

A meeting of the Beaufort Redevelopment Commission was held on November 5, 2009 at 4:00 p.m. in the City Hall Conference Room at 302 Carteret Street. In attendance were Chairman Bob Pinkerton, Commissioners Martin Goodman, Gene Rugala, James Bellew, Mike McFee, Mike Sutton, Donnie Ann Beer, Mayor Keyserling, City Manager Scott Dadson, Mack Cook, and Shirley Hughes. Commissioner Gary Fordham was absent; he was excused.

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

CALL TO ORDER

The meeting was called to order at 4:00 p.m. by Chairman Pinkerton.

REVIEW OF MINUTES

Mayor Keyserling moved to approve the minutes of the October 1, 2009 meeting. Commissioner Goodman seconded the motion. The motion passed unanimously.

REPORTS

Mr. Dadson said he and Chairman Pinkerton met with Jane Upshaw and representatives from OLLI to discuss the Carnegie Building. They will come in January and make a presentation about the Carnegie Foundation, a timeline, etc. He said the space is critical to making a national and international chain of learning happen.

APPROVAL OF AGREEMENT BETWEEN REDEVELOPMENT COMMISSION AND MAIN STREET BEAUFORT / APPROVAL OF CONTRACT BETWEEN LANIER AND REDEVELOPMENT COMMISSION

The Redevelopment Commission members all received copies of the agreement. Mr. Cook introduced **Tom Clark**, who runs Lanier's Greenville operation and **Alice Luther**, who runs the Myrtle Beach operation and would operate in Beaufort if the deal goes through.

Mr. Cook said council had authorized the Redevelopment Commission to begin overseeing and managing the parking facilities. The first contract is between the city and the Redevelopment Commission. The next contract was between the Redevelopment Commission and Lanier Parking Systems. The third contract was an agreement between the Redevelopment Commission and Main Street Beaufort. It was presented to Main Street Beaufort's board earlier that day, and they authorized Lanelle Fabian to sign it. Mr. Cook presented a formulation for how the deal would go financially. Main Street Beaufort would receive \$40,000 in lieu of the city's usual general fund contribution to be guaranteed for five years. \$25,000 a year will be set aside for an equipment reserve. The net amount would be split 85% for the Redevelopment Commission and 15% for Main Street Beaufort to be used for regional advertising. The city isn't guaranteeing the net for either organization. The city will always own the equipment / hard assets. He said he'd like to have the contracts executed that day, following discussion.

Mr. Cook reiterated the three phases of action once the contract would be entered into. In the first phase, the city relinquishes control and in the second phase there would be needs for way-finding signs, etc. Chairman Pinkerton asked for pictures of "what the citizen is going to encounter and what will it look like." Mr. Clark presented pictures of the LUKE pay stations.

Mr. Clark said the technology is new and less obtrusive than “a big hulking machine.” There could be one machine per block with signs to direct parkers to the pay station. They’re looking at 3 machines for the marina. Chairman Pinkerton said he’s heard about the machine calling people to tell them they need to put in more money. Mr. Clark said that’s possible and they’ll look at it. He said the absence of coin-dropping means one can pick how much time one puts on it. There can be a maximum limit. Commissioner Beer asked how to pay and she was told debit and credit cards or cash.

Mr. Clark said that Lanier would ease in, but there’s no plan or timeline, and they’ll work with the city on that. Commissioner Sutton asked about conflict resolution. Ms. Luther said the phone numbers will be on the pay stations and she can be on-call. Mr. Clark said people tend to call pro-actively. Chairman Pinkerton asked if the machines make change, and Ms. Luther said they do and explained two options to consider. Mayor Keyserling asked if, assuming they go ahead, this changes the hours of enforcement. Mr. Dadson said no, and council can decide that. Tickets will be written by Lanier and the rate will be established by the city. They will pay at the Lanier office. If they don’t pay, Lanier will “chase them down.” Chairman Pinkerton asked if they had the “enforcement muscle” that the police have. Mr. Cook said the city *tries* to collect fines; the police don’t collect them. Mr. Cook said tickets issued for illegal parking (parked on a yellow curb, by a fire hydrant) go to a judge; illegal parking will stay with the police. Lanier will be ticketing only for overstaying at a meter or not paying for a meter. Mr. Dadson said all this has been vetted through the city attorney. Ms. Luther said she has a 73% collection rate in Myrtle Beach, 10% over the average. Mr. Clark said it’s not strong-arming but a consistent collection effort.

