



Town of Hilton Head Island
Venue Committee Special Meeting
Wednesday, June 20, 2018 – 3:00 p.m.
Benjamin M. Racusin Council Chambers
AGENDA

As a Courtesy to Others Please Turn Off All Cell Phones and Pagers during the Meeting.

- 1. Call to Order**
- 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 Agenda**
- 4. Approval of Meeting Minutes** –March 30, 2018 and April 16, 2018
- 5. New Business**
 - a) Discussion on preparation for Town Council meeting regarding the Committee Recommendation that was presented to and approved by the Community Services Committee on June 11, 2018
- 6. Appearance by Citizens**
- 7. Adjournment**

Please note that a quorum of Town Council may result if a majority of their members attend this meeting.

TOWN OF HILTON HEAD ISLAND
Venue Committee Special Meeting
March 30, 2018 – 9:00 a.m.
Benjamin M. Racusin Council Chambers

Committee Members Present: Chair Cindy Creamer, Vice Chair Jane Joseph, Karen Attaway, Gil Campbell, Dan Castro, Lili Coleman, Rex Garniewicz, Florry Gibbes, Terry Herron, Bob Lee, Suzanne Thompson

Committee Members Absent: Tim Ridge, Gregg Russell, Juliann Foster

Town Council Present: Kim Likins, Tom Lennox

Town Staff Present: Shawn Colin, Deputy Director of Community Development; Charles Cousins, Director of Community Development; Brian Hulbert, Staff Attorney; Jayme Lopko, Senior Planner; Jenn McEwen, Culture & Arts Network Director; Teresa Haley, Senior Administrative Assistant

1. Call to Order

Chair Creamer called the meeting to order at 9:04 a.m.

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 Agenda

Chair Creamer requested a motion to approve the agenda as submitted. Mr. Castro moved to approve. Mr. Campbell seconded. The motion passed unanimously.

4. Approval of Minutes – November 20, 2017

Chair Creamer requested a motion to approve the minutes of the November 20, 2017 meeting. Ms. Attaway moved to approve. Ms. Coleman seconded. The motion passed unanimously.

5. New Business

- a) Discussion on Response to Webb Management Services Report: A Conceptual Model for a Community Arts Center (CAC) and Possible Recommendations

Chair Creamer welcomed all those in attendance and presented the Draft Response to Phase II Funded Work. Chair Creamer read through and asked the Committee members to comment on each of: the Background, Community Arts Center Conceptual Model, Community Arts Center Option One, Community Arts Center Option Two, and Community Arts Center Option Three.

The Committee discussed and made inquiries regarding: Task Team 1 work product differing from the draft response; the process of compiling comments pertaining to Webb's report; provide ACCC with specific questions to any unanswered questions; accommodate a CAC at the ACCC with some modifications; the challenges of evaluating one piece, the CAC, without completing all of Phase II; explain to Town Council the need to keep all six of the recommendations together; ask Town Council what the Town can afford; expectations of Town Council pertaining to Committee deliverables; the Vision Report as it relates to arts, culture and heritage; taking a comprehensive

look at the set of recommendations to support the needs of the community organizations; private and public funding sources; return on investment; who (committee or consultant) determines cost and return on investment; certain work being handled by the committee versus a consultant; a neutral, professional party verifying and consolidating those certain works by the committee.

The general consensus among the Committee was that Town Council should defer decisions on major expenditures until the full Venue Committee Recommendation approved in June 2017 is completed. The Committee further agreed that Town Council authorize and fund the work required to complete Phase II. There was not agreement among the Committee regarding sufficient information provided by ACCC. Mr. Lee asked the Committee for a deliverable specific to any information that has not been provided by ACCC. The Committee suggested the Town provide a list of deliverables with expectations and limitations of the Committee.

Vice Chair Joseph indicated each team and/or member should send comments on the draft document to her by April 6th. Vice Chair Joseph will compile comments for Committee review at the next meeting on April 16th at 9:00 a.m.

6. Appearance by Citizens

Public comments received related to the following: a CAC centralized schedule operated by one individual; CAC Option Three is a short term placeholder; highlight items in the report where good things are happening, i.e. Mitchelville; culinary arts is happening in Bluffton, but possible opportunity for a private company to take on; tourist revenue stream will go a long way to fund a performance hall; study both a performance hall and ACCC together, not separately; status quo is not acceptable; revenue opportunity with a venue that can hold in the range of 1,000-2,000; question whether government funding is required; support the Committee's message regarding looking at all of their previous recommendations together; public perception of the Committee and its work.

