

**TOWN OF MOUNT PLEASANT, SOUTH CAROLINA
ECONOMIC DEVELOPMENT COMMITTEE
Tuesday, January 2, 2018**

**Municipal Complex, Committee Meeting Room, 3rd Floor
100 Ann Edwards Lane, Mount Pleasant, SC 29464**

Minutes

Members Present: Bob Brimmer, Chairman, Joe Bustos, Kathy Landing and Rick Crosby (MPW)

Staff Present: Eric DeMoura, Town Administrator; Amy Livingston, Business and Tourism Manager

Also Present: Mr. Alan Bolduc

Mr. Brimmer called the meeting to order at 2:27 p.m.

1. Approval of Minutes from the December 4, 2017 meeting

Mr. Bustos moved for approval; seconded by Mr. Crosby. All present voted in favor.

2. Public Comments

There were no public comments.

3. Presentation on economic development – Alan Bolduc

Mr. Brimmer stated Mr. Bustos had requested this item to be placed on the agenda.

Mr. Bustos said it is easy to believe that we have built residentially so much at the expense of economic development and as the Town grows we can either have economic development or we will be tied to houses. If we continue on the residential path, taxes will need to be raised. Mr. Bustos said economic development has been discussed many times over the years, but we have never seriously embraced the idea. He stated last month he had asked Ms. Livingston for a briefing about what the Town

has and does regarding economic development, and by means of extension, the questions of next steps have been asked. Mr. Bustos said he believes we have the expertise in the town, and now it is time to ask the economic development community how to move forward. Mr. Bustos said Mr. Alan Bolduc is a resident in Mount Pleasant that he has known for many years. Mr. Bustos said Mr. Bolduc has a lengthy background in commercial real estate and the telecommunications industry, he has formed his own companies, and has been in Mount Pleasant and involved in the Chamber of Commerce, Propeller Club, South Carolina International Trade Conference as well as the steering committee for the World Trade Center in Charleston. Mr. Bustos said his education includes attending the College of Charleston Real Estate School and having been a lecturer and has a list of qualifications that make him uniquely qualified. Mr. Bustos said when one of the economic development efforts started in 2013, Mr. Bolduc was the Chairman of the Economic Development Advisory Board, where he made good recommendations that quite honestly were not followed. Mr. Bustos said the Council was happy with residential development. Mr. Bustos said Mr. Bolduc is also a veteran of the Navy and has the qualifications he feels are needed, so he has asked Mr. Bolduc to have a conversation about what the next steps should be and what the economic development community is looking for from the Town to move forward.

Mr. Bolduc thanked the committee for having him and stated for full disclosure that he participates in economic development as it relates to his career, and he is not considered an economic development professional. He stated there are people that design development corporations and design programs specifically for economic development implementation. Mr. Bolduc said he is simply a participant and connected in his everyday work as it related to economic development both at the state and local level in South Carolina.

Mr. Bolduc said a number of years ago there was a committee that put together some ideas and programs for economic development for this market, specifically identifying areas that could be created for economic

development purposes that then could be marketed through the vehicles at the Town's disposal—Charleston County Economic Development and the Charleston Regional Development Authority, the marketing arms of our area. He said that is where things stopped. To get things moving, the first step in any economic development discussion would be to find out if there is an appetite to focus on economic development, and whether the true meaning of economic development is understood. Mr. Bolduc said it is a science and is definitive in paper, it is structured, it is focused on, typically higher paying job creation to support both the community and the people within the community so they do not have to commute outside of the community to go to work. He stated in the world of manufacturing and services, it is really about an organization that creates revenues that are coming from somewhere else. They are not selling their services or parts or engineering services to the locals, they are selling them somewhere else, whether it is in another county, state or country. He said that it is creating revenues coming into Mount Pleasant as an example, that would otherwise not be here, delivered by jobs for the people of Mount Pleasant—higher wages providing for better living conditions.

Mr. Bolduc said after the decision to pursue economic development is made, the next decisions are to decide what tactics must be implemented, the strategies that will be used as vehicles as a means to an end. Questions to be answered are what sort of opportunities will be pursued, what sort of headquarters and opportunities do you want to focus on, and how would you go about doing that. Where would they go in the town, how are they recruited, what are the wages, who are the employees. Then decide what are the tactics to implement that strategy.

Mr. Bolduc said he is here to give an overview of what could or should be done if the Town would like to rethink the program. He said he did not know if there is the capacity or sites to welcome true economic development. He said if there is a desire to move forward there are resources that have been dormant for the last five years in the CRDA (Charleston Regional Development Authority) and Charleston County, as

well as other economic development professionals that would love to see Mount Pleasant back on this mission as they are traveling around the world attempting to recruit corporate headquarters and opportunities to come to this market.

