

A meeting of the Beaufort Redevelopment Commission was held on September 2, 2010 at 4:00 p.m. in the Beaufort Municipal Complex, City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Chairman Bob Pinkerton, Commissioners Martin Goodman, James Bellew, Mike McNally, Ed Barnhart, Wendy Zara, and Jon Verity and City Manager Scott Dadson, Mack Cook, and Shirley Hughes. Gene Rugala and Denise Bolin 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 4:02 p.m. by Chairman Pinkerton.

MINUTES

Commissioner Verity made a motion to approve the minutes of the August 4, 2010 meeting. Commissioner Zara seconded the motion. The motion passed unanimously.

Chairman Pinkerton announced that Mr. Rugala had resigned from the Redevelopment Commission, effective immediately, due to an excess of work.

PARKING UPDATE

Mr. Cook said July distribution of funds from parking was \$21,587, which is considerably higher than it was in the past. It reflects a full month's operation of the kiosks and the raised rates. \$2100 is allocated to the reserve for the future replacement of kiosks, 15% (\$3238) goes to Main Street Beaufort, and \$16,000 goes to the Redevelopment Commission. Total revenue for July was \$41,186. Lanier manages all the revenue, and then takes out operating costs.

For August, revenue from citations is just 13% of the total. 14,389 transactions occurred at the electronic pay stations; the maximum possible is 17,652. This means that the occupancy rate is 82% with an 18% vacancy rate, which is a good number, Mr. Cook said. 14% of the transactions were by credit card. The pay stations allow the tracking of traffic in the downtown core. He showed the comparison of citations written this year vs. this time last year. For expired meters, it's gone from 147 to 681, but he again stressed that the revenue is not coming from ticketing.

Ms. Hughes reviewed the charts of revenues and expenditures from the city's year-to-date budget as they relate to the Redevelopment Commission. The Main Street Beaufort payment, she said, is paid once a year in July. Mr. Cook discussed the reasons for the revenue jump owing to the parking operation. He reviewed the numbers for each month before the present parking "environment," which he said is also affected by tourism flow. The commission was referred to the other financial information they were given, which was different than what Ms. Hughes provided. Chairman Pinkerton requested a different form of revenue statement. Mr. Cook said they could have a total parking operation listing and an organizational budget Ms. Hughes said they can do whatever the Redevelopment Commission wants. Commissioner Zara said at some point they need to start dedicating revenue to particular streams.

Mayor Keyserling said this looks like a nice windfall, but it has “taken a lot of skin out of people’s butts” who were responsible for the parking changes, i.e., city council and staff. He has said the same thing to Main Street Beaufort, and he feels the staff and council need the support of the public, such as letters to the editor and conversations about where the money is going. They have also heard that the machines are hard to work. He feels like if at the end of 6 months, they haven’t solved the problems, they will have to re-examine what’s being done. Chairman Pinkerton said that’s the second part of the conversation planned for the meeting. He complimented Mayor Keyserling on an article he’d written to show that parking issues are being addressed.

Chairman Pinkerton said he, Mr. Dadson and Mr. Cook had met to discuss what needs to be done to manage parking. The money is nice, but they need to be tracking other things as well, i.e., parking behavior; vacancy rates; complaints and their resolution (Chairman Pinkerton said he feels it’s important to make sure the problem is not only resolved but doesn’t happen again); mechanical errors; number of tickets issued and resolved; average time per space; gross revenue; sales data to correlate to parking and parking improvements; and leveraging and marketing data.

Mr. Dadson said the last two will depend on the partnership with Main Street Beaufort. They can then create better policies, especially once they have a year’s worth of data. Chairman Pinkerton said the idea is to form a committee that meets once per month made up of representatives of Main Street Beaufort and the city as well as the chair of the Redevelopment Commission and/or his designees. Lanier would be in attendance, but the other entities are the ones that manage parking and manage Lanier.

Maxine Lutz said information could be given to the people who greet the public at the Chamber. At the Verdier House, people complain a lot to the greeters about parking. Mayor Keyserling suggested that talking points about the positives of the parking are a good idea for the merchants/restaurants. Mr. Cook said a video has been produced and they’re awaiting feedback, then it can be widely distributed. Commissioner Goodman said the folks on the front lines of the complaints could provide tracking about what the complaints are, such as whether the system is difficult to use. He said some of the complaints are from people who just don’t want to pay to park, but if it’s a software problem or a learning curve to using them, that needs to be addressed. Main Street Beaufort has been bringing problems to the city and Lanier, and they’ve been fixed, i.e., additional signs and the issue of numbers being put underneath the cars. Many of the problems in this start-up effort have been addressed, and additional changes are in the works.

