

A special work session of the Beaufort City Council was held on March 3, 2015 at 5:00 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Mayor Billy Keyserling and council members George O'Kelley, Mike McFee, Stephen Murray, Phil Cromer, and Interim City Manager Bill Prokop.

In accordance with the 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.

DISCUSSION: REDEVELOPMENT COMMISSION – REDEFINING PURPOSE, MEMBERSHIP AND GOALS

Mayor Keyserling explained that this meeting had arisen out of a council work session and the desire for more workforce/economic development. The Redevelopment Commission was created out of the need for economic development when there was a lack of funds for it. Prior to 2008 or 2009, he said, the Redevelopment Commission was basically city councilmembers. Talented “private sector people” were later added, whom council thought had skills, talent and time. Then council’s presence was thought to be inhibiting the commission’s creativity, so just one councilperson was left on the Redevelopment Commission. There was concern by some that the commission had been given too much power, Mayor Keyserling said, so tight reins were put on it: projects and money had to be approved, and commissioners could be removed without cause. Mayor Keyserling said, “support was never given” to the commission as was intended. He described some of its accomplishments.

The potential marina parking lot development was not handled well by staff or council, Mayor Keyserling feels, and the Redevelopment Commission was not given “enough specifics.” Council now feels that a “healthy discussion is in order.” Mayor Keyserling added that after 9 years, there still was not a relationship with the Housing Authority. At the most recent retreat, he said that he had suggested that the Redevelopment Commission be reorganized, with “teams” that included a member of the Redevelopment Commission working with a member of council in a particular area, some of which he described. The partnership with the Housing Authority has led them to request that 2 people who are accountable to the city - ___ need to be on their board “to ensure that the dollars we put on the table are city-focused.”

(Around 9:00)

David Taub asked if Mayor Keyserling had said that council and “certain members” would be on the Redevelopment Commission now. Mayor Keyserling said he would like to have all of council on it and then have fewer citizen members. Mr. Taub said that he believed that was not legal by state statute. He proceeded to read the section of the statute that he felt indicated that citizens and council couldn't both have representatives on the RDC. Mayor Keyserling said **Bill Harvey**, city attorney, would be consulted. Councilman O'Kelley said the commission’s composition had been like that in the past, and Mayor Keyserling said that “might not have been legal.”

Councilman Cromer said any change that is made in the Redevelopment Commission needs to have a broad economic development plan, including the commerce park, so the Redevelopment Commission needs to be involved in that as well, not just in infill. Councilman McFee said, assuming its legal for council and citizens to serve together, there needs to be “a broader brushstroke” in regard to what the commissioners are doing, and having success in the commerce park would be a great aid to that. Unintentionally, “the existing commission was undermined.”

Councilman Murray said he agrees that economic development falls in line with the Redevelopment Commission’s purview. He doesn’t feel all of the council should be on the Redevelopment Commission; he assumes some are more passionate about individual projects than others are. He thinks creating the partnerships will help the commission be successful.

Mayor Keyserling said if economic development is a top priority, “council is the one that passes the budget.” There is Redevelopment Commission “seed money” that has never been spent, and it sits in an account that might be enough for a year’s salary for a development director. The city is better positioned to get grants, he feels.

The commerce park has changed since the city bought it, Mayor Keyserling said: its marketing arm was crippled by its own problems and is no longer there to market the park. The city has no control over the county, but they may be able to have some influence on what the county decides to do. The person the city would hire could answer the phones, be a liaison, go to trade shows, etc., Mayor Keyserling said. Beaufort has manufacturing property, which other communities don’t have. He and Councilman Murray will continue to spend hours on this; there are “a lot of things in motion,” but there have already been many that have been “ready to go,” then disappeared. He gave examples of two start-ups that “were disappointing,” and a textile manufacturer didn’t pan out. At present, the county manager is talking to 2 companies that “are more suitable for Beaufort.”

Mayor Keyserling said that council needs to be more supportive of redevelopment. He feels they have “wasted a lot of time doing things twice.”

