



US 521 / SC 9 Corridor Study *Moving Forward*

Economic Vitality

Chapter 6





Lancaster County has worked to create a healthy and sustainable economic environment. However, like many locations, the County has found itself in hard times. Tremendous job losses in the manufacturing and textile industries have resulted in a steady rise in the unemployment rate since the 2001-2002 recession, reaching as high as 19.1% by June 2009. In total, the County has experienced a net loss of 3,217 jobs from 2002 to 2008 (an 18% decrease). These signs of a weakening economy require that Lancaster County develop a comprehensive and coordinated strategy to encourage economic vitality in the study area. Despite current events the County has many positive attributes that when coupled with a comprehensive strategy for economic development, should position the County for improved economic conditions. In order for this to occur, a vision should be established that looks past the short-term challenges and toward practices that will result in sustainable long-term economic gains. The vision must also be market realistic and consistent with the scale and character of the community to capitalize on and enhance existing assets.

The term “economic vitality” expands the traditional economic development strategy to include considerations for transportation, place-making, and general development. The concept suggests that locations with an integrated, well planned environment will have an inherent advantage over those that don’t. While availability of land, cost, and accessibility remain core considerations for many decision makers, quality of environment and quality of life for both employees and families can create the competitive edge. In addition, identifying prime locations in the County for these businesses and industries, protecting them for future investment, and developing a plan to attract desirable businesses and industries to these sites is a crucial component of success.

A comprehensive and coordinated approach should include redevelopment and revitalization, marketing, support of existing businesses, and tourism development in addition to increasing business activity. By incorporating a diverse mix of activities, economic risks are reduced and the diversity often contributes to a mix of jobs that supports environments where people want to live and spend their leisure time. The creation of a sustainable revenue stream that supports the ongoing provision of public services while managing the overall tax burden is a sign of a healthy economy. In addition, considering the tax implications of land development decisions also plays a role in a comprehensive economic strategy for a community. For these reasons, the chapter on economic vitality was strategically placed after chapters on general development, transportation, market analysis, and place-making as all of these elements influence and contribute to the tapestry of the area and characteristics which business leaders will consider.

The Economic Vitality Chapter is organized under the following headings:

- What Makes a Place Competitive?
- Site Selection Trends and High Priority Locations
- Promoting Cohesive Design
- Tax Base Implications
- Marketing
- Summary of Recommendations

Guiding Principles

When considering the US 521 and SC 9 corridors, the following guiding principles are offered to further the goal of creating a successful place where economic vitality is prevalent.

- Promote a diversity of goods and services and employment opportunities within the study area.
- Protect and enhance those elements of the County that improve quality of life, make the area unique, and attract businesses and residents, i.e. community character, natural environment, recreational activities, good schools, excellent infrastructure.
- Provide for sustainable and balanced economic growth that increases job opportunities while ensuring adequate public facilities and services are available concurrent with the timing of development.
- Improve the County’s competitive standing in the region by developing a market-realistic strategy that promotes and protects key economic development sites.
- Revitalize and redevelop under-performing industrial and commercial properties in the study area.
- Recognize the need for a multi-faceted approach to economic vitality, that addresses transportation, place-making, and efficient land use patterns.
- Create a focused marketing plan that concentrates on expanding the County’s market reach and facilitating growth and investment in the County.
- Promote unified and cohesive designs in new business and office parks in the study area.
- Balance residential, office, retail, and industrial growth in the study area to create a sustainable tax base and take advantage of existing market opportunities.
- Strengthen public-private partnerships to spark economic investment in the study area.

What Makes a Place Competitive?

Accessibility

One of the major factors considered by businesses when determining where to locate is accessibility. Accessibility is measured by a location's proximity to interstates or highways, ports, rail, and commercial and civic airports. There are no interstates in the immediate study area, but the area is within close proximity to I-77 (~5 miles to the north and ~10 miles to the west). I-77 provides quick access to a variety of interstates including I-20, I-26, I-40, I-85, and I-95. US 521 is a major highway that runs the length of the County connecting Lancaster County to I-485 and Charlotte to the north and to I-20 in Camden to the South. In addition, SC 9 is the County's major east-west connector, linking with I-77 in Chester County.

The Lancaster and Chester Railway (L&C Railway) is a privately owned, short line railroad based in Lancaster County. They provide rail freight service and connect to the national rail network through both CSXT and Norfolk Southern.

Ports serve as a valuable resource for many companies and provide excellent market access. Although no ports are in the study area, both interstates and rail provide direct access to ports in Savannah and Charleston. The Charleston port in particular is one of the busiest container ports on the East Coast and the seventh largest container port in the United States.

The study area contains a public airport, McWhirter Field, and is in proximity to Charlotte/Douglas International Airport. McWhirter Field includes a 6,000-foot runway and provides service to private aircraft including corporate jets. The Charlotte/Douglas International Airport, one of the nation's top international airports, is within a 20-minute drive of locations in Northern Lancaster County, 30-40 minutes from Central Lancaster County, and less than 1 hour from Southern Lancaster County.

Most importantly, the US 521 corridor provides direct access to the City of Charlotte. Protecting travel times along this corridor has been identified as a major priority of the community and plays a key role in quality of life and economic development decision making.

Work Force

Another key component that drives the search for a new business location is whether the candidate site has the workforce needed to support the business. Businesses are looking for employees that possess the skills, experience, and education to perform the job duties and who are easily trainable.