Mr. Brimmer thanked Mr. Bolduc for attending, and said economic development has many different aspects. Mr. Brimmer stated he had been in town for 27 years, and this has been an ongoing discussion, but now is a great time as the Town is working on a ten-year comprehensive plan, so he is hoping some suggestions can be injected into the plan that will be supportive of healthy economic development. Mr. Brimmer asked Mr. Bolduc if he could share some of his thoughts on how the Town can move forward.

Mr. Bolduc said simplistically, economic development basics using current inventory, available incentives and partnering with the town Economic Development office for marketing support. He stated a good start would be crafting a new document or portfolio of where all the sites are that are available or could be available, and deciding whether or not a full-time person could be brought on board to assist with economic development directly versus leaning on Charleston County and the CRDA, which is what most of the towns do. Mr. Bolduc said North Charleston has a couple of special assistants to the Mayor that also handle economic development. He said there are some municipalities that have a full-time economic development person. Mr. Bolduc said going back to square one, the steps would be 1) determining if the Town has the aptitude and attitude and desire to move forward, 2) selecting how that will move forward and who will take charge, 3) decide on the inventory, 4) decide on incentives, 5) get involved with the local organizations that are already established, and are willing to assist.

Ms. Landing asked if we would start with a business that is already successful and approach them and if they like the vision, what would be the next steps.

Mr. Bolduc asked if she was referring to a business already located in the town that wanted to grow. Ms. Landing said not necessarily grow the company, but have the foothold that helps with connections to attract a lot more of that industry.

Mr. Bolduc said a discussion must be held to decide on the types of industries on which to focus. He said we do not have the real estate to accommodate manufacturing, so the types of businesses would be more like engineering and IT. He said sites and spaces that are going to be geared for those industries must be created, as well as incentives that will be in line with them. Mr. Bolduc said it would be good to talk to those that are already located here as to who they might know that they can get on board for recruiting. He said those people can be put in touch with Charleston County and the CRDA. The CRDA takes what is determined here and reproduces it in a format that they can deliver on their missions around the world when they are recruiting, so they have packages and a clear understanding of the availability.

Ms. Landing said two industries she knows we have a great presence in that is small enough to have the potential to grow greatly would be cyber-security and television. Many people do not know that one of the fastest-growing cyber-security companies is in Mount Pleasant. She said those are the two areas she would love to see the Town develop.

Mr. Bustos said Mr. Bolduc has made some good points and he would like to delve into the incentive program. He said the state and county have incentives that can be offered, and if Mount Pleasant were in play we would not have to incentivize everything, but could use what they have to leverage the Town's incentives.

Mr. Bolduc said at the state level, when they are on a recruiting mission and identify someone interested, they have their standard proforma, spreadsheets and forecasting that they require these companies to fill out so they can determine what their capital investment is going to be initially, what their job creations are going to be both initially and over a five-year period, and based on those parameters, they develop an actual

package of incentives that are statutory that are available to anyone that fits within the confines of that proforma. He said that then trickles down to the county and they take control if that entity is looking in that county. If they decide they are coming to Charleston County, that proforma and project will be monitored, and there will be a project manager assigned from Columbia, but it will go to the local economic development office, and they will walk them through the process of identifying a final location, or at least reviewing all potential sites, and what towns in which they might settle. Then at the county level, they can request fee in lieu of taxes and other types of abatements as well as tax credits, job training creation through the Commerce Department and the technical colleges. Mr. Bolduc said if they decide to come to Mount Pleasant then the county would sit down with Council and review the opportunity and projections and what incentives might still be needed. Mr. Bolduc said then a complete package is put together and the county economic development group would be the entity to typically present and formalize it with the prospect.

Mr. Crosby said he, Mr. Bolduc and Ms. Farrell had spent an afternoon looking through a list of properties in the town, and the zonings for the properties, and recommended some reclassifications. He said he thought that list had probably changed a good bit since that was done about five years ago, and it seems that might be a good place to start. To see what inventory is available, and then if it is determined there is inventory available, perhaps a plan as to how it should be developed should be put together. He asked if that would be a good starting place, and Mr. Bolduc responded in the affirmative.

Mr. Crosby said assuming there is inventory, he asked if there was the possibility of having an economic development corporation or entity that would be independent of the Town that would have the ability to aggressively pursue these opportunities. Mr. Bolduc said that is an option that is available, and there are many reasons to have an economic development corporation created, and would be internally managed, not managed by Council, and is more private, so there are advantages to

that. Mr. Bolduc said there could be some negatives as well, and counseling from a professional would be needed. He said Charleston County does not have a development corporation, but Berkeley County does, and Dorchester County just created one in the last 120 days or so, and just recruited an entity to establish their strategy and how to fund it. He said within a corporation, what drives that is the ability for the corporation to raise funds to acquire properties, to then facilitate the infrastructure for those properties, bring them to market, sell them off to a potential economic development project and then to take those proceeds back and repeat the process with more properties.

