

A meeting of the Beaufort Redevelopment Commission (RDC) was held on March 20, 2018 at 6:00 p.m. in the Beaufort Municipal Complex, City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Chairman Jon Verity, Commissioners Frank Lesesne, Mike Sutton, Mike McFee, Nan Sutton, Steven Green, Stephen Murray, Billy Keyserling, and Phil Cromer, and Bill Prokop, city manager.

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 6:04 p.m.

MINUTES

Commissioner Murray made a motion, second by Commissioner M. Sutton, to approve the minutes of the January 16, 2018 Redevelopment Commission meeting. Commissioner Cromer said on page 4, at the end of the 7th paragraph, “she doesn’t feel” should be “she doesn’t feel.” Commissioner McFee said, on page 6, in the second paragraph under “Strategic Goal #4,” the stenographer should listen to the audio because “there’s something missing from that conversation” in the minutes because “none of that makes any sense.”

A verbatim transcript of the paragraph in question follows – steno.

Chairman Verity said, “We did have some discussion around landscape maintenance because, on Duke Street, in the sense that it’s sort of on the bottom of the list of things that need to be done. On the other hand – ”

Commissioner McFee said, “I’m actually having a staff meeting later this week, but I haven’t had a chance to review a lot of this specifically. Kathy has already worked on incentive analysis for us for Duke Street and moving forward into Washington, and we’re going to very specifically identify properties that were incorporate [sic] into that, then talk about processes and our incentive forms moving forward, as well as the technologies, but also both the CIP and Public Works and/or contractual issues.”

Mr. Prokop said, “To add to that, I talked to Bill Harvey today, trying to see if we could not simplify the process, but without getting into all the details, the process we have now, we have to – his [Mr. Harvey’s] recommendation [is] we keep. Because to me, if we said to the person, ‘OK, your fee’s \$1,000, but we’re giving you a 50% discount, so you just pay \$500,’ it’s simple. It does away with all the administration that we’re doing because they have to pay us \$1,000, and we have to do [the] thing, then we have to write them back a check, then we have to give them a W-9, etcetera. He said that’s the way we have to do it without doing ordinances each time, so that we should – best to keep the way we’re doing it, without getting into legal trouble. And the other thing is, we’ve had – you could put on one hand – the total number of people that have taken things that [unintelligible] people, and it’s very minimal money.”

Commissioner McFee said, “Which is counterproductive to what you just said. If the process and procedure eclipses the benefit for the individuals, then the process and procedure needs to be changed.”

Mr. Prokop said, “I was hoping he would say, ‘Here, we could change it because it is so few,’ but he’s saying, ‘Legally, you should – you really need to do it the way you’re doing it.’”

That doesn't mean we don't push it further, but –"

Commissioner McFee said, "I understand."

Chairman Verity said, "Keep working on it."

When Commissioner Green said, "I'm missing something in there," Commissioner McFee said, "From a procedural and a process standpoint, by giving incentives, we're actually – in reducing incentives, we're actually, we're rebating money back to individuals, and by rebating money back to individuals, there is a process by which you have to account for a credit to the property owner when you do that. And it can generate a tax ramification, which it was never the intent of what we in–, what we wished to do. So we need to analyze our ordinances to see why we can't initiate a reduction in it as part of an incentive as compared to a rebate to an incentive, which is basically the process. But that's far more minutiae than you all need from the standpoint that it's – it's an unintended consequence of what we were trying to do, and our ordinances don't really provide for us doing it the way we want to do it to make it most streamlined and efficient for our citizens and for staff, so we have to figure a way to make it work."

The motion to approve the minutes as amended passed unanimously.

BEAUFORT COUNTY ECONOMIC DEVELOPMENT CORPORATION

John O'Toole, executive director of the Beaufort County Economic Development Corporation (EDC), gave the commissioners an "executive report" he'd given to the EDC board and described his recent activity on 28 projects across the county, which does not include business retention projects. He will be going with the Department of Commerce, Boeing, and a representative of another county in South Carolina to an air show, which will be "a great opportunity." Mr. O'Toole said, "Beaufort wasn't really on the state's radar screen," so the interest in the county by the Department of Commerce is "testimony . . . to the faith different communities put in economic development at this point in time." People from Commerce have also asked him to show them around the county during an upcoming meeting in Hilton Head. "At the staff level," this community is recognized as one that "should be getting . . . leads," he said.

Mr. O'Toole said a lot of work was done a year ago to create a work plan, and the EDC board is looking to put a new work plan together. All but one item in the previous work plan has been completed since the organization was "stood up," he said; only "creating metrics to measure success" remains undone from that plan.

Mr. O'Toole said there are approximately "88 targeted site selectors across the United States," and in the last 3 weeks, he's "physically visited with 12 of them" in Greenville and Nashville, and he hopes to get to Atlanta to meet more site selectors there. He's been working with the Southern Carolina Regional Development Alliance (SCA) on marketing, and said the SCA expects 13 more site selectors to be in Beaufort County "around the Heritage" golf tournament, which will be an "opportunity to pitch our community at that time."

