This section sets forth the findings required under Title 6, Chapter 31 of the Code of Laws of South Carolina 1976, as amended (the “Code”). The costs of the redevelopment projects described in the Redevelopment Plan are estimated to be approximately $55 million. In addition to the other sources of funds outlined in the preceding sections of the Redevelopment Plan, it is anticipated that tax increment finance bonds in the aggregate principal amount not exceeding $55 million will be issued to provide a source of funds for such redevelopment project costs. Such tax increment bonds may be issued in one or more series, provided that the first such series shall be issued within ten years from the date of adoption of the ordinance approving this Redevelopment Plan and that each such series shall mature no later than 30 years from the respective dates of issuance, and shall otherwise be issued in conformance with Section 31-6-40 of the Code. The most recent equalized assessed valuation for the tax year 2009 is $2.6 million. The equalized assessed valuation of the Redevelopment Project Area after redevelopment is estimated to be $100 million. The tax increments derived by the City from redevelopment are estimated to be not exceeding $6 million per year. The general land uses to apply in the Redevelopment Project Area are as set forth in the Land Use section of this report. The duration of this Redevelopment Plan shall be for a period ending 35 years from the date of adoption of the ordinance authorizing the Redevelopment Plan. The estimated impact of the Redevelopment Plan upon the revenues of all taxing districts in which the Redevelopment Project is estimated to be $0.00 as the other entities are not participating. The redevelopment projects set forth herein are not estimated to have any displacement impact on the residents of the Redevelopment Project Area with the meaning of Section of 31-6-90 of the Code.
INTRODUCTION

Boundary Street (U.S. Highway 21) is the entrance to the City of Beaufort and serves as an essential element in the regional road network. Its current state, as a typical commercial strip corridor, does not enhance Beaufort's overall character and charm; rather it serves as a relatively poor gateway into the historic city. A complete plan for the future of this important corridor is needed to address the physical form and redevelopment of the corridor, as well as its ability to handle continued traffic capacity.

This Boundary Street Redevelopment Plan is a comprehensive strategy for growth and redevelopment of the corridor; it seeks to improve the safety and operational efficiency for all modes of travel, while creating a more economically productive address. The plan envisions that Boundary Street can be more than just improved – it can be one of the most memorable streets in America.

In 2005 the City of Beaufort and Beaufort County, along with the town planning firm of Dover, Kohl & Partners, worked together to create a plan for the redevelopment of the Boundary Street corridor. "Designing in public," the Dover-Kohl team conducted an open planning process in September 2005 to identify the ideas, needs and concerns of the community. Participants helped to create the Boundary Street Redevelopment Plan through an intensive design event called a charrette. Over the course of seven days, the community and the team of design professionals worked to design the plan. Over 300 interested residents and stakeholders participated in the planning process, including property owners, neighbors, business people, developers, elected officials, appointed officials, City and County staff, and community leaders. The “Boundary Street Master Plan” dated June 2006, adopted by the Beaufort City Council on August 28, 2006, contains more detailed information on the concepts and recommendations contained in this redevelopment plan.
I. Boundaries of the Redevelopment Area
The study area defined for the Boundary Street Redevelopment Plan is bound by Palmetto Street to the east and Robert Smalls Parkway (SC 170) to the west. The area is bordered on the north by the marshes of Albergotti Creek and on the south by Battery Creek. Boundary Street (U.S. Highway 21) is the primary entrance to the City of Beaufort and the National Landmark Historic District. The County Government Center anchors the east end of the study area; the Beaufort Plaza shopping center is located at the west end.
Existing Uses within the Redevelopment Area
Properties located along Boundary Street are primarily zoned Highway Commercial. Residential uses are separated from commercial uses and commercial uses primarily line the corridor.

Figure 2 – Existing Zoning
II. Proposed Land Uses Following Redevelopment
The proposed land uses following the redevelopment of the area includes a mix of residential, commercial, and office uses along the corridor.

