

Comprehensive Economic Development Strategy

CEDS

July 1, 2008

Upper Savannah Council of Governments

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I. ***Administrative Organization***

Upper Savannah Council of Governments was established in 1967 by Act 487 of the South Carolina General Assembly. This Act provided jurisdiction to include all incorporated and unincorporated areas within the limits of Abbeville, Edgefield, Greenwood, Laurens, McCormick and Saluda counties of South Carolina.

Upper Savannah COG is governed by a 32 member Board of Directors who represent the six counties that participate in the financial support of the organization as well as the major incorporated areas in these counties. These incorporated areas include Abbeville, Edgefield, Greenwood, Laurens, McCormick, Saluda and Clinton. The Board employs an Executive Director to carry out the overall management responsibilities of the organization. In March 1991, the Upper Savannah Board of Directors approved an amendment to the by-laws that created Ex-Officio members. This designation was created to recognize loyal and dedicated service to Upper Savannah COG and the South Carolina Association of Regional Councils (SCARC). It is believed that these individuals can do much to further the concept of regional cooperation in economic and community development. The maximum number of Ex-Officio members that can be elected is three (3).

A. Participating Governments

All member governments of Upper Savannah Council of Governments are

EDA Designated re-development areas. These member governments are also active participants in the District's organization and work progress.

The District is composed of the counties of Abbeville, Edgefield, Greenwood, Laurens, McCormick and Saluda. Major urban centers in the District include the areas in and around the City of Abbeville, the Town of Edgefield, City of Greenwood, City of Laurens, City of Clinton, Town of McCormick and the Town of Saluda. These areas contain about 25.5 % of the District's total population. All of the participating governing units in the District have the Upper Savannah Council of Governments Comprehensive Economic Development Strategy (CEDS) serve their economic development planning needs and designation obligations.

B. District Organization

Exhibit I is a current list of the Upper Savannah Council Board of Directors and pertinent information regarding each member.

II. ***Assessment of past years economic development efforts***

The following narrative highlights the Economic Development activities of the Upper Savannah Council of Governments during the last year period ending June 30, 2007.

Revolving Loan Fund

- a. Met with and provided information to numerous prospective small business borrowers.
- b. Continue to actively service small business loan portfolio.

Planning

- a. Comprehensive Plan Updates (Edgefield County, McCormick, Trenton)
- b. Planning Commissioner Training (18 sessions at 3 hours each)
- c. Zoning meetings in McCormick County and Saluda County
- d. Assisted Greenwood County in applying for EDA funds for the genetic center research park.
- e. Laurens County Water and Sewer Commission's (LCWSC) \$1.1 million EDA project.
- f. Provided training to area planning commissioners for the state mandated certification process.

Transportation

- a. Transportation Improvement Program (TIP)
- b. Rural Planning Work Program (RPWP)
- c. Rural Transit Coordination Plans

Technical Assistance

- a. Uptown Greenwood Development Corporation
- b. Helping the Town of Calhoun Falls prepare its budget for FY 2009.
- c. Town of Johnston administration
- d. Grant Writing and Administration
- e. Americans with Disabilities Act Plans
- f. Upper Savannah Land Trust
- g. MASC/Public Administrators/Economic Developers meetings
- h. Savannah River Basin Textile Recovery Plan
- i. Demographic Reports

GIS Mapping

- a. SC Dept of Commerce Utility Update project
- b. Land Use mapping
- c. CDBG applications

III. *The District and it's economy*

The district is located in the west central piedmont region of South Carolina. The

area was at one time primarily supported by an agrarian economy. Today, the majority of the population still resides in rural areas, however, the economy has transformed into one driven by manufacturing. The district is centrally located in relation to several major metropolitan areas. These include Atlanta, Charleston, Charlotte, Greenville and Spartanburg. This advantageous location has not benefited the region to its fullest potential because of lack of adequate highway transportation connecting the district to these regional markets. Population in the district is unevenly distributed among its six counties. Greenwood and Laurens compromise more than 63 percent of the district's population.

The total population has grown since 1990, however, the average population growth rate in all the counties in the district is lower than the state growth rate.

A. Natural Resources

Out of all the natural resources in the district, forest lands and lakes have the greatest impact on the district's economy. These resources create jobs by attracting tourists to the area. In addition, forests produce timber for lumber and wood products. This natural resource may be in jeopardy. The agriculture, forestry, fishing and mining industries employed approximately 3,000 persons over the age of sixteen. The amount of forests used exclusively for timber production is decreasing. This resource must be preserved. Although it is not viewed as a public problem, resource conservationists and foresters are working on several programs to insure the availability of this valuable resource in the future.