Mr. Cook said moving from Phase 1 to 2 will depend on input of all stakeholders. There’s no timeline as yet. Ms. Hughes said as part of the normal holiday period, most meters get bagged, so the process is put on hold. So it will probably be February, March or April before they get a good feel of the area and others will need to be in on that discussion. Commissioner Rugala asked if this contract was just to replace meters. Mr. Cook said Lanier will consult on additional meters, but there’s no provision to ADD any. Main Street Beaufort said the culling of meters was an upside for them. Commissioner Goodman said the time frame would also include ordering, installing, etc. of meters. Mr. Clark said Lanier wants people to see their ambassadors on the street on foot. They’ll be trained to answer questions about Beaufort.

Commissioner Beer said the holidays are a good transition time. Mr. Clark said with bags on the meters, they can still gather information. Mr. Clark said they have some ideas and want to research the matter of downtown employees’ parking. Chairman Pinkerton asked if merchants could give a voucher to their customers. Mr. Clark said he’d have to check. Lanier could have that available and merchants could buy it from them. Commissioner Sutton asked about residential parking permits; Mr. Dadson said that’s one of the things they’ve asked for a solution to from Lanier. Commissioner Sutton said he meant for current leased parking spaces. Mr. Cook said it won’t change. Mr. Clark said there’s a parking office, probably in old City Hall at first, and then it will stay downtown when the city moves. They do a lot of communication with parkers through e-mail. They can set up permits that way and auto draft it.

Commissioner Sutton asked about abuse of contractor parking leasing. There are a lot of vendors who come in and service downtown who cut off spots while they work on a building. Mr. Clark said they will partner with the city on things like that. Ms. Luther said they have a form in Myrtle Beach that addresses deactivation of meters which go to the city and the police. The spaces can be leased during that construction period. Delivery trucks before 10 a.m. will continue as normal. Mr. Clark said there won't be changes that the city, Redevelopment Commission, and Main Street Beaufort don't ask for, but Lanier will offer their expertise. Mayor Keyserling asked about downside risk to the city; Mr. Cook said it will cost \$250,000 to move into the technology. The risk to the city would be the \$40,000 guarantee to Main Street Beaufort. Mr. Dadson said parking should have a marketing arm, which Main Street Beaufort would be, plus being stakeholders.

Mayor Keyserling noted a typo on page 8. Mr. Cook said it will be corrected to "90 days." Mayor Keyserling said on page 19 it said the city provides office space and asked if that's forever. Mr. Dadson said it's for length of contract. Commissioner Sutton said if they provide it, they can change it. Mr. Dadson said there aren't restrictions to where. Mr. Cook said there's a line item for office expense. Mr. Cook said council and Redevelopment Commission should consider that when city hall isn't downtown anymore, they're moving away from the police substation, and a parking office should maybe be near that police protection.

Mayor Keyserling asked if, on page 20, the 48-hour complaint window was necessary. Mr. Clark said internally the goal is a day, but they try to solve issues immediately, so 48-hours is a *maximum*. Ms. Luther said her staff in Myrtle Beach has a 15-minute standard for complaints about being ticketed in error. Mayor Keyserling asked what their business license was based on and Mr. Cook said it's like any other business, based on gross receipts. Commissioner Sutton said the Redevelopment Commission was referred to as "the DRC" on page 18, and Mr. Dadson said it would be corrected to "RDC." Mr. Dadson said the committee, city attorney and Main Street Beaufort have read it.

Mr. Dadson said the Redevelopment Commission needs to authorize Chairman Pinkerton to sign and to enter into the agreement on behalf of the Redevelopment Commission. On October 13, council passed a resolution that transferred management of parking from city council to the Redevelopment Commission. Commissioner Beer made a motion, second by Commissioner Rugala, to give Chairman Pinkerton the authority to sign that agreement on behalf of the Redevelopment Commission. The motion passed unanimously.

Commissioner Beer made a motion, second by Commissioner Rugala to enter into a contract for parking management services between the city of Beaufort Redevelopment Commission and Lanier Parking meter services. The motion passed unanimously.

Commissioner Beer made a motion, second by Commissioner Goodman, that the Redevelopment Commission enter into an agreement with Main Street Beaufort regarding parking revenues derived from on-street parking operations. The motion passed unanimously.

Ms. Hughes said the Redevelopment Commission will have its own "budget unit." The first and second reading for council about a budget for Redevelopment Commission for downtown parking will be coming up soon.

