

A meeting of the Beaufort Redevelopment Commission was held on September 6, 2012 at 5:00 p.m. in the Beaufort Municipal Complex, City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Chairman Jon Verity and Commissioners Mike McFee, Alan Dechovitz, Keith Waldrop, Pat Kase, Martin Goodman, and Wendy Zara.

Mike McNally and Henrietta Goode 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.

The meeting was called to order at 5:00 p.m. by Chairman Verity.

MINUTES

Commissioner Dechovitz asked that the following changes be made to his statement about the day dock. it should read: "Commissioner Dechovitz said moving a cruise ship further up the sea wall 250-300' would mean that they would no longer be able to source water from the marina's a hose bib, and the City would have to make accommodation for that. Because they're there for a short time, the view shed issues would be minimal. Commissioner Dechovitz said they could have drawings by the August 20 to show the proposed location of the Day Dock." He also noted that on page 7, in the sentence beginning Commissioner McNally said there was a Northwest Quadrant meeting to discuss the constant problems with older houses," "in to" was improperly spelled as "into." **Commissioner Zara made a motion, second by Commissioner McFee, to approve the minutes of the August 2, 2012 meeting as amended. The motion to approve the minutes passed unanimously.** Commissioner Goodman abstained from voting because he was not present at the meeting.

REPORTS

Finance Committee

Commissioner Zara said she had done some updates to the incentives **Josh Martin** had sent a few months ago, but there has been no time to work on them. The two components are housing plans and a web site guide. Mr. Martin said he would make the changes Commissioner Zara had suggested. Mr. Martin said there would be no pre-approval for house plans outside of the Historic District. Within the Historic District, people would be able to purchase the plans, get a permit, and be ready to go. Mr. Martin said they have studied other programs being done elsewhere in the country and have "a pretty good draft" which he'd emailed to Redevelopment Commission members. The draft will need to go to building codes administrators, the planning department, etc. The incentives, Mr. Martin said, will need to have a level of review at the city manager's and council's level. Commissioner Zara said the incentives would all be links on a web site to the resources, i.e., Lowcountry Housing Trust.

Commercial / Economic Development Committee

Commissioner Goodman said they have had several meetings on the Depot building and the Rail to Trail. They had discussed wanting to meet with the property owner adjacent to the

building to determine their interest in the building. With public restrooms and the trail going through it, there's not much left to the building, Commissioner Goodman said, possibly 3000 square feet or less. The adjacent property owner has said there's not enough room to do anything in it, which Commissioner Goodman agreed is reasonable. So now they're looking at it as more of a public use building and a civic space. Commissioner Goodman said the property owner wants to develop his property and has tentative plans. That could be the improvement, Commissioner Goodman said, "that encourages improvement all the way down Depot Road."

The man looking at the Von Harten Building is still moving forward, Commissioner Goodman said, and they believe financing is "on-track."

Commissioner Goodman was asked if there would be a trail both through the Depot building and around it, and Commissioner Goodman said it would have both. Commissioner Goodman said they would need to be conscious of redevelopment of the whole area since it will be the trailhead of the Spanish Moss Trail, and additionally needs to meet the needs of the Hundred Pines residents near it. In the long-term, if Merritt Patterson goes forward with developing his property, they can get others interested in doing so as well.

Commissioner Goodman said the idea in the Depot building could also happen in an adjacent building, which was to have a bike shop for rentals and a snack shop of some kind. Those rental uses could go to private properties, he said, and the building left open as an amenity. Chairman Verity said the Spanish Moss Trail group has money to "fix up the cosmetics of the building" as part of their budget. The developer said what could be gotten out of 3000 square feet was "not good cash flow," Commissioner Goodman said.

Residential Committee

Mr. Martin said they are in the process of finalizing the Lafayette Street agreement with Eric Brown and his group. They're "79% there."