Figure 3 – Proposed Zoning

III. Standards of Population Densities, Land Coverage, and Building Intensities in the Proposed Redevelopment District
New development standards have been adopted for the Boundary Street Redevelopment area. These standards are set out in the Boundary Street Redevelopment District ordinance which was adopted on February 6, 2007. The new development standards, which were developed as a form-based code, allow the land in the district to be developed at greater densities and intensities that under the previous regulations. For more information, please see Section V.
IV. Preliminary Site Plan of Redevelopment Area

V. Changes in Existing Zoning Ordinances and/or Maps
A key component in the successful execution of the Boundary Street Redevelopment Plan is implementation of the Boundary Street Redevelopment District Ordinance. This form-based code was adopted by the Beaufort City Council on February 6, 2007. A Form-Based Code is a land development regulatory tool that places primary emphasis on the physical form of the built environment with the end goal of producing a specific type of "place." Conventional zoning strictly controls land-use, through abstract regulatory statistics, which can result in very different physical environments. The base principle of form based coding is that design is more important than use. Simple and clear graphic prescriptions for building height, how a building is placed on site, and building elements (such as location of windows, doors, etc.) are used to control development. Land use is not ignored, but regulated using broad parameters that can better respond to market economics, while also prohibiting undesirable uses.

The Boundary Street form-based code overlays the existing zoning and provides clarity and certainty for appropriate development along the corridor. The form-based code for the Boundary Street corridor allows by-right development of property in congruence with standards set forth in the code. The new code is designed to streamline the process of getting projects approved because of the investment in public process and consensus that the Boundary Street Master Plan incorporates.
VI. Changes in Street Layouts

The Boundary Street Master Plan provides for the organized redevelopment of the corridor and addresses specific recommendations for the physical improvement of the roadway. Through careful planning and engineering, the street can become a "great street"; a street that handles the movement of automobiles while also providing a memorable civic space representative of the character of Beaufort. The urban design vision for Boundary Street, as described by the community and refined by the design team during the charrette, is for the street to become a more walkable thoroughfare with on-street parking, short block faces, buildings oriented to the street, and a grid or network of thoroughfares north of Boundary Street to provide better local circulation.

Based on community input during the charrette and several previous plans completed by the City, the entire Boundary Street corridor is targeted for redevelopment in a more walkable context. From a transportation design perspective, the key feature of this vision is a network or grid of walkable streets to be constructed north of Boundary Street. This network will allow local traffic to circulate without using Boundary Street, which will be more convenient for local traffic as well as allow through-traffic on Boundary Street to operate more efficiently. The plan created by the design team indicates proposed locations for new streets on this network (Figure 4).

Figure 4 – Proposed Streets
VII. Estimated Cost and Method of Financing Redevelopment

To achieve the goals of the Boundary Street Redevelopment Plan, a variety of funding sources will need to be tapped. Beaufort has already begun to access public funding mechanisms for redevelopment (Tax Increment Financing, or TIF) based on a redevelopment plan that was established in 2000. The City's Transportation Impact Fee is another key source of funding that can assist with needed improvements identified in the Redevelopment Plan. Other funding options for capital improvements, such as Business Improvement Districts, grants from public and private sources, general obligation bonds approved by the public, donations, and general fund expenditures, should all be explored as options for funding implementation. The following descriptions provide additional detail about potential financial assistance for public capital improvement projects.

**Tax Increment Financing**

Tax Increment Financing (TIF) is the use of incremental taxes from increases in property value to fund redevelopment district costs. The funds can be used as a revenue stream for issuing and paying bonds that finance projects within the defined district that are consistent with a redevelopment plan. Revenue bonds funded by tax increment do not constitute a portion of the public debt secured by the general fund, and are tax exempt for state and municipal tax purposes. As property values rise, any tax collected in excess (the increment) of the original tax on the basis is placed into a "special fund", as specified in the legislation. The monies in the special fund can be used to pay debt service on revenue bonds.

The South Carolina state legislature has approved a legal basis for Redevelopment Planning and Tax Increment Financing (South Carolina Code of Law: Section 31, Chapter 6). The law outlines the procedures for the creation of redevelopment districts that are funded through the issuance of revenue bonds supported by the tax increment of new development or redevelopment. The City of Beaufort prepared the Gateway Corridors Redevelopment Plan in accordance with South Carolina guidelines in 1999, and a tax allocation district (TIF II) has been established based on this plan.

