

A meeting of the Beaufort Redevelopment Commission was held on May 7, 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, Gary Fordham, Mike McFee, Mayor Billy Keyserling, James Bellew, Gene Rugala, Donnie Ann Beer and City Manager Scott Dadson. Commissioner Mike Sutton was 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 4:01 p.m. by Chairman Pinkerton.

MINUTES

Approval of the minutes was postponed because they had not been fully distributed to the commission.

MEETING WITH MAIN STREET BEAUFORT, USA ON USE OF DOWNTOWN BUILDINGS

Paul Sumner, Chairman of Main Street Beaufort, said that their board has discussed exploring options for use of the Arsenal and the Carnegie Building with the Redevelopment Commission. The Arsenal could be used for office, meeting, and event space and possibly as a centrally located visitor and information center if buses could drop tourists off there. The Carnegie Building would be tied in with Historic Beaufort Foundation – and used as office and meeting space for non-profits. Again, bus routes are the determinate of how this could be used for tourists. Main Street Beaufort feels this is a fantastic location for tourism because they'll be drawn to Craven Street and will see more of downtown in the "back street" businesses off Bay.

The City Manager said that the Carnegie Building costs \$22,000 a year to operate and maintain when it's full of people; it's about 3200 square feet. Mayor Keyserling speculated the Arsenal costs about \$3000 a month to operate and maintain. He said Historic Beaufort Foundation had a lease on the building with an option to cancel in 30-60 days; he's told them to come up with a use for it if they can't pay for it. This commission passed the building matter on to Main Street Beaufort since it seems to meet their qualifications for filling empty buildings. Historic Beaufort Foundation has said it wants to use the upstairs for a museum space with the Arts Association using the Friends room, but they have not presented a formal proposal. The Chamber of Commerce can't afford to be in the Arsenal at the expense of their Boundary Street location. The Carnegie Foundation may have money available for maintenance or operations. The City Manager said the county was asked about the library using the buildings and they weren't interested.

Mr. Sumner said that the Chamber membership didn't like the idea of a visitors' center selling items that compete with what they sell, but maps and carriage tickets, etc. might be acceptable. Holly Davidson from the Chamber said they would like to be nearer to downtown, but their revenue stream is the problem.

Mayor Keyserling suggested the possibility of using the Arsenal as a museum with Parris Island, Penn Center, a naturalist, the Land Trust, etc. and other destinations that aren't downtown, but "no one's been entrepreneurial enough yet." Mr. Sumner asked if he thought such groups would pay to have space there, and Mayor Keyserling replied that for 8000 square feet at \$3000 a month with several organizations sharing the space, it could be a very appealing gathering place for people who want a downtown presence. He added that he'd "hate to go commercial in these public buildings." Commissioner Beer added that the Arsenal is a great place for functions like wedding receptions and rehearsal dinners. Mr. Sumner said that it's an ideal location and could be incorporated into the re-branding initiative going on, but asked who would run it if different groups were in it.

The City Manager said that buses park at the Marina, tourists go through the park and Bay, and that's all they see of Beaufort. It would take coordination with carriages, calculating turning radiuses, etc., but if people were to start there and work their way through the city, that benefits all other downtown businesses. Mayor Keyserling suggested that buses could be on Scott or North Streets, possibly. Mr. Sumner said they could pull into the Carteret parking lot, drop off visitors and come back. Commissioner Goodman said that the church is interested in the Carnegie Building for use by the community's youth. The City Manager said that council wants an open process if it releases property. Offices make more sense in that building because public access to the 2nd floor is difficult.

Mr. Sumner said there is also interest in expanding the number of public restrooms. Mayor Keyserling feels that the Friends room hasn't ever been marketed properly. Commissioner Rugala mentioned a shared space initiative in Bluffton in which different entities share the same space and suggested that this might be possible for small non-profits in these buildings.

Chad Dally, from the Convention and Visitors Bureau (CVB), passed out copies of his group's proposal and budget for the Arsenal, which they'd submitted to Main Street Beaufort. They have met with caterers and event planners and propose they'd rent the upstairs area and the courtyard. The Friends room would be a good visitors' information center, and they could bring in other businesses' items to be sold there with a small portion given to CVB so no one loses revenue. They have received a grant to make a movie about Beaufort and Port Royal that would generate revenue through \$3 tickets. The CVB would be the one entity in charge of the shared space. The Carnegie Building could be used as additional office space, but the Arsenal would be the primary event rental area because of better handicap access. He added that Codes Enforcement parking can be used for buses that drop people off, wait elsewhere, and pick them up later.

The City Manager said that Main Street Beaufort will evaluate existing proposals and bring them back to the commission, so if Historic Beaufort Foundation or anyone else has one, they need to get them to Main Street Beaufort by the next meeting of this commission in June.

Commissioner Rugala asked Mr. Dally about the relationship between CVB and Main Street Beaufort and Mr. Dally said there was none. Mr. Sumner said that Main Street Beaufort met with CVB, brought the proposal up, and said they were collecting them to bring back to the commission. Commissioner Goodman asked the commission if it wants Main Street Beaufort to come back with a proposal of what they think is the best use of those properties and not just a survey of what they

received. He'd like an update by the next meeting, but would prefer Main Street Beaufort evaluate as an economic development partner rather than just collect. He then made a motion that Main Street Beaufort would be the partner that brings back to this commission a use for the Carnegie Building and the Arsenal. Commissioner Fordham seconded the motion and it passed unanimously.

