

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

Chapter 3.2 Economic Development Element

3.2.1: OVERVIEW

The County includes economic development as a component of the Comprehensive Plan to ensure business and employment growth are balanced with population growth. Balanced growth in both population and employment ensures the County will be a thriving community for many years to come and helps the County allocate resources to important initiatives to ensure long-term health and stability. Because the County has an Economic Development Department, which is allied with various other state, regional, county, municipal, and local non-profit economic development entities, it is possible to establish a strategy that can be implemented by the County. Economic development is a tool the County has to promote non-residential growth and ensure a balance of employment sectors. **The County includes Economic Development as an Element to help balance business and employment growth with that of population, housing, transportation, and land use. A balance is necessary to ensure the community continues to thrive. The County should act and has acted to correct imbalances as they occur or are anticipated. The County has an active Economic Development Department which liaise with the State, surrounding counties, and numerous other entities. It has played a large role in attracting industries and commerce to the County.**

Purpose and Intent

*Economic development is an important component of the Comprehensive Plan to tie recommendations for business and employment growth with the land use, **transportation**, and housing recommendations. The purpose and intent of this chapter is to provide strategies that allow Charleston County to be a key player in the support of a unified economic development vision for the Charleston Region.**The strategies*

for economic development should foster a stable and competitive business climate to draw business to the region and should support and strengthen the economic viability of existing industries. The strategies contained in this Element are also intended to encourage **new-business start-ups, including small business enterprises, minority owned businesses, and high-technology and knowledge-based businesses**** and attract new targeted industry sectors to Charleston County*. The Economic Development Department should continue to promote the development of a trained quality workforce*, evaluate new economic development opportunities as they arise,** and support the other recommendations of this Plan as part of the comprehensive strategy for the future of the County.*

3.2.2: BACKGROUND AND INVENTORY OF EXISTING CONDITIONS

The Charleston County Economic Development Department was created by County Council in 1993 after the Navy Based closed and the County lost 22,000 jobs. Realizing the vulnerability of a region too dependent on one large employer, business leaders and the County recognized a need to further increase job diversification. A coordinated regional economic development effort which commenced in 1995 was tremendously successful at bringing some 19,000 new jobs into the Charleston Region by the close of 2007, as well as new capital investment exceeding \$5 billion.

The mission of the Economic Development Department is to recruit, retain and assist in the expansion of companies creating “primary” jobs and making capital investments within the boundaries of Charleston County, and to assist in the improvement of the Charleston business climate for such companies.

The Economic Development Department utilizes business incentives, engages in grantsmanship, facilitates development approvals, analyzes business issues, and ne-

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

gotiates on behalf of Charleston County Council. The Department works closely with area municipalities, utility providers, businesses, federal and state officials, and developers to accomplish its mission.

The Department is engaged in the full range of recruitment activities, including hosting business visits, preparing incentive proposals, touring sites and buildings, and helping arrange relocation announcements. Among its recruitment duties, the staff travels to U.S. and international destinations on business recruitment missions with regional and state commerce officials. The staff assists existing Charleston County-based companies in an ombudsman role, trouble-shooting problems and lending advice and assistance on expansions. The staff also works closely with state and local governments to coordinate infrastructure initiatives

The Department is able to capitalize on the resources of the other local agencies for recruitment of new businesses through the Charleston Regional Development Alliance. The Charleston Regional Development Alliance, formed in 1995, is the central focus of the local industrial recruitment and business retention and expansion activities in Berkeley, Charleston and Dorchester Counties. The three county governments and a group of 360 businesses in the region fund the economic development efforts of the Alliance. Other

crucial to the addition of new business properties to the Charleston portfolio.

	Organization	Primary Activities	Other Activities
Private	Charleston Metro Chamber of Commerce	Small Business Assistance / SCORE Existing Business Assistance Public Policy Advocacy	Center for Business Research ThinkTEC Entrepreneurial Initiative
	Convention/Visitors Bureau	Tourism	Education Foundation
	Charleston Manufacturer's Council	Manufacturer's Trade Association	Military Affairs Initiative
	SC World Trade Center	Export Assistance Activities	
Utilities	SCANA	Technical expertise / facilitation with prospect energy service needs	Utility Tax Credit Grants
	AT&T	Technical expertise / facilitation with prospect telecom service needs	Utility Tax Credit Grants
Public/Private	Charleston Regional Development Alliance	Industrial Recruitment Competitive Industry Expansion	Marketing Recruitment
Public	Charleston County Economic Development Department	Industrial Recruitment Industry Retention and Expansion Infrastructure/Business Climate Initiatives	
	Berkeley Charleston Dorchester Council of Governments		Information Clearing House Transportation Planning Revolving Loan Fund
	Trident One-Stop Career Center	Workforce Training Services	Testing, assessment, recruitment, screening, interviewing, hiring, on-the-job training
	Trident Technical College	Technical Skills Training	
	Ready SC	Workforce Training Services	This division of the SC Technical College System offers turn-key workforce training customized to company needs at state expense

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

TABLE 3.2.1: ORGANIZATIONS HAVING A MAJOR ECONOMIC DEVELOPMENT ROLE IN CHARLESTON COUNTY CONT'D

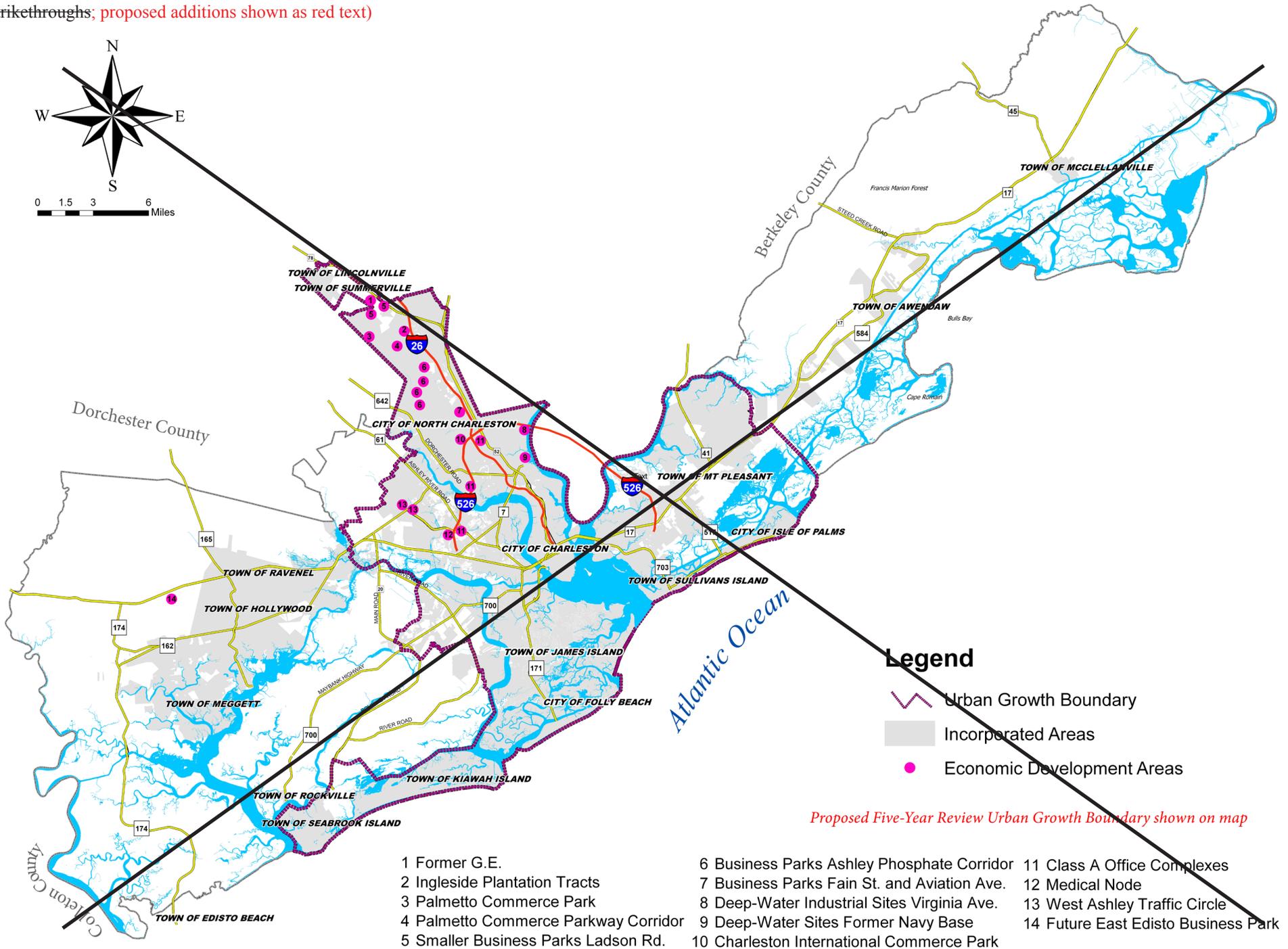
	Organization	Primary Activities	Other Activities
Public	Municipal Economic Development Departments (Charleston, Mt. Pleasant and North Charleston)	Liaison with County Economic Development Department, the Charleston Metro Chamber of Commerce, and the Regional Development Alliance Citywide Redevelopment Retail and Small Business Assistance	
	South Carolina Commerce Department	Industrial Recruitment Industry Retention and Expansion	National Recruiting International Recruiting Expansion Assistance Export Assistance Marketing CDBG Program
	Small Business Development Center	Small Business Support Services Technical Assistance	Business Loans Start-Up Support
	SCRPT	Tourism Grants Technical Assistance	Hosts to SC Film Office
	Federal Economic Development Administration (EDA);	Infrastructure Grants supporting economic development Technical Assistance	
	Small Business Administration	Small Business Support Services	Small Business Loans

Source: Charleston County Economic Development Department, 2008

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

MAP 3.2.1: PRIMARY ECONOMIC DEVELOPMENT SITES



- | | | |
|--------------------------------------|---|-------------------------------------|
| 1 Former G.E. | 6 Business Parks Ashley Phosphate Corridor | 11 Class A Office Complexes |
| 2 Ingleside Plantation Tracts | 7 Business Parks Fain St. and Aviation Ave. | 12 Medical Node |
| 3 Palmetto Commerce Park | 8 Deep-Water Industrial Sites Virginia Ave. | 13 West Ashley Traffic Circle |
| 4 Palmetto Commerce Parkway Corridor | 9 Deep-Water Sites Former Navy Base | 14 Future East Edisto Business Park |
| 5 Smaller Business Parks Ladson Rd. | 10 Charleston International Commerce Park | |

Proposed Five-Year Review Urban Growth Boundary shown on map

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

The future East Edisto Business Park on Hwy. 17-S in Ravenel

The business and office nodes within the Town of Mount Pleasant, including:

- Wando Park (light industrial)
- Seacoast site (I-526)
- Carolina Park (near E. Cooper Airport)
- Various tracts zoned 'Economic Development' within the Town limits at various locations

The business and office nodes within West Ashley and Peninsular Charleston—
Priority Industries & Local Advantages

Priority industry sectors which would fit well with existing support industries and

geographic advantages in the County include: automotive suppliers, aviation, advanced security companies engaged in software and electronic engineering, and bio-tech and medical firms. Features of the County that set it apart and make it competitive in the attraction of new business include: the Port of Charleston; MUSC; the Space and Air Warfare (SPAWAR) Systems command of the U.S. Navy; a vibrant tourism business; the beautiful "Lowcountry" environment and quality of life; and a local culture of historic preservation and conservation which is attracting young professionals. One of the primary concerns for the department is the affordability of housing in Charleston County, with high housing costs increasingly forcing young workers to reside in neighboring counties and commute to jobs in the urban core.

organizations that have a major economic development role in the County are included in [Table 3.2.1](#).

