

A meeting of the Beaufort Redevelopment Commission was held on July 2, 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, James Bellew, Gene Rugala, Donnie Ann Beer, Mike McFee, Mayor Billy Keyserling, and City Manager Scott Dadson. 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 4:00 p.m. by Chairman Pinkerton.

### **MINUTES**

Commissioner Beer moved to approve the minutes of the May 7, 2009 meeting. Mayor Keyserling seconded the motion. Commissioner Goodman and Commissioner Rugala asked to have the minutes amended to reflect the correct spellings of their names. The motion to approve the minutes as amended passed unanimously.

### **GOVERNANCE**

The City Manager said that the commission had asked for a discussion of governance. It's currently composed of all 5 members of council and 4 additional members. Several committee members observed that in other cities, the commission is a separate, stand-alone body, more independent of city government. One part of governance, he said, is the composition of the board and what the Redevelopment Commission does. For example, Rock Hill's is focused on industrial development; Myrtle Beach's focus is on its downtown core and tourism. Savannah's is a combo of housing authority, redevelopment commission, and their "Main Street."

Chairman Pinkerton said that this redevelopment commission has never said "what it is or what we want it to be." He feels it did little in its first 3 years. All that's officially been done is to make contacts for the Boundary Street project. The City Manager disagreed, adding that the Redevelopment Commission has "pushed along" housing. Citing a meeting he'd attended of the Charleston green committee, Chairman Pinkerton said it made him think of "things we could do here that would serve a good public purpose." He said he'd "heard we couldn't borrow money because it sucked up the city's credit."

The City Manager discussed a 501c3 in Myrtle Beach that could receive and move assets. Mayor Keyserling feels it's important to "get entrepreneurial," so Redevelopment should create projects, and then bring them to council to consider. He doesn't believe having 5 council members on the Commission is the best idea, though one might be fine. The City Manager again brought up the model of Myrtle Beach. The non-profit has space, staff, etc., but the city council remains at arm's length and the staff does the work.

Commissioner Goodman added that when the group was working on the MID, "council was not in the fray." The redevelopment commission held meetings, made contacts, etc., and when a plan was put in place, then the recommendation was presented to council for a decision.

The City Manager said that the bank will want to know whose assets are on the line and the city gets involved then. In reference to the Myrtle Beach MID, he said every city person he spoke with said their council was only a reluctant participant in the MID, and attributed its success to the redevelopment commission's hard work.

#### **UPDATE ON FUTURE USE OF THE ARSENAL BY MAIN STREET BEAUFORT USA**

Mr. Randall Burch distributed the proposals received by Main Street thus far. Because the CVC and BCB have merged, Main Street would like to combine their proposals into one. The City Manager reminded the group that there would not be a regular meeting next month because "council takes off in August." So Chairman Pinkerton called for a special meeting to discuss the proposals August 6.

Mayor Keyserling said that the proposals he'd seen thus far were unsatisfying, Carlotta Ungaro said that Dick Stewart had "ideas beyond the visitors' center and we need to flesh those out." She acknowledged that her group's initial proposal had asked for more than 11% of the operating funds. Mr. Stewart said that "everyone agrees that the arsenal would make a great visitors center." They need an opportunity to do some further analysis and offer greater detail on other plans. He'd like to see it in place by fall. Commissioner Rugala asked to have the proposal to look at *before* the August 6 meeting. Mr. Burch said that if it's done in 20 days, it will be sent to the commissioners for review. Ms. Lamella Fabian said that the proposals distributed in the packet were good but didn't include the visitors' center which is why they were asking for the extra 20 days.

