



CITY OF BEAUFORT
302 CARTERET STREET
POST OFFICE BOX 1167
BEAUFORT, SOUTH CAROLINA 29902
(843) 525-7070
REDEVELOPMENT COMMISSION
AGENDA
JUNE 3, 2010

CITY HALL CONFERENCE ROOM
302 CARTERET STREET

4:00 P.M.

I. CALL TO ORDER

II. REVIEW OF MINUTES

May 6, 2010 Regular Meeting

III. REPORTS

- A. Parking Update
- B. Bladen Street Update

IV. OLD BUSINESS

V. NEW BUSINESS

- A. Guest Speaker – Kennedy Smith from Main Street South Carolina
- B. Discussion on Proposal for Student Housing

4:10 P.M.

4:40 P.M.

VI. EXECUTIVE SESSION

Pursuant to Title 30, Chapter 4, Section 70 (a) of the South Carolina Code of Laws:
Discussion regarding Land Acquisition

VI. ADJOURN

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 were duly notified of the time, date, place and agenda of this meeting."

A meeting of the Beaufort Redevelopment Commission was held on May 6, 2010 at 4:00 p.m. in the City Hall Conference Room at 302 Carteret Street. In attendance were Chairman Bob Pinkerton, Commissioners James Bellew, Gene Rugala, Mike McNally, Ed Barnhart, Wendy Zara, and Jon Verity and City Manager Scott Dadson and Shirley Hughes. Commissioners Martin Goodman and Denise Bolin 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.

CALL TO ORDER

The meeting was called to order at 4:00 p.m. by Chairman Pinkerton.

MINUTES

The minutes of the April 8, 2010 regular meeting were presented for review. Commissioner Rugala noted that he had not been at the meeting but he was listed in the attendance as present. On motion by Commissioner Zara, seconded by Commissioner Barnhart, the commission voted 6-0 to approve the minutes as amended. Commissioner Rugala abstained from voting because he was not present at the meeting.

The minutes of the April 26, 2010 work session were presented for review. On motion by Commissioner Barnhart, seconded by Commissioner McNally, the commission voted 7-0 to approve the minutes.

PARKING UPDATE

Ms. Hughes said the new meters will be put in after Gullah Festival. The new fines and rates will be in effect then. A formal update is being deferred to July 1.

BLADEN STREET UPDATE

Commissioner McNally said they have had two meetings with property owners on Bladen Street. They have found that some of these are under mortgage, so granting the right-of-way is an arduous process. He and Chairman Pinkerton thought they could get a surface easement so owners would retain ownership. With the new code, this would allow owners benefits like signs, and they could get an easement from the property owners, not a mortgage agreement. Two of the owners have said no problem; two are on the fence but want to know more about the new code. The meetings are taking a long time because the owners want to talk about lots of things, but he feels a good relationship is beginning. He said they have a meeting the next day and a couple in the following week.

BUDGET PRESENTATION – REDEVELOPMENT COMMISSION

Ms. Hughes said based on Mr. Cook's work with Lanier, the commission can expect to receive \$324,000 in net revenue from parking in the next fiscal year. She went over the expenditures related to parking and the set-aside of any balance.

Contractual services include transitioning and planning service assistance (including staff cost). Maintenance and facilities is set aside for the care and maintenance of the Arsenal, Carnegie Building, and the old City Hall. Redevelopment Commission could be responsible for certain expenditures. Once they're out of the old City Hall, they will have the Arsenal and the Carnegie Building that will have minimal maintenance costs. Chairman Pinkerton asked if the Redevelopment Commission gets the revenue for the old City Hall and Carnegie Buildings if they're used, and Mr. Dadson said that is staff's recommendation to council. The reserve of \$28,990 is available for whatever it might be needed for.

Ms. Hughes said the Capital Improvement Plan (CIP) schedule is broken down into parts: general miscellaneous, TIF 1, TIF 2, and CDBG/SCDOT improvement district (Bladen Street). She said council has talked about these projects for some time, and the years they are set in are placeholders; dollars are not committed to them.

TIF 1 ends at the end of FY 2012. Then, that TIF has to have been extended or any money received from it returned to the General Fund. She described the expenditures for this year and continued maintenance and repair in Waterfront Park for the next year. Also, they are looking outside Waterfront Park to the rest of the district, and she described what those projects could be, i.e., crosswalks and sidewalks, street signs, etc. The light poles downtown are no longer being made, and as they need to be replaced, they need to make decisions about how they're going to do that. There is a pole that works, Mr. Dadson said, that's replaceable by SCE&G.