TABLE 3.2.1: ORGANIZATIONS HAVING A MAJOR ECONOMIC DEVELOPMENT ROLE IN CHARLESTON COUNTY

County's Role

The three primary departmental goals of the Economic Development Department are (1) to attract new business/industry; (2) to retain and expand existing businesses; and (3) to safeguard and improve the area business climate. The Department tracks vital data such as new jobs, capital investments and wages to index the relative progress of the local economy.

Primary Economic Development Locations

The primary geographic areas in which the Economic Development Department has interest in protecting for economic growth are shown on [Map 3.2.1: Primary Economic Development Sites](#) and include:

The I-26 corridor, from Ladson southward through the Charleston Neck, featuring the existing business nodes at:

- The former GE complex on Highway 78
- Appropriately zoned sections of the Ingleside Plantation tract along I-26
- Palmetto Commerce Park on Ladson Road
- The newly formed corridor created by Palmetto Commerce Parkway to its ter-

minus at Ashley Phosphate Road

- Smaller business parks along Ladson Road
- Business parks within the Ashley Phosphate Road corridor
- Business parks and 'flex space' along Fain Street and South Aviation Avenue
- Virginia Avenue deep-water industrial sites
- Deep-water sites / industrial buildings available at the former Navy Base

The Charleston International Commerce Park adjacent to Charleston International Airport, host of the Boeing 787 fuselage plant

The Class A office complexes and 'flex space' along the I-526 loop from I-26 to Savannah Highway:

- Mall Drive
- Goer Drive
- Leeds Avenue
- Faber Place
- Savage Road / Glenn McConnell Parkway

The emerging medical node on Henry Tecklenberg Drive, adjacent to Roper Street Francis Hospital

The future West Ashley Traffic Circle at Glenn McConnell Parkway / Bees Ferry Road intersection

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

3.2.2: BACKGROUND AND INVENTORY OF EXISTING CONDITIONS

Introduction

In 2013, the Charleston regional economy can aptly be described as ‘transcendent.’ Following the recent recession, all local economic indicators indicate a rebound, but more importantly, developments over the past five years have elevated Charleston to international prominence.

The new-found global stature of Charleston is the culmination of two decades of focused effort, as well as a sound pro-business environment, and plenty of good fortune. Beginning with the closure of the Naval Complex in Charleston by the 1993 Base Realignment and Closure (BRAC) Commission, tri-county government and business leaders have mounted a robust campaign of economic recruitment, tourism promotion, and growth of the federal government presence.

Several major milestones over the past five years have included:

- Establishment of the second Boeing Final Assembly site for the 787, its subsequent expansion, and the 787-related Interiors Responsibility Center. Most recently, the company announced that significant IT and Engineering Centers would be established here, as well as a 737 Max Inlet production facility;
- Growth of the Space and Air Warfare Systems (SPAWAR) presence, along with various other Navy and Air Force commands attached to Joint Base Charleston;
- Port-related growth;
- Growth of the medical sector;
- Growth of the information technology / software sector;
- Additional air service from Southwest and Jet Blue;

- Addition of the Clemson University Drive Train Test Facility, an anchor for the wind energy and power systems sector; and
- Growth of the Charleston tourism sector, anchored by a burgeoning culinary scene, year-round arts and cultural festivals such as Spoleto Festival USA, outdoor recreation, and signature athletic events like the 2012 PGA Championship at Kiawah Island and the Family Circle Cup.

The unprecedented economic diversity now evident in the Charleston economy has proven a hedge against the recession, with the region’s unemployment rate remaining favorable in comparison with state and national trends, as depicted in *Figure 3.2.1*. International and domestic companies eyeing the eastern United

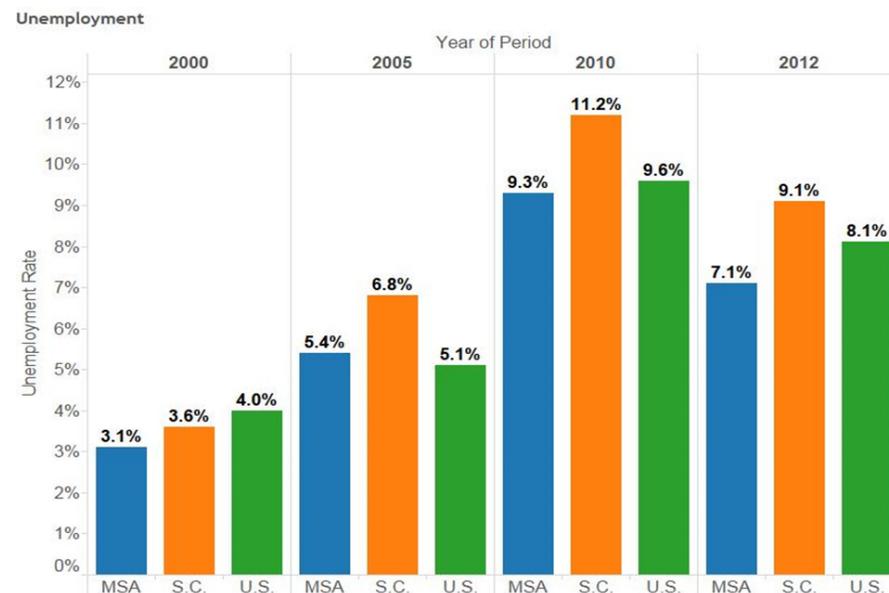
States continue to find the Port of Charleston, the competitive business cost structure, a highly productive workforce, the state’s ‘right-to-work’ environment, the ease of attracting talent, the unrivaled quality of life, and pro-business state and local government partnership as alluring calling cards.

Charleston County Economic Development Mission

The Charleston County Economic Development Department was created in 1994 and crafted a strategic plan in that inaugural year. The three-pronged mission includes:

- Recruitment of ‘primary’ employers;
- Retention and expansion of ‘primary’ employers; and

FIGURE 3.2.1: REGIONAL (MSA), STATE, AND NATIONAL UNEMPLOYMENT RATES (2000 - 2012)



Source: S.C. Department of Employment and Workforce.

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

- The safeguarding and improvement of the local business climate.

‘Primary’ employers include manufacturers, research and development operations, corporate headquarters, large distribution facilities, defense contractors, biotechnology firms, and information technology companies. The basic premise is that when recruiting or facilitating an expansion by these types of operations, more payroll is introduced into the community, creating a multiplier effect as dollars are re-spent in retail, service, and other smaller businesses. Among the other advantages offered by this strategy is the attraction of large levels of capital investment, which translate into an enhanced level of public revenues available to provide public services. Lastly, the creation of large numbers of new jobs reduces unemployment and bolsters the standard of living for area residents.

The Charleston County Economic Development Department pursues its three-pronged mission with a relatively small staff of five, but Charleston County supports many other aspects of economic development through its other direct County functions, as well as its financial partnerships with several key non-profit entities.

Business in Charleston County

Doing business in Charleston County is a value proposition, because excellent public services enhance “the bottom line.” The County is a recognized leader in many areas and enjoys a stellar reputation for financial stability and integrity. Amidst the turbulence of the recent recession, at a time when so many state and local governments were in distress, Charleston County retained its AAA credit rating with all three of the major rating agencies.

In addition to the Economic Development

Department mission, Charleston County influences the economy on several other fronts:

- Tourism Promotion – as a major funder of the Charleston Area Convention and Visitors Bureau, and through funding (with its accommodations fee) the North Charleston Convention Center, Joseph P. Riley Park, Mt. Pleasant Soccer Complex, Family Circle Stadium, and beach re-nourishment at the Isle of Palms. These efforts have paid big dividends in the attraction of convention business, festivals and attractions in a city which was recently named “The #1 U.S. destination” by *Conde Nast* magazine.
- Transportation Infrastructure and Workforce Mobility – as a major funder and manager of local road improvements, utilizing the locally enacted “Half Cent Sales Tax,” major funding for the public transportation system operated by the Charleston Area Regional Transit Authority (CARTA), and as a major funder of regional transportation planning undertaken by the Berkeley-Charleston-Dorchester Council of Governments (BCDCOG). Roads constructed by the County continue to relieve traffic congestion, and create more efficient access and connectivity between residential and business centers.
- Education and Workforce Training – as a major funder of BCDCOG, which administers the Workforce Investment Act-affiliated workforce initiatives, the Metro Chamber of Commerce and its Education Foundation initiative, as well as financial support for major training facilities for aerospace and nursing at Trident Technical College.
- Public Safety – as a provider of EMS, Enhanced 9-1-1, law enforcement, fire protection, hazardous materials management, and Emergency Preparedness services, which protect residents, employees,

and business and residential property, and result in lower insurance rates. Award-winning public safety programs such as the state-of-the-art Consolidated Dispatch Center, create the quickest possible emergency response, and the well-developed Charleston County Emergency Management Plan offers a solid foundation for business continuity planning.

- Environmental Stewardship – as a careful planner of sustainability, a provider of solid waste and recycling services, and a preserver of “green belts.” The Charleston quality of life, a major magnet for business growth, hinges on a careful balance between progress and preservation, and these renowned County programs help sustain that balance.

