



Cities Mean **BUSINESS**

A PUBLICATION OF THE MUNICIPAL ASSOCIATION OF SOUTH CAROLINA

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The balance of housing

Homes for workforce
become economic driver

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By Amy Edgar



Cover photo: Whether it be single family homes or apartment living, the need for affordable housing is at the forefront for most communities in South Carolina. Photo illustration: Andrew Sprague.

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Letter from the **EDITOR**



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The good economic news in South Carolina keeps coming as we welcome more new businesses and applaud expansions of existing businesses. In this issue of *Cities Mean Business*, we spotlight several perspectives on the economic growth taking place in our cities and towns.

Workforce development is a key ingredient in the state's ability to attract business. Read about what city leaders in hometowns all over the state are doing to train workers of the future. From an incubator in Rock Hill to a summer engineering program in Williston, cities are getting creative with strategies to attract and keep workers.

Another element of economic development is ensuring the people who work in our cities have access to affordable housing. Challenges vary depending on cities' sizes, locations and growth patterns. Find out how Mount Pleasant, Fort Mill, North Charleston, Hardeeville and Darlington are tackling their diverse housing challenges.

One asset cities can often offer to businesses seeking to locate in their community is easy access to a local general aviation facility. Learn about how four South Carolina municipal airports provide support to businesses helping them meet needs as diverse as corporate jet access, medical transport and equipment delivery.

Anyone in the business of attracting business to our state knows no deal will be successful if the community isn't safe and clean for the people who work in these companies. Many South Carolina cities are on the cutting edge in the use of GIS or geographic information systems, to provide real-time tracking for a multitude of uses in city government. Find out how cities are using GIS to plot flood damage, track road closures, map storm surge in a hurricane, and catalog streetlight outages and downed power lines.

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AIRPORTS MAKE ECONOMIC DEVELOPMENT SOAR

By Megan Sexton

Several years ago, at a ribbon cutting in Orangeburg, an industry representative told City Administrator John Yow that the city's municipal airport was exactly what his company was looking for as it scouted locations.

"I don't know if we would have gotten that industry without the airport," Yow said. "And it's not just for attracting industry; it helps us retain the businesses we have."

This is a familiar story told by city leaders and directors of municipal airports around South Carolina: A nearby general aviation airport helps attract new industry, allows easy access for corporate jets, lets existing companies quickly fly in necessary equipment and provides a convenient spot for law enforcement or news helicopters to land.

It's also not unusual to see a university plane bring in a coach to check out a

high school prospect. During the recent presidential primary season, candidates hopped to campaign events throughout the state via small jets landing at municipal airports.

"Research has shown that airports are economic multipliers," said Adam Williams, manager of airport policy for the Aircraft Owners and Pilots Association, a national nonprofit organization

During Masters Week, more than 50 flights will land and take off daily from the Aiken Municipal Airport. (Photo/Dan Brown/Aiken Standard)



that advocates for general aviation. “For every dollar invested in an airport, the economic benefit is over \$2.”

The benefit of municipal airports is twofold. As the airport’s owner/operator, the city benefits from the businesses that are based at the airport. The city also benefits from the economic activity generated by companies in nearby industrial parks and other firms that are able to successfully operate because there is a nearby airport.

“Obviously, when the town talks to a potential industry, one of the first things that comes up is, ‘Is there an airport?’”

said Wendall Hall, director of the Cheraw Municipal Airport, where nearby companies including Ina Bearing and Highland Industries make flights in and out a few times each week.

The Spartanburg Downtown Memorial Airport is the city’s largest owned asset, serving more than 100 local aircraft along with corporate jets representing many of Spartanburg’s largest companies.

According to the city, the airport contributes \$25 million to the local economy, with 190 aviation-related jobs and a payroll above \$10 million.

Those numbers are likely to increase with the addition of Toray Industries, the world’s largest carbon fiber producer that is building a \$1.4 billion plant in the nearby community of Moore. The Japanese company’s plant will initially create about 500 jobs, the largest initial economic investment in South Carolina, according to the S.C. Department of Commerce.

And it is not just the corporate jets taking off and landing, said Darwin Simpson, director of Spartanburg’s municipal airport. With Spartanburg Regional Healthcare System’s



participation in the national organ donor program, surgeons and medical teams are flying in and out at all hours, he said.

“If you have to have a transplant, it’s not going by UPS,” Simpson said. “It’s going on a private aircraft. We have all kinds of medical flights every day. All vital services that are essential happen in general aviation.

