Hilton Head Island
Economic Development Corporation

Tuesday, February 10, 2015
9:00 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 January 27, 2014**
4. **Appearance by Citizens**
5. **Presentation:** None
6. **Executive Director Report**
7. **Treasurer Report**
8. **Unfinished Business**
   a. Hilton Head Island Economic Performance Dashboard
   b. HHIEDC metrics and evaluation tool (from Action 10.3.1)
9. **New Business**
   a. 2015-16 HHIEDC budget process
   b. HHI entrepreneurship initiative
10. **Executive Session**
    a. Discussion of matters related to potential economic development
    b. Discussion of personnel matters
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, January 27, 2015

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

Town Council: Lee Edwards, Bill Harkins, Thomas Lennox, John McCann

EDC Staff: Don Kirkman, Mary Ellen Tschupp

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 January 13, 2015.**
   The minutes of January 13, 2015 were approved as presented.

4. **Appearance by Citizens.** Jocelyn Staiger suggested that the HHIEDC look into the possibility of acquiring the dotloop.com license held by the former Lowcountry Economic Alliance. Ms. McKenzie suggested that the license agreement may not be transferrable. Ms. Bastnagel recalled that the referenced license was gifted to the LEA for one year.

   Jim Collett commended Mr. Kirkman for providing an excellent presentation at last week's Hilton Head Rotary meeting.

5. **Presentation:** none

6. **Executive Director Report:** Mr. Kirkman reviewed his monthly Executive Director Report, copies of which were distributed to members of the HHIEDC Board. Mr. Kirkman reported that he met with Edwina "Eddie" Hoyle, Executive Director of Memory Matters. Mr. Kirkman noted that one of the ideas discussed at the January 5 healthcare workshop was a national dementia center that could educate patients, families and caregivers about the disease and case management. He said the proposed concept could build on the excellent foundation already established by Memory Matters.

   Mr. Kirkman stated that the Internal Revenue Service has notified the HHIEDC that it has received the HHIEDC's 501(c)(3) application. The IRS will decide whether a decision can be made based solely on the information contained in the application, in which case they may issue a determination letter within in 90 days. If they require additional information, it will take a minimum of six month for a final determination to be rendered, and likely much longer.

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7. **Unfinished Business:**

   a. **RBC Heritage presented by Boeing HHIEDC Partnership Opportunities**. The board has stated in the past that it is important for HHIEDC Executive Director Don Kirkman to have a presence at this event. Both Mayor Bennett and Steve Riley have spoken with Heritage Foundation representatives on behalf of the HHIEDC, and Mr. Kirkman feels confident that something will be worked out with RBC Heritage representatives that will enable him to attend the event to represent the HHIEDC. Mr. Riley stated that the logos to be displayed at the event are already established, therefore it is too late to replace the Town of Hilton Head signage with HHIEDC signage.

   b. **Discussion of HHIEDC 2015-16 Operational Plan** Mr. Kirkman stated that the HHIEDC 2015-16 Operational Plan, previously distributed to the Board, will guide the operations and administration of the HHIEDC. Mr. Wenig made a motion to approve the *Hilton Head Island Economic Development Corporation (HHIEDC) 2015-16 Operational Plan*. Mr. Dallas seconded the motion. Mr. Joseph asked if the project spreadsheet referenced in Strategy 6 was already developed. Mr. Kirkman said the spreadsheet did exist, and he would refine it and present it to the Board in an Executive Session of a February HHIEDC Board meeting due to the confidential nature of the client/project information. The motion was unanimously approved.

