

A meeting of the Beaufort Redevelopment Commission was held on October 20, 2015 at 7:00 p.m. in the Beaufort Municipal Complex, City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Mayor Bill Keyserling, commissioners Mike McFee, Phil Cromer, Mike Sutton, George O’Kelley, Frank Lesense and Stephen Murray, and city attorney Bill Harvey.

Commissioner Steven Green and Chairman Verity were absent.

In accordance with South Carolina Code of Laws, 1976, Section 30-4-80(d), as amended, all media were duly notified of the time, date, place, and agenda of this meeting.

MINUTES

Vice-Chair Commissioner Sutton called the meeting to order at 7:07 p.m.

Commissioner McFee made a motion, second by Commissioner Keyserling, to approve the minutes of the September 29, 2015 Redevelopment Commission meeting. Commissioner O’Kelley abstained from voting because he was not present at the meeting. Commissioner Murray said on page 2, where it states that **Blakely Williams** is “the new point of contact for commerce in all of Beaufort County,” “commerce” refers to the SC Department of Commerce. **The motion to approve the minutes as amended passed unanimously.**

Deborah Johnson said she had asked **Bill Harvey**, city attorney, to speak in regard to conflict of interest, recusal, and quorums: questions that have arisen because of city council being part of the Redevelopment Commission.

Mr. Harvey said the Redevelopment Commission is a public body and operates under the same laws as council or any other. The same rules and restrictions for executive sessions apply to the Redevelopment Commission as they do for the city council. Ms. Johnson said the RDC might want to have one executive session about all of the various projects that are in the works. A commissioner had asked if they could do that, she said. Mr. Harvey said only certain things can be talked about in executive session, i.e., pending contracts. The commission could go into executive session for that, but they have to specify what they are doing. Ms. Johnson said the question was whether they could talk about three different projects at once. Commissioner McFee said they could say, for example, “We’re having a discussion on economic development prospects.” Mr. Harvey said the fine line they must walk is being as specific as possible without divulging confidential information.

As to conflict of interest, Mr. Harvey said, Section 31-10-70 of the state statute specifically addresses what can happen with the commission and a redevelopment property: a commissioner cannot acquire or have direct or indirect interest in property that the Redevelopment Commission has an interest in. Commissioner Cromer said he had received money for his campaign for council from a developer, and he asked if that puts him “in a difficult spot.” Mr. Harvey said the statute says the commissioner “can have no interest, direct or indirect” in a redevelopment project. Commissioner Sutton said the RDC’s target is citywide, and Commissioner Cromer is fine if he’s not participating in that donor’s development of a

piece of property. The contribution has been disclosed already, Commissioner Sutton said, via an Ethics Commission document. Mr. Harvey said you couldn't act upon a service contract by a campaign donor.

Mr. Harvey recommended that the commissioners read the prohibitions. Commissioner O'Kelley said, "It's all about whether you (have) *any interest* in" a project. Commissioner Cromer said he gets that, but he's concerned that it will be a problem of appearing to have "influence" if he doesn't recuse himself. Commissioner McFee said if something prejudices them from making a clear decision about the business of the city, they should recuse themselves, but when doing so, you have to state the reason you think it's necessary to recuse yourself. It needs to be in writing and be part of the minutes.

Mr. Harvey said the purpose of the statute in this case is to prevent the Redevelopment Commission from declaring a project that involves their own properties, or declaring a project, and then a commissioner acquires that property. It's acceptable to buy residential property in a redevelopment area, Mr. Harvey said. You don't want to be called out for violating the statute as an elected official while serving on the Redevelopment Commission.

Mr. Harvey said the development of a redevelopment *plan* is a big part of the statute. It has to be adopted by council. It has to contain certain statements and findings, he said, and urged the commission to do that. You don't want to act as a Redevelopment Commission member, then get called on the carpet because you have no plan, Mr. Harvey said. Ms. Johnson said Chairman Verity had suggested that they use the Civic Master Plan as an overview plan.

Ms. Johnson asked, if someone has an interest in a project, and it's agreed that they'll recuse themselves, what is the process? Mr. Harvey recommended that they withdraw from the discussion. Commissioner O'Kelley said they are not obliged to leave the room, but they should not talk during that discussion.

