UPTOWN

South Carolina's economic situation: Fall 2014

Dr. Bruce Yandle, Clemson University

South Carolina's economy is moving at a fairly good pace. There are some really bright spots. Housing starts are accelerating, employment is expanding, and when they vote with their feet, more people are coming to the state than are leaving.

When it comes to jobs, the state has recently done better than the nation. In 2013, state employment growth was 2.3 percent, the national average was 1.7 percent. On top of this, newly announced plant expansions hold the promise of even better days ahead.

We've got room for growth. The state is still catching up.

If we focus on growth in per capita personal income, the state lags the nation. In 2013, South Carolina saw per capita personal income increase 1.1 percent; the national change was 1.8 percent. Much of the difference here relates to the larger share of population that relies on welfare and retirement benefits. These income sources just don't grow very much.

But while economic action across the state has gotten much healthier since the 2008 recession, the slowing U.S. economy and new uncertainties in Europe, Russia and Japan are taking a bit of wind from our sails.
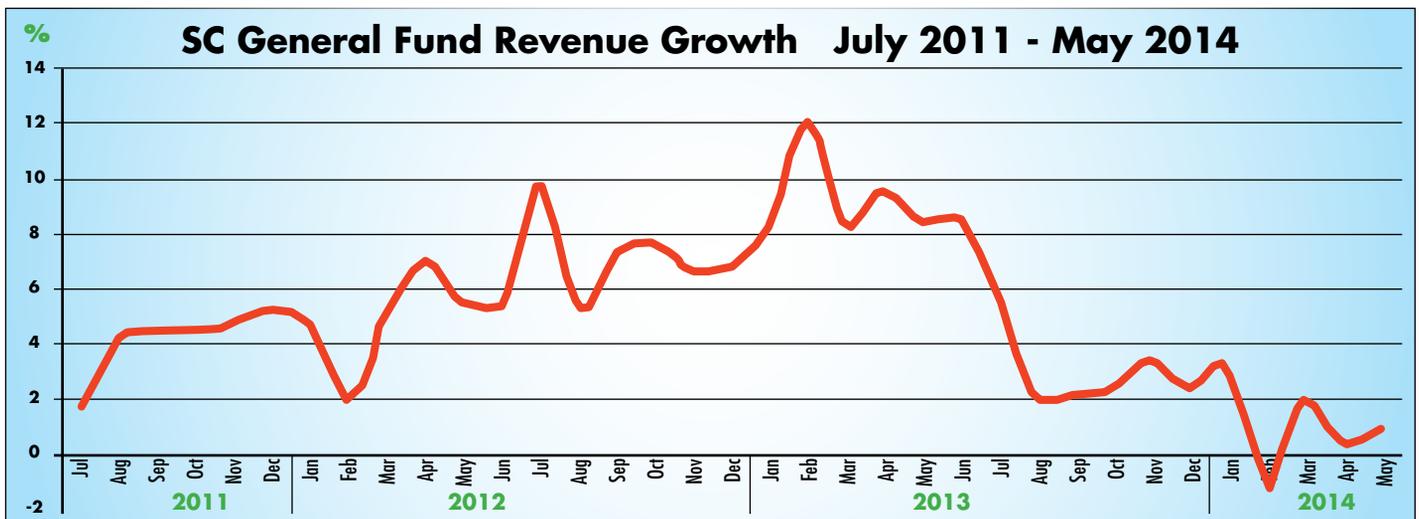
To put some dimensions on this, the forecast for U.S. GDP growth for 2014 is 1.7 percent. By comparison, the national economy grew 2.2 percent in 2013, and 2.3 percent in 2012. Put another way, 2014 has a bad case of the slows. The national picture should improve in 2015. Forecasters call for 3 percent growth, and that will help South Carolina.

State revenue as an economic indicator

We can see the 2013-2014 weakness when we examine growth in state total general fund revenues, shown below. Keep in mind that the chart reports growth not revenue levels. All but one of the monthly values are positive—revenues are growing but at a sharply falling rate.

SC General Fund Revenue Growth   July 2011 - May 2014

In This Issue

Changes from the 2014 Restructuring Act

After years of debate in the General Assembly over replacing the Budget and Control Board, Governor Haley signed legislation in January that abolished the Board and establishes three new state agencies.

This new law created the Revenue and Fiscal Affairs Office effective July 1, 2014, by merging the Board of Economic Advisors, the State Budget Division, and the Division of Research and Statistics. Frank Rainwater is the new RFA executive director.

Among other duties, RFA staff will prepare fiscal and revenue impact statements for proposed legislation, assist the General Assembly in developing the annual general appropriations act, research Census data, and assist local governments with mapping and annexation services. Learn more about the Revenue and Fiscal Affairs Office at www.rfa.sc.gov or call 803.734.3793.

The other two agencies established by this legislation will go into effect July 1, 2015. The new Department of Administration will be under the governor, and a board similar to the current Budget and Control Board will oversee the new State Fiscal Accountability Authority.

For a list of the offices that local governments work with on a regular basis, refer to the list on the right.

**Revenue and Fiscal
Affairs Office**
Effective July 1, 2014
- Office of Research and Statistics

**Department of
Administration**
Effective July 1, 2015
- Division of General Services
- Office of Victim Assistance
- Crime Victims" Ombudsman
- Governor's Office Ombudsman

**State Fiscal
Accountability Authority**
- Insurance Reserve Fund
- Procurement Services Division
- Infrastructure Facilities Authority
- Water Quality Revolving Fund Authority

**Office of
Regulatory Staff**
- State Energy Office

**Rural Infrastructure
Authority**
- Water Resources Coordinating Council
- Division of Local Government

NEWS BRIEFS

The **SC Business Licensing Officials Association** recently awarded seven individuals with the Accreditation in Business Licensing designation: Dionne Brown, Charleston County; Alvin Chambers, Town of Kingstree; Connie McMicheal, City of Orangeburg; Cynthia Oliver, City of Hardeeville; Bruce Seeley, Town of Hilton Head Island; Edrian Trakas, Charleston County; and Barbara Wooster, Town of Hilton Head Island.

Members of the **Municipal Court Administration Association of SC** elected their 2014-15 officers and board of directors. President Kim Poulin, City of Abbeville; Vice President Mary Sims, City of Newberry; Secretary/Treasurer Deloris Frye, City of Bennettsville; Member At Large Lisa Cunningham, Town of Bluffton; Member At Large Pam Larson, City of Greenville and Member At Large Susan Broyles-Krohn, Town of Summerville.

