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Subject: General Membership Meeting of the Home Builders Association of Greater Columbia
Location: Seawell's, 1125 Rosewood Dr, Columbia, S.C.
When: 4/10/2014 12:00:00 PM - 12:45:00 PM

Advance: Todd Cook
(803)608-6469

EVENT: General Membership Meeting of the Home Builders Association of Greater Columbia

DATE: Thursday, April 10, 2014

TIME: 12:00 PM

LOCATION: Seawell's, 1125 Rosewood Dr, Columbia, S.C.

LOCATION SET-UP: The room will be set-up in rounds. There will be a head table with a podium and microphone.

ON-SITE LOCATION CONTACT:

Cal Seawell
771-7385

SCHEDULING CONTACT:

Earl McLeod
Office: 803 256-6238
Cell: 803 556-5788

Rebecca Best
Cell: (803) 608-0547

PRIMARY STAFF: Katherine Veldran

ADVANCE STAFF: Zach Pippin

PURPOSE: Gov. Haley will address the General Membership Meeting of the Home Builders Association of Greater Columbia.

PRESS: Yes.

PUBLIC: Yes.

INVITED BY: Earl McLeod

HEAD TABLE: She will be sitting with the leadership team of the HBA, John Covert, David Tuttle, Bart Bartlett, Earl McLeod.

INTRODUCED BY: David Tuttle, Vice President of the HBA. He is with Lake Carolina.

LENGTH OF SPEAKING: 13-15 mins and 8-10 mins of Q&A

SPEAKING ORDER/LINE-BY-LINE:

11:30 AM:	Lunch Begins	
12:00 PM:	NH arrives	
12:05 PM:	Call to Order	John Covert
	Invocation	
	Pledge of Allegiance	
12:10 PM:	Welcome New Members	Bart Bartlett
12:13 PM:	Welcome Guests	Earl McLeod
12:16 PM:	Recognize Meeting Sponsor	John Covert
12:20 PM:	Introduce Speaker	David Tuttle
12:20 PM:	Keynote	Gov. Haley
12:35 PM:	Q&A	Gov. Haley
12:45 PM:	Gov. Haley Departs	
12:45 PM:	Membership Report	Clint Galloway
	Master Builder Presentation	
12:50 PM:	Reports	
	SMC Report	Lynwood Duke
	Remodelers Council Report	Scott Heron
	Green Building Council Report	Stan O'Brien
	E.O. Report	Earl McLeod
	Jack Pot Drawing	Earl McLeod
1:00 PM:	Adjournment	

BACKGROUND:

About HBAGC: The Home Builders Association of Greater Columbia (HBAGC) is a non-profit professional trade association founded in 1957 for the purpose of maintaining high professional standards in the residential construction industry. Based in Columbia, SC, it is comprised of over 850 builder and associate firms representing over 18,000 industry professionals involved in home building, remodeling, multifamily construction, property management, subcontracting, design, housing finance, building product manufacturing and other aspects of residential and light commercial construction. The HBAGC is affiliated with the Home Builders Association of South Carolina and the National Association of Home Builders and is ranked by size in the top 20 of nearly 800 local Home Builders Associations in the country. During a typical year, residential construction accounts for about five cents of every dollar spent in the U.S. economy, making home building one of the largest and most influential industries in the country. At the current rate of building in the Midlands, the industry generates annually over 13,700 jobs in construction and construction related industries, \$445 million in wages and approximately \$238 million in federal, state and local tax revenues and fees. In addition, buyers of new homes spend an average of \$6,500 within the first twelve months to furnish, decorate and improve their homes. On an annual basis new homebuyers would generate over \$36.4 million to the local economy.

ATTENDEES: About 165 people signed up but that list will change before the event. Rebecca will send NP an updated list on Thursday morning.

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NOTE: Keynote address to the Home Builders Association of Columbia. Will be introduced by David Tuttle, Vice President of the Home Builders Association, and President of Lake Carolina Development.