Key Economic Development Allies

Beyond the Economic Development Department mission and the activities of various sister county departments, several local and state agencies and non-profit entities round out the overall regional service offering to businesses. These include:

- The S.C. Department of Commerce – serving the State of South Carolina, this agency joins forces with the County throughout the corporate recruitment process, as well as in initiatives designed to retain and expand manufacturing, corporate headquarters, research and development, and other significant business operations. The state offers financial incentives which can include offsets to the state corporate income tax, grants and cash rebates to underwrite some business project costs, and workforce training programs designed to deliver a “turn-key” workforce at little to no cost to the employer.

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

- Area municipalities – business sites often exist within the major municipalities of Charleston County – namely, Charleston, North Charleston, and Mt. Pleasant. These cities are valuable allies to Charleston County in the recruitment, retention, and expansion of businesses as their mayors set the pro-business tone with their assistance in expeditious plan reviews and permitting.
- The Charleston Regional Development Alliance – this 501-c organization was founded in 1995 by Berkeley, Charleston, and Dorchester counties, along with the three area chambers of commerce, to market and recruit industry on behalf of the tri-county region. The three counties work hand-in-hand on a daily basis with the Alliance as it attracts business prospects to the area for visits, which in many cases lead to the establishment of new business enterprises here.
- The Berkeley, Charleston, Dorchester Council of Governments – this tri-county organization by law exists to act as a regional facilitator on all federally funded transportation, water, and sewer projects. It is also administers the Workforce Investment Act (WIA) programs designed to strategically funnel federal dollars into workforce training in relevant in-demand occupations. Beyond these roles, the BCDCOG also acts as the clearinghouse on a variety of federal statistics, including the U.S. Census and transportation data.
- The Metro Chamber of Commerce – the oldest municipal chamber in the United States exists in Charleston, and this organization pursues numerous initiatives designed to advocate for good public policy which will safeguard and improve the area's business climate. The Chamber is active in areas such as public education, higher

education, highway infrastructure, and air travel. The Chamber also offers programs to assist entrepreneurs and small business owners (SCORE) and maintains a full-service business data center (the Center for Business Research).

- Area utilities – The County enjoys productive working relationships with the electric, natural gas, water, sewer, and telecommunications utilities, with whom it works hand-in-hand to recruit, retain, and expand businesses. The utilities also play a valuable role in extending, upgrading or relocating needed infrastructure for business facilities, as well as in their provision of grants to offset some of the costs associated with the establishment or expansion of a facility.

Economic Diversification

Growth of the Charleston Area

In the decade from 2000-2010, the population within the Charleston region increased from 549,033 to 664,607 persons, according to the U.S. Census Bureau. The addition of 115,574 new residents represented a 21 percent increase, which outpaced both the U.S. (10 percent), and S.C. (15 percent) averages, as shown in *Figure 3.2.2*. Similar to the general population growth, the area workforce grew at a 20 percent rate, outpacing the S.C. (nine percent) and U.S. (six percent) rates. (see *Figure 3.2.3*).



The Port of Charleston



Boeing



The Market, Downtown Charleston

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

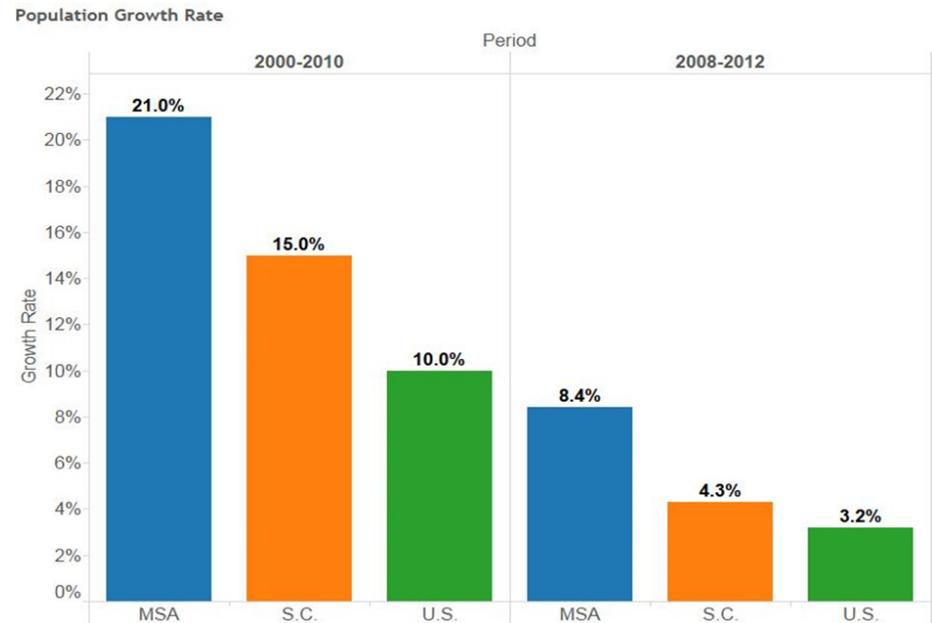
Overall Economic Performance

Since the inception of its economic development mission in 1993, business recruitment, retention, and expansion results within Charleston County have been phenomenal. Many of its largest feats have occurred within the past five years, which marked the arrival and early expansion by The Boeing Company.

According to the S.C. Department of Commerce, from 1993 through the close of 2012, businesses in Charleston County had invested some \$4.2 billion and created over 24,000 new jobs within its boundaries. In 2012 Charleston County placed among the ‘Top Ten’ counties in South Carolina for capital investment and job creation for the 16th time in 18 years. Those figures have climbed yet higher in 2013, with the record-breaking \$1 billion expansion by Boeing which will create an additional 2,000 new jobs.

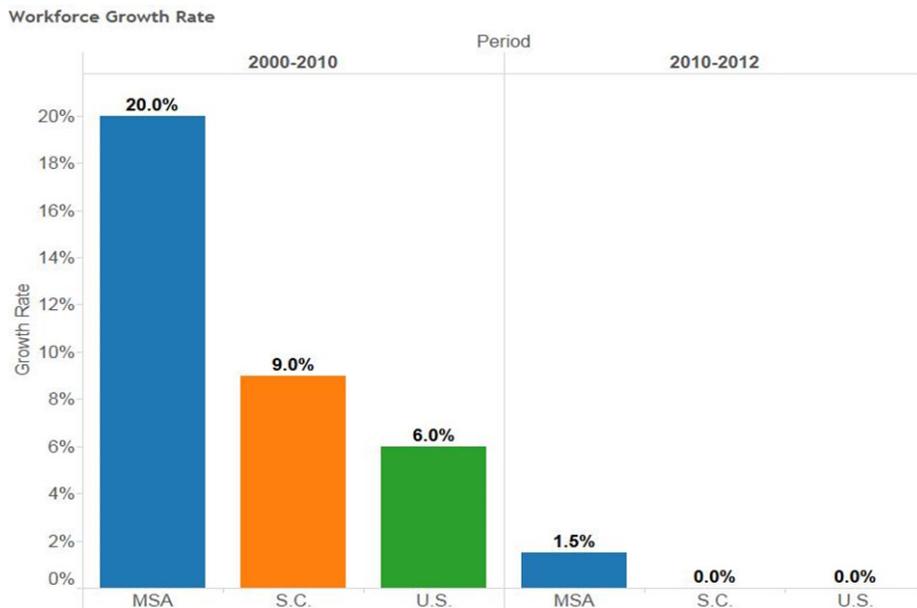
The past decade (2000-2010) was a roller-coaster ride for those employed in most of Charleston’s economic sectors, particularly construction, manufacturing, and retail. From 2000 through 2005, all sectors expanded, with the exception of manufacturing, as shown in Figure 3.2.4. Once the Great Recession set in, contraction occurred in financial activities, information, manufacturing, retail trade, wholesale trade, and trade, transportation, and utilities. The most spectacular

FIGURE 3.2.2: REGIONAL (MSA), STATE, AND NATIONAL POPULATION INCREASES (2000 - 2012)



Source: U.S. Census Bureau.

FIGURE 3.2.3: REGIONAL (MSA), STATE, AND NATIONAL WORKFORCE GROWTH RATES (2000 - 2012)



Source: U.S. Department of Labor - Bureau of Labor Statistics.

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

contraction (34 percent) occurred in construction, due to the nationwide collapse of the housing bubble, and the near collapse of the nation's banking and financial sector. Within the region, only education and health services, government, leisure and hospitality, and professional and business services registered employment growth during that period. During 2011 and 2012, with the recovery struggling to find its legs, most sectors had regained ground and had begun rehiring. Contraction continued to plague the construction sector, which registered another 2.2 percent loss in jobs. Amidst new multi-family and single-family housing starts and increased commercial demand in 2012-2013, however, many economists believe that the sector has stabilized and will begin to grow modestly.

Unemployment Rates, Average Wages, and Per Capita Income

From 1995, shortly after the inception of the county

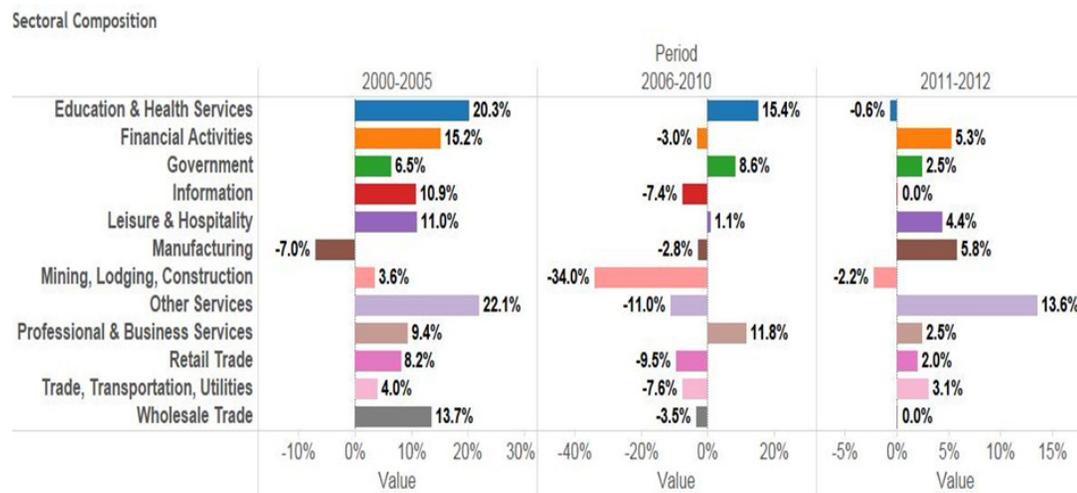
economic development mission, through 2010, the average wage in the Charleston region rose 76 percent - from \$22,568 to \$39,661. By 2005 the Charleston regional average wage had surpassed that of South Carolina, and by 2010 it had further grown the gap to be about six percent higher. Regional wages continue to trail average U.S. wages, but have narrowed the gap - having represented 79 percent of U.S. wages in 2000, and growing to represent 85 percent in 2010, as shown in *Figure 3.2.5*.

