

## Chapter 3.2 Economic Development Element

### 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.

#### 3.2.1: OVERVIEW

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 has an active Economic Development Department which liaise with the State, surrounding counties, and 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 strategies for economic development should foster a stable and competitive business climate to draw business to the region and support the economic viability of existing industries. The strategies are also intended to encourage business start-ups, small business enterprises, minority owned businesses, high-technology and knowledge-based businesses, and attract new targeted industry sectors. The Economic Development Department will continue to promote the development of a trained quality workforce, evaluate development opportunities, and support the other recommendations of this Comprehensive Plan.*

#### 3.2.2: BACKGROUND AND INVENTORY OF EXISTING CONDITIONS

##### Introduction

In 2017, the Charleston regional economy can aptly be described as ‘transcendent.’ Developments since the turn of the decade 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, Berkeley, Charleston, and Dorchester (tri-county) governments and business leaders have mounted a robust campaign of economic recruitment, tourism promotion, and growth of the federal government presence.

Several major milestones since 2010 have included:

- Establishment of six Boeing facilities and business units: Boeing Final Assembly and delivery site for the 787 Dreamliner, Boeing Interior Responsibility Center, two Centers for Excellence - Information Technology and Engineering, Boeing Research & Technology Center, and Propulsion South Carolina;
- Presence of Space and Air Warfare Systems (SPAWAR), along with various other Navy and Air Force commands attached to Joint Base Charleston;
- Port-related volume growth and the execution of a multi-year capital investment plan including harbor deepening, terminal construction and improvements;
- Growth of the medical sector;
- Growth of the information technology / software sector;

- Additional air service from Southwest and JetBlue as well as the completion of a four-year long major renovation of the Charleston International Airport;
- Addition of the Clemson University Drive Train Test Facility, an anchor for the wind energy and power systems sector, and The Zucker Family Graduate Education Center, a major support to the state's engineering landscape; and
- Growth of the Charleston tourism sector, anchored by a burgeoning culinary scene, world-class hotels and resorts, year-round arts and cultural festivals such as Spoleto Festival USA, outdoor recreation, and signature athletic events like the annual Volvo Car Open.

The unprecedented diversity now evident in the Charleston economy has caused the region to be a standout performer in comparison with the state and nation, with the region's unemployment rate remaining favorable, 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, the 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 1993 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

- 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.

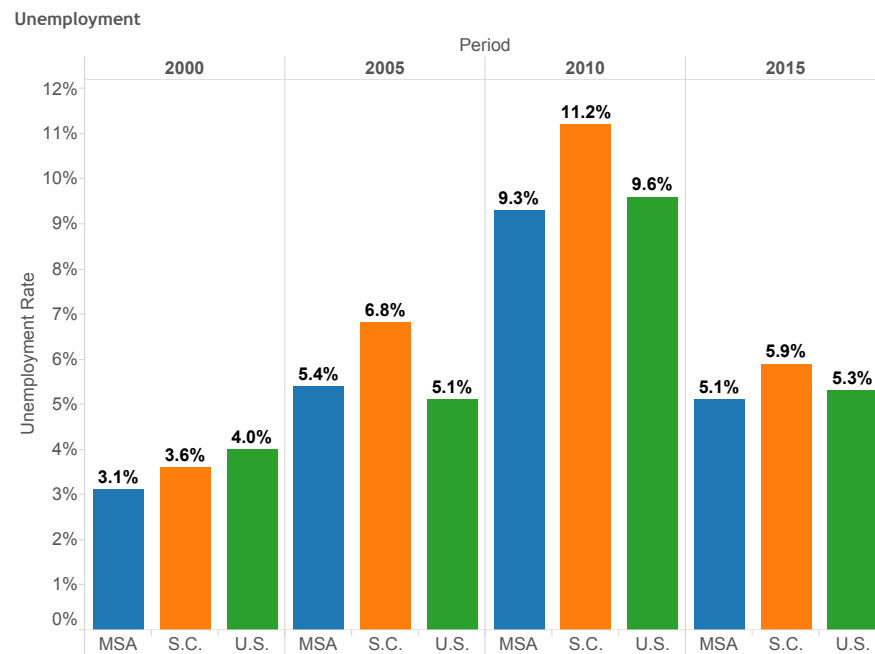
## Business in Charleston County

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, with a reputation for financial stability and integrity. Amidst the turbulence of the Great Recession, Charleston County retained its AAA credit rating with all three of the major rating agencies.

Charleston County services, policies, and practices encourage economic growth in a variety of ways, including but not limited to:

- Tourism Promotion by contributing significant funds to the Charleston Area Convention and Visitors Bureau and through accommodations fees to support area attractions.

