

**Hilton Head Island  
Economic Development Corporation  
Minutes of Tuesday, April 28, 2015**

**Members Present:** Maryann Bastnagel, Carlton Dallas, John Joseph, Raymond Wenig

**Members Absent:** Steven Carb, Diana McKenzie, Steve Riley, Tom Upshaw

**Town Council Attendees:** John McCann

**EDC Staff:** Don Kirkman, Mary Ellen Tschupp

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**1. Call to Order:**

Vice Chairwoman Bastnagel called the meeting to order at 9:02 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 March 24, 2015.**

The minutes of the March 24, 2015 meeting were approved as presented.

**4. Appearance by Citizens.** Ms. Jocelyn Staigar, Government Affairs Director, Hilton Head Area Association of Realtors, thanked Mr. Kirkman for participating in the Association's recent pre-planning meeting for this year's Economic Development Summit.

**5. Executive Director Report:** Mr. Kirkman reviewed his monthly Executive Director Report, copies of which were distributed to members of the HHIEDC Board. He reported that he met with the Town Council Finance Committee to discuss the relationship of the HHIEDC to the Town and the value provided by the HHIEDC. The Committee requested year-to-date financial statements and a forecast of year-end expenditures. These will be provided after the April financial reports are received from Town Finance staff.

Mr. Kirkman also reported that the HHIEDC's attorney has been notified that the Internal Revenue Service is still reviewing the corporation's 501(c)(3) application. They have indicated that they will likely determine in May whether or not they will issue their determination based on the application submitted or if they will require additional information.

Mr. Kirkman noted that it has been an active month for community meetings and events, as detailed in his Executive Director Report. He also called on six existing businesses on the island. He said most of the entrepreneurial businesses on which he called are here because this is where the owners want to live, which is consistent with the HHIEDC's core marketing themes.

Mr. Kirkman stated that HHIEDC marketing activities are in full gear with several print and online ads, including *Hilton Head Monthly*, *CH2*, *Hilton Head Vacation Guide* and *Carolina Living*.

Mr. Kirkman reported that he is currently working with several new economic development prospects. The lack of suitable real estate solutions (available/quality buildings, competitive lease rates, price of land) continues to be the greatest impediment to success. Ms. Bastnagel asked how prospects were finding the HHIEDC. Mr. Kirkman said they come from a variety of sources—referrals, including Town Council member referrals, print media advertising and existing business calls, among others.

Mr. Kirkman highlighted the following upcoming HHIEDC events: *Heirs' Property Seminar* on June 4<sup>th</sup>; *Entrepreneur Reception* on June 8<sup>th</sup>; and *Encore Entrepreneur Event* (with SBA) on June 16<sup>th</sup>.

**7. Treasurer Report:** Mr. Joseph presented the March financial statement prepared by the Town Finance Department and reviewed the major expenditures incurred during the month. There were no questions regarding the financial statement.

**8. Unfinished Business:**

- a. Second home owner/visitor outreach—Request for Qualifications / Request for Proposals.** Mr. Kirkman reported that seven proposals were received. He said that all were very well thought out and each brought a unique perspective and set of skills. The proposals will be discussed further in Executive Session.
- b. Hilton Head Island entrepreneurial initiative and role of HHIEDC.** Mr. Kirkman stated that it is important to distinguish “entrepreneurship” from “small business” as well as hear from entrepreneurs and understand their perspectives and experiences. Mr. Kirkman mentioned two events that the HHIEDC is hosting to support entrepreneurship: an *Entrepreneur Reception* on June 8<sup>th</sup>; and an *Encore Entrepreneur Event* (in partnership with the Small Business Administration) on June 16<sup>th</sup>. Mr. Wenig noted that the week of November 16-22 has been designated *Global Entrepreneurship Week*, and he suggested that would be a good time for the HHIEDC to host an event focused on entrepreneurship.
- c. HHIEDC Board of Directors conference/travel reimbursement policy.** Mr. Wenig made a motion to approve the *Hilton Head Island Economic Development Corporation Board of Directors Conference and Travel Expense Reimbursement Policy*, which had been previously distributed to the Board. Mr. Joseph seconded the motion, which passed unanimously.

