



TOWN OF FARRAGUT
ECONOMIC DEVELOPMENT COMMITTEE MEETING
TOWN HALL BOARD ROOM
WEDNESDAY, MARCH 2, 2016
8 AM

1. Call to order
2. Approval of Minutes
 - a. February 3, 2016
3. Discussion of Funding for the Farragut Business Alliance
4. Status Updates
 - a. Town of Farragut
 - b. Farragut/West Knox Chamber of Commerce
 - c. Farragut Business Alliance
5. Any other Business
6. Adjournment

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MINUTES
ECONOMIC DEVELOPMENT COMMITTEE MEETING
FEBRUARY 3, 2016
8:00 AM

Committee Members Present:

Phil Dangel, Alderman Ron Pinchok, David Smoak, R. Knick Myers, Jim Holladay, Naoko Blue, Brandon Hackett, Drew Carson, William Britt

Committee Members Absent:

Pamela Milliken

Staff Present:

Gary Palmer, Sue Stuhl, Jenn Hatmaker

Other:

Bettye Sisco and Tim Williams with the Farragut/West Knox Chamber of Commerce

Allison Sousa, David Purvis and Herc Ligdis with the Farragut Business Alliance

Wendy Smith with the Shopper News

Tammy Cheek with the FarragutPress

Robert Hill, Farragut Citizen

Joe DiMauro, Farragut Citizen

Mike Mitchell, Farragut Citizen

Call to Order

Chair Dangel called the meeting to order. A quorum was declared.

Approval of the Minutes

Mr. Carson moved to approve the December 2, 2015 minutes. Mr. Hackett seconded the motion. Motion passed.

Discussion of ISCS RECON in May 2016

Mr. Smoak asked the committee if Jim Nixon should attend ICSC on behalf of the Economic Development Committee.

Alderman Pinchok moved to appoint Jim Nixon as the EDC representative to attend ICSC RECON. Mr. Carson seconded the motion. Motion passed.

Approval of Memorandum of Understanding between the Town of Farragut and the Farragut Business Alliance

Chair Dangel stated that the Farragut Business Alliance (FBA) would like the Economic Development Committee (EDC) to recommend the committee's position on the Memorandum of Understanding (MOU). Mr. Smoak reviewed the FBA's original role and stated that the terms and conditions section of the new MOU is similar to the previous one; the differences are the new MOU requests \$200,000 per year, the term would be for 3 years and the Board of Mayor and Aldermen can terminate the contract at any time. Mr. Purvis reviewed how the FBA has evolved, presented and reviewed the packet provided by Ackermann PR and reviewed the Accountability Matrix in the MOU. Ms. Sousa stated that the first steps under the new MOU would be to look at the FBA Board composition and give the Town more representation and get more business involvement on the FBA Board, redo the mission statement, train the volunteers and FBA Board in the mentor program, and have year round mini events at the shopping centers through Shop Farragut. Alderman Pinchok asked if the Town can expect its contribution to be decreased over time as the FBA gains other sponsorship. Mr. Purvis stated that the FBA and the Town may want to grow the footprint so he cannot commit to saying the amount will be reduced. Mr. Carson asked how the Executive Director of the FBA was selected. Mr. Purvis stated that Ms. Sousa is the Executive Director and the Town was involved in the selection process. Ms. Sousa gave an overview of her background and qualifications. Mr. Hackett asked where the \$140,000 amount for Ackermann PR came from. Mr. Purvis stated that the amount was provided by Ackermann PR as what they suggested it would take to implement the branding process. Mr. Holladay asked if the \$200,000 per year will be a new expense for the Town. Mr. Smoak stated that any amount greater than what is currently provided to the FBA would be a new expense. Mr. Dangel asked if the Town would pay this amount to someone else if not to the FBA. Mr. Smoak stated that he asked Ms. Stuhl to research what the Town would spend if they hired someone to do what the FBA has outlined in the MOU. Ms. Stuhl stated that it would cost approximately the same as what the FBA has requested. Alderman Pinchok stated that if approved he would like to see something after year 1 that shows how FBA sponsorship has grown to see if there is a potential to reduce the Town's amount.