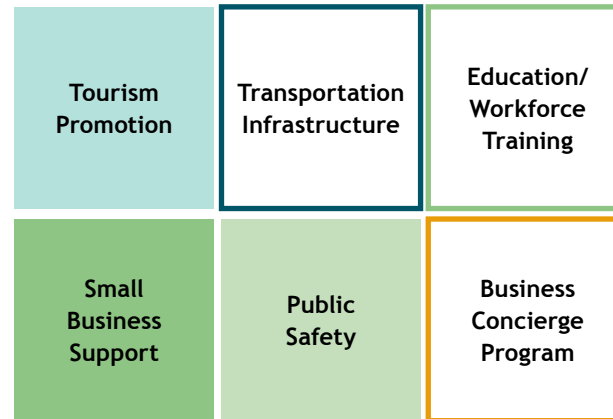
FIGURE 3.2.1: REGIONAL (MSA), STATE, AND NATIONAL UNEMPLOYMENT RATES (2000 - 2015)



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

- Improving Transportation Infrastructure by enacting the “Half Cent Sales Tax,” funding and managing local road improvement, and supporting the Charleston Area Regional Transit Authority (CARTA).
- Supporting Education and Workforce Training by funding local workforce initiatives administered by the Berkeley-Charleston-Dorchester Council of Governments (BCDCOG), Metro Chamber of Commerce, and Trident Technical College.
- Providing Public Safety Services through Emergency Medical Services (EMS), Consolidated 9-1-1 Center, Sheriff’s Office, and Emergency Management.
- Encouraging Small Business Procurement and Mentoring through targeted procurement towards local businesses and assisting local businesses with the bidding process.
- Providing a Business Concierge Program through the Economic Development Department to provide “service after the sale” by cementing the relationship with a new company through the cost-free offering of a vast array of business assistance, beginning with start-up processes such as permitting and meeting workforce needs to providing support for networking, supply chain needs, and future expansion.

### Business in Charleston County



### Key Economic Development Allies

The Economic Development Department works with several local and state agencies and non-profit entities, such as the South Carolina Department of Commerce, area municipalities, Charleston Regional Development Alliance, BCDCOG, Metro Chamber of Commerce, and area utilities, to round out the overall regional service offering to businesses.

### Economic Diversification

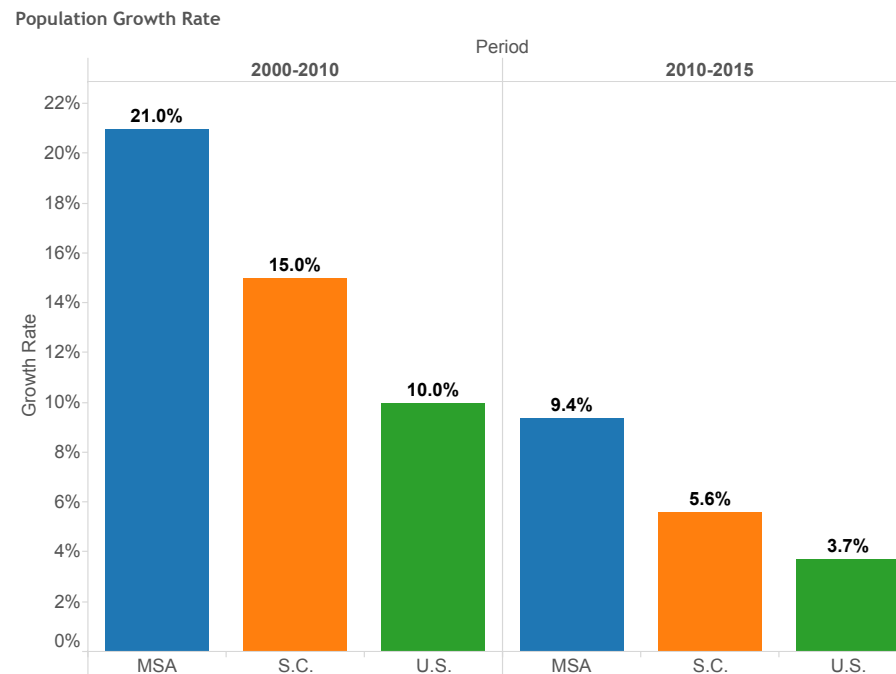
#### Growth of the Charleston Area

In 2015, the population for the Charleston region grew 2.4 percent, landing at close to 745,000 residents. According to the US Census Bureau, the metro area was among the top 20 fastest growing metro ar-



