

A meeting of the Beaufort Redevelopment Commission (RDC) was held on January 16, 2018 at 7:00 p.m. in the Beaufort Municipal Complex, City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Chairman Jon Verity, Commissioners Mike Sutton, Mike McFee, Nan Sutton, Steven Green, Stephen Murray, Billy Keyserling, Phil Cromer, and Bill Prokop, city manager. Commissioner Frank Lesesne 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 Redevelopment Commission meeting to order at 7:07 p.m.

MINUTES

Commissioner McFee made a motion, second by Commissioner M. Sutton, to approve the minutes of the December 5, 2017 Redevelopment Commission meeting. Chairman Verity said on page 4, Graham “Carter” should be Graham Kerr. Commissioner Cromer and Commissioner Murray were absent from the meeting, so they abstained from the vote. **The motion to approve the minutes as amended passed 6-0.**

CONSIDERATION OF REFINING THE RDC INITIATIVE GROUPS’ STRUCTURE

Chairman Verity thanked the commissioners for reviewing and updating the strategic plan that was created last year. **Deborah Johnson** has prepared notes for the commissioners on all of the initiatives to show the changes that were made, he said, and he asked the commissioners to make comments on the goals in their respective initiative sections. A handout was given to each of them.

The economic development initiative group would remain as it is, Chairman Verity said. He reviewed the initiatives under economic development. Commissioner Murray said he doesn't expect much change from the plan determined at last year's retreat, when a 2-year strategic plan was created.

Ms. Johnson said the downtown group had “passed over” 2 initiatives to the economic development group, but the economic development group didn't feel it should take them on. There will be more discussion of this when the downtown group is covered, she said.

Chairman Verity said Commissioner McFee and Commissioner Cromer would be co-chairs of the “infill and affordable housing” group. The city's affordable housing partners have land now from the city, he said, and he reviewed the initiatives under this group. Generally, Chairman Verity said, there will be public notice of all of the initiative groups' meetings, so the public can attend.

Commissioner N. Sutton is the chair of the downtown group, which would include Waterfront Park and the marina. Chairman Verity reviewed key initiatives of the group.

Chairman Verity reviewed ideas that have been discussed about marketing and redevelopment

potential for Boundary Street and creating incentives for existing businesses there.

Chairman Verity said the idea is to consolidate the initiative groups into three committees, and to include in them as many people who are not on the RDC as would like to attend. He said he hopes Commissioner Green and Commissioner Lesesne will also participate as much as they can.

Commissioner McFee asked Ms. Johnson about the 2 initiatives that the downtown group wanted to give to the economic development group. Ms. Johnson said the downtown group has taken “a major shift in direction,” to “focus on working with” various downtown groups “as much as possible on shared initiatives.” The group will “continue to look at Waterfront Park and the marina as a long-term project,” she said.

Ms. Johnson said the first item Commissioner McFee had asked about was “working with business resources in the area” (e.g., the chambers, the small business development group, the Don Ryan Center for Innovation, etc.) to create “some kind of communications piece” for the city’s website and to give to merchants and lodging places for people who want to start a business in Beaufort. It was decided “this is more of a communications issue” than it is an RDC initiative group issue, she said, so Mr. Prokop will be working with city staff on creating this piece.

The second item was “the incentives program,” Ms. Johnson said. The downtown group decided that “whatever group is one of the management groups downtown would be better suited to create that,” but then it was decided that a “global incentives program” should be created “that included all types of businesses, and combine that with the incentives program that the economic development group is creating,” she said. The economic development group determined that the incentives for downtown businesses “should be left under [the] downtown” initiative group, Ms. Johnson said, “and then work with whoever the partnering organizations are to figure out what that is and apply for funding through that program.”

Commissioner Murray said the “conversation in the committee meeting” was that the economic development committee and the City of Beaufort “try to be very clear about our definition of economic development, and that’s specifically trying to grow the primary job base and diversify over the industries that we currently have.” He has some concern “about muddling that definition” if they bring in incentives that “work toward retail, commercial, and other types of businesses that we already have a . . . solid foundation of within the city.” He thinks downtown incentives should be explored, but he doesn’t feel that is appropriate for the economic development group to do.

Commissioner Murray said he feels they should be “very careful with incentives” and about “who we give incentives to.” Offering incentives to secondary businesses doesn’t “grow the economic pie,” or create new economic activity, he said, but offering them to primary industries does.

