

ROCK HILL ECONOMIC DEVELOPMENT CORPORATION

Regular Monthly Meeting

March 1, 2016

The regular monthly meeting of the Board of Directors of the Rock Hill Economic Development Corporation was held on Tuesday, March 1, 2016 at the City Club of Rock Hill. Notice of the meeting was sent to all members, City Council, media and interested citizens. Notice was posted at City Hall on February 29, 2016 and appeared in the Herald newspaper.

RHEDC Board Members Present:

Greg Austin	Lee Gardner	Greg Rutherford
Tim Baldwin	Luanne Kokolis	Andy Shene
John Black	Dan Mahony	David Stringer
Jason Broadwater	Kerry Mast	David Vehaun
Myron Brown	Allan Miller	Chad Williams
Bev Carroll	Warren Norman	Dave Williams
Elaine Copeland	Jim Reno	Gary Williams
Brian Crenshaw	Toy Rhea	Rob Youngblood
Doug Echols	Alice Rigdon	

RHEDC Board Members Absent:

Eddie Brown	Randy Graham	Cathy Weaver
Eddie Boulware	Dawn Johnson	

Others Present:

Sally Baker, Financial Analyst
Terrie Boisson, Office Manager
Linda Burke, SC Works
Mike Crowder, WRHI
Steven Gibson, Assistant City Manager
Jim Hardin
Archinya Ingram, Clinton College
David Lawrence, Knowledge Park Development Manager
Susan Lyle, Performance Manager
Amy Massey, Kimley-Horn
Ron Miller, Family Trust
Cathy Murphy, Downtown Development Manager
Rick Norwood, Director of Industrial Recruitment
Paul Rehkow, TD Bank
John Rinehart, Rinehart Realty
Stephen Turner, Executive Director
Wes Tuttle, The Tuttle Company
George Ward, J.M. Cope
David Warner, Technology Incubator Director
Jeremy Winkler, Intergovernmental Manager
Don Worthington

I. Call to Order and Welcome

Chairman Greg Austin called the meeting to order at 12:16 pm and introduced Sally Baker who joined the Economic & Urban Development Department staff in February as a Financial Analyst. She holds an undergraduate degree from Wake Forest University and an MBA from Winthrop University. Since completing her MBA, Sally has completed the additional course and work experience required for CPA

licensure in South Carolina. She passed the fourth and final exam to become a licensed CPA in January. Sally will have primary responsibility for management of RHEDC's finances.

II. Approve Minutes of February 2, 2016 Regular Monthly Meeting

The Minutes of the February 2, 2016 Board meeting were approved as submitted.

III. Prospect Reports/Project Updates

Business Parks – Rick Norwood

- Active Prospects: 14 totaling 1,382 jobs and \$111 million investment.
- Active Projects: 14 totaling 1,400 jobs and \$500 million investment.
- Inactive Projects: 8 totaling 999 jobs \$97 million investment.

Technology Incubator @ Knowledge Park – David Warner

- February 26 kicked off the 2016 Student Business Model Competition for middle school, high school and college students. Coaching Night will be tomorrow evening in the TI Center.
- Friday, March 4 is Pitch Night. The event is being held at Whitton Auditorium in Carroll Hall on the Winthrop campus. 60 students on 18 teams who will be competing for \$7,000 worth of prizes. The event is free and open to the public.
- A program was conducted at Winthrop University on Saturday, February 20 for the Leadership Institute for First-Timers. The session was entitled "Building a Business in 30 Minutes."
- The second Business Growth Workshop of the year entitled Customer Engagement and Validation was conducted. Two of the participating companies attended last month's workshop.
- The next Business Growth Workshop will be held on March 22. This topic will be "The Art of Making Sales."

Knowledge Park – David Lawrence

- Sora Phelps Rock Hill LLC (master developer) and the City continue to work on a new Master Development Agreement and Financing Agreement. The agreements include items such as land purchase schedules (timing and prices), infrastructure investments (planned expenditures, timing, and financial requirements), and credit enhancement for debt issuance, project ownership structures, and planned uses for TIF funds.
- The master developer is working on the first project, the redevelopment of the former Lowenstein Building and 1939 Building. A student housing project is also being discussed.
- An application for a Brownfield Loan provided through the Catawba Regional Council of Governments is anticipated to be filed to help lower the overall cost of abating lead-based paint and asbestos within the Lowenstein Building and the 1939 Building.
- Visits are being planned to learn about the development and operation of co-work facilities, business accelerators, and business incubator facilities in Greenville and Charleston.

Downtown Development – Cathy Murphy

- The Station Restaurant has been leased by the Roasting Company. They anticipate opening in April.
- Developing a detailed database of available properties in downtown.
- The annual Saint Patrick's Day on Main event will be held on March 17. Production of this event is contracted with Dyer Hard Productions.
- April 14 begins the Come-See-Me Festival, events planned in the downtown area include: Musical Mania, Chalk on Main and Beach Bash.

- Food Truck Fridays at Fountain Park runs from May-September.
- Other upcoming events include the Farmers Market which begins in May, three concerts to be held in the amphitheater and the STEM Project event to be held on May 17. STEM encompasses 40 companies who are slated to address and mentor 2,500 8th graders from the Rock Hill/Fort Mill area.

IV. Committee Reports

Finance – Lee Gardner

The Finance Committee met on February 11 and February 25.

Consider Approval of RHEDC December 31, 2015 Financial Reports

The Finance Committee reviewed January budget report and the Statement of Financial Position for January 31, 2016. The Statement of Financial Position reflects the action taken by the RHEDC Board at the February 2 meeting to create a reserve fund for the Innovation Challenge Grant. This action was taken in order to guarantee matching funds for the grant by the end of February and enable RHEDC to draw down all remaining grant funds.