Per capita income is a different and more inclusive measure than average wages; it includes not only wages, but also revenues derived from sources as diverse as investment portfolios, rent, unemployment compensation, and transfer payments. Per capita income in Charleston County ranked sixth among the state's 46 counties in 1995, at \$21,118. By 2003, it had improved to second in the state, growing to \$31,333. Charleston County remained in second place in 2011,

but improved to \$41,656, narrowly behind Beaufort County (see *Figure 3.2.6*). Recent growth trends suggest that Charleston County will soon rise to number one.

In the year 2000, unemployment in the Charleston region averaged 3.1 percent, which is widely defined as full employment. In 2005, immediately prior to the Great Recession, unemployment ticked up to 5.4 percent - similar to the national trend, but much lower than the S.C. rate of 6.8 percent. At the height of the recession in 2010, the Charleston region spiked to 9.3 percent - again similar to the national trend (9.6 percent), but much lower than S.C. (11.2 percent). In 2012, amidst a still tepid recovery, the Charleston region had improved to 7.1 percent, while the U.S. (8.1 percent) and S.C. (9.1 percent) rates were slower to improve. During 2013, the Charleston region averaged 6.4 percent. *Figure 3.2.7* shows the exact unemployment rates for Charleston County and comparative cities. During

FIGURE 3.2.4: GROWTH IN CHARLESTON'S ECONOMIC SECTORS (2000 - 2012)



Source: S.C. Department of Employment and Workforce.

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

its 2013 annual event, the forecast by the Metro Chamber of Commerce Outlook Advisory Board was for unemployment to drop to 5.8 percent by the end of 2014.

Economic Sector Composition

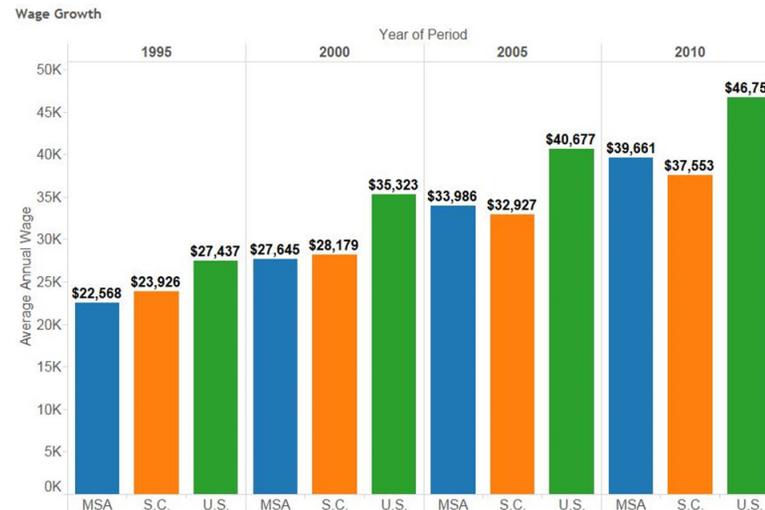
As the economy began its gradual rebound over the past several years, several new trends began to emerge:

- The Services sector accounted for 59 percent of new jobs created – mainly in the Professional and Business Services and Education and Health Services categories. Many of these new jobs reflect the growth of the Medical University of South Carolina (MUSC) and the many hospital systems within the Charleston region, in addition to growth at the local universities. They also reflect the growth of the Space and Air Warfare Systems (SPAWAR) center, along with its numerous defense contractors. Some of these jobs are also accounted for by the dramatic growth of the creative knowledge-based tech companies within the region.
- The Leisure and Hospitality sector grew by 13.1 percent from 2010 to 2013, a marked improvement over the 4.6 percent increase that occurred between 2004 and 2009. This is a testament to the economic significance of some 4 million annual visitors to the Charleston area. Charleston was recently ranked as the number one destination in the world by *Conde Nast* magazine and played host to the 2012 PGA National Championship at Kiawah Island’s Ocean Course.
- Several large new hotels are under way in downtown Charleston, as well as a growing convention trade at the Convention Center in North Charleston.

Recent Economic Indicators

The recent economic indicators for the Charleston region shine light on some economic engines that continue to struggle post-recession, and others that have barely missed a beat. The Port of Charleston continues to trend in a positive direction, increasing its annual tonnage during 2012 to 1.5 million twenty-foot equivalent units (TEUs). The progress is welcome, considering that it has a way to go yet to regain its pre-recession volume (1.9 million TEUs). The same is true of the local housing market, where the annual number of homes sold and

FIGURE 3.2.5: WAGE GROWTH IN THE REGION, STATE, AND NATION (2000 - 2010)



Source: U.S. Department of Labor, Bureau of Labor Statistics.

FIGURE 3.2.6: PER CAPITA INCOME RANKING OF CHARLESTON COUNTY COMPARED TO OTHER SC COUNTIES (2000 - 2011)



Source: S.C. Department of Commerce and US Department of Labor, Bureau of Labor Statistics.

Note: The orange circles on the chart illustrate Charleston County’s per capita income for each indicated year; the number below each orange circle indicates Charleston County’s per capita income ranking among SC Counties for that year.

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

their values continue to climb. The 10,946 sales registered during 2012 represented steady post-recession progress, but fell 30 percent short of the pre-recession mark of 15,700. Likewise, the median value of a home during 2012 was \$261,065. This figure represented improvement over the 2009-2011 period, but remained well short of the \$299,720 value posted in 2008.

Retail sales in the Charleston region have barely missed a beat, along with the visitor industry and air travel. Retail sales grew by 58 percent during the past decade, from \$12.9 billion in 2001 to \$20.3 billion in 2012. Steady progress occurred up until 2009, when the effects of the recession on consumer confidence began to take hold, and spending plummeted 13 percent - from the previous year total of \$18.7 billion to \$16.3 billion. This setback was a one year 'blip,' how-

ever, and by 2010, retail sales regained the lost ground and exceeded 2008 levels.

Priority Industries and Local Advantages --

The Four Traditional Economic Engines

The Charleston region has for many years been anchored by four economic engines, including: the Port of Charleston; the military; MUSC and the medical sector; and the tourism industry. These engines remain very viable today, but are now augmented by several recent 'game changers.'

The Port

The Port of Charleston opens doors for its customers across the globe, with every key ocean carrier present and offering service to about 150 countries spread

across every continent. This is a huge draw for exporting manufacturers, and many of those located across the Southeast utilize the Port of Charleston, which is recognized for its world-class intermodal facilities and industry-leading efficiency.

Manufacturing is alive and well and flourishing in the Charleston region, characterized by household corporate names such as The Boeing Company, DuPont, Alcoa, Nucor Steel, Cummins, Daimler, Kapstone Pulp & Paper, MeadWestvaco Speciality Chemicals, Robert Bosch Corporation, and many others.

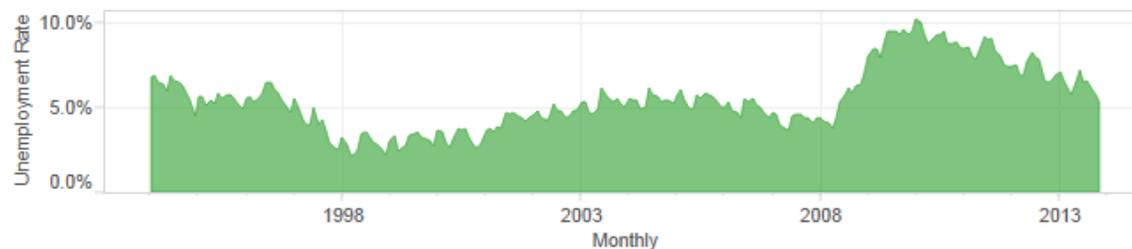
The Port of Charleston continues to trend in a good direction, increasing its annual tonnage during 2012 to 1.5 million TEUs. The South Carolina Port Authority (SCPA) priority project is Charleston's Post -45 Harbor Deepening. According to the SCPA, "Charleston currently has the deepest channels in the region and can handle ships drafting up to 48 feet on high tide. Deepening Charleston Harbor to 50 feet will open the port to handling larger post-Panamax container ships 24 hours a day." The deepening is projected to be completed by 2020 and is estimated to cost \$300 million; a share between state and federal governments. Nonetheless, the S.C. General Assembly has made provisions to fund the entire project if federal government funding falls through. Now under construction, the Navy Base Terminal (NBT) is slated for completion by 2019. This facility is design specifically to host the larger Post Panamax ships and is projected to increase the container cargo capacity of the SCPA by 50 percent.

The Port has created a growing source of business focusing on non-containerized cargo and break bulk. The cruise industry is another facet that is in demand as noted in the SCPA's strategic plan. According to the Port of Charleston, "in CY2012 Charleston handled 14 port-of-call vessels and 70 turnport vessel calls for an annual total of 84." Between port of call and embarka-

FIGURE 3.2.7: UNEMPLOYMENT RATES IN CHARLESTON COUNTY AND COMPARATIVE CITIES (2013)

City	Labor Force	Employment	Unemployment	Rate
Seattle	379,797	361,906	17,891	4.7%
Raleigh	222,067	211,478	10,589	4.8%
Durham	124,170	118,081	6,099	4.9%
Huntsville	89,250	84,885	4,365	4.9%
Charleston*	176,010	166,750	9,260	5.3%
Orlando	138,477	130,996	7,481	5.4%
Wichita	181,865	171,593	10,272	5.6%
Charlotte	395,673	371,488	24,185	6.1%
Boston	323,718	303,329	20,389	6.3%
San Diego	716,801	667,821	48,980	6.8%
Washington	363,733	337,306	26,427	7.3%
New York	4,068,703	3,741,563	327,140	8.0%
Savannah	64,336	59,127	5,209	8.1%
Atlanta	193,382	175,744	17,638	9.1%

Charleston County Historical Unemployment Rate



Source: U.S. Bureau of Labor Statistics, October 2013. Not seasonally adjusted.

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as ~~strikethroughs~~; proposed additions shown as red text)

tions, passenger counts exceeded 189,000 in CY2012. The Carnival Fantasy has made Charleston a homeport operation since spring of 2010. The ship offers five- and seven-day cruises to the Caribbean.

