



CITY OF BEAUFORT
1911 Boundary Street
Council Chambers
BEAUFORT, SOUTH CAROLINA 29902
(843) 525-7070
REDEVELOPMENT COMMISSION AGENDA
July 10, 2014

PLANNING CONFERENCE ROOM – 1ST FLOOR
1911 BOUNDARY STREET

5:00 P.M.

I. CALL TO ORDER

II. REVIEW OF MINUTES

May 1, 2014

III. REPORTS

A. Baptist Church of Beaufort Property

IV. DISCUSSION ITEMS

A. 303 Associates – Multi Family Project

Proposed Mission Statement

The City of Beaufort Redevelopment Commission has been established to renovate, revitalize, and regenerate distressed areas of Beaufort.

BRC's mission is to lead a coordinated strategy of redevelopment and design strengthening the City of Beaufort as:

- The heart of economic development for Northern Beaufort County
- A prosperous place for business and institutions; and
- An attractive urban environment for residents and visitors

NOTE: IF YOU HAVE SPECIAL NEEDS DUE TO A PHYSICAL CHALLENGE, PLEASE CALL IVETTE BURGESS 525-7070 FOR ADDITIONAL INFORMATION

STATEMENT OF MEDIA NOTIFICATION

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

A meeting of the Beaufort Redevelopment Commission was held on May 1, 2014 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 McNally, Keith Waldrop, Alan Dechovitz, Wendy Zara, Stephen Murray, and Martin Goodman.

Henrietta Goode was 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.

Chairman Verity called the meeting to order at 5:00 p.m.

REVIEW OF MINUTES

Commissioner Zara made a motion, second by Commissioner Murray, to accept the minutes of the April 3, 2014 Redevelopment Commission as submitted. The motion passed unanimously. Commissioner McFee abstained from voting because he was not present at the meeting.

BAPTIST CHURCH OF BEAUFORT PROPERTY

Commissioner McNally said 3 out of the 4 lots are sold; the old house is being rehabbed, and the person who bought it is likely to get it to a stable point and then sell it. Of the 3 church lots, the one in the middle is sold, as is the one on the corner. When the older house is further along, the adjacent lot will likely sell. It's a successful project.

In regard to the lot on Prince Street, Commissioner McNally was asked to mark where the bushes go, and he did that, so they will put in the screening that is required. **Maxine Lutz** said the couples who bought the two church lots have gone with drawings to Historic District Review Board and the Historic Beaufort Foundation. **John Trask** said he is working to stabilize the old house, as Commissioner McNally had said.

LAFAYETTE STREET

Eric Brown has all his permits and expects to break ground soon, Commissioner McNally said. He wants to review the Redevelopment Commission agreement with them, and Commissioner McNally will set up a meeting. Commissioner Waldrop asked what "soon" might mean. Commissioner McNally said, "it sounds like a couple weeks." **Libby Anderson** said he has infrastructure permits.

HOUSING POSITION

Chairman Verity said he and Commissioner Zara met with the Housing Authority. Commissioner Zara said they have been trying to figure out how to fund a position for a housing director, and they have "pieces." The issue is for whom that person would work and if this can all be done in conjunction with the Housing Authority. She thought the meeting went well, and the next step

is determining what the Housing Authority's expectations of the person would be. **Angela Childers** said she will have that by May 9. Commissioner Zara said they are seeking funding from other municipalities and the CLF has a \$30,000 contribution toward the salary. Chairman Verity said they had met with Housing Authority board members, and "they are genuinely interested in it." **Scott Dadson** is committed to it as well, Chairman Verity said. There's no budget position for it at this time, but this will help the entire community. Getting the right person is key. Commissioner Zara said the person who's hired needs to understand HUD programs and know sources of funding; they need to be experienced.

MARINA

Chairman Verity passed out copies of a letter to the editor he had written. He said city council will meet next Tuesday on moving forward with the Marina parking lot plan, so he hopes that they can pull together a group to consider alternative uses for the Marina parking lot. The mayor and council are working on who might be involved in that.

He's asked the mayor and council to consider that what is done there benefits the City of Beaufort: there's been population lost, median income lowered, etc. A 15-year period of the population being lower than it was in 2000 is a problem, Chairman Verity said, and Beaufort "has never been prosperous." Without creating more businesses and people downtown, there will be job loss and higher taxes. Creating a better Beaufort has to be the goal, he said. There are many services used by people who don't live here that the city is paying for, so they need to discuss how the things that are done will help Beaufort. Many people don't like the idea of a large commercial structure on the Marina parking lot, so they need to figure out what else they can do.

Dick Morehead asked if they had looked at forming a foundation in the private sector to help finance Waterfront Park and maintain it. Many people use that area who aren't Beaufort residents. He said he thinks other communities struggle with this, and a foundation gives a structure. The endowment is a concept that helps, but a foundation can reach out to many sources of funding and it can have a management group to watch over and disperse funds.