**9. New Business:**

- a. Lowcountry Broadband Initiative.** Hargray is seeking HHIEDC support for their Lowcountry Broadband Initiative. Ms. Bastnagel provided an overview of Hargray’s proposed framework to provide one gigabit Internet services to Hilton Head Island, Bluffton and Beaufort County. She stated that there are currently no resort towns on the east coast that provide free Wi-Fi access on the beach. Mr. Dallas said that this is a superb opportunity for Hilton Head Island to differentiate itself from other municipalities, including other resort communities. He suggested that the HHIEDC’s letter in support of the initiative be consistent with the Town Council by using the word “support” rather than “endorsement.” He also wanted to be sure that service to non-plantation communities and Native Island property owners associations was part of the initiative. Mr. Joseph inquired about the pricing structure for the new service. Ms. Bastnagel said that she and the Technology Task Force are working with Hargray to develop various pricing scenarios, including pricing to extend service to public areas. Mr. Wenig asked about the implementation timeline. Ms. Bastnagel said that Hargray indicated to the Town Council that a significant portion of the project could be implemented in three years, depending on the level of commitment from users.

Ms. Bastnagel stated that similar “fiberhoods” already exist in some areas, and there is a direct correlation to new business development in areas with the enhanced telecommunications infrastructure. Mr. Joseph noted that for the full benefits to be achieved it is necessary that both ends (sender and receiver) have the enhanced level of fiber service.

Mr. Dallas made a motion to approve the HHIEDC’s letter of support of Hargray’s Lowcountry Broadband Initiative, with the suggested wording changes. Mr. Wenig seconded the motion. The motion was passed unanimously.

- b. HHIEDC Advertising/Visibility at Hilton Head Airport.** In support of Action Item 8.1.2 of the HHIEDC 2015-16 Action Plan, Ms. Tschupp presented advertising opportunities available at the Hilton Head Airport. The primary option being considered is a three-sided tension fabric display in the main lobby. Organizations currently utilizing this type of display at the airport include the Hilton Head Island-Bluffton Chamber of Commerce, ELA’s, Bomboras Grille and Bunting Construction. The total costs for two- and three-year contracts were outlined. Mr. Dallas made a motion to approve a two-year advertising contract, as presented. Mr. Wenig seconded the motion, which passed unanimously.
- c. HHIEDC procurement policy modification.** Mr. Kirkman stated that at the time the agenda was prepared for today’s meeting he was under the impression that the Town procurement policy applied to all contracts exceeding \$5,000. Having since learned that the threshold is \$25,000 (except for legal and accounting services), the agenda item and related policy modification discussion was no longer necessary.
- d. HHIEDC existing business survey/proposal.** Mr. Kirkman stated that the Board will need to defer the discussion of this topic to Executive Session since it involves a contract matter.

**10. Executive Session.** The Board voted to go into Executive Session to discuss contractual arrangements and matters related to potential economic development. Following the Executive Session, the Board resumed its Open Session and took the following additional actions:

- Mr. Dallas made a motion to engage Denarius Group – Crantford Research for the purpose of undertaking the Second Homeowner Outreach project. Mr. Joseph seconded the motion. The motion was unanimously approved.
- Mr. Wenig made a motion to engage USCB / Lowcountry and Resort Islands Tourism Institute to conduct an existing business survey and analysis as presented in their proposal. Mr. Joseph seconded the motion, which passed unanimously.

**11. Adjournment.** There being no further business, the meeting adjourned at 10:54 a.m.

The next HHIEDC Board of Directors meeting is scheduled for Wednesday, May 20, 2015, at 9:00 am.

Respectfully submitted:

Mary Ellen Tschupp  
Marketing Coordinator/  
Executive Assistant

Approved 6/23/2015  
Maryann Bastnagel, Vice Chairwoman