Charleston County Consolidated 9-1-1 Center and Emergency Operations Center

FIGURE 3.2.2: REGIONAL (MSA), STATE, AND NATIONAL POPULATION INCREASES (2000 - 2015)



Source: U.S. Census Bureau.

areas in the nation when considering population growth between July 1, 2014 and July 1, 2015. Since the turn of the century, the region has gained nearly 200,000 residents - a 36 percent increase during the period of July 1, 2000 to July 1, 2015. Roughly 40 percent of this population growth occurred during the years 2010 to 2015. Similar to the general population growth, area workforce grew at a fast pace. On average, the civilian labor force grew 4.5 times faster than the US average from 2010 to 2015 (see Figure 3.2.3).

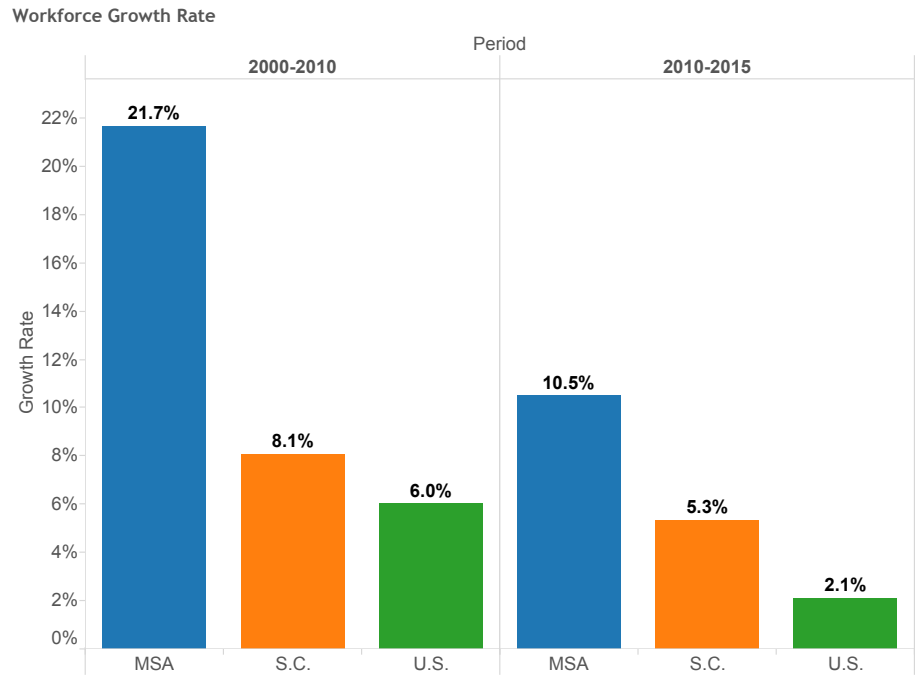
**Overall Economic Performance**

Since the inception of the Economic Development Department in 1993, business recruitment, retention, and expansion results within Charleston County have been phenomenal. Many of the largest feats occurred within the past ten years, which marked the arrival and expansion by The Boeing Company and the expansion of Mercedes-Benz Sprinter Vans.

According to the S.C. Department of Commerce, from 1993 through the close of 2015, businesses in Charleston County had invested some \$6.1 billion and created nearly 30,000 jobs within its boundaries. In 2015, Charleston County placed among the ‘Top Ten’ counties in South Carolina for capital investment for the 18th time and for the 15th time in 23 years for job creation. Those figures climbed higher in 2016, with an additional capital investment of \$41.3 million and more than 1,100 new jobs.

The past decade (2000-2010) was a roller-coaster ride for those employed in most of Charleston’s economic sectors, particularly construction and manufacturing. 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, manufacturing and trade, transportation, and utilities. The most spec-

FIGURE 3.2.3: REGIONAL (MSA), STATE, AND NATIONAL WORKFORCE GROWTH RATES (2000 - 2015)



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



The Port of Charleston

FIGURE 3.2.4: GROWTH IN CHARLESTON’S ECONOMIC SECTORS (2000 - 2015)



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

compare wages by occupation, *Figure 3.2.8* has been included and demonstrates the median wages based on level of job experience (entry level, median, and experienced).

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. In 2015, it ascended to first place, posting a per capita income of \$46,686 (see *Figure 3.2.6*). Recent growth trends suggest that Charleston County will maintain the top position.