Councilman O’Kelley described the Redevelopment Commission when he served on it. They wanted to build a new city hall building/municipal complex. They didn’t have to go with the lowest bidder, and “they could get cheaper money.” The loan on the bond through the Redevelopment Commission was set up so they “got this 100-year building.” The Redevelopment Commission was the reason they were able to do that, Councilman O’Kelley said. The referendum to do it passed with 77% support. The commission “sold” the building to civic groups, etc. Councilman O’Kelley said, “If we have to build something” for a potential commerce park business, the Redevelopment Commission could “help the city maximize its efforts.”

Jon Verity said “times change,” and it’s important to make the commission work better for the city. From the beginning, the goal was to find ways to get more people to live in the city. Another goal was to make the city more livable, particularly in the Historic District. They have not been able to do that yet, with the exception of the Baptist Church of Beaufort deal. The joint venture with the Housing Authority is key to helping people fix up their homes. Those who want to live in the city but can’t afford to need to be helped with grants, etc. Another RDC goal was to improve the relationship between the development community and the city, helping developers get approvals from the city, for instance, which Mr. Verity termed a “modest success.”

Mr. Verity said the commerce park wasn’t part of the Redevelopment Commission’s plan. Mr. Verity said he learned from being on the LEA board for 3 months that there’s a real benefit to focusing on the commerce park. Someone needs to be pursuing Gulfstream and Boeing, he feels, by being “on their doorstep once a week.” The staff helps get things done, and that’s how they were able to complete the Civic Master Plan. Mr. Verity said it’s “important to commit to somebody to help us with this whole process.” A lot of properties have been identified, and “if people are informed, action happens.” He said he thinks there are a lot of different ways to reconstitute the Redevelopment Commission, not just one. He thinks its important not to just think of the Redevelopment Commission as “just nine people.”

Mayor Keyserling mentioned that some of the parking committee members have already met 3 times in 2 weeks. Mr. Verity said, “someone sitting on the county’s doorstep” needs to acquire the 2 big blocks next to the jail

Mike McNally said the volunteers on the commission “felt a little abandoned” over the last few years, so he’s glad to see that the mayor is “looking to reinforce” the commission. He had met with **Scott Dadson** often, he said. Mr. McNally “thinks like a developer,” he said. Lots can be bundled by teams – like the jail property – and he knows that “a lot of speculators are sitting on properties they bought for dirt.” The “right combinations of folks” can be found who will take an offer at fair market value, or the property can be condemned by the city, if they won’t.

Mayor Keyserling said he sees opportunities every day, but he doesn’t “want to be too out front” because he is a realtor and, as the mayor, is highly “visible.” Mayor Keyserling said the city is lucky to have a plan, and if there’s agreement, they will go to the city manager and the finance director and make the hiring happen.

Wendy Zara said housing is a critical component of economic development. She said when there was an agreement about the sources of the money for housing, the city manager left, and “the whole thing was lost.” Mayor Keyserling said he and Mr. Verity could “resurrect that (deal) in 10 days.” Mayor Keyserling said the Housing Authority “has its foot in the door,” adding, “Why would we reinvent the wheel?”

Keith Waldrop said, in regard to housing, he's been frustrated to know there are funding sources that would benefit affordable residential housing in the city but to not have access to them. There are great infill projects like Lafayette Street, but he has had guests comment on "the relatively poor housing stock in the city." There are substantial resources available for housing, but the problem of the poorly maintained housing stock is usually a matter of the resident, the owner, or a renter, and those people's financial status: do they have the resources to tackle the problems? In addition, Mr. Waldrop continued, there are heirs' property issues, but those can be dealt with so the property can be rehabbed. This is time-intensive work, so it's critical to have core staff to work with the people who control the properties. Ms. Zara said getting an experienced person is very important.

Mr. Verity said, "We all need to be enablers." People really want to come to Beaufort, but they don't know how to do that, he believes. Mayor Keyserling said people want to be here, but there are also people leaving: police, teachers, etc. People are building new houses in Bluffton because it's cheaper.

Mayor Keyserling said 300 residential projects are underway now. **Mike Sutton** had said to Mayor Keyserling that more people are currently working on houses and building than he could remember ever seeing before.

Mr. Verity said reworking the code for Boundary Street was a very good experience for developers, and the staff was very responsive. Mayor Keyserling said people are finally coming to the city and asking how to be a part of Boundary Street.