“It’s all about being able to get somewhere in a short period of time.”

From the Spartanburg municipal airport, it’s a four-minute drive to downtown Spartanburg, while it is about a 35- or 40-minute commute to

the commercial Greenville Spartanburg International Airport, Simpson said.

The airport also has historical significance, as one of the oldest airports in America and the first commercial airport in South Carolina. The airport opened in 1927 with aviator Charles Lindbergh on hand. Amelia Earhart also visited the airport and Army Air Corps pilots trained there during World War II.

The Orangeburg municipal airport and its 5,700-foot runway are used extensively for economic development, along with serving local business people such as attorneys and other professionals.

In addition, Yow said the industrial park adjacent to the airport is almost full, although the airport recently identified 90 acres it can offer for business and industrial development on the airport’s grounds. “We’re actively working with the economic development office to market the airport property,” Yow said.

He also said business is just one of the selling points of a municipal airport.

“Remember it’s not just economic development. For a lot of people, it’s part of their transportation plan,” he said. “You can get to the Bahamas in 80 minutes from Orangeburg.” ●



INNOVATING, INCUBATING AND TRAINING WORKERS IN THE NEW ECONOMY

By Megan Sexton

Landing a big new employer is typically what equates to economic development within a city or town. But in other cases, economic development happens in the form of gradual steps toward developing a strong workforce, nurturing startups and helping existing businesses expand.

All over South Carolina, municipalities are working with private businesses, energetic entrepreneurs and bright students to support, train and encourage a new type of economic development engine. These partnerships can take the form of incubators. It is in such settings that new ideas are given time to flourish into businesses, startups gather business advice, and nonprofits connect with cities to grow the next generation of engineers or scientists.

“Entrepreneurs are everywhere. There are smart, motivated entrepreneurs in every community,” said David Warner,

the director of the Technology Incubator at Knowledge Park in Rock Hill. “You need to find a way to identify them.”

In Bluffton, the Don Ryan Center for Innovation has been helping innovative startups and early stage companies since it opened about four years ago as a partnership between the town and Clemson University. The center offers office space, resources and hands-on consulting support, along with connecting participating firms with business mentors, technology expertise, product development and marketing assistance, intellectual property research and other services.

Most of the 28 companies that have gone through the program are still in business, according to David Nelems, the center’s executive director. The most recent survey of firms that graduated showed 88 people work for the startups, generating \$5 million in annual payroll

and \$25 million in revenues for a total impact of all companies together. The types of companies grown in the Bluffton incubator span the business spectrum. “We focus on the word ‘innovation,’” he said.

Among the Ryan Center’s success stories is a business started by a graduate of the Savannah College of Art and Design, who began by digitizing brochures for marine sales, and eventually created a custom resource management system that tracks sales and services. “This will be a \$20 to \$30 million company in a couple years, all based in Bluffton,” Nelems said.

Another startup at the center is building a virtual reality headset for real estate sales. The business is expected to double its sales this year, he added.

“We know the majority of job growth is from small business. We have had several large companies recruited to Bluffton over time, but it’s hard to hit a grand slam like that a lot,” Nelems said. Instead, he said, it’s important to help people turn their ideas into a profitable business.

That is also happening in Rock Hill, which operates an incubator program similar to Bluffton’s.

Rock Hill, once home to more than 20 textile mills, suffered like many cities in South Carolina when the mills cut production or closed several decades ago. The area successfully recruited some new industries to business parks, but during the recent recession, Rock Hill and other municipalities began to understand the importance of creating jobs through small and medium-sized businesses and startups.

About four years ago, the City of Rock Hill began developing a community-owned and operated incubator. David Warner, the director, calls it “home-grown economic development.” He and a team from Rock Hill took classes

from Clemson professors to learn about launching companies and the commercial use of technology. In August 2013, seven companies moved into the new Technology Incubator at Knowledge Park, which is run as a nonprofit.

“It’s been successful beyond anybody’s imagination,” Warner said.

The incubator is part of the larger Knowledge Park plan. What has made it successful is its tie to urban redevelopment in Rock Hill that includes the old textile district, downtown and Winthrop University, he said.

“Knowledge Park has no hard boundary. It’s energy. It’s not about buildings. It’s about people working. It’s about job and talent development. It’s more than real estate,” said Warner, adding that the city, Winthrop University, York Technical College, local entrepreneurs and others all are working together. “It’s unprecedented cooperation. We are all pulling on the oars in the same way.”