The lakes in the region offer promise of future economic opportunity. Although these lakes are man made their value to the economy is vital and should be considered a natural asset. The major lakes in the region include Lake Greenwood, Lake Russell, and Lake Thurmond (formerly Clark Hill Lake) and attract hundreds of thousands of tourists annually to the district. Although the lakes are not directly responsible for all tourism revenues in the district, it is fair to say that their influence on tourism is significant. According to the South Carolina Statistical Abstract 2000, total district tourism provides approximately 1,200 jobs in 1999 and \$424,697 in accommodations and admissions tax collection for local governments in 1999-'00.

The quantity and quality of water supplies in the district varies by county. Generally water quality in the area is good according to South Carolina Department of Health and Environment Control. The quantity of this supply is expected to be adequate to meet the immediate and future needs of the district's population.

B. Infrastructure

Water and wastewater systems in the region provide quality delivery and collection for the district's population and industrial base where such services are available. Unfortunately, the lesser developed counties of the region do not have extensive infrastructure systems. The service that is available to these counties is usually limited to the incorporated areas. Further, the ability of these systems to serve other portions of the counties is limited by their capacity and financial resources. Most of the systems have little or no additional capacity. Persons residing beyond the limit of service must rely on wells for drinking water, septic tanks, lagoons or community treatment facilities to treat and dispose of wastewater. This lack of infrastructure in the

unincorporated areas of these counties severely limits the possibilities for industrial development.

Conversely, in the larger developing counties infrastructure availability is a major reason for their ability to attract industry. Generally, their capacity to treat both water and wastewater is far superior to their less fortunate neighbors. It is likely that the disparity between the two will continue because of the lack of federal and state funds available and the inability of these systems to internally finance needed improvements and expand their service.

C. Transportation

The lack of adequate highway transportation could possibly be the most significant barrier to economic development in the Upper Savannah region. With the exception of Laurens County, there are no interstate highways and only two four-lane connections to interstate highways in the region. This fact has consistently hampered industrial development efforts. South Carolina as a whole offers an excellent network of interstate highways, which connect the major cities with regional markets like Atlanta and Charlotte. The networks are inadequate in their coverage and isolation of large portions of South Carolina exist. Several projects are underway to address this need. These projects will provide greater access to larger urban markets.

Rail access is available throughout the region. This mode continues to be utilized by many of the industries in the region.

Commercial air transportation is not available within the boundaries of the Upper Savannah region. This service is available at nearby airports in Greenville/Spartanburg, Columbia and Augusta.

D. Land Use

Land use in the region still includes large areas of land for agricultural use of timber as well as other various undeveloped uses. The most significant factor of land use in the region as it relates to economic development is public ownership. According to a report by the South Carolina Land Resources Conservation Commission, state and federal governments own 12.85 % of the total acreage in the region. In South Carolina 10.4 % of the total acreage is publicly owned. This fact may seem insignificant until one considers that 47 % of the total acreage of McCormick County is publicly owned. In all, 256,117 acres of land are owned by either the state or federal government. This amount of public ownership limits development opportunities and decreases the tax base available to counties.

E. Human Resources and Labor Profiles

Since 1990 the population in the Upper Savannah region has grown from 185,121 to 215,739 in 2000 according to the Bureau of the Census. This growth of 30,618 corresponds to a 14 % growth rate for the period. In contrast, South Carolina's growth rate for the same period was 15.1 %. This is a 7.7 % increase from ten years ago.

Edgefield and Laurens Counties posted the region's highest growth rates of 34% and 19.7% respectively. Abbeville had the lowest population growth of any county in the region with 9.7%. Greenwood, McCormick, and Saluda experienced high growth as well through the census period with 11.3%, 12.3% and 16.7% respectively.

Approximately 70 % of the region's population resides in a rural area according to the Census. The major population centers are in and around the cities of Greenwood, Laurens, Clinton and Abbeville where nearly 55% of the region's population lives.

The age of the district's population is comparable to the age of the state population. The average median age of regional population according to the 2000 census is 33.6 years. The South Carolina and the United States populations have a median age of 32 and 33 years respectively.

The racial composition of the district is approximately one-third black and two-thirds white. These percentages are almost exactly the same as the racial composition for South Carolina. The minority population percentage in the district however is more than twice the minority population for the nation.

In analyzing the opportunities for economic development, one must look for the availability of and trends in the labor force, employment, and unemployment. The most recent data available from South Carolina Employment Security Commission shows that the labor force in the region has increased from 95,100 in February 2001 to 99,102 in February 2008. During the same period employment has increased from 90,290 to 92,373 and the unemployment rate has increased from an average of 5.15 percent to 7.2 percent.