The Medical University of South Carolina

The Medical University of South Carolina (MUSC) is a major employer in Charleston County, and along with the Roper/St. Francis, Columbia/HCA, and Tenet Healthcare hospital systems, drives the growing Charleston medical sector. Added to that list are pharmaceutical operations such as aaiPharma and Charles River Labs, and medical device companies such as Berchtold, BeliMed, and Getinge. With its growing medical research activity, MUSC is a catalyst for medical discoveries, and the recently erected Research Innovation Center in downtown Charleston provides space for entrepreneurs to develop their science for commercial application.

Along with patient care and academics, research is at the heart of MUSC. With core facilities, state of the art centers and institutes, and the latest clinical trials, MUSC is poised to be a leader in medical research and development. MUSC's current strategic



Medical University of South Carolina (MUSC)

plan allows for the creation of the Center for Medical Innovation and Entrepreneurialism. The Center will serve as a gateway for partner engagement as well as a resource for entrepreneurial health and biomedical scientists. The South Carolina Clinical and Translation Research Institute is bringing positive change to biomedical research and creating an avenue for shared expertise and resources. Furthermore, the Foundation for Research Development is paving the way for inventors, industry, and entrepreneurs to collaborate. In patient care, for 2013-14, MUSC was ranked as the #1 hospital in South Carolina by U.S. News & World Report. In addition, MUSC received national rankings in Ear, Nose, and Throat (#27), Nephrology (#40), and Rheumatology (#17). The Hollings Cancer Center, renowned Children's Hospital, and numerous specialties make MUSC a fixture in healthcare excellence.

The Military

Despite the 1993 Base and Realignment Commission (BRAC) decision to close the Charleston Naval Complex, the U.S. military still accounts for a large portion of area employment. Over 20,000 local jobs are provided by the 457th Airlift Command adjacent to Charleston Airport, the Nuclear Submarine Training School and the U.S. Army Combat Asia facility at the Naval Weapons Station at Goose Creek, and a host of other federal agencies located at the former naval base including the U.S. Border Patrol, Department of State, and U.S. EPA.

Space and Naval Warfare (SPAWAR) Systems Center Atlantic is a high technology, engineering facility that designs, builds, tests, fields, and supports the Navy as well as other federal customers. SPAWAR Atlantic is responsible for integrating the Mine Resistant Ambush Protected (MRAP) vehicles used to protect the war fighters on the ground in Afghanistan.

The facility employs over 3,100 Civil Service employees with an average salary of \$87,000 and supports an estimated 80 defense contractors operating in the region, which employ an estimated 12,000 employees. Overall, SPAWAR supports over 25,000 jobs in South Carolina who contribute over \$1.3 billion in annual labor income. SPAWAR's estimated impact on South Carolina's economy is estimated at \$3.1 billion.

The Tourism Industry

The tourism industry has fared well through the recession, with the number of visitors to the area steadily increasing annually. Economic uncertainty resulted in a drop in occupancy and average daily room rates during 2009-10, but this was a 'blip' on an otherwise favorable radar. Hoteliers have seen the occupancy rate bounce back and in 2012 the average room rate of \$122.74 was the highest ever recorded.

The forecast by the College of Charleston Office of Tourism Management is for continued growth in occupancy and average daily rates during 2013 and 2014. Confidence in the industry is riding high, with several major new hotels under way in downtown Charleston, North Charleston, and Mt. Pleasant, which will add over 1,500 new rooms. The only cloud on the horizon, as reported by the Metro Chamber of Commerce, could be the downturn in defense spending and the impact it might have on military related business travel to Charleston.

The "Holy City" received numerous accolades in 2013 that continue to impress tourists and residents alike year after year:

- #1 U.S. City by *Condé Nast* Traveler Readers' Choice Awards (2011, 2012, and 2013);
- #1 Top City in the U.S. and Canada by *Travel + Leisure* World's Best Awards (2013);
- #1 Friendliest City by *Condé Nast* Traveler Readers'

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

Choice Awards (2012);

- #1 Best Weekend Getaway by *U.S. News & World Report* (2013);
- #11 Top 25 Parks in the U.S. - Waterfront Park by TripAdvisor Travelers' Choice Awards (2013);
- #11 Best Minor League Network in America in 2013 by *Sportsbusiness Journal*;
- #15 Top 25 Destinations in the U.S. by TripAdvisor Travelers' Choice Awards (2013); and
- Arthur Ravenel, Jr. Bridge - Most Beautiful Bridges Around the World by CNN (2013).

Recent Economic 'Game Changers'

Several developments occurring in the Charleston economy during the past five years have created decided business advantages for the region.

Discount Air Carriers

Air traffic at the Charleston International Airport has increased 63 percent during the past decade, energized in recent years by the introduction of discount air carriers Southwest and JetBlue. JetBlue began serving passengers earlier in 2013 with flights



General Dynamics Land Systems - Force Protection Factory, Ladson, SC

to New York's JFK International and Boston's Logan International airports. Since 2011, the addition of Southwest and JetBlue has added over 500,000 new flight seats at Charleston International. Passenger activity grew steadily until 2006, when the onset of the recession discouraged many business and leisure fliers. Regaining its momentum temporarily, the passenger growth trend was interrupted again by the economic uncertainty during 2009 and 2010. The years 2011 and 2012 have been marked by robust growth, with the current flier volume eight percent above the previous high water mark of 2008. The forecast by the Charleston County Aviation Authority is for a steady three percent growth during 2013 and 2014.

The Boeing Company and a Bourgeoning Aerospace Sector

The economic landscape of Charleston was transformed by the arrival of Boeing in 2009, which announced that it had chosen North Charleston and the Charleston International Airport as its second 787 Assembly site. Here the \$250 million aircraft would be assembled, and the site would assume responsibility for the production of all aft fuselage sections serving both the west-coast and east-coast assembly lines. With this announcement, the Charleston area joined the elite ranks of Everett, WA and Toulouse, France as one of only three places in the world where wide-body commercial aircraft are assembled and delivered.

The final assembly of the Boeing 787-8 began in 2011 in North Charleston on the massive 240-acre multi-building complex, and the first delivery occurred in October 2012 with customer Air India. Earlier in 2010 Boeing had announced the location of the Interiors Responsibility Center in Palmetto Commerce Park, about 10 miles north of the Final Assembly complex. This facility fabricates and supplies internal compo-

nents of the 787 such as the restrooms, galleys, and overhead bins. Since the 2011 plant opening, some 6,100 employees have come on board. This figure is sure to increase in the near future with the news in late 2013 that the longer 787-9 will soon be produced here as well.

In the spring of 2013, Boeing again gave its vote of confidence in the Charleston area as it announced a \$1 billion expansion that would promise an additional 2,000 employees. As part of this expansion, Boeing committed to bring information technology and engineering capabilities to its campus, along with additional production workers. Later in the year, it also moved to acquire an additional 460 acres in and around the Final Assembly complex and announced a new paint facility that would shift that task here from San Antonio, TX. The company also announced that a second aircraft program, the 737-Max, would be supported from North Charleston with an engine inlet (nacelles) production plant to be located in Palmetto Commerce Park.

The economic magnitude of building the 787 is breathtaking in and of itself, but is made all the more impressive when one considers the further impact of business visitors to the area. The multitude of business visitors to the North Charleston campus that occurs just in the normal daily course of business creates a massive spin-off effect in area restaurants, hotels, shops, and tourist venues. In addition, the delivery of aircraft is a prestigious ceremonial event that is preceded by the hosting of large entourages of airline owners, their families and staff over extended periods of time.

As Boeing increases its workforce to 8,000 employees during 2014, it will also be making a new imprint in the Charleston technology sector. The company announced that it will create engineering and IT centers of excellence, as well as a new Boeing research and

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as ~~strikethroughs~~; proposed additions shown as red text)



The Boeing Company, North Charleston, SC

technology center. Over 1,500 positions will be staffed by high tech knowledge workers, further complementing the home-grown technology sector growth the Charleston area has been experiencing.

Clemson University Energy Innovation Facility

The Clemson University Research Institute (CURI) Campus is home to the nation's newest and world's most advanced capacity wind-turbine drive train testing facility. The \$100 million Clemson University SCE&G Energy Innovation Center opened in November 2013. The center is capable of full-scale highly accelerated mechanical and electrical testing of advanced drive-train systems for wind turbines with 7.5 MW and a 15 MW test bay. This technology will pave the way for future energy innovation.

By 2030, the U.S. Department of Energy has set a goal to generate 20 percent of the nation's power needs through wind. The South Carolina coast offers strong winds in shallow water, access to the ports of Charleston and Georgetown, and a large demand which drives development of offshore wind farms. In addition, ship-building and manufacturing facilities enhance the potential to become an industrial hub as larger turbines are created. Through the efforts of

CURI, South Carolina can benefit from the wind energy industry that is coming to the forefront.

Technology Sector Growth

Organic growth by the Charleston technology sector has been astounding. Charleston's technology sector has been dubbed "Silicon Harbor" by Nate DaPore, President and CEO of PeopleMatter and the Charleston County nominee as 2013 South Carolina Department of Commerce Economic Development Ambassador. "Home-grown" information technology and high tech firms such as PeopleMatter, SPARC, Benefitfocus, and Blackbaud have experienced exponential growth which is continuing into 2014. The recent Google data center expansion, in Berkeley County and the Boeing IT Center of Excellence showcase the pinnacle of which has reached. The Charleston area also hosts three firms included in the Inc. 500 list of fastest-growing companies. Benefitfocus went public during 2013, and several Charleston firms successfully acquired venture capital.

Through the efforts of the Charleston Digital Corridor, the Charleston region is on the cusp of being a technology center. Knowledge-based companies and emerging companies have the convenience of utilizing one of two incubator facilities, dubbed 'Flagships,' to grow and incubate their companies and host a co-working space. The 40,000 sq. ft. Flagship 3 has just been announced and will continue to foster Charleston's development of its knowledge economy. In addition to the Digital Corridor initiatives, the Harbor Accelerator is an independent recently founded business accelerator program for entrepreneurs with scalable business concepts. Their 14-week program caps off with introductions to potential capital sourcing to grow a start-up.



Clemson University Energy Innovation Facility

Numerous other platforms are geared to the tech and knowledge-based creative sector such as Parliament, a coalition of businesses and entrepreneurs dedicated to support the creative community. Parliament hosts Pecha Kucha Nights sporadically to bring the community together and showcase the vast creative talent. DIG South, "the Southeast's Interactive Festival," is a similar effort which began in the spring of 2013. This multi-day event features a conference of over 100 presenters from various companies such as Samsung, LinkedIn, Inc. Magazine, Google, and local tech firms such as PeopleMatter and SPARC. The 2-day tech and creative industry expo presents opportunities for entrepreneurs to interact and start-ups to get noticed. The efforts of both Parliament and DIG South have continued to grow each year to adapt to the changing tide of Charleston's "Silicon Harbor."