In addition to tax increment revenue and financing options, the creation of a Redevelopment District allows the city to use certain redevelopment powers to carry out the purposes of the district. The City is allowed to sell, lease or mortgage any property acquired for the purposes of implementing the plan. The City may also use eminent domain to achieve redevelopment purposes. The funding from the District may be used for organizing and creating the district, property acquisition, capital improvements, creation of parks, constructing community centers and other public buildings, relocation of displaced persons, and other uses listed in the legislation. The legislation also allows the City to accept and place in the special fund grants from other government entities and donations and grants from private sources.
Until the TIF II sunset in 2017, the City should use surplus tax increment revenues to fund a variety of redevelopment initiatives. The Beaufort Redevelopment Commission has been charged with researching and recommending redevelopment projects within the City, including coordination, review, and recommendation of redevelopment plans to City Council. The Commission also is able to facilitate negotiations necessary for the execution of redevelopment plans, and can oversee project implementation. The City Council should oversee use of the surplus tax increment revenues on an annual basis, with assistance and recommendations by the Redevelopment Commission. Recommendations for ways to use these funds include the following:

• Matching local funds for Federal grants - Many Federal funding programs require a local match to Federal funds. In the case of the Transportation Enhancement (TE) program administered by SCDOT, a minimum of 20% of a project cost must be covered by local match funding. Historically, TE funding has been limited to $1 million per project in Federal funding, requiring a minimum local match of $250,000. The Boundary Street Master Plan provides an excellent basis for TE funding application.

• Preliminary Engineering costs for capital improvement projects - While the construction cost of many recommended capital improvement projects will exceed the annual TIF II surplus, the up front costs for engineering and environmental clearance of some such projects could be covered by surplus funds from a single year. With locally funded project engineering documents, the City will be well positioned to compete for State funding for construction phase work on major transportation improvements.

• Public/Private Partnership Efforts - When considered in its entirety, the redevelopment of the Boundary Street corridor will be an initiative requiring cooperative public/private efforts. The public and private sectors will partner in many different ways. Most redevelopment of private property that will occur will require improvements to public infrastructure or construction within public rights-of-way. In some cases, it may be worthwhile for the City to contribute funding to infrastructure projects associated with property redevelopment as an incentive for positive change.

There are certain portions of the Boundary Street study area, both within and outside of the City's limits that were not included in the defined Redevelopment Area of the Gateway Corridors Redevelopment Plan. Within the City's current limits there are over 35 acres in this circumstance, including the Marsh Pointe public housing development and an adjacent undeveloped parcel to the south (8 acres), the northern portion of Jean Ribaut Square (10.7 acres), the Carolina Cove property (4.2 acres), and approximately 12.4 acres that are to the east of Hogarth Street north of Boundary Street. Much of this area is undeveloped or underdeveloped and the plan recommends significant change. While the tax increment revenue potential from these properties is not as great as that from the existing tax allocation district, a revenue stream could result from a new tax allocation district, particularly in cases where there is little existing development. However, in order for such a district to be established, the City would be required to secure the support of Beaufort County and the Beaufort County School Board. Careful
Consideration should be given before proceeding with the establishment of an additional tax allocation district.

Transportation Impact Fees Beaufort County has established an impact fee on new development with revenues dedicated to transportation improvement projects. These revenues must be used to fund expansions to the transportation system needed to accommodate growth, and may not be used to correct current deficiencies. The City has two approved projects on the County's program for funding transportation improvements with impact fee revenues. These include $3,750,500 for Boundary Street capacity improvements and $4,550,000 for Boundary Street connectivity plan implementation. The funds can be used for construction as well as administrative costs such as for bond issuance, planning and engineering. It is anticipated that bonds for these projects will be issued in the near future based on projected impact fee revenues, with a repayment period of fifteen years.

Stormwater Utility Fund This fund accounts for the proceeds from a special property tax assessment restricted for making stormwater drainage improvements. In fiscal year 2006, stormwater utility revenue exceeded $382,000 though expenditures exceeded revenues. In the long term, the stormwater utility fund may be able to provide assistance to Boundary Street area for capital improvements that involve stormwater infrastructure.