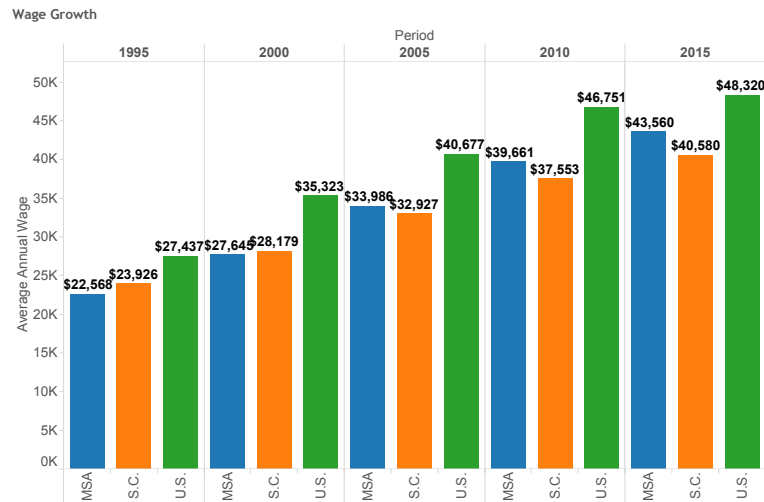
In the year 2000, unemployment in the Charleston region averaged 3.1 percent, which is widely defined as full employment. In 2005, immediately prior to the Great Recession, unemployment ticked up to 5.4 percent - similar to the national trend, but much lower than the S.C. rate of 6.8 percent. At the 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. As the recovery matured, the Charleston region experienced a significant improvement with the unemployment rate dropping to 5.3 percent. *Figure 3.2.7* shows the exact unemployment rates for the Charleston region and comparative metro areas, as well as the historical unemployment rate.

**Economic Sector Composition**

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

- Employment in the Construction and Leisure and Hospitality sectors grew more than 20 percentage points during the first half of the decade. Many of these new jobs reflect the recovery in the hous-

FIGURE 3.2.5: WAGE GROWTH IN THE REGION, STATE, AND NATION (2000 - 2015)



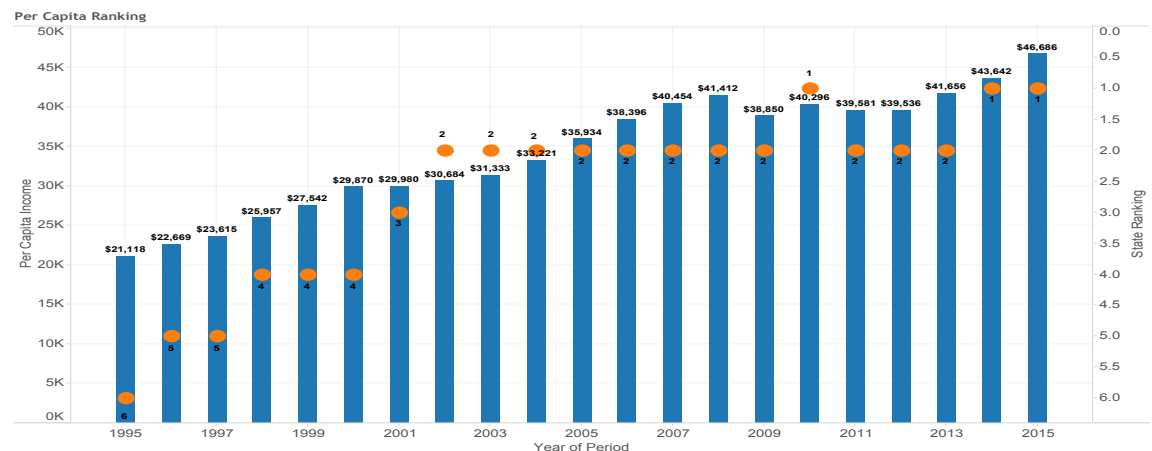
Source: U.S. Department of Labor, Bureau of Labor Statistics.

tacular contraction (35 percent) occurred in construction, due to the nationwide burst of the housing bubble, and the near collapse of the nation's banking and financial sector. Within the region, only health services and private education, government, leisure and hospitality, and professional and business services registered employment growth during that period. During the first half of the new decade (2011 to 2015), the recovery found its legs, as most sectors have regained ground and are actively hiring. Instead of contraction, the construction sector is now plagued by a worker shortage amidst a resounding recovery in the growth of residential and commercial development.

