

DRAFT CEDS Update 2014:
*An Outstanding Year for Target Industries and
Global Competitiveness*



The photo above blends two of the region's most thriving target industries: Automotive and Advanced Materials.

Anderson Cherokee Greenville Oconee Pickens Spartanburg

Annual Update of the Comprehensive Economic Development Strategy
for the Appalachian Region of South Carolina

Produced by:

The South Carolina Appalachian Council of Governments

Submitted to:

The U.S. Economic Development Administration – September 2014



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Executive Summary

The following Comprehensive Economic Development Strategy Update:

- Is submitted to the U.S. Economic Development Administration (EDA) by the South Carolina Appalachian Council of Governments (SCACOG), which is the EDA *Economic Development District* for the Appalachian Region of South Carolina;
- Was prepared by SCACOG staff under the guidance of a special appointed CEDS Advisory Committee;
- Provides an updated economic profile for the region and each individual county;
- Identifies regional economic and workforce development challenges and opportunities based on interviews with local economic developers, workforce developers, and the private sector;
- Consults local, regional, and state economic and workforce plans and studies to gather valuable data and to ensure consistency of priorities between Region and State;
- Provides updates on the region's seven *Areas of Emphasis* for regional economic development: (1) Clusters, Target Industries and Innovation Capacities, (2) Workforce Development, (3) Infrastructure, (4) Available Sites and Buildings, (5) Entrepreneurship, (6) Access to Capital, and (7) Local Asset-Based Economic Development;
- Provides a strategic plan table for each area of emphasis, which includes *Goals, Objectives, Strategic Projects, Programs, and Activities*;
- Identifies *Vital Project* areas for on-going CEDS implementation and annual reporting;
- Is consistent with the SC Appalachian CEDS 2013-2017 *Plan of Action*, which:
 - Promotes economic development and opportunity;
 - Fosters effective transportation access;
 - Enhances and protects the environment;
 - Maximizes effective development and use of the workforce consistent with any applicable State or local workforce investment strategy;
 - Promotes the use of technology in economic development, including access to high-speed telecommunications;
 - Balances resources through sound management of physical development; and
 - Obtains and utilizes funds and other resources.

Section I: Introduction

Background and Purpose of the CEDS

The Comprehensive Economic Development Strategy (CEDS) is a program of the United States Department of Commerce *Economic Development Administration* (EDA). The Public Works and Economic Development Act of 1965 (PWEDA) requires federally designated “Economic Development Districts”, such as the South Carolina Appalachian Council of Governments (SCACOG), to develop and maintain a CEDS in order to (1) establish a regional economic development strategy, and (2) maintain the region’s eligibility for EDA grant competition and programs. The program requires annual updates of the CEDS as well as a full re-write of the CEDS at least every five years.

The following annual update demonstrates the progress made by the region over the past year in the execution of strategies called for in *CEDS 2013-2017: Building 21st Century Economic Development Capacity*. The update involved the work of committed individuals from both the private and public sector who desire to support the continued, positive growth of the SC Appalachian region. The region is made up of six counties and 42 municipalities (see table on the following page). As required by the CEDS program, this strategic plan “is designed to bring together the public and private sectors in the creation of an economic roadmap to diversify and strengthen the regional economy.”¹

About SCACOG

SCACOG is a voluntary organization of local governments in the Northwest corner of South Carolina, serving a region which includes the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg.

Since its formation in 1965, the Council has served the dual mission of tackling issues of regional significance and providing services to local governments. Economic and community development, transportation, infrastructure development, resource management, aging services, and workforce development are all issues of regional importance in which SCACOG takes an active role. At the local level, the agency’s services include general administration, technical assistance, training, planning, grant writing & administration, and information & mapping services.

¹ U.S. Department of Commerce *CEDS Summary Requirements*

Counties and Municipalities of the South Carolina Appalachian Council of Governments	
Anderson County	City of Anderson (County Seat) City of Belton Town of Honea Path Town of Iva Town of Pelzer Town of Pendleton Town of Starr Town of West Pelzer Town of Williamston
Cherokee County	Town of Blacksburg City of Gaffney (County Seat)
Greenville County	City of Fountain Inn City of Greenville (County Seat) City of Greer City of Mauldin City of Simpsonville City of Travelers Rest
Oconee County	Town of Salem City of Seneca City of Walhalla (County Seat) City of Westminster Town of West Union
Pickens County	Town of Central City of Clemson City of Easley City of Liberty Town of Norris City of Pickens (County Seat) Town of Six Mile
Spartanburg County	Town of Campobello Town of Central Pacolet City of Chesnee Town of Cowpens Town of Duncan City of Inman City of Landrum Town of Lyman Town of Pacolet Town of Reidville City of Spartanburg (County Seat) City of Wellford City of Woodruff

CEDS Update Methodology

The SCACOG Board of Directors serves as the federal *Economic Development District* for the region. This Board appointed a *CEDS Advisory Committee* who helped develop both the 5-year CEDS and this twelve-month update.

Throughout the collaborative planning process, a robust amount of information was gathered to update CEDS 2013-2017. This information included:

- The varied insights of individuals representing government and business;
- Meetings with local economic and workforce developers from each county of the region in order to obtain ground level perspectives on challenges and opportunities;
- Findings from local, regional and state economic development plans and studies;
- GIS-based demographic data in order to reveal local and regional economic trends.

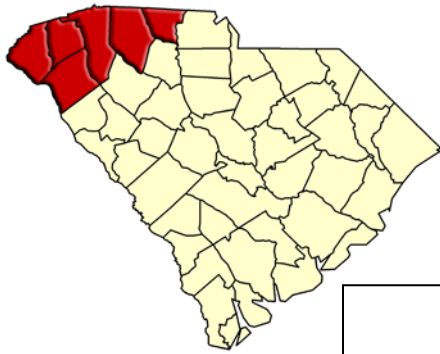
Upon completion, this CEDS Update was presented to the full SCACOG Board/EDD Organization for final critique and feedback. The document was also presented to each individual County Council at their monthly public meetings for additional input and recommendations. Upon completion of these steps, the SCACOG Board formally adopted the 2014 CEDS Update and recommended it for submission to the U.S. EDA.

The following tables display both the CEDS 2013-2017 Advisory Committee and the region's Economic Development District Organization:

CEDS Advisory Committee for the SC Appalachian Region		
Name	County	Area of Expertise
Francis Crowder	Anderson	Retired Manufacturing Executive
Rufus Foster, Jr.	Cherokee	Minority Business Owner
Don Godbey, Committee Chair	Greenville	Private Sector Professional Service Provider
Ernest Riley	Oconee	Retired Educator
Larry Bagwell	Pickens	Mayor/Retired Educator
Mike Forrester	Spartanburg	State Rep and Post Secondary Education Economic and Workforce Development V.P.
Jennifer Miller	Region Wide	Private Sector Economic Development Organization

Regional Economic Development District Organization		
Name	County	General Purpose Elected Official
William O'Dell	Anderson	Yes
Eddie Moore	Anderson	Yes
Francis Crowder	Anderson	Yes
Mack Durham	Anderson	Yes
Terence Roberts	Anderson	Yes
Rick Laughridge	Anderson	Yes
Dennis Claramunt	Anderson	No
Ted Mattison	Anderson	No
Dennis Moss	Cherokee	Yes
Rufus Foster, Jr.	Cherokee	Yes
Joe Ross	Cherokee	Yes
Ed Elliott	Cherokee	No
David Cauthen	Cherokee	No
Willis Meadows	Greenville	Yes
Butch Kirven	Greenville	Yes
Joe Dill	Greenville	Yes
Perry Eichor	Greenville	Yes
Lillian Brock Fleming	Greenville	Yes
Gaye Sprague	Greenville	Yes
Don Godbey	Greenville	No
Grady Butler	Greenville	No
Lottie Gibson	Greenville	No
Thomas Alexander	Oconee	Yes
Reg Dexter	Oconee	Yes
Bill Brockington	Oconee	Yes
Bob Winchester	Oconee	No
Bennie Cunningham	Oconee	No
G. Neil Smith	Pickens	Yes
Jeff Martin	Pickens	Yes
Larry Bagwell	Pickens	Yes
Margaret Thompson	Pickens	No
Mike Forrester	Spartanburg	Yes
Dale Culbreth	Spartanburg	Yes
O'Neal Mintz	Spartanburg	Yes
Jane Hall	Spartanburg	Yes
Junie White	Spartanburg	Yes
Jan Scalisi	Spartanburg	Yes
Charles Morris, Jr.	Spartanburg	No
Elbert S. Tillerson, Sr.	Spartanburg	No
Loretta Smith	Spartanburg	No
Jennifer Miller, <i>Ex Officio</i>	Upstate Alliance	No
Henry Jolley	Regional Member	Yes
Ernest Riley	Regional Member	No

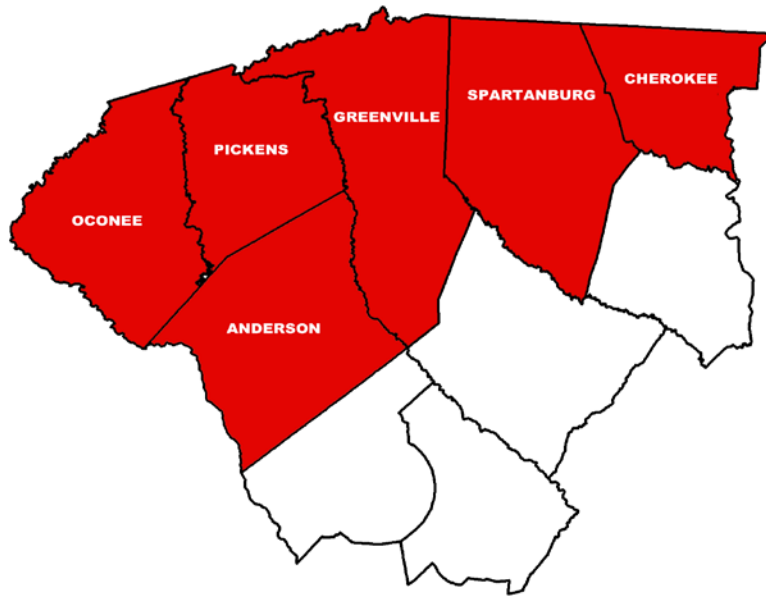
Section II: 2014 Regional Economic Profile



The Six County Region

Counties

- Anderson
- Cherokee
- Greenville
- Oconee
- Pickens
- Spartanburg



The historic development of the 6-county, 42-municipality *SC Appalachian Region* was largely based on agriculture until 1900, when textiles took over as the region’s most rapidly growing industry. For the past 25 years, the region’s economy has diversified tremendously, though technological advances have helped textiles to remain a significant presence. Catalytic investments from companies like *BMW*, which established its N. American HQ in Spartanburg County in 1992, and from *Michelin*, which named its Greenville County location as its North American HQ in 1988, have propelled regional economic development. Its location along the I-85 corridor, referred to by *Newsweek Magazine* as “The Boom Belt”, places the region directly between the largest business centers of the southeast: Atlanta and Charlotte. Its direct I-85 and I-26 access plus its proximity to major U.S. airports and seaports make the region attractive for regional, national and int’l firms.

Transportation Infrastructure	
Interstate Access	I-85, I-26, I-185, I-385, I-585
Nearest Commercial Airports	Greenville-Spartanburg Int’l
Nearest Civil Airports	Multiple
Port Access	Port of Charleston (approx. 200 miles); The Inland Port in Greer
Rail Providers	NSR, CSX, Carolina Piedmont

Population & Sales

SC Appalachian Region Total Population by Age as of 2012	
Metric	6 County Region
Total Population	1,195,664
Median Age	38.3 years
Age 14 & Under	19.4%
Age 15-19	6.9%
Age 20-54	46.4%
Age 55-64	12.8%
Age 65 & Up	14.3%
Source: U.S. Bureau of the Census, 2012 Estimates	

Gross Retail Sales (millions)	
FY 2006-2007	\$31,354,065
FY 2007-2008	\$31,802,317
FY 2008-2009	\$30,132,413
FY 2009-2010	\$29,043,112
FY 2010-2011	\$31,435,880
FY 2011-2012	\$35,206,923
FY 2012-2013	\$37,959,546
Source: SC Department of Revenue and Taxation	

Workforce & Income

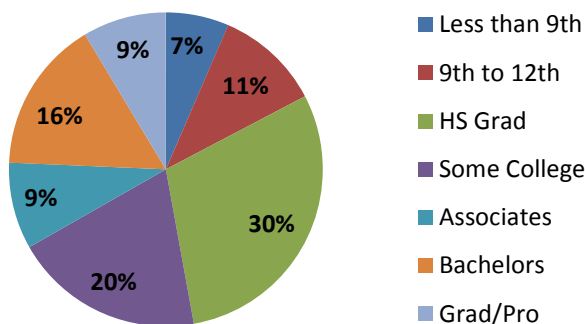
Comparative Per Capita Income, 2014 & 2019 Projection		
	2014	2019
6 County Region	\$23,658	\$26,071
South Carolina	\$23,782	\$26,314
USA	\$27,871	\$32,168
Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2014 and 2019.		