Lanelle Fabian said Randall Burch had met with Lanier, and a representative will meet with merchants next Wednesday to discuss a validation program that will allow downtown merchants to thank their customers with parking incentives for their next visit.

Ms. Hughes addressed budget updating. Chairman Pinkerton is curious about where the money is being spent. Ms. Hughes said the estimate for revenues for the year was \$324,000. \$100,000

is for contractual services (planning, Bladen Street, etc.); \$85,000 for maintenance and facilities (Arsenal, Carnegie and City Hall); \$25,000 for the amount to go into reserve (the City paid for meters, but money is being put aside for replacement); \$40,000 is money that has already been paid to Main Street Beaufort; \$45,010 is the estimate of what will go to Main Street Beaufort for their share of the estimated parking revenue; the balance of \$28,990 is either used or goes into reserve. Ms. Hughes said that when the budget was designed, they didn't know what the projects would be, so these categories are based on what they believed would be needed.

BLADEN STREET UPDATE

Commissioner McNally said they've had the second round of meetings with 4 of 10 owners, and the pace will pick up in the next month or so. All the meetings have continued to be positive. They have gone over all of the form-based code at each of these meetings. Everyone is getting the idea that this is a good thing for them. They are asking the owners to donate the easement, and there seem to be questions from the owners who are waiting to see that the form-based code gets by the Planning Commission and the Historic District Review Board. They are probably going to want an appraisal to determine what it may do to their property values. He detailed what was in the packet that is given to each of the property owners. Commissioner McNally said they are starting to see that the code pluses are going to outweigh the minuses of giving up the easements. Mr. Dadson said they are asking Historic District Review Board to act up front in the process. It should go to the Planning Commission in September, then go to council.

BOUNDARY STREET UPDATE

Mr. Dadson said the first part of the project is in its final engineering phases, going out to bid in early 2011. Council has taken action on a couple fronts: They agreed to take ownership of certain parts of the streets in the parallel and off-street network, and they have requested lowering the speed limit from Highway 170 into the intersection. He indicated on a map where the work will be done. He said the meetings with the county have been very good; they need SCDOT approval.

Mr. Dadson said another part of the process has been the re-designation of Highway 21 over to the 280/802 corridor which allows the ultimate flexibility on that portion of Highway 21. The project is only slated to go from Highway 170 to Hogarth (where the old Exxon station is). Mr. Dadson said the city has worked out how to use TIF 2 money to subsidize costs for certain things. As to the wiring, they will probably have to create another fund for it. In the bid process, they will get the unit price they need to understand how to do the wiring best. County and city staffs think the parallel road is the appropriate place to put buried wires, but it's still a source of debate, and it will hopefully be worked out in the bidding process, which will hopefully happen in the beginning of the year.

Mayor Keyserling said city council, Port Royal's council, and the Joint Planning Commission are going to urge the county to spend the majority of the \$3.1 million - which they received from their application for a \$24 million TIGER grant - on a linear park from Highway 170 to at least Allison Road and hopefully to connect Battery Point and Old Salem Road by a path or trail., then

a connection in Port Royal. They are also going to ask BJSWA to give a little money for the engineering work on that. The county staff wants to split it among public transportation, 6 miles of linear park, and improving sidewalks for connectivity.

REBUILDING TOGETHER BEAUFORT

Commissioner Bellew said they have had a few stumbling blocks in the last few months. Getting the 501c3 that already exists fell apart, so they are starting from scratch and getting their own. He has bylaws, articles of incorporation, etc. completed. He has asked the national office to be the fiscal agent until the non-profit paperwork is approved. Commissioner Bellew said the plan for the next 90 days is to have a launch and do a small project so that the group has something they can complete. He said the Redevelopment Commission will get a schedule from him as to what they are going to do. Commissioner Goodman offered to help him with the 1023 form.