Mr. O'Toole discussed a project that originated with a Beaufort resident who had done consulting with "a Canadian company that wants to build 100,000 square feet" and "employ

200 people in an environmentally conscious industry.” He said, “This story is going to highlight...the great opportunity we have and the great challenges that we have.” The Beaufort resident brought investors with the Canadian company to a meeting that included Commissioner Murray and Mr. Prokop and a visit to Commerce Park. At the end of their day in Beaufort, Mr. O’Toole said, the investors said they “absolutely get it”; they loved the area and “get why Beaufort’s a fit” for the company.

Mr. O’Toole went on to discuss Project Fidelis, which will work to retain exiting military in Beaufort County with “meaningful employment.” He said workforce retention has been part of many economic development plans in this area, but he believes what’s important is “execution and making things happen,” not just making plans. He recognizes there are “cynics out there when it comes to economic development,” but the EDC hopes to have “some early successes,” and “this is a great economy to do [that] in.”

Mr. O’Toole returned to the story about the Canadian prospect, saying their issue was that they expect to have equipment delivered from where it’s being built overseas, so they “need 100% ...confidence that the building would be ready.” He said, “We probably could get a building up in 8 months,” but there are “some questions about state permitting.” There is “great confidence” about local permitting, but there’s “a little less confidence” about state permitting, such as with OCRM (Ocean and Coastal Resource Management) and DHEC (Department of Health & Environmental Control).

Mr. O’Toole said, “We’re in the midst of master planning” Commerce Park with building footprints and parking, and then they’ll “walk up to three of those sites through the planning process,” including “all the state permitting processes,” so they’d have that ready when a prospect is brought in. The step after that would be to find an investor, or funds in partnership with the SCA, “to stand up a spec building that we could sell,” he said.

Mr. O’Toole said the natural environment is very important to the community throughout Beaufort County, and he will keep that in mind, and will balance that with the need for “meaningful employment” for those who live here. He has tried to reach out and receive counsel about “where the landmines are.” It’s important to build trust with “all parts of the community,” he feels.

Mr. O’Toole discussed business retention projects, such as a company that was planning to move to Savannah but announced it would be staying in Bluffton, and Dust Solutions in Commerce Park.

Mr. O’Toole said Commerce Park is “the best piece of product that I have to market.” The city administration is doing “great work” with infrastructure in the park and on getting proviso funds, he said, and the EDC board “is going to take it up tomorrow to try to get this year’s allocation earmarked” to support paving in Commerce Park.

Mr. O’Toole said he finds that the bulk of the leads on prospects come from people already

living in the community. The warm weather here is appealing to many of them, he said, because they “don’t want to go back” to cold weather in more northern states.

Mr. O’Toole said he is going to hire a lead generator to work the Internet; he puts appealing photos of the area on Twitter, as well as stats and “anything that would positively reflect the community.” He’s working with the Hilton Head/Bluffton Chamber of Commerce to feature South Carolina and Beaufort County as a destination for Israeli businesses.

Mr. O’Toole said he and a realtor had met to discuss creating incentives for brokers to bring businesses to Commerce Park. Rather than “going into business with just one broker,” Mr. O’Toole suggested the city could “get it out to the brokerage community that if [brokers] move a parcel” of “significant size” in Commerce Park, they could “earn an amount that [the city] would be comfortable with” (rather than a percentage of the value of the land because of the variation in the pieces of property in Commerce Park) to “create another channel to generate some interest in” bringing businesses to Commerce Park.

It’s “kind of a South Carolina standard” to have a spec building, Mr. O’Toole said, and his next step with that is to “try to bring a site” in Commerce Park “through the process” for a building of more than 100,000 square feet “that fits the needs of this Canadian company that I mentioned earlier”; if someone wanted a 90,000 square foot building, it would fit within that footprint. In addition, there would be planning for “some smaller buildings” in Commerce Park, he said.

Mr. O’Toole said his offices are at 110 Traders Cross in Okatie/Bluffton. Commissioner Murray said the Canadian prospect was “a good exercise for us.” He was “very proud of the team” of representatives from Beaufort for showing the prospect how its business could “thrive and be very successful here.” The SCA tracks prospects, Commissioner Murray said, and “the time that prospects are looking to relocate is being compressed” from “a couple of years ago” – when they sought to relocate in “18 to 24 months” – to now, when “it’s down to about 8 months.” When the permitting processes with DHEC or OCRM take 90 to 120 days, he said, even if a developer puts up a building in 6 or 7 months, it would be hard for Beaufort to compete with “other areas that have product in the hopper, ready to go.” Therefore, Commissioner Murray said, they’re working on bringing forward a “package,” going through the permitting process, and “potentially even [preparing] the site” so when prospects “are ready to pull the trigger . . . we essentially hand the plans over, they select the developer that they’d like to work with and can get the building up in a more expedited process.”

The lead on the Canadian prospect came from a local retiree who has maintained manufacturing contacts, Commissioner Murray said, so he asked commissioners to get in touch with Mr. O’Toole if they know of or learn about any businesses that might consider relocation.