Parks and Tourism Fund This special revenue fund is used to account for the proceeds from local accommodations, hospitality and property transfer fees, which are restricted for expenses incurred by the City of Beaufort in serving tourists and non-residents. From the 2% local hospitality tax on food and beverage sales by restaurants within the City, revenues are restricted so that a minimum of 2.2% must be allocated for tourism enhancing projects recommended by the Beaufort Hospitality Association, 2.9% must be allocated to the Greater Beaufort Chamber of Commerce for advertising, and 3.3% must be allocated to a special maintenance account to be used in support of tourism.

Based on the fiscal year 2006 budget, Parks and Tourism Funds exceeded $1.85 million, and the total fund balance at the end of the fiscal year was $1.165 million. According to budget reporting, approximately $996,000 was spent on public infrastructure (including the Waterfront Park project) and maintenance projects. This fund can become a source for future projects in the Boundary Street area.

Land Acquisition Fund According to City Council resolution, 50% of a General Fund current year surplus in excess of 8% of the current year budget is to be placed in an account restricted for land acquisition. At the end of fiscal year 2006, the fund balance was over $1.2 million ($1 million has been earmarked for the new Municipal Complex). This amount will likely fluctuate significantly from year to year as opportunities for land acquisition are realized. The land acquisition fund can be a key source for strategic property acquisition needed to forward redevelopment efforts.
General Obligation Bonding According to South Carolina general statutes, a municipality can issue general obligation debt up to a level not exceeding 8% of the total assessed taxable value of property. For fiscal year 2006, the limit for general obligation debt in Beaufort was just under $5 million. The City currently has no outstanding general obligation debt. Unlike tax increment financing, general obligation bonding is not restricted to a specified area and does not require the approval of Beaufort County or the Beaufort County School Board. Because the security for general obligation bonds is the full faith and credit of the city, local decisions to use general obligation bonding are significant. It should be considered that the redevelopment of the Boundary Street corridor is of critical importance to many aspects of the City's long term prosperity and the City's general obligation bonding capacity should be used to foster redevelopment and public improvements.

Local Option Sales Tax In recent years, there have been two attempts to establish a local option sales tax in Beaufort County by referendum. The most recent, in 2004, failed by a narrow margin. Due to the tourist-oriented nature of the Beaufort economy, it can be anticipated that a local option sales tax would be heavily supported by visitors to the area.

Capital Projects Sales Tax In 2006, the voters of Beaufort County approved a Capital Projects Sales Tax. Two projects in the Boundary Street Redevelopment District will receive funding from the sales tax initiative. Improvements to Boundary Street were funded at $9.5 million. This project is referred to as “Boundary Street Capacity Improvements” in the impact fee program. Funding for the parallel road to the north of Boundary Street received $4.2 million. This project is referred to as “Boundary Street Connectivity Plan” in the impact fee program.

Municipal Improvement Districts A Municipal Improvement District (MID) is a special taxing district created with the consent of its property owners that allows the City to levy a tax to pay for specific services and improvements agreed upon by the City and property owners. MID’s are used to pay for such things as street cleaning and maintenance of special features, programs such as planters and street furnishings, maintenance of parking areas, etc. The City should work to coordinate property owners in support of establishing a MID for the Boundary Street corridor.

Federal and State Grants There are a number of Federal and State grant sources available for infrastructure development in support of redevelopment purposes. Departments of Transportation Federal and State Departments of Transportation are of great importance to any roadway or streetscape improvement project, and can provide funding for conventional projects and innovative transportation research and implementation of alternative transportation. In addition to the standard procedure of Transportation Improvement Project (TIP) listing, transportation enhancement funding has been provided for under recent federal
legislation (ISTEA, TEA-21) as a set-aside dedicated to projects such as trails and streetscape enhancements. Beaufort has received such funding in the past for special projects (Woods Memorial Bridge Walkway ISTEA grant, Bladen Street TEA-21 grant). The Boundary Street Master Plan should be included in future funding applications to secure dollars for the redevelopment of the corridor. The redevelopment master plan for Boundary Street should assist with future funding applications.

South Carolina Department of Commerce The South Carolina Department of Commerce oversees awards of Federal Community Development Block Grants (CDBG) funding to local governments for purposes ranging from Commercial Revitalization to Community Infrastructure to Neighborhood Revitalization. The purpose of the CDBG program is to provide decent housing, economic opportunities, a suitable living environment primarily for people with low to moderate incomes.