7. Adjournment

Chairman Creamer requested a motion to adjourn. Ms. Coleman moved to approve. Mr. Castro seconded. The motion passed unanimously. The meeting was adjourned at 10:50 a.m.

Submitted by: Teresa Haley, Senior Administrative Assistant

Approved:

Cindy Creamer, Chairman

TOWN OF HILTON HEAD ISLAND
Venue Committee Special Meeting
April 16, 2018 – 9:00 a.m.
Benjamin M. Racusin Council Chambers

Committee Members Present: Chair Cindy Creamer, Vice Chair Jane Joseph, Karen Attaway, Dan Castro, Juliann Foster, Rex Garniewicz, Terry Herron, Bob Lee, Gregg Russell, Suzanne Thompson

Committee Members Absent: Gil Campbell, Lili Coleman, Florry Gibbes, Tim Ridge

Town Council Present: Kim Likins, Bill Harkins, Tom Lennox

Town Staff Present: Shawn Colin, Deputy Director of Community Development; Charles Cousins, Director of Community Development; Taylor Ladd, Senior Planner; Jayme Lopko, Senior Planner; Jenn McEwen, Culture & Arts Network Director; Jennifer Ray, Planning & Special Projects Manager; Teresa Haley, Senior Administrative Assistant

1. Call to Order

Chair Creamer called the meeting to order at 9:00 a.m.

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 Agenda

Chair Creamer requested a motion to approve the agenda as submitted. Mr. Castro moved to approve. Mr. Garniewicz seconded. The motion passed unanimously.

4. Old Business

- a) Discussion on Response to Webb Management Services Report: A Conceptual Model for a Community Arts Center (CAC) and Possible Recommendations

Prior to the Committee discussion, Mr. Lee presented statements regarding the Arts Center of Coastal Carolina's involvement in this process. Please refer to **Appendix A** attached hereto and made a part hereof.

The Committee discussed and made changes to the draft Response to Phase II Funded Work. Upon the conclusion of the discussion, Chair Creamer asked for a motion to approve the Response to Phase II Funded Work with the amendments as discussed.

Ms. Attaway moved to **approve**. Mr. Garniewicz **seconded**. The motion **passed** with a vote of 9-1-0. The member opposed stated his opposition is only to any reference to why the Town should not pursue the Arts Center of Coastal Carolina is based on any lack of financial information and/or available space.

A final copy of the Response to Phase II Funded Work is attached as **Exhibit A** and made a part of the record hereof.

Chair Creamer asked for public comment. Councilman Tom Lennox commented on the protocol and expectations of the recommendations moving forward to Town Council.

Vice Chair Joseph noted she will point out to Town Council where any unanimous agreement was not reached by the Committee.

Vice Chair Joseph asked the Committee to review the list of Active & Planned Venue Spaces on HHI and provide the information needed for Palmetto Electric and Hilton Head PSD.

5. Appearance by Citizens – None

6. Adjournment

Chairman Creamer requested a motion to adjourn. Mr. Castro moved to approve. Ms. Attaway seconded. The motion passed unanimously. The meeting was adjourned at 10:59 a.m.

Submitted by: Teresa Haley, Senior Administrative Assistant

Approved:

Cindy Creamer, Chairman

EXHIBIT A

Town of Hilton Head Island Venue Committee

Response to Phase II Funded Work

April 16, 2018

Background

- The Venue Committee was created in February 2016 by Town Council, which budgeted funds for a consultant to help complete the Scope of Work: to identify venue needs and develop physical and business plans and a fundraising strategy. Our first meeting was in April 2016.
- The Committee's first year was spent working with Webb Management Services on a needs assessment, interviewing and surveying culture and heritage organizations and citizens, and researching other towns and financing options. The Town Council unanimously supported the exciting recommendation for six cultural spaces and further study to identify programming, business models and funding for them. Most importantly, the Committee recommended that these are a set of investments that should be viewed together. These projects are:
 - Support for the Mitchelville plan
 - A mid-sized multi-use, flexible hall
 - An outdoor gathering space for the community
 - Support for the Coastal Discovery Museum (CDM)
 - A community arts center
 - A culinary facility to encourage culinary tourism
- The past year has been spent working again with the consultant on Town Council's direction to address only a Phase II plan for a Community Arts Center (CAC). In January, Webb provided a proposal of a Conceptual Model for a Community Arts Center, providing information on how the Arts Center of Coastal Carolina (ACCC) could be utilized as part of the model. The committee worked diligently to reach a consensus on this assignment, but was unable to do so. There was, however, a clear majority opinion.

