

**From:** Taillon, Jeff

**To:** Veldran, Katherine <KatherineVeldran@gov.sc.gov>

**Date:** 10/23/2013 7:55:10 PM

**Subject:** State of the Region: Hilton Head Island (11/4)

**Attachments:** Beaufort.xlsx

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Katherine,

This is what we have right now. The brief and talking points are still in draft form. Let me know if you need anything else.

Jeff

**EVENT:** State of the Region: Hilton Head Island

**DATE:** Monday, November 4, 2013

**TIME:** 11:30 AM Private Reception (may drop by depending on time). 12:00 PM

**LOCATION:** Hilton Head Marriott Resort & Spa, Hilton Head, S.C.

**LOCATION SET-UP:**

**SCHEDULING CONTACT:**

Cathy Havens <[chavens@hiltonheadisland.org](mailto:chavens@hiltonheadisland.org)>

Phone: 843-785-3673

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**ON-SITE LOCATION CONTACT:**

Hilton Head Marriott Resort & Spa, Hilton Head, S.C.

(843) 686-8400

**PRIMARY STAFF:** Courtney Walls.

**ADVANCE STAFF:** TBD

**PURPOSE:** Gov. Haley will speak at the State of the Region: Hilton Head Island annual event.

**Note:** Darla Moore was the keynote speaker last year.

**PRESS:** Yes.

**PUBLIC:** Yes.

**INVITED BY:** David Tigges. Hilton Head Island Chamber of Commerce.

**INTRODUCED BY:**

**LENGTH OF SPEAKING (is Q&A appropriate?)**

**SPEAKING ORDER/LINE-BY-LINE:**

South Carolina Governor Nikki Haley, along with Beaufort County Council Chairman Paul Sommerville, Hilton Head Island Mayor Drew Laughlin and Bluffton Mayor Lisa Sulka will discuss important regional issues and address concerns that impact business, tourism and our quality of life.

**HEAD TABLE SEATING:** Remember to ask for 2-3 bio sentences on guests at table.

**ATTENDEES:**

Beaufort County Council Chairman Paul Sommerville

Hilton Head Island Mayor Drew Laughlin

Bluffton Mayor Lisa Sulka

**SUGGESTED TALKING POINTS:**

**Regional Talking Points:**

**Tourism – SC / HHI**

- Tourism is the largest industry in South Carolina generating more than \$16 billion in economic impact. One in 10 South Carolina jobs is supported by the travel and tourism industry.

- On Hilton Head Island: 6 in 10 jobs are supported by tourism.
- The Island is expected to welcome over 2.4 million visitors this year to its shores, and those visitors will contribute significantly to the more than \$1.2 billion in state and local taxes that the travel and tourism industry generates in our state annually.
- Tourism is a \$1 billion plus industry on Hilton Head Island, and these waterways represent a significant part of this economic impact.
- In calendar-year 2012, visitors to Beaufort County spent an estimated \$1.1B which generated over 12,000 jobs and \$95M in state and local taxes.

### **Investment in HHI**

- Private investment is pouring into Hilton Head Island, with over \$161 million in tourism related capital projects currently underway across the Island, and more on the planning table.
- The Harbour Town Marina and the Harbour Town Lighthouse are icons for tourism in the State of South Carolina and here on the Island.
- They are amongst the most widely recognized symbols of our state, recognized by people all over the world.
- The 46th Heritage tournament hosted by RBC will be held on April 14-20.
- The RBC Heritage pumps more that \$80 million into the State of South Carolina's economy.
- It wouldn't be possible without the 1,200 volunteers who work to put the tournament on.

### **Sea Pines Dredging**

- On July 3, the U.S. Army Corps of Engineers signed off on the permit to clear the three waterways.
- The project received the required permits in April from the S.C. Department of Health and Environmental Control.
- Restoration and preservation of navigation in Sea Pines waterways and marinas is critical for South Carolina.
- These amenities enhance tourism, enhance property values, generate taxes, and most importantly create jobs.
- This deepening project is a great example of blending environmental protection and economic benefits for all, which is 100 % funded by private dollars.
- The project will be 100% funded by private dollars contributed by the members of SIDA and the various marina operators, including Sea Pines Resort.
- No public dollars will be required to fund this important and critical project.