24-Month Average Unemployment Rate, Period Ending June 2014	
U.S.	6 County Region
7.27%	6.58%
Source: BLS labor compiled from STATSAmerica.org	

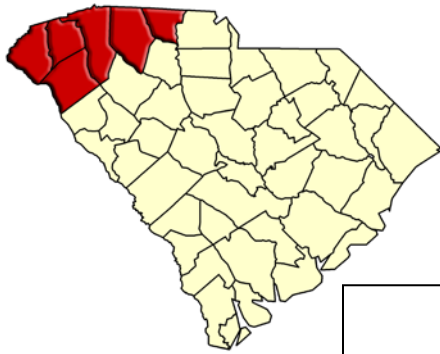
Where do people live and work?	
Live and work in Region	397,429
Commute into Region	95,359
Commute out of Region	78,517
OnTheMap Application and LEHD Origin-Destination Employment Statistics, 2011 (most recent available data).	

Where People Work in 2014: Employed Population by Industry, Age 16+	
Industry	
Employed Population, 16+	536,525
Agriculture/Mining	.5%
Construction	6.1%
Manufacturing	19.0%
Wholesale Trade	3.1%
Retail Trade	11.5%
Transportation/Utilities	4.1%
Information	1.3%
Finance/Insurance/Real Estate	4.9%
Services	46.8%
Public Administration	2.7%
Source: U.S. Census Bureau, Census 2010 Summary. ESRI forecasts for 2014 & 2019.	

Educational Attainment*, Age 25+



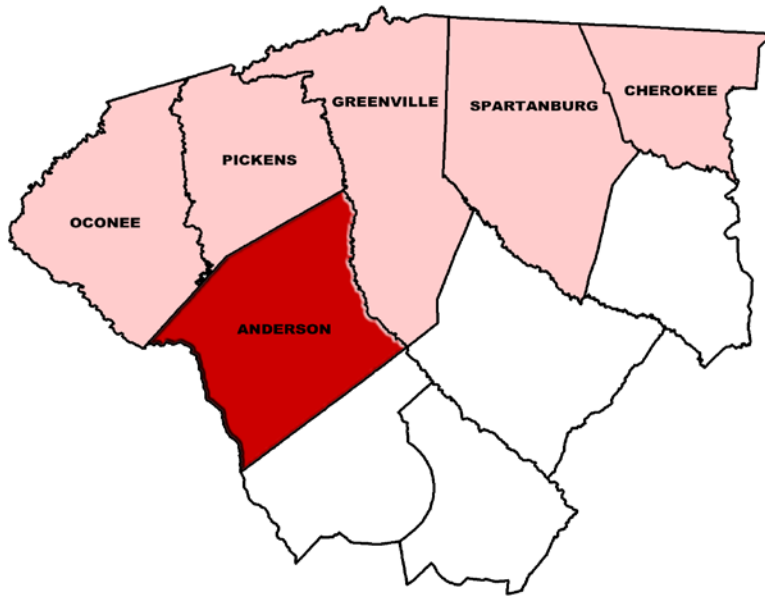
Source: American Community Survey, 2008-12 Averages, U.S. Census
 *% of population having attained ONLY specified education level



Anderson County Economic Profile

Municipalities

- Anderson (Co. Seat)
- Belton
- Honea Path
- Iva
- Pelzer
- Pendleton
- Starr
- West Pelzer
- Williamston



Named for Revolutionary War leader Robert Anderson, the county has a growing industrial, commercial and tourist-based economy. Home to the 56,000 acre Lake Hartwell and its 1,000 miles of shoreline, Anderson County boasts not only natural beauty as a tourist destination, but also industrial strength and diversity. Major local industries include automotive, metal products, industrial machinery, plastics, and textiles. Anderson County is also home to Anderson University, a private and selective institution offering both undergrad and graduate degree programs. Nearby Tri-County Tech and Clemson University are also major assets for the local workforce. There are fun, historic, and revitalized downtown areas in Anderson County – including downtown Anderson and Pendleton. Anderson County is found along the 240-mile South Carolina National Heritage Corridor, which ends only a few hours away at the Atlantic Ocean.

Transportation Infrastructure	
Interstate Access	I-85 (direct connection)
Nearest Commercial Airports	Greenville-Spartanburg Int'l (40 minutes)
Nearest Civil Airports	Anderson Regional Airport
Port Access	Port of Charleston (217 miles); "The Inland Port" in Greer (40 minutes)
Rail Providers	CSX, Norfolk Southern, Pickens Railway

Population & Sales

Anderson County Total Population by Age as of 2012	
Metric	Anderson County
Total Population	189,355
Median Age	40.3 years
Age 14 & Under	19.5%
Age 15-19	6.4%
Age 20-54	44.8%
Age 55-64	13.1%
Age 65 & Up	16.1%

Source: U.S. Bureau of the Census, 2012 Estimates

Gross Retail Sales (millions)	
FY 2006-2007	\$4,420,095
FY 2007-2008	\$4,978,008
FY 2008-2009	\$4,386,917
FY 2009-2010	\$4,452,942
FY 2010-2011	\$5,035,547
FY 2011-2012	\$6,083,678
FY 2012-2013	\$5,959,404

Source: SC Department of Revenue and Taxation

Workforce & Income

Comparative Per Capita Income, 2014 & 2019 Projection		
	2014	2019
Anderson County	\$21,553	\$23,463
6 County Region	\$23,658	\$26,071
South Carolina	\$23,782	\$26,314
USA	\$27,871	\$32,168

Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2014 and 2019.

24-Month Average Unemployment Rate*, Period Ending June 2014		
U.S.	6 County Region	Anderson County
7.27%	6.58%	6.61%
June 2014 Rate**		5.3%

Sources: *BLS labor compiled from STATSAmerica.org; **SC Department of Employment and Workforce

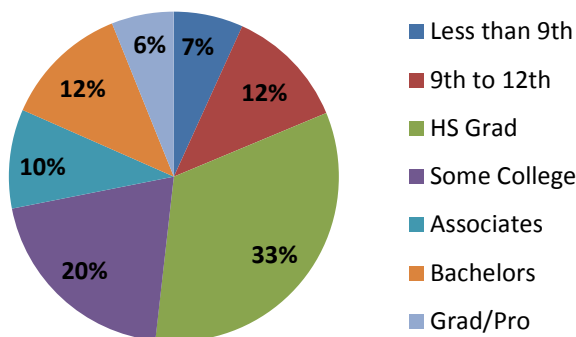
Where do people live and work?	
Live and work in Anderson Co.	32,937
Commute into Anderson Co.	23,271
Commute out of Anderson Co.	40,524d

OnTheMap Application and LEHD Origin-Destination Employment Statistics, 2011 (most recent available data).

Where People Work in 2014: Employed Population by Industry, Age 16+	
Industry	
Employed Population, 16+	84,888
Agriculture/Mining	.5%
Construction	5.9%
Manufacturing	20.7%
Wholesale Trade	3.4%
Retail Trade	12.6%
Transportation/Utilities	3.7%
Information	1.0%
Finance/Insurance/Real Estate	4.5%
Services	44.5%
Public Administration	3.1%

Source: U.S. Census Bureau, Census 2010 Summary. ESRI forecasts for 2014 & 2019.

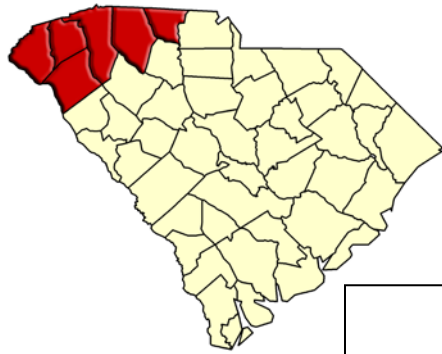
Educational Attainment*, Age 25+



County-Wide E.D. Websites

County ED: www.advance2anderson.com
 County Chamber: www.andersonschamber.com
 Innovate Anderson: www.innovateanderson.com
 Anderson CVB: www.visitanderson.com

Source: American Community Survey, 2008-12 Averages, U.S. Census
 *% of population having attained ONLY specified education level

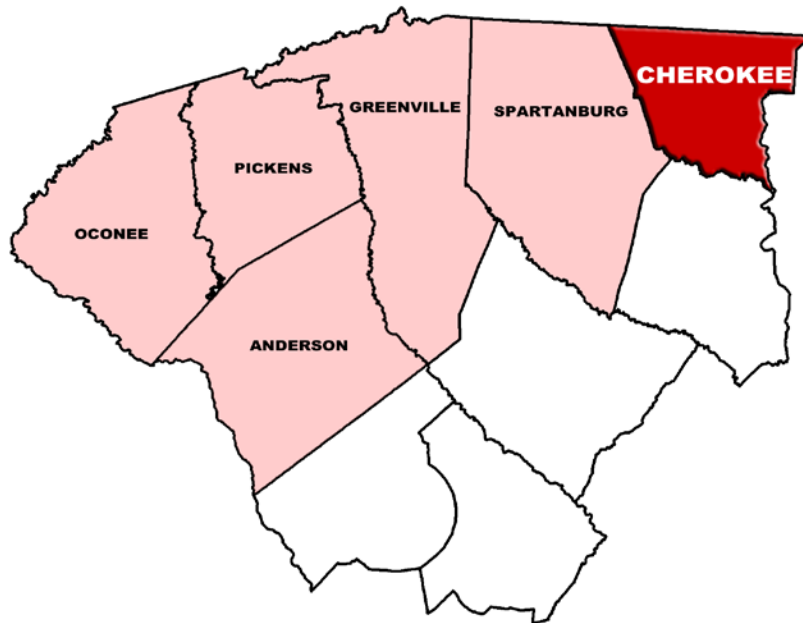


Cherokee County Economic Profile

Municipalities

Gaffney (County Seat)

Blacksburg



Named for its original Native American Cherokee population, the County was formed in 1897 with an economy based on iron ore and limestone. While the community grew around the textile industry during the 20th century, Cherokee County is now positioning itself for 21st century business. Strategically located along I-85 and between Greenville/Spartanburg (less than one hour south) and Charlotte (one hour north), the County benefits both from firms looking to minimize transport time along the I-85 “Boom Belt” and from travelers looking to stop and shop. The County is steeped in history, ranging from ancient Cherokee artifacts to two Revolutionary era battlefields – Cowpens and Kings Mountain. The County also has a rich agricultural tradition, particularly with peaches. Gaffney is home to the award-winning *South Carolina Peach Festival*, as well as a recently restored, historic U.S. Post Office now serving as the *Gaffney Visitors Center & Art Gallery*.

Transportation Infrastructure	
Interstate Access	I-85 (direct connection); I-26 (30 minutes)
Nearest Commercial Airports	Greenville-Spartanburg Int’l (40 minutes); Charlotte-Douglas Int’l (1 hr)
Nearest Civil Airports	Spartanburg Downtown Memorial (30 minutes); Shelby-Cleveland County Regional (30 minutes)
Port Access	Port of Charleston (206 miles); “The Inland Port” in Greer (30 minutes)
Rail Providers	Norfolk Southern

Population & Sales

Cherokee County Total Population by Age as of 2012	
Metric	Cherokee County
Total Population	55,662
Median Age	38.8 years
Age 14 & Under	20.1%
Age 15-19	6.5%
Age 20-54	47.8%
Age 55-64	12.9%
Age 65 & Up	14.5%

Source: U.S. Bureau of the Census, 2012 Estimates

Gross Retail Sales (millions)	
FY 2006-2007	\$1,142,921
FY 2007-2008	\$1,134,964
FY 2008-2009	\$1,118,482
FY 2009-2010	\$1,062,377
FY 2010-2011	\$1,198,106
FY 2011-2012	\$1,237,291
FY 2012-2013	\$1,307,897

Source: SC Department of Revenue and Taxation

Workforce & Income

Comparative Per Capita Income, 2014 & 2019 Projection		
	2014	2019
Cherokee County	\$17,756	\$19,186
6 County Region	\$23,658	\$26,071
South Carolina	\$23,782	\$26,314
USA	\$27,871	\$32,168

Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2014 and 2019.