Ms. Landing said in a community such as ours that is still relatively small, some of these people are entrepreneurial and that is what we want. She said for example she has a client in the Burbank area who is in the equivalent of a small strip shopping center location with ten offices, a very small space, who has won numerous Emmys for their sound work, and they do almost all the sound design for Disney's cartoons. She said this was a young millennial who started this company from nothing; it is very successful, and their problem is they need more space. She said pre- and post-production businesses for the film and television industry would be exciting and would be able to fit into office spaces all over Mount Pleasant, not necessarily one big conglomerate.

Mr. Bolduc said everyone would like to have incubator space for entrepreneurs to be able to start up, have think tanks and grow their businesses and hopefully remain in town, and there were a couple of businesses that did that and they are not here any longer. He said there are a lot of nuances with that, so it is only one out of a thousand or more that grow and prosper beyond because of their ideas. He said it is not typically the founder of an entrepreneurial organization that takes it to the next level. He said there are no economic incentives for those kinds of environments. Incentives are driven by jobs and the bottom level is about twelve new jobs in the marketplace to gain attention. Not to say that economic development does not look at incubator spaces and those

entrepreneurs, but it is a different strategy and venue, but can be simultaneous.

Mr. Brimmer said what he thought he was hearing from everyone is taking an approach of creating the environment for economic development that creates entrepreneurial spirit and nurtures it, making sure we have the inventory so when those opportunities do arise, we are not starting from scratch and trying to create them. So the question is how do we create those conditions.

Mr. Bustos said he knows what he did to start his business, but to attract much larger businesses is out of his range, and with some of the comments that Mr. Bolduc made, that this is a science, we need to determine a business focus, know what our product is, what is available, and this is a good way to diversify the Town's income because more taxes will be coming in from businesses and office buildings that are full of headquarters than ten or twelve residential units. Mr. Bustos said we will look at identifying funds for economic development. He said his feeling is that an advisory board is needed, but this is an effort that this committee needs to work on and help create. Assistance from the CRDA may come, but a little guidance will be needed moving forward so that we can be efficient in identifying the product and the businesses desired. Mr. Bustos said we need to show that we are interested in this, and he hopes we are not too far down the residential road that we cannot start with this effort and bring jobs to Mount Pleasant so that people can have salaries sufficient to buy homes in Mount Pleasant, rather than lowering the prices of the homes.

Mr. Crosby asked, from the development community's perspective, what are the thoughts relative to economic development opportunity in Mount Pleasant.

Mr. Bolduc said he thinks the CRDA and Charleston County would be excited to hear and see that Mount Pleasant has a renewed interest and focus on wanting to be on the recruitment list. He said he thinks they believe that there are many corporations that would love to come to

Mount Pleasant, but it is not on anyone's radar, and they have not been focused on it because they have been told to go away. It is not marketed or defined, and there is nothing out there that would lead anyone to believe that Mount Pleasant is interested in having corporations here. Mr. Bolduc believes that having a renewed strategy and renewed invitation from the CRDA and Charleston County to provide guidance and assistance would receive a good response.

Mr. Brimmer said that is unfortunate to hear, but it does not surprise him. He said regarding Mr. Bustos' comment about an advisory group, there should be a group of people that focus specifically on Mount Pleasant, but he does not know that a separate group is needed as there is a lot of expertise in the partners that were mentioned, and perhaps utilizing the people involved in the regional perspective could be brought to the table to discuss Mount Pleasant would be a good way to do that.

Mr. Bolduc said Ms. Livingston is familiar with all of the players. Ms. Livingston said that Brent Jonas with the Charleston Regional Development Alliance is present. Mr. Brimmer said he was going to open the meeting to public comment.

Ms. Landing said Mayor Haynie had appointed her to the Charleston Metro Chamber of Commerce board, and she and the Mayor have had a meeting with Bryan Derreberry and Ian Scott to discuss economic development and that Mount Pleasant is open for business and we want businesses here, especially when it is new companies bringing in new industry. She said they are looking forward to partnering with the Town.

Mr. Brimmer said he would like to open the floor up to public comment.

