

A meeting of the Beaufort Redevelopment Commission was held on December 3, 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, James Bellew, Mike McFee, Donnie Ann Beer, Mayor Keyserling, City Manager Scott Dadson, Mack Cook, and Shirley Hughes. Commissioners Gary Fordham, Gene Rugala, and Mike Sutton were absent.

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

Commissioner Goodman made a motion to approve the minutes of the November 5, 2009 meeting. Mayor Keyserling seconded the motion. The motion passed unanimously.

REPORT ON TAX INCREMENT FINANCING (TIF'S)

Mr. Dadson said council had a public hearing and second reading December 8 on TIFs. To date, the school board and county have both opted out. When the discussion was held, Paul Trouche, bond counsel's, legal opinion was that they should opt out by December 8 if they're not prepared to do anything. So they did, and Mr. Trouche told them they are allowed to come back in if they choose to. Mr. Dadson said the timeframe on TIF 3 is "ours" not "theirs." If council acts next week, the base is set at January 1, 2010 and the increment "pops." The incremental value will become clear, and cash flows can be determined at that time. Chairman Pinkerton said that everyone seems to keeping their options open.

Mr. Dadson said there needs to be a conversation about TIF 1 in January. The school board wants additional information that couldn't be put together by December 8. Deadlines on TIF 1 are in 2012. Mr. Dadson said if they want to refinance, they can't wait until then. The county finance committee chair still wants to discuss TIFs 1, 2, and 3.

Mayor Keyserling said as TIFs are moved forward, 9 commissioners, and eventually 14 (commissioners plus council members) will need to work to develop relationships, not just staff-to-staff or chairman-to-chairman. "We can talk to them more than they talk to each other...As a practical matter, it's not going to be sold by staff" owing to the top two county staffs' inaccessibility. Mr. Dadson agreed and said working with one TIF at a time will make it easier to understand and to convey that understanding more easily.

PARKING

Mr. Cook reported on parking that the city's out, Redevelopment Commission is in, and the commission should "call us if you have any problems." Lanier took over December 1 and has hired good staff, and gone through two days of training. All the switching has been done, i.e., maintenance and tools and are set up on Prince Street. They'll be moving into the old bus terminal on December 7. Two meetings with Main Street Beaufort have created a good

dialogue. In December, the bagged meters will have a flier if parkers are in violation. The second week, warnings will be issued, and habitual offenders will be ticketed. On the third week, tickets will be issued for two-hour violations. Nothing radical is changing. Main Street Beaufort is working on informational public service announcements for the paper. Dialogue has opened up with Old Commons and The Point. Lanier will start a parking study tomorrow to analyze how traffic moves, how long people park, etc.

Commissioner Goodman said that Lanier needs to know that 8-hour meters weren't necessarily designated for more hours of shopping but for employees to have to feed the meter only once. Mr. Cook said the alternate solution for employees is moving forward. Commissioner Beer read from the *Gazette* in 1935 about two-hour parking.

CHAMBER AND THE ARSENAL

Negotiations are completed and the lease contracts have been written and then examined by the city attorney. It's a 99-year lease with a 20-year opt out. Opting out requires a 2-year notice by either party. Mayor Keyserling asked if they can't opt out before 20 years, and he was told yes. Commissioner Beer said the lease doesn't need to be negotiated ever again. Mayor Keyserling said he doesn't know that 99 is a magic number. Rent and capital reinvestment expenses are being committed "way down the line." Commissioner Goodman said it's a historic building, so it would require those expenses for the city to maintain it anyway. Mr. Dadson said rent is \$1 a year plus costs. Chairman Pinkerton asked who pays maintenance, and Mr. Dadson replied the lessee does for costs less than \$1000. The use is for a visitors' center, events rental, and office space. The start date is January 1.

Chairman Pinkerton asked how the financials compare to when Historic Beaufort Foundation leased it. Mayor Keyserling said Historic Beaufort Foundation was a bad deal, but it was fortunate that they went to a lease. Mayor Keyserling said he's concerned about the length of the commitment and unintended financial circumstances. Mr. Dadson said the city approves improvements and read from the contract. Commissioner Goodman provided the example that if they wanted to put up banners, they can't attach them to the building and deface it at all. Dick Stewart said the Chamber's investment needs to be protected and made back by the 20-year period, and the city has the right to terminate the lease at that point.

Ms. Hughes referred to the Carnegie possibly going to a different renter and wondered if there had been discussion about separating the units in that the HVAC system services both buildings. Mr. Dadson read from the lease and said if they're separated, everyone will be happy. Mayor Keyserling said it can't be continued as it is today. Mr. Dadson said the ability to deal with it is there and desirable. Ms. Hughes asked if repair and maintenance is the city's responsibility, and Mr. Dadson said the first \$1000 is theirs, over that is the city's.