Mr. Harvey said recusal doesn't mean you don't have a quorum, just that recused people don't vote. Five commissioners is a quorum, four can meet in public, but there can only be two council members among them. Commissioner Murray restated for clarification: if they meet with a developer, four commissioners can attend, but only two can be council members.

Commissioner Sutton said they are going to a lot of meetings. Two council members and no more than four commission members total in the same meeting should be a guideline or policy for the commission. Commissioner O'Kelley said it doesn't apply at a social event/party. Commissioner Sutton said if it's not a planned commission meeting, but a Rotary meeting, for example, and seven of them walk in, that's not a conflict.

Commissioner Lesense asked Mr. Harvey which of the statements he had said the plan needed to include. Mr. Harvey said they're in Section 100, subsection C of the state law. Mr. Harvey said they "need to be a little more attentive to what the statements say with regard to the plan," because the whole city is mandated as a redevelopment area. Ms. Johnson reviewed

what the criteria are from the lists that determine if an area is distressed, blighted, or a conservation area. There was general agreement that these covered the whole city.

MISSION AND GOALS APPROVAL

Commissioner McFee made a motion to approve the documents. Commissioner Lesense seconded the motion. The motion passed unanimously.

CITY AND COUNTY ACCESS

Ms. Johnson said that **Libby Anderson** would show online tools that the committees could use.

The Beaufort County mapping website – Ms. Anderson demonstrated how to look up a property by address. You can inquire about who owns it, and it will show who lives there, taxes, etc. Then they can find out if it's 4% or 6% property, and a further tax breakdown (how much to the city, the county, the school board, etc.) Other important information it provides includes an aerial map, which shows if there are encroachments and can help determine if it's located in a flood zone. Google maps can then show what the property looks like.

The city's website – Here, Ms. Anderson said, you can see projects under review by all of the boards and commissions: the application and everything the applicants have submitted, including the site plan. You can get digital or hard copy maps that show building footprints and addresses; Ms. Anderson said she will be giving Ms. Johnson a monthly report about this, as it's relevant to the commission, but commissioners can also look at this. Ms. Johnson said Ms. Anderson would work to keep this up-to-date for the commission. If they see something on the monthly document and want to know more about it, this is where they can go for details.

Ms. Johnson said that they had thought that the address and footprint maps would be appropriate for the maps in the Planning Conference room, but the print will be very small. Commissioner Sutton said he would like to see the maps broken down by neighborhoods. They could be in a flip chart, and anyone who is talking about a neighborhood can pull up a hard copy of a map, or when committees are talking to a prospect, they could be brought in to the conference room; it could help them sell the bigger picture.

Ms. Anderson continued that the zoning map and ordinance are on the website. She pointed out a link to the Historic District that can be used to determine whether a property is contributing or not. There is a link about tax credits that are available – local, state and federal, and the assessment freeze available in the Bailey Bill – and necessary forms to apply for these. Also available are older documents, plans and reports, and a vacant and abandoned buildings list.

Commissioner Lesense asked Ms. Anderson if she had a way to find out how long a property has been vacant and abandoned. Ms. Anderson said that this is for public review; for more detailed information, they could call the planning department: "We know a lot about the vacant and abandoned properties." They need help getting people to sell the city's vacant and abandoned properties, she said, and the map also shows vacant lots. Few historic districts have

empty lots where you can build the house you want, Ms. Anderson said. That opportunity is available in Beaufort, in a walkable downtown neighborhood, so they need to get the word out about it.

Commissioner Keyserling discussed the possibilities available in dependencies. A general conversation followed about the taxes on dependencies. Ms. Anderson said accessory dwelling units can be a tool for affordable housing. Commissioner Keyserling said the income from an accessory dwelling unit can be a great way to sustain a historic structure.