Alderman Pinchok moved to recommend the MOU contingent on the FBA changing the mission statement. No second.

Mr. Carson moved to recommend the MOU to the Board of Mayor and Aldermen for approval as attached. Mr. Hackett seconded the motion. Voting yes was Mr. Myers, Mr. Carson and Mr. Hackett; voting no was Ms. Blue; Mr. Holladay, Mr. Britt, Chair Dangel and Alderman Pinchok abstained; Ms. Milliken was absent. Motion passed.

Status Updates

a. Town of Farragut: Presented by Mr. Smoak

- i. 5 new residential building permits and 1 new commercial permit
- ii. Plans have been submitted for Bank of America and Chile's Restaurant
- iii. Last month the Planning Commission passed the rezoning request for the Swan Property.

The Board passed on first reading last week.

b. Farragut / West Knox Chamber of Commerce: Presented by Ms. Sisco

- i. 3 new members in December and 5 new members in January
- ii. Chamber Open House was a success
- iii. New intern from Farragut High School
- iv. The Chamber New Member Orientation will be in March
- v. Mike Hammond will be speaking at the breakfast on March 22 and will bring District Attorney Charme Allen and Chief Lee Tramel of the Knox County Sheriff's Office.

c. Farragut Business Alliance

No updates were presented by the Farragut Business Alliance

Any Other Business

Mr. Smoak stated that Retail Strategies, who usually does a presentation after the April Economic Development Committee meeting, will not be available for the April 2016 meeting. The committee moved the April 2016 meeting to March 30, 2016 at 8:00AM in the Board Room followed by a presentation by Retail Strategies.

Mr. Carson moved to adjourn. Alderman Pinchok seconded the motion. All voted in favor.

Next meeting Wednesday, March 2, 2016 at 8 AM in the Town Hall Board Room.



BUSINESS ALLIANCE
farragut

Farragut Business Environment

- ▶ In 2016 the businesses in Farragut sold \$524,177,777 in goods & services
 - ▶ Farragut's portion of sales tax collected was \$5,897,000 (1.125% of sales)
 - ▶ Taxes on liquor, wine & beer generated \$1,174,547 in additional town revenue
 - ▶ Equates to per capita spending of \$23,193
- Realistic?

History

- ▶ Origin – business owners
- ▶ Forums – discussion/change
- ▶ Reputation – business friendliness

Organization

- ▶ Obtained 501(c)(6) tax-exempt status
- ▶ Compiled board
- ▶ Attorney Report – Roy Aaron, Esq.
Hodges, Doughty & Carson

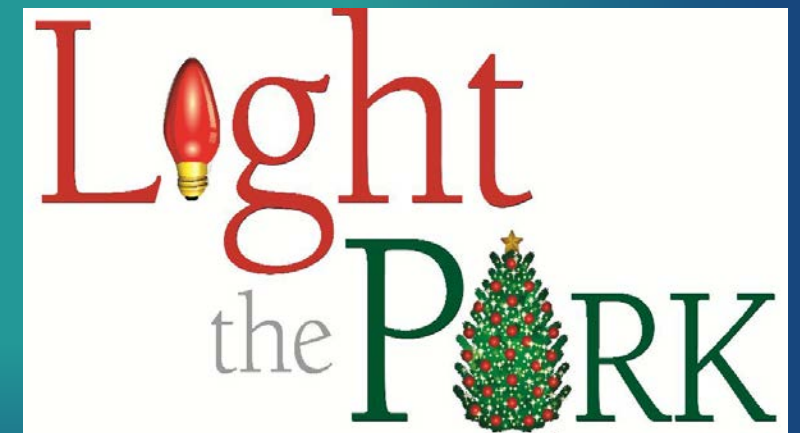
Partnership with Town

- ▶ Received recommendation from EDC
- ▶ Entered into MOU with Town
 - ▶ 5 years
 - ▶ Annually decreasing funding model
 - ▶ Goal of membership dues
- ▶ Contracted with part-time executive director

