

A meeting of the Beaufort Redevelopment Commission was held on April 2, 2009 at 4:00 p.m. in the City Hall Conference Room at 302 Carteret Street. In attendance were Chairman Bob Pinkerton, Commissioners Martin Goodman, Mike Sutton, Gary Fordham, Mike McFee, Mayor Billy Keyserling, James Bellew, Gene Rugala, and City Manager Scott Dadson. Commissioner Donnie Ann Beer was present by phone. 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 4:00 p.m. by Chairman Pinkerton.

MINUTES

Mayor Keyserling moved to approve the minutes of the March 5, 2009 meeting. Commissioner Bellew seconded the motion. The minutes were approved unanimously. Commissioner Bellew asked to have the minutes amended to reflect his attendance at the March 5, 2009 meeting. The motion to thus amend the minutes passed unanimously.

ALTERNATIVE FUNDING FOR THE BOUNDARY STREET PROJECT – DISCUSSION OF BUSINESS IMPROVEMENT DISTRICT TAXATION

The City Manager informed the Commission about his attendance at a Boundary Street Business Improvement District (BID) meeting March 23, 2009. The meeting was also attended by Paul Trask, Shirley Hughes, Dick Stewart, and Courtney Worrall. The members met to discuss definitions, conditions, and issues involved in the plan. The Commissioners were given a copy of a memo that defines South Carolina code dealing with Business Improvement Districts. The code defines how to assess an equitable basis for taxation; the types of improvements included; sources; and what Council must find. The plan must be described fully, and it needs to have a time schedule and estimated costs. The resolution must be published, and Council can either adopt it after a public hearing, or it can do it as an ordinance. These details will be worked out later, but the current concern is how to go through the process, so that is what was discussed.

BID only taxes the particular district, not everyone in the city. An area would be outlined that would receive the benefits of improvements; the tighter the district the better. Though it's not incremental like a **TIF**, it's otherwise the same. You add mills to the property within that district but only to non-residential properties. The City Manager said that there's a good understanding of the law now, and added that the City attorney is drafting the documents.

Indicating the minutes of the meeting in the packet, the City Manager detailed the discussion of points under "Definition of Plan/List of Capital": soft costs, O/M, parallel road, balance of road network (currently at about a \$3 million shortfall for Boundary Street), landscape and decorative appetencies, open space and parks, rail to trail (Boundary Street area), and other civic structures (i.e., amphitheatre, public restrooms, parking garage).

In regard to issues, the feeling at the meeting was that the period of time for the millage should be very long and as much improvement as possible should be packed into that period. Collection should be estimated and bonded in increments. Decisions will be made, such as how much to collect, before doing an improvement. Chairman Pinkerton asked if this means it's an assessment, and the City Manager replied that individual properties may be assessed differently, rather than one price across the board, as in an assessment, so there will be "variations on who pays what" based on the value of the asset they own. Chairman Pinkerton clarified that once the designated amount of money is raised,

“the tax goes away,” and the City Manager said yes, the value of the asset determines how much one pays. There are different methods that allow greater flexibility. Mayor Keyserling asked how many property owners would be affected, and the City Manager said the territory has not been defined yet. There are issues of governance to be considered: making sure that the money that is raised for *this* project goes to this project and conversely that funds that are raised for other projects *don't* go to this project.

Included in the Commission's packet were pages 14-16 of the Boundary Street Redevelopment Plan approved by Council which detail the capital improvements envisioned with dollar figures: create a parallel street network; Boundary Street landscaped median; streetscape improvements; intersection improvements, multi-use trail, and a central park. The "bones" of the plan are the road and park networks and the placement of civic structures. There's a standard for the roads, and because the traffic is slowed down, which is more pedestrian-friendly, that allows buildings to get closer to the street.

Commissioner Goodwin asked if the secondary road has been dealt with in zoning, and the City Manager responded that it has been dealt with in zoning, but when the engineering was “truthed up,” the path wasn't as clean as it was rendered. Language was suggested that improved flexibility by not hammering the road too strictly. While they want to stick with the plan, the reality may not be like the plan in some way, so flexibility is important.

In reference to the BID, the City Manager said that anything the Redevelopment Commission does on the matter will be a recommendation to Council. Staff will prepare an estimated capital budget and defined area for this district. Property owners need to be a part of the process, and he recommended forming a subcommittee of this group which will create a representative list of big and small property owners in that district, starting from a list that already exists of principal property owners. He said that staff will be responsible for an ordinance outline and a draft estimate of the CIP budget. He thinks they should define a time by which they want it back.