For the City of Clemson, the research by faculty, staff and students at Clemson University is driving the startup businesses that are spending time in incubators. Two incubators, called Think Tanks, provide space where startups, entrepreneurs and small business can work and collaborate with each other. A third Think Tank will open soon, all located downtown close to the university.

“Our general objective, all woven into our comprehensive plan, is all designed to promote entrepreneurs,” said Todd Steadman, planner for the City of Clemson.

City officials accomplish much of that by staying in regular communication with the researchers at the university whose work lends itself to startup business. “They (researchers) are aware that we are here to help, and we are on their radar. We want to be in the forefront of their minds,” Steadman said. “We are aware of



DIG STEM festival provided hands-on learning to children in Williston. Photo/Quentin D. Curry, Eyedew Photography

what’s available and we build relationships. It’s important to take time to understand your marketplace.”

A joint city-university advisory board works to improve communication between various parts of the university and the city, making sure university researchers and entrepreneurs know what the city can provide for startups.

Last year, an economic development committee was resurrected in Clemson, pulling members of the area colleges and universities together with the chamber of commerce, business community and city leaders.

Other municipalities around the state are also involved with nonprofits that are working to grow the next generation of entrepreneurs, scientists and engineers.

One of those nonprofits, DIG, which stands for the Dreams, Imagination and Gift Development Program, was founded by Steven Brown in 2013. A native of Williston who went on to earn an electrical engineering degree at the University of South Carolina, Brown knew the challenges faced by small, rural towns. He also knew the talent pool that was often overlooked in these areas.

“We believe big dreams can be achieved in small places,” Brown said.

“But these kids have had zero exposure to many of these types of STEM jobs.”

DIG recruits mentors to work with students and organizes monthly field trips to STEM-focused businesses. A STEM summer camp for first- through eighth-graders drew 98 kids (with a waiting list) this year. In April, DIG teamed with the Town of Williston to hold a festival that drew 2,000 people to the rural Barnwell County town. Students competed in a STEM competition, rode 3-D virtual rides and held reptiles courtesy of the Savannah River Ecology Laboratory.

“There was a large education component, trying to encourage young people to go into STEM careers,” Williston Town Administrator Kenny Cook said. “It’s been done in the Upstate and Greenville and the Lowcountry, but this group wanted to have a test area in a rural area, so they chose us.”

Brown said rural areas are a good place to look for the next generation of engineers and entrepreneurs.

“When you are from a small town, you are naturally innovative,” Brown said. “The same things needed in large areas are needed in small areas. Our kids want to come back and start businesses here.” ●



CITIES AND TOWNS CHASE BALANCED HOUSING STOCK

By Amy Edgar

Cities continually seek a mix of diverse, accessible and affordable housing options. It's a challenge to offer developments that meet the needs of a population that ranges from baby boomers to millennials.

Housing trends vary across South Carolina, with some municipalities forced to establish moratoriums on developments, while other areas experience stagnant housing markets.

The Town of Mount Pleasant has a moratorium on apartments. Officials there worried that the proliferation of multifamily projects could upset the residential balance of the community and create other issues, especially related to

transportation, according to Planning Director Christiane Farrell.

"Having and maintaining the right mix of housing stock is what is important," she said.

The town recently had several new senior living facilities approved, including two that specialize in memory care and three continuing care retirement communities. The addition of these senior living facilities likely will satisfy the town's current demands, Farrell said.

In 2015, Mayor Linda Page appointed a housing task force to address the availability of affordable housing. The committee finished its work last fall with

the recommendation to establish a not-for-profit specializing in this area.

The City of North Charleston also is looking for housing solutions to address its growth.

"The largest number of housing construction today is apartments. We're seeing a windfall of them," said North Charleston Mayor Keith Summey. "I hope that people continue seeking residences in that mode, because we're going to end up with a lot of apartments that are empty, if they don't."

Summey also pointed to the shortage of low- to moderate-income residential homes.

Growth has also driven up housing prices in Fort Mill.

“Even with hundreds of new homes being built each year, inventory remains relatively low, the number of days spent on market continues to decrease, and average home prices continue to rise,” said Fort Mill Planning Director Joseph Cronin. “While this is good news, if you’re trying to sell a home, many working families, as well as senior citizens living on fixed incomes, have been priced out of the Fort Mill area.”

Over the last 12 months, the town has issued 530 new single-family home permits, with an average construction value of just less than \$385,000 per residence. Of these, only six, or 1.1 percent, were valued at less than \$200,000, Cronin said.

Factors that make it difficult to build more affordable housing are primarily land values, a limited number of areas zoned for higher density single-family and multifamily development, and the area’s strong real estate market, he said.