For more than a century, Lancaster County's industrial sector was dominated by textiles. The local economy is now becoming much more diversified. The population in the Charlotte metro area as a whole is increasing rapidly, 24% between 2000 and 2007. Additionally, the region's population is educated at higher than national average levels. According to the Lancaster County Economic Development Corporation (LCEDC) website,

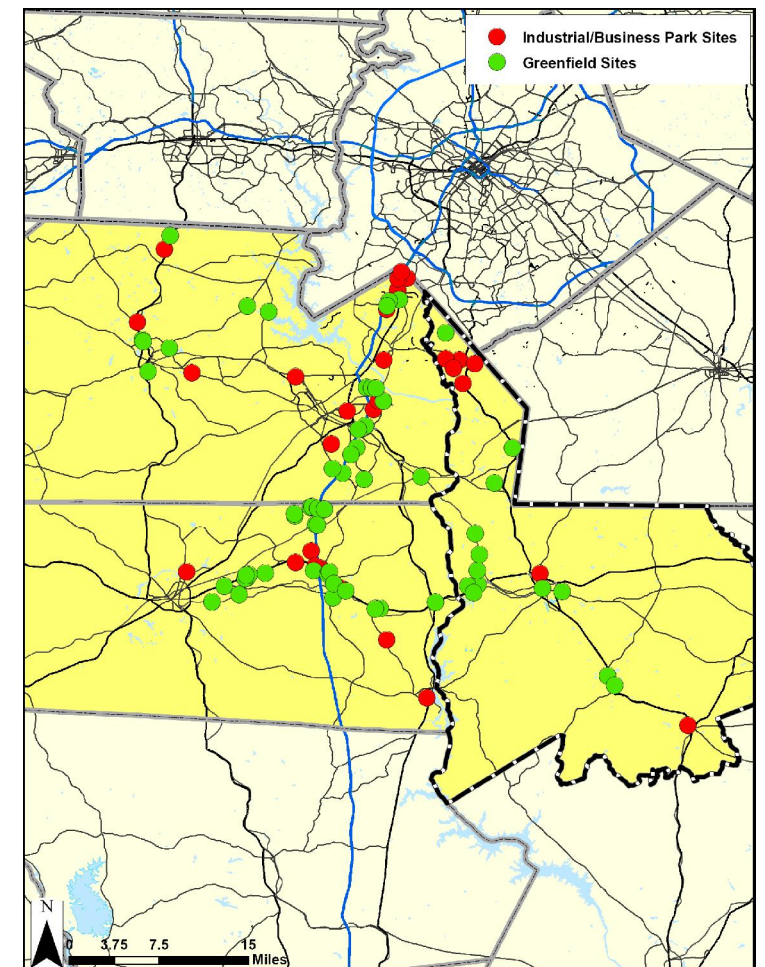
over 10,000 County residents commute to jobs out of the County. This indicates that these jobs are likely not available within Lancaster County, but that the people to perform them are.

A readily available workforce clearly exists in the County; however, training for these employees must continue as the economy continues to diversify. Programs such as the Lancaster County Call Center Training (a cooperative effort by LCEDC, Catawba Regional Council of Governments, Lancaster County, York Technical College, and Onestop Catawba Workforce System) represent the type of regional cooperation needed to ensure that the workforce remains relevant as new opportunities emerge. It's also important for training to focus not only on short term opportunities but also on skills that will be necessary in the emerging new economy. Emphasis on health care, finance, sustainability, communications and renewable energies will be important employment sectors for years to come. More information regarding job training opportunities in the County can be found at the following: www.lancasterscworkstraining.com, www.catawba_onestop.com, and www.catawbacog.org.

Available and Affordable Land

Another factor businesses consider is the availability of land (both size and appropriate zoning). According to the LCEDC website as of December 2009, there are 16 available industrial and office sites in the County totaling over 3,000 acres. Sites are available in all three regions of the County: northern Lancaster County, central Lancaster County, and southern Lancaster County. Several hundred acres of available industrial property are located on the L & C rail line.

Lancaster County and the six counties in the Charlotte MSA are competing for economic development opportunities. There are 29 improved industrial or business parks marketed by the Charlotte Regional Partnership in Lancaster, York, and Chester counties. Lancaster County has the fewest parks, acreage, and number of greenfield sites. An affordability analysis wasn't included in this study but anecdotal information suggests that Lancaster County sites are competitively priced for the region.



Economic Development Sites, Lancaster, Chester, & York Counties, 2009

Table 6-1— Economic Development Sites

County	Industrial Parks	Park Acres	Greenfield Sites	Site Acres
Chester	8	1,581	27	6,048
Lancaster	7	704	13	3,017
York	14	2,423	22	3,794
Total	29	4,708	62	12,859

Lancaster County has the fewest parks, acreage, and number of greenfield sites.

Available Inventory

In addition to the availability and affordability of land, buildings in move-in ready condition are also attractive to some employment opportunities. According to the LCEDC website (December 2009), there are 16 existing available industrial buildings. These buildings total close to 1,315,000 square feet of available space. Sites are available in all three regions of the County: northern Lancaster County, central Lancaster County, and southern Lancaster County.

Utility Service/Rates

Available utilities at competitive rates are crucial considerations to many economic development opportunities. Most employers are looking for energy, water, and sewer rates that are stable and competitive. They want predictable pricing so that they can focus on other cost escalations related to their business.

Within the study area most of the water and sewer is provided by a public Special Purpose District-Lancaster County Water and Sewer District (LCWSD). The expansion and pricing of services provided by the Water and Sewer District is not something over which the County has direct influence. The customer must submit a table which itemizes and outlines the flows they are estimated to discharge. LCWSD then uses a Commercial Equivalent Unit (CEU) formula to determine the sewer capacity fee. The customer also pays a sewer connection fee to cover the cost to serve or provide the tap. Connection fees vary depending on characteristics of the tap.