The change in the national economy and the region's manufacturing orientation has resulted in decreased jobs in the manufacturing sector. However, job opportunities in other sectors have increased in the region. Retail and wholesale trade and service industries continues to show the most gains in employment. Manufacturing continues to decline but is still a driving force behind other sectors of the employment base. Per

capita income in the district averaged \$15,852 in 2000 according to data provided by the Bureau of the Census. This figure is 84% of South Carolina per capita income of \$18,795.

Financial Resources

For the most part the governments in the region are financially sound. The ability of localities to borrow money through bonded indebtedness however has been drastically reduced because of lack surplus funds from operations to pay back such obligations. The loss of revenues from state and federal governments have put more burden upon the property owners to finance local governments. This has caused both the raising of property taxes and a reduction or elimination of many services.

The region is fortunate to have some very strong local, state and regional financial institutions, which are the primary source of capital for personal and commercial lending. Although traditionally conservative, Upper Savannah has been able to work closely with the banks in the region to assist the financing of small to medium business start up and expansions more recently by utilizing its own EDA Title IX Revolving Loan Fund.

III. ***Selection of Economic Development Center***

The City of Greenwood and its suburbs are the economic development hub of the district. This area meets or exceeds the general standards for designation as an economic development center. The City of Greenwood and its surrounding area has the economic capacity to relieve the economic distress of nearby redeveloping areas based on the following factors.

A. Proximity

The economic development center is geographically located at the center of the district. The City of Greenwood is well within commuting distance from any place in the region. The City of Greenwood is located at the intersection of two major highways which transverse the region, SC 72 which is the east-west route and US 25 which is the north-south route through the region. US highways 221 and 178 are also major highways in the region, which provide access into the city from nearby counties.

B. Population Growth

The City of Greenwood's 2000 population was 22,071 people, up 5.7 % from the 1990 census. Currently it is ranked as the 16th largest city in the state of South Carolina and nearly twice the size of the next largest city in the region. Approximately

40,000 people live in the area and around the City of Greenwood, this represents about 70 percent of Greenwood County's population.

The economy of the economic development center once entirely dependant on textiles has diversified dramatically in the last ten years. The diversification of the industrial base has lead to rapid growth in the retail trade and this growth is expected to continue provided the national economy rebounds.

C. Regional Services

The City of Greenwood is the home to one of the most modern hospitals in South Carolina. Self Regional Medical Center is a 421 bed health care facility offering a wide range of care and treatment to the people of the entire region.

Lander University is also located in Greenwood. This state supported four year liberal arts university provides both undergraduate and graduate level studies in many fields. Adult and continuing education is a priority for the university.

Piedmont Technical College offers the region technical training for employment related skills. Piedmont Tech also offers Associated Degrees in various technical disciplines. Tech's service area includes the entire Upper Savannah region and Newberry County.

The economic development center has a well-developed infrastructure in terms of water, sewer and other utilities. The availability of this infrastructure system has enabled the area to grow and diversify.

D. District Program Participation

Local leadership has actively participated in the district's economic development program by having members on the Upper Savannah Board. This group of leaders has played a vital role in the success of the district's programs. This past year the importance of the economic development center has never been more evident. Several new industries have been announced this year, and there are also some potential announcements pending. Such new industrial locations are important to the continued economic viability of the region. The economic development center is working on a major arts and entertainment renovation project that will change the look and economic viability of the downtown area. These improvements and others have aided development officials in promoting the area.

V. ***Potentials for Economic Development***

There are factors that indicate the potential for increased economic activity in the district including human and natural resources, health care, and quality of life. These are factors that need to be promoted in order to stimulate economic development.

As indicated in the economy section, human resources are available in terms of the total number of unemployed in February 2008 being 6,729. This figure represents the number of persons actively seeking employment and available to work. The pool of labor and the availability of work force development funds through Upper Savannah's

work force development program make the area attractive to industries considering expansion in the district. Such expansion will result in the creation of permanent employment and higher per capita income. In order for this goal to be obtained however, local governments must invest extensively in infrastructure improvements to make necessary services available. For most communities, allocation of resources for such activities is a fiscal impossibility.

The other factors mentioned previously - health care facilities, quality of life and basic industry - will also contribute to further economic development in the region. There are factors that may be constraints to economic development include transportation, education, and the skill level of the work force. Transportation, especially the lack of accessibility to interstate highways has plagued the region for years. Working closely with local officials and state representatives the situation has been alleviated for the time being.