SC Employment Growth
Fourth Quarter 2012 - Fourth Quarter 2013

2.9% Average Growth

Counties (left to right): Calhoun, Union, Fairfield, Williamsburg, Berkeley, Laurens, Lancaster, Anderson, Saluda, Cherokee, Colleton, Lexington, Spartanburg, Darlington, Jasper, York, Chesterfield, Dorchester, Oconee, Beaufort, Greenwood, Horry, Allendale, Greenville, Charleston, Georgetown, Lee, Barnwell, Pickens, Orangeburg, Clarendon, Richland, Marlboro, Sumter, Hampton, Marion, Bamberg, Chester, Kershaw, Dillon, Florence, McCormick, Abbeville, Aiken, Newberry, Edgefield

influence is observed in Berkeley, Dorchester, Colleton and Charleston counties. The Charlotte effect is seen in Union, Lancaster, York and Cherokee, and an I-85 effect is noticed in the Spartanburg-Green-ville-Anderson-Laurens network.

2015 opportunities and challenges

The year ahead should bring overall better times for the state economy. Population growth will continue apace. Stronger U.S. GDP growth will lift lots of SC boats. Employment growth should be stronger in the year ahead, and construction activities should continue apace. While the economy will be on the rebound, lower gains in state revenues signal a continuing challenge for improving infrastructure and operating municipal governments.

Dr. Yandle will talk about South Carolina's economic outlook at the Joint Annual Academy for the SC Business Licensing Officials Association and the SC Municipal Finance Officers, Clerks and Treasurers Association on October 16 in Greenville.

Economic, from page 1 >

By the way, if we examine similar data for other southeastern states, we will see a similar pattern for all but Florida and Georgia. Those two states were late bloomers following the recession. They are now outperforming the region. South Carolina should see stronger revenue growth rates in 2015.

Taking a look at county employment performance

Probing a bit further, an interesting picture forms when we examine the 2013 county employment growth chart shown above. In doing so, we must be aware that examining data for just one year is hazardous. The year in question may be the best, worst or just not representative for particular counties. Even so, the relative strength of regional patterns can still be revealed.

The 2013 data tell us employment growth was positive for all but 10 counties, and the strongest growth is seen in rural counties. Of course, arithmetic makes it easier for lower population counties to experience higher relative growth. After all, a plant expansion that brings 100 workers to Kershaw County will have a much larger relative impact than when the same number of jobs are added in Greenville County.

That said, 15 counties grew at a greater than average pace. While Calhoun, Union, Fairfield and Williamsburg were high performers, some urban counties did well also. The data here tell us that major expansions were occurring in places like Anderson, Lexington and Spartanburg.

Because it is difficult to see regional patterns in the bar chart, consider the county outline map below.
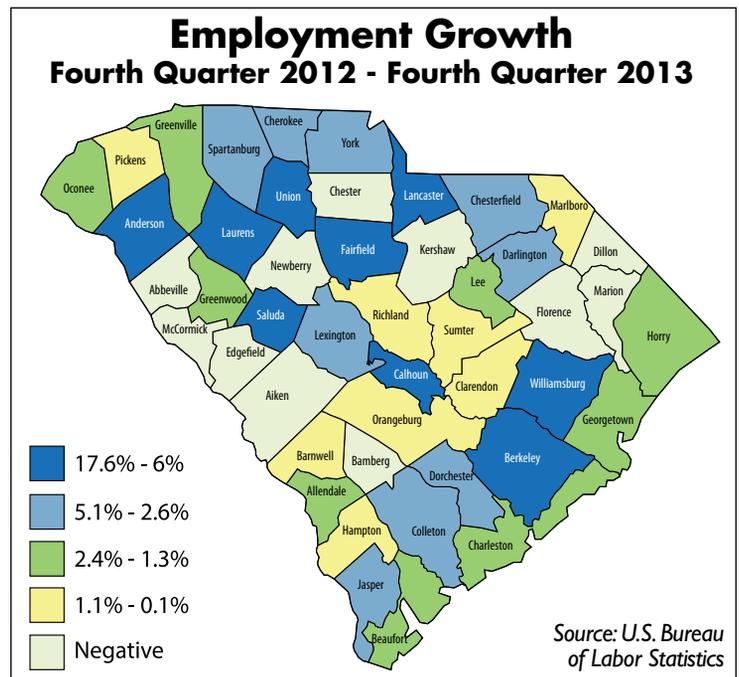
We can see that a two-tier network of coastal counties form a moderate to high growth region. The piedmont seems to form the second strongest region. The remainder of the counties form a somewhat random assortment of negative to highest growth without forming a dominant pattern.

By focusing on the map, I believe we can identify the strong influence of urbanization: The Charleston

Employment Growth
Fourth Quarter 2012 - Fourth Quarter 2013

Legend:
- 17.6% - 6%
- 5.1% - 2.6%
- 2.4% - 1.3%
- 1.1% - 0.1%
- Negative

Source: U.S. Bureau of Labor Statistics

Supreme Court rules on amending meeting agendas

In June, two years after the state Court of Appeals ruled on the *Lambries v. Saluda County* case which was related to amending public body meeting agendas, the South Carolina Supreme Court overturned the lower court's decision. The *Lambries* case involved a lawsuit filed by a Saluda County resident that alleged council's practice of amending the agenda during regularly scheduled meetings violated the state's Freedom of Information Act.

In June 2012, the Court of Appeals acknowledged that the FOIA does not specifically address amending an agenda during a regularly scheduled meeting. However, the judges concluded that the "spirit" of the FOIA was to provide advance notice of "substantive public matters" to be considered and that this purpose cannot be achieved if an agenda is amended at the meeting or during the 24-hour notice period required by FOIA.

On June 28, 2014, the South Carolina Supreme Court overturned this ruling concluding, "FOIA's notice statute does not require an agenda to be issued for a regularly scheduled meeting, and FOIA contains no prohibition on the amendment of an agenda for a regularly scheduled meeting…"

In response to the ruling, Miriam Hair, executive director of the Municipal Association, said, "We agree with the ruling of the Supreme Court based on state law; however, we believe the best practice for cities is to have an agenda for all meetings posted a minimum of 24 hours in advance of the meeting. This practice helps councils efficiently and effectively handle the public's business."

"Public notice of the agenda is also an effective way to keep the public informed as to what the council will discuss at its next meeting. However, we acknowledge that there may be unusual circumstances when a council may need to amend an agenda at the time of the meeting to address a critical and unanticipated situation."

Fire Prevention Week is October 9-11

According to the National Fire Protection Agency, hardwired smoke alarms worked 93 percent of the time while battery powered alarms worked only 79 percent of the time in fires considered large enough to activate a smoke alarm. When smoke alarms fail to operate, it is usually because batteries are missing, disconnected or dead. Also, two-thirds of all fire deaths each year occur in homes without a working smoke alarm. This is why this year's Fire Prevention Week theme is, "Working smoke alarms save lives. Test yours every month."

Knowing the different types of smoke alarms available can help you tailor your fire prevention efforts to your needs. For instance, an ionization smoke alarm is most effective in flaming fires and a photoelectric smoke alarm is most effective in smoldering fires. Learn more about the features of each and see a diagram of how they work by going to the NFPA website at www.nfpa.org.

With Halloween at the end of the month, keep these fire prevention tips in mind as you plan community events or decorate town hall, recreation centers or parks.