Grants are awarded to local governments for projects that meet one of three objectives:
- Benefit low and moderate income persons
- Aid in the prevention or elimination of slums and blighted conditions
- Meet other urgent community development needs where existing conditions are an immediate threat to the public health and welfare and where other finances are not readily available to meet such needs.

CDBG recipients for recent awards (December, 2004) included the towns of Bluffton (neighborhood housing infrastructure) and Port Royal (sewer line extension) in Beaufort County. Of specific relevance to the Boundary Street corridor, eleven grants totaling over $5.1 million were recently awarded for Commercial Revitalization projects including streetscape and façade improvements. The City should explore eligibility of the Boundary Street corridor for similar grant opportunities in the future.

Coordinating Council for Economic Development The South Carolina Coordinating Council for Economic Development was established in 1986 to foster improved coordination of economic development efforts by those state agencies involved in the recruitment of new business and the expansion of current enterprises throughout the state. The Council is currently comprised of the heads of the ten state agencies concerned with economic development. The agency heads are either board chairman or cabinet officials, and they meet quarterly to conduct Council business. Tourism Infrastructure Development Grants, administered by the Coordinating Council for Economic Development, support new or expanding tourism or recreation facilities, or designated development areas through infrastructure projects. The Tourism Infrastructure funding is generated from a share of the state admissions tax on qualified tourism or recreation establishments.

Eligible projects for grant funding include new or expanding tourism or recreation facilities or designated development areas with an investment of at least $20 million in land and new capital assets. An investment period cannot exceed five years (60 consecutive months). A designated development area may have more than one
investment period; however, the investment periods cannot overlap. Only the projects that open within the $20 million/five-year investment period will qualify the local government for this incentive. New projects located within an established designated development area must initiate a new investment period and create an additional $20 million to qualify. The full $20 million investment must be made prior to qualifying for this incentive. Funds included in the minimum investment may be for public or private funds, or a combination of both. In achieving the minimum investment requirement, secondary support facilities (hotels, food, and retail services) that are located within or adjacent to the major tourism or recreation facility/area and directly supports the qualified development, may also be included in the total investment. Due to the nature of proposed redevelopment along the Boundary Street corridor, Beaufort may become eligible for Tourism Infrastructure Development Grant assistance.

South Carolina Department of Parks, Recreation and Tourism

Park and Recreation Development Fund
The Park & Recreation Development Fund provides technical assistance and administers grant programs for development of public recreational opportunities throughout the state. All grant programs administered by this office are reimbursable funds from various sources with specific qualifications and restrictions. The nature of the fund is a noncompetitive program and funds are available to eligible local governmental entities within each county area for development of new public recreation facilities or enhancement/renovations to existing facilities. Projects need endorsement of a majority weighted vote factor of the County Legislative Delegation Members. Grant awards can cover up to 80% of a project cost and require a minimum 20% local match. The grant cycle for new project consideration is monthly and the application deadline is the 10th of each month. Eligible entities are notified of new fund allocation amounts each July.

Land and Water Conservation Fund (LWCF)
The Land & Water Conservation Fund provides technical assistance and administers grant programs for development of public recreational opportunities throughout the state. All grant programs administered by this office are reimbursable funds from various sources with specific qualifications and restrictions. LWCF is intended for land acquisition or facility development for outdoor recreation. Awards are on a competitive basis and applications are graded using an Open Project Selection Process reviewed by a grading team. Grant awards can cover up to 50% of a project cost, requiring a minimum 50% local match. The grant cycle is annual, and eligible governments are notified in December of each year.

Recreational Trails Program
The Recreational Trails Program provides technical assistance and administers grant programs for development of public recreational opportunities throughout the state. The Recreational Trails funding is intended for trails development for motorcycles, ATV's, mountain bikes, equestrians or hikers. Awards are made on a competitive basis to qualified private organizations, local government entities, and State or Federal agencies. Applications are graded using an Open Project Selection process. Grant awards can
cover up to 80% of a project cost and require a minimum 20% local match. Applications are solicited annually in September and are due on October 31.