24-Month Average Unemployment Rate*, Period Ending June 2013		
U.S.	6 County Region	Cherokee County
7.27%	6.58%	9.22%
June 2014 Rate**		6.6%

Sources: *BLS labor compiled from STATSAmerica.org;
**SC Department of Employment and Workforce

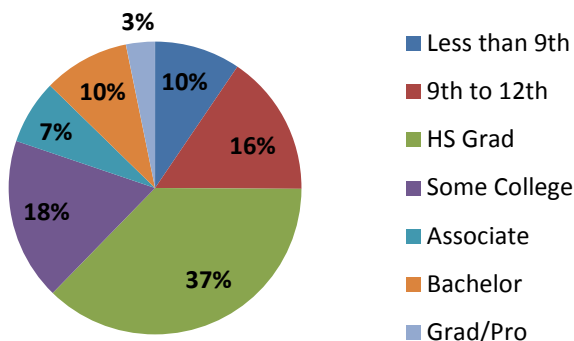
Where do people live and work?	
Live and work in Cherokee	9,391
Commute into Cherokee	8,836
Commute out of Cherokee	12,640

OnTheMap Application and LEHD Origin-Destination Employment Statistics, 2011 (most recent available data).

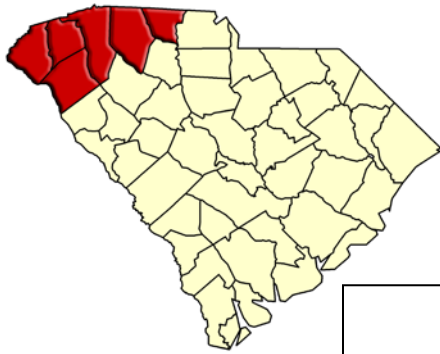
Where People Work in 2014: Employed Population by Industry, Age 16+	
Industry	
Employed Population, 16+	21,981
Agriculture/Mining	0.7%
Construction	5.7%
Manufacturing	25.5%
Wholesale Trade	3.3%
Retail Trade	14.7%
Transportation/Utilities	6.1%
Information	0.7%
Finance/Insurance/Real Estate	2.5%
Services	37.9%
Public Administration	2.8%

Source: U.S. Census Bureau, Census 2010 Summary. ESRI forecasts for 2014 & 2019.

Educational Attainment*, Age 25+



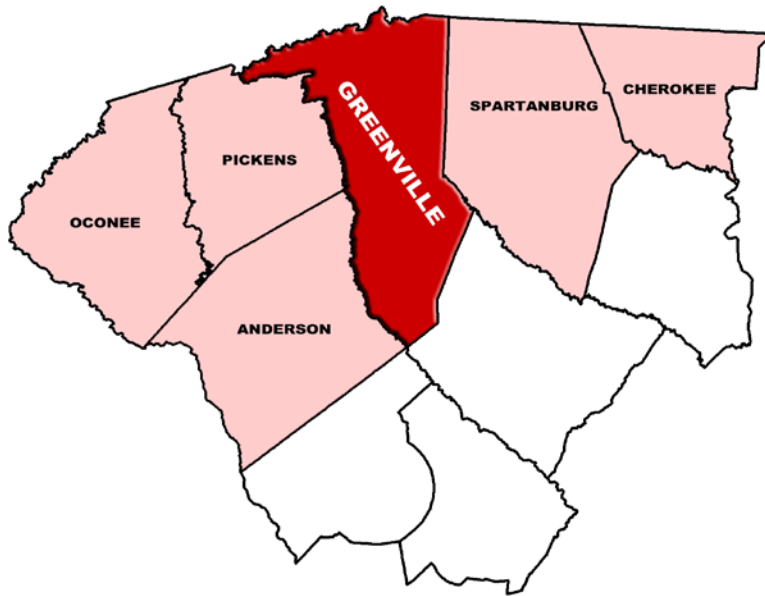
Source: American Community Survey, 2008-12 Averages, U.S. Census
*% of population having attained ONLY specified education level



Greenville County Economic Profile

Municipalities

- Fountain Inn
- Greenville (County Seat)
- Greer
- Mauldin
- Simpsonville
- Travelers Rest



Formed as the “Greenville District” in 1786, Greenville is the most populous County in South Carolina with a growth rate driven by successful economic development recruiting. Home to dozens of major international companies and corporate headquarters, Greenville County possesses an exciting blend of industrial strength, recreational amenities, and cultural venues. Downtown Greenville continues to receive national attention as a model for downtown development, while surrounding towns offer aesthetic appeal and southern charm. Paris Mountain State Park is a tremendous asset for outdoor enthusiasts, while the County possesses some of the best arenas and performing arts centers in the Southeast. Home to prestigious Furman University, Bob Jones University (with its world-renowned art collection), the Greenville Symphony Orchestra, and a variety of other cultural jewels, Greenville County is poised for continued economic vibrancy.

Transportation Infrastructure	
Interstate Access	I-85 (direct connection)
Nearest Commercial Airports	Greenville-Spartanburg Int’l
Nearest Civil Airports	Greenville Downtown Airport, SC Technology and Aviation Center
Port Access	Port of Charleston (212 miles); “The Inland Port” in Greer (local)
Rail Providers	CSX, Norfolk Southern, Greenville Piedmont

Population & Sales

Greenville County Total Population by Age as of 2012	
Metric	Greenville County
Total Population	467,605
Median Age	37.4 years
Age 14 & Under	20.1%
Age 15-19	6.5%
Age 20-54	47.8%
Age 55-64	12.1%
Age 65 & Up	13.5%

Source: U.S. Bureau of the Census, 2012 Estimates

Gross Retail Sales (millions)	
FY 2006-2007	\$14,547,546
FY 2007-2008	\$15,127,862
FY 2008-2009	\$13,764,523
FY 2009-2010	\$12,968,004
FY 2010-2011	\$13,466,994
FY 2011-2012	\$14,490,393
FY 2012-2013	\$15,300,850

Source: SC Department of Revenue and Taxation

Workforce & Income

Comparative Per Capita Income, 2014 & 2019 Projection		
	2014	2019
Greenville County	\$26,507	\$29,322
6 County Region	\$23,658	\$26,071
South Carolina	\$23,782	\$26,314
USA	\$27,871	\$32,168

Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2014 and 2019.

Where do people live and work?	
Live and work in Greenville Co.	124,686
Commute into Greenville Co.	101,637
Commute out of Greenville Co.	52,703

OnTheMap Application and LEHD Origin-Destination Employment Statistics, 2011 (most recent available data).

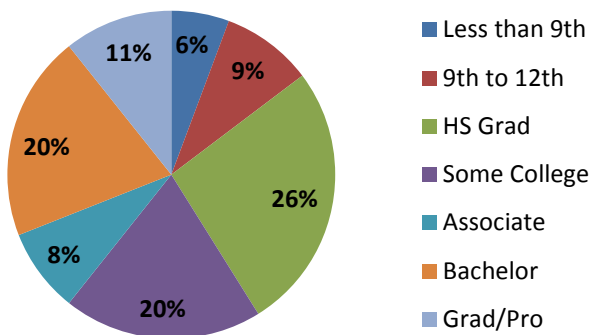
24-Month Average Unemployment Rate*, Period Ending June 2013		
U.S.	6 County Region	Greenville County
7.27%	6.58%	5.84%
June 2014 Rate**		4.8%

Sources: *BLS labor compiled from STATSAmerica.org; **SC Department of Employment and Workforce

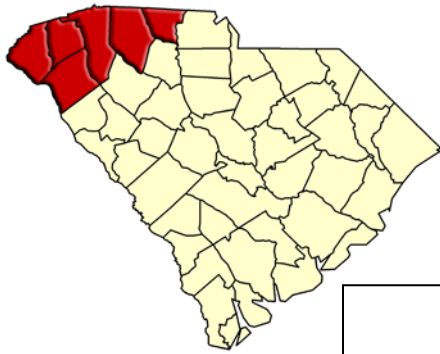
Where People Work in 2014: Employed Population by Industry, Age 16+	
Industry	
Employed Population, 16+	215,213
Agriculture/Mining	0.3%
Construction	6.2%
Manufacturing	16.9%
Wholesale Trade	3.4%
Retail Trade	10.8%
Transportation/Utilities	3.6%
Information	1.6%
Finance/Insurance/Real Estate	5.8%
Services	48.7%
Public Administration	2.6%

Source: U.S. Census Bureau, Census 2010 Summary. ESRI forecasts for 2014 & 2019.

Educational Attainment*, Age 25+



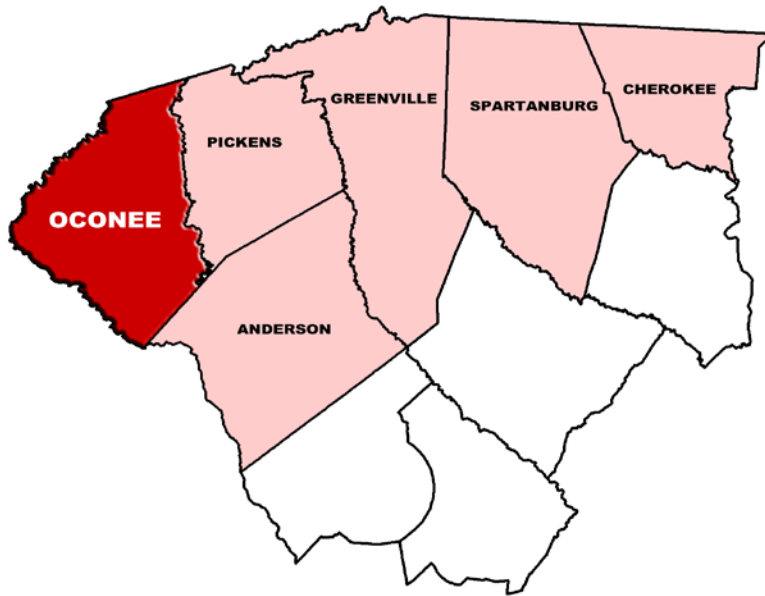
Source: American Community Survey, 2008-12 Averages, U.S. Census
 *% of population having attained ONLY specified education level



Oconee County Economic Profile

Municipalities

- Salem
- Seneca
- Walhalla (County Seat)
- Westminster
- West Union



Known as South Carolina’s “Golden Corner” and founded in 1868, Oconee County possesses an abundance of economic assets and natural resources. Numerous Fortune 500 companies call Oconee home and for good reason: its combination of highway access, qualified workforce, and aesthetic beauty make it a desirable destination for business and tourism. Duke Energy is a long-time major employer and has been an economic development partner for many years. The community is in the foothills of the Blue Ridge Mountains and possesses breathtaking forests, farms, lakes, rivers, and waterfalls. Lakes Hartwell, Jocassee, and Keowee are all in Oconee, along with the Chattooga National Wild & Scenic River – a national destination for white water rafting. The County’s inventory of available sites and buildings continues to grow, and an exciting new small business incubator has emerged in Walhalla – the *Tri-County Entrepreneurial Development Corporation*.

Transportation Infrastructure	
Interstate Access	I-85 (direct connection)
Nearest Commercial Airports	Greenville-Spartanburg Int’l (1 hour)
Nearest Civil Airports	Clemson-Oconee Airport
Port Access	Port of Charleston (246 miles); “The Inland Port” in Greer (1 hour)
Rail Providers	Norfolk Southern

Population & Sales

Oconee County Total Population by Age as of 2012	
Metric	Oconee County
Total Population	74,627
Median Age	44.1 years
Age 14 & Under	17.0%
Age 15-19	5.7%
Age 20-54	41.9%
Age 55-64	14.9%
Age 65 & Up	20.4%
Source: U.S. Bureau of the Census, 2012 Estimates	

Gross Retail Sales (millions)	
FY 2006-2007	\$1,202,482
FY 2007-2008	\$1,166,541
FY 2008-2009	\$1,048,396
FY 2009-2010	\$987,445
FY 2010-2011	\$1,066,392
FY 2011-2012	\$1,172,295
FY 2012-2013	\$1,201,802
Source: SC Department of Revenue and Taxation	

Workforce & Income

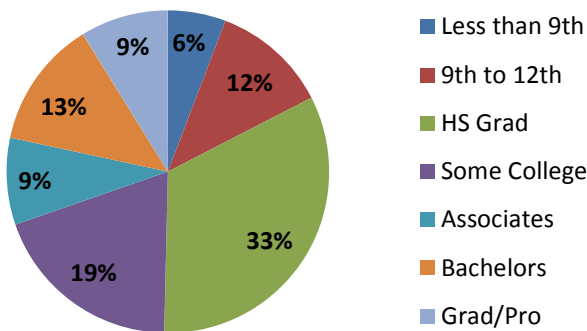
Comparative Per Capita Income, 2014 & 2019 Projection		
	2014	2019
Oconee County	\$23,795	\$25,859
6 County Region	\$23,658	\$26,071
South Carolina	\$23,782	\$26,314
USA	\$27,871	\$32,168
Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2014 and 2019.		