SUGGESTED TALKING POINTS:

General Home Building

- The last 5 or 6 years have been a trying time for home builders all over the country, including many in this room today. But we are moving in the right direction.
- The single most important factor for growing our residential building market in South Carolina is a growing economy that puts more and more people back to work so they have the means to build the home of their dreams.
- **Our jobless rate has dropped to a new, nearly 6-year low, 5.7% in February – a full percentage point below the national average.**
- **The drop from 6.4% in January to 5.7% in February is the largest month-over-month decrease since the government began keeping the data nearly 40 years ago.**
- February is the ninth consecutive month where the unemployment rate has decreased in South Carolina (last month's press release said 4 months, but the Bureau of Labor Statistics recently revised their prior reports)
- **In addition, over two million South Carolinians were employed in February, the highest level in the state's history.**
- And those of you in this room are partly responsible for our positive momentum.
- **In January 2011, there were about 550 residential building permits issued in South Carolina. In December 2013, there were about 1,000 permits issued in the state. (BEA; US Dept. of Commerce).**
- **It is estimated that 20,000 homes will be built in South Carolina in 2014.**

- **In the current environment, the home building industry supports almost 14,000 jobs in the midlands, generating \$445 million in wages.**
- On average, new home buyers spend \$6,500 within the first year to decorate, improve and furnish their homes.
- Government's primary role in bettering the residential home building market is to create the right soil conditions by lowering the costs of doing business and removing bureaucratic red tape.

Regulatory Review

- Too often, government regulations erect barriers to business expansion and stifle job growth. This is an especially true for small businesses, including many home builders. That is why my administration established the Regulatory Review Task Force in 2013. The Task Force was given a mandate to review thousands of regulations promulgated by 22 state agencies to determine how the regulatory environment in SC can be streamlined to help small businesses succeed.
- Over the course of 2013, the Task Force met multiple times and held 6 town hall meetings. The Task Force reviewed over 3,000 recommendations.
- The Task Force released its report and recommendations to me in late 2013. Though my administration does not agree with every recommendation in the report, it is a step in the right direction.
- **A couple major themes came out of the Task Force's report that directly impact residential builders:**
 - **Outdated regulations – currently a license is required for any job that will cost more than \$5,000, but that threshold does not accurately reflect rising costs of supplies. We should increase the threshold to \$15,000.**
 - **Duplicative/unnecessary regulations – currently we have a maze of specialty contractor's licenses and a limitation to 3 specialty registrations at a time. We should eliminate that requirement; we should have just one general contractors license and not require specialty contractor's license.**
- My administration has adopted many of these recommendations and we're committed to continuing to review regulations with an eye on how they impact small businesses.
- Using the Task Force's report as its guide, I urge the General Assembly to send me bills that lessen the burden on small businesses posed by cumbersome and unnecessary regulations

Tax Cut

- **Small businesses are the backbone of South Carolina's economy.** That's why, in 2012, I signed a small business income tax reform package that cut taxes for small businesses. **The statutory tax rate dropped from 5% in 2011 to 3% effective Jan. 1, 2014.** The estimated cumulative tax relief as of 2014 is estimated to \$63 million (and growing as small business income grows)
- By cutting taxes, small businesses and entrepreneurs have more money left over to hire new workers and make important investments and individuals have more money to save for their new homes.