Fees for water depend on the meter size the customer is requesting. Fees range from \$400.00 for 3/4” to



\$10,000.00 for 2”. The connection fees are based on the meter size and the cost to install the connection.

LCWSD provides a price break to all commercial and industrial customers on their capacity fees (about ½ what the normal fees are for residential) to assist the County and LCEDC with commercial and industrial growth and job creation.

Within the study area electric power is readily available, reliable, and affordable. All of Lancaster County’s industrial sites and parks are served with electricity from Duke Energy, Lynches River Electric Cooperative, or York Electric Cooperative.

The Lancaster County Natural Gas Authority provides natural gas service to residential, commercial, and industrial customers in Lancaster County. Nearly all of the County’s industrial and office sites and parks are served by natural gas.

The major provider of residential and business communications systems in Lancaster County is Comporium Communications. In addition, alternative sources of broadband connectivity exist.

Available Incentives

The LCEDC and South Carolina Department of Commerce offer several types of financial incentives to expanding companies including job tax credits, job development credits, and enterprise zone retraining credits. As the competition for resources escalates, it will be important for the County and LCEDC to ensure that incentives include measures and conditions that protect the intent of the incentive and include penalties and payback provisions for those conditions that go unfulfilled.

Millage Rate

South Carolina uses a millage rate for its method of taxation (calculated as ((Rate x Taxable Value)/1,000)). The millage rate in unincorporated Lancaster County was compared to the unincorporated areas of two surrounding counties: York and Chester. Lancaster County’s millage rate at 80.9 is roughly in the middle, compared to 44.7 in York County and 112.8 in Chester County. For comparison purposes, the millage rates provided exclude taxes for schools, fire districts, etc. that are typically applied on top of the general fund.

Site Selection Trends and High Priority Locations

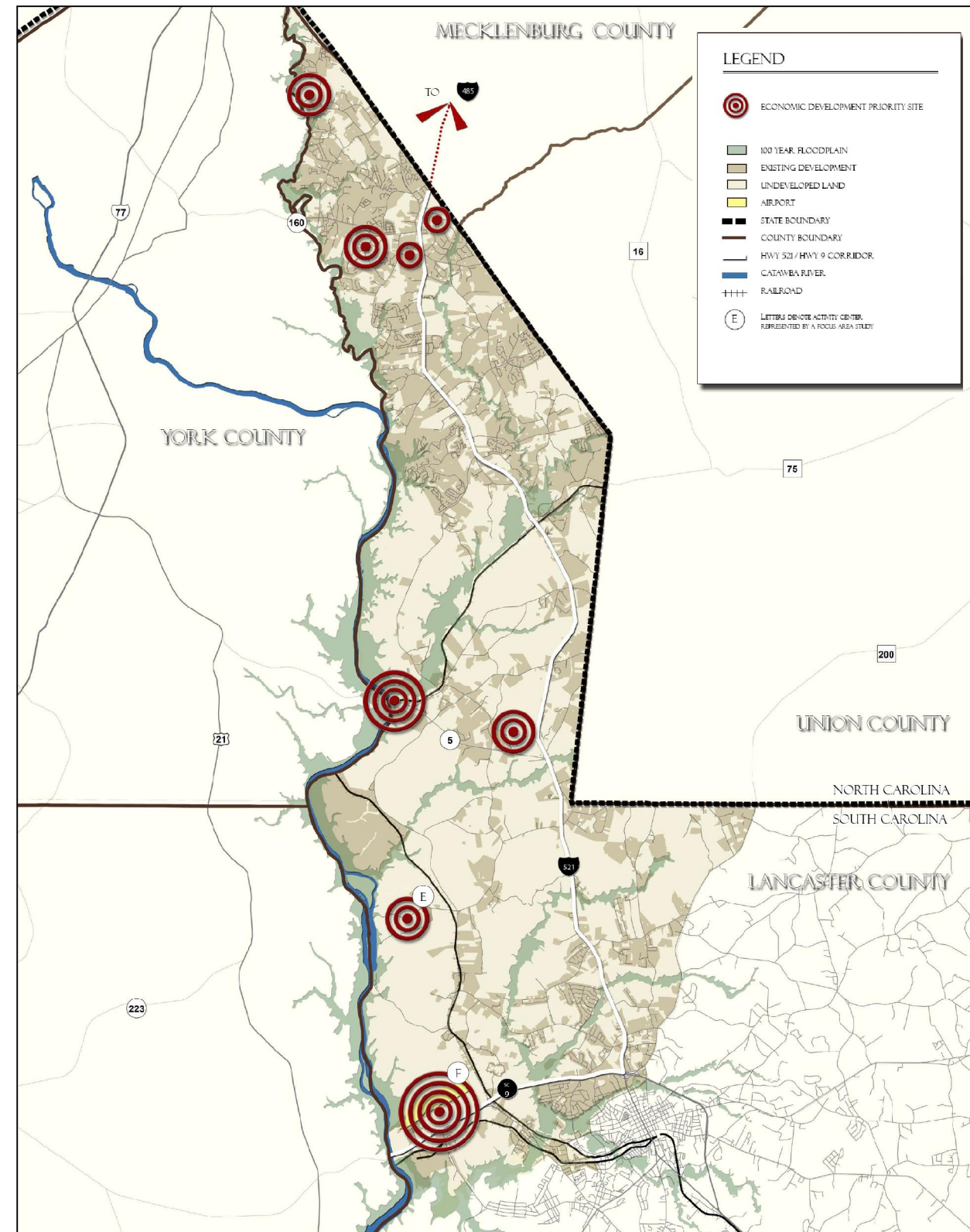
The National Association of Industrial and Office Properties (NAIOP) has documented the following site selection criteria for various types of employment centers. Many of these considerations are highly applicable to Lancaster County:

- At or near an intermodal facility
- In a high population state
- State with population growth
- Near customers or suppliers
- Near a major international airport
- Served by a superior road system
- In a free trade zone
- In a park where land costs are reasonable, sites vary in size, and there is a mix of uses.