TIF 2 AND 3 STRATEGY DISCUSSION

Mr. Dadson said the city will meet with the county Finance Committee on 11-16 to discuss TIFs. All information to date has been sent to the county administrator and school board superintendent. Some strategy he feels needs discussion: TIFs 2 and 3 become interrelated because TIF 2 creates a known set of cash flows. TIF 2 can't be bonded out any further, but its current cash flows can be used against TIF 3. Mayor Keyserling said "that means you could issue bonds sooner because you've demonstrated cash flows." Mr. Dadson said yes, but the recommendation is *not* to do things sooner rather than later. They recommend creating a history of how it performs. Ms. Hughes said when a TIF is set up, there's talk "about how much in bonds you're going to issue"; all that *can* be issued on TIF 2 *has* been issued unless it's extended. Mr. Cook said extending the TIF doesn't increase the debt limit; Mr. Dadson said "you still receive the cash flows." Ms. Hughes explained that TIF 2 initially was 15 years. The base was "A" and "X" amount of bonds were to be issued. TIF 2 term can be extended, but they can't issue additional bonds. So now there's the debt service on the initial bonds; if the life is extended, they could refinance the existing to match, or leave them as-is and have the incremental revenue available for the additional term and use it for a variety of things in the redevelopment plan. Chairman Pinkerton added "but you can't spend the money ahead of time." Ms. Hughes said there's unused revenue there and that will continue to come in and will be available. Ms. Hughes said bond proceeds have been spent but the excess hasn't. Chairman Pinkerton said it's limited to certain kinds of expenses (the Redevelopment Plan) and asked, if the TIF is extended, if the city still gets the money but it's not restricted. Mr. Dadson said yes, and they could leverage TIF 3, which is the other advantage of TIF 2.

Mr. Dadson addressed a question of Commissioner Sutton's and said the standard split (56% school-22% county-22% city) doesn't have to stay that way. He feels 75% ought to be for "the horizontal project." The road network is the "zoning text." In that network of roads, there are the parallel road, roundabouts, etc. Underneath that are lines, pedestrian access, medians, stormwater, etc., according to the plan. There are also a park, open space, and civic structures. The plan is about all these things, and private business can come to the public space and build buildings. Those are "the rules." Horizontal is "us," vertical is private; how do we make it work? 75% of the stream should be devoted to the horizontal and that comes out of all three parties' shares. 25% stays with the schools. The schools give up 30% to the horizontal, but there is room for other civic buildings for the county and the schools, and they don't have to be in the redevelopment district. The schools' main concern is trying to balance their budget. They have O&M and infrastructure needs. He said that these percentages aren't set in stone, just are used as an example.

Commissioner Sutton said the group needs to have incentives to invest in this. The purpose for all the players is to rejuvenate the area and the tax base. The county (traffic from outside the area) is the contributing factor to the surface needs, and they should be at the table to improve road systems. Counties are in the road building business. The 1 cent tax helps with this. Redevelopment adds a lot of value within a mile and can go vertical and denser. It creates an avenue for the derivative revenue effect, including sales taxes.

Mayor Keyserling said it costs the county \$0 and their tax base is going to grow. Commissioner Sutton said \$700,000 in TIF 2 is the school board number. They could see how that 25% could

be used under this division scenario. Mr. Dadson said \$1.4 million comes in now in TIF 2. What TIF 3 will do is unknown. The ceiling is high enough to get a good dollar amount. Strategically, he asked the Redevelopment Commission's opinion on what to say. Mayor Keyserling said the first level of conversation is: This is a windfall for you. It gives you what everyone's comp plan says you want. Mr. Dadson said when negotiating with the county, they ask what amount of money the city is putting on the table. This shows what the contribution is. Ms. Hughes said a good chunk of the problematic issue on the South of the Broad TIF was the same: Are the maps correct? Are we allocating correctly? The New River TIF is similar to what's happened in Beaufort, so now it's possible to stand back and see that if done properly TIFs can do good stuff. Mayor Keyserling said the arguments for county include: this does what everyone says they want done in their comp plans – creating density – plus the derivative of the 6% and 10%. A “fall back position” would be that the county has to make capital improvements, so the city could ask them to “take your (22%) and work on that corner with us” to “at least keep the mass of people there, even though it's not taxable,” to be left there for shopping and dining. The school is different but the city can say, “We know you get a raw deal. Let's talk about what you can do with that.”

Commissioner Sutton said there's new potential for the school board with infrastructure when they want to get out of their current space. Mayor Keyserling said they're forming a sub-committee about space. Immediately, Mayor Keyserling feels the argument to county is: “Can you leverage it to do something in our district? The more you spend in our district, the more we'd encourage it.”