Commissioner Cromer said Mr. O’Toole’s handout states that “the South Carolina Port Authority is interested in Beaufort’s labor force,” and he asked if that is “to do with the Jasper port or . . . something totally different.” Mr. O’Toole said, “It’s about the Charleston Port.” The

workforce here is a way to “create a brand for ourselves,” he said, so it’s important to keep exiting military employed here before they go back to their hometowns, so prospects know that they’ll be able to have the employees they need if they locate their businesses here. He described some of his efforts, including “tapping into the transition assistance people out there,” because if “we [can] deliver on” the idea of “this Beaufort workforce,” and companies like Volvo, Boeing, and Gulfstream “find out that Beaufort’s really tapping into this,” then “our reputation’s going to grow for those other suppliers who want to be here.”

Commissioner Keyserling said TWEAC (Transitional Workforce Educational Assistance Collaborative) is a nonprofit funded by the Department of Commerce; Mr. O’Toole said the EDC has been pulling all such organizations together that deal with transition assistance and “job creation.” Commissioner Murray said Mr. O’Toole had recently coordinated a meeting that included TWEAC, Technical College of the Lowcountry’s transitioning program, “some folks from Duke,” Department of Employment Workforce, ReadySC, and liaisons from county council and city council to “figure out how they can coordinate and cooperate better” and to work on the Fidelis program. Mr. O’Toole added that USCB is “standing up a master’s program in computational science,” which will be “another story [about] workforce that we’ll be able to tell” prospects.

CODE IMPROVEMENT AND CHANGES

Mr. Prokop showed energy savings in city buildings thanks to the energy savings program.

Mr. Prokop said he has been meeting with **Libby Anderson** and **Lauren Kelly**^[SEP] about the new Beaufort Code. It was agreed that it would be reviewed after it had been in place 6 months. He collected comments from developers and city council. Ms. Anderson and Ms. Kelly are going to make the code as business-friendly as possible, Mr. Prokop said, and ensure that it will “give the best . . . service” to the public. There will be review of the code concerning signs, the Arts District Overlay, and review boards, he said. The impact fees from BJWSA or the county, for example, are significant for residential and commercial developers, Mr. Prokop said, and he thinks that the RDC should discuss these fees. The county’s development code is also meant “to be more business-friendly,” he added.

Ms. Anderson discussed various reasons “why we have zoning.” She showed an image from Houston after Hurricane Harvey, which “used to boast” about not having zoning. 185,149 homes were damaged or destroyed, and 35,000 housing units were destroyed, as a consequence of not having regulations.

Ms. Anderson discussed the purpose of the Beaufort Code and what it is meant to achieve, as well as how that correlates with the city council’s strategic goals (e.g., promotion of appropriate infill, supporting public infrastructure investments, and “housing that’s affordable”).

Ms. Anderson said, “We think the code is working,” and there’s been an uptick in development, which is at the highest level it’s been in 3 years.

The biggest bump has occurred in commercial development, she said, and includes Craven Cottages, an electric supply store (City Electric), and the Black Chamber of Commerce mixed-use building.

Recently issued permits include those for student housing on Boundary Street, Discount Tire & Auto, and the Island Shops in front of Walmart on Lady's Island, Ms. Anderson said.

Projects in the permitting process include Springhill Suites on Boundary Street, Lidl grocery store, another pump station, and an addition to Beaufort Memorial Hospital, Ms. Anderson said.

Projects that have completed design review, Ms. Anderson said, are Taco Bell on Sea Island Parkway, Tru by Hilton, Pine Court Apartments, and a Harris Teeter grocery store and a gas station on Lady's Island.

Projects currently under design review are phase 2 of the student housing on Boundary Street, the Butler car dealership, a 3-story county office building on Ribaut Road, the downtown parking garage, and a hotel at Scott and Port Republic Street, Ms. Anderson said.

Ms. Anderson said trends under the Beaufort Code have included lot-subdivision inquiries and applications, alternative development pattern interest (e.g. cottage courts, which are 2 and 3-unit buildings), and fewer zoning variances being sought for setbacks and lot sizes.

Ms. Kelly said it's important to remind people of the value of design standards, which the city has had since at least 2003. She discussed the reasons for having them. When the Comprehensive Plan was developed, and the focus was put on infill, design standards are important to ensure the quality of all of the buildings that are built, so they enhance the city; otherwise, there is fear about the density of construction in the area. There are also economic benefits to having design standards, Ms. Kelly said; she quoted the Beaufort County assessor about how design standards have an impact on the market value of property. Also, predictability is important to developers, neighbors, and the general public, she said, and she provided examples of each of these.

Ms. Kelly said if the city wants the design review process to be streamlined, then the standards have to be clearly communicated. She showed examples of the importance of design review, using Dollar General and Family Dollar stores as examples. The Firestone tire store is currently under staff design review, and she showed how that had brought about changes to the design, which the developer brought back new plans for about 3 days after staff gave its suggestions. Ms. Kelly showed the original design of a KFC building proposed under the old code and the building that was built because of the new code's standards for signs, for example, so the building fits into the Lowcountry better.

