

TOWN OF HILTON HEAD ISLAND PUBLIC FACILITIES COMMITTEE

Date: May 3, 2011

Time: 2:00 P.M.

Members Present: Kim Likins, George Williams, Bill Harkins

Members Absent: None

Staff Present: Charles Cousins, Jill Foster, Shea Farrar

Others Present: Aaron Crosby, *Chairman, Daufuskie Island Council*, Tom Crews,
Mary Amonitti

Media Present: Tom Barton, *The Island Packet*

1. Call to Order.

The meeting was called to order at 2:00 P.M.

2. 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.

3. Committee Business:

1. Approval of Minutes:

Councilman Williams moved to approve the Minutes of March 1, 2011.

Councilman Harkins seconded. Chairman Likins pointed out a few corrections that needed to be made. The Minutes of March 1, 2011 were unanimously approved with the corrections noted by Chairman Likins.

4. Unfinished Business: None

5. New Business

- **Presentation by The Binyah Foundation on Establishing a Marine Division within the Lowcountry Regional Transportation Authority (LRTA)**

Mr. Aaron Crosby introduced himself to the Committee and advised he was from the Daufuskie Island Council, not The Binyah Foundation. Robin Townsend who represents The Binyah Foundation and a part time resident of Daufuskie has been helping us try to pursue an effort for regional ferry system. One of her tasks was to reach out to The Town of Hilton Head Island and that is why he is here today.

The Daufuskie Island Council is proposing this economic development opportunity that can link Savannah to Hilton Head Island that utilizes our existing resources – beautiful waterways in a way that will help tourists not to have to drive the roads and allow for economic stimulation creating new jobs.

Mr. Crosby proceeded to give a brief power point presentation stating what they are talking about is a system that would run from Savannah all the way to Beaufort. The notion of tying the two states together through our waterways linking the primary economic hubs of the low country or coastal empire region in a way that allows us to get more out of our resources than we are currently utilizing.

Mr. Crosby mentioned they have been meeting with many folks to build awareness of this as it is hard to be for something unless you know about it. Once you know about it you can figure out if it is worth finding out more about it. Then you can find out if it is worth supporting.

Councilman Williams stated it bothered him as an individual and as a Council person to be sitting here looking at economic figures that are six or eight years old. Councilman Williams stated he would like the County and the Daufuskie Island Council to start talking about is the connection between Pinckney Island, Daufuskie and River Street and forget about the other stuff at this time. Councilman Williams said from his perspective if we could sit here and talk about Pinckney Island, Daufuskie, River Street system and put it in a concept that is doable that is what I would recommend.

Councilman Harkins stated for him to get interested in this it would be important to look at about where 80% of the ridership is going to come from and to break that ridership up into the workers, visitors, etc., then look at what the operating costs are, the capital costs, financing costs and then translate that into ridership fees so we would be able to determine whether this is going to be within the reach of the worker or not, if it is going to speak to a subsidy to make it within the reach and what is that subsidy going to be and what is the appetite for that. On a superficial level this has a lot of appeal, but these are times when we have to be very practical and to venture forth into an augmented transportation system at this time without a hard look at a financial model that has a high probability of success may be time not well spent.

Mr. Crosby asked what the Committee wanted him to model. Councilman Harkins stated on the demand side he wanted a high level of confidence and for you to demonstrate it to me what the worker/ridership, visitor and resident ridership might be. I would temper that demand by comparing time wise what travel on the ferry would be versus other types of transportation. I would also look at what that demand would translate into what kind of equipment you are going to need, what the operating expenses are going to be and since you are not going to have all the capital to do this at once I would like to see an income statement.

Chairman Likins stated she is sure Mr. Crosby can appreciate with everything going on with redevelopment and revitalization throughout the Island we have to look at return on investment of anything that we consider doing. Obviously, the first thing we are going to ask for is a costs benefits analysis of whatever we are considering.

Chairman Likins opened up the floor to public comment. Robin Townsend who stated she is working with Mr. Crosby's group advised there are a lot of people

interested in moving this forward and we firmly believe it will serve the greater good of our low country and Savannah and that in doing so the tourist dollars will help those of us who are here to offset our expenses. Mary Amonitti spoke in favor of the ferry service and hoped as a Committee you would get together with the other interested parties that would like to see something done.

Councilman Harkins stated he is looking at two levels of financial analysis; the first is an accounting analysis. The accounting analysis would look at this as a pure business entity. It would deal with the cost of the equipment, the cost of the personnel to run this, the cost of maintaining this operation and then joined to that would be an expectation in terms of demand. Demand in terms of categories – the visitor, the tourist, the worker, etc. The second is an economic analysis. The economic analysis is more of a macro view of the regional impact that a service like this could have. Certainly more people are going to be interested in living on Daufuskie or visiting Daufuskie or having events at Daufuskie if there is better transportation. That whole economic analysis will develop spin off dollars to various industries which ultimately inure to the benefit of the County itself in terms of their taxes. The County could be a winner here too. Those two levels of analysis are critical to make a good business decision. Mr. Tom Crews stated he completely agrees with the economic questions and stated the reason he moved here was for the water, but we do not offer the experience of the water as much as I think we can and should.

Mr. Crosby admitted he made a critical mistake and the reason for being here today was really simply to say is this an idea that is worth looking into more – not committing money to but simply saying to those that are thinking similar thoughts of maybe this is time we look at this again afresh. The request would be does the Town of Hilton Head Island think this is something worth looking at. If it is something worth looking out then simply reaching out to some of those other parties and saying we think this might be worth looking at and how it should be done.

Councilman Williams stated he didn't think there was anyone here that isn't supportive of the idea but it is just that it comes in as this huge project and we all know that no one can afford that. Councilman Williams also suggested it would be a good idea to get key members of the County Council and key members of Hilton Head Island so we can discuss how Hilton Head Island can support the County.

Councilman Harkins stated he would be delighted to see a vibrant active ferry service in the region and to get going I would respectfully suggest that step one is that you define in detail the outline of your analysis on a financial level and the outline of your analysis on an economic level. I would reach out to our Universities as this could be a nice research model for a business department and do this in an orderly way.

Chairman Likins said in conclusion while obviously they still have questions that they would love to have answered, the important thing is we are encouraged about the project and would like to continue to be part of the conversation as you move forward. How we participate will obviously be determined in time.

6. Adjournment:

Councilman Harkins moved to adjourn. Councilman Williams seconded the motion. The meeting was adjourned at 3:18 p.m.

Respectfully Submitted,

Karen D. Knox
Senior Administrative Assistant

Approved: July 5, 2011