Mayor Keyserling said those on the previous Redevelopment Commission, they had “bumped toes” with the Housing Authority. City council has appointed John Gadsden to represent them on the Housing Authority committee, and he’s said he’s not going to maintain the status quo; he will build momentum for what council and the Redevelopment Commission tried to do before.

NORTHWEST QUADRANT PILOT PROJECT

Commissioner McNally said they are trying to do what Commissioner Bellew is doing to help those who live in old houses. They want to restore historically significant buildings in the Northwest Quadrant. Following an approved motion at last month’s meeting, they have had a kick-off meeting, and he detailed who attended. All of the stakeholders were represented. He went over the goals to select the house with a willing owner who would be willing to work with the Redevelopment Commission to get it sold with a house on it. They will be the owner’s agent and build a house, recouping the money invested and giving the owners their interest in the property back. He said Councilman McFee has been extremely helpful to them in his role as a realtor. They want to restore the buildings as a non-profit and hopefully with discounts; he feels they can get good builder prices. The houses currently there that have been renovated are taking a year to sell, so there could be some exposure, so they need to make sure it’s marketable. They have determined a house they would like to begin with, 1203 Prince Street, which is in bad shape now but was beautiful. The plaster is what is holding the building up. It can’t be restored; it would have to be rebuilt, and he has told Historic Beaufort Foundation that. Historic Beaufort Foundation is 100% in support of this project. They wondered if they should go with such a difficult house for their first project, which may have a small financial numbers because it needs so much work, so they may choose 1012 Congress Street, which has a fairly sturdy internal frame.

Commissioner McNally said people in the Northwest Quadrant don’t want gentrification and there is suspicion there. He’s told them he understands their concerns and fears but has asked them to work with the group. As far as being able to sell the rebuilt house, he thinks this should be put to the side and the project moved ahead. He will have another meeting soon, and he’ll get financial information to the Redevelopment Commission sub-committee to look at.

Mayor Keyserling suggested Commissioner McNally talk to Allen Patterson, president of the Homebuilders Association. Commissioner Zara said there needs to be a mechanism to ensure that the houses don't get turned over to speculators. Mr. Dadson asked what the person who owns it gets out of it. Commissioner McNally said a lot of the people wanted to demolish the houses on the property for \$5-10,000, and then have the land to sell. The agreement would include MIA appraisals of the land, and they would see what the owner wants to get out of it. Commissioner Zara said alternatively, putting a habitable structure on the land adds value to the owner. Commissioner McNally said if the owner would be happy with \$50,000 for the land, they will get that because the group would offer them that if they sign the agreement which lets them re-do the house they were going to knock down. The money they get will pay for all the soft costs and the total number should be small enough so that it would sell on the market.

Mr. Dadson said they shouldn't hamstring themselves and should structure each deal and be careful. Commissioner Zara said they must maintain the trust of the community. Commissioner McNally said that the family could maintain ownership by buying it at cost so it stays in the family name and then sell or rent it or whatever. Mayor Keyserling said they'll find that it's deal-by-deal in the Northwest Quadrant. Mr. Dadson said what's been said de facto is that only certain people can live there, so they need to be careful with what they say and do. Chairman Pinkerton said "Let's start with the first house."

Commissioner McNally and Chairman Pinkerton met with city attorney Bill Harvey about going after speculators to try "to get more teeth in the ordinance." Commissioner McNally said Mr. Harvey seemed a little defensive because he wrote the ordinance. He wanted to find out about a Historic District tax assessment. Mr. Harvey said it would be highly probable that it would be court-challenged because of South Carolina law on personal property ownership. The restoration agreement, though, he said was a good idea.

Mr. Dadson said they could look at it from the tax credit side. Commissioner McNally said Mr. Harvey said the ordinances could be re-written to put fines on the owners who have money but aren't doing anything on deteriorating properties. Mayor Keyserling said stabilization is the way to go. Mr. Dadson said the Open Land Trust and Historic Beaufort Foundation would be good to meet with to discuss the other side of it. There has to be a code enforcement side. It's not legally equitable to treat one neighborhood so differently. The Neighborhood Improvement Teams have reported that neighborhoods want things enforced. Stabilization isn't fair to those who use their scarce resources to keep their properties up, when there are absentee owners who haven't put the effort in. They hear from the neighborhoods that they want the ordinances enforced. Northwest Quadrant deserves good code enforcement and the nuisance violations are being enforced now in all neighborhoods, which is the fair way to do it, though everyone can't afford to do it. The enforcement has to be city-wide. Commissioner McNally said the International Building Code has teeth, but would need to be moderated; he and LA are developing "a proper mothballing procedure." Mr. Dadson said this may give Mr. Harvey a proper middle ground.