- Use LED lights instead of candles or torchlights for walkways and grounds. Passing trick-or-treaters' costumes may brush against lighting.

- Keep highly flammable dried flowers, cornstalks and crepe paper away from heat sources like light bulbs or heaters.

- Use battery operated candles in jack-o-lanterns and other lighted decorations. Be sure to place jack-o-lanterns well away from anything that can burn.

- Keep exits clear of decorations so escape routes are not blocked.

- Check lights for broken or cracked sockets, frayed or bare wires, or loose connections. Throw away damaged sets and don't overload extension cords.

- Check the Consumer Product Safety Commission's website (www.cpsc.gov) for the latest on Halloween-related product recalls.

- Remove any materials around the property, such as garbage or excess vegetation, which an arsonist could use to start a fire.

- After the event, check areas where people were smoking to make sure discarded cigarettes are extinguished.

Main Street SC restructures to offer services to more communities

Since 1984, Main Street South Carolina has played an important role to help more than 45 cities and towns in the state revitalize their downtowns and assist local businesses.

Main Street South Carolina, a service of the Municipal Association of SC, is the state affiliate of the National Main Street Center, which is part of the National Trust for Historic Preservation.

The program uses the National Main Street Center's four point approach. This is a comprehensive strategy focused on optimizing the organizational structure of the Main Street program, promoting downtown and its businesses, enhancing physical assets of downtown buildings through good design and proper upkeep, and diversifying the downtown's economic base.

"For several years now we have investigated how we can better serve our Main Street cities while at the same time expand the program's reach," said Beppie LeGrand, Main Street SC Manager.

To address this goal, Main Street SC has introduced a new structure to begin in 2015. The new structure maintains the same level of intensive service and technical assistance for new members and members with less than three years of participation in the program. At the same time, it allows more experienced members the flexibility to custom design

the programs and services they receive by choosing from a menu of options most beneficial to their community.

Current members with less than three years of participation in the Main Street program (Gaffney, Georgetown, Hartsville, Williamston and Woodruff) will remain in the program's intensive training phase, referred to as "boot camp." After completing the three-year boot camp, these programs will join Main Street members with three or more years in the program (Beaufort, Bennettsville, Lancaster, Laurens, Manning, Pickens, Orangeburg and Summerville).

The Main Street SC staff anticipates working with up to eight boot camp participants each year. In 2015, Main Street SC will bring in three new programs for the boot camp phase. In future years, the program will add new members as existing participants complete their initial three years.

Main Street SC will advertise and accept applications on a competitive basis in the fourth quarter each year for admission into the program effective January 1 of the following year. For 2015, Main Street SC will accept new member applications until October 15, 2014. If interested in becoming a Main Street SC member, contact Beppie LeGrand, Main Street SC manager, at blegrand@masc.sc or 803.933.1231.

Cities granted greater enforcement authority

The state Fairness in Lodging Act, which became law in June, gives local governments additional enforcement authority to ensure individuals who rent out their vacation homes are appropriately remitting their state and local accommodations taxes. The Act allows local governments and the Department of Revenue to share taxpayer data to better enforce the collection and payment of state and local taxes.

Council must pass an ordinance authorizing the city to work with DOR to identify "vacation rental by owner" taxpayers who are not submitting their accommodations taxes correctly. In addition, officials must notify these taxpayers of the various applicable taxes on accommodations.

"The Fairness in Lodging Act does not represent a tax increase," explained Melissa Carter, the Municipal Association's research and legislative liaison. "Rather, it is creating an equal playing field for all rental property." Vacation rental owners who followed the law by charging their renters the appropriate taxes and paying the local business license tax were put at a disadvantage before this legislation passed.

The Municipal Association staff has created several resources for cities, including a model ordinance, a model notice of sales tax rates on accommodations and a list of instructions for cities giving them guidance on administering the Act. The resources are posted at www.masc.sc (keyword: Fairness in Lodging Act).

For questions or more information, contact Melissa Carter at mcarter@masc.sc.

Boutique hotels
bring vibrancy to downtowns

Hotel Florence,
Florence, SC

Florence hotel developer Grey Raines was talking over the idea of a boutique hotel with a friend and asked where it should be located.

"I said great idea, where are we going? Charleston? Charlotte?" Raines recalled. "He said, 'Downtown Florence.' I thought he was crazy."

Less than five years later, Raines and his partners are planning an expansion of the Hotel Florence, an Ascend-affiliated, 49-room hotel in a renovated early 20th century building in what once was the city's main downtown shopping, dining and entertainment district.

"We could not have done this project without the cooperation of the city and the leadership of Mayor Stephen Wukela," Raines said.

Wukela said he saw the hotel project as a catalyst for revitalizing the city's downtown core—a catalyst that would bring people to the area after dark.

The city tapped water and sewer funds to make improvements to the downtown infrastructure, much as it does for new developments outside the city's core, Wukela said. Tax increment financing provided funding for landscape and parking improvements. The water and sewer money will be repaid by increased demand for services, Wukela said.

Now, a developer is looking at putting apartments, stores and a restaurant across the street from the hotel.

Other midsize South Carolina cities, including Beaufort and Anderson, have followed a similar path to bring vibrancy back to their downtown areas. In each case, the hotels were developed by local residents looking to re-create the downtowns where they had grown up.

"The stimulus of that one project has taken a street that was nothing but a thoroughfare and turned it into a center of commerce," Beaufort Mayor Billy Keyserling said of his city's boutique hotel, City Lofts.

City Lofts was built without financial incentives from the city. "The only city investment was encouragement," Keyserling said.

Matt McAlhaney, a real estate developer, said he knew there was a void in Beaufort for a downtown boutique hotel. The market for affordable hotel rooms, largely for families coming to watch basic-training graduations at Marine Depot Parris Island, was covered mostly by quality national chains.

Downtown has a number of bed-and-breakfast operations that offer luxury but focus on a different type of traveler.

"Our product caters to a sophisticated, well-traveled audience," McAlhaney said.

But the City Lofts was not planned as a boutique hotel. McAlhaney originally planned a condominium/hotel complex.

"I had a number of presales, but it was perfectly horrible timing," he said. "We opened our doors at the bottom of the recession in 2009."

The project has survived the failure of his original lender and subsequent note-holders. Still, he said, the hotel has done well throughout the downturn.

"We are enjoying some very high occupancy rates," he said. "We are looking at expanding. We have room for an additional 12-15 more rooms."

The Hotel Florence also is looking at expanding as is the Bleckley Inn in Anderson.

Like the other hotels, the Bleckley was built by a successful businessman in his hometown.

"The idea came after the Budweiser Clydesdales visited the city," inn developer Steve Kay said. The horses were put up in the old livery stable downtown, but the trainers who worked with the horses had to leave town each night during the visit to get to their hotel room.

"We had a nice place for horses to sleep," Kay said. "But not for people."