Mayor Keyserling asked if there was anything that prohibits the two buildings having an elevator. Mr. Dadson said that would require the lessor's approval. Mr. Dadson said there's an easement on that because of improvements done recently. Mayor Keyserling said neither building lends itself to it, but access for both would be nice.

The committee's recommendation was voted on and it was unanimous.

PRIORITIZATION OF 1 CENT SALES TAX ROAD PRIORITIES

Mr. Dadson said staffs had been asked to prioritize limited sales tax dollars. In regard to Boundary Street and the parallel road, he demonstrated his recommendation to do it in a block-by-block fashion from the western section to Hogarth Street. He handed out a memorandum with the particulars of the project. He agrees with David Tedder's recommendation to let it go to 7 years. There's an \$84 million hole. They'd have to go back to the voters to make that happen. The successful argument before was that it was balanced between north and south. Chairman Pinkerton asked how much that the city was budgeted in the beginning was anticipated to be received. Mayor Keyserling said it was anticipated that the city would get \$22 million and now it looks like \$13-15 million. Mr. Dadson said this is why it should be managed in phase-able pieces. A discussion ensued about the particulars of the plan.

Mr. Stewart asked about the amount of right-of-way, and Mr. Dadson said he didn't know. That cost was calculated into the feasibility study. Chairman Pinkerton asked if engineers have said doing this small section will offer any gain. Mr. Dadson said the "safety gain" is greatest doing this section for various reasons. A discussion ensued about the parallel road. Chairman Pinkerton said it also opens up rear access to the buildings on Boundary, and Paul Trask said it opens up currently undevelopable land.

Mayor Keyserling wondered about the potential in the western portion with form-based code. Polk Village to Battery Point is "a pretty substantial population structure." It can become a hub without being dependent on "a whole bunch of new people coming." When the engineering's done and there are real dollars on TIF 2, the city can go back to the county and school district and show them what they're buying. Mr. Dadson said "the derivative effect offers the best bang for the buck." Mr. Trask said engineering might consider a crossing that leads into the Live Oak subdivision, and one or more connections to tie it into the north would be important.

Mayor Keyserling said the priority 8 months ago was to complete the engineering. Now the city's being asked to come back with another priority, which is the same, and in the 8 months, nothing's been done on that original priority. "They ask for decisions and then they appear to ignore them." With no idea of costs, though the priority's the same, until engineering is done, "it's just wheel-spinning." The mayor feels that at some point, a decision was made that this and another impact fee project in Bluffton would sit idle while others moved forward, and he has a problem with that. Mr. Dadson said an RFQ with cost was done, and he recommended the engineering firm which was qualified and lowest cost at the end of July but nothing's happened. Mayor Keyserling said to have one project so dependent on impact fees has let it slip as a priority. Chairman Pinkerton asked who "they" are, and Mayor Keyserling said the county. Mr. Dadson said the contract for the feasibility study was given to Dennis Corporation to manage and things went "all over the place." Commissioner Beer said city projects are always prioritized last. Mr. Dadson said the city's done everything they've been told to do, but Dennis Corp. has cut it off. Mr. Stewart said there's less intent than urgency. They want to do what they can do

quickly to show the voters they're getting their money's worth. This project is the most complex acquisition of property. Some county administration has never believed this can be done, and so Dennis Corp. was brought in. He doesn't feel it's a deliberate effort by the county.

Mr. Trask said the Intergovernmental Agreement that facilitates this gives the city the priority to manage this product itself if it so desires. The city is going to have to advocate for this project. Mr. Stewart said the county's bond counsel indicated they can shuffle the money any way they wanted to. Mr. Dadson said he agrees with bond counsel's opinion on that. Mr. Dadson recommended a call by Mayor Keyserling and Chairman Pinkerton to get the job done. Mr. Dadson said the strategy is a complete project.

In regard to the Northern Bypass, Mr. Dadson said a feasibility study was done on all four possibilities. He recommends selecting exploration of another option other than Bellamy (a second phase) and if the Redevelopment Commission wants to, push ahead with that, or, if it's a dead end, recommend the balance of the \$4.9 million be put back into Boundary but keep the monies north of the Broad. Mr. Stewart discussed another option that would take traffic off Lady's Island but affect development on part of it, and spending money in that area would never be an option. A discussion among commissioners ensued about alternate sites.

Mr. Dadson said what he's presented is what staff's recommended to BTAG. The alternative doesn't need to be decided today. Commissioner McFee said, having read the report, everything defaults to Bellamy Curve and there is little attention paid to the other alternatives by the study. Commissioner McFee said economically the others don't work. Mr. Trask asked if the city could simply state that Bellamy Curve isn't an option. Mr. Dadson said they have. Mr. Trask said maybe they should say one of the other options might be appropriate but not at this time so money can be prioritized to Boundary Street. Mayor Keyserling said there was opposition to McTeer Bridge and Waterfront Park, too. Mr. Stewart said he prefers to work with the air station and reduce density on Lady's Island. Mr. Dadson explained the difference between \$4.9 and \$5.6 million. Commissioner Beer said 10-15 years ago, there was a recommendation for a trestle link-up that would do more to get traffic off Carteret than anything else and less expensive, better still if it was taken off 21, north of Boundary.