INITIATIVE UPDATES

Economic Development

Commissioner Murray said the Economic Development committee – Commissioner Cromer, Commissioner Lesense, Mr. Prokop and he – had met. They had a “great discussion” and chose the group’s focus points:

- Incubation – They want to give a tour of the city to representatives of Charleston’s Digital Corridor and discuss partnering “to extend the brand,” Commissioner Murray said.
- Aerospace accelerator – There might be an opportunity through partnering with USC’s McNAIR School of Aerospace, Commissioner Murray said. They want to “reach out . . . more aggressively.”
- Retention and expansion – What tools can keep existing businesses healthy, get them to stay in the area, and enable them to expand?
- Recruitment – To bring in businesses that they would like to relocate here, Commissioner Murray said, they need
 - a specific, targeted strategy and
 - wide net marketing – aligning the development and tourism messages – how to plant the seed of “Have you thought about bringing your business here?”
- Membership on the committee – names were given, Commissioner Murray said, and they will be invited to the next (as yet unscheduled) meeting.

In regard to courting the film industry, Savannah offers good local incentives, so it can compete with Atlanta, Commissioner Cromer said, but Beaufort presents a different kind of “set,” so they may be able to bring movie business here again. Commissioner O’Kelley said the key is incentives. Commissioner Murray said the state had authorized a film incentive bill two years ago, and it’s more aggressive than the one before it, but not as good as those offered by surrounding states. He feels people interested in filmmaking, the Chamber of Commerce and the City of Beaufort should get together and talk about how to make it easier for filmmakers to do business here. Commissioner Keyserling said it’s a complicated business that has changed since the days when films were shot in Beaufort, particularly in terms of the technology. Many films can be shot in an acre-sized building. Commissioner Keyserling said industrial films are smaller and can be very lucrative. Commissioner Keyserling added that SCETV is going to reopen the WJWJ station, so a small, equipped studio can be available.

Commissioner Keyserling said Mr. Prokop had attended a meeting that day (10/20/15) in regard to the county's economic development efforts. Mr. Prokop said it was to include **Steve Riley** (Hilton Head town manager), **Marc Orlando**, (Bluffton town manager), **Don Kirkman** (economic development director, Hilton Head), **Blakely Williams**, and **Jason Ruhf**, the business development manager for the Chamber of Commerce. "The growth manager for Bluffton was there," Mr. Prokop said; Mr. Orlando was not present. They laid out the requirements of an executive director and discussed membership, donations, and their not-for-profit status.

Two weeks ago, Mr. Prokop said, he and Commissioner Keyserling had been to the quarterly mayors' meeting. All mayors and city managers had received a memo from **Stu Rodman** that said, "We're looking to join the Southern Alliance." It also said that Ms. Williams is to be the only contact with Commerce, and no one else was to contact them. The mayors had asked what that was about, Mr. Prokop said.

They decided to meet with Mr. Rodman to tell him they felt this was "going around in circles": There is neither funding for this economic development effort from the county, nor a direction; Bluffton said the town is dealing directly with Commerce on its economic development projects, for example. Then the meeting Commissioner Keyserling had referred to took place today, Mr. Prokop said, and as the only person who'd been at the mayors' meeting, he'd told them that none of the municipalities' mayors are in favor of this. He said he'd asked why they are developing rules, getting not-for-profit status, etc. before "everyone's on the same page?" The county administrator had told Mr. Kirkman he "wants nothing to do with it." In the bylaws, Mr. Prokop said, the group had proposed the board selecting a director, for example, who may report to the county administrator or to the board of directors, but when the director is hired, the staff is to report to the board of directors, not to the director.

They discussed the things that didn't make sense, Mr. Prokop said; they agreed they need to stop putting the cart before the horse. Bluffton, Hilton Head and Beaufort want to stop this until the group knows what it is doing, and what funding and administration support they have from the county. Mr. Rodman knew about the meeting but did not attend it, Mr. Prokop said. Commissioner Keyserling said that he doesn't want anyone to have any false hope about county support.

Mr. Prokop said Mr. Kirkman had said that before the mayors' meeting, there was a meeting of the county's Government Committee, at which "this subcommittee somehow got put together." At that meeting, Mr. Rodman had given his "idea of what we're going to do," and asked for comments; when there were none, he had assumed agreement. "It seemed like we were going nowhere," Mr. Prokop concluded, "and the county hadn't made any steps to pull anything together."

Commissioner Murray said previously, efforts and hope had been put before into a county-led effort. Now, ten months after the LEA collapse, there's still no clear plan, he said, so they know they need to figure out "our own course of action."