Kay, an electrical contractor by trade, put together three buildings that he gutted and renovated into hotel rooms. The city was able to provide a grant of $40,000 a year for five years and about $100,000 in infrastructure improvements.

Now, Kay is looking at another nearby property for a second hotel combined with extended stay facilities and retail on the first floor.

The primary customer for the Bleckley Inn is wedding parties, said Kay.

Bleckley Inn, Anderson, SC

"Midweek, we have a lot of industry representatives, especially those that are foreign-based who like the boutique hotel idea," he said. "But on the weekend, the brides take over."

The Bleckley offers turnkey service for weddings—a place to stay and hold the ceremony and reception.

"The goal is to get more people downtown," he said.

That is exactly what the downtown hotels have done, bringing in restaurants and shops and helping return the city centers to what they once were.

"We chose Anderson because that's where I grew up. My family has been there for several generations," Kay said. "I'm old enough to remember when downtown was where you went to town. I can walk around the square and tell you what every store was."

Anderson Mayor Terence Roberts pointed to Kay's local connections as a major part of his business' success. "Steve grew up here and has roots here. He understands our city and knows the time was right for this type of development."

Wukela said the Hotel Florence initially was met with skepticism after decades of false-starts and developments that promised much, but delivered little.

"When this facility opened, people saw that promise come to fruition," he said.

We're a small but dedicated state *with* big *aspirations*

By SC Secretary of Commerce Bobby Hitt

Known for our tenacious charm, gracious hospitality and relaxed lifestyle, South Carolina has long been hailed the crown jewel of the South. Whether it's our incredible beaches and golf courses or our charming small towns, big cities and big businesses—for those who live here, play here, work and invest here, South Carolina is just right.

"Just right" was conceived to promote the great state of South Carolina as the perfect place for business and industry. After all, as South Carolinians, we have a lot to be proud of. We have a talented workforce, vast resources, an extensive transportation network and an amazing business climate.

Speaking of climate, the "Just right" campaign also celebrates all the perks that come with living here—friendly barbecue debates, flip flops, sweet tea and our abundance of sunny, warm weather.

The goals of our efforts are to further elevate South Carolina's business climate by attracting more companies, boost economic development, recruit and foster better talent, and increase profitability. By uniting our efforts, we'll have a more powerful voice for South Carolina, and we all benefit.

Nestled between our picturesque mountains and sprawling coastline is a treasure chest of vibrant communities— your communities—with voices to be heard and stories to be shared. We want to hear those unique stories that only you, as a leader in your community, can tell.

We are asking you to share stories from your hometown. Tell us what makes living, working and playing in your towns, cities and neigh- borhoods just right. You can get started now by sharing your story online at www. scjustright.com.

You can also join the "Just right" social media momentum by liking us on Facebook (SCJustRight) and following us on Twitter (@scjustright) and Instagram (scjustright). You can include the "Just right" logo on your website, in your email signature, and on your signage and market- ing materials. Download the promotional tools from www.scjustright.com/business.

By sharing your local stories, you will help us promote what we already know to be true—that South Carolina is an attractive place to work and to live— where the tea is always sweet, the people are always friendly and the cost of doing business is just right.

Economic Development

Local, state and business leaders cut the ribbon on Hartville's business incubator, the Duke Energy Center for Innovation.

Economic development
is a
team sport

It could be said that economic development is both an art and a science. The process involves a wide variety of both technical and soft skills and includes professionals trained in the field, elected officials, community advocates and business leaders.

Cities and towns that are successful in bringing economic growth to their community reach this goal not by the luck of the draw but rather through a strategic and collaborative vision. "All the players in the city and the surrounding community should understand their roles and all play to each other's strengths," said Jeff Ruble, president of the SC Economic Developers Association.

Ruble notes that every city must work to find its own perfect combination of assets, partners and plans, "No two processes are alike but all cities and towns can learn from each other about collaborative approaches that play to an area's unique assets."

For example, Hartsville is home to many assets including Sonoco Products Company operating around the globe but still headquartered in its hometown of Hartsville. The city is also home to the four-year Coker College and one of two SC Governor's Schools. The city has natural beauty including Prestwood Lake and the unique bluffs and cypress swamps of Kalmia Gardens.

City leaders point out that Hartsville is "the little town with a big heart" with lifelong residents and just-as-enthusiastic newcomers investing their time, capital and industry to diversify the local economy and build a better quality of life.

Hartsville Mayor Mel Pennington noted it's more than just the mayor's office or city council that build and implement the city's strategy. City leaders in Hartsville have recognized the need for a collaborative strategy that will sell the city's unique assets to potential businesses and keep existing businesses in the city.

Pennington said that within the City of Hartsville, "We have a tremendous vision of what we want to be without limitations. Our team challenges each other daily to solve problems, think outside of the box and our comfort level, and create investment opportunities for a higher quality of life for those who call us home."

The team Pennington references includes council, city staff and local leadership from the business, education and nonprofit communities.

As city manager, Natalie Zeigler agreed this team approach is key to successful economic development, especially in a small community. "Drawing in investors and entrepreneurs requires that every key player in a community work together: elected officials, existing business, investors, schools and organizations," she said.

She sees her role as city manager as being part of the sales team for the community, capitalizing on every resource and building connections with all those who share the city's vision and passion for future development.

Zeigler noted the city's Economic Development Incentive Program has been a huge milestone for Hartsville. "I would recommend this type of policy formation to all of my colleagues, as this allows for a transparent methodology, a necessary protection for municipalities, and serves as an invaluable business recruitment tool in making locations in our downtown and major corridors more attractive for business development."

One of downtown's major economic partners in Hartsville is Coker College. Having a small college in a community

like Hartsville brings an energy to everything, according to Coker President Dr. Robert Wyatt.

"Colleges bring new ideas, certainly, and they bring consumers and patrons and entrepreneurs," Wyatt said. "But colleges also bring intangibles like enthusiasm and optimism, which are urgently needed and, too often, hard to come by in communities that are not lucky enough to have a vibrant, residential college."

Wyatt and many of the college's faculty and staff are active partners in encouraging the city's economic growth. He has served as chair of the local chamber and is involved in a variety of educational and civic activities throughout the community.

The Hartsville Chamber of Commerce's president, Aimee Cox-King, agreed that it's only through partnerships that a city's economic development strategy can be successful.

Cox-King noted that the chamber's role in economic development may often extend beyond the traditional. "We have helped establish the Community Foundation for a Better Hartsville that has coordinated the development of an inner-city neighborhood to reduce crime and improve the quality of life for the residents by installing sidewalks and street lights," she said. "Through this partnership with the community foundation and the Main Street South Carolina program, an increase in public-private investments has brought two new hotels and filled many empty downtown storefronts."

Cox-King stressed that communication is key. "We meet regularly with city officials and attend city council meetings," she said. "Serving as ex officio members on boards that support economic development allows the chamber to remain connected, provide input, and share information and resources toward common goals."