Other intangibles that are mentioned by NAIOP include:

- Government agencies that are pro business
- Good local schools and colleges that are willing to meet company training needs
- Sites that are fully permitted
- A high assurance that development permits will be issued in a timely and predictable manner
- All utilities are available and at reasonable cost
- Alternative sources of broadband communication exists
- Incentives are available for expansions and relocations
- Quality housing is available and affordable for the workforce
- There is a good quality of life
- Proximity to a “job generator” or business cluster is a bonus.

When considering the preceding list, Lancaster County has a number of positive qualities many related to the physical and social characteristics of the area. However, careful steps must be taken to ensure that these positive characteristics aren't diminished over time and that a healthy balance is achieved. Through coordination with LCEDC a number of high priority sites were identified for future economic development initiatives. These high priority locations are identified on the map to the right. These include large tracts of land currently zoned for industrial uses as well as sites with characteristics for future economic development initiatives (accessibility, visibility, available utilities, adjacent to other employment sites, etc).



High Priority Economic Development Sites

Policies

As stated in the General Development chapter of this study, the County should promote and protect key economic development sites identified on the High Priority Economic Development Sites Map. Outside of these sites, development should be encouraged in Growth Areas 1 and 3 - the more urbanized areas of the study area. However, bringing jobs and employment opportunities to the County is a top priority. The County, in conjunction with the LCEDC, should work with potential future employers on successful recruitment. In some circumstances the County may need to make decisions that are contrary to the recommendations set forth in this study when significant economic opportunities emerge. Deviations from the study recommendations should only be considered for significant economic development opportunities. The County may want to consider the creation of criteria for considering exceptions so that the integrity of the study recommendations are maintained. If and when a large employment center is located contrary to the study recommendations, the County is encouraged to revise the comprehensive plan to reflect this change in order to capitalize on the positive impacts of the new center.

Utilities

As stated earlier, the County does not have control over provision of utilities. In order to ensure water and sewer service is available to priority economic development sites, the County must work with the LCWSD to establish a strategy for extending service to priority sites. The County may consider splitting the cost of extending service with the developer or other forms of incentives to ensure service becomes available in these desired locations.



High priority economic development sites include a combination of existing vacant facilities, undeveloped greenfield sites, and new development parks.



Promoting Cohesive Design

Quality, cohesive design in business, office, and industrial parks helps enhance community character and improve quality of life. Promoting cohesive design ensures quality projects, lends credibility and professionalism, and creates a unique brand identity in the park or area. Cohesive design can also improve traffic conditions by enabling efficient access and circulation around the site for pedestrians and vehicles. Most importantly, quality parks will attract supporting businesses as well as employees to the area.

The best way to ensure unified design is to require a park (business or industrial) master plan or enforce design standards in parks. Ideally, design elements should be considered during site design. This allows developers and staff to consider the interplay between buildings, grounds, layout, etc; ultimately preventing inconsistencies and the uncoordinated feel that arises from ad hoc development. Additionally, considering design elements during site design ensures that sites are developed with details in mind: greenspace, the relationship between human beings and the size/function of surrounding buildings, strategic focal points such as a fountain or promenade, and clear boundaries and perimeters. Lastly, investing time and resources into creating a master plan streamlines decision-making and helps predict costs into the future.

To achieve unified, cohesive design in new parks, standards should be developed for a variety of elements including building architecture, signage, lighting, buffer yards, streetscapes, and fencing. For a detailed discussion of community design principles, see Chapter 5 on place-making. Some standards specific to business, office, and industrial parks include:

- Require large scale, intensive operations with limited exterior features/finishes to be placed at internal sites away from the public view. Additionally, require those sites placed in the public view to have more exterior features and finishes.
- Design street networks to eliminate or minimize truck traffic movement in residential areas.
- Require ample buffer yards that are heavily landscaped with mature trees.
- Require attractive entry signage at all entrances. Main entrances should have prominent decorative signage and landscaping. All signs at multi-tenant sites should be of similar styles.
- Use a unified landscape and signage design palette along roadways in front of businesses.
- Incorporate natural features into site plans such as mature trees and wetlands, where possible.
- Reinforce pedestrian connections with pedestrian scale lighting for safety (maximum of 16 feet in height).

The creation of an employment center district in the areas from SC 5 north to the state line seems to be the most logical geography. This area is closest to I-77 and to the City of Charlotte and can build off the existing

patterns to the north in the Ballantyne area of Mecklenburg County as well as emerging plans in Union County. The long-term inclusion of the Dave Lyle Boulevard connection provides a component of a larger outer tier of transportation around the southern limits of the Charlotte metropolitan area. The expectation for quality-integrated development in this area should be a priority. The County and residents should pay careful attention to not only the use, but also how each development fits in the larger context of their community. Non-residential opportunities should easily integrate into this geography when the design standards mentioned earlier are applied. Office parks are especially conducive to connecting with residential patterns of development as they tend to have higher quality architecture, enhanced landscaping and are sites that effectively go dark after 6:00 PM. These parks are also encouraged to be more than single use centers and include elements that contribute to the overall quality of life in the community - open space, parks, restaurants and shops can easily be included as accessories to a larger development making them true mixed use centers.



Tax Base Implications

Land use patterns and development intensities included in the General Development Map are designed to meet the demand forecasts discussed in Chapter 2 of the study. These land use patterns and development intensities will directly influence the ability of County officials to implement cost-effective, highly-responsive public facilities and services that are well-maintained. The amount, type, and location of development contribute to the tax-base of a municipality or County which funds maintenance, construction, and improvement of public facilities and the provision of public services.