Infill

Commissioner McFee said Commissioner Green, Commissioner Sutton, Commissioner Cromer, and he had met and reviewed the history of the Civic Master Plan and the Comprehensive Plan, specifically as they address blight.

The group discussed some of the issues they have encountered; some, Commissioner McFee said, are related to “the complete unwillingness for some cultural segments of our community to let go of property, or to actually acknowledge that there are issues with reference to them falling into total disrepair, and then complete abandonment.” They also discussed CDBG money and how those projects had or had not worked. The discussion made them realize they have to be able to “get into a certain level of the communities . . . and turn the tide” in areas where properties are neglected and “hit hard.”

At the meeting, Commissioner McFee said, Commissioner Green had said, because he had grown up in the Northwest Quadrant and knew the difficulties of dealing with property ownership there, they should make a grassroots effort – involving churches and other stakeholders in the community to discuss the ideas the committee has, but more “to get their buy-in,” to let them know that the city wants to tackle gentrification, cultural diversity, and other issues where there has been “push-back.” This will benefit everyone, Commissioner McFee said. They need to discuss the city’s infrastructure investments – for example, what has worked on Duke and Prince Street, and what hasn’t worked. They hope to have a meeting soon for stakeholders, Commissioner McFee said; Ms. Johnson said it might be as soon as next week.

Mr. Prokop said, with some of the homes the city has repaired, no one’s done anything to them since then, and the owners are now asking when they will get the next grant. Commissioner McFee said the committee had discussed that – getting property owners vested in their properties. Commissioner Sutton said this shows how important codes enforcement is. He said what he had taken away from the experience is that people feel that if it’s free, it’s not necessarily good. There’s a lack of understanding and conversation, and that needs to happen at a neighborhood level, which is where a church or civic group could help.

Ms. Johnson said the committee will have codes enforcement people in to talk with them. Mr. Prokop said that they will present a report within two weeks.

Commissioner Murray said the infill group could have a plan or project book with plans that are already approved, so people could pick plans from it, and thereby save money and time. Bluffton pays you \$5000 if you use one of their small house plans. Commissioner Murray said there’s a perception that it is difficult to do projects in the Historic District; they should address that perception – and the reality – of doing that, and if they do, he thinks many young families would want to live within walking distance of Bay Street.

Commissioner Murray said the form-based code is going to essentially do this citywide. Commissioner Sutton said there are staff-level approvals now that can be done that people may not know about, but that’s not for new construction, which is a long process with multiple

levels of approval to be gone through. Commissioner Lesense said, in the Historic District, if you want to develop a property, you don't know "what was there before." Redevelopment may lead to a surprise archeological dig.

Downtown

Commissioner O'Kelley said he, Ms. Johnson, Commissioner Cromer and Commissioner Sutton had met, and discussed what the "big issues" are in downtown Beaufort:

- Parking – e.g., the BOA (Bank of America) building, the old Trask lot, Bay Street
- Waterfront Park – repairs, upkeep, etc. – The Brantley Construction case is over, Commissioner O'Kelley said; "they did a lousy job," so the city needs to have "an eye to the future" of the park. The West Street Extension had to be done again, and the marina needs an overhaul.
- Seed money to help businesses downtown, possibly through grants – The new wayfinding signs have emphasized the need to refurbish the facades.
- Infill and residential – These aspects of the committees overlap and are "aiming in the same direction."

Commissioner Cromer said they had talked about the Port Republic corridor and developing it better; alcohol in a cup is allowed by ordinance. An outdoor café could be encouraged there, in the spirit of Tabby Place. There are "a bunch of things you could probably do," to encourage activity downtown, such as closing off West Street some nights, to "make it more pedestrian." They discussed the same things on Charles Street, he said.

Commissioner Sutton said the RDC's focus is on city-building, and while it's happening on Carteret and Charles Streets, they have seen people who want to develop there encountering hurdles "through existing zoning contexts." For instance, when he was on council, someone wanted to open a shop in a residential building in an area that is zoned commercial, but he was unable to because of zoning. Council wants these things to happen, but this "complaint never made it to council." Commissioner Sutton feels "staff is enforcing regulations and laws that council (wants) to change." He said this committee needs to take a closer look at streets like Charles, and determine, with staff, "what is working (and) what is not working." They need staff to make a presentation on the current zoning from Boundary Street to Bay, for example.