Mr. Prokop said he's been meeting with banks and has asked them about programs they could develop for incentives, such as low-cost loans; the banks should have their ideas ready in the next week or two.

Ms. Johnson said it had been suggested that some of the RDC's initiative groups could bring people in who are not on the RDC. Commissioner Murray said the commissioners should think about how resources can be leveraged so that they offer "more than a committee meeting," which is something the economic development group doesn't have. They go out and do their work, he said. He's hesitant to bring in talent and then have those people come to meetings, he said, with nothing for them to do outside of those meetings. Commissioner Keyserling said he's thinking more of having those people leading projects, such as infill and redevelopment. Chairman Verity gave an example of developing a board for the Beaufort Digital Corridor (BDC) as "furthering citizen engagement."

RECOMMENDED UPDATE TO THE STRATEGIC PLAN FOR RETREAT DISCUSSION

Ms. Johnson said there have been some changes to the goal sheets, and she will be sending them to the retreat facilitator. She asked the commissioners to look at the "Strategic Plan Second Quarter Update" and offer any changes that should be made to the suggested language for the second quarter before it goes on the city's website; Mr. Prokop will also "add it with the staff reports and create . . . the second quarter report," which goes out to the public.

Ms. Johnson discussed other changes and corrections to be made to this document. The RDC meeting schedule is also attached, she said; some of the dates are tentative.

Mr. Prokop said city council had discussed the possibility of having 2 work sessions – rather than 3 – each month, with the RDC meeting taking place at 5:00 p.m., not 7:00 p.m. He described the change to the language in the ordinance. Commissioner Murray asked if the RDC needs to meet monthly or every other month. Chairman Verity said it seems there is "a meeting and a non-meeting season." He and Mr. Prokop had discussed this, he said, and there are only 8 to 9 RDC meetings a year because "a couple meetings are skipped" in the summer and during the holiday season.

Commissioner Keyserling said what is unique about the RDC now is that its work is done in the initiative groups, so as long as the groups work, the RDC works, and reporting could be every other month; he'd prefer to see the work being done over meetings about it.

Commissioner M. Sutton said there were not work sessions when he started on city council, so he pushed for them in order to discuss matters that wouldn't otherwise be discussed before they were voted on. These work sessions were necessary, but "it was never intended to be a mandated 3 times per month," he said. Work sessions are now "a scheduled event" that the city manager and mayor sometimes have to find ways to fill. Commissioner M. Sutton feels council has "a lot of work session agendas" that are "without a lot of substance."

Commissioner Murray said he likes the work session format, but for 3 or 4 months, he feels

there have been work sessions that “weren’t strictly necessary” to have. He feels the same way about the RDC, but because it is advisory, rather than “a true redevelopment commission,” these meetings are more of “an update format,” so he’s not sure if they need to be held every month.

Chairman Verity suggested looking at the schedule and eliminating the meetings now that the commissioners know are likely to be cancelled. Mr. Prokop said he needs to look at the statute to see if boards and commissions are required to meet monthly.

Commissioner McFee said the commissioners should be cautious so they do not “confuse the public.” Chairman Verity suggested coming to the next RDC meeting with some suggestions.

Strategic Goal #1

Commissioner Murray reviewed Goal #1 of the strategic plan. Rapid residential development has created a lot of pressure, he said, and while this is a type of economic development, it’s not the type that the city is specifically going after. That development “happens naturally through free market work,” he said.

Commissioner Murray reviewed the “measures of success” and the dates within which the economic development group’s projects would happen, as well as highlighting the initiative group’s objectives. Some of those objectives have happened in whole or in part, he said.

Commissioner M. Sutton discussed the difference between economic development and “economy development,” which is dependent on what is happening in the national economy.

Under “New Projects” on page 2 of strategic plan update, there is “a lot about commercial development within the city,” Commissioner Murray said, and he thinks those projects should be moved somewhere other than under the economic development group. He asked if the “infill” initiative group’s focus is citywide, and Commissioner McFee said it is. Commissioner Keyserling said he feels commercial development could go under “infill,” but there has been a question about “why we are restricting the economy-building to downtown.” Ms. Johnson said the commercial development could be deleted from this update, or it could be “put . . . under infill”; she doesn’t feel it should go under “downtown,” though, if the development is not happening downtown.