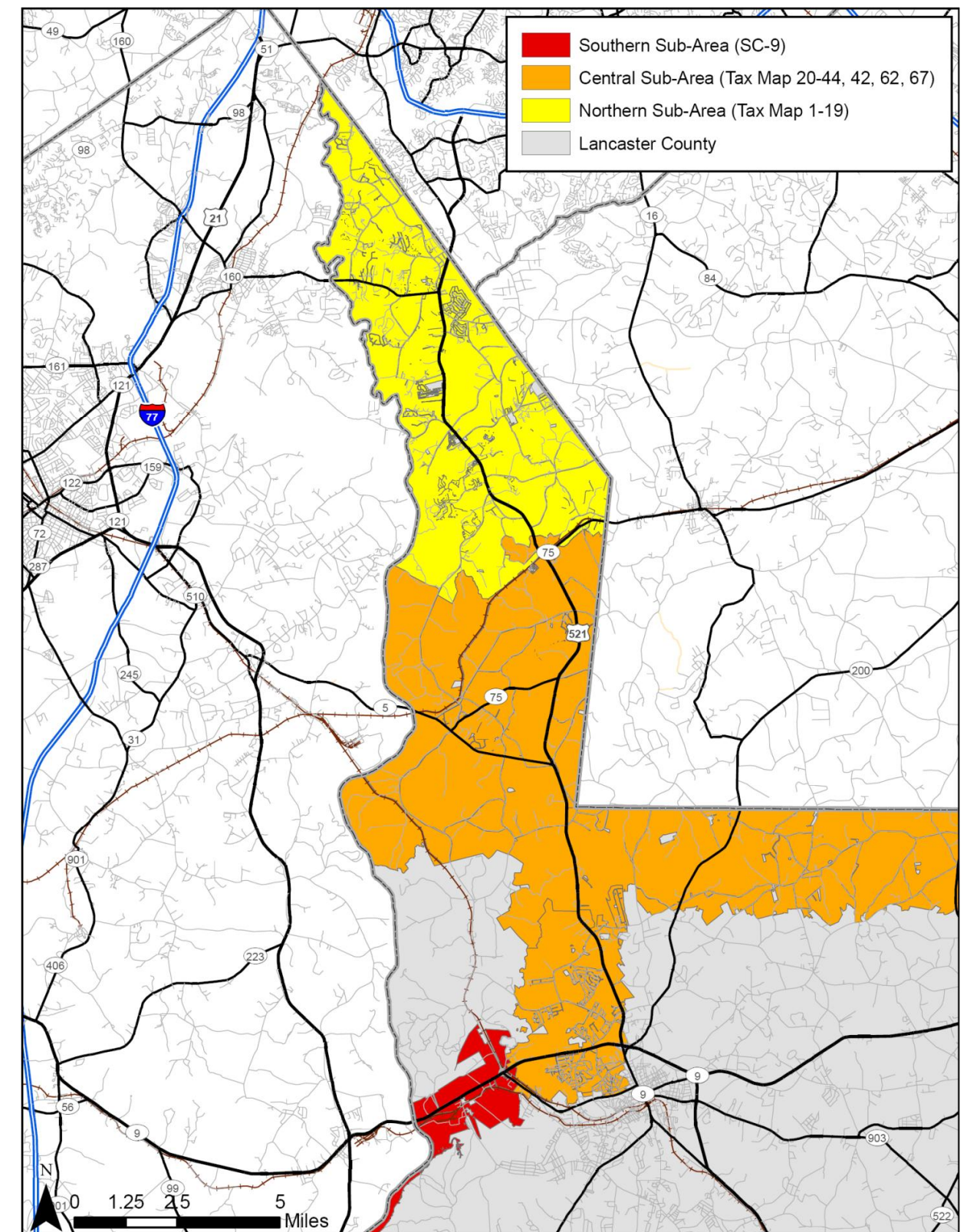
This section forecasts the potential increase in real property and sales tax revenue for Lancaster County based on retail, office, and industrial demand forecasts for the period between 2009 and 2020. Real property tax revenue is based on average land and building assessments by land use as provided by the Lancaster County Assessor's Office. Due to the extreme variation in land and building assessments within the Study Area, separate values were provided for northern, central, and southern sub-areas. The sub-areas are shown on the Tax Implication Subarea Map to the right.

The potential increase in sales tax revenue for Lancaster County is based on retail forecasts between 2009 and 2020. The increase in sales tax revenue is based on an average sale per square foot of \$300, which was derived from regional data reported in the Urban Land Institute's *The Dollars and Cents of Shopping Centers*. All results are presented in 2009 dollars.

The results of this analysis provide a general measure of tax revenue for planning purposes only. The numerous assumptions required by this analysis prevent the results from being a comprehensive fiscal or tax base analysis. This information serves as a general measure of the forecasted health of the tax base.

Residential Assessed Value

The study area can expect 5,100 new housing units by 2020 based on forecasted growth: 3,650 of these forecasted residential units are projected to be single-family houses, with 700 townhouses, and 750 apartments (see Chapter 2 of this study for more detail). Based on average density assumptions by housing type, the total new residential units will require approximately 1,350+/- acres of land.



Tax Implication Subarea Map

The total assessed residential value for these units is estimated at over \$47 million. The northern area is expected to comprise 82.3% of the assessed value, due to higher average unit values and stronger growth potential. The central area is expected to make up 15.3%, while the southern area may capture 2.3%.

For specific information on each sub-area (distribution, land and building value, total assessed value, type, and tenure), see the *Market and Economic Development Analysis* prepared as a part of this study.