Commissioner Sutton said the city doesn't want anyone else to buy the BOA lot before it does, so they need to take action, not "talk about it for another five years." It's the only opportunity to buy land that is large enough to make an impact. Commissioner Murray said that lot would give the city a 25% increase in parking capacity. Mr. Prokop said if they do buy the BOA lot, they should extend paid parking down Carteret, too, then, and that's 25–30 more spaces.

Commissioner Sutton said these are examples of city-building topics and proactive steps that they can take: addressing zoning problems and businesses' need for parking. He said in regard to this committee, he also has thought about the need to revisit the noise ordinance in the core commercial area. He knows what it says, but they can't increase downtown vitality without having the kinds of businesses that bring people downtown "to enjoy entertainment," which is

the businesses the noise ordinance applies to: restaurants and bars. The drug stores, dry cleaners and hardware stores probably won't come back downtown, Commissioner Sutton said, but "the artsy environment, entertainment things that are working now" will bring the downtown back, so they must "embrace the whole concept that those things are going to be loud." Old Bull Tavern, for example, is breaking the law, he said, even though they're not in the nighttime music district, by having music on their back patio, outside of the walls of the restaurant.

Any development on Port Republic now will have problems similar to those that will occur at the residential building that will be built next to Old Bull, Commissioner Sutton said. No one seems to know about the sidewalk café dining ordinance, but it's in place because "that's the widest sidewalks we have." Now there has been city-building activity there, and they could dust off that ordinance and use it as a selling point. There are "several thousand feet of retail space" that could be developed where Merrill Lynch is: enough for three restaurants. This is what they should be championing, he feels.

Commissioner Lesense asked if there were plans to build a parking garage. Commissioner Murray said they are putting together an RFQ to get feedback from parking garage developers. Beaufort would request funding for a parking structure if the capital sales tax becomes a reality. Mr. Prokop said that's another reason to acquire the BOA lot – for parking while the parking garage is being built.

Boundary Street

- Commissioner Keyserling said **Paul Trask** has had some problems with SCDOT, which he elaborated on.
- They are looking at a site for a hotel.
- Commissioner Keyserling said, if the county will partner with the City of Beaufort, they will acquire land to make 4/5ths of a park.
- In regard to next steps, a year ago, **Dick Stewart** had invited every property owner on Boundary Street to meet, and Commissioner Keyserling feels the City of Beaufort ought to be doing that. He said he will talk to **David Coleman** about meeting with every Boundary Street property owner to brief them and also to "smoke out opportunities."
- Commissioner Keyserling knows people are looking for property for affordable housing. Starting at Taylor Motors and going west, there are 15 acres, he said, and he knows someone who needs 10 acres for 40 townhouses.
- Property owners in Polk Village know that Boundary Street will have an impact on their property, Commissioner Keyserling said, and they want to know if they should annex into the city. He doesn't feel that annexation of that area will be driven by the city. A large percentage of the property there is rental property (so its residents are transient), and Polk Village has law enforcement issues, so, Commissioner Keyserling said, "no one has wanted it," meaning the county or the city, which provides it with services. Commissioner Murray said, "It's Pigeon Point 20 years ago": he believes, like Pigeon Point, it will probably redevelop in the long term. Commissioner Murray said it would be

interesting to look at the cost-benefit of annexing it. Commissioner Keyserling said if it were in the city, it would have codes issues, but when Boundary Street redevelopment happens, the property owners might come to the city, and if those with multiple properties would agree to redevelop them, the city could “lay a TIF over it” and could improve it – he said he feels sure it is “CDBG eligible” – but then there’s a question of where the renters would go.

