

A meeting of the Beaufort Redevelopment Commission was held on August 6, 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, Gene Rugala, Donnie Ann Beer, Mike McFee, Mike Sutton, Mayor Billy Keyserling and Shirley Hughes. Commissioner Gary Fordham and City Manager Scott Dadson 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.

### **MINUTES**

Commissioner Beer moved to approve the minutes of the July 2, 2009 meeting. Commissioner Rugala seconded the motion. Commissioner McFee pointed out that Lanelle Fabian's name was inadvertently misspelled. The motion to approve the minutes as amended passed unanimously.

### **PRESENTATION BY MAIN STREET BEAUFORT ON USE OF ARSENAL / CARNEGIE FACILITIES**

Ms. Fabian of Main Street Beaufort said that last month the commission had been given all of the proposals Main Street Beaufort had received. Proposals by the Chamber and Beaufort-Port Royal CVB had been combined. After review of all proposals, Main Street Beaufort felt the Beaufort Regional Chamber of Commerce proposal is the best one. In the negotiation process, Main Street Beaufort would like to be invited to the parking and signage discussions.

Mayor Keyserling said the commission would like to look over the proposal before asking questions. Carlotta Ungaro said that the Chamber of Commerce proposal was basically the same as the one they originally submitted plus "the best parts" of the Beaufort-Port Royal CVB proposal. She asked the committee to consider the Chamber for use of the Carnegie Building as well. She said that rental of the space would be a big help with the revenue stream. The Arsenal will be an easier place for visitors to find than the current or past offices. She added that they would like the city's help with sign and parking issues.

Commissioner Sutton asked about the feasibility of the Chamber using just the Arsenal; Ms. Ungaro replied that while it would be nice to have both buildings, they can work through it either way. A discussion ensued about short-term parking at the Arsenal if the Visitors' Center is there, and the parking of buses as well as the capabilities of buses to turn on various streets.

Commissioner Sutton asked Main Street Beaufort on behalf of the merchants to discuss Visitors' Center gift shop competition against the retail stores. Ms. Ungaro said the matter will be addressed in the next few weeks. Ms. Fabian said that she hasn't heard any comments yet. Main Street Beaufort plans to pull the merchants together for other things soon and will get feedback on this issue then. Commissioner McFee said that in the past, selling non-competing items had been discussed and asked if that would still be the case. Ms. Ungaro said that some people feel it's competition and others don't, including a formerly vocal opponent who now supports it.

Mayor Keyserling said that, since December, the commission has been planning to put these buildings to work. He feels having the Visitors Center and the tourism agency downtown in the Arsenal is very important, but he questions the best public use of the Carnegie Building and wants to think about that. He feels progress is being made, however. Commissioner Beer said that she feels it's an asset to be downtown. She added that most merchants haven't had a problem with the Chamber of Commerce having a gift shop. Ms. Ungaro said the gift shop doesn't go to Merchandise Mart but instead is brought things to sell and only order a few logo'ed items.

Commissioner Goodman asked her if the Chamber of Commerce has considered what the expenses would be to operate the Visitors' Center. Ms. Ungaro said they have, but a lot of it's been based on revenue from the rental facility. They like the idea of a fee but haven't determined an amount yet that would work. It should be the same costs as now, but they are hoping for a better revenue stream. She mentioned her hope that flexible hours could help to control costs. Commissioner Sutton said that idea of flexible hours concerned him because he wants the Visitors' Center to be "a vibrant facility with published hours, operating at the need of the citizenry." Ms. Ungaro replied that they aren't currently in the black for the Visitors' Center which is funded largely by real estate dollars which is problematic now. In the Arsenal, they hope to sell more merchandise and that more people will be able to find it, so they'll make more money. Historically, they have been open 361 days a year for 8 hours a day, and while they'd like to remain that way, they would like to negotiate for more flexibility. Commissioner Beer suggested that they could adjust as they determined what's working in terms of hours.

Dick Stewart said that the proposal was written contingent on selling the Chamber's former offices on Bellamy Curve. He said there is "no formula." If the building doesn't sell, a different analysis needs to be done. He agreed that cutting hours back would be a significant concern.

Commissioner Sutton asked Ms. Ungaro what the City needs to do. Because they haven't seen a budget yet, he wondered if the annual costs like heat and air, maintenance, etc. is in the equation. Ms. Ungaro responded that their assumptions were based on the idea that utilities need to be covered. If that's not the case, that will come up in negotiations and will move forward if it works out financially for both sides.

Commissioner Goodman made a motion, seconded by Commissioner Beer, to form a subcommittee to meet with Chamber staff, negotiate the terms, and bring back those negotiated comments to the next meeting of the Redevelopment Commission. That proposal would be a formal agreement in the form of a recommendation on which city council could make the final decision. Commissioner Rugala asked if this would be an endorsement of "the concept...going forward, contingent upon getting the numbers."