#### **UPDATE ON NSP**

Ms. Angela Childers of Beaufort Housing Authority (BHA) passed out a monthly performance report to the commission and informed them that this month BHA has secured home inspectors and appraisers and has an RFQ out for an attorney. The Neighborhood Stabilization Program (NSP) applied for state funding to help "neighborhoods plagued with blight and foreclosure." They received \$3 million and distributed it. Since they've gotten approval to use the fund, they have been waiting for "a cleared environmental" and are now waiting for site control of those that have been identified. Commissioner Fordham asked what "cleared environmental" means and Ms. Childers explained that it's necessary to get wetland clearance, flood zone clearance, etc. to use federal funds. The group has a "blanket environmental" and now has to obtain a site specific environmental for State Housing.

She said there is also a problem with the banks "coming in very low and...balking at a 15% discount on the appraised value." A bridge notice will reduce the discount to 1% which should eliminate those banks that won't give the 15% discount. She said that Brenda Dooley is having problems obtaining site control and approval for some of her homeowners.

Beaufort Housing Authority considered applying for NSP2 funds, but they didn't meet some threshold criteria. The State made it an option to apply through them; they submitted a grant for another \$1.1 million. No census tracts in Beaufort qualified for NSP2. She said BHA is seeking out any grants that will allow them to work for low-income housing. The city is the main partner and BHA is the lead agency; the city will build houses through Habitat for Humanity. Mayor Keyserling added that the blighted neighborhoods had to be demolition-ready. He said that the

decision to work with Habitat for Humanity was based on Block by Block's credibility. Commissioner Fordham asked if this applies only to the Northwest Quadrant. Mayor Keyserling said that in the application, properties had to be designated. Habitat for Humanity is trying to acquire those properties and then they will be demolished. The City Manager said that when the grant was applied for, fewer properties were eligible for foreclosure. When the money was received, Habitat for Humanity was chosen. He said Ms. Childers is "leading the charge" and Brenda Dooley is "on the ground," getting the homes. Mayor Keyserling said that this project was historic because of the collaboration among Beaufort, Hilton Head Island, Bluffton, Port Royal, and the county. It's "the first time we've ever done anything like this...The commission hopes that working as a team we're stronger."

Commissioner Rugala warned that "these properties can change." Commissioner Fordham asked what's the attorney would do, and Ms. Childers answered that the attorney would do home closings; "there are a lot of hoops to jump through to obtain one."

#### **UPDATE ON MUNICIPAL IMPROVEMENT DISTRICT (MID)**

Commissioner Rugala offered an update on the proposal. The homeowners have been identified and they're looking at the breakdowns of businesses to approach about the proposed district on Boundary Street.

They went to Myrtle Beach to meet with council and Redevelopment Commission members to learn about their efforts to do a similar type of district. One thing Myrtle Beach did was to create a non-profit to work on these and similar issues. Also, they used assets for the Redevelopment Commission obtained from parking. Commissioner Rugala said the city might consider developing a revenue stream for this commission "and give us a pot of money to do good things." For the Myrtle Beach commission's MID, they had to approach more than 9000 property owners. Contact with the property owners was a big issue, and they did it in a variety of ways such as public meetings, etc. They never had to implement the MID because of a special tax levied to fund improvements.

The City Manager said that 18,000 people live in Myrtle Beach, "and they're just business." They got the money for outreach outside of the state "for the 10 year sunset purpose," and the Chamber gave back the \$1 million the city had been giving them for that purpose. They replaced the money with a specific plan. Council never had to vote on it; the commission "did 98% of the work." Commissioner Goodman said that they had 3 different zones for their MID, with 3 different payment schedules based on who obtained the benefit: "The folks right in front of the boardwalk paid more." The City Manager said that in the ordinance, there was "a very broad scope of how to do things, but in reality they were picking districts very narrowly."

Commissioner Rugala said they hope to digest all the information they obtained to help answer the questions they're going to get so that they can be prepared with a very specific scenario for each property owner. Commissioner Goodman reiterated that the Redevelopment Commission wouldn't make the recommendation until the property owners support it. Mayor Keyserling asked if they'd talked to any property owners. Commissioner Goodman answered that he'd "talked to a few and they didn't say no." The City Manager said that the costs are clear for Phase One to make it "a complete project done from end to end." Those numbers will be easy to

explain to property owners. They'll be able to show them proof of what is being done in order to raise the revenue.