Mr. Dadson said he needs to tell BTAG something about what direction to go: whether they want to do the 2nd phase of engineering for an alternate route or say no to Bellamy Curve and spend the money on Boundary. There was general assent to the first section of Mr. Dadson's memo. As to the northern area crossing, Commissioner McFee said council is concerned that it's not worth spending the money to do another feasibility study. There's such a divergence as to cost of what it would be and what would happen. What will happen on Lady's Island in the next ten years will further erode this.

Mr. Dadson said it can be deferred to council. His opinion is that the money shouldn't go elsewhere. Commissioner McFee would like to see it go to Boundary Street. Chairman Pinkerton said not to assume that they'll send the \$700,000 elsewhere. Mr. Dadson said the county staff recommended the balance go to Boundary Street. Commissioner Goodman said

from the Redevelopment Commission standpoint, Boundary Street is more important than the northern crossing, which is much further in the future. In his opinion \$700,000 would be used to much more benefit on Boundary Street. Commissioner McFee said moving it is more fiscally responsible. Mayor Keyserling said he doesn't like to be forced into a decision by people who aren't making decisions themselves and they shouldn't be "setting this table." If Lady's Island is going to continue to grow, this is never going to happen.

Mr. Dadson recommended supporting the first section of the memo, then say 1) they want a northern crossing, NOT Bellamy's Curve and 2) the city wants to manage that process and say 3) that money needs to stay in Northern Beaufort County on current projects.

Commissioner McFee made a motion, seconded by Commissioner Beer, to accept staff recommendations 1 through 6 and to sign the contract on the engineering. The motion also rejects a northern crossing at Bellamy Curve. Any future planning in this regard would be under the control of the cities of Northern Beaufort County, preserving funding for the Northern Crossing and Boundary Street projects until agreed upon.

Mayor Keyserling said if the Northern Crossing goes off the table as it did years ago when Highway 280 was a priority, it won't get done. He doesn't want it off the BTAG project list because it will be another generation with more problems in that time. He doesn't want to waste money, but it needs to be kept on the table. He wants to meet with Chairman Pinkerton and chair of county council and see what his position is. Commissioner Goodman said everyone agrees it needs to stay on the table and as a priority but they don't want to waste money on engineering that's not going to be productive. Mayor Keyserling said the study that determined Bellamy Curve is a reckless decision was made by an engineer. Mr. Stewart said the premise of Bill Rauch was that the military would cooperate. He suggests seeing whether the military would commit to making a certain amount available to the project, and this should be done before the engineering's done.

The motion passed unanimously.

REDEVELOPMENT COMMISSION AND THE COMP PLAN

Mayor Keyserling said the comp plan is going to second reading, and he wondered if the Redevelopment Commission has recognized any redevelopment opportunities there. He suggested they look at that section of the comp plan and offer their thoughts to council.

REDEVELOPMENT RETREAT IN JANUARY 2010

Mr. Dadson recommended the last two weeks of January. He said there's no need to set goals because of the comp plan. The retreat will be about strategy, prioritization, and planning. Mayor Keyserling said he'd love to see subcommittees of the Redevelopment Commission with 2 or 3 members that's more active. Commissioner Goodman said the MID committee was very active until they put themselves on hold. Mayor Keyserling said uncovering parking was a jewel which may not have been found without MID.

Mr. Dadson will put together an agenda and preliminary materials. The Redevelopment Commission needs to read the comp plan, which is what strategies will be based on. Commissioner Beer recommended January 21, 2010 from 9 am to 5 pm, and there was general assent among the commissioners.

Commissioner Goodman suggested that candidates for commissioners be chosen if possible who can attend this retreat to help implement the plan made as much as possible. Commissioner Beer asked if the "A List" should come to the retreat, not necessarily those who are chosen, so they understand how much work is involved. Mayor Keyserling noted that no candidates are at the current meeting.

DISCUSSION OF PROPOSED BUDGET FOR REMAINDER OF FY 2010

Ms. Hughes said the proposed budget for the remainder of 2010 is balanced. Staff looked at parking to cover January through June. An amount for Main Street Beaufort's share in the budget; the 15% of revenue is factored in there.

Ms. Hughes said staff proposes the budget go to council for first reading December 8. Commissioner Beer made a motion, seconded by Commissioner Goodman, to recommend it to council for first reading. The motion passed unanimously.

ADJOURNMENT

There being no further business to come before the Commission, Commissioner Goodman made a motion to adjourn, seconded by Mayor Keyserling. The motion passed unanimously and the meeting was adjourned at 6:06 p.m.

ATTEST: _____
SHIRLEY HUGHES, ACTING CITY CLERK