Non-Residential Real Property Value

The Study Area is forecasted to see an increase of 2.1 million square feet of non-residential development between 2009 and 2020 (Table 6-2). Based on average floor area ratios (FAR) of 0.25 and 0.30, new retail and office uses will require an additional 92+/- acres for development. Industrial uses are estimated to require an additional 309 acres.

Table 6-2— Forecasted Non-Residential Square Footage and Acres, Study Area, 2009-2020			
Use	Forecasted Sq. Ft.	FAR	Forecasted Acres
Retail	421,099	0.25	39
Office	690,982	0.30	53
Industrial-Fee*	979,127	0.20	294
Industrial-Non-Fee*	51,533	0.20	15
Total	2,142,741		401

The total assessed value for non-residential development in the Study Area between 2009 and 2020 is approximately \$8.9 million. New office development is expected to have a value of \$3.9 million, or 44.2% of the total. Fee agreement and non-fee agreement industrial could make up 31.3%, while new retail development could comprise another 24.5%.

The northern area could comprise approximately 66.7% of the Study Area’s non-residential increase in assessed value. Strong non-residential growth in the northern area is likely attributed to proximity to Ballantyne, I-485, and Charlotte.

For specific information on each sub-area (distribution assumptions, average land values per acre, average building values per square foot), see the *Market and Economic Development Analysis* prepared as a part of this study.

Vacant Land

Understanding the true amount of growth in assessed real property value in the study area requires estimating the existing amount of assessed real property value for vacant parcels. By removing this number from the total, the new tax revenue can be isolated from existing tax revenue to reveal the true amount of growth expected between 2009 and 2020.

Based on an analysis of a random sample of tracts throughout the Study Area, parcels categorized as vacant land have an average value of \$2,500 per acre. Agricultural land makes up a large portion of the Study Area, and is valued at a much lower value than land classified as vacant. In order to take into account agricultural land, an average assessed value of \$1,250 per acre, or a 50% reduction, was used.

Based on average density assumptions, new development in the Study Area will require 1,752 acres of land. At an average value per acre of \$1,250, the total existing assessed land value for the acreage required for new development is \$2.2 million.

Net Residential and Non-Residential Development Value

As shown in Table 6-3, subtracting the existing land value from the assessed value of the residential and non-residential forecasts equates to a net assessed development value of \$54.5 million in the Study Area.

Table 6-3— Net Development Value, Study Area, 2009-2010			
Use	Assessed Value	Existing Land Value	Development Value
Residential	\$47,785,825	\$1,688,802	\$46,097,023
Retail	\$2,182,985	\$48,335	\$2,134,650
Office	\$3,946,182	\$66,095	\$3,880,087
Industrial	\$2,796,550	\$386,250	\$2,410,300
Total	\$56,711,541	\$2,189,482	\$54,522,059

The assessed value for the forecasted residential units is estimated to comprise 84.5% of the net new development value in the Study Area between 2009 and 2020. Non-residential uses are expected to comprise the remaining 15.4%.

According to Lancaster County, the real property assessed value for the 2008-2009 fiscal year was \$787 million. Approximately 50.5%, or \$397 million, was from residential uses. As shown in Table 6-4, based solely on forecasts in the Study Area, Lancaster County’s tax base could increase 6.9% by 2020.

Table 6-4-Real Property Assessed Value by Use, Lancaster County, 2009-2020				
Land Use	Net			
	2008-2009 Actual	Assessed Dev. Value	2020 Forecast	2009-2020 % Change
Residential	\$397,496,362	\$46,097,023	\$443,593,395	11.6%
Non-Residential	\$389,989,258	\$8,425,036	\$398,414,294	2.2%
Total	\$787,485,621	\$54,522,059	\$842,007,679	6.9%

The Lancaster County tax base is currently 50.5% residential and 49.5% non-residential. Based on development forecasts, the residential real property tax base share is expected to increase by 2.2% by 2020. The non-residential real property share is estimated to decrease during the same time period. The ratio between

residential and non residential uses combined with overall growth in the tax base contributes to estimated tax revenue, which is shared between the General Fund and other specific government administrative funds.

Lancaster County Real Property Tax Revenue

To estimate the real property tax revenue, the millage rate is applied to the taxable property value. A millage rate is the proportion of taxable value that can be collected as revenue by the government. Millage rates are locally determined and vary across municipalities and counties.

The current millage rate in Lancaster County is 256.20 (which equates to \$256 of every \$1,000 dollars of taxable development value) (Table 6-5). The millage rate is broken down into three categories: County taxes, schools, and University of South Carolina-Lancaster. The schools millage is 172.00. The County tax is 80.90. Typically, revenue generated through real property tax is deposited in the General Fund; however, revenue generated for the schools and USC-L property tax has designated uses and does not contribute to the General Fund.

Table 6-5— Millage Rates, Lancaster County, 2009				
	County	Schools	USC-L	Total
Millage Rate	80.90	172.00	3.30	256.2
% of Total	31.6%	67.10%	1.30%	100.00%

By applying the millage rate to the net assessed development value, new residential and non-residential growth in the study area could provide an additional \$13.9 million in real property tax revenue to Lancaster County by 2020 (Table 6-6). Of this \$13.9 million, \$4.4 million would contribute to the General Fund.