Recent Accolades

The number and diversity of accolades garnered by Charleston are a continuing testament to its status as a "boom town." These include everything from manufacturing growth to entrepreneurial success, and from leading visitor destination to award-winning culinary town.

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

2008 rankings include:

- 7th – Job Creation in the State;
- 9th – Capital Investment in the State;
- 2008 Best Performing Cities (2nd year in a row) – Miliken Institute; and
- Top U.S. Cities for Doing Business (2nd year in a row) – Inc.com.

2009 rankings include:

- 1st – Job Creation in the State;
- 1st – Capital Investment in the State;
- 50 Best Places to Live: The Next Great Adventure Towns – *National Geographic Adventure*;
- Best Small Cities for Startups – *Businessweek*;
- Next Cities: Best Places to Live & Work for Young Professionals – Next Generation Consulting;
- Best Cities for Technology Jobs – *Forbes*;
- Progressive Environmental Stewardship & Sustainable Growth – National Resource Defense Council;
- America's Best Colleges – *Forbes*;
- The World's Smartest Cities – *Forbes*; and
- Best Cities for Business – Marketwatch.

2010 rankings include:

- 9th – Job Creation in the State;
- 7th – Capital Investment in the State;
- #1 for Noteworthy Neighborhoods & Friendly People – *Travel & Leisure Magazine*; and
- #1 Coolest Small City in America – *G.Q.*

2011 rankings include:

- 7th – Job Creation in the State;

- 13th – Capital Investment in the State;
- #1 Top City in the United States – *Condé Nast*;
- A Top 20 Best Performing Large City – Miliken Institute;
- #4 Small Business Vitality Score in the Nation – *Portfolio Magazine*;
- #1 Brain Gainer Metro – *Wall Street Journal*;
- #8 Best City for Job Growth – *New Geography*; and
- A Top 50 best Place for Business & Careers – *Forbes*.

2012 rankings include:

- 6th – Job Creation in the State;
- 8th – Capital Investment in the State;
- #1 in the U.S. for Growth in Manufacturing Jobs – Brookings Institute;
- South Carolina Ranks in the Top 10 best Places for Business – Chief Executive;
- Charleston is the #1 Tourist City in the World – *Condé Nast*;
- #2 for Economic Growth – Area Development;
- A Top 10 Best Places for Jobs in the U.S. – *Forbes*;
- Charleston Ranks #9 for Job Recovery Amongst U.S. Metros – Brookings Institute; and
- South Carolina Ranked #4 for Exports; Set New record \$25B in total exports – U.S. Chamber of Commerce.

Comparative Business Cost Advantages

The cost of doing business in Charleston County has long received a reputation as being favorable and affordable. Whether a company is looking to start a business, relocate a business, or simply expand, the start-up costs (construction), ongoing operating costs

(lease, electricity, wages) state and local tax climate, and available business incentives and support programs are very attractive. These advantages include:

- Wage rates - the Charleston area offers features a salary structure which is competitive with other leading business cities. In fact, Charleston finishes third among a list of 14 competitor cities for salary affordability from the perspective of a business looking to locate in Charleston. This creates a competitive advantage in various industry niches in which the Charleston region competes (see *Figures 3.2.8 and 3.2.9*).
- Facility establishment costs - The Charleston region features below average land and building costs based on U.S. National averages according the ACCRA Cost of Living Index (see *Figure 3.2.10*). Nationally competitive industrial and office space lease rates vary favorably within the region (see *Figures 3.2.11, 3.2.12, and 3.2.13*).
- Ongoing operating costs – A variety of ongoing operating costs, including competitively priced utilities, and lower than average state and local taxes represent business advantages (see *Figure 3.2.14*).

State and Local Taxes

The State of South Carolina features one of the lowest corporate income taxes in the nation (five percent before credits and incentives) and Charleston features a below average sales and use tax (8.5 percent) when compared to communities across the U.S., according to TaxFoundation.org. Local property taxes are levied according to a state statutory formula which derives an assessed value from the appraised value of real and business personal property multiplied by an assessment value (10.5 percent for manufacturers; six percent

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

for other business) and then multiples that assessed value by a local millage rate factor. This local millage rate factor is determined by the cost of delivering local services and the value of the local tax base.

Financial Incentives

The State of South Carolina has enacted a variety of financial incentives for businesses over more than two decades. These incentives are intended to promote the creation of new jobs and leverage new capital investment, and they generally consist of credits against the state corporate income tax, local property tax relief, grants for infrastructure, site preparation, or facility construction, and turn-key customized workforce training during facility ramp-up.

During the 1980s and 1990s, the S.C. General Assembly enacted incentives legislation for

FIGURE 3.2.8: WAGES IN THE CHARLESTON REGION (2012)

Occupation	Employ..	Annual Mean Wage	Hourly Mean Wage	Annual Median Wage	Hourly Median Wage
All Occupations(000000)	291,750	\$41,180	\$19.80	\$32,710	\$15.73
Architecture and Engineering Occupations(170000)	7,360	\$69,670	\$33.50	\$67,010	\$32.22
Arts Design Entertainment Sports and Media Occupations(270000)	3,030	\$44,750	\$21.52	\$36,400	\$17.50
Building and Grounds Cleaning and Maintenance Occupations(370000)	10,920	\$22,700	\$10.91	\$19,950	\$9.59
Business and Financial Operations Occupations(130000)	11,950	\$61,650	\$29.64	\$56,140	\$26.99
Community and Social Service Occupations(210000)	2,970	\$39,270	\$18.88	\$35,500	\$17.07
Computer and Mathematical Occupations(150000)	6,720	\$64,960	\$31.23	\$62,950	\$30.26
Construction and Extraction Occupations(470000)	10,880	\$36,210	\$17.41	\$33,760	\$16.23
Education Training and Library Occupations(250000)	14,600	\$45,490	\$21.87	\$44,810	\$21.54
Farming Fishing and Forestry Occupations(450000)	180	\$32,380	\$15.57	\$29,040	\$13.96
Food Preparation and Serving Related Occupations(350000)	29,960	\$20,320	\$9.77	\$18,430	\$8.86
Healthcare Practitioners and Technical Occupations(290000)	22,810	\$66,550	\$31.99	\$58,810	\$28.27
Healthcare Support Occupations(310000)	8,140	\$27,640	\$13.29	\$25,910	\$12.46
Installation Maintenance and Repair Occupations(490000)	12,190	\$41,360	\$19.89	\$38,970	\$18.74
Legal Occupations(230000)	2,030	\$77,270	\$37.15	\$56,520	\$27.17
Life Physical and Social Science Occupations(190000)	1,900	\$56,840	\$27.33	\$48,730	\$23.43
Management Occupations(110000)	13,340	\$98,970	\$47.58	\$85,900	\$41.30
Office and Administrative Support Occupations(430000)	47,560	\$32,270	\$15.52	\$30,320	\$14.58
Personal Care and Service Occupations(390000)	8,020	\$23,740	\$11.41	\$20,320	\$9.77
Production Occupations(510000)	16,920	\$40,600	\$19.52	\$38,100	\$18.32
Protective Service Occupations(330000)	7,340	\$35,060	\$16.86	\$33,460	\$16.09
Sales and Related Occupations(410000)	34,080	\$30,470	\$14.65	\$22,610	\$10.87
Transportation and Material Moving Occupations(530000)	18,860	\$32,520	\$15.64	\$27,090	\$13.03

Source: U.S. Department of Labor, Bureau of Labor Statistics, May 2012.

FIGURE 3.2.9: WAGE COMPARISONS (2012)

Area name	Hourly mean wage	Annual mean wage*
Washington-Arlington-Alexandria DC-VA-MD-WV	\$30.65	\$63,750
Boston-Cambridge-Quincy MA-NH	\$28.05	\$58,350
Seattle-Bellevue-Everett WA Metropolitan Division	\$27.68	\$57,560
New York-Northern New Jersey-Long Island NY-NJ-PA	\$27.38	\$56,940
Durham-Chapel Hill NC	\$26.20	\$54,500
San Diego-Carlsbad-San Marcos CA	\$24.41	\$50,770
Huntsville, AL	\$23.97	\$49,860
Atlanta-Sandy Springs-Marietta GA	\$22.80	\$47,420
Raleigh-Cary NC	\$22.06	\$45,880
Charlotte-Gastonia-Rock Hill NC-SC	\$22.00	\$45,750
Wichita KS	\$19.84	\$41,260
Charleston-North Charleston-Summerville SC	\$19.80	\$41,180
Savannah GA	\$19.75	\$41,080
Orlando-Kissimmee-Sanford FL	\$18.96	\$39,430

Source: U.S. Department of Labor, Bureau of Labor Statistics.

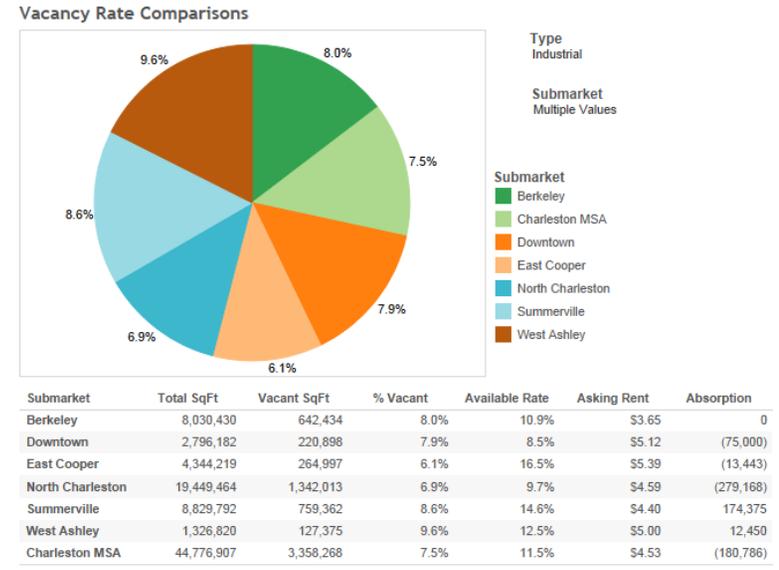
*Note: Annual wages have been calculated by multiplying the hourly mean wage by 2,080 hours; where an hourly mean wage is not published, the annual wage has been directly calculated from the reported survey data.