UPDATE OF MUNICIPAL IMPROVEMENT DISTRICT (MID)

Commissioner Rugala, as chairman of the MID subcommittee, reported that there have been meetings focused on the issue of obtaining recommendations from the Boundary Street property owners with the idea of moving forward on the Boundary Street Development Plan. The group proposes that Commissioner Rugala and his fellow commissioners be the core group that will work with the City to put together costs and other materials needed to review the issue and go forward with recommendations for implementation in a series of approximately three public forums with property owners to explain to them the costs and benefits and get feedback. Ultimately, a resolution will be developed and then an ordinance. He will present more to the commission within the next 60 days.

Mayor Keyserling asked how many property owners were involved and the City Manager answered that about 150 individual lots are involved; though the value of the district is unknown at this time, "we know how to get it." He reminded the commission that the non-residential properties are what will be affected by the plan. Commissioner Goodman reiterated that the purpose of the public meetings is to talk about implementing the Master Plan. Commissioner Rugala said that the group wants to leverage additional money with the existing \$22 million, possibly completing the plan in sections, and bonding some of the money.

The City Manager explained that other jurisdictions that have done similar plans have used a variety of methods to raise the money, i.e., different pieces can be bonded over time. All three jurisdictions they've looked at had income that they left flexibility, applying different types of assessments to different areas. The law says the amount borrowed or assessed has to be capped annually, per square feet, per property, etc. Larger landowners want to do it all now, but it would be very expensive to do it that way, so the plan is to break it down into phase-able pieces and see what works best. All sizes of stakeholders need to be involved.

Mayor Keyserling asked about the parallel road, and Commissioner Rugala answered that all the interior roads are included. Mayor Keyserling asked if two districts could be done if "people are angry" and the City Manager replied yes. Mayor Keyserling suggested then that the debt could be "amortized on the ones who want it and then that may bring in the ones who don't." The City Manager noted that "the more you break it down, though, the more complicated are the layers you send to the county." Commissioner Goodman said that there is benefit to leveraging it all from a cost standpoint; if work is done on the two "end pieces," that's not the most expensive piece. The middle part includes the parallel road, parks, slip lane, etc., so the ones who are toughest to convince will be asked to pay the most money. The end piece owners may take the position that they are only paying for theirs, not for the piece in the middle, which will be the hardest hit. Commissioner Rugala said that this is what the City Manager was referring to about Myrtle Beach being flexible in their approach, so that everyone paid their fair share of community parts.

The City Manager said that it makes sense to phase and break it into pieces and over time. On a millage basis, it would have to be a pretty high, so mixing the assessments together into a package that over time is paid will be better for the property owners. Commissioner Goodman said a plan everyone can live with is necessary, so as to be sensitive to small property owners who feel they can't even afford current taxes. The City Manager said that part of that will be doing something so they can see results right away. Chairman Pinkerton said that the biggest objection he's heard is to the medians and the potential inconvenience to customers. Slip lanes solve that problem, so access issues should be the first place the money's spent. The City Manager said that slip lanes are in Phase 2 and warned that being in continual construction mode creates problems, too. Chairman Pinkerton feels business owners want Boundary Street fixed first, but the City Manager said the initial plan was for the parallel road first, which "gets the harder stuff out of the way first." Commissioner Rugala said that unless there were major objections, the subcommittee plans to proceed as he reported. There were no objections.

UPDATE ON NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

Commissioner Rugala reported that a group went to Columbia for a day-long session on the NSP which set the parameters and time table as to when things had to be done, reports to be generated, etc. Brenda Dooley at Habitat is confident she can get 3-4 houses built in Beaufort.

The City Manager explained to the commission a conflict that arose at the meeting but said it's being worked out at this time to get the first set of deadlines met. Commissioner Rugala said that "this is a real work in progress" and that the rules are changing because of problems that have arisen in the process. The City Manager said that foreclosures are happening sooner and in greater numbers than when it started. He also said more money is "coming down the pike" and said a meeting had been held about doing a storm water project on Bladen St. with ISTEAs and Renaissance monies. RFQs have been sent out for engineering on Bladen.

Commissioner Fordham asked what was happening with Reggie Barner from the Housing Authority, and the City Manager answered "Nothing." There is a proposed agreement, but nothing's happened. He said that the commission's subcommittee and development "have to agree on our relationship and move forward." He said if the commission wants him to get that group together, he'll do that. He said Mr. Barner's plan was to move assets into a controllable position as opposed to being put back in to the market because the Housing Authority didn't want to move their assets into the public world and sell them to developers, etc. Commissioner Goodman said that the critical piece is to get the non-profit set up. There is a draft agreement, which he said is important so NSP can work through them. He asked if the grants Mr. Barner talked about are still available, and the City Manager said he didn't know.

Mayor Keyserling brought up grant money and the need to go after it. He feels the Redevelopment Commission is the entrepreneurial arm and should have had "a plan and a program yesterday." Contingencies are illegal with Federal dollars – grant getters have to be hired and paid, NOT given a percentage of money they raise – and he doesn't know if the City alone can afford to invest in a person or a team on a retainer basis. If it's too steep, a coalition could be formed to package grants

among various groups with common needs: the hospital, universities, Port Royal, and others. He said he'd like to pursue getting a consortium together with the commission's approval which they offered by assent.

ADJOURNMENT

There being no further business to come before the Commission, Commissioner Goodwin made the motion to adjourn, and Commissioner Beer seconded it. The meeting was adjourned at 5:45 p.m.

BOB PINKERTON, CHAIRMAN

COMMISSIONER MARTIN GOODMAN

COMMISSIONER DONNIE ANN BEER

COMMISSIONER GARY B. FORDHAM

COMMISSIONER BILLY KEYSERLING

COMMISSIONER MIKE SUTTON

COMMISSIONER JAMES BELLEW

COMMISSIONER EUGENE A. RUGALA

COMMISSIONER MIKE McFEE

ATTEST:

SHIRLEY HUGHES, ACTING CITY CLERK