On the other end of the spectrum, Cronin said economic development professionals have expressed concern that the Fort Mill area has a limited inventory of executive housing. Fort Mill has become a popular destination for corporate executives, and several members of the Carolina Panthers football team also have purchased homes in the area.

Most of the higher-end communities, particularly those with \$1 million-plus homes on golf course lots, are substantially built out, as are most of the lakefront lots in neighboring Tega Cay, he said.

Barriers to building more executive housing include competition for land from mid-range builders (\$350,000 to \$500,000), slower rates of return for developers, and a lack of utilities in many areas zoned for low density, estate-type lots, Cronin said.

Fort Mill has seen an uptick in senior housing. This year, development began on a 731-home subdivision for residents age 55 and over. In July 2015, town council approved a residential rezoning for Traditions at Fort Mill, which will include 252 age-restricted apartments. And in July 2016, council annexed a 13-acre property that will include an age-restricted 200-room continuum-of-care residential facility.

Over the last couple of years, several low-income apartment communities have been sold and transitioned to market-rate properties, Cronin said. The majority of the tenants in these communities received housing vouchers from the USDA, or housing assistance through HUD’s Section 8 program. Many of the residents in these communities were senior citizens living on fixed incomes. There are very few low-income housing options in the Fort Mill area, and the conversion of these properties has further reduced the limited inventory.

Smaller municipalities report a great need for additional housing stock.

The City of Hardeeville needs more senior living housing, according to Brana Snowden, the city’s director of planning and development. Most of the building permit applications come from the active adult communities in the city, she said.

Snowden said the city also needs more affordable housing to meet the demands of the community.

“Moderate priced workforce housing is our biggest need — housing for teachers, government workers, firefighters,” she said. “In recent markets, developers and lenders have been more focused on the retirement communities or active adult communities. No one has come in to build housing for the workforce that

Hardeeville is looking to grow.”

Available workforce housing would also help stem the flow of people moving to Savannah, Ga., Snowden said.

The City of Darlington, meanwhile, is poised to welcome about 30 small rental houses. It would be the first new neighborhood in the city in at least 20 years, according to Economic Development Director Lisa Chalian-Rock.


The developer, a Darlington native, wants to see the city grow, she said.

Darlington has many older single-family homes and subsidized apartment complexes, but the city needs market-rate apartments, town homes or condos, as well as options for seniors, said Chalian-Rock.

“A diversity of housing types and price ranges would be ideal to accommodate a variety of potential new residents,” she said. “Unlike most communities, multifamily housing has declined disproportionately to single-family housing in the last decade.”

The condition of the current housing stock also affects potential growth. Many of Darlington’s older houses need structural repairs and do not meet current consumer demand for greener buildings and improved energy efficiency, Chalian-Rock said. ●





CITIES USE GIS TO MANAGE CRISES, PLAN FUTURE

By Megan Sexton

In the frenzied hours and days after a shooter opened fire and took the lives of nine people at the Emanuel African Methodist Episcopal Church in Charleston, law enforcement gathered at the Municipal Emergency Operations Center. The FBI, Charleston Police Department, state Highway Patrol and State Law Enforcement Division all were on the scene. To coordinate and provide situational awareness for all the responders, city officials used their geographic information system.

GIS is a technology that allows users to analyze and interpret geospatial data to understand patterns and trends. It can also provide real-time tracking of information for a multitude of uses in municipal government. During the response to the June 2015 shootings, a large map updated all the law enforcement agencies at once on security details, such as where officers were staged, where patrol cars were located and which roads were closed, said Tracy McKee, GIS director for the City of Charleston.

“For most Municipal Emergency Operations Center activations, GIS is used,” McKee said. “We use it to make sure everyone has a visual and knows what’s going on.”

GIS also was used after the October 2015 floods, providing a common operating picture for first responders, McKee said. It was used to keep track of road closures, and at one point there were 50 or 60, she said. The GIS division also

communicated with hospital employees changing shifts during the worst of the storm to help them avoid road closures and flooded sections of the city and get them safely home from work.

Those maps put out primarily for hospital employees during the floods have evolved into live maps for the public on the city’s website that provide real-time information on road closures due to construction and utility work, McKee said.

Tracking damage

After the floods, GIS also played a role in damage assessment, she said. Teams went out to talk to residents and enter data into tablets on the scene. That information came into the Municipal Emergency Operations Center in real time.

