

Hilton Head Island Economic Development Corporation

Minutes of Tuesday, November 18, 2014

Members Present: Maryann Bastnagel, Steven Carb, Carlton Dallas, John Joseph, Diana McKenzie, Steve Riley, Tom Upshaw

Members Absent: Ray Wenig

Town Council: Bill Harkins

EDC / Town Staff: EDC Executive Director Don Kirkman, Eileen Wilson

1. Call to Order:

Chairman Upshaw called the meeting to order at 9:30 a.m. in the Community Room at Palmetto Electric on Hilton Head Island.

2. Freedom of Information Act Compliance.

Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Approval of Minutes from October 28, 2014.

The minutes of October 28, 2014 were approved as presented.

4. Appearance by Citizens. Jocelyn Metzger Staigar, Hilton Head Association of Realtors® Government Affairs Director stated that she had four items to bring to the attention of the EDC.

- a. The EDC needs to advocate for restructuring the South Carolina tax code because it makes the state less competitive than Georgia and other southeastern states.
- b. Commercial and residential Realtors® should be represented on the EDC Board.
- c. A County Council member is stating publicly that the HHIEDC has withdrawn support from the South Carolina Lowcountry Economic Alliance, which is not true (the Town of HHI continues to pay \$10,000 annually to help support the Alliance).
- d. The HHIEDC needs to acquire a license to the software program that would allow the EDC to access the inventory of available commercial space in the Town.

Chairman Upshaw thanked the Beaufort County Association of Realtors and the Hilton Head Area Associations of Realtors for hosting an Economic Development Summit at the Hampton Hall Clubhouse on November 13. Mr. Upshaw stated that he had received very positive feedback from attendees, and Don Kirkman did an outstanding job representing the HHIEDC.

5. Presentation by the Community Vision of Hilton Head Island (Walt Graver, Dan Castro and Paul Gibson). Mr. Graver began by stating that the presentation was about existing businesses on Hilton Head Island that need to expand; the proposed project will enhance the quality of life on Hilton Head Island, will generate substantial economic benefits and will

attract people and businesses to the Island. Mr. Graver provided a brief overview of the history of Community Vision and how it had evolved into an effort focused on creating a multi-purpose performing arts venue for Hilton Head Island, and he distributed a briefing book to each of the HHIEDC Board members and Mr. Kirkman which provides significant information about the project beyond what was presented in the PowerPoint presentation.

Mr. Castro stated that the project will help Hilton Head Island become an arts and culture destination, and it will create a substantial economic development impact for Hilton Head Island. The project is centered on a multi-functional arts center with year round programming. Mr. Castro and Mr. Gibson discussed the potential economic impact of the facility and described the impacts similar performing arts venues had created in other resort destinations.

Mr. Castro presented a conceptual drawing of their proposed facility and emphasized that the final design had not been determined. He stated the facility would need to be designed with the capacity and aesthetic to attract both name performers and a broad audience to achieve the attendance needed for financial viability. A preliminary estimate of the building costs was between \$30 and \$50 million, and that fundraising would need to be undertaken to augment public funding for the construction, maintenance and operation of the facility. Mr. Castro stated that their preferred location for this proposed facility would be Honey Horn, although there were other possible alternatives. The Community Vision is putting together a public relations campaign to make sure there is a broad community support system.

Mr. Harkins identified several areas that he felt Community Vision needed to address before the project could get public support, including the backing of a majority of Town Council. He challenged the project advocates to do additional work before they asked for public support.

- 6. Executive Director Report:** Mr. Don Kirkman stated that by the end of December 2014, HHIEDC staff will be in hired and in renovated offices at 4 Northridge Drive, the 501(c)(3) application will have been submitted to the IRS, and the EDC will be a fully functional operating enterprise not reliant on the Town for office space or staffing support. Mr. Kirkman thanked Ms. Bastnagel for the many hours she devoted to coordinating suppliers and contractors for the office space. Mr. Kirkman distributed his report and reviewed his activities since the October 28 Board meeting. Mr. Kirkman stated that the HHIEDC is working with 14 prospects that have approached the HHIEDC for assistance. They include existing companies considering expansion opportunities, entrepreneurial enterprises seeking information to evaluate Hilton Head as a potential location, HHI residents with ideas for new businesses, and one client with an option to acquire Hilton Head real estate.
- 7. Treasurer Report:** Mr. Joseph presented the EDC October financial statement. Mr. Joseph reviewed the line items related to advertising, travel and for computers for the new office. Mr. Joseph stated that in the next two months the financial statement will reflect more expenses related to setting up the new EDC office on Northridge Drive including the lease and utilities. Mr. Dallas asked if it would be helpful to include monthly expenditures vs. monthly budgets, and Mr. Joseph stated that the EDC budget was prepared on an annual basis and did not project monthly expenditures, since they were quite variable. He noted that the year-to-date budget column allowed Board members to track monthly expenditures cumulatively as a

percentage against the annual budget, which allowed Board members to see what percentage of the budget had been expended in each line item at the end of every month.

8. Unfinished Business:

- a. Ratification of HHIEDC recommendations to Town Council for December 4-6 workshop.** Mr. Dallas made a motion to approve the recommendations the EDC submitted to Town Council for the December workshop. Mr. Joseph seconded. The motion was passed unanimously.

9. New Business:

- a. Determine 2015 HHIEDC Board of Directors meeting schedule.** Mr. Dallas made a motion to schedule the 2015 HHIEDC meeting schedule to take place the second and fourth Tuesdays in January and February and then meet the fourth Tuesday of each month for the remainder of the year. Mr. Joseph seconded the motion. The motion passed unanimously.
- b. Presentation and discussion of preliminary SWOT analysis.** Mr. Kirkman distributed his draft SWOT analysis, which also contained the SWOT results developed by the HHIEDC Board at their January strategic planning retreat. He noted that the two were very similar. The two major differences were how available land/buildings and the airports were characterized. Mr. Kirkman stated that the Hilton Head airport, as well as the Savannah airport, are very important economic development assets that need support. Mr. Kirkman stated that outreach to the owners of corporate aircraft should be part of a comprehensive strategy to identify and contact corporate executives who own Hilton Head Island real estate or visit the Island frequently. Chairman Upshaw asked Board members to provide feedback to Mr. Kirkman, which feedback can inform the work Mr. Kirkman is doing to develop a draft 2015 program of work that he will present to the Board on December 16.
- c. Recognition of Eileen Wilson and Shawn Colin.** Chairman Upshaw, on behalf of the HHIEDC Board, thanked Ms. Wilson and Mr. Colin for their efforts to support the EDC above and beyond their Town job responsibilities, and he presented them (Mr. Colin was not present) with a small gift to thank them for their service.

- 10. Executive Session.** At 11:10 a.m. Ms. Bastnagel made a motion to go into executive session to discuss matters related to potential economic development and matters related to employment, appointment, and compensation of employees. Ms. McKenzie seconded. The motion passed unanimously. The EDC came out of executive session at 11:44 a.m. No action was taken as a result of executive session.

- 11. Adjournment.** There being no further business, the meeting adjourned at 11:46 a.m.

Respectfully submitted:

Eileen S. Wilson
Sr. Administrative Assistant
Community Development

Approved 12/16/2014
Maryann Bastnagel, Vice Chairman