The education and low skill level of the work force at one time allowed industry to take advantage of low wage rates and attracted many firms to the south. Technological advances in manufacturing has forced many firms to seek better trained and better educated workers to fill the jobs of the future. For those persons lacking the appropriate skills, the possibility of entering the competitive job market is almost zero. Upper Savannah has been designated as the administering agency for the work force development program in the region. This program will help those less skilled workers obtain the skills they need to be self-supporting as well as helping them advance further in the working world.

VI. ***Development Strategies and Plans for Implementation***

Upper Savannah Council of Governments will continue to service its member governments and several economic development activities. These initiatives include business development, assisting in the financing of new and expanding businesses to create jobs and enhance the tax base. Utilizing the Revolving Loan Fund should make this portion of the program more successful. When the RLF is not a reasonable alternative for financing, state and federal programs will be used to finance viable business projects.

Providing statistical information is an important support service to industrial recruiters, commercial and industrial developers. This effort is one way Upper Savannah can assist developers without actually duplicating the efforts of these individuals.

Infrastructure availability (utilities, roads, etc.) is the topic of concern anytime economic development is mentioned. Upper Savannah will continue to assist local governments in financing infrastructure improvements and developments to attract and accommodate new and existing industrial firms. The key to successful infrastructure program is planning and creative financing using state and federal infrastructure programs.

Education and training of the work force as stated before is imperative to a greater economic expansion. The work force development program will provide a local organization to facilitate on the job training and special skills training of new and existing members of the work force.

Upper Savannah Council of Governments
Comprehensive Economic Development Strategy (CEDS)

Potential Project List

- Abbeville County – Erskine College Business Incubator
Development of county-wide water system
Lake Russell development
Town of Ware Shoals Industrial Park Enhancement
Infrastructure improvements to accommodate Project Voltage
- Edgefield County - Highway 25 Industrial Park Development
Re-development of abandoned industrial properties
- Greenwood County - Biotechnology Business Park Development
Hwy 25 class “A” Business park
- Laurens County - Owings Industrial Park
Economic Development Corp. initiatives
City of Clinton Industrial Park development
- McCormick Co.- Town of McCormick Sewer System I & I abatement
McCormick Natural Gas line near Plum Branch
Utility upgrade and expansion
- Saluda County - Piedmont Tech training center
Lake Murray Water Treatment Plant
Saluda-Batesburg-Leesville Sewer facility
- Regional - SC Heritage Corridor Initiatives

Census 2010 preparation

Regional utility improvements and expansion

In addition to the priorities by county, there are certain projects and programs that take on a regional significance in improving overall economic development. The goal of this plan is to identify priority strategies and initiatives to propose grant assistance from the US Department of Commerce, Economic Development Administration.

Objective I: To support the raising of standards of living through the increase in employment opportunities.

Action Steps

Job Growth – Support local economic development entities in their on-going job recruitment and retention efforts.

Regional Priority: Support expansion and development of industrial parks in each county and across the region.

Entrepreneur Support – Assist business start-ups and existing businesses in finding the services and support they require to create and maintain jobs.

Regional Priority: Explore the potential to expand the small business development program to other counties.

Incubation Facilities and Programs – Support small business incubation facilities and programs.

Regional Priority: Support incubators for biotech, specialty textiles, and other small businesses.

Objective II: Provide assistance in the development of the Lake Russell project in Abbeville County.

Action

Regional Priority: Support the efforts of the Town of Calhoun Falls and Abbeville County to provide infrastructure that will create jobs at the site of the development on Lake Russell.

Objective III: Assist in the development of infrastructure and facilities to provide capacity for desired economic growth.

Action Steps

Infrastructure- Improve infrastructure at current and future job creation sites.

Regional Priority: Industrial parks and potential sites in each county should have adequate utility service and capacity.

Site Selection-Assist local governments in industrial site selection planning.

Regional Priority: Counties with no established industrial parks may need assistance in industrial site selection and planning.

Technology – Promote the use of technology in economic development.

Regional Priority: Assist local governments in providing the latest technology to citizens and job creators.

Coordination – Synchronize development activities with applicable workforce investment strategies.

Regional Priority: Ensure that all development is in partnership with existing priorities.

Objective IV: Encourage and support the development of cultural arts tourism centers and corridors throughout the region

Action

Cultural Tourism: Encourage tourism development as a job creator for rural areas.

Regional Priority: Support the activities of the Heritage Corridor and other rural tourism initiatives.