FIGURE 3.2.10: COST OF LIVING COMPARISON (2013)

State	City	Composite Index	Housing	Utilities	Transportation	Home Price
New York	New York	175.6	326.9	129.4	114.3	\$999,746.00
Massachusetts	Boston	140.1	177.4	139.2	103.2	\$491,000.00
California	San Diego	129.2	194.9	96.9	113.7	\$584,254.00
District of Columbia	Washington	141.6	251.1	95.0	105.7	\$777,025.00
Washington	Seattle	117.5	136.1	97.2	118.0	\$372,516.00
South Carolina	Charleston	100.8	93.1	113.7	92.1	\$250,593.00
Alabama	Huntsville	96.8	81.5	103.7	102.0	\$233,127.00
North Carolina	Charlotte	96.1	84.4	109.6	96.1	\$250,105.00
Florida	Orlando	95.9	78.4	104.6	98.6	\$216,734.00
North Carolina	Raleigh	94.6	83.2	104.6	100.1	\$249,432.00
Georgia	Atlanta	93.5	87.3	91.5	102.2	\$240,956.00
North Carolina	Durham	92.1	78.8	86.6	96.5	\$232,675.00
Georgia	Savannah	91.9	70.4	113.7	102.7	\$200,707.00
Kansas	Wichita	91.9	75.5	109.7	98.9	\$224,829.00

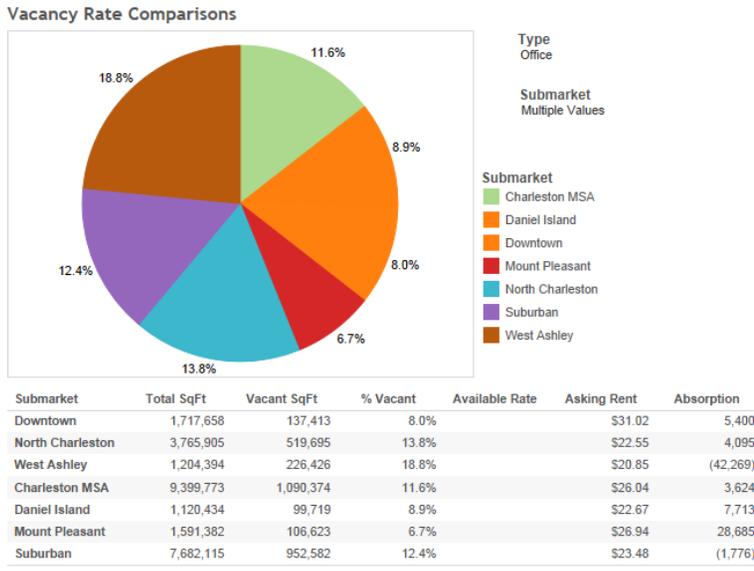
Sources: ACCRA Cost of Living Index, 3rd Quarter 2013 and C2ER.org.

FIGURE 3.2.11: INDUSTRIAL SPACE LEASE RATES (2013)



Source: Avison and Young.

FIGURE 3.2.12: OFFICE SPACE LEASE RATES (2013)



Source: Avison and Young.

FIGURE 3.2.13: AVERAGE CONSTRUCTION COSTS BY CITY (2012)

Figure 3.2.13 shows the average construction costs in various cities with 100 being the base. A score of more than 100 indicates above average costs and a score of less than 100 indicates below average costs.

Sources: Chamber of Commerce and the RS Means Group.

City	Cost Index
New York	132.2
Boston	117.5
Seattle	104.2
San Diego	103
Orlando	89.1
Atlanta	88.5
Huntsville	84.1
Wichita	83.3
Savannah	81.5
Charleston	80.3
Durham	77.5
Raleigh	76.8
Charlotte	76.7

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

manufacturing plants, corporate headquarters, research and development facilities, and large distribution facilities employing more than 75 employees. Since 2000 these incentives have been further revised or expanded, and new legislation has been enacted for technologically intensive facilities, some high-paying service sector facilities, and companies who are incrementally increasing their cargo volumes through the Port of Charleston.

Statutory Incentives

Statutory incentives require no negotiation with state or local governments, and are claimed automatically by a company which meets the statutory requirements. The process is an administrative one governed by the filing of proper forms, schedules, and other required documentation with the S.C. Department of Revenue.

Statutory Incentives include:

- Five-year property tax abatement – an eligible company enjoys exemption from county portion of property taxes in each of the five years following its expenditure of \$50,000 or more;
- Sales tax exemptions – many of the cost items associated with a company's means of production are exempt from the state sales tax, including, but not limited to: electricity, pollution control equipment, rolling stock, inventory;
- Jobs tax credit – a company receives \$1,500 in each of the five years following the creation of a 'net new job' (jobs exceeding the previous year benchmark). These job tax credits can be used to offset up to one half of state corporate income tax liability, with unused credits carried forward and applied over the next 15 years;
- Corporate headquarters credit – credits against the state corporate income liability are automatically available to corporate headquarters; and
- Research and development credit - credits against the state corporate income liability are automatically available to research and development facilities.

Discretionary Incentives

Discretionary incentives require negotiation with state or local governments and involve an application process followed by public approval. These incentives are offered to a company at the discretion of state and local officials and

FIGURE 3.2.14: UTILITY RATES IN SC AND THE US (2013 AND 2010)

Natural Gas & Electricity (2013 DATA)

	South Carolina		United States	
	Natural Gas*	Electricity**	Natural Gas*	Electricity**
Industrial	\$5.06	0.0590	\$4.39	0.0680
Commercial	\$9.24	0.0952	\$8.34	0.1030
Residential	\$19.53	0.1224	\$12.48	0.1231
All Sectors		0.0889		0.1001
Transportation				0.1041

*per thousand cu.ft.
**cents per kwh

United States Department of Energy
Energy Information Administration
October 2013

Water & Sewer (2010 DATA)

Type	Water			Sewer		
	Charleston Water System	Mount Pleasant Water Works	North Charleston Sewer District	Charleston Water System	Mount Pleasant Water Works	North Charleston Sewer District
Average Daily Use	60.0	8.7		24.0	7.7	15.0
Daily Capacity	118.0	10.7		32.0	9.7	32.0
Daily Peak Use	75.0	12.1		28.0	7.8	20.0

millions of gallons

Charleston Regional Development Alliance

are typically driven by the meeting of certain capital investment, job creation, and average annual salary benchmarks. Discretionary incentives include:

- Fee-in-lieu of taxes (FILOT) – a company investing more than \$2.5 million can negotiate with the county to have its investment taxed at a six percent assessment, rather than the 10.5 percent which typically applies to all business personal property (e.g. machinery & equipment, computers, etc.) and to all manufacturing property (including land and building). This incentive also 'fixes' the local millage rate at its current level for the next 20-30 years. A company investing more than \$150 million and hiring 200 or more employees is eligible to negotiate with the county for an enhanced FILOT ("super-fee") featuring a four percent assessment rate.
- Job development credit (JDC) – a company which proposes substantial hiring of employees at salary rates meeting or exceeding the county's average per capita income can negotiate with the State of South Carolina to receive JDC, an incentive which derives from a portion of the state's employee tax withholding. After its application is approved by the S.C. Coordinating Council for Economic Development, the company enters into a Revitalization Agreement with the S.C. Commerce Department

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

wherein it guarantees its hiring schedule, as well as the specific cost items (site preparation, facility construction, etc.) towards which the JDC will be placed. Once hiring targets are achieved, the reimbursement JDC payments flow to the company on a quarterly basis over a ten year period.

Grants

Grants require negotiation with state or local governments and involve an application process followed by public approval. Grants typically are offered to address public infrastructure needs or to help a company offset site preparation costs. These grants are offered to a company at the discretion of state and local officials and are typically driven by the meeting of certain capital investment, job creation, and average annual salary benchmarks. Grants include:

- Set-Aside grants – The State of South Carolina typically offers Set-Aside grants to companies which are requiring public infrastructure (water, sewer, roads, rail) improvements to the sites where they intend to locate. A company applies for a Set-Aside grant, and the decision is made by the S.C. Coordinating Council for Economic Development.
- Closing Fund grants – The State of South Carolina in some cases will offer a grant from its Closing Fund in cases where such assistance can address an impediment and be a deal closer.
- ED Fund grants – Charleston County utilizes its ED Fund on occasion to address public infrastructure improvements (water, sewer, road improvements) in response to the expansion needs of existing companies within the county.
- Utility tax credit (UTC) grants – UTC grants are occasionally offered by electrical and telecommunica-

tion utilities within South Carolina to address public infrastructure needs at a development site. The enabling legislation requires that such improvements occur within a public right-of-way, and limits the range of cost items to an approved list.

Productive Workforce and ‘Best of Class’ Training Programs

As noted earlier, the Charleston region has exceeded the state and national average for growth of its workforce over the past decade and is projected to do so going forward. The in-migration rate, coupled with graduation rates from its higher education institutions, will position the area workforce for the future. Alongside this accumulating critical mass of talent are the considerable state-supported workforce training and continuing education resources of the Charleston area.

- Turn-key customized workforce training – The State of South Carolina was the first in the nation to develop a workforce training program geared to relocating industry during the 1960s. Its agency known as readySC offers customized recruitment, assessment, training development, management, and implementation services. It essentially fields the turn-key workforce for a relocating or expanding operation at state cost and does so to the precise specifications of the company. Since its inception, readySC has trained well over 40,000 employees for blue-chip domestic and international companies as diverse as The Boeing Company, BMW, Michelin, and Hoffman-LaRoche.
- Technical training, continuing education, and re-training – Federal, state, and local programs address the full spectrum of workforce needs: from the start-up of an operation through its maturation, encom-

passing all of the changing training and education needs along the way.

- The Federal Workforce Investment Act (WIA) - enables the SC Works Trident system to offer services such as: facilities and meeting spaces for training sessions, recruitment events, business seminars, conferences, career fairs, and employee testing; On-the-job and classroom training programs; WorkKeys skill assessment tests; and Incumbent worker training (IWT) grants.
- Employee retraining funds are available as a discretionary incentive administered by the S.C. Coordinating Council for Economic Development. They are available to manufacturing, processing, and technology-intensive companies.
- ‘Right-to-Work’ environment with low unionization - S.C. state laws allowed under provisions of the Taft-Hartley Act prohibit agreements between labor unions and employers that make payment of union dues, membership, or fees a condition of employment prior to or following hiring.
- Pro-business State and Local Partnership with Business - The State of South Carolina is consistently ranked by national publications as among the nation’s ‘Top Five’ states to do business. Being ‘business-friendly’ is a philosophy, and it requires consistent leadership and a vast degree of intergovernmental teamwork from the federal level down to the city hall.