Ms. Kelly used the Beaufort Code's landscaping requirement as an example of "perception versus reality" about the code's restrictions. She said there is a perception that landscaping

always has to be done, and that the code's requirements for landscaping are "burdensome." She said the reality is that if a building is "being enhanced" (e.g., it's not just having HVAC work done), and its landscaping is not in compliance, a percentage of the construction costs have to be spent to bring it back into compliance with current standards. The laundromat on Ribaut Road is a good example of this, she said, as is the Oasis Inn on Boundary Street, which did this and enhanced the look of the building and its property value.

Ms. Kelly said there's a perception that sign regulations in the Beaufort Code are very restrictive, but in reality, research has shown that Beaufort's is one of the "more liberal sign ordinances in the region"; most are stricter than – or comparable to – Beaufort's.

Ms. Kelly said if commissioners hear from people with concerns or questions about the standards of the code, they should let her, Ms. Anderson, or Mr. Prokop know about it, so staff can talk to those people.

Ms. Kelly said they are currently looking at 45 code changes, about half of which are "very nuanced." There will be a work session with city council after the Metropolitan Planning Commission (MPC) reviews the code changes. She described the spreadsheet that the planning commissioners would receive.

Ms. Kelly addressed some of the specific code updates:

- Landscaping non-compliance – The threshold could be increased to \$20,000 from \$10,000.
- Lighting – Research lead staff to good lighting standards in Kennebunkport, Maine. The motion-activated lighting requirement will be removed.
- B&Bs – There have been questions about the requirement to have resident owners; the standards (for number of rooms, etc.) are for B&Bs in residential districts.
- Farmers' markets – There are not great standards for these in the current code; the city has one farmers' market, and there's been interest expressed in having others.
- Short-term rental modifications – There could be changes to allow boats to be used for short-term rentals, but the number would be capped, like it is in residential neighborhoods; owners of short-term rentals in neighborhoods that have a property owners' association (POA) will have to get its permission as well as the city's.
- Percentage of open space – Ms. Kelly said this has come up a few times; there are requirements in some districts but not in others. In T4-N, for example, which the Whitehall development is, the standard is now 0% open space, and staff is suggesting it be 10%.
- Process for major subdivision review – Ms. Kelly said it had come up in the Whitehall process that the City of Beaufort "is the only municipality that requires the [MPC] to review major subdivisions," so a proposal for the code update is "to follow suit with the Town of Port Royal and Beaufort County, and have those approved at the staff level, via the Technical Review Committee" (TRC).
- There are 4 rezoning proposals.

- The Arts Overlay District – Ms. Anderson said this district is addressed in the Beaufort Code, but it’s not specifically called “the arts overlay.” Some changes were made in the code to address the interest in such a district, and she reviewed these (e.g., sign regulations related to home occupations). The code didn’t cover “display of the artwork” that was suggested in the arts overlay, she said; the update could address that, and say that with a home occupation, “you can display your artwork or whatever it is that you make . . . on your porch or your stoop,” though not in the yard. Also, Ms. Anderson said, pre-approved designs were part of the resolution adopted for the Arts Overlay District, but the city never “got there.” What could be possible, however, is “accessory dwelling units approved at the staff level,” she said.

Commissioner M. Sutton said retail sales activity such as a thrift shop was the concern of those opposed to the Arts Overlay District, not the outdoor display of art, yet none of Ms. Anderson’s comments “address any of that.” Ms. Anderson said that the artist-in-residence can currently display what he/she makes, but “it wouldn’t allow [the residence] to become a retail store”; the current home occupation standard does allow retail sales of what the individual artist/artisan creates. Commissioner M. Sutton said, “This becomes an enforcement issue,” then, and it would be triggered by a complaint, rather than by a report from “a compliance officer.” Ms. Anderson agreed with that statement.

Ms. Anderson said staff would also like to have

- a yearly meeting about the code with various stakeholders;
- meetings 2 to 3 times a year with development community representatives;
- monthly meetings with an internal group,
- and weekly check-ins with staff to address any issues or misperceptions, with follow-up, especially for small businesses.

Mr. Prokop said staff wanted Mr. O’Toole to be able to follow up with anyone whose interest in developing in Beaufort may have fallen off because of a misperception about the city’s code.

Ms. Kelly said the MPC would look at the code changes in April, then city council will hold a work session, followed by a public hearing during a regular council session. The Whitehall project is coming back to the MPC in April, she said, so there might be some flexibility about when the MPC looks at it.

Chairman Verity asked when staff would meet with the development community, and whether that would be before the changes go to city council. Ms. Kelly said staff could get development community input before bringing the proposed changes to council. Commissioner Keyserling said that would give council the opportunity to benefit from the development community’s comments.

Commissioner Murray suggested that if staff is going to meet with the development community 3 times a year, their first meeting could be before the code goes to the MPC and council.

