenants would need to meet an income threshold of three times the monthly rent.

When asked about tax benefits, the development team stated they were not seeking abatements or tax credits. They confirmed the project would generate significant property tax revenue, though exact figures were not yet available.

Commissioner Oliver expressed strong support, highlighting the rarity of workforce housing in Beaufort and commending the developer's commitment to providing quality rental options. He also encouraged continued attention to infrastructure details such as street width and sidewalks.

Commissioner Spiegler echoed the comments about future infrastructure, specifically noting the importance of sidewalks.

Mayor Harker requested additional clarifications regarding short-term rental restrictions, a 30-day marketing requirement for workforce units before converting to market rate, and the integration of all units with consistent fixtures and finishes to ensure inclusivity.

Commissioner LoPiccolo voiced concern about rent levels compared to existing local options and questioned the affordability of the proposed workforce units. Mr. Taft responded that the development would fill a gap in the market by offering larger units with upgraded amenities, which they believed met current housing demand.

Mayor Harker deemed consensus to have review the final draft before the Board for consideration at the October 27th Work Session. She directed the Town Attorney to work with the developer's attorney to produce an updated version.

2. USDA Interim Financing for the Water System Improvement Project

He advised that without additional financing, only about half of the project could be completed, leaving approximately 9,000 to 10,000 feet unfinished. To close the gap, the Town would need to borrow additional funds, which would result in annual payments of roughly \$292,000 over 40 years and require future rate increases. Mr. Zapp emphasized that the current utility rate structure could not support the added debt and acknowledged that postponing the project was unlikely to yield better conditions or lower costs in the future.

Commissioner Oliver noted that the Town was using interim financing to bridge funding and that depending on the status of USDA operations following the federal government shutdown, there might be flexibility to defer loan payments. He agreed with staff's assessment that rate increases would likely be necessary by 2027 to meet debt service coverage requirements.

The Board acknowledged that it was a difficult decision but agreed the project was too important to leave unfinished. There was consensus in support of securing the additional loan to ensure full completion of the work. The Board discussed potential payment schedules, with the first payment projected for June 2026 or possibly deferred to June 2027 if the new loan could be combined with existing financing. The interest rate on the additional borrowing would be slightly higher than the original loan.

Commissioner Oliver made a motion to approve the additional USDA debt of \$6,500,000 to complete the water portion of the USDA Utilities Project.

The motion carried unanimously with a (5-0) vote.

3. Crystal Coast Veterans Day Parade Request for 2025 Contribution

Mayor Harker presented a request from the Crystal Coast Veterans Day Parade organizers for a financial contribution, noting that other nearby municipalities had provided varying levels of support, both monetary and in-kind.

The Board discussed the request and while expressing appreciation for the event and respect for veterans, the group agreed that the Town's current financial position made it difficult to justify a contribution.

Commissioner Gillikin expressed reluctance to approve of the contribution. She referenced the earlier discussion about debt service and the Town's revenue-neutral budget, emphasizing that her position was not out of disrespect to veterans but rather a reflection of the Town's tight fiscal circumstances.

Commissioner LoPiccolo agreed, pointing out that Beaufort does not typically make financial contributions to local events such as the Christmas Parade or the July 4th festivities. She stated that maintaining consistency across community sponsorships was important and that approving this request could create future challenges.

Commissioner Cooper also supported exercising fiscal restraint, noting the importance of prioritizing essential expenditures given the Town's current commitments.

Following discussion, the Board reached consensus not to provide a financial contribution. Mayor Harker shared that she would contact the parade organizers to explain that, while the Town supports the event and its purpose, budget constraints prevented a donation this year.

New Business

1. F3 Marina Budget (Draft)

Mr. Zapp presented the draft budget for F3 Marina operations beginning January 1, 2026, noting that the Town currently has \$226,096 available in the Waterfront Improvement Project Fund. The proposed budget projects gross income of approximately \$1.82 million for the first six months, resulting in a net operating income of approximately \$88,176.57.

Planned capital expenditures include \$10,000 for upgraded Wi-Fi service, \$10,000 for a marina website, \$50,000 (representing six months' contribution) toward dredging, and \$142,000 for debt service on the planned \$1.2 million fuel farm.

Lori Meehan of F3 Marina described the budget as conservative, explaining it was based on a 30% occupancy rate and that current market conditions, particularly for smaller vessels, may support higher pricing.

Commissioner Oliver expressed strong support for granting F3 broad flexibility in rate setting and operational management. He noted that marina pricing often requires real-time adjustments in response to factors such as weather, demand, and capacity, and emphasized that allowing F3 to take the lead would ensure responsiveness to changing market conditions.