Evaluation and Performance Measures

In order to determine if the economic development efforts are producing the expected results, Upper Savannah COG will constantly evaluate and measure the district's progress against our stated goals and objectives. The CEDS committee will evaluate the plan yearly to measure progress.

The following tasks will be completed annually to track the regional performance measures:

- 1) Track the number of jobs created in the region
- 2) Track the number of jobs retained in the region
- 3) Track total workers and unemployment rates from the state
- 4) Retain and report on most current demographic trends in population, income, number of households, and median household income.
- 5) Contact local economic developers to keep track of current and future upgrades to utilities, plans for expansions, and any economic development needs in their counties.
- 6) Track pupil population by school district and graduation rate by district
- 7) Report on significant economic development changes in the region to economic developers, public administrators, and the CEDS committee.

At the end of each year, Upper Savannah COG staff and CEDS committee will evaluate progress made on each task, and will remove completed tasks, revise on-going projects, and add new work programs.

EXHIBIT I

Upper Savannah Council of Governments

Board of Directors Profile

EXHIBIT II

Location Map of the Upper Savannah Region

Exhibit III

Statistical Profile of the Upper Savannah Region

Population Trends by County - 2000

Abbeville	26,167
Edgefield	24,595
Greenwood	66,271
Laurens	69,567
McCormick	9,958
Saluda	19,181
South Carolina	4,012,012

Population by Race - 2000

Abbeville County

White	68.3%
Black/ African American	30.3
American Indian & Alaska Native	0.1
Asian	0.2
Native Hawaiian & Other Pacific Islander	0
Other race	0.3
Two or more races	0.7
Hispanic or Latino origin	0.8

Edgefield County

White	56.8%
Black/ African American	41.5
American Indian & Alaska Native	0.3
Asian	0.2
Native Hawaiian & Other Pacific Islander	0
Other race	0.4
Two or more races	0.7
Hispanic or Latino origin	2.0

Greenwood County

White	65.6%
Black/ African American	31.7
American Indian & Alaska Native	0.2
Asian	0.7
Native Hawaiian & Other Pacific Islander	0
Other race	1.0

Two or more races	0.7
Hispanic or Latino origin	2.9

Laurens County

White	71.6%
Black/ African American	26.2
American Indian & Alaska Native	0.3
Asian	0.3
Native Hawaiian & Other Pacific Islander	0.1
Other race	1.0
Two or more races	0.8
Hispanic or Latino origin	1.9

McCormick County

White	44.8%
Black/ African American	53.9
American Indian & Alaska Native	0.1
Asian	0.3
Native Hawaiian & Other Pacific Islander	0
Other race	0.4
Two or more races	0.3
Hispanic or Latino origin	0.9

Saluda County

White	65.8%
Black/ African American	30
American Indian & Alaska Native	0.2
Asian	0
Native Hawaiian & Other Pacific Islander	0
Other race	3.3
Two or more races	0.6
Hispanic or Latino origin	7.3

Persons under 18 years old by county - 2000

Abbeville	25.3%
Edgefield	24.1
Greenwood	25.5
Laurens	25.3
McCormick	19.5
Saluda	24.9

Median Household Income - 2000

Abbeville	\$31,037
Edgefield	29,031
Greenwood	32,937
Laurens	30,159
McCormick	27,056
Saluda	29,005

Percentage of Persons Below Poverty Level- 2000

Abbeville	14.1%
Edgefield	18.8
Greenwood	13.8
Laurens	14.3
McCormick	19.6
Saluda	16.8

Total Housing Units - 2000

Abbeville County	11,656
Abbeville	2,654
Calhoun Falls	1,042
Donalds	152
Due West	352
Lowndesville	124
Edgefield County	9,223
Edgefield	1,229
Johnston	1,012
Trenton	115
Greenwood County	28,243
Greenwood	9,373
Hodges	64
Ninety-Six	904
Troy	51

Ware Shoals	1,126
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Total Housing Units – 2000 (continued)

Laurens County	30,239
Laurens	4,396
Clinton	3,011
Cross Hill	245
Graycourt	396
Waterloo	85

McCormick County	4,459
McCormick	737
Parksville	74
Plum Branch	52

Saluda County	8,543
Saluda	1,211
Ridge Spring	368
Ward	62

Exhibit IV

Appendix II: Environmental Considerations

Recipients of EDA Section 301 (b) Planning Grants are required by the General Terms of the Grant Contract to provide assurance that environmental considerations will be incorporated into the Grantee work program consistent with the provision of the National Environmental Policy Act of 1969. Grantees should consult with the appropriate EDA Regional Office or the Economic Development Representative for guidance on this topic.