**Unemployment Rates, Average Wages, and Per Capita Income**

From 1995, shortly after the inception of the county economic development mission, through 2015, the average wage in the Charleston region rose 93 percent - from \$22,568 to \$43,560. By 2005 the Charleston regional average wage had surpassed that of South Carolina, and as of 2015 the gap has grown further to be about seven percent higher. Regional wages continue to trail average U.S. wages, but have narrowed the gap to represent 90 percent in 2015, as shown in *Figure 3.2.5*. To

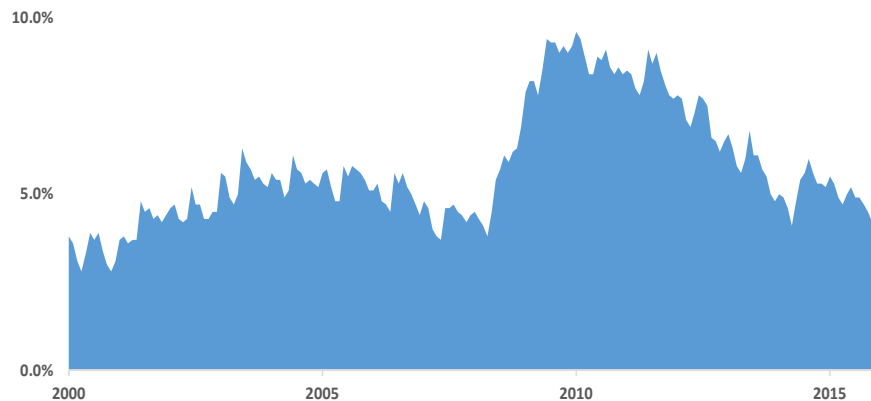
FIGURE 3.2.6: PER CAPITA INCOME RANKING OF CHARLESTON COUNTY COMPARED TO OTHER SC COUNTIES (2000 - 2015)



Sources: S.C. Department of Commerce and US Department of Labor, Bureau of Labor Statistics. Note: The orange circles in 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. The Department of Labor per capita income relates personal income to measures of production, including GDP, and is considered an indicator of consumer spending.

FIGURE 3.2.7: UNEMPLOYMENT RATES IN CHARLESTON COUNTY AND COMPARATIVE METRO AREAS (DECEMBER 2015) & HISTORICAL UNEMPLOYMENT RATE (2000-2015)

Metro Area	Labor Force	Employment	Unemployment	Unemployment Rate
Washington-Arlington-Alexandria, DC-VA-MD-WV	2,608,301	2,503,699	104,602	4.0%
Boston-Cambridge-Nashua, MA-NH	2,619,817	2,513,928	105,889	4.0%
Wichita, KS	314,255	301,586	12,669	4.0%
Orlando-Kissimmee-Sanford, FL	1,230,194	1,176,170	54,024	4.4%
New York-Newark-Jersey City, NY-NJ-PA	10,117,972	9,667,143	450,829	4.5%
<b>Charleston-N Charleston SC</b>	<b>359,430</b>	<b>343,150</b>	<b>16,280</b>	<b>4.5%</b>
Jacksonville, FL	727,592	694,899	32,693	4.5%
Durham-Chapel Hill, NC	280,802	267,931	12,871	4.6%
Greenville-Anderson-Mauldin, SC	416,386	397,320	19,066	4.6%
San Diego-Carlsbad, CA	1,568,308	1,493,296	75,012	4.8%
Atlanta-Sandy Springs-Roswell, GA	2,854,426	2,716,023	138,403	4.8%
Charlotte-Concord-Gastonia, NC-SC	1,241,056	1,180,108	60,948	4.9%
Savannah, GA	177,052	168,410	8,642	4.9%
Seattle-Tacoma-Bellevue, WA	1,983,893	1,884,635	99,258	5.0%
Huntsville, AL	210,345	199,598	10,747	5.1%



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

ing market and increased recognition of the Charleston region as a standout travel destination. Manufacturing job growth was positive with the increased presence of original equipment manufacturers such as Boeing.

- Employment in the Leisure and Hospitality sector grew by 23.4 percent from 2010 to 2015, 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.
- Several 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 significant economic engines. The Port of Charleston continues to trend in a positive direction, increasing its annual tonnage during fiscal year 2015 to 1.9 million twenty-foot equivalent units (TEUs). The port has returned to its pre-recession volume levels (1.9 million TEUs). The same is true of the local housing market, where the annual number of homes sold and their values continue to climb. The 16,218 sales registered during 2015 represented steady progress. Likewise, the median value of a home during 2015 was \$243,200. 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 100 percent during the past decade, from \$12.9 billion in 2001 to \$26.6 billion in 2015. 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,' however, and by 2010, retail sales regained the lost ground and exceeded 2008 levels.