Table 6-6— Real Property Tax Revenue, Study Area,2009-2020						
Use	Net Assessed Development Value	Revenue			Total Revenue	% of Total
		County	Schools	USC-L		
Residential	\$46,097,023	\$3,729,249	\$7,928,688	\$152,120	\$11,810,057	84.50%
Retail	\$2,134,650	\$172,693	\$367,160	\$7,044	\$546,897	3.90%
Office	\$3,880,087	\$313,899	\$667,375	\$12,804	\$994,078	7.10%
Industrial	\$2,410,300	\$194,993	\$414,572	\$7,954	\$617,519	4.40%
Total	\$54,522,059	\$4,410,835	\$9,377,794	\$179,923	\$13,968,551	100.00%

Commensurate with the current tax base information, the current real property tax revenue is nearly \$202 million. Based on the 2020 development forecasts, Lancaster County could increase real property tax revenue commensurate with the estimated tax base increase of 6.9% (see Table 6-7).

Table 6-7-Real Property Tax Revenue by Type, Lancaster County, 2009-2020				
Land Use	2008-2009 Actual	Net Assessed Dev. Value	2020	2009-2020
			Forecast	% Change
Residential	\$101,838,568	\$11,810,057	\$113,648,625	11.6%
Non-Residential	\$99,915,248	\$2,158,494	\$102,073,742	2.2%
Total	\$201,753,816	\$13,968,551	\$215,722,367	6.9%

Sales Tax Revenue

Real property taxes are only one source of revenue for communities. Sales tax revenue is also a critical component of government operating expenses. In order to estimate sales tax revenue, average sales per square foot must be combined with estimated new square feet of retail space.

This analysis forecasts an additional 421,099 square feet of retail space in the study area between 2009 and 2020. Based on a regional average of \$300 in sales per square foot, the new retail space would have estimated retail sales of \$126 million.

Sales tax revenue collected by Lancaster County is sent to the state, and then redistributed to the County on a monthly or quarterly basis, depending on the fund. Although the 6.0% Sales and Use Tax is not returned to Lancaster County, 100% of the Local Option Sales Tax and the Capitol Projects Tax is returned, equating to a potential increase of \$2.5 million in sales tax revenue.

Similar to real property tax, a portion of the sales tax revenue has designated uses, and is not included in the general fund. Revenue from the Local Option Tax, approved by Lancaster County in 1991, is divided into two revenue pools: the majority, 71% of the revenue, is used as a property tax credit for Lancaster County residents, and the remaining 29% of the revenue goes into the general fund. It is estimated that approximately \$366,355 of the revenue increase would go to the general fund.

In 2006, South Carolina passed Act 388 which cut residential property taxes to fund school operations in exchange for an extra penny on the dollar in sales taxes. Provisions in the law prevent school districts and local governments from raising millage rates by more than a formula based on inflation plus population growth, and caps increases in the assessed value of property at 15 percent every five years.

The Capital Projects tax was approved via referendum in November 2008. This additional 1.0% sales tax goes entirely to the construction of the new Lancaster County Courthouse. The Capitol Projects tax is approved for a period of seven-years, or until construction is completed. Lancaster County can prepare another referendum to extend the tax for an additional project. This analysis assumes the extension occurs.

Together, these sources of revenue combine to show a significant increase in tax revenue over the 2009-2020 period. This revenue depends on the residential and non-residential forecasted growth to occur. In order to generate this potential revenue, Lancaster County must actively continue to market itself for new growth and

development in the future. A sound, multi-faceted marketing strategy will be an important factor in determining the tax revenue growth and future economic vitality of the study area.

Marketing

Like with any product, the County has to “sell” itself to be sustainable and successful. It must be appealing to businesses, existing and potential residents, visitors, and tourists and separate itself from adjacent communities. This section describes the current marketing efforts underway in the County and offers recommendations for enhancing these efforts.

Current Efforts

A number of agencies are currently marketing the community in some capacity. These include:

Governmental Agencies

- Lancaster County
- Catawba Regional Council of Governments
- City of Lancaster

Economic Development Agencies

- Lancaster County Economic Development Corporation (LCEDC)
- Lancaster County Chamber of Commerce
- Charlotte Regional Partnership

Educational

- Lancaster County Library
- Lancaster County School District
- USC Lancaster

Cultural & Visitor

- Olde English District (SC Tourism)
- South Carolina State Parks
- Lancaster County Council of the Arts
- “See Lancaster”

While many of these agencies market regional assets or specific areas, it is Lancaster County, LCEDC, City of Lancaster, Chamber of Commerce, and “See Lancaster” who directly market the Lancaster Community. Currently, the Lancaster County Economic Development Corporation is facilitating the majority of the marketing for the County. It promotes economic development in three distinct areas of the County (Northern, Central, Southern). Using the tag line, “Lancaster Works”, the LCEDC has a recently completed an

organizational branding strategy that began with its new website www.lancasterseworks.com. The agency also has print and web-based marketing brochures for each section of the County. It provides information on available sites and buildings for industrial as well as office and retail.

Lancaster County staffs a Welcome Center with information on historic sites, arts, culture, and events, as well as a gift shop with items related to Lancaster County.

LCEDC completed a Strategic Plan in April of 2009 calling for three specific target markets: Food Processing/Organic Farming, Headquarters, and Manufacturing. The strategic plan also set out an action plan for branding and marketing initiatives to promote economic development. The action plan includes introducing a new LCEDC logo and website, and the organization is rolling out its new brand into all additional marketing collateral.

The Lancaster County Chamber of Commerce is a membership and business-based organization providing business support and networking for all of its members. Most of the information it provides is on its website www.lancasterchamber.org, beginning with a searchable membership directory. The Chamber provides an up-to-date calendar, with information primarily for chamber functions, but also those of “See Lancaster.” The organization facilitates several events over the course of the year, including a golf tournament, annual State of the Community summit, legislative breakfast, and Economic Forum. It provides a Leadership Lancaster program and various training opportunities for members and businesses. Its primary role is providing a business network and member services to its membership.