DISCUSSION REGARDING OLD CITY HALL

Commissioner Goodman said the finance committee has had 2 meetings about this. They would like the Redevelopment Commission to assign the project to the finance committee. They have discussed the need for an appraisal done on the building to know its value. From that point, Ms. Hughes has gone to the Municipality Association looking for existing RFP's to be used as a model to send out across the Southeast for possible use: 1) determining what they would do with the property, 2) determining if they're interested in buying or a long-term lease and redeveloping it, 3) getting proposals. The committee thinks those who respond to the RFP will say what can be done and what they would do. Those recommendations will come back to the commission for a decision about what will be done with the building.

Commissioner McNally asked about the timing for this. Commissioner Goodman said they would like to go back to council, say they're working on it, and have a good plan in place to meet the community's needs. The committee can mold and direct the use of the building to fit in with other things they want to do in terms of redevelopment. The RFP's will show that the cheapest may not be the best. Chairman Pinkerton said the Redevelopment Commission may be able to help create tax or use value for the city. Commissioner Goodman said ideally it would be best to get it off public rolls and onto private, and the city will receive tax revenue. Commissioner McNally said alternatively they might get lease money in lieu of taxes.

Commissioner McNally said a design competition could be extended to the university, SCAD, and local architects teamed with builder/developers. He thinks the net should be cast a little wider. Commissioner Verity said the RFP will give them a chance to examine ideas and see how they fit into the long-term picture of the area, but he agreed they want as broad an audience as they can get.

Commissioner Goodman made a motion that the project to determine the best use for the old City Hall be assigned to the Finance Committee, which will develop options to be brought back to the full Redevelopment Commission for consideration. Because the proposal and motion came from the committee, there was no need for a second. Commissioner McNally said as long as that net is far-reaching, he agrees. Commissioner Goodman said they need time to get the RFP together. He's concerned that there not be 25 proposals from someone who can't do the work. **The motion passed unanimously.**

Commissioner Goodman, second by Commissioner McNally, made a motion that the Redevelopment Commission approve the Finance Committee obtaining an appraisal of the old City Hall. **The motion passed unanimously.**

DOWNTOWN BUSINESS CLOSINGS

Commissioner Goodman said he attended the Main Street Beaufort planning retreat. There are businesses closing downtown, and that's disturbing. There may be more vacant storefronts downtown. They discussed forming a group that has Main Street Beaufort, Chamber of Commerce and Redevelopment Commission representation so that when a building is vacant, they can offer assistance in who to seek to replace that tenant. When property turned over on

Bay Street in the past, there were very many people ready to rent a space, so there's been no ability to direct who might go into that store. They want more mixed use, and this is an opportunity to find not another gift shop but maybe a pharmacy or dry cleaners to support residential living downtown instead of just a tourism-related business. He hopes that is embraced and someone from the Redevelopment Commission with an interest in that area will serve on that committee. Mr. Dadson warned that the scope needs to be wider for downtown than just Bay Street; how it's filled in is important. They will get those businesses Commissioner Goodman mentioned when there are roof tops to support it, and if it's over-limited as to what and who can do in and where, those who can live together will be compromised. Commissioner Goodman said Main Street Beaufort's responsibility extends in that whole area.

CARNEGIE BUILDING

Commissioner Goodman said he and Mr. Dadson have had meetings with the Chamber of Commerce about the Carnegie Building, and they have a rough draft proposal. The original proposal from the Chamber of Commerce was not acceptable. He is hopeful the group will be more competitive with the marketplace. Commissioner Zara and Commissioner Barnhart said they are supposed to be working with this group as well, so they were informed of the next meeting time and date.

ADJOURNMENT

There being no further business to come before the Commission, Commissioner Zara made a motion to adjourn, seconded by Commissioner Barnhart. The motion passed unanimously and the meeting was adjourned at 5:59 pm.

ATTEST: _____
IVETTE BURGESS, CITY CLERK