### **Announced jobs in Beaufort**

- Since 2011, two projects have been announced in Beaufort. DUER and EcoDual, combined represent \$14 million in capital investment, creating 354 jobs.

### **Available Beaufort County Area Tourism Statistics (Provided by PRT)**

## **Tourism-Related Taxes (Source: SCPRT and SCDOR)**

- Collected FY12 - 13 Statewide 2% Accommodations Taxes for Beaufort County were \$6.3M, up 8.0% from the prior fiscal year.
- Collected FY12-13 Statewide 5% Admissions Taxes for Beaufort County were \$3.6M, up 3.5% from the prior fiscal year.
- For the first three months of FY13-14 (July-September), Statewide 5% Admissions Taxes for Beaufort County are \$979K, up 0.6%.

## **Hotel Performance Data**

- In calendar year 2012, occupancy for the Hilton Head/Beaufort area was at 55%, up 4.7% over calendar year 2011.
- For the first nine months of calendar year 2013 (January through September), occupancy for the Hilton Head/Beaufort area is at 61%, up 4.3% over the same period in the previous year.

## **Statewide Talking Points:**

### **Executive budgets –**

- Over the past two years, our executive budgets have increased resources for education and innovation, directed funds to make our prisons and communities safer, improved our state financial position through fully-funded reserves, guaranteed essential services for South Carolina's most vulnerable citizens, and made the state more competitive by cutting taxes for business.
- In 2012, we proposed tax reforms for individuals and businesses, and with our leadership, the General Assembly sent us a small business income tax reform package that has decreased income taxes for two consecutive years, and will again next year.
- **South Carolina has benefited because of this – we now have the fastest growing manufacturing sector on the east coast, creating 39,000 new jobs and bringing in over \$9.4 billion in new investment.**
- We have made supporting increased transportation spending a priority, which is why she signed into law a \$1 billion infrastructure bill without raising taxes this past June – the largest investment in roads and bridges in 25 years.
- Through responsible budgeting, we have vetoed hundreds of millions of dollars of wasteful spending.
- Our budgets are balanced, they keep spending in check, allow us to pay down debts and provide tax relief.
- Going forward into the next fiscal year, we will look to improve upon our record of responsible fiscal stewardship, fund the core functions of government, and continue working to provide the funding needed to improve areas where South Carolina has struggled historically.

### **Obamacare –**

- We said from the very beginning that Obamacare was a disaster and unfortunately that is exactly what we are seeing.
- Instead of driving down costs and helping the people of our state live healthier lives, it is a financial and health care liability that won't improve health outcomes and something we simply can't afford.

- If Washington truly cared about improving the health of our citizens, it would repeal this law, get out of the way, and let South Carolina find the right solutions for South Carolinians.
- Despite Washington's immense and ongoing failures, the state of South Carolina is working to help our citizens navigate this disaster and will continue doing so until a solution that actually delivers improved health care at a lower cost is in place.
- As released by the South Carolina Department of Insurance, South Carolinians who pay for individual health insurance coverage will pay 50 to 70 percent more.
- SC DOI estimated that increases will range from 5 percent to 151 percent for those age 20, from 2 percent to 162 percent for those age 40 and from 13 percent to 134 percent for those age 60.
- According to a 2013 report by the nonpartisan Society of Actuaries, under Obamacare, individual medical claims costs in South Carolina will increase 36.8 percent.