A key element in a city's economic development strategy is understanding the types of businesses that would fit the unique assets of the community and going after those companies.

While Hartsville has a strong downtown and an active Main Street SC program, most industrial or manufacturing

companies likely would not be interested in locating in downtown or even within its city limits because of space constraints, said Frank Willis, executive director of the Darlington County Economic Partnership and former mayor of Florence.

"But that doesn't mean the city doesn't play an active part in recruiting major industry to the area," he said.

Businesses looking to locate in a 30,000 square foot industrial space often won't find what they are looking for within a city limits, Willis observed. But, he said, the city has a vital role in making sure that it provides the amenities people want.

Willis said "A city provides quality of life attributes—the entertainment center, retail center, cultural center, spiritual center, educational center. Everything in

> "Every city must work to find its own perfect combination of assets, partners and plans."
>
> **Jeff Ruble**
> *president of the*
> *SC Economic Developers Association*

terms of the amenities business owners want for their employees is usually driven by a town or city."

Ben Chastain, executive director of the Duke Energy Center for Innovation in Hartsville, agreed that quality of life is a key element cities provide when recruiting and retaining companies. During a panel discussion about entrepreneurialism at the Municipal Association's Annual Meeting in July, Chastain noted, "Look at the quality of life in your community. The type of people you want to attract will want a good restaurant selection and nice hotels."

The Center is another economic development partner in Hartsville working

to increase its entrepreneurial base through a collaborative effort among a number of community organizations. Duke Energy partnered with the Community Foundation for a Better Hartsville, the City of Hartsville, the Byerly Foundation, Clemson University and other organizations to establish the Center in downtown Hartsville.

Chastain pointed to these partnerships as key to making this incubator a success. In its first year, the Center graduated its first company, a new technology-based employer, FME Nuclear Solutions in downtown Hartsville.

Hartsville's thriving downtown is another asset that draws businesses to the city with the support of Main Street Hartsville. For example, Main Street Hartsville offers a grant program to help downtown businesses replace exterior signage and repaint building exteriors.

The Main Street Hartsville program was recently brought under the umbrella of the city, says Zeigler. "That gives it much more support and visibility as a resource for downtown businesses."

But focusing just on downtown or commercial corridors of a city isn't all that economic development is about, Pennington stressed. He said economic development also means not constraining the idea of teamwork and partnerships to landing businesses just within the city's corporate limits.

"We quickly find that even those not living in our municipal boundaries consider themselves as a part of the city. There has always existed an expectation that we represent people without the limitation of boundaries," said Pennington. "It makes you realize that your city has a greater impact and influence on the counties we reside in."

Willis agreed with the premise that economic development in cities must reach beyond city limits. He stressed, "The city is my ally when I bring a client to town and want to show what our greater community looks like. I take them to Hartsville and show them what's available…schools, parks, local colleges. These quality of life amenities are typically driven by the town or community. That's a big role for the city to play."

Metro areas *bustling with activity*

ONE City Plaza, Greenville, SC

From the Upstate to the Midlands to the Low Country, cranes dot the skylines of South Carolina's three largest metropolitan areas. A mid-2014 snapshot of Greenville, Columbia and Charleston reveals creative public-private partnerships promoting each area's unique features and appealing to residents, workers and visitors. Development activity in the metro areas are also prompting growth in nearby cities and towns.

Greenville

A public plaza for concerts and other outdoor events made possible by a city contribution is enhancing the redevelopment of the Hyatt Hotel—the public-private project that kicked off the city's downtown revitalization 30 years ago.

ONE City Plaza, two blocks down from the Hyatt on Main Street, is Greenville's newest mixed-use hub. The project includes some 400,000 square feet of office

space, Clemson University's MBA offices, Aloft hotel and parking garage, retail space and an office tower renovation. The private investment, which includes the opening of Brooks Brothers, Anthropologie, Orvis and Tupelo Honey restaurant, has activated the Plaza days and evenings and prompted redevelopment of nearby buildings. The city is providing a $4 million renovation of the property's public space, formerly the Piazza Bergamo.

Enhancement of Riverplace—a mixed use development along the Reedy River including a new Embassy Suites Hotel and condominiums, office and retail—continues with a city-supported parking garage, additional public plazas and needed infrastructure.

Nancy Whitworth, deputy city manager, points out that infilling of single family homes and apartments across the city is at the highest levels ever, attesting to the desirability of city living but requiring ongoing adjustments to support infrastructure. "The challenges are obvious: how to maintain the momentum, keep up with the requirements of public infrastructure and service an ever more popular downtown," she said.

Travelers Rest

About nine miles north of downtown Greenville, the City of Travelers Rest has benefited with the Swamp Rabbit Trail completion linking the two cities. The Main Street revitalization efforts finished in 2009 include more than 40 new businesses filling almost all of Travelers Rest's empty downtown buildings.

The city just completed construction on Trailblazer Park, a venue for performing arts, cultural activities and festivals made possible by a Appalachian Regional Commission grant and bond refinancing. Thanks to the cluster of new Main Street restaurants, the hospitality tax revenue produced will support the park's events and enhancements, according to Dianna Turner, city administrator.

Under construction is a new fire station. A magistrate complex and a move of City Hall are on the upcoming project list, according to Mayor Wayne McCall.

Columbia

The City of Columbia is currently experiencing $800 million in investment, including hotels, student housing, retail, homegrown restaurants and craft breweries. City business liaison Ryan Coleman says he has never seen such a boom before in his eight years with the city.
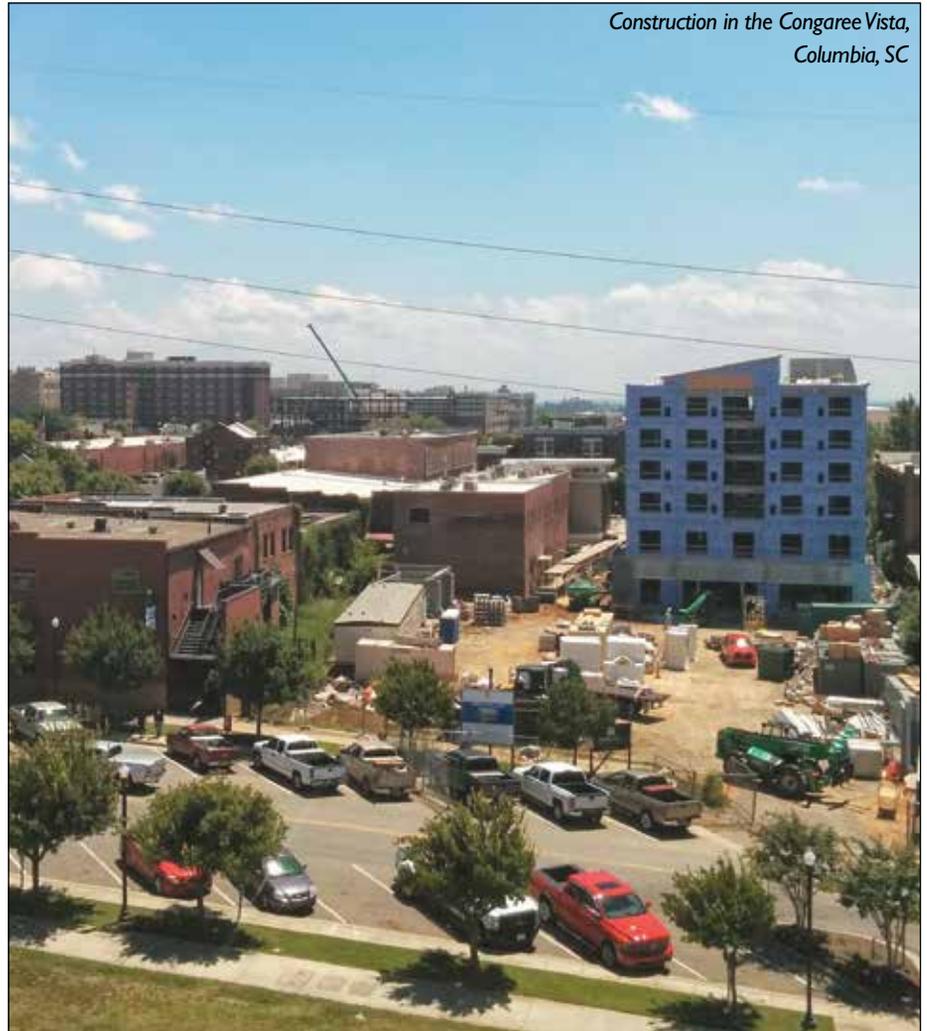
Construction in the Congaree Vista, Columbia, SC