- Sea Eagle Market – Council is prepared to purchase the property, Commissioner Keyserling said, and the Open Land Trust is prepared to purchase the United Way building. The county match would pay for Huddle House and the old fire station. The city has a restricted fund for land acquisition, Commissioner Keyserling said, which is enough to purchase Sea Eagle, and the city has a contract, but it’s triggered by partnership with the county. Before the City of Beaufort had talked to the Sea Eagle owner (**Craig Reaves**) for the last year, for two or three years, the “Open Land Trust and/or Rural and Critical (Lands)” committee had talked to him. Mr. Reaves is anxious because a location he would have liked to move to has been lost. Commissioner Keyserling said, “It’s very important we try to keep him on Boundary Street.” Commissioner Murray said Mr. Reaves’ wholesale operation would be on St. Helena, and he would like to keep his retail operation in the city.
- Mr. Prokop said the Boundary Street contractors and subcontractors would meet within three weeks. They will take down the Butler building first. Digging in the streets will not happen until after January 1, but engineering, “marking what they have to do,” and taking down buildings should start by the end of November. The deed hasn’t been signed over on the Butler building yet, Mr. Prokop said.

Incentives, Codes and Regulations

Commissioner Cromer said he, Ms. Johnson, and Commissioner O’Kelley had met. They have incentives for new businesses, but for existing businesses, they could offer the following:

- a progressive credit for longevity
- a percentage credit for early payment of business license fee
- a cap on the business license fee in each rate class

They also discussed low-interest loans or guarantees for a portion of a loan for business expansion or for start-up businesses, as well as façade improvement loans or matching grants. Seed money for this could come out of the Redevelopment Commission’s share of parking revenues before the need arises for their use for the parking garage .

Other discussion points for the committee:

- They are awaiting **Lauren Kelly**’s draft of the Beaufort Code, Commissioner Cromer said. They plan to have “affinity groups” look at it before a public hearing.
- Staff is working with TCL on building permitting; “they’re trying to get them to shrink down the bureaucracy a little bit,” Commissioner Cromer said, and they’re looking for the points where things slow down. On Hilton Head, getting a permit takes one month, but in Beaufort it takes four months. Mr. Prokop is looking at processing software to

determine what the best program is for Beaufort. Commissioner Cromer said business licensing could also be online.

In regard to regulations, changing the tree ordinance “to be a mirror image of the county’s,” Commissioner Cromer said, “is not being looked at favorably,” because “it’s pretty stringent.” Having listened to points raised by developers like **Merritt Patterson** and Mr. Stewart, he doesn’t “want to create any more impediments” to development. Commissioner O’Kelley agreed and said the landscaping of the Family Dollar, which “staff has continually brought up” (as an example of how the ordinance changes would work) “is ugly.”

Commissioner Cromer said the Civic Master Plan calls for buildings to be near the street, and to have landscaping between them and the street, but when he is getting in and out of the Holiday Inn, a palm tree in front of Firehouse Subs causes a dangerous traffic hazard, he feels. Commissioner Keyserling said, “That’s why we want rear access.”

Commissioner Sutton said there need to be updates made to old regulations, which were made when Beaufort was different.

Commissioner Cromer said that Greenville’s website shows links to loans for people who want to start businesses; the Beaufort website has a link to the Small Business Association, but when he clicked it, he got an error message.

In regard to loans, Commissioner Keyserling said the Black Chamber of Commerce has funding, and it has made three or four loans. Ms. Johnson said that she has a lot of information on incentives from the old Redevelopment Commission, and she will try to figure out what is useful and relevant and make it all easy to get to. They can offer other incentives besides the “straight incentives.”

Commissioner Sutton said the next RDC meeting is November 17. Ms. Johnson said she has notes on all of the committee meetings she has attended.

Commissioner Sutton said it’s important to find those areas where something can be accomplished. They want to create “achievable goals” in their committees and meet them, bringing matters to a level where they can then give them to staff, either to solve a problem or to take on to council. He gave the example of the existing ordinance permitting outdoor drinking on Port Republic Street: the Redevelopment Commission needs to know about things like that – it addresses an issue, as an *incentive* for a business to open there. Another example would be a compatible noise ordinance for areas not in the nighttime music district.

Ms. Johnson said that for all of the committees, Chairman Verity had asked that she come back with “a takeaway,” and she would like the chairs to do that: determine their committees’ first and second priority issues.

Commissioner Lesense said Mr. Harvey had said something about statements in the plan. Ms. Johnson said that's "an action item" for her. The enabling legislation is clear about what the plan is, but other things need to be involved in it.

There being no further business to come before the commission, **Commissioner Murray made a motion, seconded by Commissioner McFee, to adjourn the meeting. The motion passed unanimously**, and the meeting adjourned at 9:10 p.m.