Dick Stewart said he represents 303 Associates and other development companies that participated in the Beaufort Code's development. He presented a memo [*which is attached to these minutes for accuracy and by way of entering it into the record*] to the RDC that includes the following "issues" that "the development community" has with the Beaufort Code:

- A governance issue related to outside agencies (e.g., BJWSA, Beaufort County, DHEC), which the development community believes "dictate policy and practice" to the city – The City of Beaufort engages in "mindless enforcement" of other agencies' regulations, Mr. Stewart said, while the development group and the city could "engage those people," and thereby "get better results."
- The international building code (IBC) and the fire code – The IBC is meant to be a "base" or "model" code, not an "absolute requirement," Mr. Stewart said. He suggested that there would be more redevelopment if there were "slight flexibility with engineered assurance about safety" and less "strict adherence" to the IBC, which "delays things [and] adds costs." This will be especially important as "big box" stores continue to vacate, he said. There are waivers for IBC requirements in the Historic District, Mr. Stewart said, but outside of it, "blind adherence to those folks" is not consistent with the city's redevelopment goals.
- Impact fees assessed on projects within the city – Mr. Stewart gave examples from his company's experience about why impact fees are "not the best." Impact fees "equate to high costs with little benefit," which discourages investment because of upfront costs, he said. The development community is most concerned about BJWSA's impact and capacity fees and traffic impact fees. For example, 303 Associates looked at redeveloping the former BB&T building as a coffee shop, but the traffic impact fees would cost \$27,576, which would go to the county, because of the increase in traffic on Port Republic Street. Mr. Stewart said most of the development community agrees with this, and would "like for you to keep those impact fees and improve the transportation infrastructure in the city, rather than have them sent off someplace where they don't come back."
- Permitting process – Mr. Stewart said the current process is "burdensome" because to get permits, a general contractor must provide "a full list" of the job's subcontractors – though some may not start their work "for months," and the contractor "may not have their bids back yet," so some subcontractors may not have been selected yet – and their business license information, so the city can "track their business licenses." He said he has no problem with doing this to get a CO (certificate of occupancy), but "don't hold the permit – hold up work – because . . . some minor trade" is not yet known to the contractor.
- Form-based code – The current code is said to be a form-based code but is a combination of use- and form-based codes, Mr. Stewart said. He discussed this in the context of the retail frontage overlay for the old jail on King Street, in which the property owner wanted to put a restaurant. Staff proposed that the retail frontage overlay be expanded to 3 blocks of King Street, rather than just for the old jail property, which made nearby residents "all excited" about what was happening. He suggested that if the code were "more form-related and less use-related . . . you don't have to go through that administrative burden and slow that process down," so zoning would take

fewer than two or three months.

- Neighborhood development – Some existing neighborhoods “have unique defining characteristics,” Mr. Stewart said, which the code should “respect, enhance, and improve,” rather than requiring buildings in those neighborhoods to meet design “standards consistent with” New Urbanism.
- Project review – The code allows the city architect to review “certain projects within certain districts,” Mr. Stewart said, such as development on Boundary Street. The development community feels the scope of the city architect’s review should be broadened because board review is “time-consuming” and “much more expensive” than staff review. If an applicant disagreed with a staff decision, he said, (s)he could appeal to the Design Review Board (DRB) as “protection against the onerous demands of staff.”
- Items under review – “We think you could simplify the number of items” in a project that must be “reviewed and approved,” Mr. Stewart said; he used requiring “a photometric study” and “detailed landscape plans” as examples of “strict standards” that increase installation and maintenance costs. He asked if it’s “reasonable” for the city to determine that property owners can’t make decisions about the amount of lighting they need, and to instead allow “some arbitrary person” serving on the DRB to decide that.
- Application of standards – Mr. Stewart said the development committee believes “the landscaping issue . . . needs to be greatly simplified,” and would like to see “a little more confidence that the building community is going to be responsible.” If they’re not, he said, “then start talking about it.” If landscaping costs are “put on . . . redevelopment,” it could “create the perception that people are not going to try to redevelop because it’s expensive.” Residential developers in the development community have expressed concerns that they can’t get a CO unless landscaping is installed, but if homeowners want to do it themselves – that is, not have the developer do it – the project is delayed because the CO can’t be obtained. Mr. Stewart also provided an example on a commercial property, where the city wouldn’t issue a permit to repair damaged light poles, so they had to be replaced. He said such regulations mean that some owners won’t make repairs, and he feels that the city should consider that this will hamper redevelopment because they don’t know what the requirements would cost or “where it’s going to stop.”
- Stormwater – “A big issue for our crowd [is] stormwater,” Mr. Stewart said; the development community encourages the city to develop its own stormwater ordinance incorporating OCRM state standards, rather than Beaufort County’s stormwater standards. A regional/community stormwater plan would use “those bodies of water that are deep enough” as “healthy places to retain stormwater” that can be community amenities, he said. This is not what the county is planning, which the group feels is “a recipe for disaster,” Mr. Stewart said.

Mr. Stewart said the following are concerns with the Beaufort Code from “the residential guys” in the development community:

- Some residential design requirements, such as ceiling height requirements, increase

costs, making “workforce and affordable housing difficult.”

- HDRB (Historic Design Review Board) governance – Mr. Stewart said the HDRB applies Historic District standards to properties that are outside of the Historic District but that front it. He said 303 Associates purposely bought property that wouldn't be in the Historic District, but the HDRB “gets to weigh in on the design” of what's built there because the Historic District has been “arbitrarily” extended “across the street.”
- Signs – Mr. Stewart said, “The #1 complaint we get out of the businesses we have in our commercial building is the difficulty of making their signage work for them. They don't feel like they can be seen.” The sign regulations “assume you're going to have big businesses, like a Kmart,” but what's desirable is “a healthy mix of local businesses” with big businesses, so signs need to be easy to read in “the context of [their] location.”