Ms. Hughes said they do 5-year projections for council and represent the base budget as well as statistical projections to show the last 5 actuals, current, proposed and projected. TIF 2 is basically Boundary Street: the municipal complex and streets around it, and Boundary Street Master Plan. This also would need an extension to go for another 15 years. The lease on Waterfront Park paid for the renovation. That lease doesn't get paid off until 2023. If TIF 1 is extended, then the lease is refinanced, the term of the lease will be the same as the term on the TIF. Commissioner Zara asked if TIF 2 was expanded, and Ms. Hughes said TIF 3 was overlaid on a portion of TIF 2. Mr. Dadson said the penny sales tax will take care of much of the Boundary Street Master Plan, but they have listed those things (Greenlawn, the parallel road, pre-emption of traffic lights, etc.) that would be appropriate for TIF 2 and eventually TIF 3. TIF 2 cannot be bonded further; it's pay-as-you-go style so it can't be secured against another note. They've tried to fill in the gaps to stretch the penny tax as far as possible to get a complete project.

Ms. Hughes said there's a placeholder plan for numbers in TIF 2, and they can be adjusted depending on the availability of funds. Mr. Dadson said council does that through recommendations, but then they do a budget amendment. Ms. Hughes said a good example is the million dollars in 2011; once there is a clear, defined project, they'll amend the budget to include the full project. Commissioner Verity confirmed that means that the money is out there somewhere. Ms. Hughes said yes. Mr. Dadson said they have cash in hand from TIFs 1-3 and also receivables out as well as known liabilities against them. Ms. Hughes said the budget for each TIF is equal to estimated revenues. They have funds in reserve. Once a project is

determined, they pull money from reserves to fund it. In TIF 1, they have about \$1.6 million, though she thinks it will be closer to \$1.2 million at the end of FY 2010. In TIF 2, at the end of FY 2010, they expect to have \$2.5-\$2.6 million.

Paul Trask asked how much additional money will be generated on the TIFs, and Ms. Hughes said they're using it. Mr. Trask asked in excess of bonds if they weren't spending it. Ms. Hughes replied \$300,000 in TIF 1, and in TIF 2 about \$700,000 annually. Ms. Hughes said TIF 2 has grown faster than TIF 1, because TIF 1 is downtown. Mr. Dadson said re: TIF 1, council has considered different issues such as extending its area, and the same is true of TIF 2. TIF 3 is ONLY on Boundary Street Master Plan to finish the job they wanted to start.

Ms. Hughes said when commissioners look at 5-year statistics, they will see 2008 is out of whack. She and Mr. Dadson have been through an arduous process with the county over TIFs. There were issues of over-performing and complaints that something was wrong. She explained the resolution to the problem; there was a "major mismatch mess" in the property maps. They had to redo the maps, and then the county had to go back and recalculate all the tax revenue going back to the beginning of each TIF so it would be properly allocated. The city's General Fund went up and the TIFs went back to level.

Mr. Trask asked if the numbers quoted were "post-fixing it." Ms. Hughes said yes. Chairman Pinkerton asked if staff needed anything from the Redevelopment Commission now. Mr. Dadson said the first public hearing and reading will be the following Tuesday, so he needs to know if there's anything in the budget that bothers them. Chairman Pinkerton said in the future he assumes they'll propose and make recommendations about the budget. Mr. Dadson said in CIP they have a set series of circumstances; they weren't created by Redevelopment Commission but are consistent with ongoing projects, and there are spending and revenue schedules.

Ms. Hughes said they report monthly financial statements of revenues and expenditures that are posted on the web site. Commissioner Verity asked if the \$28,000 put aside is spendable the next year. Ms. Hughes said they will be setting aside money every year for replacement parking meters. Chairman Pinkerton said this is a government entity that recognizes depreciation. Ms. Hughes said they're looking at it somewhat like an enterprise fund.