### **Support for rural South Carolina –**

- We have announced 7,993 jobs and \$1.12 billion in capital investment in South Carolina's rural counties.
- Rural job announcements account for 23.9% of the total jobs announced (nearly one out of every four jobs), whereas only 20.9% of the workforce resides in rural counties.
- Some of the largest projects announced in rural areas include Spirit Pharmaceuticals in Clarendon County for 296 jobs; Red Ventures in Lancaster County for 1,000 jobs; GKN Aerospace in Orangeburg County for 250 jobs; Belk in Union County for 124 jobs; Be Green Packaging in Jasper County for 175 jobs; and Masonite International in Bamberg County for 100 jobs.
- Rural Development staff is now assigned to specific counties across the state to assist in addressing a range of issues - from improving the quality of their industrial product, to strategic planning assistance, to program development and board structure. Concentration here is primarily focused on our rural counties.

### **Education conversation –**

- In the State of the State address earlier this year, we invited all of South Carolina, education professionals and stakeholders, and members of the General Assembly to join us in a conversation on K-12 education.
- Over the past nine months, seven legislators, from both parties, have joined us as we've held 10 meetings (conversations) with teachers, principals, administrators, business leaders, teacher associations, etc.
- We started this conversation because every child in SC deserves a quality education and because poverty and quality of life are best addressed through education.
- A well-educated workforce is key to attracting more jobs to our state.
- Many jobs coming into South Carolina are very technical but do not necessarily require a 4-year college degree.
- This conversation recognizes that education reform needs to be driven from the educators, the people in the classrooms, instead of top down legislation that is all too common in these kinds of efforts.
- The common goal here is to improve education and try to find the best ways to provide a quality educational experience for children across the entire state.

### **Miscellaneous Haley administration highlights –**

- Transitioned 18,000 people from welfare to work, with an average job retention rate of 94%.
- Passed tort reform to protect our businesses from frivolous lawsuits.
- Focused on job training and putting workforce ready communities in every county (with Clarendon County recently becoming SC's 1st - and the nation's 2nd - Work Ready certified community).
- We have one of the lowest unionization rates in the country. (3.3%, 3rd lowest state in the country)
- Made transparency a major priority of her administration, including fighting for and signing into law the state's first roll call voting bill.
- Commission on Ethics Reform produced the most comprehensive ethics packages in state history.

## Stats -

### Jobs (announced):

- Current Year: 77 projects, 8912 jobs, \$2.933 billion capital investment
- Since Jan. 12, 2011: 288 projects, 38966 jobs, \$9.497 billion capital investment
- Our jobless rate has dropped to a new 5-year low. (Currently 8.1%, 8.0% administration low April, May, June 2013, 11.9% Jan. 2010 recession high, 10.6% Jan. 2011 start of administration)

### Small business tax relief the past two years:

- Small business tax relief was passed in 2012, phasing 'pass-thru' income tax from 5% to 3% over three years – representing \$63 million in cumulative tax relief (value will increase over time as business income increases).

## LEGISLATIVE INFORMATION:

### ECONOMIC DEVELOPMENT INFORMATION:

Beaufort: \$14 million, 354 jobs

Announced Date	Company Name	Objective	Product or Service
2013-08-28	DUER High Performance Composites	New	composite components
2013-06-20	EcoDual	New	dual fuel conversion systems

## BACKGROUND:

The 18th annual State of the Region luncheon shines a spotlight on what's happening in the Lowcountry and throughout the state. One of the community's most popular events, over six-hundred business and community members attended last year to find out how elected officials are tackling the biggest issues shaping our region.

South Carolina Governor Nikki Haley, along with Beaufort County Council Chairman Paul Sommerville, Hilton Head Island Mayor Drew Laughlin and Bluffton Mayor Lisa Sulka will discuss important regional issues, providing attendees with an opportunity to hear leaders address concerns that impact business, tourism and our quality of life.

Join the chamber and take part in this important, interactive forum. State of the Region will be held on Monday, November 4 at the Hilton Head Marriott Resort & Spa. Networking and registration begin at 11:00 a.m. and the program begins promptly at 12:00 p.m.

Seating is limited. Register now to attend. The cost is \$33 for chamber members and \$43 for nonmembers. Table of 8 is \$264. The cost includes a plated lunch. To register go to [hiltonheadchamber.org](http://hiltonheadchamber.org) or call (843) 785-3673.

**Jeff Taillon**

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