

Wm. Weston J. Newton, Chairman  
October 2009  
State of the County

Since we are going high tech this year and it has been suggested that in years past I have perhaps exceeded my allocated time. I'm going to try something new. I'm going to make a virtual presentation. Just close your eyes and imagine that I said whatever you wanted to hear from county council and then we'd all go back to work.

All kidding aside it's a pleasure for me to be here with you for the 7<sup>th</sup> time and talk with you on behalf of your county government.

Any discussion of economic development and redevelopment today should begin with a preface that our current economic situation impacts every decision we make and all that we do. It's interesting that those of us here in this room believe we won't begin to see recovery until late in 2010. Tom (Peoples) and I were discussing that some of the numbers we are seeing now suggest we've already begun. However, when you factor in the number of foreclosed properties that are now being turned by the bank and sold at very substantial losses, coupled with a consistent number of foreclosures – over 100 a month -- the highest number of properties being sold at the tax sale ever in Beaufort County; this tells us we are still in trouble. But we will get through it.

We need to be honest with ourselves. Traditional economic development in Beaufort County is extremely limited. Among the hurdles - land is simply too expensive. While we do need to continue traditional economic development we must recognize who we are and what we can do. Our economy is basically a three-legged stool: tourism, the military and residential development. The recession has forced us to consider the very question that will be presented at the inevitable build-out. As I indicated at the close of my discussion last year; it is my belief that the protection of our natural resources is the next opportunity and is essential to maintain and expand our tourism industry. Since that time your county council has set aside \$300,000 dollars to create an ecology unit and to begin to define the goals and objectives to further preserve our environment. This mission is just the beginning, but it includes new water quality protections and new environmental grants pursuits.

In addition, we must support our existing businesses. Our budget has no tax increases. So that more disposable income of our citizens and businesses stays in their pockets. But, we can still do more. Accordingly, I am requesting the county administrative staff and county council consider reducing our business license fee 50 % so that the cost of doing business in Beaufort County is less. Furthermore, I believe that to truly promote existing and new business, the county and towns and cities should consolidate business license requirements for 1-stop shopping.

As I previously stated, the military is one of our economic pillars. The deployment of the new strike fighter known as the F-35 offers perhaps the single best economic opportunity in Beaufort County. Our public/private partner, the Lowcountry Economic Network, is focusing its effort on this deployment and will pursue ancillary civilian industries and expanding employment opportunities.

I believe it is also important that the county is well positioned for the knowledge intensive sector. These are businesses like CareCore that, because of today's technology, can work anywhere. And we like to say we offer the best anywhere. We offer quality of life. We offer walk-ability. We offer a focus on green and environmentally friendly policy. That's why it's easy to market this area. We have what people are looking for. And not all the businesses have to be as big as CareCore to help our local economy. They can be small design, computer program or small engineering companies.

I'm told that many of the network prospects already have a connection to this region. That's why it's important to market both externally and internally. We have residents here in Beaufort County that own businesses located elsewhere but don't know they can set up shop here. The network, with the full support of county council, is working to educate those people. Whatever happens we will make the best of it. However, a focus on protecting that which distinguishes this place from the rest of the world is ultimately what will bring us success.

In the last year, County Council, with the assistance of the chamber of commerce reviewed our local preference ordinance in order to keep some of our local dollars here at home. We changed our ordinance to provide that a local vendor can match a low bid that is within 5% or \$10,000 - whichever less is. We've agreed that in 6 months we will review it to determine if it is actually working. We are trying to be prudent with your dollars. However, we've got to recognize that we've got 100 houses a month being foreclosed, that we're in the next five years going to spend 1/2 billion of your dollars - between the county and the schools - on construction of roads, schools, sports fields and gymnasiums. We need to be as prudent as we can with your dollars, but at the same time we need to recognize and address the balance of trying to take care of our own.

Now, it's not such a parochial ordinance that it will inhibit competitive bidding. A local vendor in order to receive that contract must match the competitive low priced bid if within that range but local is also defined as beyond just the borders of Beaufort County. It's Jasper County. It's Hampton. It's Colleton. It's those adjacent counties that will reciprocate with us in recognizing our contractors as local preference opportunities in their jurisdictions.

I want to speak just 1 minute about the HHI airport. But I want to remind everyone of just a couple of things. Number one: during my tenure on county council, I have supported and continue to support an airport on Hilton Head Island. My reasons are very simple. It's a matter of public safety. We are an island with one way in and one way out. It provides a necessary emergency access point. Number two: Hilton Head Island is a global destination. Proof of that is our neighbors in Savannah put our name in their airport. Third: economics;

there's going to be a lot of discussion in the next year about the future of the Hilton Head airport. What I can commit to you is that working together with the town we will jointly approach the master plan. We will ask fundamentally three questions that involve public safety and the continued viability of our Hilton Head airport to include commercial service. Perhaps in August of next year the results of that study will be back but at every step of the way there's going to be full and complete public disclosure of every discussion, every comment, every component of the Master Plan so that we will no longer be engaged in divisive opinion - that we will actually have facts on the table for all of us to collectively decide what needs to be done at the Hilton Head airport; what's in the best interest of our citizens and making sure that we are listening to every point of view including the neighbors surrounding the airport.

With regard to the tree issue at the airport; at the south end of the airport 2 years ago we took down almost 400 trees at a cost of about \$400,000. Ninety-five percent of that is paid for by the FAA. Right now we are looking at taking down 2,400 trees at the north end of the airport. It's a process that's taken entirely too long. From Tom's perspective and the town's -- perhaps it's the county's fault. From my perspective and the county -- perhaps it's the town's fault. From both of our perspectives - it's the consultant's fault. However, the scope of what has to be done - were talking about 1,400 trees on the airport property. We're talking about 980 trees on 14 parcels of private property near the airport. Of the 980 trees, 600 are on Palmetto Hall property and 540 of the 600 are hardwood. This is not an inexpensive effort. Even with the FAA paying 95-percent of the bills the county's portion will hurt and will pinch in an economic downturn. Additionally the FAA will only fund this project once. So, the decision to trim or to cut will affect every person in this room and the future of the Hilton Head airport.

As we move forward with this tree removal effort, multiple agencies from the federal government are involved. Multiple agencies from the state government are involved. But, one thing is clear -- the county and the town as partners need to move forward and address the public safety issue in having those trees removed from the airport and I believe we are now making great progress in that regard.

I will sit down while I still have 2 minutes and 27 seconds left. At least this year I m not going to get be accused of running long. I appreciate the opportunity to visit with you this morning. Thank you and I appreciate you being here.