The Committee also received and reviewed the budget summary for the Innovation Challenge Grant dated February 23, 2016.

The Finance Committee presented a motion to approve the Statement of Financial Position for January 31, 2016, the January Budget Report, and the Innovation Challenge Grant report. The motion was unanimously approved.

Consider Business Park Investment – Legacy West

The Finance Committee gave an overview of a proposed new partnership with Scannell Properties of Indianapolis, Indiana for the development of business park properties in Rock Hill.

David Vehaun first discussed the availability of potential grant funds through the Santee Cooper Municipal Site Readiness Fund program. These funds are available to Santee Cooper's wholesale municipal customers for economic development projects that have a strong potential for an immediate or short term return-on-investment for job creation, capital investment and electric consumption. RHEDC is eligible to apply for grant funds.

Lee Gardner then provided an overview of Scannell and the first project of the new partnership, which is the development of Legacy Park West. Legacy Park West is expected to add 900,000 sf of building area, with at least \$75 million in new, private investment and at least 449 new jobs.

- a. Scannell is a privately owned real estate development and investment company, focusing on build-to-suit projects throughout the U.S. and Canada. They are new to Rock Hill, but have other projects in Charlotte, Raleigh and Spartanburg. The Finance Committee obtained references for Scannell's work in the Carolinas.
- b. Legacy West: Roles for RHEDC
 - Assemble land for development, resell portion to Scannell
 - Seek grant funding from Santee Cooper for infrastructure development
 - Partner with Scannell to construct needed infrastructure
- c. Legacy West: Roles for Scannell

- Acquire 2 sites from RHEDC for construction of 2 spec buildings: 126,000 sf and 432,000 sf (may construct in phases)
 - Provide necessary funding and oversee construction of infrastructure
 - Acquire remaining 2 sites within 3 years
- d. Memorandum of Understanding/RHEDC Contracts to Purchase the Following Properties. RHEDC is still in negotiations with Scannell on the details of the potential MOU. The major points are expected to include the following:
- Scannell enters into a contract to purchase remaining sites from RHEDC within 3 years. RHEDC receives fees and profits on sale of sites.
 - RHEDC seeks funding for infrastructure development, such as grant funding through Santee Cooper
 - Scannell agrees to fund infrastructure costs in excess of grant funds, if any
 - RHEDC and Scannell partner on site development
 - RHEDC and Scannell agree to work together to plan the development of Legacy Business Park East

Discussion followed regarding land value, road improvements and the process for approving the MOU.

Greg Rutherford presented a motion to: 1) authorize the Finance Committee and Executive Council to complete negotiations and execution of an MOU between RHEDC and Scannell Properties; and, 2) authorize the preparation of contracts based on the MOU that will be considered by the RHEDC Board at a future meeting. The motion was seconded by Tim Baldwin and unanimously approved.

Report on Spec Building #2 Project

- Santee Cooper expects to have loan approval within days or weeks.
- Construction is expected to begin in April.
- RHEDC has submitted an application to the City for a Growth Management Incentive for spec building #2. This incentive, applicable to significant new economic development projects, will reimburse building permit fees and impact fees totaling approximately \$17,000.

Consider Authorizing Grant Application to Support Food Truck Friday

Staff requested authorization to submit an application to the City of Rock Hill for an Accommodations Tax Grant of \$4,550 to support marketing for Food Truck Friday. RHEDC is requested to sponsor this application because the rules of the grant program limit each applicant to a single application. The Old Town Association, the sponsor of Food Truck Friday, is submitting an application to support its Old Town Amphitheater Concert Series

A motion was presented from the Finance Committee to approve submission of Accommodations Tax Grant Application in the amount of \$4,550 to the City of Rock Hill to support marketing activities associated with Food Truck Friday events. The motion was unanimously approved

Marketing – Brian Crenshaw

A meeting will be held with Atlas on Thursday to discuss timing for completion of the marketing plan. The consensus was April or May for implementation.

Quality of Life - Luanne Kokolis

- To date, \$6425 has been raised for the Barre Mitchell Community Initiatives Fund. Susan Lyle is the contact person for any donations to the Barre Mitchell Community Initiatives Fund. Donations are still being accepted.

- A bronze plaque was approved by the Quality of Life Committee. This plaque will be affixed to any public art space funded by the Barre Mitchell Community Initiatives Fund.

Clinton College has entered into a competition sponsored by Home Depot. If they win, they will receive up to \$50,000 from Home Depot to beautify their campus. To vote for them, visit the website, retoolyourschool.com, and each vote from social media helps them to win.

V. Other Business

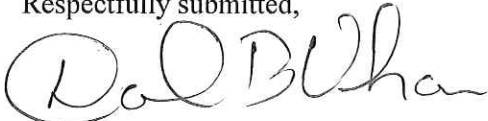
Dr. Copeland reported that Clinton College had entered a Home Depot contest for campus beautification projects. The contest is open to Historically Black Colleges and Universities. The winning institution will receive \$50,000 from Home Depot to fund campus beautification projects. The second place winner will receive \$30,000 and the third place winner will receive \$20,000.

Dr. Copeland requested that everyone visit the contest web site at [ReToolYourSchool .com](http://ReToolYourSchool.com) and vote for Clinton College.

VI. Adjourn

There being no further business to come before the Board, the meeting was adjourned at 12:53 pm.

Respectfully submitted,



David Vehau
Secretary/Treasurer