The Charleston area has risen to the top of the list in the Southeast among site selectors due to its solid business fundamentals, as well as renowned business-friendly practices. In Charleston County, a relocating company seeking to construct a new facility benefits

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

from coordinated federal/state environmental permitting, as well as expedited local plan reviews and construction permitting.

One amazing example of this can be found in the experience of The Boeing Company when it constructed its 1.2 million Final Assembly facility for the 787 in 2010-11. The State of South Carolina took the lead in 2004 in devising and funding a wetlands mitigation plan which allowed Vought Aircraft to lose no time as it began site clearing for its fuselage fabrication and integration facility. When it announced the second 787 Final Assembly Facility in 2009, with no wetlands concerns to hamper progress, Boeing then benefitted from the assistance of state government agencies such as DHEC to expedite air permitting. At the local level, the City of North Charleston stationed building officials on-site on a seven-days-a-week basis in order to keep building inspections and permitting on track with the aggressive schedule for facility completion. The end result was the completion, ahead of schedule, of a massive, technically complex and state-of-the-art aerospace assembly building in 12 months.

Value-added public services bolster “bottom line” – In a business-friendly community, local government has to deliver value for the tax dollar, rather than eroding a bottom line through inefficiency in its service-delivery or time-consuming and costly regulations. Charleston County is noteworthy as a recognized leader among the 46 counties in South Carolina when judged by several criteria:

- **Fiscal Management:** A legacy of fiscal integrity provides a firm foundation for the cost effective provision of high quality public services.
- **Planning and Environmental Stewardship:** Careful land planning, extensive greenbelt acquisition, and a far-reaching solid waste program act to safeguard

the cherished Charleston County landscape and preserve its natural resources.

- **EMS and Public Safety:** Excellent emergency medical service providers, along with our Sheriff’s well-trained and highly capable law enforcement officers, give our businesses and residents great peace of mind.
- **Consolidated 9-1-1 and Emergency Preparedness:** The County’s award-winning program has a new state-of-the-art facility to better serve the public, which opened in 2013.
- **Public Transportation Infrastructure:** Strategic investment in highway infrastructure and public transportation within its business corridors creates exciting new business and job creation opportunities.
- **Small Business Procurement and Mentoring:** The County also targets much of its procurement at local businesses, mentoring and encouraging them to bid on County contracts.
- **Economic Development:** Charleston County Council creates value in the business climate through balancing preservation with growth and progress. The County has a unique ‘sense of place’ that beckons to an earlier time, but enthusiastically embraces a culture of economic innovation.
- **The Business Retention & Expansion (BRE) program** offered by the Charleston County Economic Development Department provides “service after the sale” by cementing the relationship with the company through the cost-free offering of a vast array of business assistance which begins with start-up and progresses through the business establishment stage, and continues on an ongoing basis indefinitely.

During the start-up phase, the BRE program assists a business with permitting, acting as a liaison with

OCRM, DHEC, and area municipalities. It addresses workforce needs, acting as a liaison with ReadySC and SC Works, as well as infrastructure needs at the site.

As the business gets established, the BRE program assists the company with community introductions and business networking, helping it make important early connections. During this phase the BRE program is positioned to assist with personal relocation, contacting realtors, and providing community and school info to help facilitate the relocation of key employees. It is during this phase that the BRE program can also help a company address its supply chain needs, identifying local, in-state, or recruited companies that it will need as suppliers.

As the company matures, the BRE program provides ongoing support. The staff will visit the company on a periodic basis, assisting with business challenges, and striving to position the company for expansion. The BRE program also promotes initiatives (such as roundtables) designed to support the automotive, aerospace, and technology sectors. The BRE program also utilizes networking events, such as the annual Charleston County Council Industry Appreciation Luncheon event, to showcase local companies and call attention to their achievements.

- **Quality of Life:** The Charleston area enjoys a coveted quality of life which is characterized by the breathtaking physical beauty of the area, the moderate year-round climate (see *Figure 3.2.15*), the vast offering of leisure/outdoor recreation, and its extensive cultural and social opportunities.
- **“Sense of place”:** Charleston County offers numerous unique communities with differing personalities offering diverse residential options: from grand, historic homes to sleek condominiums outfitted with the latest amenities. Comfort abounds for every taste. Whether it is the beach or a golf course view

or a sustainable community to a downtown pied-a-terre, footsteps from the best dining and shopping. There are countless lifestyles to choose from.

- “Mid-sized city” with “big-city” amenities: Charleston County offers robust year-round cultural, arts, and entertainment offerings, a plethora of world-class restaurants, first-rate shopping, and exciting minor league and college sports.

FIGURE 3.2.15: TEMPERATURE, PRECIPITATION, AND HURRICANES

Temperature & Precipitation				
	Average Maximum Temperature	Average Minimum Temperature	Average Total Precipitation	Average Total Snow Fall
January	56.7	34.0	3.67	0.0
February	56.4	37.2	3.89	0.0
March	63.1	43.0	4.27	0.0
April	67.3	55.1	3.33	0.0
May	76.5	65.8	3.56	0.0
June	81.9	72.5	4.75	0.0
July	84.2	76.7	5.55	0.0
August	83.7	75.8	5.41	0.0
September	81.6	67.6	4.15	0.0
October	73.6	56.9	2.99	0.0
November	62.6	47.3	2.68	0.0
December	55.0	37.5	3.54	0.0

Temperature = degrees F
 Precipitation = inches

Southeast Regional Climate Center
 Average from 1930-2013

Hurricane Storms

		Direct Landfalling Storms	Non-Landfalling Storms Affecting within 50 Miles	Total Storms Affecting
Number of Storms	Alabama	26.0	51.0	77.0
	Florida	243.0	27.0	270.0
	Georgia	14.0	-2.0	12.0
	North Carolina	45.0	6.0	51.0
	South Carolina	26.0	1.0	27.0
	Virginia	6.0	2.0	8.0
Percentage of Storms	Alabama	0.0	0.0	0.0
	Florida	0.1	0.0	0.2
	Georgia	0.0	0.0	0.0
	North Carolina	0.0	0.0	0.0
	South Carolina	0.0	0.0	0.0
Average Years Between Storms	Alabama	6.3	3.2	2.1
	Florida	0.7	6.0	0.6
	Georgia	11.6	-81.5	13.6
	North Carolina	3.6	27.2	3.2
	South Carolina	6.3	163.0	6.0
Average Storms Per Year	Alabama	0.2	0.3	0.5
	Florida	1.5	0.2	1.7
	Georgia	0.1	0.0	0.1
	North Carolina	0.3	0.0	0.3
	South Carolina	0.2	0.0	0.2
	Virginia	0.0	0.0	0.1

State Climate Office of North Carolina
 Hurricane Strikes 1851-2013

Sources: Southeast Regional Climate Center and National Hurricane Center - National Weather Service

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as strikethroughs; proposed additions shown as red text)

3.2.3: ECONOMIC DEVELOPMENT ELEMENT GOAL

Charleston County will be an integral part of a strong, diverse, and growing regional economy, providing economic opportunities for its citizens and fostering fiscal health for County government services and facilities.

Economic Development Element Needs

Economic Development Element needs include, but are not limited to, the following:

- A unified economic development vision for the Charleston Region;
- Fostering a stable and competitive business climate; and
- Supporting existing industries, encouraging new business start-ups, including small business enterprises and minority-owned businesses, and attracting new targeted sectors to Charleston County.

3.2.4: ECONOMIC DEVELOPMENT ELEMENT STRATEGIES AND TIME FRAMES

The following strategic actions should be undertaken by the County in support of the objectives of the various economic development agencies that promote and serve the County and in support of the strategies of the other elements of this Plan. These implementation strategies will be reviewed a minimum of every five years and updated every ten years from the date of adoption of this Plan.

- ED 1. Encourage and support initiatives **and strategies (such as those described in efforts such as Opportunity Next and Accelerate Charleston)** to maintain and improve the business climate through property tax relief, stream-lined regulatory processes, and addition of infrastructure critical to business.**
- ED 2. Encourage mixed-use developments in proximity to neighborhoods

to provide for business growth and development and to provide retail and personal services to local residents.

- ED 3. Provide **Support** incentives for underutilized commercial centers for redevelopment and re-use that allow for mixtures of residential and non-residential uses.
- ED 4. Designate land with regional access and access to services and amenities for business uses to support growth of new and existing sectors of employment.
- ED 5. Support economic development objectives ~~within of~~ the Berkeley-Charleston-Dorchester Council of Governments ~~Region~~.
- ED 6. ~~Focus~~ **Encourage** Rural Area economic development efforts on agri-tourism and other employment opportunities that provide jobs for the local population and promote community sustainability.
- ED 7. Promote and enhance agricultural activities in the Rural Area by providing incentives to keep land in active agricultural production.
- ED 8. Support economic development objectives through land use regulations that encourage **the provision of** high quality and affordable housing ~~supplies to support workforce housing opportunities in the County~~.
- ED 9. Support tourism by continuing to protect valuable historic, natural, and cultural resources through adequate land development regulations.
- ED 10. Continue to highlight the natural and agricultural heritage of the Lowcountry in promotional materials for economic development.**
- ED 11. Continue to promote the development and maintenance of all infrastructure including: services, amenities, and transportation networks that support economic development activities. This would include capital improvement plans and coordinated priority investment.
- ED 12. Utilize Intergovernmental Agreements with other municipalities, agencies, and jurisdictions to strategically focus regional resources on prime economic development sites within the County.
- ED 13. Support the enhancement of existing and new businesses through infrastructure funding initiatives, code enforcement, and beautification programs.*
- ED 14. ~~Support new business and industry initiatives in partnership with state and local governments and private entities.~~ **Support the efforts of the Charleston County Economic Development Department and supporting agencies.**

October 13, 2014 Draft

Comprehensive Plan Five-Year Review (proposed deletions shown as ~~strikethroughs~~; proposed additions shown as red text)

- ED 15. Adopt innovative planning and zoning techniques such as Form-Based Zoning District regulations to authorize the combination of land uses within communities, including land uses that facilitate economic development opportunities within and in close proximity to such communities.
- ED 16. Support the initiatives in regional plans to educate the local workforce (e.g., *Our Region, Our Plan*).
- ED 17. Support those other entities in the community that are promoting economic development.