24-Month Average Unemployment Rate*, Period Ending June 2013		
U.S.	6 County Region	Oconee County
7.27%	6.58%	7.71%
June 2014 Rate**		6.2%
Sources: *BLS labor compiled from STATSAmerica.org; **SC Department of Employment and Workforce		

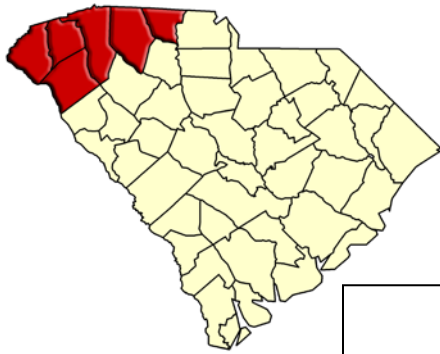
Where do people live and work?	
Live and work in Oconee Co.	12,572
Commute into Oconee Co.	8,358
Commute out of Oconee Co.	17,940
OnTheMap Application and LEHD Origin-Destination Employment Statistics, 2011 (most recent available data).	

Where People Work in 2014: Employed Population by Industry, Age 16+	
Industry	
Employed Population, 16+	29,593
Agriculture/Mining	1.9%
Construction	4.7%
Manufacturing	20.5%
Wholesale Trade	1.9%
Retail Trade	10.5%
Transportation/Utilities	5.8%
Information	0.5%
Finance/Insurance/Real Estate	4.0%
Services	46.9%
Public Administration	3.3%
Source: U.S. Census Bureau, Census 2010 Summary. ESRI forecasts for 2014 & 2019.	

Educational Attainment*, Age 25+



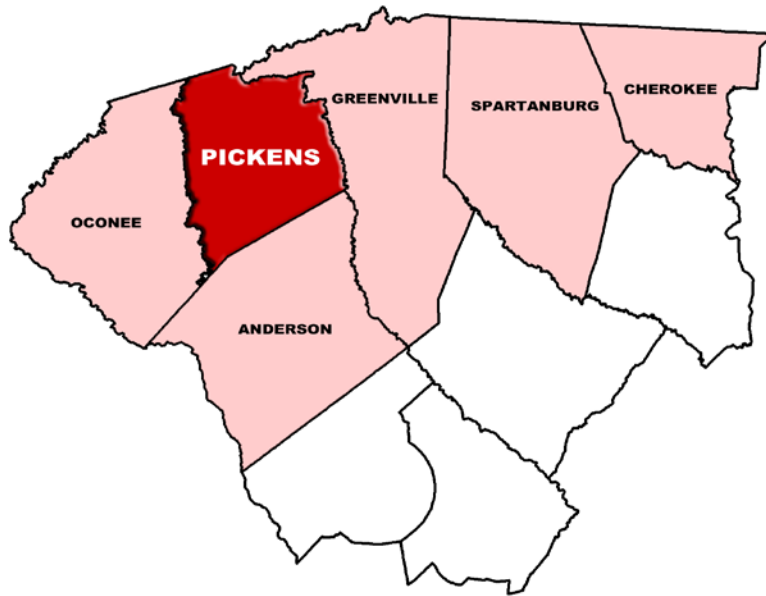
Source: American Community Survey, 2008-12 Averages, U.S. Census
 *% of population having attained ONLY specified education level



Pickens County Economic Profile

Municipalities

- Central
- Clemson
- Easley
- Liberty
- Norris
- Pickens (County Seat)
- Six Mile



Steeped in Revolutionary era history and adorned with mountains and lakes, Pickens County offers both economic vitality and a high quality of life. Nationally reputed Clemson University is an irreplaceable presence in the community, as innovations spun out of that *Top 25 Public Research Institution* help drive several of the region’s industrial clusters – including *Advanced Materials* and *Automotive*. Boasting one of the best County School systems in South Carolina, local Daniel High School was recently named by *U.S. News and World Report* as the #1 Traditional High School in the state. The acclaimed *Pickens County Career and Technical Center* (a consolidated tech program of the four County high schools) and Tri-County Technical College are preparing students for 21st century manufacturing jobs. Its strong industrial base, workforce development emphasis, and tourism assets position Pickens County for continued economic development success.

Transportation Infrastructure	
Interstate Access	I-85
Nearest Commercial Airports	Greenville-Spartanburg Int’l (45 minutes)
Nearest Civil Airports	Pickens County Airport, Clemson-Oconee Airport
Port Access	Port of Charleston (231 miles); “The Inland Port” in Greer (45 minutes)
Rail Providers	Norfolk Southern, CSX

Population & Sales

Pickens County Total Population by Age as of 2012	
Metric	Pickens County
Total Population	119,670
Median Age	35.1 years
Age 14 & Under	16.5%
Age 15-19	9.2%
Age 20-54	48.4%
Age 55-64	11.7%
Age 65 & Up	14.3%
Source: U.S. Bureau of the Census, 2012 Estimates	

Gross Retail Sales (millions)	
FY 2006-2007	\$1,939,923
FY 2007-2008	\$1,929,843
FY 2008-2009	\$1,850,954
FY 2009-2010	\$1,736,564
FY 2010-2011	\$1,968,115
FY 2011-2012	\$1,918,390
FY 2012-2013	\$2,001,476
Source: SC Department of Revenue and Taxation	

Workforce & Income

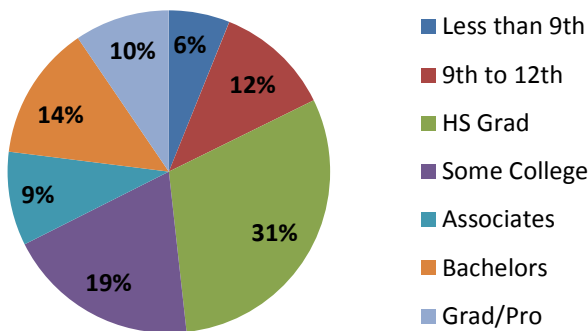
Comparative Per Capita Income, 2014 & 2019 Projection		
	2014	2019
Pickens County	\$21,162	\$23,466
6 County Region	\$23,658	\$26,071
South Carolina	\$23,782	\$26,314
USA	\$27,871	\$32,168
Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2014 and 2019.		

24-Month Average Unemployment Rate, Period Ending June 2013		
U.S.	6 County Region	Pickens County
7.27%	6.58%	6.41%
June 2014 Rate		5.4%
Sources: *BLS labor compiled from STATSAmerica.org; **SC Department of Employment and Workforce		

Where do people live and work?	
Live and work in Pickens Co.	16,117
Commute into Pickens Co.	17,371
Commute out of Pickens Co.	22,815
OnTheMap Application and LEHD Origin-Destination Employment Statistics, 2011 (most recent available data).	

Where People Work in 2014: Employed Population by Industry, Age 16+	
Industry	
Employed Population, 16+	53,236
Agriculture/Mining	0.5%
Construction	6.9%
Manufacturing	16.7%
Wholesale Trade	1.7%
Retail Trade	11.6%
Transportation/Utilities	4.2%
Information	1.1%
Finance/Insurance/Real Estate	4.2%
Services	50.3%
Public Administration	2.8%
Source: U.S. Census Bureau, Census 2010 Summary. ESRI forecasts for 2014 & 2019.	

Educational Attainment*, Age 25+



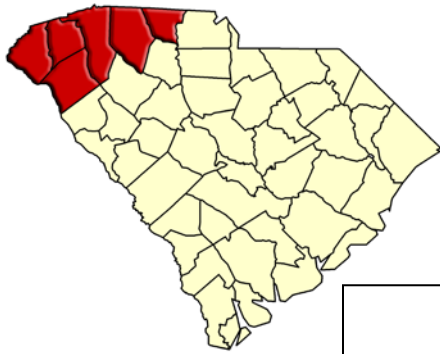
County Economic Development Agency

Alliance Pickens

www.alliancepickens.com

Source: American Community Survey, 2008-12 Averages, U.S. Census

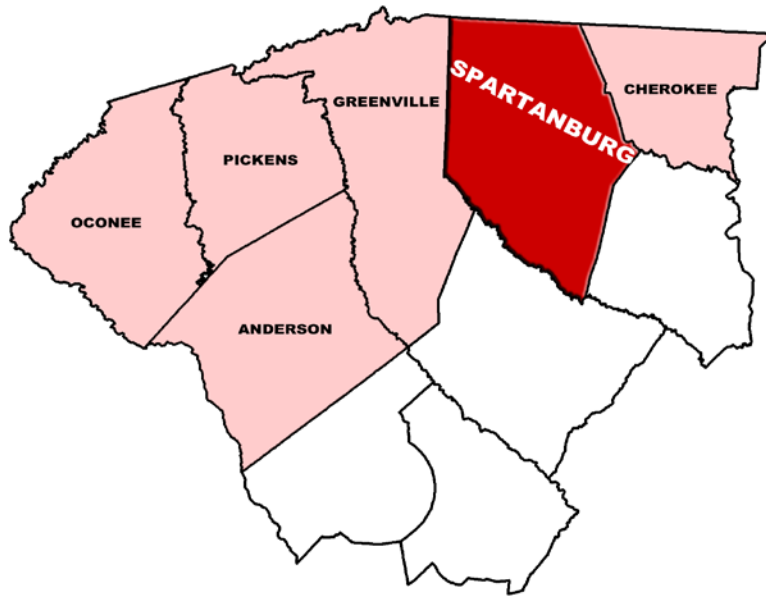
*% of population having attained ONLY specified education level



Spartanburg County Economic Profile

Municipalities

- Campobello
- Central Pacolet
- Chesnee
- Cowpens
- Duncan
- Inman
- Landrum
- Lyman
- Pacolet
- Reidville
- Spartanburg (County Seat)
- Wellford
- Woodruff



Spartanburg County was formed in 1785 and named after a local Revolutionary War militia called “The Spartan Regiment”. Originally a frontier trading post, its economy progressed over the centuries into a major textile and international business center. Home to BMW’s North American Headquarters, Spartanburg County boasts within its borders more than 100 international companies from 15 different countries. The *New York Times* recently cited that Spartanburg County had the highest per capita international investment in the country. Key to this success is the County’s location at the crossroads of I-26 and I-85, the presence of the growing Greenville-Spartanburg International Airport, and the Port of Charleston—which is only three hours away. Spartanburg County also possesses a wealth of artistic, cultural, and sporting venues as well as several public and private colleges—all of which energize the local economy.

Transportation Infrastructure	
Interstate Access	I-85, I-26
Nearest Commercial Airports	Greenville-Spartanburg Int’l
Nearest Civil Airports	Spartanburg Downtown Memorial Airport
Port Access	Port of Charleston (204 miles); “The Inland Port” in Greer
Rail Providers	Norfolk Southern, CSX

Population & Sales

Spartanburg County Total Population by Age as of 2012	
Metric	Spartanburg County
Total Population	288,745
Median Age	38.3 years
Age 14 & Under	20.0%
Age 15-19	6.9%
Age 20-54	46.2%
Age 55-64	12.6%
Age 65 & Up	14.3%
Source: U.S. Bureau of the Census, 2012 Estimates	

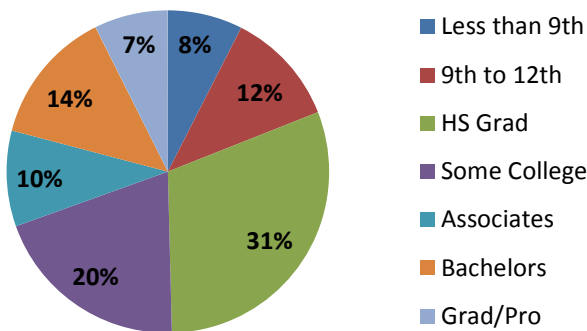
Gross Retail Sales (millions)	
FY 2006-2007	\$8,101,098
FY 2007-2008	\$7,465,099
FY 2008-2009	\$7,963,141
FY 2009-2010	\$7,835,780
FY 2010-2011	\$8,700,726
FY 2011-2012	\$10,304,876
FY 2012-2013	\$12,188,117
Source: SC Department of Revenue and Taxation	

Workforce & Income

Comparative Per Capita Income, 2014 & 2019 Projection		
	2014	2019
Spartanburg County	\$22,533	\$24,698
6 County Region	\$23,658	\$26,071
South Carolina	\$23,782	\$26,314
USA	\$27,871	\$32,168
Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2014 and 2019.		
Where do people live and work?		
Live and work in Spartanburg Co.	62,662	
Commute into Spartanburg Co.	49,549	
Commute out of Spartanburg Co.	46,482	
OnTheMap Application and LEHD Origin-Destination Employment Statistics, 2011 (most recent available data).		

24-Month Average Unemployment Rate, Period Ending June 2013		
U.S.	6 County Region	Spartanburg County
7.27%	6.58%	7.10%
June 2014 Rate		5.7%
Sources: *BLS labor compiled from STATSAmerica.org; **SC Department of Employment and Workforce		

Educational Attainment*, Age 25+



Where People Work in 2014: Employed Population by Industry, Age 16+	
Industry	
Employed Population, 16+	131,614
Agriculture/Mining	0.5%
Construction	5.9%
Manufacturing	20.9%
Wholesale Trade	3.2%
Retail Trade	11.4%
Transportation/Utilities	4.3%
Information	1.5%
Finance/Insurance/Real Estate	4.7%
Services	45.2%
Public Administration	2.4%
Source: U.S. Census Bureau, Census 2010 Summary. ESRI forecasts for 2014 & 2019.	