Commissioner M. Sutton said there are many businesses opening on Highway 170, and they should be invited to a roundtable “to establish contact” with the city. Commissioner Murray said Commissioner Lesesne had brought up the idea of having “a point person” who is the liaison for people who want to open businesses; this person could shepherd people through that process in the city. He asked if this is the appropriate time to make that investment. Mr. Prokop has been handling “primary prospect traffic,” Commissioner Murray said.

Mr. Prokop said he hasn’t gone out to other businesses. Commissioner M. Sutton asked if that wasn’t the Chamber of Commerce’s function at some point. Commissioner Keyserling said he’s

been to KFC, Taco Bell, and Grainger, and those businesses told him that the Chamber of Commerce will “do a ribbon-cutting and offers a ‘Business After Hours’,” but the organization charges the businesses “to do it.” He thinks “it’s really business development for the city, rather than to distinguish it from primary to the secondary jobs,” but it “also could go with . . . ‘growth and retention.’”

Mr. Prokop said, “From a staff point of view, we failed on our communications goal #2” from a PR perspective, especially in terms of press releases, though social media efforts have improved, so he thinks the city needs “a communications person,” and maybe that person could also be a contact person for businesses; the city would need to look at the cost of doing that. Commissioner M. Sutton said he’s not sure that’s a staff person’s job to do; he thinks there should be a “civic leadership roundtable” on a regular basis. Those businesses don’t necessarily want to talk to a city representative but to “other civic leaders,” who could sit down with new businesses and discuss “how things are actually going.” He feels the mayor’s office could start this, inviting businesses to come for coffee and to talk, with “a new player each time.” Chairman Verity said the mayor could do that, with individual commissioners attending at various times.

Commissioner Murray said he feels the city process to open a new business should be easy enough that there shouldn’t need to be secondary staff to shepherd businesses through. Commissioner Keyserling said the city has been “converted to being the quarterback,” rather than “a wall.” He said he’d be happy to host coffees for new businesses.

Commissioner Keyserling said that there was a discussion about a supermarket that could be approached about opening in Beaufort, but it was never resolved how to approach them. He would make the approach, he said, but he doesn’t know what would be best. Chairman Verity feels “the mayor’s office would be a good place for that to happen.”

Strategic Goal #3

Commissioner N. Sutton said in the downtown initiative group’s meeting, they pared down specifics that they felt the RDC shouldn’t be doing. Someone is now working on a strategic plan for downtown, she said. She feels that a downtown property and business inventory is something that Ms. Johnson is doing a good job creating, but they haven’t implemented that properly.

Lise Sundrila’s report comes out in February, but a summary will be available on Friday, Mr. Prokop said.

Commissioner M. Sutton said the marina part of this is at “a standstill” because of budget and political issues. If there is not a finely detailed study and level of planning, he said, he doesn’t see how the marina could be part of the capital plan. Chairman Verity said they know what Sasaki has offered, but it can’t be in the budget until the next fiscal year; they could discuss it at the retreat. If there is to be a real plan, he said, it would be nice to have a world-renowned group doing it.

Commissioner M. Sutton said he's also been "speaking about specific operational pieces," which he thinks should be done in an executive session. Mr. Prokop said he has discussed this with **Bill Harvey**, the city attorney, and learned that the city would have to do an RFP for anything pertaining to the park; they could not "just hire Sasaki." Ms. Johnson told Commissioner M. Sutton that there had been a small group discussion, which he'd missed, and there were ideas about the staff "making the transition you've been talking about" and creating "a transition plan."

Strategic Goal #4

Commissioner McFee reviewed Goal #4 and some of the initiative group's objectives, as well as the quarterly update.

Chairman Verity said there had been discussion of landscape maintenance on Duke Street. Commissioner McFee said staff is being involved in this discussion. Mr. Prokop said he spoke to Mr. Harvey about simplifying the process, but Mr. Harvey said they should keep doing it the way they are doing it. Commissioner McFee said they need to make it work, so perhaps the ordinances should be changed if the process is too difficult for people to take advantage of it.

Commissioner McFee said the group doesn't want to give the impression that there will be streetscape improvements to *all* streets in the downtown area.