Community Arts Center Conceptual Model

Webb detailed the elements which should be included in a Community Arts Center, and provided the first two options below to the Committee on how it might be implemented. The Venue Committee has included a third option in its response:

1. Construct or repurpose a building housing all of the required elements
2. Utilize the ACCC building and add additional space and features to fulfill the needs which the existing building does not meet
3. (Venue Committee) Use a combination of available and planned spaces in the Town to create a virtual Community Arts Center until completion of a comprehensive Culture and Arts Venue infrastructure plan

Community Arts Center Option One

Construct or repurpose a building housing all of the required elements (from Webb's January 2018 Report)

- Included 47,500 sq ft facility with a 30,000 sq ft footprint on 2.5-3.5 acres that includes 2 theaters (300 and 120 seats), classrooms, music practice and rehearsal rooms and a large lobby between \$21.5-27.5MM (not including land purchase).
- Provided a detailed operational model with reduced rental rates for nonprofits and/or regional groups. The operational model assumes some level of subsidy (annual funding requirements between \$600,000 – 640,000), although it does not presume what entity would be subsidizing the costs.
- The Venue Committee does not recommend this option at this time
- This model is expensive, but other configurations of either repurposed or new structures might be a good alternative. This needs to be investigated as part of a larger Phase II study.

Community Arts Center Option Two

Utilize the ACCC building and add additional space and features to fulfill the needs which the existing building does not meet.

Email of April 10, 2018 from Bob Lee, Chairman of the Board of the ACCC: “After careful consideration, the Arts Center of Coastal Carolina has decided to withdraw, for the foreseeable future, from further discussions regarding its venue / facilities as a part of the current Venue Committee process.” Full text of this email is included in Appendix A below.

- Webb stated the ACCC's building could meet a substantial portion of the required spaces if the organization “is prepared and able to re-formulate its business model to become more of a community arts center than being dominated by self-produced theater.”
 - The building contains a main theater, small black box theater, art classroom, gallery, offices and meeting rooms
 - Other elements such as a small theater, practice rooms, additional classrooms, and rehearsal rooms would need to be made available in other spaces
- Of particular relevance to this option is that the ACCC is requesting consideration of an agreement for the Town to purchase their building with certain conditions:
 - Purchase price to be based on fair market value, substantiated by current appraisal of property
 - Sufficient funding to address their maintenance backlog (additional \$3.8MM)
 - Relief from ongoing financial burden of building maintenance

- Assurance to its donor base, board and audience that the quality of its productions will remain excellent (maintain current staff and access to space)
- Ability to remain an independent business entity
- The Venue task teams discussed this idea in detail. A majority of the Committee agreed that:
 - A large expenditure of this type would be justified with assurance that other local groups would have reasonable access to the facility (including scheduling and cost criteria)
 - The ACCC could have reasonable priority in scheduling its events
 - An independent entity should manage the facility and schedule the community usage
 - The ACCC could continue to manage theater operations (reporting to the overall facility manager) in order to maintain its current standards of excellence. However, there would need to be a clear understanding and agreement by the Committee of what roles the ACCC needs to continue to manage vs. what could be managed by another entity.
 - The Town and the ACCC would need to agree that the ACCC will be in an adequate financial position to meet its obligation regarding any contract pursuant to the lease
- The teams do not recommend a proposal to purchase the ACCC building without also providing support for the other significant cultural organizations in the community, including the CDM, Mitchelville, the Hilton Head Symphony Orchestra, the World Affairs Council, Hilton Head Choral Society and other community groups.

Reasons why the Town might consider purchase of the ACCC now:

- The ACCC has a loyal donor base and audience who would like to continue to see their productions
- The ACCC contributes economic benefit to the Town and State
- Shelter Cove is one of the few very desirable locations on the Island where we would want to have a significant Culture and Arts presence
- The ACCC's sustainability is not secure without removing the burden of building ownership
- The most significant cost in a Community Arts Center is the Theater. Upgrading an existing theater is far more cost effective than building a new theater. It would be far more cost effective to upgrade the other spaces in the ACCC than creating new spaces for those uses.