County Economic Development Agency

Spartanburg Economic Futures Group

www.economicfuturesgroup.com

Source: American Community Survey, 2008-12 Averages, U.S. Census

*% of population having attained ONLY specified education level

Section III: Strategic Projects, Programs, and Activities

Clusters, Target Industries and Innovation Capacities

The following strategic plan is outlined in CEDS 2013-2017.

<u>CEDS 2013-2017 Strategic Plan</u>	
Goals:	<ul style="list-style-type: none"> • Promote the growing regional industrial clusters and target industries of Advanced Materials, Automotive, Biosciences, Energy, and Aerospace. • Promote local clusters and target industries which are unique to individual counties and communities.
Supportive Findings	<ul style="list-style-type: none"> • Objective, scientific cluster analysis has revealed five growing, technologically promising industry clusters in the region: Advanced Materials, Automotive, Biosciences, Energy and Aerospace. • The Upstate Alliance is marketing these clusters as target industries for the region on a global level. • There are outstanding regional foundations of innovation capacity and institutional partners for each cluster/target industry. • In addition to the five region-wide clusters, individual counties have also analyzed their unique assets in order to form their own additional industry targets.
Objectives	<ol style="list-style-type: none"> 1. Provide capacity-building technical assistance for the recruitment and enhancement of the region's Advanced Materials industrial cluster. 2. Provide capacity-building technical assistance for the recruitment and enhancement of the region's Automotive industrial cluster. 3. Provide capacity-building technical assistance for the recruitment and enhancement of the region's Biosciences industrial cluster. 4. Provide capacity-building technical assistance for the recruitment and enhancement of the region's Energy industrial cluster. 5. Provide capacity-building technical assistance for the recruitment and enhancement of the region's Aerospace industrial cluster. 6. Provide technical assistance to capacity-building and recruitment efforts for local target industries which are supported by a community's own unique assets. The Anderson County target industry of Data Centers is an example; the community has a unique set of local assets which make this industry a logical recruiting target.
Strategic Projects, Programs, and Activities	<p>For Objectives 1-6:</p> <ul style="list-style-type: none"> • Provide GIS-based research, map making and location decision analysis for communities, universities, industries and other related partners to further strengthen regional cluster-based economic development; • Provide strategic economic development planning and grant-writing services to further expand the capacity of all regional clusters and target industries.
Strategic Partners:	<p>SCACOG; all County and City local economic developers throughout the region; the Upstate Alliance; the South Carolina Department of Commerce; the Appalachian Development Corporation. Note: please see the <i>Regional Innovation Capacity</i> tables in this chapter for the numerous institutional partners related to each individual regional cluster.</p>
Time Line:	<p>2013-2017</p>

The past twelve months have been an exceptional time for *Clusters, Target Industries, and Innovation Capacities* in the SC Appalachian Region. As noted above in the Strategic Plan for this *CEDS Area of Emphasis*, the five regional target industries are *Advanced Materials, Aerospace, Automotive, Biosciences, and Energy*—plus community-specific target industries based on existing local assets, such as the *Data Centers* industry targeted by Anderson County. The table below displays outstanding capital investment and job creation figures in these areas over the past twelve months.

Performance of Target Industries/Clusters in SC Appalachian Region, 09-2013 – 08-2014						
New Company Announcements						
	Advanced Materials	Aerospace	Automotive	Biosciences	Energy	Other Industries
Announced	9	1	8	3	3	8
Investment	\$558,700,000	500,000,000	\$60,530,000	5,750,000	613,000,000	\$90,300,000
New Jobs	504	250	467	150	41	904
Existing Company Expansions						
	Advanced Materials	Aerospace	Automotive	Biosciences	Energy	Other Industries
Announced	22	3	16	5	5	10
Investment	\$454,550,000	12,500,000	\$1,173,525,000	\$25,175,000	448,000,000	123,900,000
New Jobs	699	45	1,776	46	225	657
Total Accomplishments (New + Existing Companies)						
	Advanced Materials	Aerospace	Automotive	Biosciences	Energy	Other Industries
Announced	31	4	24	8	8	18
Total \$	\$1,013,250,000	512,500,000	\$1,234,055,000	\$30,925,000	\$1,061,000,000	214,200,000
Total Jobs	1,203	295	2,243	196	266	1,561
Totals						
73 Announcements* (a 62% annual increase)						
\$4,065,930,000 Investment (a 528% annual increase)						
5,764 Jobs (a 179% increase)						

Source: The Upstate South Carolina Alliance (<http://www.upstatescalliance.com>)

*Several companies are classified as being equally associated with more than one industry, such as advanced material manufacturers who produce parts for both the automotive and aerospace industries. In these instances, the number of jobs and dollars invested were equally divided (in the table above) among the target industries that these manufacturers serve. Example: 75 new jobs from a company could be split equally over advanced materials, automotive, and aerospace (25 jobs each).

The accomplishments recorded between 09/2013 and 08/2014 (“CEDS Year 2014”) greatly exceed the results of the previous twelve months (09/2012 to 08/2013; “CEDS Year 2013”). Company announcements increased from 45 in CEDS year 2013 to 73 in CEDS year 2014 (a 62% increase). New jobs from industrial announcements increased from 2,067 in CEDS year 2013 to 5,764 in CEDS year 2014 (a 179% increase). Remarkably, total capital investment from industrial announcements increased from \$646.6 million in CEDS year 2013 to \$4,065,930,000 in CEDS year 2014 (a 528% increase). During this time period, there were two respective \$1 billion company announcements—one from a newly located advanced materials/aerospace manufacturer that will create 500 jobs, and another from an existing automotive manufacturer in the region that will increase its staff by 800 positions. While these two announcements were by far the largest of the year, the total capital investment and new jobs represented in the remaining 70 announcements still more than double the accomplishments recorded in CEDS year 2013.

Key to continuing this success is to focus on the clusters, target industries, and public-private innovation capacities emphasized in CEDS 2013-2017. While an inventory of these innovation engines is detailed in the 5-year CEDS, this following table highlights some notable on-going initiatives:

Regional Innovation Capacities Getting Stronger
The Clemson University – International Center for Automotive Research (CU-ICAR) is expanding through construction of the new 75,000 s.f. <i>Research One</i> building which will bring a combination of specialized classroom and incubation space for automotive start-up companies. Design work began in late 2013 and construction of the estimated \$9 million facility is expected to be completed in 2016.
The local South Carolina Technology and Aviation Center (SCTAC) has partnered with the CU-ICAR to develop a program to test wireless charging systems in electric vehicles. SCTAC and CU-ICAR have contracted with Oak Ridge National Laboratory to support this three year cutting edge automotive program, and the research is funded by the U.S. Department of Energy.
The Clemson University Advanced Materials Center continues to strengthen its innovation capacity in this target industry. Inside the 111,000 square foot facility boasts (1) the nation’s best electron microscopy laboratories, (2) the most advanced optical fiber drawing capabilities among U.S. universities, (3) outstanding laser and chemical laboratories, and (4) Class 100 clean rooms and instrumentation facilities.
The Clemson University Biomedical Innovation Campus (CUBEInC) is one of the nation’s leading research institutions in medical device technology. With a focus on developing high-impact medical technology and devices for disease management, CUBEInC has helped SC to receive a #6 ranking from <i>Business Facilities Magazine</i> in the category of emerging bioscience hubs.
Duke Energy continues to be an irreplaceable economic development partner for the SC Appalachian Region, fueling the region’s industrial energy cluster. Recently announcing construction of a new \$600 million natural gas-powered plant in Anderson County, Duke also supports positive community and economic development projects at the local level through its robust Duke Energy Foundation.
The welcome presence of Boeing in South Carolina has turbo-charged the region’s aerospace cluster, with approximately 1/3 of the state’s 160 aerospace-related firms being located locally. Technical and Specialty Education curriculums are becoming specialized, and research support is being offered by Clemson Vehicular Electronics Laboratory and the Composites Manufacturing Technology Center.

Note: Table is a set of examples and not intended to be a comprehensive list of every innovation asset.

In keeping with CEDS 2013-2017, the regional Economic Development District will continue to work with local, regional, state, and federal partners to continue strengthening these vital project areas of innovation and cluster-based development.

Infrastructure

The following strategic plan for infrastructure is outlined in CEDS 2013-2017:

<u>CEDS 2013-2017 Strategic Plan</u>	
Goal: Make the SCACOG region attractive for economic development by sustaining and enhancing physical infrastructure.	
Supportive Findings	
<ul style="list-style-type: none"> • With 225 miles of interstate highway along I-85 and I-26, the region has a great foundation for transportation infrastructure. These interstates provide fast access to surrounding regions and to world class airports and seaports. • Road and highway networks must continue to be upgraded in order alleviate congestion and to foster successful development in a growing region. • Communities face great capital challenges for extending and upgrading their water and sewer services in order to facilitate new investment and job creation. • Power, Natural Gas and Telecommunications play an increasingly important role in the region and must continue to be supported. • While several major regional employers rely on rail service, there is potential to connect more sites to rail in order to attract major economic development prospects. The new, centrally located “Inland Port” rail terminal will have a transformational impact on the region’s rail capacity and relieve highway truck traffic through increased intermodal product transport. 	
Objectives	
<ol style="list-style-type: none"> 1. Promote effective transportation and land use planning throughout the region. 2. Support improving and increasing the economic development capacity of Greenville Spartanburg International Airport and all other regional airports. 3. Support increasing the capacity of the Port of Charleston, which is a great asset for international business development in the region. 4. Support increasing the capacity and connectivity of regional water, sewer, rail, power, natural gas, and telecommunications infrastructure. 5. Support the on-going design and development of the Inland Port rail facility and terminal. 6. Support the replacement and/or refurbishment of aged public infrastructure. 	
Strategic Projects, Programs, and Activities	
<ol style="list-style-type: none"> 1. Conduct responsible transportation and land use planning which accounts for the region’s growing population, increasing traffic challenges, and escalating need for jobs. 2. Provide strategic planning and grant writing to help increase the region’s economic development capacity in air travel and freight transport. 3. Support the expansion of the Port of Charleston by writing formal letters of support and providing analysis on how impactful the Port is to the SC Appalachian Region. 4. Provide strategic planning and grant writing services to support increased capacity and connectivity to water, sewer, rail, power, natural gas, and telecommunications infrastructure. 5. Assist with any technical support needed in the development of the Inland Port, including GIS, strategic planning, and grant-writing services. 6. Support the replacement and/or refurbishment of aged infrastructure through grant-writing and strategic planning services. 	
Strategic Partners: SCACOG; all County and City local economic developers and planners; the Upstate Alliance; the South Carolina Department of Commerce; the South Carolina Ports Authority; Greenville-Spartanburg International Airport and all other regional airports; all infrastructure grant providing agencies active in the region, including EDA, USDA, the Appalachian Regional Commission; U.S. Housing and Urban Development CDBG Program, SC DOT.	
Time Line: 2013-2017	

While a detailed inventory of assets is provided in the 5-Year CEDS, the most notable infrastructure development over the past 12 months has been construction of the **Inland Port in Greer** – which officially opened in the fall of 2013. This 100-acre Greer rail development, which is located directly off of I-85 and adjacent to GSP International Airport, is beginning to have major impact on international container movements between the **Port of Charleston** and the region. Referred to as “a port without water”, it provides a place to transfer shipping containers between train and truck for shipments to and from the coast. The facility is improving the transport of freight on this 218-mile corridor by converting 50,000 all-truck container moves to more efficient multimodal moves. Adding to the impact of this development is the fact that nearly 2,600 acres of adjacent GSP International Airport property has been opened for economic development.

Clearly, the combined Inland Port and available GSP property will have a major impact on business logistics, capital investment, and job creation. The development combines the assets of interstate, airport, and rail in a way that is unprecedented for the SC Appalachian Region. With this development, however, there will be significant infrastructure challenges. Conditions both on I-85 as well as all surrounding roads will face new traffic strains, and supporting utilities must also be updated responsibly. A major priority of CEDS 2013-2017 is to ensure that new development stemming from the Inland Port is planned responsibly in order (1) to minimize congestion, (2) to be environmentally responsible, and (3) to promote a high quality of life in the region.

Another vital project area is to improve the regional network of Interstate Highways (I-85, I-26, I-185, I-385, and I-585). In June of 2013, the State Department of Transportation produced a list of its top seven **interstate improvement projects**, and three of them are found in the SC Appalachian Region. Construction in these sections of I-85 over the next several years will carry a major regional impact:

- **I-85/I-385 interchange in Greenville County**
- **I-85 widening in Greenville/Spartanburg counties (24.7 miles)**
- **I-85 widening in Spartanburg/Cherokee counties (28.36 miles)**

In addition to these notable SC DOT projects, **the widening of I-85 from two lanes in Anderson County** is an equally vital interstate project for regional economic development. Covered in CEDS 2013-2017 are this project and general road/highway improvements throughout the region which face significant funding needs.