BOARD OF DIRECTORS

- ▶ David Purvis, Farragut Wine & Spirits (President) - Resident
- ▶ Herc Ligdis, SouthEast Bank (Treasurer)
- ▶ Darla Berdal, Myers Bros. Holdings (Secretary) - Resident
- ▶ Tony Cox, Republic Newspapers, Inc./Horne Radio, LLC
- ▶ Phil Dangel, The Shrimp Dock - Resident
- ▶ Todd Galanti, Costco Wholesale
- ▶ Mayor Ralph McGill, Town of Farragut - Resident
- ▶ Tom O'Neil, Hampton Inn & Suites Farragut
- ▶ Louise Povlin, Anytime Fitness - Resident
- ▶ Lonn Reas, TDS Telecom
- ▶ Ben Youree, Turkey Creek Medical Center
- ▶ David Smoak, Town of Farragut (non-voting, ex-officio)

Annual Events





Engagement

(Sample of involved sponsors/businesses, not complete list)



Participation/Liaison Activity

- ▶ Shop Farragut and help the town enforce the business license
 - ▶ Advertising & promotion
 - ▶ Business Privilege License registration/enforcement
 - ▶ Ensure for correct design and special event guidelines for signs
- ▶ Execute 4 special events annually
- ▶ Hold and/or participate in public forums for pending ordinances (as requested by town staff)
 - ▶ Façade ordinance
 - ▶ Sign ordinances (special events, grand opening, vehicular, etc.)
 - ▶ Sidewalk sales/Farmer's Market
 - ▶ Hotel/motel tax workshops
 - ▶ Mobile vending ordinance
 - ▶ Impact fee forums
 - ▶ Other forums (Affordable Care Act, legislative, social media, etc.)

Participation/Liaison Activity

- ▶ Work with town staff on ICSC and big picture economic development (planned execution of who to recruit for what site)
- ▶ Coordinate with Community Development for new business mentorships.
 - ▶ Assist businesses (large and small) through the regulations and direct them to the appropriate town staff.
 - ▶ Navigate through potential issues.
- ▶ Participate on various Town committees
 - ▶ Architectural Guidelines Committee
 - ▶ Farragut 2025 Comprehensive Plan/Land Use Plan committees
 - ▶ Branding Committee
- ▶ Coordinate the business community when events are going on in town, i.e., half marathon, etc.
- ▶ Small Business Saturday
- ▶ Intro to Farragut
- ▶ Numerous surveys
- ▶ E-newsletters
- ▶ Voice for the business community

Leveraging Partnerships

- ▶ Economic Development Committee (EDC)
- ▶ International Shopping Centers Conference (ICSC)
- ▶ News Sentinel Open (Golf Tournament)
- ▶ Farragut/West Knox Chamber of Commerce
- ▶ Leadership Knoxville
- ▶ Loudon County Economic Development Agency
- ▶ Oak Ridge Rowing Association
- ▶ Small Business Administration
- ▶ Visit Knoxville
- ▶ Knoxville Chamber Partnership

Stats to Date

- ▶ Estimated total event attendance = 14,000-15,000
- ▶ Total volunteers (adults and students) involved in events (*not unique volunteers/some repetition*) = 535
- ▶ FBA brochures distributed = 10,000
- ▶ Shop Farragut app download cards distributed = 10,000
- ▶ Shop Farragut app downloads + DealMail subscriptions = 3189
- ▶ Estimated total FBA website visits = 37,346
- ▶ Total businesses involved as sponsors, event participants and Shop Farragut participants (*not unique businesses/some repetition*) = 830