Reasons why the Town should not consider purchase of the ACCC now:

- The Committee is not in full agreement that there is sufficient desirable space available for shared usage of the facility as a true community arts center to warrant adopting this alternative at this time
- A plan has not yet been completed to provide support for all of the Town's significant cultural organizations
- Due to these stated concerns, the majority of the Committee does not support the Town purchasing the ACCC property at this time

Should the Town pursue a purchase agreement for the ACCC, the following items should be considered:

- The Committee is not in full agreement that there is sufficient information available at this time to substantiate a decision now by the Town Council for any major expenditure regarding a Community Arts Center. The Committee cannot recommend purchasing the property to Town Council without full substantiating figures including:
 - Purchase Price
 - Annual Operating cost for which the Town would be responsible over a significant period
 - Estimated Operating revenue over the same operating period
 - Estimated capital maintenance costs over the period
 - Providing for the “excellence” that is the Visioning Report’s #1 Pillar for all Hilton Head Island projects

Community Arts Center Option Three

Use a combination of available and planned spaces in the Town to create a virtual Community Arts Center until a comprehensive Culture and Arts Venue infrastructure plan has been completed

- There are numerous other spaces on the Island which can be used to fulfill a portion of the needs for a Community Arts Center
- Access to these spaces would be greatly improved by implementing a centralized scheduling service to facilitate availability tracking and community groups’ requests
- All required spaces need to be investigated in detail, and the following questions need to be answered for each space:
 1. What is the availability to the community?
 2. What is the rental cost; would it require subsidizing to ensure affordability to the community?
 3. Could facilities be expanded or refurbished to improve usability? If so, what is the associated cost?
 4. For spaces that will not be available and/or affordable, what construction would be required? What is the anticipated cost?
- This option could begin implementation quickly for spaces that are ready, with questions being researched and addressed with the other potential spaces
- See attachment for Hilton Head Island Venue Space List
- The Committee recommends pursuing implementation of this option along with the remainder of Phase II

Other Things We Learned

- The constraints on organizations across many sectors (cultural, heritage, non-profits, businesses) due to insufficient venue options have increased, causing

negative impact on the organizations. Organizations are considering or have already moved off island. This trend has a detrimental effect on our economy and quality of life and runs counter to the concepts endorsed by the Visioning Report.

- Bluffton is moving aggressively to capitalize on their culture, arts and heritage assets and attracting HHI assets to relocate (e.g. Muse Gallery, Red Piano Gallery)
- Additional organizations have come forward to add their requirements for new or additional venue space. Some of these are new types of community arts spaces that were not included in the Webb conceptual model.
- Plans for Mitchelville, Coastal Discovery Museum and the midsized hall have progressed. This provides us with potential venue opportunities, but also underscores the fact that plans need to be viewed together in order to develop the most effective solutions.
- There are multiple means of funding cultural and art spaces, utilizing both public and private options. The spaces do not all need to be implemented at once, nor does funding need to be procured all at once.

Venue Committee Recommendations

- A. **The Town Council should defer decisions on major expenditures until the full Venue Committee Recommendation approved in June 2017 is completed**
 - The scope of this Committee cannot be completed until Phase II is completed. Thus far, only a Needs assessment and a small portion of the Design and Business assessment have been addressed. **The Venue Committee recommends that the Town fund the work required to complete Phase II.**
 - The funding to complete this work was in the Town's budget (original consultant estimate for Phase II was \$106,000)
- B. The Committee recommends implementing a centralized scheduling service for cultural spaces, as described in Community Arts Center Option Three, with scheduling priority given to the resident organizations for each venue. This action would immediately benefit the existing major cultural institutions on the Island, and provide a process to easily make additional spaces available to the community and visitors. This improves the situation, but does not provide a solution for the major performing groups.
- C. The Committee supports Webb's June 2017 recommendations for cultural spaces, and recommends the Town support the planning process for all of them. Most of these initiatives are already in the planning process for creation or expansion. We need a comprehensive plan that ties these projects together, determines the exact venue configurations and costs, and coordinates the usage of the spaces. This will reduce redundancies for all of the organizations and identify additional opportunities. The initiatives to be included are:
 1. Mitchelville. Hilton Head Island has a remarkable story to tell with Mitchelville, one with incredible potential for both tourism and regional pride. Mitchelville has received well-deserved funding from both the County and the Town; the Town needs to do all it can to promote this initiative. Status of this project should be provided by Mitchelville's Board and Executive Director.