In February of 2014, a large group of local economic developers, planners, utilities, and elected officials assembled at the Appalachian Council of Governments office in Greenville to complete a *Strengths-Weaknesses-Opportunities-Threats* (S.W.O.T.) analysis on the current state of infrastructure and sites in the region. The following is summary of the analysis on the subject of infrastructure:

S.W.O.T. Analysis: Infrastructure	
<p>Strengths – Infrastructure</p> <ul style="list-style-type: none"> • Network and availability of Utilities (Power, Water, Sewer) • The Inland Port • High Connectivity via Interstates 85 and 26 	<p>Weaknesses – Infrastructure</p> <ul style="list-style-type: none"> • Sewer (cost, access, and capacity) • Fiber Telecommunications (availability) • Public Transit options (not many, not much variety) • Roads & Bridges (condition, capacity, quality) • Power Grid (aging) • I-85 & I-26 interchanges and frontage roads (quality, condition) • Air quality standards – the federal clamp down has limited the region’s permitting capacity for job creating projects.
<p>Opportunities – Infrastructure</p> <ul style="list-style-type: none"> • Enhance workforce development infrastructure and coordination (crossover with other section of IMCP) • Develop greater sewer treatment capacity/capability • Enhance transportation infrastructure for both freight and workers • High Speed Rail to enable more efficient inter-county worker commuting • Pro-active regional planning for growth through groups like Ten at the Top, three different COGs, Upstate Alliance, Upstate Forever, and utilities. • Redevelopment of old mfg buildings and sites – “in-fill development” to prevent sprawl. 	<p>Threats – Infrastructure</p> <ul style="list-style-type: none"> • Poor planning of infrastructure investment • Low funding • Legislative disorganization with jurisdictional barriers impeding progress. • Aging physical infrastructure • Shortage of planning to address sprawl • Shortage of in-fill development planning • The challenge of maintaining considerable attractiveness of the region as it grows...to maintain cohesive charm and identity as other growing regions like greater Atlanta have not been able to do.

The narrative summary of the group’s S.W.O.T. analysis is found below:

“The presence of many state and federal highways, including two major interstates, plus a variety of public and private utilities (power, gas, sewer, telecom, etc.) represent a regional strength upon which there are opportunities to develop economically. Compared to more rural and isolated areas of the country, Upstate SC is a physically well-connected and well-integrated region that can compete with most metropolitan areas projects. While the presence of a robust infrastructure network is a strength, however, its condition, variety, and sustainability (from a planning perspective) could all be characterized as weaknesses which are increasingly becoming threats to the economic future of the region. Roadways, the power grid, and sewer facilities are aging and in particular need of both collaborative investment and

regional planning efforts. Public transit options are extremely limited and the presence of commuter rail transit across this large 10-county land mass is much-needed both economically and environmentally. Growth planning, in-fill development, jurisdictional coordination, and billions of dollars in capital investment will be needed to adequately address infrastructure weaknesses and threats over the coming 10-20 years.”

Whether examining the Inland Port, notable interstate projects, or all other infrastructure areas covered in CEDS 2013-2017, the SC Appalachian Region shares the nation-wide challenge of addressing deteriorated infrastructure. There are numerous roads and bridges throughout the region in need of upgrades, including the US 29 Overpass that runs over I-85 in Anderson County (it needs to be heightened). The same is true for public water, sewer, rail, and all other types of public infrastructure facilities that have been worn by age and weather. CEDS 2013-2017 supports not only expanding infrastructure capacity to help foster new economic development, but also maintaining a quality business environment through existing infrastructure replacement and restoration.

Available Sites and Buildings

The following strategic plan for available sites and buildings is outlined in CEDS 2013-2017:

CEDS 2013-2017 Strategic Plan	
Goal: Improve regional economic development capacity by increasing the quality and quantity of shovel ready sites and suitable buildings for expanding and locating businesses.	
Supportive Findings	
<ul style="list-style-type: none"> • A region with an outstanding inventory of available sites and buildings is better positioned to land projects. • In an increasingly competitive environment where companies desire to expand or relocate quickly, site consultants use specific criteria to <i>filter up</i> to shovel ready, high capacity locations. • Without an impressive inventory of sites and buildings, communities are often not considered by prospects or even by existing companies that wish to expand. <i>Availability of Product</i> keeps communities in the hunt and provides positive visibility. 	
Objectives	
<ol style="list-style-type: none"> 1. Help <u>market</u> existing and future sites throughout the region. 2. Help improve the <u>availability</u> of sites throughout the region. 3. Help improve the <u>connectivity</u> of sites throughout the region. 4. Help improve the <u>develop-ability</u> of sites throughout the region. 5. Help improve the <u>inventory</u> of suitable, available buildings throughout the region. 	
Strategic Projects, Programs, and Activities	
<ol style="list-style-type: none"> 1. Utilizing <i>Infomentum Online</i>, a state of the art program offered by SCACOG, provide GIS data and mapping services to help economic developers <u>market</u> available sites and buildings throughout the region. 2. When they are not publicly owned, improve the <u>availability</u> of sites by encouraging communities to enter mutually beneficial, long-term option agreements between property owners and local economic development agencies. This will improve the region's ability to negotiate on more sound footing with prospects. 3. Improve the <u>connectivity</u> of sites by (1) helping communities assess site utility connections, (2) providing grant-writing and planning support to improve site utility connections. 4. Improve the <u>develop-ability</u> of sites by offering grant-writing and planning assistance for due diligence associated with environmental assessments, mitigations, and right-of-way/easement analysis. 5. Help improve the inventory of suitable, available buildings for prospects by offering grant-writing and planning assistance for the redevelopment of existing facilities and the development of speculative shell buildings, when (i) the community deems it appropriate, and (ii) when local market conditions deem it necessary for attracting expansion and location projects. 	
Strategic Partners: SCACOG; all County and City local economic developers throughout the region; the Upstate Alliance; the Appalachian Development Corporation; the South Carolina Department of Commerce; utility providers throughout the region; real estate developers throughout the region.	
Time Line: 2013-2017	

The past twelve months has been a very interesting year in this *CEDS Area of Emphasis*. First, lack of available “product” (sites, certified sites, industrial buildings) is cited by the region’s economic developers as one of their most difficult challenges. When State project managers and private site

location consultants submit a *Request for Information* concerning a company that is looking for a new location, it has become the norm for them to look for certified sites and/or habitable buildings.

While the private real estate market will always be the primary force behind meeting *product* demand for economic development prospects, there are vital project areas of public investment outlined in CEDS 2013-2017 which can support the process (see Strategic Plan table of previous page). The objectives are (1) to help increase the inventory of site and building product, (2) to help market that product, and (3) to improve product availability, connectivity, and developability.

One topic that has received particular attention over the past twelve months is the need to invest in the region's *InfoMentum Suite of Services* – which is an award-winning, GIS-based support system that enables economic developers to produce fast, detailed radius reports and maps which help market their product. While InfoMentum remains strong, it is very difficult for any such system to keep up with rapid technological developments. With support from the U.S. EDA, the InfoMentum program has been able to develop a programming mechanism for sharing data with the State of South Carolina's "LocateSC" property database. This project represents a major improvement in efficiency for both the InfoMentum program as well as for local economic developers who upload their available property information to what has now become a single point of entry. The same grant award from U.S. EDA has also enabled the InfoMentum program to develop a mobile app which allows the region to showcase its available sites and buildings from any tablet or phone. This project represents a major asset for local economic developers who spend significant time discussing product with potential prospects while away from their offices.

In February of 2014, a large group of local economic developers, planners, utilities, and elected officials assembled at the Appalachian Council of Governments office in Greenville to complete a *Strengths-Weaknesses-Opportunities-Threats* (S.W.O.T.) analysis on the current state of infrastructure and sites in the region. The following is summary of the analysis on the subject of sites:

S.W.O.T. Analysis: Sites	
<p>Strengths – Sites</p> <ul style="list-style-type: none"> • High level of site readiness • Presence of certified sites (based on int’l standards) • Physical accessibility to sites is good • Duke Energy grant program for site preparation • InfoMentum Suite of GIS based economic development services at ACOG provides a good regional site/bldg database for marketing and analysis. 	<p>Weaknesses – Sites</p> <ul style="list-style-type: none"> • Inflated land prices from property owners • Availability of pad ready and certified sites (this is a strength and a weakness – the region does have some, but not enough by comparison to peer regions) • Shortage of available buildings and spec buildings. • Site/Bldg Weaknesses might be summed up as “shortage of available product”.
<p>Opportunities – Sites</p> <ul style="list-style-type: none"> • Target new site and spec building opportunities to address shortage • Collaborative investment in true multi-county industrial parks and mega sites (between adjacent counties) 	<p>Threats – Sites</p> <ul style="list-style-type: none"> • Increasing environmental regulations create missed opportunities for potential projects to develop on sites. • Diminishing number of quality sites and buildings (“product”) • Inflated value/perception of sites by landowners create missed opportunities for potential projects on their sites. • Diminishing workforce quality and availability • “Ozone plume” from Atlanta and TN reach into SC, thereby unfairly affecting the way our counties are regulated by the EPA

The narrative summary of the group’s S.W.O.T. analysis is found below:

“The region possesses a number of pad-ready and technically “certified” sites which can compete with most U.S. regions for projects. There is organizational infrastructure in the region behind these sites, including the Upstate SC Alliance (which helps to market these sites on a global level), ACOG’s *InfoMentum* 10-county industrial property database with GIS-based analytical tools, and utilities such as Duke Energy – which provide grant and tax credit programs for site and speculative building development. While the presence of such assets are considered strengths upon which opportunities can be derived, there is a fundamental shortage of available sites and buildings which present many missed economic development opportunities. Most available sites in the region being advertised for economic development are privately owned by citizens who often ask for prices significantly above market demand. This creates stagnation and missed opportunities for would-be industrial employers in the Upstate. While the quality companies being recruited to the Upstate are typically environmentally conscientious, occasional smog spillover from Atlanta and TN are

distorting the way in which local jurisdictions are being monitored. This distortion can raise the financial cost of economic development and serve as a barrier.”

The SC Appalachian Region continues to be a strong *manufacturing region*, as the number of firms and workers in this field represent a significantly higher percentage of the regional economy than that of manufacturing firms and workers as a percentage of the national economy. 19% of the region’s workforce is employed by manufacturing firms, whereas approximately 9% of U.S. workers are employed in this field. Manufacturing jobs typically provide solid paychecks and benefits to citizens of the region. As such, CEDS 2013-2017 supports bolstering a strong inventory of sites and buildings in order to attract the types of manufacturing employers who are helping to improve the overall wealth and quality of life of the region.

Workforce Development

CEDS 2013-2017 Strategic Plan	
Goal: Cultivate an efficient and skilled 21st Century workforce through enhanced training and coordination of resources in the SC Appalachian Region.	
Supportive Findings	
<ul style="list-style-type: none"> • Regional graduation rates have improved at all scholastic levels and the region has a population of workers large enough to accommodate virtually any economic development project. • The availability of technologically skilled manufacturing labor presents significant challenges in regional economic development, as available skilled labor is important to the region’s vital industrial clusters. • With regional manufacturers in need of Certified Production Technicians (CPT’s), Certified Logistics Technicians (CLT’s), Computer Numerical Control operators (CNC’s), mechatronic specialists, and the like, the effective coordination of workers and training programs is as challenging as it is essential. • The region shares the significant state-wide challenges associated with illiteracy and the need for early childhood intervention and education. • There is a broad array of programs, initiatives and educational institutions that serve as assets to the region’s workforce development efforts. • The state-wide <i>South Carolina Chamber of Commerce</i> has developed an outstanding list of goals and strategies which are reflective of the workforce challenges and opportunities in the SC Appalachian Region. 	
Objectives	
<ol style="list-style-type: none"> 1. Support the region’s three Workforce Investment Boards (WIBs) and all of the programs they oversee. 2. Support the SC Technical College System and other professional schools and workforce organizations that are training the regional workforce and connecting it with employers. 3. Promote the workforce development goals and strategies developed by the South Carolina Chamber of Commerce. 	
Strategic Projects, Programs, and Activities	
<ol style="list-style-type: none"> 1. Continue to partner with regional WIB’s through coordination, strategic planning, and grant writing assistance. 2. Provide strategic planning and grant writing services to technical colleges and other professional workforce organizations. 3. Offer assistance with strategic planning, technical support, and grant-writing to all the SC programs and partners that are working to achieve the workforce goals and strategies outlined by the South Carolina Chamber of Commerce. 	
<p>Strategic Partners: SCACOG, the Worklink WIB; the Greenville County WIB; the Upstate WIB; all local school systems, colleges and universities within the region; all County and City local economic developers throughout the region; the Upstate Alliance; the South Carolina Department of Commerce. Note: please see the <i>SC Workforce Development Programs</i> table of this chapter for all institutional program partners.</p>	
Timeline: 2013-2017	

Along with the availability of sites and buildings for prospects, the ability to supply enough technically qualified workers for the high volume of advanced manufacturing prospects is the top challenge cited by

local economic developers. Not only is the SC Appalachian Region growing at a faster rate than the nation as a whole, but the technology of manufacturing is rapidly evolving. As cited in *CEDS 2013-2017*, “With regional manufacturers in need of Certified Production Technicians (CPT’s), Certified Logistics Technicians (CLT’s), Computer Numerical Control operators (CNC’s), mechatronix specialists, and the like, the effective coordination of workers and training programs is as challenging as it is essential.” This means that an increasing amount of resources should be devoted to strengthening the regional workforce.