The investment underway does not yet include the Bull Street development either, he noted. He expects over the next 18-24 months investment will approach $1 billion downtown.

"We see a trend of moving back downtown, to be close to jobs and recreation, because time is seen as more of a premium now," Coleman said. "The popularity of mixed use development is driving much of the activity."

Projects to note

• The 165-acre Bull Street mixed use development, backed by hospitality tax money, will include a minor league baseball stadium, office space, housing, park and retail mix. Public investment has not yet been fully determined for what is likely the largest land-use project in a Southeastern downtown metro area.

• Current construction projections indicate some 4,500 new beds mainly for college students within the next two years. This reflects roughly $375 million in downtown housing investment by developers aided in part by tax breaks.

• A $200,000 program will provide 10-year forgivable loans to successful applicants seeking to establish or grow small Main Street businesses, made possible by a mix of city and federal funds.

• Facade improvement on Main Street is being fueled by $400,000 in loans, which in turn has spurred more than $6 million in new private development.

Coleman sees the Bull Street stadium complex as another tool that not only prompts existing business to grow but also attracts new companies to locate in the city. "The first domino is often the challenge, but once you get one, the others come one after the other," he explained.

Economic Development

"I foresee some growing pains as infrastructure is put in to handle the new investment, but this activity will create ripples in the community—an evolutionary process," he said.

Cayce

Partnerships abound in the City of Cayce, home to 13,000 residents and 700 businesses across the Congaree River from downtown Columbia. According to Mayor Elise Partin, even more residents are being accommodated with new housing options. Exciting new recreational facilities and shopping opportunities will follow.

Under construction is the 299-unit Otarre Point apartment community adjacent to the U.S. Tennis Association-award winning Cayce Tennis and Fitness Center. The mayor noted the developers were drawn to the 19-acre site because of the center, a collaboration among the City of Cayce which provided $2.4 million in Tax Increment Financing funds, SCANA Corporation which donated 14.6 acres of land, and the Lexington County Recreation and Aging Commission.

"SCANA has built about three miles of walking trails, called the Timmerman Trail, on 300 acres that will eventually become a history park representing 12,000 years of continuous habitation in this area," Partin said of the future venture supported by federal, state, local and private funds.

Cayce is completing Riverwalk's fourth and final phase now, and the mayor deems this major recreational amenity as a useful economic development tool.

Concord Park, a 221-home community, is halfway to completion through a partnership with Lexington County, CSX railroad and Mungo Homes. Mayor Partin said Concord Park became Mungo's fastest selling community in the state last year.

On tap is the Brickworks planned development, now ready for construction of retail, residential, offices and restaurants in the TIF district spanning from the Blossom Street bridge on Knox Abbott Drive west to State Street—a main entry corridor. The property owner plans to donate some

of the land to construct Centennial Square, a public space near Riverwalk trails.

Cayce's growth is directly tied to being part of a "bustling region," while still maintaining a small-town feel in its midst, Partin said. From travelers coming into Columbia Metropolitan Airport to visit Fort Jackson or a nearby college, to Riverwalk visitors, to those who live and work on either side of the river, she emphasized, "we are all connected and dependent upon each other to thrive."

> "SCANA has built about three miles of walking trails, called the Timmerman Trail, on 300 acres that will eventually become a history park representing 12,000 years of continuous habitation in this area."
>
> **Elise Partin**
> *Mayor of Cayce*

Charleston

From east to west across the Charleston peninsula, significant improvements are underway to enhance major roadways, cultural venues, tech businesses and medical research.

Funded with federal highway grants, SC Transportation Infrastructure Bank funds and city monies, the Septima Clark "crosstown" parkway is addressing major drainage issues with the construction of a comprehensive surface water collection system and a pump station on the Ashley River. The project area covers about 20 percent

of the Charleston peninsula and has experienced regular flooding.

"When heavy rainfall during high tides causes flooding of this busy part of Highway 17, access is cut off to hospitals and police and fire response for short periods of time," explained Steve Bedard, city chief financial officer, about the nine-year project. "This $155 million investment is the largest capital project in the city's history, and it will solve the drainage situation and improve safety for everyone."

Thanks to a public-private partnership, renovation of the venerable but outdated Gaillard Auditorium should be completed in spring 2015 in time for Spoleto USA, Bedard said. To be called the Gaillard Center, the 45-year-old building will be remodeled to include a 1,850-seat performance hall featuring world-class acoustics and exhibition space on the floor below.

Some 60,000 square feet of municipal office space along with a police substation will be added to the facility. Mayor Joe Riley has pointed out that the Gaillard Center will complete "the total transformation of the city's art and cultural venues."

Also on the peninsula, the city's technology sector is exploding in space needs. The city rents two incubator buildings on East Bay Street, both full of digital technology start-ups. "We have more demand than space available," said Bedard. Several portions of the city, including Daniel Island, are considered to be in the "Charleston Digital Corridor."

The city has purchased land north of the Ravenel Bridge for further tech expansion through a public-private partnership. Design is underway for a 200,000 square-foot building and parking garage. The garage in support of this growth will be publicly financed and owned, he said.

Three fast-growing companies—PeopleMatter serving human resources needs, Boom Town providing real estate software and Benefitfocus supporting insurance benefits management—have helped raise Charleston's tech profile. "Maybe 'Silicon Harbor' would be a good reference to this emphasis," Bedard chuckled.