Commissioner McNally asked if there was an estimate from Lanier on the expected life of the meters. Ms. Hughes said she believes Mr. Cook has it. Commissioner Barnhart said he sees nothing in the budget about the buildings' maintenance. Ms. Hughes said there is \$85,000 to use for the maintenance of facilities that are available for the "whatever" of the 3 buildings. The lease with the Chamber makes anything over \$1000 a month the Redevelopment Commission's responsibility. Commissioner Verity asked how much of the \$85,000 is for monthly maintenance, and Ms. Hughes said about \$25,000; Commissioner Verity said they have some money so they can fix the buildings up.

Commissioner Zara, seconded by Commissioner Rugala, made a motion to recommend the budget to council. The motion passed unanimously.

PRESENTATION ON REBUILDING TOGETHER BEAUFORT

Commissioner Bellew said that, in his assessment in the past, an entity was missing that was responsible for things happening on an ongoing basis. There were good programs, but they came and went. The Northwest Quadrant had a task force; they were discussing a design center as a central entity where people could come and get resources.

In his research, he came across Rebuilding Together, which is a national non-profit. Their core mission is a safe and healthy home for every person. They're the largest non-profit in the US that does this work, with 230 affiliates. They service low-income homeowners who need resources to exist, so they have none to fix up their homes. It began about 30 years ago.

The idea is to revitalize what is already there, and Commissioner Bellew discussed the benefits of doing so. There will be impetus for other people to do infill. For many in the Northwest Quadrant, their home is their generational wealth. It has a stabilizing effect on the community to preserve home ownership.

It's an affiliate-centric organization. He showed lists of the many benefits of affiliation. He discussed the average affiliate's operating budget, projects, etc. Two-thirds are governed by volunteers but staffed with paid professionals. He showed some of the national initiatives. Rebuilding Together holds its affiliates accountable to standards, and Commissioner Bellew said that's one of the things he likes about the program, but they're also not so strict that the organization can't be expanded. Among its strengths, he said the organization is cost-effective and experienced. He went through more benefits to the community of such a program, including eliminating the flight out of downtown.

He showed a graph of the foundation/focal point to other groups and neighborhoods. Habitat for Humanity doesn't want to be in the rehab business, and this would let them concentrate on building while Rebuilding Together worked on rehabbing homes. There's no entity like this now, and other groups know one is needed. Rebuilding Together can possibly partner with municipalities, not-for-profits, other neighborhoods, county, Redevelopment Commission, volunteers, businesses, TCL, etc.

He discussed the various aspects of what the organization would do in Beaufort specifically. He used an example of a homeowner on Prince Street who could take advantage of a financial services division in the group for an additional home he owns, other than his primary residence. Commissioner Zara asked about heirs' property, and Commissioner Bellew said there would be a lawyer on the board who could offer advice on that.

Commissioner Bellew said there's no means for emergency services/repairs. An elderly woman with an exploded water heater needed to replace it, and it took 3 weeks because she was sent

all over the place when seeking help. With Rebuilding Together Beaufort, people would have a single place to call.

This would also provide an organization that could help with resources for disaster relief if necessary. Ms. Hughes suggested that piece would be critical and used New Orleans as an example because so many very low-income people didn't know where to go or how to get the money for repairs that needed to be done. Commissioner Bellew said Rebuilding Together has been in New Orleans since before Katrina and are still there to help. This organization would be politically neutral and not tied to a government entity. Northwest Quadrant residents will be less hesitant to deal with an entity that's not tied to the city. Rebuilding Together would not want to rely on any one source for funding. Commissioner Bellew said momentum is on the side of this group in Beaufort now. Everyone's plans acknowledge that revitalization is the way to go, not sprawl.

Regarding next steps, Commissioner Bellew showed a map of the Northwest Quadrant and said it's possible to revitalize all the area's decrepit buildings in just a few years.

He wants to start an organization and have it staffed. He's currently talking to the county; the affordable housing consortium has funding to address housing concerns. That program disintegrated because the county didn't allocate money to rehire. Commissioner Bellew asked about the money left (\$300,000) and asked for it for Rebuilding Together. The county asked for a roundtable with all the people and groups he said could be partnered with, council, not-for-profits, etc. and county wants to hear if they truly support what Commissioner Bellew wants to do and see whether this organization is scale-able to the entire county. They understand that the group wants to start in the Northwest Quadrant.