### **Priority Industries and Local Advantages**

The Charleston region has for many years been anchored by four economic engines: the Port of Charleston; the medical sector; the military; and the tourism industry. These engines remain very viable today, in part due to the concentration of higher education institutions in the area, as described below, but are now augmented by several recent ‘game changers.’

#### ***The Port of Charleston***

The Port of Charleston serves every key ocean carrier, offering service to about 150 countries spread across every continent, generating over \$40 billion in revenue for South Carolina. This is a huge draw for exporting manufacturers, and many of those located across the Southeast utilize the Port. It is recognized for its world-class intermodal facilities and industry-leading efficiency.

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 52 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. Now under construction, the Hugh Leatherman, Sr. Terminal is slated for completion by 2019. This facility is designed 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. In 2015 Charleston handled 96 port calls from 22 cruise ships. Between port of call and embarkations, passenger counts exceeded 201,000 in 2015.

#### ***The Medical Sector***

The Medical University of South Carolina (MUSC) is a major employer in Charleston County, along with the Roper/St. Francis, Columbia/HCA, Tenet Healthcare hospital systems. Along with several pharmaceutical operations, these employers drive the growing Charleston medical sector. With its growing medical research activity, MUSC is a catalyst for medical discoveries and has erected the Research Innovation Center in downtown Charleston, which provides space for entrepreneurs to develop their science for commercial application.

#### ***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 23,000 local jobs are provided by the 457th Airlift Command adjacent to the 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 and Department of State.

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



*Medical University of South Carolina (MUSC)*

responsible for integrating the Mine Resistant Ambush Protected (MRAP) vehicles used to protect ground forces in Afghanistan. The facility employs over 2,600 Civil Service employees with an average salary of \$87,000 and supports an estimated 100 defense contractors operating in the region, which employ an estimated 12,000 employees. Overall, SPAWAR supports over 31,000 jobs in South Carolina who contribute over \$1.7 billion in annual labor income. SPAWAR’s estimated impact on South Carolina’s economy is estimated at \$3.7 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 hotel room rates during 2009-10, but this was a ‘blip’ on an otherwise favorable radar. Hoteliers have seen the occupancy rate bounce back and continually post new records. In 2015 the average room rate moved to \$143.75, surpassing historical averages.

The forecast by the College of Charleston Office of Tourism Management is for continued stability in occupancy and growth in average daily rates during 2016 and 2017. 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 4,000 new rooms.

### **Higher Education Institutions**

A significant local advantage that attracts economic development in the region is the concentration of higher education institutions, many of which are public (e.g. The Citadel, College of Charleston, Medical University of South Carolina, and Trident Technical College). The four largest public institutions alone employ approximately 16,000 faculty members, staff, and medical professionals and educate approximately 33,000 students, according to a 2012 report by the Charleston Regional Development Alliance (CRDA). The CRDA analyzed the economic impact of these four public institutions on the regional economy, and found that they, along with associated activities, generate an annual economic impact of \$4.4 billion in business activity, 41,000 jobs, and \$2.1 billion in labor income. The economic activity generated by these institutions, along with their contributions to the local employee base and opportunities for workforce training, assist in the attraction and retention of new industries and businesses. In addition to the four public institutions, there are more than two dozen private colleges and universities who also contribute to the local economy.

### **Recent Economic ‘Game Changers’**

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

#### **Discount Air Carriers**

Air traffic at the Charleston International Airport has increased 69 percent since 2010, energized in recent years by the introduction of discount air carriers Southwest and JetBlue, a vibrant tourism industry, and growth in aerospace manufacturing.

### **The Aerospace Sector**

With the announcement that Boeing had selected North Charleston as its second 787 Assembly site in 2009, the economic landscape of the Charleston region was transformed, as Boeing’s influence has led to substantial growth in the aerospace sector locally. Since 2009, Boeing has opened six facilities and business units and expanded the 787 program to include the 787-9 and 787-10. Boeing’s workforce of 7,600 employees continues to make an imprint in the Charleston Technology sector. The company opened two Centers of Excellence - IT and Engineering and a new Boeing research and technology center. Over 1,500 positions will be staffed by high tech knowledge workers, further complementing the home-grown technology and aerospace sector growth the Charleston area has been experiencing.

The increased growth in not only the aerospace but also the automotive industries have increased the need for specialized training facilities that can equip the existing workforce with the right skill set. Trident Technical College is constructing the SC Aeronautical Training Center for this purpose. The \$79.3 million, 224,000-square-foot new facility, funded by federal, state, local, and private sources, is expected to be completed in 2019. The facility will train students in subjects including aircraft assembly/maintenance, composite materials, avionics, mechatronics, robotics/automation, and additive manufacturing.