GIS also is involved in the city’s strategy to combat rising sea levels. It can be used to show historical flood patterns that help city officials develop plans for road closures and evacuations, and to identify city properties that may be impacted.

The City of Myrtle Beach uses GIS as part of its response to weather events, according to Lisa Holzberger, the city’s GIS coordinator and past president of the Municipal Technology Association of SC.

Holzberger’s department offers an Emergency Operations Center damage reporting app. The mobile and web-based application allows emergency responders and key personnel to assess damage



During weather emergencies, officials use GIS to map damage, track responses and allocate resources. (Columbia flooding in 2015.)

following a hurricane or other natural disaster. A tablet or cell phone can be used to mark damage such as downed trees, power lines, fires or flooding. Data and photos can be uploaded from the device, and are immediately accessible on the web mapping application at the EOC. The city's risk manager also can download a data table which can be sent to the Federal Emergency Management Agency, Holzberger said.

The Town of Hilton Head Island also uses mapping for storm preparation and response, according to GIS Administrator Jacob Deuel. The town has a storm surge map that is kept up to date and is provided to the public and to the Emergency Management Division for planning purposes. It shows storm surge levels and elevations across the island.

"We can do scenarios. If a storm surge is 'X,' these structures could be under water," Deuel said.

GIS also works closely with storm recovery efforts, mapping out flood areas as reported by Fire and Rescue, he said.

In the City of Gaffney, GIS Analyst Scott Bollhoefer maintains a full set of FEMA flood plain data, which he uses to create maps to aid city officials in tasks ranging from emergency planning and city zoning to code enforcement and road maintenance. He also maintains an extensive set of stormwater GIS data which spatially locates and provides specifications for key structures such as water flow inlets and outlets, catch basins, pipes, manholes and detention ponds.

"Recent summer rainstorms have stressed the city's stormwater infrastructure, and I've had the opportunity to analyze our GIS data to help our public works crews locate old or damaged structures that are in need of maintenance or replacement," Bollhoefer said. "This will help in preventing localized flooding and in promoting proper discharge of rain water."

Leaves, brush and snow

Gaffney uses GIS for a number of other purposes, including mapping routes and schedules for leaf and brush pickup, inclement weather planning and snow removal. In recent years, Bollhoefer also has used "Collector," a mobile app offered by GIS vendor Esri, to survey and catalogue city streetlights. This app allows him to quickly identify streetlights that are dim or burned out and then share outage information and repair needs with the local utility company.

GIS is growing rapidly, Holzberger said. Esri has a cloud-based solution, ArcGIS Online, that provides countless mapping applications for all city departments, she said.

"Many of our employees are now better able to understand the value of GIS and how it can be leveraged to make them even more efficient in their jobs," Holzberger said. "We will also be exploring 3-D mapping soon. This will be useful for development and design, and will offer a different kind of visual perspective to enable key decision makers to be better equipped with decision-making tools and analyses."

Myrtle Beach's fire department also has expressed interest in using GIS applications in its day-to-day operations, Holzberger said. Possible uses include a mapping application that could be viewed on a board at each fire station to provide a visual representation of all fire-related calls, which station and unit has responded, and when a situation has been remediated.

The next generation of GIS experts

Holzberger sees vast learning and growth opportunities in the GIS field. She has spearheaded a successful effort to implement GIS in local public schools. Esri offers a free ArcGIS Online account to any K-12 school in the U.S. Currently, there are 19 schools within Horry and Georgetown counties that use ArcGIS Online, she said. Five of those schools were provided with Esri's ArcMap software through a grant from the Grand Strand Technology Council as part of a pilot program for its Tech After School initiative. The schools will be using the software to create maps, and web and mobile applications.

Ten years ago, GIS was mainly used to make maps, Deuel said. Today, paper maps are becoming obsolete as people use mobile devices to work remotely in the field. GIS is now a factor in planning for nearly every department in municipal government.

"As technology has developed, GIS has become a major decision-making tool," he said. ●

HOMETOWN SNAPSHOT



Photo/City of Spartanburg Downtown Memorial Airport

Spartanburg's Group of 100 donated this statue of a young child taking flight on a paper plane for the grand reopening of the Spartanburg Downtown Memorial Airport in 2011. The airport had undergone extensive renovations. The Group's 100 members each donate \$1,000 a year to fund beautification projects in the community.

You see a street...






We see a lifeline that is a hometown with planned traffic flow, fire stations, thousands of visitors each year, city parks and community centers for children of all ages. Our streets take us to our jobs, our churches, our fun places and even to grandma's house.

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