Beyond the technical skills gap, however, more foundational challenges exist for too much of the regional workforce – such as achieving basic literacy and graduating from high school. Without establishing a basic foundation, more and more future workers will continue to find themselves unqualified to meet the demands of modern employers in any field. The objectives listed in *CEDS 2013-2017* call for supporting a large variety of state and federal programs that are making a positive difference in regional workforce development (see Strategic Plan table on previous page). As of this annual update, *CEDS 2013-2017* continues to share the goals articulated by the South Carolina Chamber of Commerce, which include:

- Funding for the Manufacturing Skills Standards Council (MSSC) certificate program at all technical colleges to educate and prepare a portion of the workforce for entry-level positions in manufacturing.
- Continuing support for the Education and Economic Development Act (EEDA).
- Funding for Quick Jobs, a fast paced job training program provided by technical colleges.
- Addressing early childhood education, including third grade reading proficiency and four-year-old kindergarten.
- Funding for readySC to ensure companies considering locating or expanding in the state have access to a skilled workforce.
- Strengthening Work Ready SC.
- Funding for SmartState – SC Centers for Economic Excellence.

Other initiatives that are gaining traction in regional workforce development include:

- Duke Energy’s decision to fund the Clemson University Center for Workforce Development with a \$4.11 million grant to manage educational, research and outreach activities in support of workforce development and Science-Technology-Engineering-Math (STEM) education. This funding will focus specifically on advanced manufacturing to support South Carolina’s burgeoning manufacturing industry.
- The SC Department of Employment and Workforce has done a good job of coordinating the national “Jobs for America’s Graduates” program in South Carolina (JAG-SC), boasting a 92.2% graduation rate for high school seniors participating in the program. The program also boasted

a 95.5% extended graduation rate, which is measured after a one year follow-up period. These numbers exceeded the national average by more than 2%. The high school dropout rate is a concern for each of the six counties in the SC Appalachian region, thus increased awareness and support for the successful JAG-SC program is critical.

Other CEDS 2013-2017 priorities include support for the technical college and university training programs that are adapting their curriculums in order to address the region's technical skills gap, such as emerging "mechatronix" degree programs that are now being offered at places like Spartanburg Community College, Greenville Technical College, and Tri-County Technical College. Local, State, and Federal workforce development initiatives in the region are both varied and broad, but all are supported as strategic priorities in CEDS 2013-2017.

Entrepreneurship

CEDS 2013-2017 Strategic Plan	
Goal: Make the SCACOG Region the most <i>entrepreneur friendly</i> region in South Carolina.	
Supportive Findings	
<ul style="list-style-type: none"> • Most jobs are created by small to mid-size business. • Keeping a business alive is often more difficult than starting a business, thus a nourishing entrepreneurial environment is critically important. • Many exciting initiatives have developed over the last several years which have given great momentum to the subject of regional entrepreneurship. 	
Objectives	
<ol style="list-style-type: none"> 1. Help communities develop a supportive environment for entrepreneurship. 2. Increase the number of small business incubators, accelerators, and soft landing programs throughout the region. 3. Continue to provide analytical tools which support entrepreneurial activity. 	
Strategic Projects, Programs, and Activities	
<ol style="list-style-type: none"> 1. Develop a region-wide, voluntary <i>Entrepreneur Friendly</i> program which allows individual communities to assess and improve upon their small business environments through a set of measurable steps. While details of this program are still under development, it will involve a core set of entrepreneur friendly criteria based upon <i>best practices</i> as well as a peer-to-peer review component which will allow good ideas to be shared throughout the region. 2. Provide strategic planning and grant-writing services to support existing and future small business incubators, accelerators, and soft landing programs throughout the region. 3. Continue to promote and update the Plan-A-Biz tool in order to provide assistance in small business decision analysis. 	
Strategic Partners: SCACOG; all local economic developers, chambers of commerce, and other community business groups throughout the region; the Appalachian Development Corporation; the South Carolina Department of Commerce; the Clemson University Small Business Development Center (SBDC); the Service Corps of Retired Executives (SCORE). Note: please see the <i>Exciting Initiatives</i> table of this chapter for other strategic partners.	
Time Line: 2013-2017	

Recognizing that small business plays an irreplaceable role in the U.S. economy, CEDS 2013-2017 calls for the continued support of organizations and resources that are facilitating entrepreneurial growth in the region. These assets include not only organizations that support small business development, but also the incubators, accelerators, and “soft landings” facilities found throughout the region. While an inventory of these assets is provided in CEDS 2013-2017, the table below displays some exciting entrepreneurial developments that are underway:

Regional Entrepreneurial Assets *Getting Stronger*

Expansion of the Center for Business and Entrepreneurial Development (CBED) - with grant support from the Economic Development Administration and the Appalachian Regional Commission, Spartanburg Technical College is renovating 22,000 s.f. of dead space to greatly expand the capacity of CBED. This 363,000 square foot multi-use incubator and soft landings facility is an invaluable tool for entrepreneurs to start up a new venture, jump start an expansion or relocation, beta test a new product line, and train employees on new products or processes.

With \$250,000 in support from the new SC Department of Commerce “Innovation Challenge” grant program, the well established Greenville NEXT Innovation Center (incubator) is undergoing an expansion. The **NEXT Ecosystem Expansion** project is comprised of a bundle of interconnected products that work together to accelerate the critical mass of target high-impact companies and the development of the supporting ecosystem in the Upstate area.

With \$250,000 in support from the new SC Department of Commerce “Innovation Challenge” grant program, the public/private community development organization, Innovate Anderson, is developing a hybrid incubator-accelerator-workforce development model called **Innovate Electric City** that will allow the business community in Anderson and their partners to work with startup companies at various levels.

With \$70,000 in support from the new SC Department of Commerce “Innovation Challenge” grant program, the Spartanburg Economic Futures Group (the County’s economic development organization) is expanding the capacity of the **Spartanburg Entrepreneurial Resource Network (SERN)**. SERN offers coordinated efforts of support across groups in order to assist and empower entrepreneurial efforts in Spartanburg. SERN provides mentorship, professional advice, financial assistance, introduction to contacts, research and short-term incubation facilities.

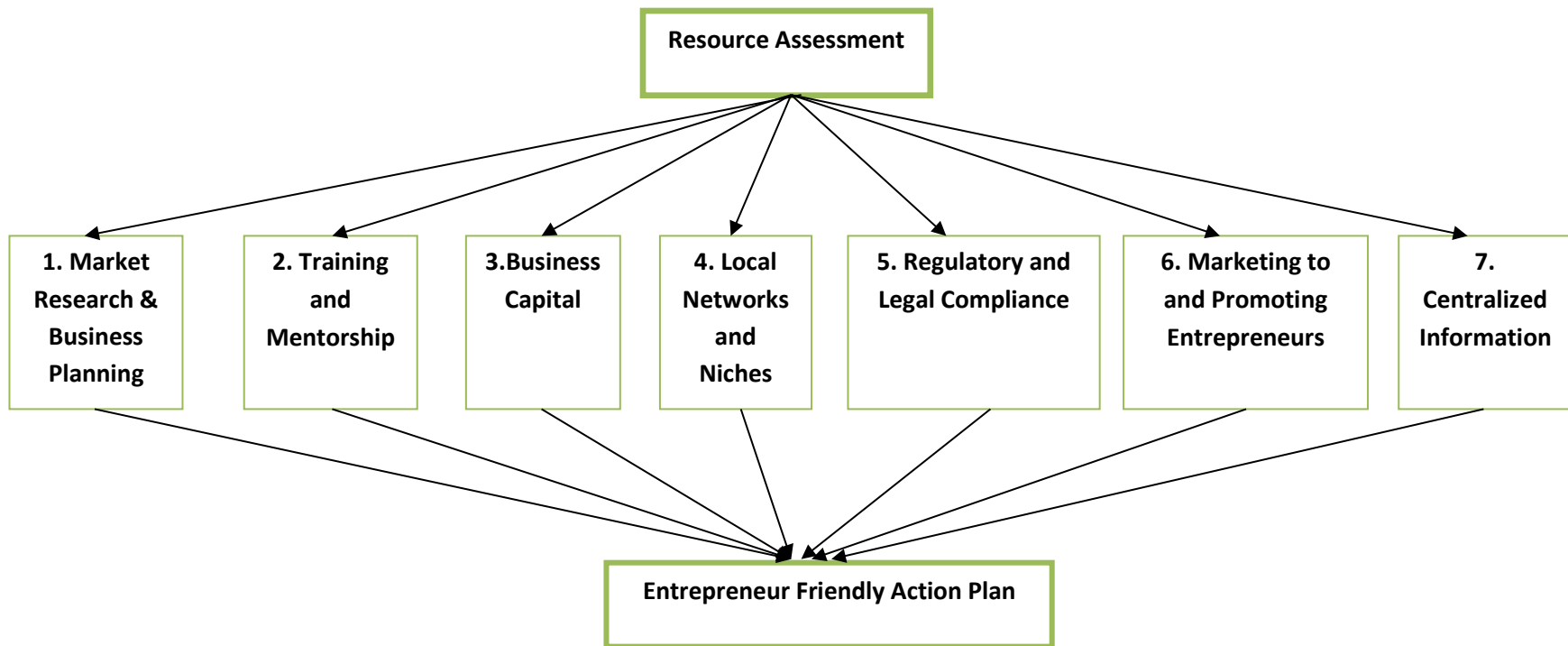
The Clemson University – International Center for Automotive Research (CU-ICAR) is expanding through construction of the new **Research One** building which will bring a combination of specialized classroom and incubation space for automotive start-up companies.

The **Iron Yard** continues to expand its impact in both Greenville and Spartanburg. The Iron Yard is a 13-week, mentorship-driven startup accelerator. It focuses on talented teams with a prototype that can be brought to a large market. Teams are selected after a highly competitive application process. Tenants receive space, design assistance, legal/accounting services, experienced entrepreneurial mentorship, and \$20,000 in seed capital.

Note: Other entrepreneurial capacities exist throughout the region and this list is not intended to be comprehensive.

Another exciting entrepreneurial development over the past twelve months has been the on-going development of the on-line, interactive **Entrepreneur Friendly Toolkit**. The web tool, which will be completed in March 2014, focuses on helping communities to align resources and develop strategies for supporting and attracting entrepreneurs. By completing a set of seven interactive “steps”, communities throughout the SC Appalachian Region will strategically plan, market to, and foster the growth of local entrepreneurship. After finishing the seven steps, the community will be able to save and print a custom “Entrepreneur Friendly Action Plan” (PDF) that will be populated mostly by the content/work they completed during the seven steps. Cited as a vital project in CEDS 2013-2017, the Toolkit will greatly increase entrepreneurial capacity in the region.

The 7-Step Outline of the *Entrepreneur Friendly Toolkit*



Access to Capital

CEDS 2013-2017 Strategic Plan	
Goal: Support institutions and programs which provide much needed capital for job creating companies and projects in the SC Appalachian Region.	
Supportive Findings	
<ul style="list-style-type: none"> • Access to capital is a critical component of economic development. • While most business lending is handled rightfully by the private sector, there are situations in which government gap financing programs, loan guarantee programs, and private sector angel or venture capital networks can partner with banks to make impactful loans and investments. • There is an impressive network of economic development finance institutions working in the region. • There are valuable grant and tax credit programs working in the region to help foster investment and job creation. 	
Objectives	
<ol style="list-style-type: none"> 1. Support economic development finance institutions and programs which are making job-creating loans and investments. 2. Secure economic development grant support in order to support investment and job creation. 3. Support economic development tax credit programs which incentivize investment and job creation. 	
Strategic Projects, Programs, and Activities	
<ol style="list-style-type: none"> 1. Promote economic development finance institutions for capital-seeking projects throughout the region. 2. Continue to provide economic development grant writing services throughout the region. 3. Promote economic development tax credit programs by conducting research and sharing information with communities throughout the region. 	
Strategic Partners: SCACOG; all County and City local economic developers throughout the region; the Appalachian Development Corporation and other economic development finance institutions and programs throughout the region; the Upstate Alliance; the South Carolina Department of Commerce; the South Carolina Department of Revenue.	
Time Line: 2013-2017	

The condition of the finance industry in both the SC Appalachian Region can be described as *slimmer, but more profitable* than it was prior to the 2007 global financial crisis. CEDS 2013-2017 calls for support of many financial resources that enable economic development, including the outstanding loan programs of the U.S. Small Business Administration (SBA). Of the 251 SBA loans that were administered in 2013 across South Carolina (most recently available data), 77 of them (31%) were in Greenville, Spartanburg, and Anderson Counties.² That is a remarkable figure in light of the fact that these three counties make up only 6.5% of all South Carolina counties. Another notable fact about SBA lending in these three counties is that the amount of the loan funds was up by more than 25% from the previous year—from \$27 million to \$39 million. SBA loan data for the region’s other three counties was not available, but it is notable that – in addition to traditional non-profit lenders like the *Appalachian Development Corporation* in Greenville – there are 14 private banks in the region that are certified SBA

² Source: GSA Business Market Facts 2014.

lenders. While 10% of South Carolina lending institutions are currently unprofitable, that figure has trended down from 35% in 2010, 31% in 2011, 18% in 2012, and 14% in 2013.