Boundary Street Redevelopment District

Mr. Martin said the other agreement they are working on is with 303 Associates, and it's "good to go." **Craig Lewis** said that they had received their categorical exclusion, which says they "have no environmental issue we have to worry about with this" and can proceed. They are bringing in a right-of-way agent to start securing right-of-way. There will soon be a lot of activity.

Since the last meeting, they have also received the final letter of agreement from the federal government in regard to the TIGER 3 grant; the county needs to sign their part of the grant. Mr. Lewis said they intend to step up the PR about the Boundary Street project. They had a meeting and will step up the web site content to make sure it's easy to find. They also plan to do regular public meetings about the project. The more information they can find, Mr. Lewis said, the better.

Next week, Mr. Lewis said, they expect the state to come down and do the field review. Chairman Verity asked if the next step is to put it out for bid. Mr. Lewis said they have a 30% set of engineering drawings “sitting at the state”; they’ve given the first set of comments and the Office of Civic Investment will be responding to that, then will go to the 70% set, then 90% and then they will release for construction bids. They are still on track to do this latter phase in late spring 2013. The right-of-way, he said, is the biggest issue now, “and we need all those little strips: 4’ here, 6’ there.”

Mr. Lewis said they are still waiting on utilities on Bladen Street. There are also still some sidewalks to be put in. He said, “We say we are *about* weeks away. We just don’t know what the starting point will be for ‘weeks away.’” It’s dependent on “when the utilities come back out and get rid of their stuff.”

Commissioner Dechovitz asked for comments on the fact document for Boundary Street. Mr. Lewis said they have produced and re-formatted engineering responses to questions received at the public workshop. Mr. Martin said they had a host of comments and will put those in, clean it up, and release it to the public.

DISCUSSION ITEMS: DAY DOCK

Chairman Verity said he and Commissioner Dechovitz had participated in a work session with council about the day dock. He said they had a letter of support from Main Street Beaufort which provided a 95% positive response. Chairman Verity asked Commissioner Dechovitz to get Redevelopment Commission members up to speed about what had been presented to council. Commissioner Dechovitz said the leadership of organizations that are supporting the project had come to the work session. He said when it goes to the Metropolitan Planning Commission (9/17) and council (9/25), there should be a lot of public support for this project.

Commissioner Dechovitz said the project is more refined now and has three aspects:

1. The day dock on the wall at Waterfront Park – The committee is recommending a minimum 250’ day dock to run from the west corner of the sea wall toward the Chambers pavilion. The downtown merchants feel that if that displaces the cruise ships, this is a problem that will be dealt with. They are adamant that the greatest benefit to them is for the day dock to be on the wall.
2. At the west end of the parking lot, where the boat ramp is, it’s recommended that there be a 3000 square foot building or a 7000 square foot building for a water sports center or a water sports center plus a replacement for the existing buildings there today. This would make the property more attractive to potential developers.
3. An active marketing plan by the operator of the water sports center is also recommended if it’s built to bring the kinds of consumers the downtown merchants and city want to see.

There is good public support for this, Commissioner Dechovitz said. The council seems to be positively disposed to this, though they have not yet made a decision, Commissioner Dechovitz said. Chairman Verity added that any building on the site will conform to the Beaufort style as defined by the HDRB and codified in the city's form-based code. No drawings seen on this site are official, Commissioner Dechovitz said. A developer would have to go through the process.

Commissioner Waldrop said he was confused about whether this building was temporary or permanent. And if it's permanent, he asked how this fits into the Sector One conceptual master plan in regard to redevelopment of the whole property. Commissioner Dechovitz said the Redevelopment Commission and council initially discussed creating a temporary building for the rowing center that would be low-cost until a larger development went through. This idea was later decided against. "So the preference," Commissioner Dechovitz said, "was to build something that would be an attractive first step for someone who is more interested in developing the entire site."