#### **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 drivetrain systems for wind turbines with 7.5 MW and a 15 MW test bay. This technology will pave the way for future energy innova-



*The Boeing Company, North Charleston, SC*



*Clemson University Energy Innovation Facility*

tion.

The Zucker Family Graduate Center is a new addition to the CURI campus. The \$21.5 million, 70,000 square foot, state-of-the-art facility, opened in the fall of 2016. The center is anticipated to contribute greatly to the state’s engineering landscape, as it allows industry representatives the opportunity to engage and collaborate with faculty, students, and researchers.

#### **Technology Sector Growth**

“Home-grown” information technology and high tech firms have experienced exponential growth over the years. The Charleston area also hosts numerous firms included in the Inc. 500 list of fastest-growing companies. Charleston



County's continued support of the Charleston Digital Corridor has been beneficial in showcasing firms where tech talent can thrive and has been instrumental in helping establish the Charleston region as a technology center. Additionally, incubator facilities or Flagships have been established to provide co-working space for emerging knowledge-based companies.

#### **Automotive Sector Growth**

The landscape of the local automotive industry is being transformed; Mercedes-Benz is expanding its existing facility in Charleston County to transition from an assembly operation to complete manufacturing; and Volvo is building its first plant in the US in Berkeley County. These two projects represent about \$1 billion in capital investment and more than 3,300 additional jobs in the region. The expansion has also increased interest of various key auto suppliers.

#### **Recent Accolades**

The number and diversity of accolades garnered by the Charleston County area 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. Some recent accolades and rankings received in 2015 include being recognized as:

- 2nd in the State for Job Creation;
- 2nd in the State for Capital Investment; and
- The #1 Travel Destination in North America (as determined by *Travel + Leisure*).

#### **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) and ongoing operating costs (lease, electricity, wages) are very attractive. *Figure 3.2.8* demonstrates the region's wages and *Figure 3.2.9* demonstrates the cost of living comparison against similar metro areas.

**FIGURE 3.2.8: MEDIAN WAGES FOR DIFFERENT LEVELS OF EXPERIENCE BY OCCUPATIONAL FIELD, CHARLESTON METROPOLITAN STATISTICAL AREA (MSA), (2015)**

Occupational Field	Median Wage for Entry Level	Median Wage for Median Level	Median Wage for Experienced Level
Architecture and Engineering	\$44,430	\$72,030	\$88,470
Arts, Design, Entertainment, Sports, and Media	\$23,110	\$37,110	\$53,020
Building and Grounds Cleaning and Maintenance	\$16,880	\$21,230	\$26,960
Business and Financial Operations	\$36,100	\$59,360	\$79,240
Community and Social Services	\$28,060	\$41,560	\$54,070
Computer and Mathematical	\$44,960	\$71,910	\$89,840
Construction and Extraction	\$23,930	\$35,890	\$46,510
Education, Training, and Library	\$24,210	\$47,210	\$61,640
Farming, Fishing, and Forestry	\$22,380	\$31,830	\$39,910
Food Preparation and Serving Related	\$17,000	\$19,140	\$24,390
Healthcare Practitioners and Technical	\$36,590	\$60,730	\$88,770
Healthcare Support	\$19,720	\$26,820	\$32,830
Installation, Maintenance, and Repair	\$26,780	\$41,950	\$53,300
Legal	\$33,390	\$49,610	\$81,430
Life, Physical, and Social Science	\$32,900	\$55,580	\$75,230
Management	\$47,630	\$86,340	\$123,450
Office and Administrative Support	\$21,700	\$31,820	\$41,590
Personal Care and Service	\$17,000	\$20,380	\$27,290
Production	\$24,460	\$37,960	\$49,270
Protective Service	\$22,150	\$35,500	\$45,300
Sales and Related	\$17,030	\$22,400	\$39,140
Transportation and Material Moving	\$19,500	\$29,490	\$40,980

Source: Bureau of Labor Statistics, SC Department of Employment and Workforce.