8. **New Business**:

   a. **Hilton Head Island Economic Performance Dashboard.** Mr. Kirkman distributed a preliminary draft document that contained a list of indicators and data that he felt were appropriate to better understand the performance of the Town of Hilton Head Island economy over time. He emphasized that such a tool was needed to provide an objective analysis of the Town's economic trends. He stated that he would add renovation permits in the next iteration of the document, since new housing and commercial permits had declined in recent years. Mr. Kirkman will be meeting with Susan Thomas (Senior Vice President of HHI VCB) to discuss tourism and hospitality data. Mr. Dallas suggested that it would be helpful to index Hilton Head Island data against state and national data if available. There was much discussion regarding the interface between the macro Town data and measurements to determine the effectiveness of the HHIEDC. Mr. Kirkman said that the two issues were related but separate, and two tools would need to be developed: one to measure the economic performance of the Town over time, and another to measure the performance and success of the HHIEDC. Mr. Kirkman agreed to provide drafts of both documents at the February 10 Board of Directors meeting.

   b. **HHIEDC Metrics and Evaluation Tool (from Action 10.3.1 of the 2015-16 Action Plan).** The 2015-16 HHIEDC Action Plan contains eleven goals, twenty-two strategies and fifty action items. Some of the strategies and action did not lend themselves to numeric tracking, while others did. Board members suggested numerous areas where HHIEDC performance could be measured; they included new companies, jobs and capital investment, number of HHIEDC inquiries and requests for assistance, existing business growth and expansion, website hits, and return on public investment. Mr. Kirkman stated that the lack of data sources limited the ability to track some of these indicators. Ms. McKenzie asked if it might be possible to modify the business license application to add additional questions that could allow tracking of more business information. Mr. Riley stated that state laws regulate access to that data and strictly limited what can be publicly disclosed. Aggregate data is generally available, but not data on individual companies.

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Mr. Kirkman indicated that it was easy to measure and track the specific activities of the HHIEDC and the companies/projects with which the HHIEDC was directly involved, whether they were existing businesses or new businesses. He said he would prepare and distribute at the February 10 Board of Directors meeting a first draft of a dashboard that could be used to measure the effectiveness of the HHIEDC.

Mr. Dallas applauded Mr. Kirkman for the information he has compiled and he suggested that Dr. John Salazar of USCB may be a good resource for additional information. Mr. Kirkman said that Town Council is in discussion with Dr. Salazar and an economist colleague from Clemson to be an advisory team to perform economic impact modeling for the town, and the HHIEDC may be able to piggyback on those efforts. In addition, the HHIEDC is also working with Dr. Salazar as part of a county-wide initiative—Together for Beaufort County—that includes significant data collection at the county and municipal level.

Ms. McKenzie suggested that Hilton Head Island educational attainment data could be attractive as a selling point for potential employers. Mr. Kirkman said that educational attainment data does exist through the US Census Bureau, and it shows that Hilton Head Island significantly exceeds state averages. Mr. Wenig said that the HHIEDC's data repository should include survey results, and he suggested that the HHIEDC undertake surveys to derive more information about the Town's business climate.

Mr. Carb noted that he is seeing the highest commercial rental rates that he's ever seen on Hilton Head Island, which is a positive sign of economic growth. He said that the lack of entry level and workforce housing remains a huge barrier to business growth.

Chairman Upshaw commended everyone on the substantive discussion. He stated that Mr. Kirkman will incorporate the input of the Board members into an HHIEDC dashboard that he will share at the February 10th meeting.

9. **Other**. Mr. Kirkman said that he has received a request from the Town of Bluffton to support the Town's application to the State Infrastructure Bank for funding to construct Bluffton Parkway Phase 5B. Mr. Riley stated that the construction of a continuous, parallel route to US 278 from Hilton Head Island to Interstate 95 is a very important project to the Town of Hilton Head Island, and there are no competing applications from the Town of Hilton Head Island. Mr. Dallas made a motion to support the Town of Bluffton's application to the State Infrastructure Bank for funding to construct Bluffton Parkway Phase 5B and to authorize Mr. Kirkman to write a letter of support on behalf of the HHIEDC. Mr. Wenig seconded the motion, which was unanimously approved.

10. **Executive Session.** The Board voted to go into Executive Session to discuss several economic development projects. No action was taken following the Executive Session.

11. **Adjournment.** There being no further business, the meeting adjourned at 10:20 a.m.

Respectfully submitted:

Mary Ellen Tschupp
Marketing Coordinator/
Executive Assistant

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G. Thomas Upshaw, Chairman

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