



HILTON HEAD ISLAND-BLUFFTON  
CHAMBER OF COMMERCE

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# WEXFORD PLANTATION

*March 2, 2018*

MARIGOT





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# LET'S UNITE ON WORKFORCE

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Amanda O’Nan, Principal, Hilton Head High School  
Lee Edwards, Owner, The Greenery  
Andy Twisdale, Realtor, Charter One Realty  
Jeremy Clark, CEO, Hilton Head Regional Hospital  
...*and more* share their perspective on workforce

VIDEO: <https://www.youtube.com/watch?v=aEyQm9UaLog>

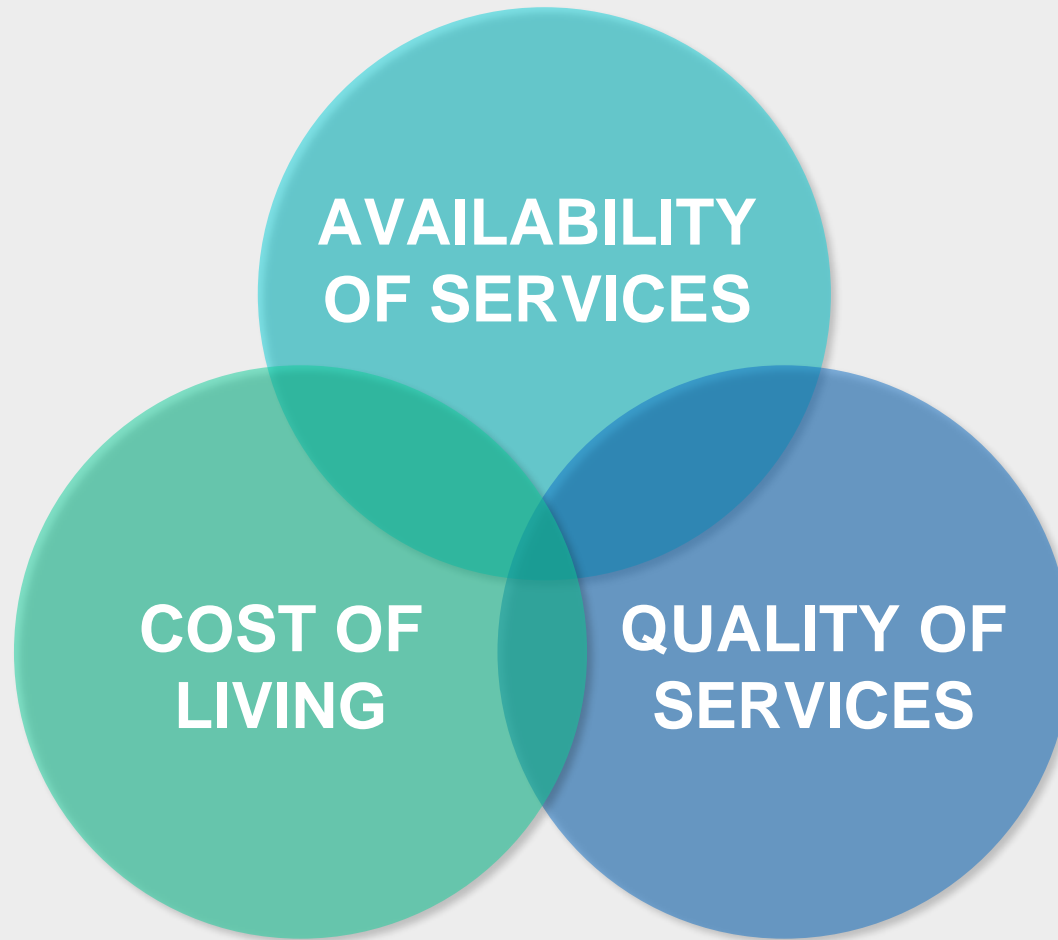


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# WHY WORKFORCE IS ESSENTIAL TO OUR LIFESTYLE

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# EFFECT OF INADEQUATE WORKFORCE

