

Hilton Head Island Economic Development Corporation

Tuesday, November 18, 2014

9:30 a.m. – Palmetto Electric Community Room

111 Mathews Drive

Hilton Head Island, SC 29928

Note: Please park and enter through the back of the building

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 Minutes from October 28, 2014**
4. **Appearance by Citizens**
5. **Presentation:** Community Vision of Hilton Head Island (Walt Graver, Dan Castro and Paul Gibson)
6. **Executive Director Report**
7. **Treasurer Report**
8. **Unfinished Business**
 - a. Ratification of HHIEDC recommendations to Town Council for December 4-6 workshop.
9. **New Business**
 - a. Determine 2015 HHIEDC Board of Directors meeting schedule.
 - b. Presentation and discussion of preliminary SWOT analysis.
10. **Executive Session**
 - a. Discussion of matters related to potential economic development.
 - b. Discussion of matters related to employment, appointment, compensation of employees.
11. **Adjournment**

Please note that a quorum of Town Council may result if four (4) or more Town Council members attend this meeting.

Hilton Head Island Economic Development Corporation

Minutes of Tuesday, October 28, 2014

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

Members Absent: Carlton Dallas

Town Council: Bill Harkins, Kim Likins, John McCann

EDC / Town Staff: EDC Executive Director Don Kirkman, Charles Cousins, Shawn Colin, Eileen Wilson

1. Call to Order:

Chairman Upshaw called the meeting to order at 9:00 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 14, 2014.

The minutes of October 14, 2014 were approved as presented.

4. Appearance by Citizens. None

5. Executive Director Report: Mr. Kirkman stated that he received one response to the RFQ for legal services from the five firms solicited to assist the EDC with its 501(c) (3) filing with the IRS. The EDC office space lease is being negotiated and should be executed by October 31, 2014. Mr. Kirkman reported that 78 applications have been received for the EDC Marketing Coordinator/Executive Assistant position. He has been working with Town HR staff to sort through the list with a goal of reducing the candidate pool to the top 5-6 candidates for a telephone interview and then reduce the candidate pool to 2-3 for personal interviews. The EDC website build out continues to be a work in progress; awaiting testimonials from companies already doing business on Hilton Head Island, as well as other data and clarity around the EDC program of work in 2015. The Hilton Head Island section for the SC Department of Commerce Beaufort County insert is complete. Mr. Kirkman was asked to draft an "open for business" marketing insert for the 2015 Beaufort County Official Vacation Planner, which has been completed and submitted. The EDC is working with ten prospects that have approached the EDC for assistance; three are existing companies doing business on Hilton Head Island and wish to expand; four are individuals who reside on Hilton Head Island who have businesses in which they are involved that could relocate or expand on Hilton Head Island; and three are enterprises that exist outside of Beaufort County that are exploring Hilton Head Island for possible expansion or relocation. Mr. Kirkman attended the International

Economic Development Council Annual Meeting in Fort Worth, Texas earlier this month. Mr. Kirkman stated that the focus at the IEDC this year shifted away from business recruitment and workforce development and toward a broader role of economic development organizations focusing on innovation, entrepreneurship, marketing of place and community capacity building. The conference also addressed the need to customize metric to reflect the specific and changing role of economic development organizations at the local level. Mr. Kirkman stated that this is very germane to what the EDC will be doing on Hilton Head Island, since economic development needs to be very comprehensive on the Island, and successes will likely be in non-traditional areas.

6. **Treasurer Report:** Mr. Joseph presented the EDC September budget statement. Mr. Joseph reviewed the expenses and stated that at this time the EDC is under budget in the Personnel line item since the second EDC employee has not been hired yet, as well as under budget in most expense line items.
7. **Unfinished Business:** none
8. **New Business:**
 - a. **Discussion of EDC recommendations for Town Council December Workshop:** The EDC had an open floor discussion centered around the recommendations that the EDC Board of Directors would propose to the Town Council for their December workshop, and the following is a list of topics discussed.
 - **Business Retention/Expansion**
 - EDC website information sharing (resource section)
 - Housing for workers at all levels (market analysis of affordability)
 - Apartments – 200 units is a minimum threshold, which requires 17+ acres
 - Only two town parcels meet that size threshold
 - No 10+ undeveloped parcels otherwise available on the Island
 - Evaluate Town-owned properties that could be used for housing and other economic development purposes.
 - Town and EDC could identify blighted office areas for potential rehabilitation/new construction to bring in business that would increase tax base.
 - **Business Attraction**
 - Brainstorming sessions with community experts to identify opportunities.
 - EDC needs to identify and promote niche opportunities (e.g. women-owned businesses) for economic development.
 - The Town should evaluate its entire business license policy, as well as impact fees. Do not want to create obstacles for new and expanding businesses.
 - Consider business license fee and/or impact fee holiday/discount/waiver for new businesses and for existing businesses that demonstrate they are making an investment for growth.
 - **Infrastructure (“Product”)**
 - Fiber extension (fiber hood) Hargray Pilot Program

- Real estate incentive – EDC evaluate Town property to determine its availability for economic development purposes, and consider discounting sale or lease price.

Hospitality

- HHI could be a global center of excellence in hospitality training for the service industry. This could elevate the hospitality brand and attract additional investment and revenue to the Island.
- Leverage USCB
 - Ambassador Program
 - Center for Service Leadership partnership with USCB and others

EDC

- Once program of work is established, identify metrics to evaluate progress
- Need to educate public on what economic development is and length of time needed to demonstrate successes
- Funding
 - Need to develop additional sources of funding
 - Town support critical, particularly in first 3-4 years, but need to diversify funding over time
 - One-time funding (e.g. Pineland land sale) needed to support economic development projects (not EDC operations)

Chairman Upshaw asked Mr. Kirkman to create a summarized list of the topics discussed today for EDC Board review and final approval at the November 18 meeting.

At 10:30 a.m. Ms. McKenzie made a motion to go into executive session to discuss matters related to contracts, personnel and economic development. Mr. Joseph seconded the motion. The motion passed unanimously.

At 10:43 a.m. the EDC came out of executive session and resumed the meeting. Mr. Wenig made a motion to hire the law firm of HunterMaclean, the only firm that provided a proposal in response to the EDC's Request for Proposals, to provide legal services to the EDC in connection with its 501(c) (3) filing to the Internal Revenue Service for tax exempt status. Mr. Joseph seconded the motion. It was noted that Ms. McKenzie recused herself from both the discussion and the vote because she is a partner with the HunterMacLean firm. The motion passed unanimously (with Ms. McKenzie recusing herself from the vote). No further action was taken as a result of executive session, but it was noted that Mr. Kirkman should attempt to prioritize local candidates for the EDC Marketing Coordinator/Executive Assistant position if they were otherwise qualified.

9. Adjournment.

There being no further business, the meeting adjourned at 10:45 a.m.

Respectfully submitted:

Eileen S. Wilson
Sr. Administrative Assistant
Community Development

Thomas Upshaw, Chairman

DRAFT