Regional economic development grant activity is also strong, as demonstrated by the table below:

Some Exciting Federal E.D. Grant Projects in the Region			
Project Name	Grant Source	Grant Amount	Total Project Cost
City of Walhalla Downtown Streetscape Project	ARC	\$500,000	\$1,000,000
Oconee County - Golden Corner Commerce Park Pump Station Project	ARC EPA	\$500,000 \$485,000	\$1,236,000
* Town of Pacolet - Main Street Sewer Project	ARC	\$51,626	\$103,312
* Town of Williamston - Farmers Market	ARC	\$66,130	\$132,261
Town of Blacksburg - Brugg Street Pump Station	ARC	\$338,400	\$423,000
Oconee Count - SC Hwy 11 Sewer Project	ARC	\$500,000	\$1,800,000
City of Pickens - Town Creek Park Project	ARC	\$400,000	\$810,000
Town of Pacolet - River Passage Gateway Project	ARC	\$387,500	\$775,000
Spartanburg Community College - Center for Business and Entrepreneurial Development	ARC and EDA	\$1,340,000	\$1,700,000
* SJWD Water District - Water Treatment Plant Upgrade	EDA	\$2,000,000	\$4,132,700
Development of a Mobile App and a LocateSC Data Replication Tool for InfoMentum	EDA	\$50,000	\$100,000
Development of the On-Line, Interactive "Entrepreneur Friendly Toolkit"	ARC	\$55,000	\$100,000

*Pending approval from federal agencies.

Note: List is a snap shot of some notable projects and not intended to be comprehensive.

In addition to economic development grants and loans, tax credit programs continue to play an important role in job creation and capital investment. Free Trade Zone 38 along I-85 continues to be a great incentive for industry, and the South Carolina four-tier Job Tax Credit continues to incentivize job creation. For year 2014, Greenville County is classified as "Tier I – Developed"; Anderson, Oconee, Pickens, and Spartanburg Counties are "Tier II – Moderately Developed"; Cherokee County is "Tier III – Least Developed". None of the region's counties are considered "Tier IV – Distressed" by the SC Department of Revenue, which is a positive economic sign for the region.

Whether discussing loans, grants, or tax credits, there are many positive developments taking place with regional capital sources. There are never enough resources, however, to accommodate all of the potential job-creating projects in the pipeline. Local, regional, state, and federal economic development partners must continue to work together to increase these resources and support more projects.

Local Asset-Based Economic Development

CEDS 2013-2017 Strategic Plan	
Goal: Strengthen the unique, local community assets which have a significant impact on regional economic development.	
Supportive Findings	
<ul style="list-style-type: none"> • Each of the six counties and 42 municipalities within the SC Appalachian Region possess unique assets from which residents derive economic opportunity. • With attractive natural resources, historic places, arts & entertainment, and sporting venues, the SC Appalachian Region has a strong tourism industry. • There is great potential of downtown areas in the region to foster economic growth and job creation. • The region is in position to capitalize on emerging opportunities in the agricultural industry, including inputs for manufacturing, local/organic produce markets, and agri-tourism. 	
Objectives	
<ol style="list-style-type: none"> 1. Make the SC Appalachian Region a globally recognized tourism destination. 2. Make the SC Appalachian Region known for its vibrant downtown areas. 3. Help communities reach the full economic potential of their rich agricultural resources. 4. Help communities further recognize, develop, and market their uniquely local economic development assets. 	
Strategic Projects, Programs, and Activities	
<i>For Objectives 1-4:</i>	
<ul style="list-style-type: none"> • Support tourism initiatives, downtown development, and agribusiness development throughout the region with strategic planning, marketing, and grant-writing efforts. • Conduct research and provide grant writing assistance in order to obtain formal marketing studies which aim to enhance local economic development assets. 	
Strategic Partners: SCACOG; all Chambers of Commerce and Convention and Visitor Bureaus throughout the region; all County and City local economic developers throughout the region; the Upstate Alliance; the South Carolina Department of Commerce; the South Carolina Department of Parks, Recreation and Tourism.	
Time Line: 2013-2017	

Each of the six counties and 42 municipalities within the SC Appalachian Region possess unique assets from which residents derive economic opportunity. Not all of these local assets make up “clusters” or lead to formal “target industries” for recruitment, but they are essential to the economic well being of individual communities and the region as a whole. While providing a detailed inventory of each community’s local assets is not practical for the purpose of the 2013 CEDS update, there are three broad asset categories that CEDS 2013-2017 emphasizes: Agribusiness, Tourism, and Downtown Development.

In June of 2013, an outstanding study was conducted by the *South Carolina Coastal Conservation League* and numerous regional partners on the feasibility of a **“Food Hub” for the SC Appalachian Region**. Entitled, “Upstate Region Local Food Hub Feasibility Study”, the document examines the potential for starting a regional food hub like the highly successful one found in Charleston, SC (“GrowFood Carolina”). The study defines a regional food hub as, “a business or organization that actively manages

the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand.” While a local host organization to lead the effort and manage the operation is needed, the study offers the following basic conclusion in support of creating a regional food hub:

“The majority of other necessary pieces needed to establish a local food hub are in place. Local food supply and demand data, food producer survey results, retailer and consumer survey and interview results, demographic research, and farm data all show that there is the potential to increase local food supply and satisfy ever-increasing demand.”

The concept of increasing opportunities for local farmers via farmers markets and shared public-private processing facilities is emphasized as a CEDS 2013-2017 *Area of Emphasis*. Numerous local initiatives have taken off, but the idea of a central food hub takes the concept to a new level of regionalism.

Downtown development initiatives have also increased over the past year, with three towns becoming certified “Main Street Communities” under the National Trust for Historic Preservation: The City Pickens (Pickens County), the City of Williamston (Anderson County), and the City of Woodruff (Spartanburg County). Other downtown areas continue to develop and thrive. Beautiful and bustling downtown Greenville serves a national benchmark for mid-size cities across America. Downtown Spartanburg has made extraordinary revitalization progress over the past 24 months. Downtown Greer has also become destination for classic downtown enthusiasts. These and other historic downtowns in the region are critical assets for historic preservation, for economic development, and for overall quality of life. CEDS 2013-2017 places further enhancement of these areas as a high priority.

Whether examining the exciting new “Main Street Challenge” in the City of Spartanburg, which is a competition for valuable space and incentives for up to three promising entrepreneurs to locate on Main Street, or the fact that the region continues to draw world class conferences, such as the *2014 UCI Para-Cycling Road World Championships*, the local asset-based economy is vital to the well being of the region. Support from local, regional, state, and federal partners is needed to foster the development in this vital project area.

A New CEDS Area of Emphasis: Global Competitiveness

In late 2013, the 10-county “Upstate” Region of SC was accepted through a competitive application process to the “Global Cities Exchange”, a five-year joint project of the Brookings Institution and JPMorgan Chase. The 10-county Upstate region includes all six counties of the SC Appalachian region, plus four contiguous counties: Abbeville, Greenwood, Laurens, and Union Counties. The first phase of the initiative, the **development of a Regional Export Plan**, is expected to be completed during the fourth quarter of 2014. The effort is being led by the Upstate SC Alliance, a 10-county organization with the mission to market the Upstate for economic development on a global level. Over the course of this five-year planning process, a core team of regional stakeholders (including staff from the Economic Development District Organization, SCACOG) work alongside fellow Exchange regions from across the nation to move the Upstate forward in the areas of exports, innovation, leadership, and workforce. Specifically, the core team will (1) develop and implement regional strategies to boost global trade and investment, (2) forge partnerships between the U.S. and international areas, and (3) advocate for state and national policy changes. **The overarching goal is to increase the global competitiveness of the region.**

Over the past several decades, aggressive recruitment of industry has transitioned the Upstate economy from dependency on the textile industry by providing needed diversification and traded cluster strength. This foresight of Upstate leaders over the past several decades has positioned the region extremely well for prosperity in the future economy. Regional efforts (1) to build global relationships through trade and investment, (2) to tie innovation to advanced manufacturing needs, (3) to develop leaders with global awareness, and (4) to increase transportation/supply chain efficiency are all necessary for the Upstate to maintain its edge against growing competition. Building upon this success, the next evolution of regional economic development will focus on increasing exports and overall international business. The reasoning behind this effort is as follows:

Larger Customer Base = More Opportunity for Growth

- 95% of the world’s consumers live outside the U.S.
- The US percentage of global middle class consumption is projected to drop to 4.5% by 2040.
- Only 4 percent of U.S. firms export, and 58% only sell to one foreign market.

Global Business = Stronger Business

- From 2005-2009, U.S. manufacturers that exported saw revenues grow by 37%, while non-exporters saw revenues fall by 7%.
- U.S. business services exporters have 100% higher sales, 70% higher employment, and 20% higher wages than non-exporters.
- For every \$1 billion in exports, workers in that industry earn between 1-2% higher wages

- More than 20% of South Carolina jobs depend on international trade and investment.

In CEDS 2013-2017, seven “Areas of Emphasis” were presented as the key strategic focal points upon which future economic development in the region will be based. While these seven areas are documented in this report and while they remain as important as ever, increasing the region’s global competitiveness through the Global Cities Exchange constitutes a new and equally important Area of Emphasis. As of the adoption of this CEDS Update by the Economic Development District Organization, there are now eight CEDS Areas of Emphasis in the SC Appalachian Region.

1. Clusters, Target Industries, and Innovation Capacities,
2. Infrastructure,
3. Available Sites and Buildings,
4. Workforce Development,
5. Entrepreneurship,
6. Access to Capital
7. Local Asset-Based Development
8. **Global Competitiveness (New)**

Section VI: Conclusion

An Outstanding Year for Target Industries and Global Competitiveness

The second year of CEDS 2013-2017 was a tremendous period in the SC Appalachian Region. Each of the strategy's original *Seven Areas of Emphasis* saw exciting developments and capacity expansion. A new and exciting Area of Emphasis was added to the CEDS, as the region's participation in the *Global Cities Exchange* is poised to increase the region's exports and overall global competitiveness. The cluster-based, target industry strategy is yielding outstanding results, with over \$4 billion in capital investment (528% higher than last year) and over 5,700 new jobs (177% higher than last year) over 73 announcements since September 2013. The Inland Port, which opened less than a year ago, is only beginning to have its anticipated transformational impact on business logistics. Six months from now, thanks to federal economic development partners, the new *Entrepreneur Friendly Toolkit* will be complete—establishing a customized on-line planning tool for communities to attract and develop local entrepreneurs. The list of highlights could go on, but what is most important to remember is the fact that there is still a great deal of work to do in order for the region to reach economic parity with the nation. The process of maintaining CEDS 2013-2017 involves doing the important work of building upon each of the eight Areas of Emphasis, and the SC Appalachian Economic Development District Organization is committed to doing this with essential collaboration from State and Federal partners like U.S. EDA and the Appalachian Regional Commission.

Continued Plan of Action

SCACOG, serving as the federal Economic Development District Organization, will continue to work with the CEDS Steering Committee to support the vital projects which aim to create economic growth in the region. SCACOG will:

- Continuously evaluate the CEDS 2013-2017 *Goals and Objectives* in relation to qualitative and quantitative performance measures;
- Support the *Strategic Projects, Programs and Activities* outlined in CEDS 2013-2017;
- Help execute on-going and future *Vital Projects* of CEDS 2013-2017;
- Provide EDA with annual CEDS progress updates.

SCACOG will carry out CEDS 2013-2017 in a manner which:

- Promotes economic development and opportunity;
- Fosters effective transportation access;
- Enhances and protects the environment;
- Maximizes effective development and use of the workforce consistent with any applicable State or local workforce investment strategy;
- Promotes the use of technology in economic development, including access to high-speed telecommunications;
- Balances resources through sound management of physical development; and
- Obtains and utilizes funds and other resources.