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## AVAILABILITY OF SERVICES

### Wait times

- Medical, hospitality, grocery, automotive

### Limited service hours

- Hospitality, transportation, medical, retail

### Frequency of service

- Landscaping, pest control, mechanical and engineering, personal care

### Development

- Construction services

### Response time

- Emergency services: Fire, police





# EFFECT OF INADEQUATE WORKFORCE

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## QUALITY OF SERVICES

**Education resources at capacity**

**Emergency, medical and public services overtaxed**

**Manpower shortages**

- Dilute attention to customers
- Necessitate under-skilled hires

**Skills shortages diminish quality service in all business areas**

- Restaurants
- Landscaping
- Sport & Leisure
- Personal Care
- Retail stores





# EFFECT OF INADEQUATE WORKFORCE

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## COST OF LIVING

### Direct

- Pay 'premium' for commuters
- Overtime and retraining costs

### Indirect

- Stagnant business and hospitality tax base
- Increased tax rates to maintain public services

### All sectors are affected

- Town services
- Emergency Services
- Hospitality
- Medical
- Retail
- Landscaping
- Automotive
- Personal care
- Sport & Leisure





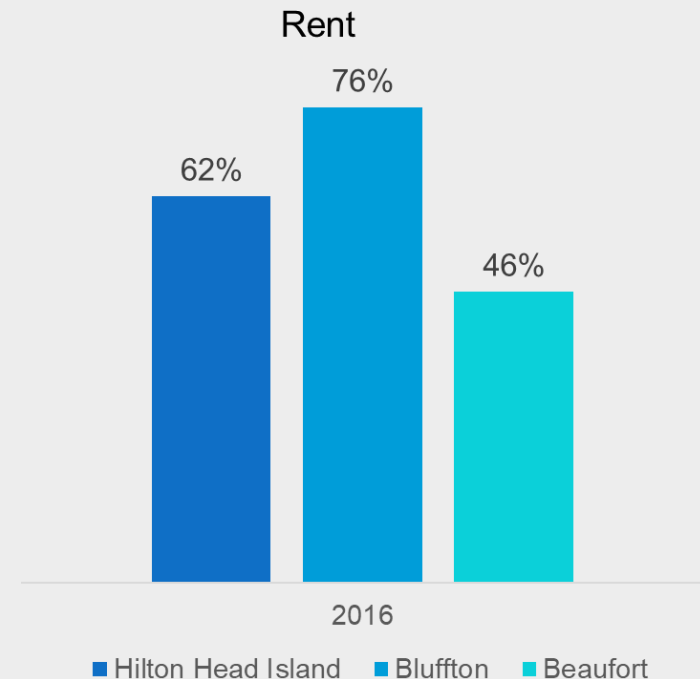
# QUANTIFYING THE PROBLEM

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## Summary

- **Our market** - In 2016 tourism accounted for a \$1.5 billion in total economic output.
- **Wage analysis** – Wages in leisure and hospitality are high; these businesses are already paying more than other cities in SC.
- **Economic realities** - 38% of the Town of Hilton Head Island's budget is funded by business fees & hospitality taxes.
- **Housing** - Overall housing is expensive relative to wages for our population. On average everyone is paying too high a percentage of their income on housing.
- **Cost of Living** - 49% of our total population exceeds 30% affordability recommendation; the average leisure and hospitality worker is paying more than double the recommended amount on housing.

## Monthly Expenditures on Housing as a Percent of Wages





# WORKFORCE IMPACT ON PUBLIC REVENUE

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200

OPEN JOBS

=

\$4.4M

POTENTIAL LOSS IN 2018  
HHI TAX REVENUES

In January, 20 Hilton Head employers reported that they have **600** jobs that they can not fill. We are leaving \$13.2M in tax revenue on the table by not filling these jobs.





# THE LOST REVENUE PROBLEM IS A SOLUTION

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## **The infrastructure of Hilton Head Island and Bluffton**

- Has created excess capacity to generate revenues
- Workforce is prepared to fill that capacity but they don't have housing to do so

## **Supplying workforce to generate available revenue funds the solution**

- A portion of the 2% H Tax can subsidize the capital needed for investment in workforce housing solutions





# HITTING THE SWEET SPOT

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**\$33K - \$45K**

ANNUAL INCOME  
PER RESIDENT



**\$1K - \$1.5K**

APARTMENT RENT PER  
RESIDENT OR COUPLE

**\$62K - \$82K**

ANNUAL INCOME PER  
RESIDENT OR COUPLE



**\$230K - \$340K**

MORTGAGE WITH  
NO DOWN PAYMENT



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# Workforce Housing Products