Commissioner Dechovitz said he thinks "that's a neat idea," and hopes people will work on it, but "no one should fool themselves about the size of the problem." An endowment that could put \$250,000 a year into the city's coffers would help, but it would have to be on the scale that the United Way raises. Commissioner Dechovitz said the city "park structure is unique and deteriorating." The city has put \$8 million in the last few years to stabilize it, and the cost to do it in 15 years will be twice that, they estimate. This needs to also be about putting money aside to help with the reconstruction and stabilization that they know will come. Mr. Morehead said he thinks this will help the public and private sectors come together better. Currently, the city is burdened with the total cost.

Lynda Morehead said there can be fundraising and membership donations – zoos and museums do this to get endowment – but there are also fun and interesting things that can be done for extra operating money and that will make people feel that they have a part in it. Chairman Verity said he knows the city is taking this idea seriously, and he expects such a group will be formed. Commissioner Murray said he thinks “it’s a cool idea,” but in larger areas, there are larger businesses that are able to write larger checks. He said those who are close to the process understand that the city isn’t healthy; 40% of the city is vacant, while places like Bluffton have grown 800%. If this isn’t addressed, Commissioner Murray feels, there will be real trouble. They need to bring greater diversity and money into town. He’s happy people are engaged, though the process has not always been civil, and he hopes that projects will be started to bring people downtown. Chairman Verity said lower- and middle-income people are the majority of the population, and they haven’t been as involved in the process. There is a need for jobs and tax base. Commissioner Dechovitz said the city has all the not-for-profit and government jobs it can support. Chairman Verity said that’s important. He appreciates the developers’ interest in the project and their support of what the city wants to do.

Kathy Lindsey said the online Civic Green petition got 2000 signatures and called for a new vision for that Marina parking lot area. They wanted “a translation of the Sasaki (Phase 2) plan.” The petition was devised to see if there was support for this new/old vision and see if those folks want to get involved. She thinks that energy will be helpful to explore what that would require financially, etc. Commissioner Murray said he hopes for that engagement as well, and Chairman Verity agreed.

Ms. Morehead said she has seen the city getting more traffic on Bay Street and downtown and around the city. She said “there’s gridlock in this little town.” She and Commissioner Dechovitz discussed the gridlock and the lack of infrastructure. Commissioner Murray said the gridlock is on Bay and Boundary, because Beaufort is a thoroughfare, but “there is a grid system that’s a blessing.” The grid should be used better as the Civic Master Plan is implemented.

Commissioner Dechovitz said if businesses can be brought into the Industrial Park, it will create jobs and tax base. A medium-size business there will cost less to support and will create more pay-off than anything downtown. Chairman Verity said the Civic Master Plan idea of infill is key, and it will continue to be pursued.

Chairman Verity said if revenue isn’t going to be issued from the marina, the city’s interest will be different, but there is a location and a developer interested in developing a garage. There are some ideas about costs and location, but until the process moves further along, there may not be a way to fund it, so it will be talked about over the next few weeks.

Commissioner Dechovitz said, in regard to the previous, it may seem that he doesn’t support infill, but that’s not the case. All of his analysis in the last 3 years indicates that the downtown merchants need to have about 25% more dollars running through downtown to be successful.

They have 2 blocks that might as well close down because the businesses are 8-9 month businesses that can't make it even with low rent, or they are marginal, and the business owners are operating on a thin margin, Commissioner Dechovitz said. People need to live, work, play, and shop downtown, and if that market is there, the businesses will support it. To support a grocery or drugstore downtown, there need to be 5000-7000 people in the immediate vicinity, so they have to put people downtown. Those people need to be able to purchase a home that is \$250,000 or more because that means the household income is \$70,000+, Commissioner Dechovitz said, so that they have the disposable income to spend downtown. To support the merchants, they have to find some way that is acceptable to the community to put people who have disposable income onto those empty lots and abandoned buildings and create a downtown market that is sustainable for the merchants. People come here and walk in the park and some do spend money; the businesses and restaurants have to have a year-round clientele, not just October to May, he said. They need to find a way to put people downtown.

Commissioner Murray said merchants pay rent, and nothing supports historic preservation like economic vitality. Commissioner Dechovitz said \$5 a square foot is not enough to maintain a historic building over time. He said it's great that 2000 people signed up for the Sasaki plan, but "there needs to be a way to attain an economic vision."

Ms. Lindsey said the Open Land Trust has bought land and cleared it, and the council and City of Beaufort supported it. Commissioner Dechovitz said there have to be ways to do it economically. The city has squeezed the budget as much as it can be squeezed. Ms. Lutz said she agrees about infill development downtown. She thinks the land swap with the Baptist Church of Beaufort "was so creative." The people moving in there "are the kinds of people they need all through downtown."