Mr. Stewart said the development community is not complaining about the Beaufort Code or about staff, but the group feels there could be improvements.

Commissioner M. Sutton said what Mr. Stewart said about code compliance “is dead on.” Asbestos sampling is a small piece of it that's been a continuous problem with DHEC regulation and the city trying to accommodate their rules, he said. The average sampling cost is between \$400 and \$700, he said, and 99% of the times that samples are taken, those taking the samples are expected to handle the asbestos properly, “so why do we have to keep paying somebody and go through these steps to do something that we know how to do already?” Commissioner M. Sutton said he doesn't know how the RDC could handle this, but he can see how a staff person would ask these same questions, and then say it has to be tested, regardless of the kind of the roof the building has.

Commissioner M. Sutton said when the city adopted the national building code, it also adopted “the existing building code,” which “is rarely if ever used,” in his opinion. He thinks when the building codes department was “in-house,” the system was better because staff “was able to work with the builders to achieve the goal.” Currently, city staff “will work with you,” but often there's “a cookie cutter approach that doesn't necessarily work,” Commissioner M. Sutton said. He offered examples from his experience with what Mr. Stewart had discussed about the requirement for lists of subcontractors, and he said he feels “common sense” needs to be “put . . . back into the equation.”

He asked how the HDRB has “any authority to opine” on development across the street from the Historic District. Ms. Kelly said on Boundary Street, which is only in the Historic District on one side of the street, there is “no binding review” by the HDRB; “it's more of a courtesy review.” Commissioner M. Sutton said this puts another layer of “time and energy” into a review that shouldn't be there. He feels the Historic District is “as big as it needs to be,” so more review of development that's not in the Historic District is “frustrating.” None of the Historic District material gives the HDRB the right to review anything outside of it, he said.

Ms. Kelly said projects don't go to the HDRB for review if they are not in the Historic District. When Mr. Stewart's Newcastle Street Apartments project first came to the DRB, staff let the

HDRB know and asked for comments via email if members had thoughts they wanted to pass on to the DRB, she said, but what they said was not binding.

Mr. Stewart said, “The very fact that the planning staff takes it upon themselves to issue the invitation for a group of people who have loyalty to historic standards to weigh in privately and share their comments is inconsistent with representing *our* best interests as people who are choosing to invest in the city. That’s the job of the DRB.” If he’d known he’d be “subject to the Historic District guidelines,” Mr. Stewart wouldn't have purchased some of the property he’s purchased, he said, because “we think that’s about a 12% cost to be on that side of the road” (i.e., in the Historic District). Ms. Kelly said this policy has been in place for 10 to 15 years, but “we could look at changing” it.

Commissioner M. Sutton said developers seem to feel “less resentful” about the City of Beaufort, where “things are better,” while in the county, things are “worse.” He said impact fees are part of the reason he doesn’t want to do business with or in the county.

Chairman Verity said the hope is that “we’re making strides in the right direction.” He feels it’s important for Ms. Kelly, Ms. Anderson, and Mr. Prokop to look at and consider the comments Mr. Stewart brought from the development community. The city needs to be able to respond to issues that come up, he said, and projects need to be able to be reasonably priced and able to be completed within a reasonable time period. Chairman Verity added that he thinks staff needs to meet with the developers before the code review goes to council.

PARKS CONSERVANCIES

Chairman Verity said there was a conversation about private support for the city’s parks, as is done in Charleston, in coordination with the city. The question is whether or not this is feasible here. **Deborah Johnson** said **Harry Lesesne** consults around the country and had made suggestions and referred her to a helpful document. The Charleston Parks Conservancy is very successful, and these are Mr. Lesesne’s suggestions:

- It has to be initiated by the private sector, or it will be perceived as “taking over something that the city should be doing.”
- The community, the conservancy, and the city all need to work together.
- Messaging and marketing are critical.
- The conservancy has to be completely independent of the city. There are different types of conservancies, but any of them “are going to need to raise money.”
- When a conservancy is put together, there needs to be a lot of conversation with staff, Ms. Johnson said, because they would all have roles.
- It’s important to have a memorandum of understanding about “who does what.”
- If something isn’t working, there shouldn't be too many rules created, just communication about how to solve the problem.

Ms. Johnson said Mr. Lesesne shared ideas about staffing and suggested that the city should start with a couple of parks first. The Charleston Parks Conservancy began with an endowment, and its staff has grown a lot, she said.

Ms. Johnson said if the city does this kind of partnership, they would need to determine if the group would be “hands-on” or if it would do some fundraising. The group would probably start out with a couple of parks that “are tired” and “need focus and energy from people, not just money,” she said.

In this community, fundraising “might be tough at a few hundred dollars at a time,” Ms. Johnson said. Mr. Lesesne had suggested not having too many fundraisers for a local conservancy, and doing fundraising strategically, she said; it’s critical that a conservancy here not be seen as something the city should be doing.

Commissioner Lesesne said what he took away from the meeting is that it’s critical that if a conservancy is started here, it should be seen as something that is community-driven, not city-driven.