Chairman Pinkerton asked the committee's purpose, and Mayor Keyserling responded that they would “seek a level of buy-in for those whose property taxes will be increased and whose property will be enhanced.” Commissioner Goodwin said he sees it as a steering committee of *some* property owners that can hold a meeting of *all* property owners, and then bring back a recommendation to the Commission as to the property owners' general feelings. The City Manager reminded the Commission that the Boundary Street Master Plan, the Redevelopment Plan, and zoning text are all completed. Commissioner Goodwin added that two large property owners have already expressed their approval, which Mayor Keyserling said may put them “a third of the way there already.” The City Manager said that the members at the BID meeting suggested making the \$22 million “do more of the basic physical stuff” (like adding road or finishing the circle or a sidewalk) while some of the rest of the (Municipal Improvement District) MID or BID is used for things like landscaping and streetlights.

Commissioner Sutton said that connectivity seemed to be the central concern. The \$22 million plan didn't do enough in that way. Business owners were concerned that they wouldn't have the same vitality they have today if there were a median in the road. The City Manager said that this comes out in a capital way in building out the whole network and in the slip lane. Commissioner Sutton suggested going to the business owners and saying that those things will be funded “at the front end...to achieve greater buy-in,” and achieve a balance.

The City Manager said that this district, while valuable, is only a piece of the city, so the mil rate value changes from that of the city as a whole and is less. Mayor Keyserling said he feels it's a great idea, though it's also "a walk across some eggshells that could be destructive." Commissioner Rugula believes the key is how the concept is packaged and sold to achieve buy-in. Commissioner Goodwin said that if connectivity concerns can be eliminated, the sell is a lot easier.

Commissioner Bellew sought clarification that "if we can do this with the taxes, we can pretty much start to do everything at the same time." The City Manager said that it's not as simple as a debt bond for capital improvements funded by increased value of properties. An MID is a lot like a revenue bond, based upon what can be raised. There will probably be a *series* of bonds, based on a plan. The trick is that it needs to be able to support itself, and he doesn't know what the law says about this underwriting, i.e., what kind of conditions a bondholder would put on it, etc. The committee needs to figure these things out. The \$22 million is on the table; they need to show that it's on the table and that they have value for the balance of it and keep building on it. At the BID meeting, there were some good ideas to take some cost away from the current \$22 million by saying that the MID could pay for some things like landscaping so that the \$22 million pays for the "hard" costs like storm water. This is part of what will make up for the \$3 million still needed to complete the project. Commissioner Rugula asked if this would "restore the things we took out earlier," and the City Manager responded that property owners have said they would like to see the full buildout and then they started talking about connectivity issues.

Commissioner Goodwin said that this committee would also be charged with prioritizing projects and improvements, which will be driven by how the money will be raised and in what increments. Chairman Pinkerton added that letting those people play a role in the project will help to sell it, too. Mayor Keyserling said that redesign and re-prioritization is the biggest downside, and the City Manager agreed. Mayor Keyserling suggested creating a visual representation "to show what we'd like to happen." The City Manager said that until the code is changed, the road network's fixed. Commissioner Goodwin volunteered for the committee. Commissioner Beers said to keep in mind the people who live in that area, like Carolina Cove, who will be interested and have many questions. There are some other residences in there, too, "and they're very vocal," as well as a church.

The City Manager recommended nominating a chairperson from among those in the Commission. Mayor Keyserling made a motion that the Redevelopment Commission create a subcommittee made up by no more than 3 members of this Commission and a fair representation of property owners that will be charged with exploring the option of a Municipal Improvement District to supplement the \$22 million for completion of the Boundary Street Redevelopment Project. Commissioner Sutton seconded the motion, and it passed unanimously.

Mayor Keyserling then made a motion that Commissioner Rugula chair that subcommittee and that the chairman of the redevelopment commission appoint the other two subcommittee members. Commissioner Sutton seconded the motion and it passed unanimously. Commissioners Goodwin and Bellew were interested in serving on the subcommittee and were appointed. The Commission didn't feel there was a need for a Council member on the Commission to be on the subcommittee. Commissioner Sutton suggested a list to consult for potential committee members, and the City Manager said staff will provide an estimated budget of costs.