Recreation Land Trust Fund
The Recreation Land Trust Fund provides grant funding that can only be used for the acquisition of land for the purpose of public recreation. Awards are made on a competitive basis to eligible governmental entities. Applications are graded using an open project selection process. Grant awards can cover up to 50% of the cost of a land purchase and require a minimum 50% local match. Eligible government entities are notified of the opportunity to apply for funding each December and applications are due annually in March.

Private and Foundation Grants
Private and foundation grants are available through application by the City, community development corporations and other community oriented non-profit organizations. Finding grants can be daunting as there are literally thousands of foundations and grant givers; most organizations that rely upon such funding hire what is termed a "development specialist" to research grants and write proposals.

Foundation grants are more commonly available for purposes such as greenspace preservation and parks development than for infrastructure development. Organizations such as the Trust for Public Land, for example, are often able to purchase land in time-sensitive circumstances and transfer ownership to a city or redevelopment agency under circumstances that the land will remain as permanent greenspace.

Capital Improvement Projects
The following are general descriptions of key capital improvement projects that will be required to realize implementation of the Boundary Street Master Plan. The improvements are listed in order of priority, yet it should be understood that as funding becomes available, projects could happen simultaneously. Budget estimates associated with each identified project are based on general assumptions of construction cost at 2005 levels and do not account for right-of-way acquisition where necessary.

1. Creating a Parallel Street Network A key recommendation of the Boundary Street Master Plan is the enhancement of the road network to the north of Boundary Street. In order to allow for an improved distribution of traffic flow, several connections must be made with a new parallel road. A major east to west oriented street on the north side of Boundary Street is proposed. Excluding right-of-way acquisition, the total cost of new roadway construction is estimated to be within the range of $9 million.

2. Boundary Street Landscaped Median For the most part, Boundary Street is recommended to maintain the existing roadway width and curb lines. A raised, landscaped median with curbing is recommended as a means to change the nature of the roadway, replacing the existing "suicide lane" that
extends the length of the corridor. The cost of adding a landscaped median, where recommended along the corridor, is estimated within the range of $9.5 million.

3. Streetscape Improvements: Boundary Street In conjunction with the addition of a landscaped median and north-side parallel road to Boundary Street, roadway streetscaping will be required on the north and south sides of the roadway, generally extending west from Ribaut Road to Neil Road. Streetscape improvements will include sidewalk construction and reconstruction, pedestrian lighting, street trees, and furnishings. Exclusive of any right-of-way acquisition requirements, the cost of streetscape improvements to the Boundary Street corridor is estimated to be within the range of $6 million.

4. Intersection Improvements: Boundary Street at Robert Smalls Parkway and Boundary Street at Ribaut Road Major modifications are required at two locations: Boundary Street at Robert Smalls Parkway (SC 170) and Boundary Street at Ribaut Road. Multi-lane roundabouts are recommended as replacements for the existing signalized intersections. The City should explore the roundabout option and complete a detailed site survey and preliminary design work to further determine the cost associated with each. Estimated cost of intersection at Boundary and Ribaut Road is $4.5 million. Estimated cost of intersection at Boundary Street and SC 170 is $4.5 million.

5. Trail South of Boundary Street A combination trail (walking, biking, etc.) parallel to Boundary Street on the south is recommended to provide public access along the banks overlooking Battery Creek and preserve views of the marsh. Excluding acquisition requirements for property, right-of-way or easements, the estimated cost for construction of the trail (approximately 1,000 linear feet) is $800,000.

6. Central Park Proposed as a redevelopment of the current general location of Riverview Baptist Church, Carolina Cove, Enmark Gas and La Hacienda Mexican Restaurant, implementation of the "Central Park" concept will require a highly coordinated effort. Land acquisition, transfer, and construction of surrounding mixed-use structures will by far be the most significant cost factors in the development of the park. Actual park construction cost for the approximately 4 acre area, exclusive of costs for land and demolition, are estimated to be in the range of $2 million to $3 million.

VIII. Continuing Controls
The Beaufort City Council will oversee the implementation of this redevelopment plan.

IX. Relocation of the Displaced Families
The redevelopment projects set forth herein are not estimated to have any displacement impact on the residents of the Redevelopment Project Area with the meaning of Section of 31-6-90 of the Code.

Attachment: Boundary Street Master Plan