# BUILDING AN ADEQUATE WORKFORCE

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## EDUCATION



- Town investment in UCSB hospitality campus
- County and Bluffton investment in TCL Culinary Institute
- Culinary program in Hilton Head High School
- Other communities have [teacher housing programs](#)

## TRANSPORTATION



- 8,000 workers must commute from off-island daily
- Palmetto Breeze doing [survey](#) to assess increasing on and off island services; ride share in progress
- Road/bridge improvements planned
- New runway at HHH and new markets open at SAV/HHI airport...bringing more people in

## HOUSING



- Worker shortage – difficult to recruit and retain per high cost of living
- Moderate income rental and purchase options available
- [County housing assessment](#) in market now to assess gap and understand need





# ABOUT THE BUSINESS WORKFORCE COALITION

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The Business Workforce Coalition (BWC) brings together 20 employers representing 4500+ jobs in Hilton Head Island and Bluffton. BWC serves as the unified voice for a stable and secure workforce now and in the future through housing that is affordable.

Contact: Michelle Wycoff, Vice President, Hilton Head Island-Bluffton Chamber of Commerce, [mwycoff@hiltonheadisland.org](mailto:mwycoff@hiltonheadisland.org) or Alan Wolf, Director of Operations, SERG Restaurant Group and BWC Chairman, [awolf@serggroup.com](mailto:awolf@serggroup.com).

More information:

YouTube: [https://www.youtube.com/channel/UCayz1OP5o\\_h6Z0qAweUh0Nw](https://www.youtube.com/channel/UCayz1OP5o_h6Z0qAweUh0Nw)

THINK Hilton Head Island – Bluffton: <http://www.thinkhiltonheadisland.org/regional-business>



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# IMPORTANT LINKS

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**Beaufort County Housing Needs Assessment:** Consultants, Bowen National Research, have 3 different surveys in progress—all ending **March 16<sup>th</sup>**. The different constituents for these surveys are:

Residential Developers & Planning Staff

Key Employers & Economic Development Organizations

Residents: Share with your neighbors, friends, homeowner associations, employees, etc. Here is the link:

[https://www.surveymonkey.com/r/BC\\_Resident](https://www.surveymonkey.com/r/BC_Resident)

**Small Rental Development Program:** SC Housing has introduced a new program for affordable housing rental development projects with 8-24 units. A workshop is scheduled on March 14, 2018. The link to register is at:

[http://www.schousing.com/Home/ShowWorkshop/SRDP\\_Application\\_Workshop\\_2018](http://www.schousing.com/Home/ShowWorkshop/SRDP_Application_Workshop_2018)

**Inclusionary Zoning Legislation:** The Inclusionary Zoning enabling legislation is still alive and in committees moving through the SC Legislative Process—Senate Bill 346 and new House Bill 4162. There are some hurdles. LAHC has generally supported this action that will add a tool to our affordable housing tool box. You can track the weekly status of these bills through the Municipal Association of South Carolina website, <http://www.masc.sc/>

**Low Income Housing Tax Credits Program:** SC Housing released a memo about bills introduced in the House (4872) and Senate (969) related to how LIHTC projects are handled and scored. SC Housing is opposed to the legislation. This issue has been a hot topic locally because some feel that the existing scoring criteria and process are unfavorable for parts of Beaufort County and some potential applicants.

**Fair Housing – Analysis of Impediments:** SC Housing and the SC Department of Commerce are requesting that partner agencies and residents respond to a survey on this issue by March 2<sup>nd</sup>. The notice from SC Housing is attached and the survey link is at:

<https://www.surveymonkey.com/r/DKT8BZH>

**2018 Palmetto Affordable Housing Forum:** This year's conference is April 17-18 in Columbia. Early bird registration rates end March 9, 2018. More info at: <https://www.schousing.com/Home/PalmettoAffordableHousingForum>

**Hilton Head Island Our Future Visioning Project:** Results from the study conducted by Future IQ. More info at: <http://future-iq.com/project/hilton-head-island-south-carolina-usa-2016-17/>

**Hilton Head Island-Bluffton Chamber of Commerce** hosts quarterly *'In the Know'* sessions to keep you informed on these topics and more. The next one on May 4, 2018. Join the Business Workforce Coalition which meets monthly on first Wed. of each month at 1 pm.



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THANK YOU