

Meeting Minutes

Present: Feaster, Alsko, Cook (Designee for Gough), Dallas, Murray, Fobes, Patrick (Designee for Panu), Plank-Buccola (Designee for Shelton), Rodriguez, Sulka
Absent: Gough, Panu, Shelton, Sommerville
Staff: O'Toole, Stone
Guests: John Fleming

Chair Feaster called the meeting to order at 12:25 pm.

Chair Feaster entertained a motion to approve February 17th minutes; Fobes moved; Alsko seconded; approved unanimously.

O'Toole reviewed 2021-2022 budget. QuickBooks and Webster Rogers have improved BCEDC budget review process.

O'Toole reviewed job and site fund budget. The BCEDC intends to escrow an additional \$300,000 to backup obligations to the potential carrying costs for the Magnus Development Partners speculative building.

Chair Feaster entertained a motion to approve a \$150,000 grant for Project Lawn and Project Packet; Murray moved; Fobes seconded; approved unanimously. The projects will be looked at for their total investment and job creation. The company will be required to execute performance agreements tied to the job creation numbers and investment numbers. The BCEDC will implement language in the performance agreement to promote the hiring of Beaufort County residents. The projects entail a production brewery and the expansion of a production distillery. The company will be sourcing grain from within the State and purchasing bourbon barrels from a Bamberg manufacturer. The total investment of the two projects is \$28 million and sixty jobs at an average wage of \$52K/year.

Chair Feaster entertained a motion to approve a \$20,000 grant for Project Bones; Murray moved; Dallas seconded; approved unanimously. Project Bones is a production brewery that will be investing \$5,500,000 and creating seven jobs at an average wage of \$57K/year. The company will be required to execute performance agreements tied to the job creation numbers and investment numbers. The BCEDC will implement language in the performance agreement to promote the hiring of Beaufort County residents.

Chair Feaster entertained a motion to approve up to a \$37,500 grant to Project N to pay for up to 50% of the construction of a demising wall; Fobes moved; Dallas seconded; approved unanimously. Project N is a distributor and manufacture of window related accessories. The company is looking to move forward with a 32,000 sq ft lease in the 64,000 sq ft Magnus Spec Building. The company will have to construct a demising wall to separate their space from the rest of the facility. The BCEDC will pay for 50% of this cost up to \$37,500.

Chair Feaster entertained a motion to approve the coverage of any lease payments for Project N remaining on the 5-year lease if Project N exits the Magnus Speculative Building to construct a significantly larger building at the Beaufort Commerce Park; Fobes moved; Murray seconded; approved unanimously. Project N is initially leasing 32,000 sq ft in the Magnus Spec Building. However, they will look to implement a phase 2 of their project which will entail the construction of approximately 200,000 sq ft at the Beaufort Commerce Park. Magnus Development Partners will allow for Project N to have the right to terminate the 5 year lease within the first 24 months in the event that Project N and Magnus enter into a build to suit purchase for a significantly larger building (approximately 200,000 sq ft) The BCEDC will cover any lease payments that are outstanding on the 5-year lease and will have the right to market the space to a new occupant.

Chair Feaster entertained a motion to approve a \$20,000 grant for build out and upfit at the Southern Carolina Landing Pad; Dallas moved; Fobes seconded; approved unanimously.

Chair Feaster entertained a motion to approve a \$80,000 grant to Magnus Development Partners for the design and engineering of a 72,000 square foot speculative building; Dallas moved; Murray seconded; approved unanimously.

Chair Feaster entertained a motion to approve recommending FILOT agreements to Beaufort County Council for Project Lawn, Project Packet, Project Bones, and the Magnus Speculative Building; Murray moved; Fobes seconded; approved unanimously.

Chair Feaster entertained a motion to renew the terms of Mayor Lisa Sulka and Mike Alsko on the Beaufort County EDC board; Murray moved; Dallas seconded; approved unanimously.