Financial Overview

		<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>
<u>Revenues</u>							
Town of Farragut		\$ 20,415.41	\$ 44,000.00	\$ 44,000.00	\$ 26,500.00	\$ 38,000.00	\$ 172,915.41
Sponsorship		\$ 1,500.00	\$ 15,350.00	\$ 18,609.78	\$ 26,009.72	\$ 31,325.00	\$ 92,794.50
Other Revenues		<u>\$ 26,119.00</u>	<u>\$ 31,075.07</u>	<u>\$ 22,100.44</u>	<u>\$ 40,310.93</u>	<u>\$ 15,383.24</u>	<u>\$ 134,988.68</u>
Total Revenues		\$ 48,034.41	\$ 90,425.07	\$ 84,710.22	\$ 92,820.65	\$ 84,708.24	\$ 400,698.59
<u>Expenses</u>							
Shop Farragut		\$ 3,699.97	\$ 22,179.71	\$ 7,904.42	\$ 7,982.50	\$ 5,359.25	\$ 47,125.85
Other Expenses		<u>\$ 34,187.24</u>	<u>\$ 64,704.55</u>	<u>\$ 66,596.84</u>	<u>\$ 101,868.86</u>	<u>\$ 94,306.77</u>	<u>\$ 361,664.26</u>
Total Expenses		\$ 37,887.21	\$ 86,884.26	\$ 74,501.26	\$ 109,851.36	\$ 99,666.02	\$ 408,790.11
Net Profit		\$ 10,147.20	\$ 3,540.81	\$ 10,208.96	\$ (17,030.71)	\$ (14,957.78)	\$ (8,091.52)

100

Income										
	Sponsorships	\$25,000								
	Town of Farragut - Grant	\$75,000								
	Events - NET*	\$10,000		* Assumes net income not including sponsorships						
			\$110,000							
Expenses										
	Accounting	\$1,000								
	Advertising/PR**	\$30,000		**Primarily for Shop Farragut efforts						
	Bank/credit card fees	\$250								
	Cell phone/mifi	\$1,320								
	Contract labor***	\$52,000		***Includes executive director at \$42k and misc. contracted labor at \$10k						
	FBA & Shop Farragut re-branding (internal)	\$5,000								
	ICSC trip & reception	\$6,000								
	Insurance (org, event and D&O)	\$1,700								
	Memberships****	\$500		****Includes FWKCC an Knoxville Chamber						
	Misc (meetings, entertainment, food, etc.)	\$3,130								
	Office supplies	\$1,200								
	Postage	\$400								
	Printing (misc. non-event)	\$1,200								
	Storage	\$1,800								
	Travel (mileage)	\$1,500								
	Website, app & hosting	\$3,000								
			\$110,000							
Note: Event expenses not listed; NET goals included in income section										

Going Forward

Continue current work with addition of:

- ▶ Part Time Special Events Coordinator
- ▶ Expansion of Shop Farragut (*co-op advertising, Shopping Center highlights, app, back-to-school blitz, etc*)
- ▶ Ramp-up mentorship program and business visits
- ▶ New printed materials (*brochures, Shop Farragut window clings, etc.*)
- ▶ Resident Surveys
- ▶ Coordinate business events with HOA's

Accountability Metrics

Business Engagement

- ▶ Visit a minimum of 30 businesses per month to engage with FBA.
- ▶ Increase number of online Business Directory listings by at least 10% annually. (baseline = 195)
- ▶ Increase Shop Farragut involvement (coupon, event, co-op ad participation, app link/development, etc.) annually by 10%.
- ▶ Involve and train at least 5 business volunteers to mentor new businesses.
- ▶ Conduct at least one business and residential survey annually.

Media Outreach (Shop Farragut and Special Events)

- ▶ Increase Facebook and Twitter followers by at least 15% annually.
- ▶ Increase web site visits by 20% annually.
- ▶ Generate an average of at least 50 Shop Farragut app downloads per month.
- ▶ Place Farragut-related “earned media” stories/appearances at least semi-monthly.
- ▶ Distribute e-newsletter at least monthly.

Accountability Metrics (continued)

Special Events

- ▶ Increase involvement of business community in special events by adding at least 2 new businesses (sponsors, vendors, etc.) to each event annually.
- ▶ Increase business exposure in special events by securing volunteers from at least 5 Farragut businesses per event.
- ▶ Weather allowing, increase attendance of special events by at least 10%.
- ▶ Work with hotels for mechanism to tie increase in room nights to specific events and/or promotions.
- ▶ Leverage Town investment to generate at least \$40,000 in sponsorships annually.

Questions