Chairman Verity asked if this seems like a viable idea to be worked toward. Some people who have moved to Beaufort recently might have an interest in a parks conservancy, he said, and people in the community could be talked to about whether or not they have any interest in it. Ms. Johnson said Mr. Lesesne had offered to come down to Beaufort, and if there is a group interested in getting this going, he could come and “help us frame the project.”

Commissioner Keyserling said the \$5 million endowment for the Charleston Parks Conservancy was what made it possible. There are so many groups “scrambling for money,” and he feels that creating another group that would be perceived to be competing for money with the Open Land Trust, for example, would be a problem. He’s not sure that a parks conservancy makes sense right now because of the many nonprofits in the area that are competing for resources. The city’s “Pride of Beaufort” program “has not been marketed well,” he said, and that program was established to do what the commissioners are discussing a conservancy doing.

Chairman Verity suggested that a conservancy could be a city-only project, and then it wouldn't compete with the Open Land Trust. Commissioner Keyserling said that would limit the participation of people in communities like Dataw.

Garden clubs have helped out with some projects in the city, Commissioner Keyserling said. **Edie Rodgers** said that the problem is that those clubs’ members have aged. She feels an endowment would require corporate money that the city doesn’t have. Commissioner M. Sutton agreed with Commissioner Keyserling that garden clubs could be “energized” to help more with the city’s parks.

Commissioner N. Sutton said that she feels like there’s not enough money to fund a parks conservancy. Commissioner McFee said growing an endowment takes time, so while a conservancy might be done here, it would have to be done with funds from the private sector, and marketing is extremely important.

Commissioner Murray agreed that a conservancy is “a great idea,” and he feels a large group would be needed to “put in sweat equity.” He added that Beaufort Pride of Place needs to be marketed better. The volunteers on the Duke Street project put in “hundreds of hours,” Ms. Johnson said.

Commissioner Murray said Open Land Trust has struggled to raise funds privately for worthwhile projects. Commissioner Keyserling said the trust has a large number of anonymous donors when they need them, but that organization is 30 or 40 years old.

Commissioner Lesesne feels this isn’t “the right forum” in which to be “batting this around.”

Mr. Prokop said he also feels Pride of Place needs to get off the ground. On the parks conservancy, he feels, “the idea is right; the timing is wrong.”

Peggy Simmer said Pride of Place needs to do a better job of acknowledging donations.

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RDC Ordinance Revision

Ms. Johnson reviewed a handout that she had given to commissioners with the current RDC ordinances. When it was decided that the commission was an advisory body, they were going to “create some language” about that, she said, but that was put on the back burner. The language in the handout that is in gray/has been stricken through is what would have been in the ordinance “if we were going to be a corporate body,” she said, which leaves the RDC with “a blank slate.”

Ms. Johnson asked if the commissioners felt that the “duties” section should be “very simple,” or if they would like to “add some pieces” to it to reflect the RDC’s duties. If it’s the latter, she asked the commissioners to consider the language they would like to see added. Other aspects of the ordinance are “set,” she said, and the commissioners have seen and approved of those.

Chairman Verity said the commissioners do not need to decide this tonight. Commissioner Keyserling said a boilerplate ordinance has been adopted, and Ms. Johnson is suggesting that it be cleaned up and adapted for the RDC. Ms. Johnson said that is correct; “the language” is “from the enabling legislation.”

Chairman Verity said commissioners should give any comments about the ordinance to Ms. Johnson within the next week.

Strategic Plan

Mr. Prokop gave out a handout about the strategic plan and said that last year, he went to individual departments and offered time off to 146 employees if they could remember the goals, but only 2 could, so this year, each department has been asked to “appoint a coordinator” who will report monthly about how their department has met the goals. Mr. Prokop said the goals are posted on the city’s website.

INITIATIVES

Economic Development

Commissioner Murray said Beaufort Digital Corridor (BDC) has appointed a board of directors. 1212 Designs is a new tenant there, and Code Camp is up and running, he said, as is Wi-Fi at Waterfront Park.

The IRS granted BDC “our 501 status,” Commissioner Murray said, so it’s becoming more of a “standalone entity” apart from the Charleston Digital Corridor.

Beaufort County Economic Development Corp will be going to county council in the next few weeks “to ask for the remainder of the proviso funds from the Department of Commerce through Beaufort County.” To date, Hargray “has given us \$450,000 in utility tax credit money,” \$150,000 of which is for BDC and \$300,000 that will be used for paving Commerce Park; \$70,000 in proviso funds will also go toward the paving. Hargray is also paying for “the bulk of the fiber optic data install” at Waterfront Park. Mr. Prokop said Hargray is “also putting Wi-Fi in the Commerce Park at no cost to us.” Commissioner Murray discussed other entities that have contributed or will contribute funds for Commerce Park improvements without the use of city funds.