**FIGURE 3.2.9: COST OF LIVING COMPARISON (2016)**

State	Urban Area	Composite Index	Housing	Utilities	Transportation	Home Price
New York	New York (Manhattan) NY	227.8	464.5	127.3	133.7	\$1,621,965
District of Columbia	Washington-Arlington-Alexandria DC-VA	149.0	233.8	118.9	104.3	\$795,377
Massachusetts	Boston MA	147.9	200.8	158.2	112.6	\$576,189
Washington	Seattle WA	144.9	179.2	123.2	138.8	\$563,432
California	San Diego CA	144.2	234.8	112.8	131.5	\$784,742
<b>South Carolina</b>	<b>Charleston-N Charleston SC</b>	<b>103.9</b>	<b>97.7</b>	<b>123.9</b>	<b>93.1</b>	<b>\$291,158</b>
Georgia	Atlanta GA	98.7	88.3	103.5	101.8	\$268,462
Florida	Jacksonville FL	95.7	84.9	110.3	100.3	\$242,605
North Carolina	Charlotte NC	94.7	84.9	92.1	96.9	\$252,972
Florida	Orlando FL	94.1	90.1	98.0	98.1	\$276,812
South Carolina	Greenville SC	93.6	78.2	100.4	92.9	\$233,855
Georgia	Fayetteville-Fayette County GA	93.1	78.2	83.1	90.8	\$225,198
Alabama	Huntsville AL	92.1	69.3	102.9	95.1	\$214,739
Kansas	Wichita KS	91.7	70.4	110.2	101.4	\$231,316
Georgia	Savannah GA	90.3	66.3	110.6	97.8	\$202,006
North Carolina	Durham NC	88.4	71.9	88.7	100.8	\$220,407

Source: Cost of Living Index, 2016 - C2ER.org.

The state and local tax climate provides a competitive advantage, as South Carolina features one of the lowest corporate income taxes in the nation (five percent before credits and incentives) and Charleston's sales and use tax is 8.5 percent.

Additionally, South Carolina has enacted a variety of financial incentives for businesses to promote the creation of new jobs and leverage new capital investment. These incentives 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. *Reference Box 3.2.1: Regulatory Incentives and Grants* further details these programs. Lastly, several support programs are available to businesses to recruit and train their workforce. Several workforce training programs exist, including, but not limited to ReadySC, a statewide workforce training program that offers customized recruitment, assessment, training development, management, and implementation services to businesses relocating to or expanding in South Carolina; and SC Works Trident, under the Federal Workforce Investment Act (WIA), offers 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.

FIGURE 3.2.10: WAGE COMPARISONS (2015)

Area Name	Hourly Mean Wage	Annual Mean Wage
Washington-Arlington-Alexandria, DC-VA-MD-WV	\$31.69	\$65,915
Boston-Cambridge-Nashua, MA-NH	\$29.84	\$62,067
New York-Newark-Jersey City, NY-NJ-PA	\$28.84	\$59,987
Seattle-Tacoma-Bellevue, WA	\$28.39	\$59,051
Durham-Chapel Hill, NC	\$27.39	\$56,971
San Diego-Carlsbad, CA	\$26.06	\$54,205
Huntsville, AL	\$25.30	\$52,624
Atlanta-Sandy Springs-Roswell, GA	\$23.76	\$49,421
Charlotte-Concord-Gastonia, NC-SC	\$23.25	\$48,360
<b>Charleston-N Charleston SC</b>	<b>\$20.94</b>	<b>\$43,555</b>
Jacksonville, FL	\$20.89	\$43,451
Savannah, GA	\$20.77	\$43,202
Wichita, KS	\$20.38	\$42,390
Orlando-Kissimmee-Sanford, FL	\$19.93	\$41,454
Greenville-Anderson-Mauldin, SC	\$19.72	\$41,018

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.

## Reference Box 3.2.1: Regulatory Incentives and Grants

### *Statutory Incentives*

These require no negotiation with state or local governments and are claimed automatically by a company when statutory requirements are met. The SC Department of Revenue administers these incentives, which include: five-year property tax abatement; sales tax exemptions; jobs tax credit; corporate headquarters credit; and research and development credit.

### *Discretionary Incentives*

These 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 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 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*

These 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, or average annual salary benchmarks. Examples of grants include: Set-Aside grants; Closing Fund grants; ED Fund grants; and Utility Tax Credit (UTC) grants.

### 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 local and regional initiatives and strategies (such as *One Region*) to maintain and improve the business climate.
- ED 2. Encourage mixed-use developments with employment opportunities in proximity to neighborhoods and public transportation.
- ED 3. Support incentives for underutilized commercial centers for redevelopment and re-use that allow for mixtures of residential and non-residential uses.
- ED 4. Encourage agri-tourism and other employment opportunities in the Rural Area.
- ED 5. Promote the preservation and creation of high quality, affordable housing to attract and retain businesses.
- ED 6. Continue to promote the development and maintenance of all infrastructure that supports economic development activities through capital improvement plans and coordinated priority investment.
- ED 7. Encourage cooperation with other jurisdictions and agencies to further regional economic development.