Mayor Keyserling said the idea of a member of council buddied with a member of the RDC would create a team that would work together to grow business or the commerce park. There could be one or two on infill and redevelopment. Mayor Keyserling said **Dick Stewart** was very supportive of the Boundary Street project and had told all the business owners he could gather to be smart and take advantage of the opportunities now on Boundary Street.

Jim Duncan is a member of Beaufort Senior Leadership and said that the group has economic development as its subject this year. He suggested the city look at the white papers that come out of the group and talk to some of those who are involved. Six or seven papers on economic development will be generated. Mayor Keyserling said that they could come to a council work session.

LaNelle Fabian said she wanted to remind council that Main Street Beaufort is the city's downtown team, and they welcome a partnership with the city because they "have been begging for that." Mayor Keyserling said this issue of economic development has been missing in the city's relationship with Main Street Beaufort for 6 years.

Mayor Keyserling asked council what its next steps should be. Councilman Murray said he personally is passionate about economic development, and he “will take up that charge” if that’s council’s desire. He said he feels they should discuss the topics that the council should be working on with the Redevelopment Commission. He suggested:

- Boundary Street
- Economic development
- Infill / Redevelopment – citywide, Northwest Quadrant, Historic District
- Housing
- Parking garage and the Marina parking lot – depending on what the parking commission determines
- Streamlining of permitting and licensing, including better communications for people who are looking at opening a business
- Finishing the form-based/Beaufort Code

Councilman Murray said Whitehall would be a component of infill/redevelopment. Councilman Cromer said Mr. Prokop is attempting to make the city more business-friendly. This group is an umbrella and he agrees with the idea of the pods. The interviews for some of the city’s volunteer groups have brought out a host of people who have impressive backgrounds, he added.

Mayor Keyserling said it’s become “extremely popular to say the city isn’t business friendly.” There’s a mixture of perceptions. There is a gross misunderstanding of business licenses in general (e.g., confusion with what the city and the county do). Mayor Keyserling would like better communication with citizens about what the city does.

Ms. Zara said once something is established, then maybe the Redevelopment Commission should work with the Housing Authority. She said most redevelopment commissions elsewhere have a component for housing. She said the Town of Port Royal could be involved. Mayor Keyserling said it might need to include Port Royal for funding purposes. Ms. Zara said Port Royal has many of the same needs as the city in terms of sub-standard housing.

Mr. Prokop reminded council that at the retreat, they had said they wanted to go to Hargray, SCE&G, and others and ask them what parts they could play in economic development and redevelopment: to see what they could bring to the table. Also, he said, they need to sit down and determine what the goals are for a development director, “not just rush out and hire someone and not know what to do with them.” They need to determine where to focus and what skills are needed.

Councilman Cromer asked how they would set up “the focus groups”; Mr. Prokop asked if Mayor Keyserling wanted him to talk to **Bill Harvey**. Councilman Murray said he would do a first draft of a document about the various teams that could comprise the RDC.

Mike Gonzales said he is a new resident and is interested in these discussions. He described how he determines if someone is serious about what they say they want. In regard to economic development, attracting business and new residents, council and the city have to ask themselves if they are spending money seriously to make that happen, and if they're not, they "don't have the alignment" they need, and they "aren't really serious." He feels staffing is very serious.

Councilman Murray said Mr. Gonzales had "hit the nail on the head," and "these projects are a shift for the city." Before he was on council, there was a focus on cutting expenses, but "this is a focus on the revenues." It's imperative to see where the revenue is generated and where the city needs to invest. Mayor Keyserling said they also need to determine "where we can let go." There's been a fall off in collections, Act 388, low interest earnings, etc. Mayor Keyserling said he had come out of the retreat saying that they really need to focus and find the resources, then "spend them wisely to figure out how to grow in the right way." They have gotten some things done but need to figure out how to accelerate that.

Councilman Murray said the RDC has had some successes: Lafayette Street, the day dock, and the Civic Master Plan. Mayor Keyserling said he feels the marina facility should be included on the list of things the Redevelopment Commission should do. Councilman Murray said it would be a good place to raise revenues, possibly, and he'd "like to see it be first class."

There being no further business to come before council, the meeting was adjourned at 6:19 p.m.