Commissioner Goodman asked, if this goes through council, if they will start looking for a developer. Commissioner Dechovitz said he and Chairman Verity have discussed this conceptually with some developers, and there may be some interest in doing it. They would get more active with the two groups they have talked to once council approves; they'd like it to happen quickly while there's community energy to do it. The legislative delegation needs to "tell DNR that we want this to happen," Commissioner Dechovitz said, and then DNR funds can be secured and a 3-to-1 matching federal grant from the Department of Fish and Wildlife.

Commissioner Goodman said he knows there have been discussions, but he wonders if they are going to "tie this to a bigger picture, or push just that corner and see what can come out of it, or all of the above." Commissioner Dechovitz replied "all of the above." The day dock will happen, Commissioner Dechovitz said, but the water sports center depends on developers seeing it the same way they do. If they do, and "if it's a money-making proposition, it should go fairly quickly," he said. There seem to be a lot of people to support a water sports business in that area, Commissioner Dechovitz feels. Chairman Verity added that there is potential for several tenants.

There was a general discussion of the benefits of a water sports center. Commissioner Goodman asked if the Redevelopment Commission needed to do anything to move this forward to council. Commissioner Dechovitz said the Metropolitan Planning Commission meeting will happen and then it will go to council at its next meeting. Chairman Verity said he feels the Redevelopment Commission should approve the plan at this more developed stage. Commissioner Zara said the original motion had more variables in it. **Commissioner Dechovitz moved that the Redevelopment Commission endorse the revised draft of the proposed addendum to the Sector One master plan, dated August 28, 2012. Commissioner Zara seconded. The motion passed unanimously.** Commissioner Dechovitz said he's had terrific public support and that's very encouraging.

Housing Education Classes

Shirley Wilkins introduced **John Will**, president of the Savannah Consumer Credit Counseling Agency. Ms. Wilkins said that at their meeting they had 65 attendees, including lenders, people seeking home repair, those with interest in first time ownership, realtors interested in affordable housing, etc. She says there are many partners, but they haven't gotten together to partner. The lenders there heard a lot from the Federal Home Loan Bank, the Greenville Housing Trust, and the Lowcountry Housing Trust. The administration from the Federal Home Loan Bank is an obstacle according to the banks, as is the South Carolina Housing Development Authority. Ms. Wilkins said they have to figure out how to get the banks to go after the little money that's there. At the meeting, Ms. Wilkins said, easily 40 people were there looking for home ownership, but she realized many of them were not ready to own homes. There are some grant programs and the United Way that do home repair, but the programs and resources are few and the needs great for the funds. Ms. Wilkins said the realtors are the key to getting the home buyer from making an offer to getting the downpayment from the state and Federal Home Loan Bank. The South Carolina Housing Development Authority are doing the certification and will do their first class on Lady's Island. It's the same with the builders, Ms. Wilkins said, as far as getting them to the money, which is not something builders do.

Commissioner Zara said the Lowcountry Housing Trust money can be part of it, too, but the downpayment assistance comes either from the state or the Federal Home Loan Bank. Sometimes a person can get a mortgage but just don't have a downpayment. Ms. Wilkins said gap funding is needed to make it happen. Commissioner McFee said some of those programs are funded annually and when they exhaust their funds, that's it.

Ms. Wilkins described a meeting in which Mr. Will had come to explain what his business can do for people. She said those 40 people who came to the meeting who weren't ready to get the homes they wanted were largely having problems with credit that had been adversely affected by the poor economy. So, Ms. Wilkins said, they are aware that a lot of credit repair work needs to be done to educate and get individuals into home ownership.

Mr. Will showed a presentation about Consumer Credit Counseling Service of Savannah, which started in 1965 and is one of the nation's oldest credit counseling organizations. They opened an office in Beaufort in 2007. They receive funds from United Way as well as other non-profits.

Mr. Will shared the organization's credentials, and said that they are licensed through the state of South Carolina. They are also the only provider of a military one-source contract right now with the DOD, so that military personnel and their families can receive up to 12 free sessions with their agency. Counselors are nationally certified through the NFCC.