Commissioner McNally said he was at a meeting about abandoned and vacant properties in the Northwest Quadrant, and there are about 30 of them. He said the group is trying to come up with creative ways to do what Commissioner Bellew is talking about. He suggested Commissioner Bellew might sit in on the meetings in the future. Mr. Dadson said another issue is "tripping over history" and not being able to demolish buildings that are historic. Commissioner Bellew suggested that this organization could have a positive effect by working with some groups where other organizations may have had contentious relationships in the past. There was further general discussion of current efforts in the Northwest Quadrant and the players involved with that.

Commissioner Bellew brought up a letter he'd sent the committee discussing a potential conflict of interest arising with his position on the commission when Rebuilding Together opens. There was discussion about how that would start up, and he said he's planning to be the executive director. Commissioner Barnhart made a motion, seconded by Commissioner Zara, to accept Commissioner Bellew's letter as written and reconsider it again in six months when the plans are firmed up, unless something arises to change matters. The letter is entered into the record and attached to the minutes of this meeting. The motion passed 5-0 with Commissioner Bellew abstaining. Commissioner Verity had left the meeting.

DISCUSSION ON WORK GROUPS

The commission’s work groups will be comprised to achieve the goals established at the retreat.

Neighborhood level focus on Infrastructure: Ed Barnhart, Mike McNally, and Bob Pinkerton
Liaison with Planning Commission; Form-based code; Boundary Street; Bladen Street; Grants;
Infrastructure Development

Create an Economic Prosperity Plan: Denise Bolin, Martin Goodman, and John Verity
Finance; Entrepreneurial; Jail Site; Hospital; TCL; USCB; Downtown Buildings

Community Building, Technical Support to Historic Neighborhoods and Property Owners;
Energy Efficiencies Incentive; Low Cost and Workforce Housing: James Bellew, Gene Rugala,
and Wendy Zara

Mr. Dadson said if the commissioners need support, staff is available, but staff can’t do everything. He showed the commission various staff objectives for transitioning in the next 18 months. Staff will be responsible for cross-coordinating the Redevelopment Commission with the Planning Commission. They have partners and contractors to help them do this. He showed what staff support of work groups will be. He said the Redevelopment Commission is way ahead with their work plans and are working differently than the Planning Commission. Harley Laing was at the Redevelopment Commission retreat so there has been some effort in that direction.

Chairman Pinkerton affirmed that Mr. Dadson intended for the teams of three to come together with staff first, so he suggested different groups pick a time to meet with Mr. Dadson.

ADJOURNMENT

There being no further business to come before the Commission, Commissioner Barnhart made a motion to adjourn, seconded by Commissioner Zara. The motion passed unanimously, and the meeting was adjourned at 6:00 pm.

ATTEST: _____
IVETTE BURGESS, CITY CLERK

April 24, 2010

James M. Bellew, Jr.
219 Scott Street #140
Beaufort, SC 29902

To: City of Beaufort City Council and Beaufort Redevelopment Commission

RE: Establishment of Rebuilding Together Beaufort / Formal letter of conflict of interest

Dear City Council and Redevelopment Commission Members,

Over the past several years I have, with great appreciation, served on the Beaufort Redevelopment Commission. During the course of my service I have discovered a number of opportunities to help accelerate the revitalization of our neighborhoods. It is my opinion that this acceleration can best be served from the establishment of an outside community service organization.

Per the rules of conduct established by the South Carolina Ethics Commission I am writing to formally inform you about a conflict of interest that I have with regards to the establishment of Rebuilding Together Beaufort. As you may already know, I am in the process of establishing a Beaufort affiliate of the national non-profit, Rebuilding Together, which will operate to provide home/neighborhood revitalization, repair services and financial coordination/options for our low income, disabled, aged, veterans and in-need homeowners. It is my intention to become its initial Executive Director. Since this organization will be seeking/lobbying for strong partnerships with the city and county of Beaufort, the Beaufort Redevelopment Commission, as well as various other municipalities, boards and commissions and since I stand to profit from the establishment of this organization in the form of employment I have a "conflict of interest" which I am formally and officially disclosing to the city and the Redevelopment Commission.

As part of my disclosure I am informing you about this conflict. I ask that the members of the City Council and the BRC ensure that I handle this conflict with appropriate professionalism. At some moment I will need to officially resign from my commission appointment and I will look for your guidance as to the proper time and process.

Very truly yours,

James M. Bellew, Jr.
Commissioner, Beaufort Redevelopment Commission