Unemployment Insurance Reform

- Unemployment insurance is a major issue facing South Carolina's businesses, including residential builders. In 2011, I signed two major unemployment insurance reforms.
- **The reform reduced the number of weeks employees are eligible for unemployment benefits from 26 weeks to 20 weeks.**
- **SC is on track to repay the federal unemployment insurance loan by Oct. 2015.**
- For the third consecutive year, SC businesses will only pay the minimum 0.6 percent per employee for federal unemployment taxes (FUTA) because the Palmetto State once again successfully obtained the maximum 5.4% credit for 2013. **This has saved SC businesses millions of dollars.**
- **Businesses rely on certainty.** For the first time ever, businesses received their 1st quarter unemployment insurance tax rates effective January 1, 2014 in November 2013. Getting rates out early allows businesses to better plan for what they will owe by April 30, 2014.
- Since launching the ability to file and pay quarterly UI taxes online through the Business One Stop in 2011, SCDEW has experienced a steady increase in the number of businesses taking advantage of the fast, free and convenient service – nearly 40,000 reports filed in September 2013 vs. 3,500 reports in March 2011. **This simple change has saved countless hours for small business owners to spend on their businesses, not on government compliance.**

Tort Reform

- As small businesses are acutely aware, frivolous lawsuits can be extremely damaging – often enriching only trial lawyers. In order to reign in frivolous and abusive lawsuits, I signed a tort reform bill in 2011.
- **Since taking office, keeping the costs of business as low as possible has been a top priority of mine. With limited exception, the bill capped punitive damages at three times the amount of compensatory damages awarded or \$500,000, whichever is greater.**

SC Commerce

Since January 2011:

Announced Jobs: More than 45,000 (45,915)

Announced Capital Investment: More than \$12 billion (\$12.191 announced)

Note: Job totals in the above table include retail announcements from 2011.

- In total, since 2011 we have announced 341 projects statewide **(140 new projects; 201 expansions)**
- Since 2011, foreign-owned firms have generated 15,900 jobs and \$7.15 billion in capital investment (announced projects only).
- Commerce's project pipeline has grown this year and about 40% of them are international projects.
- **South Carolina's manufacturing industry experienced a more than 18% increase in output from 2010 to 2012.**
- **South Carolina has one of the fastest growing economies in the U.S.** and has one of the fastest growing manufacturing sectors in the region and nation, according to a recent report released by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA).

South Carolina Bragging Points

- South Carolina leads the U.S. in foreign-affiliated job recruitment per capita, ranking above Texas and North Carolina.
- **South Carolina ranks No. 1 in exports of tires**, holding nearly 30 percent of the share of U.S. made exported tires (third year in a row).
- **South Carolina ranks No. 2 in the nation in exports of automobiles.**
- **The Port of Charleston is the seventh busiest** in the nation with **\$63 billion** in cargo value traded across docks.

Miscellaneous Haley Administration Highlights

- On January 27 of this year, I signed the Government Restructuring Act of 2014 (S.22). It is the most comprehensive government restructuring in over 20 years - streamlining government processes by abolishing the outdated, five-member Budget & Control Board and creating the Department of Administration, which is responsible for executive and administrative functions.
- On February 11 of this year, I signed S.308, The Concealed Carry Reform Bill. This is just another example of how my administration is dedicated to upholding citizens' 2nd amendment rights here in South Carolina. The bill allows for responsible South Carolinians to carry their firearms into restaurants that serve alcohol, but doesn't allow them to consume alcohol. The bill also allows owners of these establishments to ban individuals from carrying firearms.
- South Carolina's Department of Social Services implemented a welfare-to-work program that has found jobs for over 20,000 welfare recipients (20,217) with 97.1 percent not returning to welfare at least three months following exit and more than 80 percent not returning for at least two years.
- We have focused on job training and putting workforce ready communities in every county (with Clarendon County becoming SC's 1st) and recently naming McCormick County the 2nd in the state.
- We have one of the lowest unionization rates in the country. (3.7%, tied for the 3rd lowest state in the country)
- We made transparency in government a major priority of my administration, including fighting for and signing into law the state's first roll call voting bill.
- We established the South Carolina Commission on Ethics Reform by Executive Order in 2012 to recommend changes that would expand, strengthen, and clarify the state's Ethics Act, which has not been updated in over twenty years. A bill that includes many of the recommendations regarding income disclosures, oversight, and conflicts of interest is currently pending before the Senate and remains at the top of our legislative agenda for this year.
- Transportation spending authority has been a priority throughout my administration, which is why I signed into law a \$1 billion infrastructure bill without raising taxes in June of 2013 – the largest investment in roads and bridges in 25 years.
- In 2012, I signed a Charter School Bill that enhances the state's existing charter system by allowing public or independent institutions of higher learning to sponsor a charter school, permitting applicants to seek to form a single gender charter school, and enabling charter school students to participate in extracurricular activities.