Commissioner M. Sutton asked about incentives from BJWSA. Commissioner McFee said, "Our incentives related to the lateral placements of water and sewer lines," so if they were there already, there was no incentive; this incentive was for unimproved properties that never had those. He and Commissioner M. Sutton discussed this, particularly concerning a project that Commissioner M. Sutton is familiar with, which he asked for someone to talk to the property owner about. Ms. Johnson said they could do that, if Commissioner M. Sutton provides the property owner's address. Commissioner M. Sutton discussed what had happened with the sewer, which needs repair in order for the owner and his family to live there. Ms. Johnson and Commissioner McFee agreed to look into the problem, and Commissioner McFee asked Mr. Prokop for help making contact with the owner.

Strategic Goal #5

Commissioner Cromer reviewed Goal #5 and some of the affordable housing initiative group's objectives, including reaching out to the Beaufort County School District and an advocacy platform with the state and county to develop affordable housing. Ms. Johnson said this initiative group set more realistic goals by cutting back from 4 "measures of success" to 2.

Commissioner McFee asked for clarification about what was meant in objective #2 by ensuring that "'housing that is affordable' remains in the affordable category in perpetuity or for a significant period." Commissioner Cromer said it refers to covenants. Commissioner McFee asked if it was a reference to "deed restrictions." The response from several people was "yes," and a general discussion followed how this is being done in Charleston and about some new

programs offered by banks. Ms. Johnson said the group's idea was to put together a toolkit "of the different kinds of things we might want to look at, just to ensure that we don't bite off a project that has city investment in it that doesn't hold true for long-term 'housing that is affordable'."

BOUNDARY STREET

Commissioner Murray said there had been a discussion in the past about a façade improvement program with mini- or micro-grants offered to Boundary Street businesses from contingency funds. Mr. Prokop said staff is checking with bond counsel to ensure this can be done on private property. Commissioner Murray said, "There are multiple pots of money in the contingency" fund that could be used, such as sales tax and property tax money; "it's not all TIF 2." Commissioner McFee replied, "We couldn't use any of that money. We would only be able to use TIF 2 in the district." Commissioner Murray feels the façade improvement grants are a good idea, "regardless of where the money comes from."

Commissioner Murray said it seems there will be "a relatively large pot of Boundary Street contingency fund money left over," and a significant amount will be spent on Pick Pocket Plantation and Greenlawn Drives, but there are also "outstanding issues," such as "extra medians" and "the parallel road." He said he doesn't know when council or the RDC would discuss that, "but I would like us to have that conversation sooner, rather than later."

Mr. Prokop said by February 15, they should have a clear idea about "financially what's there," so they will know how much they have to spend to do each of the things "on the list" (e.g., "the little bypass area, fixing the median" in front of City Hall). They will then need to discuss what the priorities are. He said Commissioner Murray was correct that "we expect [to have] a significant amount of money . . . from the project . . . to be able to utilize to make improvements," and they will want recommendations about that. Chairman Verity said he feels this is a council issue, not an RDC issue. Commissioners Murray and McFee agreed.

Commissioner M. Sutton asked, if there is contingency fund money available "from the TIF district," if they could "legally buy down the debt on the burying of [the] power lines, so that you don't have that . . . surcharge." He asked if this shouldn't be the first priority, "and then go after the other things"; some of the money that's not being spent on the project could be used to help reduce the amount city residents have to pay on their power bills. Commissioner Murray said the "façade improvements" would require "an insignificant pot of money." He thinks for "right-of-way acquisition" for the parallel road, it would be "a greater priority [to use] what money we have to . . . purchase property at today's rate" rather than at the "ten- year rate." He said he doesn't know if this would be "a better investment for city residents," but he thinks "we need to . . . put all that on the table" for "debate." Mr. Prokop said they also have to know find out the amount from SCE&G that it will be adding to residents' bills as a surcharge; the company is to deliver that number within the next month.

Mr. Prokop said the 6-month review of the Beaufort Code will take place in February work sessions.

Mr. Prokop said work is set to begin work on Pick Pocket Plantation Drive, but there needs to be an arrangement made between **Neil Trask** and the businesses there about their leases and the private access road. This is a private development matter and has nothing to do with the city, Mr. Prokop said.

The city expects Boundary Street to be completely done by the end of March, Mr. Prokop said, which will be 3 months ahead of schedule; the city and the county will have a ribbon-cutting in April.

Commissioner Cromer made a motion, second by Commissioner McFee, to adjourn the meeting. The motion passed unanimously, and the meeting ended at 8:33 p.m.