Among the services they provide are budget and credit counseling for their clients. Their debt management program distributes \$3.5 million to creditors on behalf of families that are trying to liquidate their debts. This can get a family debt-free in 4-5 years; the group lowers the client's monthly payments, and get creditors to reduce or waive interest so that they can get out of debt. They also offer bankruptcy counseling. In regard to housing, they do pre-purchase home ownership counseling: including discussing different types of loans, how much house a client can afford, how to shop for homes, etc. They also have foreclosure prevention counseling under a state and national contract. There's a program for seniors 62+ for counseling in regard to tapping into the equity in their homes. They have provided \$1.6 million to help homeowners with mortgage assistance so they can remain current on their mortgage payments and prevent foreclosure. This 0% interest loan program is designed for those who are unemployed or underemployed. He said they also provide a variety of financial literacy workshops.

Mr. Will provided handouts about their homebuyer education program and the services they provide. The homebuyer education classes are 8 hours long. They teach budgeting and credit. They bring in local lenders, realtors, closing attorneys, etc. to teach an aspect of the class. They also teach about the state's downpayment assistance program as well.

They have pre-class testing and post-class testing for their clients to determine what they know and have learned about the home buying process, Mr. Will said. They have seen a 54% increase in knowledge gained by attending the classes; 38% who took the class in 2011 have purchased a home.

A major obstacle for families wanting to purchase homes is the tightening of credit. There are also no downpayment assistance programs in this area, Mr. Will said. The group is only here two days a week and would like to be full-time here and run the programs with the support of their office in Savannah. They have options for office space, etc., but their priority is getting people into homes they can afford so that they "don't become another statistic." If they can be educated on the front end, he said, they will make the right decisions before they make a lifelong investment.

Chairman Verity asked how much activity they have had since 2007. Mr. Will said they were only open one day a week when they first opened the office and he took over the presidency in 2008. United Way is invested in the group expanding its services. 10% of their business comes from Beaufort and Jasper Counties. They individually counsel 2250 people. They educate about 4500. Commissioner Zara asked where the office was in Beaufort and Mr. Will said it's in Regions Bank. The board will expand, John said, when there is more of a local community investment.

Chairman Verity asked if they charge for any of their services, and Mr. Will said they charge for the debt management program. The fee is \$10 per creditor, not to exceed \$50 month. Bankruptcy counseling is a \$50 fee for counseling and a workshop. They are heavily dependent on grants, he said, but with a local commitment, they are able to leverage dollars. There was a discussion of local banks that provide assistance, including CRA credits for the banks.

Commissioner Waldrop said that homeownership was key step in financial success in America. People shouldn't be put in a place where they're not going to be successful. It's critical that once they're in the house, they're successful. Ms. Wilkins said that from 2005 – 2008, at least 700 people went through the program. Of those, 45 people were put into homes, and all but two are still there.

Chairman Verity asked if there was a public workshop planned on this or if it was just for the Redevelopment Commission's education. Ms. Wilkins said this was for the Redevelopment Commission's education so they could "decide if they want to pursue, on some other levels, bringing" the organization to Beaufort. Chairman Verity said the commission doesn't have any money at this stage to be of any help and asked if they could leave it in the hands of the Finance Committee. Commissioner Zara said there might be other ways to come up with sponsorship. She added that if they are successful at attracting infill, they want there to be qualified buyers for those houses.

Chairman Verity thanked Mr. Martin for all he'd done for the Redevelopment Commission and the City of Beaufort. **Commissioner Goodman made a motion, seconded by Commissioner Zara, to thank Mr. Martin for his work. The motion passed unanimously.** Chairman Verity said Mr. Lewis will be attending commission meetings regularly. Mr. Martin has recommended replacements to Mr. Lewis. Chairman Verity said Mike McNally had been doing work on the extension of the Lawrence Group contract and would return on Saturday. There might be a special session to approve that contract in the next week.

There being no further business to come before the commission, the meeting was adjourned at 6:00 p.m.