Commissioner Sutton then made a motion to accept the recommendation of Main Street Beaufort for the Chamber to have use of the Arsenal facility based on future negotiations of contract. Commissioner Beer seconded the motion. Mayor Keyserling said he would support that but still had a question about whether the negotiations would be for the Arsenal alone or included the Carnegie Building. Commissioner Beer said that the Arsenal is the main issue. Commissioner Goodman replied that "that's where the negotiations would come back to the commission and the

Chamber.” Ms. Ungaro said that the Chamber would like it to move forward looking at both buildings, but that could change in negotiations.

Commissioner Goodman withdrew his first motion and Commissioner Beer withdrew her second on that motion. Regarding the second motion on the table, the commission reviewed the Chamber’s written proposal regarding using both buildings. Commissioner Goodman said the proposal states that the Chamber would like to put their staff in the Carnegie Building. Mayor Keyserling reiterated that he wants “to support this and (is) open to Carnegie” but he’s “not sure of the dollar issue and wonder if there’s not a function that would be a better fit.” He doesn’t want to “go back on my word in negotiations if two buildings don’t work. They need to start out looking at both buildings going into negotiations.” Mr. Stewart said that Main Street Beaufort was asked to look at all proposals, but no one is bound to anything. The current motion on the table is that a subcommittee enters into negotiations with the Chamber of Commerce.

Commissioner Sutton withdrew his previous motion and moved that Main Street Beaufort’s recommendation be accepted and that Chairman Pinkerton be directed to designate a subcommittee to go into negotiations with the Chamber. Mayor Keyserling seconded the motion. The motion passed unanimously. Commissioners Goodman and Beer volunteered for the subcommittee; Mayor Keyserling suggested a city staffer be part of that subcommittee as well.

## **GOVERNANCE**

Mayor Keyserling said that city council members do not need to fill as many seats on the commission as they currently do. He personally will come to meetings of the commission whether he’s on it or not, but he’d like to see a broader segment of the community engaged to do work, i.e., more involvement by members of the public with expertise would make a stronger group; council would still make final decisions and have ultimate accountability, but there would be three new people working for the commission.

Commissioner Goodman stated that the group commissioners met at Myrtle Beach doesn’t have city council on it. Chairman Pinkerton asked what kind of people sat on the Myrtle Beach commission, and Commissioner Goodman responded that he knew the chairman was a developer who owned hotels. He guessed that the rest were a cross-section of business owners and other interested parties. Plus the Myrtle Beach commission had staff: an executive director and an administrator. Commissioner Rugala added, “They had money, too,” obtained by hiring a company that took care of city parking and acted as city ambassadors, then contributing a percentage of monies collected back to the commission. A discussion then ensued among the commissioners and Ms. Hughes about how the Myrtle Beach program worked and whether or not that program or a similar one might be viable in Beaufort.

Commissioner Sutton suggested that the Redevelopment Commission should put a discussion about funding on their calendar. Mayor Keyserling agreed but said that it was necessary to know about the different models for other commissions, so that the structure, not the project, could be discussed. He wondered if the Strom Thurmond Project might prove helpful. Ms. Hughes said that city staff will provide a proposal to discuss with the commission. Mayor Keyserling recommended there be a presentation of 2-3 models and how they work at the next meeting.

Commissioner Rugala agreed with Mayor Keyserling that the commission should have “additional bodies, more independence, and someone from council on board.” He reiterated that “additional folks” are needed and that some commissions are “totally independent with their own money.” Commissioner Goodman said that independence opens the door to the city asking the Redevelopment Commission to do additional things that may come up. He said that the Myrtle Beach city manager said he’d been thrilled not to be on the commission when their MID was being discussed. Ms. Hughes added that around the country, Redevelopment Commissions are entirely separate from Council more often than not. Commissioner Beer said that the commission wouldn’t be autonomous to the extent that the DRB and the Zoning Board of Appeals are, however; “this would not be regulatory.”

Commissioner Sutton reminded the group that city council set up the governance of the commission and would have to change it, so it would need to be on a city council agenda. Mayor Keyserling said that, since there’s no urgency, “once we have a model, we could do both at one time.” Ms. Hughes asked when the committee wanted the models and proposal, and Chairman Pinkerton said that next month the Redevelopment Commission would like a proposal on other cities’ models and their composition. It will then go to workshop, and then to council, though the commission process may be the workshop.

**ADJOURNMENT**

There being no further business to come before the Commission, Mayor Keyserling made the motion to adjourn, and Commissioner Beer seconded it. The motion passed unanimously, and the meeting was adjourned at 5:00 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