ECONOMIC DEVELOPMENT INFORMATION

\$182 Million Capital Investment Announced

1,409 Jobs Announced

Announced Date	Company Name	Objective	Product or Service	Announced Investment	Announced Jobs
2013-09-26	Dayton-Rogers Manufacturing, Co.	New	Stamping and Fabrication	\$11,000,000	134
2013-09-03	2AM Group, LLC	New	assembly operation	\$500,000	100
2013-03-28	Constantia Hueck Foils, LLC	Expansion	Foils and Films for Food and Pharmaceutical	\$12,000,000	15
2012-11-20	JTEKT Automotive South Carolina	Expansion	Automotive Steering Systems	\$130,000,000	175
2012-09-25	McEntire Produce, Inc.	Expansion	Fresh Fruits and Vegetables	\$5,000,000	85
2012-05-22	WNS North America Inc.	New	Customer care center	\$4,250,000	750
2011-10-31	Sensor Electronic Technology, Inc.	Expansion	LED Lights	\$20,000,000	150

Between January 2011 and February 2014, the unemployment rate in Richland County has decreased by 3.9 percentage points, from 8.9 percent to 5 percent. There are 8,654 more people employed in Richland County and 6,934 fewer people unemployed. [Source: US BLS, all figures not seasonally adjusted]

LEGISLATIVE INFORMATION

Adoption of the Conference Report 1/21/14 S.22
 3rd Reading 2/27/2014- Failed below.
 Reference notes 3/13/13
 S.53 S. 266 H.3541

SENATE - Richland County	DOA	Ethics	Sup. of Edu	ABF	Ad. General
John Courson	Y	Y	Y		
Darrell Jackson	Y	EA	N		
Joel Lourie	Y	EA	Y		
John Scott	Y	Y	N		
Tomas McElveen	Y	Y	Y		

Adoption of the Conference Report 1/21/14 S.22
 Passage of the bill 4/30/13 H.3945
 Adopt Resolution 4/9/13 H. 3518
 Adopt Resolution 3/20/13 H.3541

HOUSE - Richland County	DOA	Ethics	Sup. of Edu	ABF	Ad. General
Jimmy Bales	Y	Y		Y	Y
Nathan Ballentine	Y	Y		Y	EA
Beth Bernstein	Y	Y		Y	Y
MaryGail Douglas	Y	Y		Y	Y
Kirkman Finlay, III	NV	Y		Y	Y

Christopher R. Hart	Y	Y		NV	Y
Leon Howard	Y	Y		NV	Y
Joseph A. McEachern	Y	Y		Y	Y
Mia S. McLeod	Y	Y		Y	Y
Joseph H. Neal	EA	Y		N	NV
J. Todd Rutherford	Y	Y		N	Y
James E. Smith, Jr.	Y	Y		Y	Y

Notes:

ABF: S.266 - On the Senate calendar. Gregory - has fought multiple times. Leatherman continues to fight against. Leatherman's name is on the bill.

Ethics: Sen: Bright and Bryant are the 2 Senators that voted against Ethics - 3rd Reading.

House: Bedingfield, Chumley, Dellaney, Felder, Moss, Norman, Pitts - voted against the passage of Ethics because it was not what passed out of Judiciary.

Bannister amended on 3rd with a strike and insert of new language which did not include independent investigations.

Sup. of Edu: Leatherman and O'Dell voted against. Matthews voted present. Sheheen, Lourie and McElveen voted for it.