



The Town of Hilton Head Island
Special Town Council Meeting

September 30, 2014

10:30 A.M.

AGENDA

**As a Courtesy to Others Please Turn Off/Silence All Mobile Devices During
the Town Council Meeting**

- 1) Call to Order**
- 2) Pledge to the Flag**
- 3) Invocation**
- 4) FOIA 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.
- 5) Unfinished Business**
None.
- 6) New Business**
 - a. Consideration of a Request to Accept a Grant from Hargray Communications Group in the amount of \$275,000.00 For Use Towards Off-Site Infrastructure Improvements Associated With a Proposed USC-B Facility on Hilton Head Island.**
- 7) Executive Session**
 - a. Discussions Related to Contractual Matters Regarding Hargray Communications Group Grant.**
- 8) Adjournment**



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, *Town Manager*
VIA: Charles Cousins, *Director of Community Development*
FROM: Marcy Benson, *Senior Grants Administrator*
DATE: September 26, 2014
SUBJECT: SC Rural Development Act Grant Funding

Recommendation:

Staff recommends Town Council accept South Carolina Rural Development Act grant funding from Hargray Communications Group in the amount of \$275,000 for use in off-site infrastructure improvements associated with a proposed USC-B facility on Hilton Head Island.

Summary:

Under the South Carolina Rural Development Act of 1996 (SC-RDA), Hargray Communications Group is eligible to apply for a credit against its tax liability for amounts paid in cash to provide infrastructure for a qualifying project. Grant funding in the amount of \$275,000 is being made available to the Town of Hilton Head Island from Hargray Communications Group under the SC-RDA for proposed infrastructure improvements in the Pope Avenue and Office Park Road corridor which will be substantially completed no later than December 31, 2016.

Background:

The South Carolina Rural Development Act of 1996 (SC-RDA) allows eligible companies to receive a credit against its tax liability for amounts paid in cash for qualifying infrastructure projects. Hargray Communications Group will reimburse the Town of Hilton Head Island for the cost of infrastructure in the amount of \$275,000 as part of its license liability to the State of South Carolina, through the Department of Revenue for the calendar year 2014. The funds dispersed under this program are to be used only for infrastructure improvements and the improvements will be substantially completed no later than December 31, 2016.

STATE OF SOUTH CAROLINA

CONTRACT

COUNTY OF BEAUFORT

WHEREAS, the Town of Hilton Head Island, by and through its Town Council, hereinafter referred to as “Town” and Hargray Communications Group, Inc., hereinafter referred to as “Company,” wish to enter into this Contract.

NOW, THEREFORE, for the sum of Five (\$5.00) Dollars, each to the other paid, sufficient receipt of which is hereby acknowledged, and the other rights, duties and obligations as set out below, the parties agree as follows:

1. That Company is organized and existing under the laws of the State of South Carolina and is subject to the license tax under Section 12-20-100 of the South Carolina Code of Laws. As such, Company is eligible to take advantage of the South Carolina Rural Development Act (Act No. 462) of 1996.

2. That Town is a body politic organized as a Town under the laws of the State of South Carolina. That at a meeting held on the 30th day of September, 2014 the Town approved this contract by and through its elected Town Council. The Town through its Council specifically authorized its representatives below to execute this contract.

3. That the Company, under the South Carolina Rural Development Act of 1996, is allowed to apply for a credit against its tax liability for amount paid in cash to provide infrastructure for a qualifying project as prescribed in Section 12 of the South Carolina Rural Development Act of 1996.

4. That Town has requested and Company has agreed to reimburse the Town for the cost of infrastructure in an amount not to exceed Two Hundred and Seventy Five Thousand & 00/100 (\$275,000.00) Dollars, as a part of its license liability to the State of South Carolina,

through the Department of Revenue for the calendar year 2014. This contract pertains only to 2014 license fees.

5. That Town agrees to use these funds only for infrastructure improvements set out and approved by the South Carolina Rural Development Act of 1996. In particular the parties agree that an amount not to exceed Two Hundred and Seventy Five Thousand & 00/100 (\$275,000.00) Dollars will be used for infrastructure improvements in the Pope Avenue and Office Park Road Corridor, located in the Town.

6. The Town agrees that the infrastructure will be substantially completed no later than December 31, 2016

7. The Town agrees that the contract for the infrastructure, if required, will be appropriately bid and bonded in accordance with its procurement code.

8. The Town shall provide an accounting of the deposit and disbursement of funds subject to the Contract in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

9. The Town will allow the Company to review the use of South Carolina Rural Development Act funds during the 2015 and 2016 year.

10. That Town agrees to abide by any and all stipulations, conditions, and requirements of the South Carolina Rural Development Act, including but not limited to any and all necessary filings made necessary by the Act with regard to the receipt and expenditure of these funds.

11. *That if, and in the event, the Town fails or otherwise refuses to appropriately use the funds contributed by Company, or other participants, or if the Town misuses the funds, the Town hereby shall take any and all steps as are necessary to repay those funds immediately to Company, or in the alternative to repay said funds on behalf of the Company to the Department*

of Revenue. The Town shall be liable for any interest, penalties, or fees associated with the nonuse or misuse of said funds. If the Town fails to take action to reimburse the State or the Company, the Company, shall have a cause of action against the Town for breach of this agreement including cost and attorney's fees.

12. That the parties agree that, if requested or required, they will both sign any forms required by the South Carolina Rural Development Act waiving the statute of limitations of the State of South Carolina through the Department of Revenue for attempting to collect the above referenced funds, if and in the event they are not appropriately used under the Act and both parties agree to take all steps that would be necessary to cooperate with the Department of Revenue to see that the transfer and use of these funds are appropriately handled and accounted for.

WITNESS our hands and seals this _____ day of _____, 2014 at
Town of Hilton Head Island, South Carolina.

WITNESSETH:

TOWN OF HILTON HEAD ISLAND

BY: _____

Its: Town Manager

HARGRAY COMMUNICATIONS GROUP,
INC.

BY: Chris McCorkendale

Its: Vice President

PROBATE AS TO TOWN OF HILTON HEAD ISLAND

THE STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

PERSONALLY appeared before me _____ and made oath that he/she saw the within named Town of Hilton Head Island, by _____, its _____ sign, seal, and its act and deed, deliver the within written Contract, and that he/she with _____ witnessed the execution thereof.

SWORN to before me, this _____ day of _____, 2014.

_____ (SEAL)

NOTARY PUBLIC FOR S.C.

My Commission Expires: _____

PROBATE AS TO HARGRAY COMMUNICATIONS GROUP, INC.

THE STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

PERSONALLY appeared before me _____ and made oath that he/she saw the within named Company, by Chris McCorkendale, its Vice President sign, seal, and its act and deed, deliver the within written Contract, and that he/she with _____ witnessed the execution thereof.

SWORN to before me, this _____ day of _____, 2014.

_____ (SEAL)

NOTARY PUBLIC FOR S.C.

My Commission Expires: _____