DISCUSSION ABOUT THE OLD JAIL PROPERTY

Conway Ivy asked about the jail site. Commissioner McNally said the Planning Department did a study sketch. It was less dense than the Civic Master Plan's plan, and more reasonable, and showed 14 units in single family and duplex buildings. All of it would have to be vetted by Historic Beaufort Foundation. The old portion of the jail building could be adapted for re-use; it's on the National Historic Register. Commissioner McNally has contacted 3 developers so far who are interested in looking at this. The Redevelopment Commission role is more limited because there was a city property involved with the church property, so here he is just assisting the owner of the property and getting developers to speak with the owner. There has been a memorandum written with the suggested sketch, and they can come up with whatever idea they want. "Their deal will be an arms-length transaction with **Wyatt Pringle**," Commissioner McNally said, and if Mr. Pringle likes a developer, they will bring sketches to Historic Beaufort Foundation first and then have them bring a presentation to Redevelopment Commission.

Chairman Verity said the density seems appropriate for the site. They don't expect it will be changed much, and he said the city doesn't control this process, but if anyone's interested, they

can get in touch with Mr. Pringle or Commissioner McNally. The units will be market rate. Commissioner McNally said he is moving to Beaufort this year.

Rod Mattingly asked if they are tracking the Bailey Bill development. He thinks that should be marketed well, and he is wondering if it has been tracked so far. Ms. Anderson said it hasn't been adopted yet. They are trying to get the county onboard to make the incentive fruitful and also the school board. When it's passed, they will go out and make people aware of the development opportunities in the Historic District. There are many places to build as well as renovate, and they want to aggressively market the residential opportunities in the Historic District. Commissioner Zara said the county has to be in for it to be meaningful. Ms. Anderson said yes, it would be nice, and they are working with them; the school board will consider it later this month. The city can move ahead on its own. Commissioner McFee said it will have more impact with the county onboard. He suggested that people talk to their county councilperson and school board representative about it.

Ms. Morehead asked if they had done a search for a company that finds small companies to bring to Beaufort. Commissioner Murray said it's happened in fits and starts for 15-20 years, but there's never been a concerted, sustained effort. Commissioner Murray said the City of Beaufort contributes \$10,000 to the Lowcountry Economic Alliance, and the county provides some funding as does the state, but their annual marketing budget is much less than competing municipalities', so it's difficult for them to be aggressive. County council is where most of that funding should come from. Economic development is among county council's top six priorities. Commissioner Murray said he agrees that there are clean types of industry that would love to move here from the Northeast.

Mr. Morehead said they will bring the owners and families of people associated with those businesses when they bring a business in. Commissioner Zara said in regard to the economic development issues in the time she's lived here, there's not a lot of money for marketing, but there are a lot of people working on it, "ad nauseum." The Lowcountry Economic Alliance work hard and are qualified.

Mr. Morehead said the best recruiters of businesses are other people who own private businesses, not recruiters. Commissioner Murray said he's right, and **Kim Statler** will call him to have lunch with someone to tell them about the benefits of doing business in Beaufort. So that's happening, but there aren't enough options, so he encourages people who travel and are retired to put a bug in the ears of people who are running businesses to come here.

Commissioner Waldrop said the need for housing downtown is, in a broad sense, according to the Civic Master Plan, that there were large lots that could be subdivided, and there's capacity to add 2200 housing units. Commissioner Zara said that's detached single family residential, not even multi-family. Commissioner Waldrop said that's a huge part of what the Housing Authority person they are talking about would do. That would go a long way, Commissioner Waldrop said,

to enhancing the tax base of the city, plus there would be a lot of people who could walk to downtown businesses.

Chairman Verity said a part of the discussions about having someone on board at the Housing Authority is that there's money available to *lend*, but no way to get them to the table, according to a banker he's spoken with about this.

Ms. Morehead said the churches are an indicator of a strong community, and a company, even a small one, will look at schools, library, park and churches.

USCB

Commissioner Goodman said they have had meetings with people who live in the neighborhoods around USCB to consider if the university wanted to grow; they have needs for more buildings, parking, etc. and they want to see what would be most acceptable to them. The group did a survey and got a good response, and they gave the results to the chancellor. The issues are concerns about parking if the university grows, Commissioner Goodman said, "and if it will end up in their neighborhoods." Growth is economically feasible if the university owns the land, but if they have to buy anything, that drives the costs up. One recommendation was to do something along the backs of the buildings on New Street and improve them with landscaping. Commissioner Goodman said he and the property manager walked the property. OLLI said they would refresh the gardens in front, and they might have them get creative along the backs of the buildings. Commissioner Goodman said this will be a good sign to the neighbors that the university is listening and responsive. The chancellor is looking at what disciplines could be put in place there.

Terry Hussey chaired the committee, Chairman Verity said, and it creates an organized group of people who can create dialogue. The neighbors are organized and willing to help if they can. Commissioner Goodman said they came up with some good ideas. Chairman Verity said the biggest issue is where students live if the student body expands, and the group said they would rather students not live on Carteret Street. It's still premature because they don't have a program yet, but as it happens, they can look at it.

Commissioner Murray said he had toured the Sea Island Center, they have great facilities, and it's a fortunate facility to have here.

There being no further business to come before the Commission, **Commissioner Zara made a motion, seconded by Commissioner Goodman, to adjourn the meeting. The motion passed unanimously**, and the meeting adjourned at 6:07 p.m.