John Fleming provided an update on SCA activity. SCA recently completed a trade mission to Italy in April. SCA also attended the Site Selection Consultants Forum, trade mission to California, and are working with 310 Camoin Associates on additional lead generation. SCA is also continuing to work with Tony Allen and SC Department of Commerce and have a foreign lead coming to Beaufort on 5/20 to tour the Spec Building.

Beaufort County Economic Development Corporation began the strategic planning session, and the discussion was as follows:

Staffing

John O'Toole recommended hiring a junior person who would focus on private sector fundraising, marketing, communications, and project management. Feaster spoke on the importance of selecting an individual that excels in private sector fundraising and considering what the salary level needs to be. Murray spoke on the consideration of being a 'lean' organization and how it is important to have an individual that does have flexibility and the capability of completing an array of tasks. Mantua mentioned the importance of succession planning and looking at where the organization wants to be 5 years out. Patrick spoke on having a wider range for the salary based on experience. Dallas spoke on finding an individual with intellectual curiosity, quiet confidence, socialization, high initiative, self-driven, and results oriented. Feaster spoke on establishing a set of goals for the individual for the next 1-year and the next 3-years.

Targeted industries and community focused economic development

Murray spoke on the founding of the EDC and the importance of focusing on primary industry. Dallas recommended looking where the substantial incoming investments are coming from to define what other industries the EDC should be looking at. Feaster recommended surveying leadership from the municipalities to see what the municipalities highlight as their top priorities for industry attraction. Sulka highlights the targeted sectors of the Town of Bluffton and their consistency with what the BCEDC is currently targeting. Sulka also mentioned outlining the commercial areas that need to be redeveloped or potential rezoned. Murray recommended adding automotive supply chain to the EDC's targeted sectors list. Plank-Buccola spoke on Port Royal's desires to see more retail development along the Ribaut Road corridor.

Engagement of board members, municipal, and County leaders

Feaster recommended the EDC tracking all County and municipal agendas to track meetings the EDC needs to attend. Dallas and Sulka spoke on the consideration of having EDC board members attend town and County council meetings on behalf of the EDC with notes on EDC activity. Sulka recommended having an email update for Council and municipal elected officials on EDC activity. Staff will map the engagement levels of its key constituents.

Engagement with education

The EDC discussed the Beaufort County School District and the ability for students to achieve an array of certifications such as Osha10, QuickBooks, welding and etcetera. The EDC should work to bridge the gap between students needing to know of opportunities and the employers not knowing what the school district offers in programs.

Succession planning

Sulka recommended looking at additional utilities and leadership in the medical sectors. Murray discussed the origin of the EDC's board makeup. Murray stated that the success of the organization is closely tied to the makeup of the board and how the organization was founded. Size of the board should also be a consideration. Mantua discussed a strategic rotation of board members and the partnership of the EDC staff with utilities. Alsko and Dallas recommended looking at the military representative for a board member slot. Feaster discussed looking at the EDC's targeted sectors list and targeting a representative within one of the targeted industries. Feaster indicated that the board should be looking at electing a new chair in the next fiscal year. The board would like to have the organizations that frequently send designees, make sure the designee is fully engaged in board business.

Diversifying funding

Dallas recommended against private sector fundraising due to past iterations of EDOs in the County. Dallas stated that private sector influence could dilute the goals of the EDC. Murray spoke in favor of exploring private sector fundraising with the contingency that donors are aware of the 'increasing the pie method' – For instance, donors are contributing as an investment due to the results of the EDC – job creation, investment, and economic impact. Feaster spoke about the importance of private sector fundraising and the expectation that the EDC's budget would be augmented by the private sector. Fobes and Alsko spoke in favor of securing private funding and building a broader base.

Product Development

Feaster recommended within the performance metrics that the EDC analyzes how 'product development' is defined. Feaster stated that it may be necessary to look at the distinct stages of product development – initiated product, in process and closed product. Board members are encouraged to contact staff for a tour of the county to better understand real estate that is currently being marketed for economic development.

The meeting was adjourned at 4:11 pm.