Memorial Waterfront Park, Mount Pleasant, SC

On the peninsula's western side, a city partnership with the Medical University of South Carolina and its foundation will help provide more research space for the growing amount of grants to MUSC researchers who now receive about $250 million total.

The first endeavor, on a 20-acre site near the Riley Ballpark, will be a 1,000-car parking garage, followed by retail, residential and park space. Construction will begin early 2015 and likely take 15-20 years to build out. Most of the public funding will come from a Tax Increment Financing district formed for the project, and those funds will cover the cost of roads, sidewalks, parks and some parking facilities.

Bedard mentioned the number of city commercial and residential building permits as a powerful measurement. Project permits in calendar year 2012 were valued at $415 million, which then grew to $702 million in 2013 and included most of the $144 million for Gaillard. In 2014, $680-700 million is expected, not including Gaillard funds.

Mount Pleasant

The Town of Mount Pleasant ranks ninth on the recent U.S. Census list of the nation's fastest growing cities, but ensuring a balance between managing this growth and maintaining the town's charm is ever present for town leaders.

In just 40 years, the town's population has grown from 7,000 to 75,000, and 33,000 housing units are within the town limits—not including 1,300 home building permits issued during the past fiscal year, or the home sites being prepped now for future building.

Where people live, business will follow, and Mount Pleasant now has 5,300 registered businesses. Traffic through the historic peninsula town just minutes from downtown Charleston has been spread out, explained Town Administrator Eric DeMoura. "We have key road construction projects underway to add to our transportation network. So far we have been successful in moving cars around so everyone is not driving on the same main roads."

Public funds have made possible sidewalks, bike lanes and walking paths alongside town roadways—as DeMoura said, providing "complete streets" and not just paved roads. Bidding will begin soon for a $13 million re-do of the revitalized business corridor Coleman Boulevard and a new north-south $16 million connector called Sweetgrass Basket Parkway.

Also to be bid this fall is a new $25 million Town Hall, and an elementary school and middle school are being built near Boone Hall Plantation. Two new park projects totaling $4 million are in design, an addition to the popular Memorial Waterfront Park and a new 250-acre park off Rifle Range Road.

Columbia, Greenville and Charleston, along with cities and towns in their metro areas, provide a positive snapshot of economic expansion taking place all over the state after years of stagnant growth. Based on statewide economic indicators, signs are good for continued economic growth in all corners of the state (see related story on page 1).
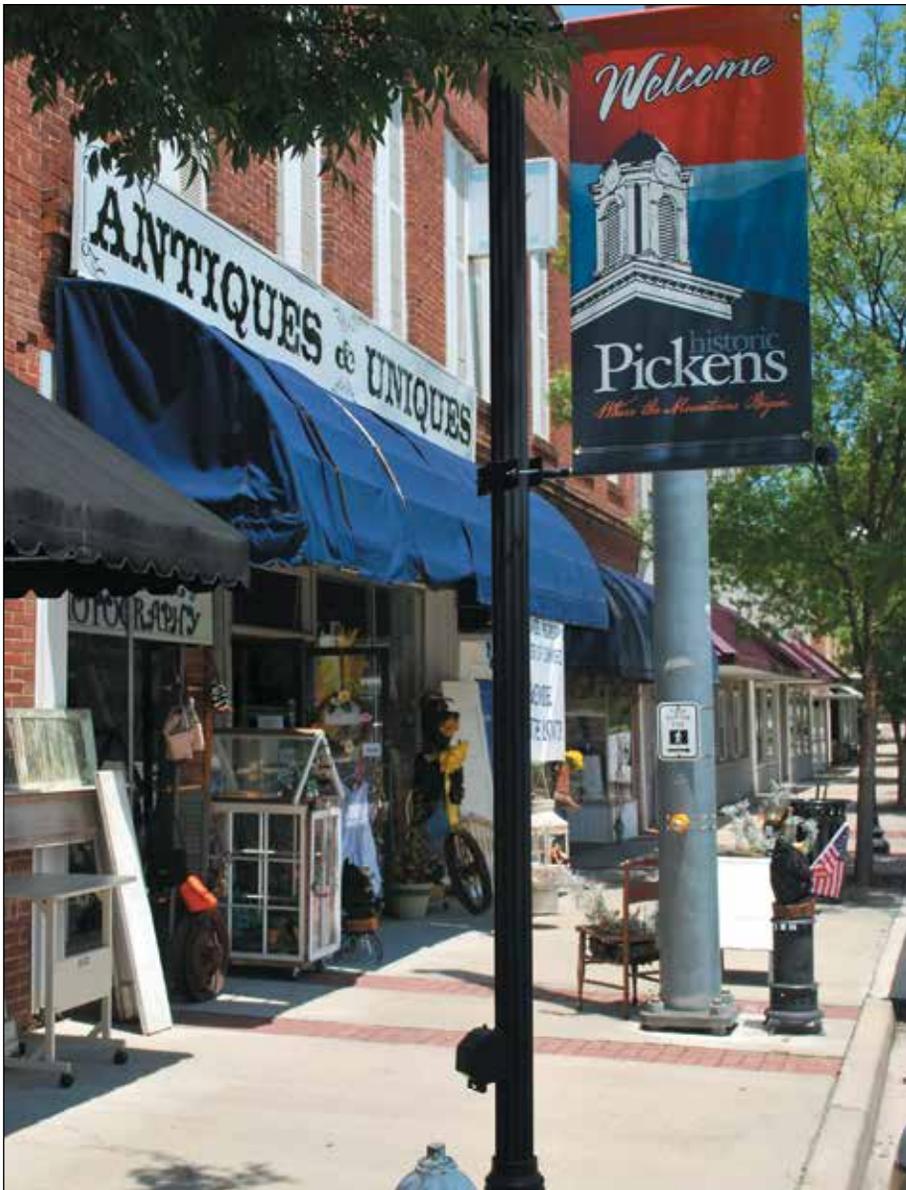
Local economies benefit
after focusing on niche

In the mid 2000s, downtown Fountain Inn was lethargic. More than half of its storefronts were empty. Retail stores were moving to neighboring towns. Officials became concerned that industrial and corporate entities would soon follow suit and relocate.

The city's 2005 master plan, which was developed with input from residents, determined the direction that Fountain Inn would take. City leaders held community charrettes giving residents the opportunity to share their thoughts and expectations.

More than 250 people participated in these meetings. From there, Fountain Inn's niche as a boutique, artisan and eclectic environment—with a developing food destination goal—was born.

After years of seeing their downtown districts struggle, many mid-size cities like Fountain Inn have realized that to grow and flourish they need to focus on developing their strengths and defining their niches.

City leaders in Fountain Inn used Greenville as a model on how to develop downtown. They also studied the experiences of nearby Clinton and Laurens, which were trying to do some of the same things. Now, many middle-sized towns are looking to Fountain Inn for direction and guidance, according to Mayor Gary Long.