Commissioner Goodman said a TIF 3 argument is that it enables us to generate the money to complete Phase 1 of Boundary Street. If that doesn't happen and decisions are made about how it's spent, it might not create additional economic development in the area. If they only have what's allocated now, as it spreads out, the less it will buy. Mr. Dadson said the Boundary Street Plan initial amounts of \$38 million were done without a penny tax on the table. That penny wasn't anticipated. Now with real engineering, they have a better idea of what they have and now the cost is \$55 million. Commissioner Goodman said the original \$38 million had no plan to pay for it. The 1 cent sales tax gave a funding mechanism to put something in place.

Commissioner Sutton wanted to discuss the extension of the 1% funding mechanism. Mayor Keyserling said that council was told in the work session that the impact fees aren't performing. The sales tax is performing well, better than anticipated. The county attorney is looking at the sales tax to see if it can be sustained beyond the current goal to a new goal. At the 11-16-09 meeting, they're supposed to have real numbers for these projects. They're also looking everywhere for more money and may juggle money from one project to another and are looking into whether they can do that. In that context, they have spent \$400,000 to determine that the most fiscally feasible place to put it is on Bellamy Curve. Mayor Keyserling feels they want to spend the \$5.5 million allocated elsewhere, but he feels it should be kept there because someday they will have to connect outside the city of Beaufort.

Commissioner Goodman asked if the money might be reallocated to the Boundary Street Plan. Commissioner Sutton said they haven't completed the engineering enough to determine the true cost for all ten projects and are up to 12% over already. Mayor Keyserling said it's never been contingent on shifting the money to complete the engineering before. Commissioner Sutton said

County wants a signal from council on Bellamy Curve and on the Boundary Street Plan as to what the next set of priorities would be if they're re-prioritized.

Commissioner Sutton said it's a Redevelopment Commission issue. Mr. Dadson said the drop in impact fees is a fair assessment, but the city knew that was coming and explored MID and now a third TIF. The city is saying, "We mean this and intend to create a way to make this happen." Mayor Keyserling said the message is that "We're not happy, and the Northern Bypass money should stay on track. Also, the city's not in a position to determine anything until it knows what's going on. Commissioner Sutton said the voters voted for the study and for the money to be kept north of the Broad. Mr. Dadson thinks it's good to say that they support what's on the slate and should move forward, and meanwhile, they're dedicated to making the Boundary Street Plan happen. Commissioner Sutton asked how to get that point across. Mr. Dadson said he'd start with directing him to write a letter, and Mayor Keyserling could make the point at BTAG.

Mayor Keyserling said new Redevelopment Commission members will mean having to set new priorities. Commissioner Sutton reiterated that it is a Redevelopment Commission issue, not just a council issue because of the traffic being sent into that zone if Bellamy Curve is the location for the bypass. Ms. Hughes said that's why it's critical for both bodies to be clear about their vision. It is all intertwined. The city is looking to provide additional funding to meet the goals.

Commissioner Sutton made a motion, second by Commissioner Beer, to direct Mr. Dadson to write a letter for Chairman Pinkerton's signature as the chair of the Redevelopment Commission in support of the current slate of projects as they're written and to present that to the BTAG group. The motion passed unanimously.

DISCUSSION OF MEMBERSHIP OF REDEVELOPMENT COMMISSION

Mr. Dadson said council directed an advertisement with a job description for member candidates be placed in the newspaper, web, etc. Current Redevelopment Commission members will be given information to share with potential members they know. Commissioner Rugala asked if there was a deadline, and Mayor Keyserling said they'll take their time to find the best people.

DISCUSSION OF RETREAT SLATED FOR JANUARY

Mr. Dadson said the committee will be given something soon about details of this. No date's set yet. He asked them to read the comp plan for organization of what they want to discuss as "a good start." Mayor Keyserling said to also go back to the list of projects and ideas that's been compiled.

Commissioner Goodman said at a future meeting, he'd like a discussion on buildings, including the possibility of old City Hall when the city moves out, being used for non-profits like Main Street Beaufort, Redevelopment Commission office space, Lanier parking, etc. The lobby could be reconfigured to be a community meeting space. The groups that reside in the building could pay for it. Commissioner Sutton said the Redevelopment Commission will have a budget soon.

ADJOURNMENT

There being no further business to come before the Commission, the meeting was adjourned at 6:00 p.m.

ATTEST: _____
SHIRLEY HUGHES, ACTING CITY CLERK