As far as buy-in is concerned, Commissioner McFee felt it was important to emphasize strongly that there is a plan already in place. Mayor Keyserling added that some might be interested in being on the committee who aren't in the City, should it affect them in some way. The City Manager

responded that the utility companies – BJWSA, SCE&G, phone companies – are very important to the effort. Mayor Keyserling suggested 90 days for a time limit to get a report back, and there was general agreement.

DISCUSSION OF SOUTH SIDE PARK

Mayor Keyserling said he didn't have anything new to say about it. He joked that he'd learned everything he needed to know about it by reading the blogs and the editorials in the Beaufort Gazette. The City Manager said that the committee meets on Monday, April 6.

GREENLAWN, INFRASTRUCTURE TAX CREDIT

The City Manager said that this item had been taken off the agenda because it's been replaced by the MID, but Chairman Pinkerton requested that it be left on future agendas "for the moment."

BLADEN STREET STREETScape PROJECT

The City Manager said there was a meeting with grant writers and "governmental-type folks" to marry different ideas to obtain more money for work that still needs to be done. \$800,000 worth of work has been done from Boundary to Duke. The project has an Inter-Surface Transportation (ISTEA) grant for \$200,000. There are storm water problems on Bladen, therefore the price of the project went up from \$200,000 to \$800,000. The **incubator/mixed-use idea Black Chamber project** is on this section of Bladen and it's still on the table "at least at **NSP** right now." That project may be able to slip into other funds, i.e. Commerce Department CDBG's that are directed toward job creation. That was encouraged in the meeting as well as other CDBG money that could be leveraged against the ISTEA money for drainage projects. A design needs to be ready to roll, and it isn't yet. Beaufort County Engineering did the engineering for Bladen Street and might work again, but it would cost money. If it's broadened to include the Village Renaissance, which is a home improvement CDBG, the residential portion could be redeveloped in that district. Potential problems with that include: a cash shortfall, probably on Bladen; design issues; and if the scope goes beyond Bladen toward the off-shoots, it's an underutilized, non-residential mixed-use space.

Mayor Keyserling said that the northeast and northwest corners of North Street and Bladen (at the southern end of Bladen where Koth's was), are privately owned and as important as on the northern end. Commissioner Sutton said that to apply for CDBG funds, "we need to be shovel-ready, and we're not," but they could be in 6 months. He agreed that ISTEA could be the match. In regard to housing re-development, with CDBG funding there are various layers. The city will need to have a needs assessment done in the community that lays out the types of focus that need to be applied to go after grants, such as drainage and workforce housing. Once those things are identified, if housing's a Top 3 priority, they could apply for Village Renaissance funds and re-apply for ISTEA. Step one seems to be to find a way to fund engineering costs to get Bladen Street engineered. Within the time it's done, a grant could be put into CDBG for \$500,000 for infrastructure funding at the same time. And re-apply for a \$200,000 ISTEA grant to then have \$900,000. The City Manager added that this was especially true if redevelopment of adjacent blocks is added in to Streetscape.

Mayor Keyserling said he suspects those funding opportunities and others are "out there" and it would be helpful to have someone who knew where they were: a grant writer/project coordinator with the skill and time to research and network. The City Manager said that the traditional methods of obtaining funds "have died off to a great degree." He recommended an incentive-based RFQ to hire someone based on their ability to go after grants which will then enable them to be paid. Commissioner Sutton said that Rock Hill seems to have 20 people working on grants. The City Manager responded that he's "not always a fan of grants, but if you're going after what fits with what

you want to do, that's good...The trick is to find those (who are) well into the various (funding) sources out there."

Mayor Keyserling said that the challenge is how to make a small historic town "grow the right way." A grant writer/project manager should be a high priority because "whoever gets to the money out there first with the smartest approach is the winner." The City Manager said he felt there was no harm in getting an RFQ together, putting it out there, and sending it to previous partners. It will be structured on a contract basis. He offered the example of LCOG as a publically owned consultancy, for example.

ADJOURNMENT

There being no further business to come before the Commission, Commissioner Goodwin made the motion to adjourn, and Mayor Keyserling seconded it. The meeting was adjourned at 5:18 p.m.

BOB PINKERTON, CHAIRMAN

COMMISSIONER MARTIN GOODMAN

COMMISSIONER DONNIE ANN BEER

COMMISSIONER GARY B. FORDHAM

COMMISSIONER BILLY KEYSERLING

COMMISSISONER MIKE SUTTON

COMMISSIONER JAMES BELLEW

COMMISSIONER EUGENE A. RUGALA

COMMISSIONER MIKE McFEE

ATTEST:

BEVERLY W. GAY, CITY CLERK