Mr. Brent Jonas, director of Stakeholder Relations for the Charleston Regional Development Alliance stated he is pleased to hear the positive tone in the room and that Mount Pleasant is ready to lean in on this issue. He would not say that they have been told that Mount Pleasant is closed for business, but he can say that as a group that markets this region globally, and has a five-year competitiveness strategy that is based in the idea of a sustainable economic growth for this region that raises

and is inclusive for all, the CRDA would welcome the opportunity to continue to work with Mount Pleasant. Mr. Jonas welcomed Mayor Haynie and is looking forward to having him at orientation later this week. Not only is Mayor Haynie on the Board of Directors this year, he will also be sitting on the Executive Committee, which is the fifteen-member group of eight private sector and seven public sector leaders that help guide the policy of what the CRDA does. He said they are looking forward to engaging him in this discussion. Mr. Jonas said he appreciates the positive message today, and they have a great relationship with Ms. Livingston and Mr. DeMoura, and they are looking forward in engaging in any way possible.

Mr. DeMoura said he has heard over and over that one of our greatest obstacles from CRDA is that we do not have product, and asked if Mr. Jonas agreed.

Mr. Jonas said he would agree with it, and when talking about strategy and what type of industry is desired, there are five. Automotive, aerospace, IT, life science and advanced logistics. He said advanced logistics is new, and with a port that is one of the most effective and efficient in the world, that is a great industry to pursue. Mr. Jonas said that Brookings Institute measures the top one hundred markets in the world, and in spite of us being seventy-sixth in terms of population of those one hundred markets, we ranked eighteenth in the percentage of jobs that are STEM-based. Mr. Jonas said everyone makes a big deal about how many people are moving here, but we need to face the fact that we have a beach and people want to be here, so it is how we grow, and of those thirty-four a day that are moving here, about two thirds of them have at least an associates level degree and about two thirds of them are between twenty-five and forty-four. He said these are young, educated people who are moving here, so it is our job to make sure that those people have a place to work when they arrive, and also bringing up those that are underemployed. He said the question is how to target the proper sites, set Mount Pleasant up for success. Mr. Jonas stated one of the first projects of a new program they had called "Landing Pad," was

GolfBreaks, a small company that has a large operation in Europe and came here and opened a US location, and will hopefully grow to a company of fifty to one hundred people if all goes well. Mr. Jonas said he lives in Mount Pleasant and wants it to succeed, and said he looks forward to engaging in any way possible.

Mr. Brimmer said it is important to know that Mount Pleasant has been investing in economic development here with millions of dollars at the port, which is primed for being redeveloped and growing. Mr. Brimmer said he is hearing the same theme in committees today, and that is that the Town needs to do a better job of determining what we want to see happening and being proactive, whether it be traffic projects of economic development, and creating a strategy to achieve it. He stated an advisory council is a great way to do that, and Ms. Livingston has great relationships not only within Mount Pleasant but also in the county, so there many good things happening and now is the time to pull it together into a way that is systematic.

Mr. Bolduc said relative to inventory, there was a groundbreaking recently for the Gateway building which is a 60,000 square foot Class A office building, and a few more of those would not hurt, and they are the types of product that we need to have ready.

Mayor Will Haynie, 316 Mallard Court, stated he was glad Mr. Jonas is here. He stated he does have the CRDA orientation meeting this week, and he will be attending the CRDA meetings and not using a proxy, though at some point, Mr. Brimmer may like to go as the Chair of the Economic Development Committee. He said he is committed to it, and despite a misrepresentation in the newspaper on the editorial page, no one either campaigning or governing has ever said that the Town of Mount Pleasant is a no growth town or that we are closed for business. Mayor Haynie said that in the last month, he has been approached by two people, long-term friends, who are trying to bring new businesses to Mount Pleasant that are currently not here. One is in biotechnology and the other is in specialty logistics – one of the five impact sectors, and they both thanked the Town for renewing our commitment to preserving the

quality of life in Mount Pleasant because they have children in school, and they want people to be able to get to their office, and they want to locate in Mount Pleasant. He said the quality of life is the biggest draw because everyone has everything else they need. They have the high-speed internet, every transportation and information technology conduit they need, but they want to bring these businesses here because they love living in Mount Pleasant. He said economic development and quality of life must be balanced, and he knows they can coexist.

Mr. Brimmer said he is happy to hear that the audience is hearing positivity from this committee and the willingness to move forward.

Pat Sullivan, 1002 Plantation Court, stated within the last few years an economic development advisory board was put together and none of the Council Members were on it. She said there was a report that was created, but her concern is that what was done before would be repeated. She said that not having an advisory board sounds good as it seems as if there many of people with expertise that can take on this task.

Mr. Brimmer said he would like to have a copy of the report, and thanked Mr. Bolduc for attending the meeting.

Mr. Bustos thanked Mr. Bolduc for attending, and he thinks it is great that we are looking at the next steps, and the Mayor is committed to this effort, and when we diversify what the Town is doing we will be a better community.

4. Adjourn

There being no further business, Mr. Brimmer adjourned the meeting at 3:09 p.m.

Respectfully submitted,

Christine Barrett
Clerk of Council
January 2, 2018