Infill and Housing

Commissioner Cromer said the city gave property to Habitat for Humanity on Mossy Oaks Road and to Beaufort Housing Authority on North Street and Ribaut Road. He said the Habitat houses will begin permitting soon, and they hope the Greene Street houses that are currently under construction will be finished by November, so they can start on the Mossy Oaks Road project by the end of the year. The Beaufort Housing Authority properties are in the permitting process, and they have gotten a topographic survey done and need to do “some tweaking on” the architect’s sketches. Beaufort Housing Authority also has a public housing facility at 1201 Washington Street that was “having some structural problems,” so that has been torn down, and they are going to rebuild to replace that facility, Commissioner Cromer said.

Greene Street Incentives

Commissioner McFee said they would like to “request the extension of the incentives going to Greene Street for the next phase” next year. **Commissioner Murray made a motion, second by Commissioner Keyserling, to recommend approval of the extension of the Greene Street incentives from July 1, 2018 to December 31, 2019. The motion passed unanimously.** Ms. Johnson said this would be coming to city council for a vote.

Duke Street Wrap-Up Report

Ms. Johnson presented a wrap-up of the Duke Street project, which ended this past December. She described the project area, the activities that got the project going, and the outcomes of the project, which included construction projects that were underway when the project started and one house that was completed. The Black Chamber of Commerce building caught on fire but is again under construction, she said, and 3 vacant lots have made it through planning approval and are slated for construction soon for 2 single-family dwellings and a triplex

building. Other outcomes were that 2 vacant and abandoned properties were placed on the market, sold, and are being renovated, Ms. Johnson said, and 39 properties “showed improvements, ranging from major renovations to minor” enhancements of the property or the street. A pocket park was created, and Duke Street neighbors who worked on this community project “got together and revived the Northwest Quadrant Neighborhood Association.”

Two properties declined further, Ms. Johnson said, and she discussed why. Another property – a store – is continuing to decline, but it is under negotiations to be sold, so “we’re still hopeful” it will be sold to someone who will renovate it, she said.

Ms. Johnson showed photos and discussed projects that were improved, whether as a result of the initiative or not. She named many of the Duke Street project’s partners.

Commissioner Keyserling advised council and the RDC to go to the Northwest Quadrant Neighborhood Association meetings, which are “totally different than anything we’ve seen” in the past because the residents’ concerns are different.

Downtown and Waterfront Park/Marina

Commissioner N. Sutton said she is meeting with Mr. Prokop and **Linda Roper** for further discussion about the downtown management program.

Marina & Waterfront Park

Mr. Prokop said 2 active marina operators are interested in giving the city a proposal. The people who run the ferry to Daufuskie are interested in running a ferry with stops in Beaufort, Port Royal, Bluffton, and Hilton Head. They are particularly interested in the day dock that will be going in, he said.

Mr. Prokop said there have been discussions with the Sasaki group, and there would be an RFP put out about “upgrading the Sasaki 2 plan,” as well as possible future projects at the marina.

Chairman Verity asked the commissioners if they felt it would make sense to have **Alan Dechovitz** work with the RDC committee by being involved in the planning for the marina. He said he, Mr. Dechovitz, Mr. Prokop, and Commissioner M. Sutton could have a meeting to determine how Mr. Dechovitz might be helpful and potentially provide some support. Commissioner Murray said that seems like a good idea. Commissioner M. Sutton said he’s “delighted” that Mr. Dechovitz would want to help.

Commissioner M. Sutton said he’s still not clear on “the direction that council wants to go” with the marina. Commissioner Murray said he agrees, and he doesn’t know as a council member what he wants “to happen down there.” There are “a lot of moving pieces” happening there, he said. Commissioner M. Sutton said they need to decide what they want to be different than it is now. They need to have a firm commitment to what they want, in order for it not to turn out like it did before.

There was general agreement to involve Mr. Dechovitz as a resource on the marina.

Boundary Street

Commissioner Keyserling said on Thursday, “**Paul Trask** is going to get a deed for the property on which a new road has been built,” and if that happens, one or two new buildings will be built on the corner. [SEP] Commissioner Keyserling explained what the problem has been with SCDOT.

Mr. Prokop said there are some delays to completion of the Boundary Street project because of weather and because of lack of cooperation by “one very large electric utility.”

Commissioner Murray said, “La Creuset went into the Eleanore Fine building,” which although it’s “technically not in the city,” is an exciting development.

Mr. Prokop said the relationships that are being formed and the community involvement is as important as what’s being built and redeveloped. For example, the United Community Task Force (UCTF) is getting kids who don’t have anything to do after school involved in sports, he said, and **Mary Thibault** is coming to the city’s neighborhood association meeting to tell locals about First Fridays for the first time.

Commissioner Keyserling said Sergeants **Mike Phelan** and **Charles Squires** started UCTF with 31 kids, and within a week, 60 are involved. The program may be able to use the Greene Street gym, he said, so they can keep the children in their neighborhood. UCTF hasn’t used a dime of city money for this program, Commissioner Keyserling added.

PUBLIC & PRIVATE PROJECTS IN PROGRESS – Revisions Since December 5, 2017 [SEP]

Chairman Verity asked Ms. Johnson to send this to the commissioners, rather than reviewing it at the meeting.

Commissioner Cromer made a motion, second by Commissioner McFee, to adjourn the meeting. The motion passed unanimously, and the meeting ended at 9:25 p.m.