2. A mid-sized hall. The Hilton Head Symphony is currently investigating the concept of a midsized performance hall. This hall could also be utilized by the organizations that have outgrown their existing venues; the HHSO, the Choral Society, and the World Affairs Council; resorts and hotels, for gatherings that cannot currently be contained by their facilities, as well as by non-profits, community organizations and touring performers. The HHSO's leadership can provide status of this project. With their agreement, we recommend that a Town Venue consultant work together with the HHSO to consolidate their plans with the needs of the community, and determine the ideal solution for this project.
 3. An outdoor gathering space. This concept would truly bring the Island together and provide a venue for festivals, family reunions, weddings, outdoor performances, and other community events. With the Island's three-season availability, such a site would have numerous and diverse usage possibilities, and it is financially viable by utilizing effective venue management together with tourist participation. Members of the Venue Committee, who have studied this concept extensively, can provide numerous examples and actual experiences on the Island, as well as supporting detail on such spaces.
 4. The Coastal Discovery Museum. CDM is planning an expansion to allow for world-class museum exhibits, along with spaces that can make up portions of a virtual community arts center; classrooms, small lecture/theater space, and gallery display spaces. These expansion plans can meet a significant amount of our community's need for cultural venues. Status on this project can be provided by CDM's Board and President/CEO.
 5. A community arts center (CAC). A distributed CAC could be created from currently available spaces on the Island, those that are in the planning stage, and existing spaces that may be added in the future (see Attachment). A prerequisite for this concept is the scheduling process described in recommendation (A) above. While the Webb report provided some important and useful information, there are additional needs that have been identified which should be considered in the plan for a CAC. The long term need for the virtual CAC would be evaluated as the comprehensive plan is developed.
 6. Culinary tourism. Creating a plan for culinary tourism on the Island would draw many visitors and potential residents to the Island. A group with interest in this concept would need to be identified to spearhead this effort.
- D. The Committee recommends the Town hire a professional consultant to validate, and consolidate the plans from organizations already involved in planning, described in (C) above and develop plans for the other areas in line with the Venue Committee's Scope of Work. Once completed, the Town should finalize the implementation schedule based on community priorities, with some activities occurring in parallel.

What Will We Learn in Phase II?

- Usage & Programming for each venue
- Revenues from operations:
 - Identify target markets for attendance & ticket sales

- Includes users such as local hotels for conventions; concerts & events by outside promoters; performances by local organizations; festivals by local & regional groups; academic & intellectual meetings, etc.
- Facility Design recommendations for the new venues
- Facility Location Options
- Financing and Fundraising options
- Venue Management options (operating & marketing)
- Ownership options (e.g., Town, Public-Private, 501c3)
- Operating Projections for each venue (i.e., Projections of Revenues, Expenses, Profit or Loss, Reserve Funds, breakeven analysis,)
- Economic Impact Estimates

The goal of Phase II will be to provide a 3 to 5 year rollout plan, with extensive detail, for Arts Venues on Hilton Head that serve all Arts organizations, and will include new and existing facilities.

Hilton Head Island's natural beauty and passion for excellence has built the Town's reputation as premier vacation and residential community. While some leisure activities have become less attractive to younger people, culture and art appeals to all generations. The Town should move quickly to support and advance Culture & Arts on Hilton Head Island by providing needed venues, to maintain its position as one of the most sought-after national residential and resort communities.

Appendix A: Email of April 10, 2018 from Bob Lee, President, Arts Center of Coastal Carolina

From: Bob Lee <xxx>
Date: Tuesday, April 10, 2018 at 10:55 AM
To: Jane Joseph <xxx >, 'Cynthia Creamer' <xxx >
Subject: RE: Preparation for 4/16 Meeting

Dear Cindy and Jane,

After careful consideration, the Arts Center of Coastal Carolina has decided to withdraw, for the foreseeable future, from further discussions regarding its venue / facilities as a part of the current Venue Committee process.

The Arts Center staff has worked diligently for almost two years to provide the Venue Committee and Webb Consulting with all requested information - investing extraordinary staff resources. It, however, has become difficult to reach agreement regarding the Art Center's facilities in the Venue Committee mix. The Arts Center will continue to actively participate and support the Venue Committee's other task processes and looks forward to helping to make Hilton Head all that it can be for all of the Arts.

The Art Center will continue to pursue the actionable recommendations included in the report delivered last November by Webb Consulting, as they relate to the Art Center's facilities and its availability to support smaller arts organization's needs.

Thanks. I look forward to our continued consideration for the venues and programs the Venue Committee is currently contemplating.

Best,
Bob

Robert Lee
Email address
(M) xxx-xxx-xxxx