The Board then discussed commercial lease rates, considering whether to maintain current pricing or transition to market rates. Ms. Meehan recommended that F3 prepare an analysis comparing existing rates with market averages and propose a gradual transition plan to achieve parity over time. The Board agreed that F3 should begin meeting existing vendors starting November 1st and return with recommendations, potentially including a sliding scale approach.

Commissioner Gillikin stressed the importance of remaining sensitive to long-standing waterfront businesses and suggested keeping commercial vendor rates consistent through the first calendar year of operations, with adjustments taking effect January 1, 2027.

Ms. Meehan confirmed that F3 would provide a market analysis and proposed scale after engaging with vendors.

Commissioner LoPiccolo reiterated the importance of aligning rates with market standards given the Town's substantial investment in dock infrastructure.

Discussion then turned to insurance coverage. The proposed policy included \$2.5 million in dock coverage at an estimated annual cost of \$100,000. F3 representatives advised that this amount may be insufficient and would likely cover only a portion of the marina's total value. The Board agreed to include dock coverage in the budget but opted not to add business interruption insurance, which would cost an additional \$54,000 to \$55,000 annually.

Commissioner LoPiccolo also inquired about staffing levels. F3 explained that the proposed staffing plan represented full operational capacity but would be phased in gradually, beginning with approximately 50% of hourly employees during the first three months as occupancy builds.

Following discussion, the Board directed Town staff to continue refining the draft budget in collaboration with F3 Marina and to bring a finalized version forward for consideration at the November 10th Regular Meeting.

2. Resolution: Adopting a Town Vehicle and Equipment Replacement Policy

The Board considered a resolution to adopt a formal vehicle and equipment replacement policy.

Mr. Zapp explained this would establish guidelines for systematic replacement of Town assets.

Commissioner LoPiccolo made a motion to adopt the Town Vehicle and Equipment Replacement Policy in the form of the Resolution presented.

The motion carried unanimously with a (5-0) vote.

3. Sublease Agreement: 159 Turner Street Parking Lot

Mr. Zapp presented a proposed sublease for the parking lot at Turner and Ann Streets to offset parking impacts during the Turner Street construction closure. The lot would be

leased at \$5,000 per month for November and December to provide additional parking for nearby businesses while the street is fully closed with no controlled access. The agreement includes widening the Ann Street exit from 10 -18 feet to allow two-way traffic, subject to Historic Preservation Commission approval.

In response to questions from Commissioner LoPiccolo about flexibility, staff indicated the property owner is open to extending the lease if needed, though the agreement does not allow early termination. The terms also address required signage and permit the potential placement of the Fishtowne food truck in the lot during construction.

Commissioner Cooper made a motion to approve the sublease parking agreement as presented.

The motion carried unanimously with a (5-0) vote.

Manager Report

The Manager's report was incorporated into the various agenda item discussions throughout the meeting.

Mayor/Commissioner Comments

Commissioner LoPiccolo thanked Town staff for their efforts in cleaning up after the weekend flooding, noting he was impressed by how quickly streets were cleared of debris. He also expressed appreciation to Peter Crumley for helping him become more aware of accessibility challenges in other communities, such as improper placement of tactile surfaces at crosswalks.

Commissioner Cooper echoed thanks to Mr. Crumley, sharing that after participating in a blindfolded walk together, he gained a greater understanding of the daily obstacles faced by residents with visual impairments and the importance of accessible infrastructure.

Commissioner Spiegler thanked the Police Department for organizing a successful National Night Out event and shared her enthusiasm for the upcoming Halloween festivities throughout Town. She highlighted the planned closure of Ann Street for trick-or-treating and expressed appreciation for the community's ongoing participation in these family-friendly events.

Mayor Harker encouraged residents to continue supporting local businesses throughout the Turner Street and roundabout construction projects, reminding everyone that these same businesses have supported the community through past storms and public health challenges. She also thanked the Police Department for their efforts during National Night Out, recognized the success of the recent Beaufort Wine & Food event, and welcomed new Community Engagement Director Jennifer Welborn.

In closing, Mayor Harker reflected on the Board's earlier decision to assume additional debt for the water system improvement project, acknowledging the difficulty of the choice but emphasizing that it was made out of responsibility to maintain strong, reliable infrastructure for the Town's future.

Adjourn

Commissioner Cooper made a motion to adjourn the meeting at 8:45 PM.

The motion carried unanimously with a (5-0) vote.

Sharon E. Harker, Mayor

Elizabeth Lewis, Town Clerk