The majority of the plan was funded by the City of Fountain Inn. There also were some collaborative efforts with Greenville County's planner. Financial support came from grants and state funding.

Although half of the councilmembers changed during the development process, the plan remained viable without interruption largely due to the emphasis on keeping the lines of communication open, such as having regular updates to council, town hall meetings and weekly merchant meetings as needed, Long said.

Fountain Inn has been seeing positive results. Hospitality tax revenues have doubled in the last three years, and the number of restaurants has grown three-fold, according to Long. More people are spending time downtown thanks to the introduction of a farmers market, performing arts center events, music every Friday and Saturday night in the summer, and efforts to clean up downtown.

The performing arts center reports more than 20,000 visitors a year, and it contributes more than $1 million a year to the city's economy, according to Long.

The development of Commerce Park at Depot Street is a showpiece for the town and home to the Chamber of Commerce, farmers market, history center, amphitheater and nearby Rotary Park.

The farmers' market has had an unexpected benefit as an incubator. Many artisans who started as a fledgling business transformed into a full- or part-time business in a storefront on Main Street. A number of those have sustained their mark as a business past the first year, according to Long.

With all the development has come growth; a new high school is scheduled to open in 2018-19.

Today, restaurants and housing are becoming more of a focus. Three more new restaurants are in the planning stages.

There are 100-200 housing units planned inside the city over the next two years.

"This sleepy little town is waking up," Long said. "We're still changing. We're going to be even more dynamic than we are now."

Leaders with the City of Pickens also realized that in order to reach its potential the city needed a plan in place to revitalize the community. City and community leaders worked with Main Street South Carolina, a service of the Municipal Association, to form the Pickens Revitalization Association. The nonprofit organization helps the community to focus on business and community development.

Like Fountain Inn, Pickens discovered its niche by going through a master planning charrette process, with help from revitalization professionals brought together by Main Street South Carolina. Through the process, Pickens leaders realized that they weren't fully capitalizing on their tagline of "where the mountains begin," according to PRA Executive Director Allison Fowler.

"If all of those outdoors-minded people (hikers, cyclists, boaters, etc.) were coming through Pickens to get to the mountains and lakes, why not offer a reason for them to stop here first?" said Fowler. "Why not become the community that attracted them to stop for awhile, grab a bite to eat, listen to some music downtown, check out everything Pickens has to offer? Pickens realized that our niche had been there all along, we just weren't capitalizing on it."

Out of the planning process came the development of the old Pickens rail line into a walking and biking trail, a downtown amphitheater and the idea for a BMX-style bike park.

"Most importantly, it gave Pickens a sense of identity, potential and a positive vision of the future," Fowler said.

The amphitheater is now closing out its second season. The plan behind it was to hold more frequent events, draw people back to Main Street and recreate a sense of community, according to former Pickens City Administrator Katherine Hendricks, who recently became the assistant town administrator for Mount Pleasant.

Downtown amphitheater, Pickens

Fort Mill

Town Creek Bike Park is nearing completion and construction is about to begin on the Doodle Rail Trail.

"The bike park is intended to be a recreation tourism asset bringing in visitors and in the future be a home to more events," Hendricks said. "Once the Doodle Trail is built, those coming from Easley will have a reason to come through our Main Street and enjoy our recreation property for hours."

With these amenities in place, Pickens will begin focusing on their business recruitment practices and overall relationship with entrepreneurs. Over the last year, Pickens served as a pilot community for the Appalachian Council of Government's Entrepreneur-Friendly Toolkit program.

Recruiting businesses is the core strength of the Town of Fort Mill. With its location near the state border, the town is perfectly suited to attract offices from Charlotte, N.C.

"Fort Mill offers lower South Carolina taxes, lower gas prices, outstanding schools and first-class recreation opportunities," said Dennis Pieper, town manager.

The Town's elected officials gathered input from constituents on what they want

to see in Fort Mill, Pieper said. Residents have said they want the Town to seek job opportunities that will allow them to work close to home while preserving and building a commercial tax base to keep taxes low, he said. The Town currently serves as the headquarters for large companies such as Citi Financial, UC Synergetic, and Domtar.

"We knew we had a niche that we could grow because of the opportunities for expansion in the Kingsley Business Park and the surrounding area," said Mayor Danny Funderburk. "We have worked closely with owners and developers to ensure that we have development standards that provide a superior "Class A" business park with first-in-class amenities."

Most of the funding and incentives for the expansion project have come from the state Department of Commerce and the York County Economic Development Board.

Any jobs in the area or in the region provide great economic opportunity for Fort Mill, Pieper said. It leads to people living, dining and shopping in the town. The companies also have made significant investments and shown their interest in being truly vested in the community, he said.

Economic Development

Calendar

For a complete listing of training opportunities, visit www.masc.sc to view the calendar.

OCTOBER

1 Regional Advocacy Meeting. Swan Lake Iris Garden, Sumter.

2 Regional Advocacy Meeting. Orangeburg County Fine Arts Center, Orangeburg.

7 Regional Advocacy Meeting. C. Spencer Guerry Law Enforcement Center, Georgetown.

8 Regional Advocacy Meeting. Manchester Meadows Soccer Complex, Rock Hill.

8 SC Utility Billing Association Fall Meeting. SC State Museum, Columbia.

9 SC Community Development Association Fall Meeting. Edventure Children's Museum, Columbia. Topics include local feed and seed programs, making trails feasible for all communities and maintaining ethics in community development.

10 Managers/Administrators Fall Forum. Columbia Marriott.

14-16 SC Business Licensing Officials Association Annual Academy. Hyatt Regency, Greenville. Topics include collection strategies, online business licensing best practices and current issues in business licensing.

15-17 SC Municipal Finance Officers, Clerks and Treasurers Association Annual Meeting. Hyatt Regency, Greenville. Topics include the state's economic outlook; technologies for council chambers; and state/local accomodations, hospitality and sales taxes.

15 Public Works Risk Management. Embassy Suites, Columbia. Open to SC Municipal Insurance and Risk Financing Fund and SC Municipal Insurance Trust members. Core course for the Risk Management Institute.

NOVEMBER

5-7 SC Municipal Human Resources Association Annual Meeting. Embassy Suites at Kingston Plantation, Myrtle Beach. Topics include succession planning, onsite employee health clinics and dealing with an aging workforce.

13 SC Association of Stormwater Managers Fourth Quarterly Meeting. Columbia Conference Center. Topics include watershed planning, Section 319 Grants Program and Total Maximum Daily Load monitoring.

13 SC Municipal Insurance Trust/SC Municipal Insurance and Risk Financing Fund Annual Members Meeting. DoubleTree Hotel, Columbia.

DECEMBER

5 SC Municipal Attorneys Association Annual Meeting. Embassy Suites, Columbia. Topics include ethics, Freedom of Information Act, zoning, federal case law update and indigent defense.