Commissioner Rugala said the information should be processed in another month or two. He acknowledged that "we only have one shot to make a good impression." Mayor Keyserling asked, if they encounter resistance, if they can "do smaller ones." The City Manager replied that "you can narrow the districts down, yes." Commissioner Goodman said that the phasing is determined, but it could be a different number. The property owners he's spoken with were most concerned with how much it will cost, but were much more comfortable when he explained the first phase. The City Manager said that the whole balance couldn't be bonded; it must be broken down into some pieces. Mayor Keyserling added that the downside to breaking it too small is that when a property owner's need is met, then they're less interested in funding other people's projects. The City Manager said that having Boundary Street improved will benefit property owners 5 blocks back from it, and "we have to show that to them" as Myrtle Beach did.

Mr. Stewart said it's important to find a mechanism that doesn't make the city do smaller ordinances and projects at a time. "You need only come to the council once every 5 years and establish a fixed rate of payment." He added that he was very encouraged by the Commission's representation because the number of people on it from the business community will help make the MID happen. A brief discussion continued about how Myrtle Beach did its MID.

## **GOVERNANCE**

The City Manager said he feels it's important to have more business community and property owner involvement. He suggested the group to "think about what you want the Redevelopment Commission to do." He challenged them to think about their partners in governance. Chairman Pinkerton suggested that the Commission could look at the 17 projects listed in their packets and discuss each one and what it would take to get it done. Mayor Keyserling encouraged the Commission to be advocates to city government. He said, "We as a culture have to get out of this idea that we're doing something by going to meetings; we need a mentality of 'What do we take from the meeting?'" He'd like the commission to be "more of an aggressive citizen advocacy group that brings ideas to (the city)".

Commissioner Rugala agreed with Mayor Keyserling and feels the Commission should be a separate body from the council, more independent. Commissioner Goodman said that the City Manager would be the liaison to City Council. If he were an elected official, Commissioner Goodman would see value in the council hearing what the Commission has come up with without having been party to the deliberations and action plans, etc. In reference to the 17 projects, he said that four of the nine commissioners are working on a project and all the rest are waiting on a report back. He feels the group needs to identify where interests are within the group, and commissioners should take on projects they're passionate about, so that they'll work on them. He thinks it would be best to "achieve" 2 or 3 projects, and then move on to the next projects. Commissioner Beer added that when more people who are directly affected are involved, "you get a better buy-in." Mayor Keyserling, using the proposed Rail Trail as an example, explained how the process could work, concluding, "You'll come (to council) and say 'The task force presented the plan, and these are some redevelopment plans; what tools do we have to try to make this happen?'"

The City Manager said that management in Myrtle Beach “made it a point to narrow the city’s focus to the core level of service.” When they need to go beyond that, they give groups like their Redevelopment Commission the ability to do that by seeding them with some TIF funds, parking meter money, authority, etc. That seed money helped the Myrtle Beach non-profit to hire a director, etc., “little things that become a budget argument for us.” Mayor Keyserling said that the group should all come back with specific ideas, and there was general assent to his suggestion.

**ADJOURNMENT**

There being no further business to come before the Commission, Mayor Keyserling made the motion to adjourn, and Commissioner Fordham seconded it. The motion passed unanimously, and the meeting was adjourned at 5:24 p.m.

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BOB PINKERTON, CHAIRMAN

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COMMISSIONER MARTIN GOODMAN

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COMMISSIONER DONNIE ANN BEER

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COMMISSIONER GARY B. FORDHAM

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COMMISSIONER BILLY KEYSERLING

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COMMISSIONER MIKE SUTTON

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COMMISSIONER JAMES BELLEW

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COMMISSIONER EUGENE A. RUGALA

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COMMISSIONER MIKE McFEE

ATTEST:

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SHIRLEY HUGHES, ACTING CITY CLERK