“See Lancaster” currently fills the visitor and tourism promotion role in the community. The organization was originally born out of the Main Street Lancaster agency, and now focuses on Countywide tourism promotion, downtown revitalization, and historic preservation. It promotes Lancaster County, as well as the cities of Lancaster, Heath Springs, and Kershaw. Like the Chamber, it provides information on individual businesses within the County, and produces a member newsletter in the framework of the Four Points of Main Street. The organization’s primary promotional role is facilitating events in the community such as the Street Market, Christmas Parade, etc, as well as marketing area events such as the Kershaw Hog Jam. “See Lancaster” provides a one-stop shop on its website for information related to the arts, outdoor activity, nature, and lodging.

Each of these agencies has a unique identity and message, which is important when there are numerous organizations marketing a community. Delivering a polished and professional message personal to each individual agency is important; however, the most effective marketing plans and strategies include coordination and partnerships between agencies. As the recession ends and interest in development increases, it will be important to strengthen partnerships between agencies and clearly define the roles of each agency. The County should consider creating a focused marketing plan that concentrates on expanding the reach of Lancaster County (consumers, tourism, etc) and facilitating growth and investment (economic development).

“Delivering a polished and professional message personal to each individual agency is important; however, the most effective marketing plans and strategies include coordination and partnerships between agencies.”

Expanding Market Reach

Coordinate efforts to target specific regional markets

With the creation of a focused marketing plan, Lancaster County should work to expand its market reach. All of the agencies currently marketing the County, and other implementation partners (Indian Land Action Council, Van Wyck Business Association, Private Sector Real Estate Agencies), should coordinate efforts to target specific regional markets. Finding opportunities to cooperate strategically as well as financially will help each agency promote their specific agenda to a larger audience. Strategies to consider include:

- Creating an internal **“My Lancaster”** marketing campaign targeting the newer residents in the northern study area, or those more associated with the urban area of greater Charlotte. It is often necessary in suburban communities to remind residents of what makes their home community unique, or even reintroduce them to their hometown.
- Do a targeted advertising campaign focusing on the larger region including the Ballantyne area, York and Chester Counties. This would be a customer recruitment strategy promoting area businesses or events.
- Coordinate with the Charlotte Observer to include Lancaster County in its Neighbors Sections. Currently, it includes Union and York Counties, but not Lancaster.
- Create and market events to both the internal and regional market

Indian Trail, North Carolina created an internal marketing campaign targeting the “new” residents within the region. The goal is to promote the town’s vision as well as to position the community as a unique place.



Internal marketing in Indian Trail, North Carolina

Marketing Efforts Times with Proposed Dave Lyle Boulevard Extension

The proposed opening of the Dave Lyle Boulevard extension will help expand the market reach of Lancaster County by opening up the County to many regional consumers. At such time as the roadway seems imminent, Lancaster County should capitalize on this project by creating a targeted campaign focusing on Rock Hill and York County. Ads and event promotion can be placed in the Rock Hill Herald and the Observer, both print and online. Branded signage can also be effective. Most importantly, this road improvement will create a new primary gateway into the community.

Create Consolidated Tourism Strategy

The County can also expand its market reach by promoting Lancaster County as a visitor destination. While the various destinations within the County do an excellent job of promoting themselves, the County lacks a consolidated tourism strategy. This strategy would start with determining a lead agency to guide the efforts, and would likely focus on Heritage Tourism and Recreation opportunities. Action strategies could include:

- Create a website specifically geared towards promoting tourism and visitor traffic in the community. This could be a redesign of the existing “See Lancaster” site, but should be separate of the organization’s official site.
- Create advertisements that promote Lancaster County’s destinations, especially its unique recreational resources, utilizing the unique brand imagery for the County. These ads can be placed in regional periodicals or lifestyle magazines.



- Coordinate with Indian Land Action Council to create a Lancaster SC “Welcome Center” near the intersection of US 521 and SC 160. This could potentially be a staffed location, but more likely a strategically placed informational kiosk in a private business in Indian Land.



Branded outdoor guide, shopping guide, and event poster in Hinesville, Georgia

Facilitating Growth and Investment

In addition to expanding market reach, the County’s marketing plan should focus on facilitating growth and investment. The following recommendations are offered consideration.

Targeted Recruitment Strategies

The LCEDC is doing an excellent job of marketing Lancaster County as a destination for investment. The LCEDC also has recently completed and is implementing its Strategic Plan. Recruitment efforts in the study area should be tied directly to LCEDC market research and target sectors.

Create Study Area presence on LCEDC website

The LCEDC currently markets the County in three geographic areas – Northern, Central, and Southern Lancaster. As sub identities emerge along the corridor (Indian Land, Van Wyck, character districts, future development nodes, etc.), they should be incorporated into the LCEDC website to both highlight the three geographic areas, but also strengthen the individual identities.

Create Economic Development Collateral

The County should produce economic development collateral to support agency efforts. This could include incorporating the new LCEDC brand into existing collateral and market strategies. An early example of this would be the new LCEDC website. Others would include advertisements highlighting area success stories, testimonials, etc.

The LCEDC is doing some of this with Duracell and Springs, but the current materials are not polished like other LCEDC materials. Ultimately, a complete economic development marketing package will emerge to include advertisements, data sheets, websites, business and investment guides, stationery, powerpoint templates, etc. Similar examples are shown below including Gulfport, Mississippi and Staunton, Virginia.



Comprehensive Economic Development Collateral in Staunton, Virginia and Gulfport Mississippi

Position Lancaster County as a Quality Location

As the housing market continues to slump nationally and within the greater Charlotte region, it will be necessary to have a consolidated effort to promote the County as a quality place to live, work and recreate. Currently, this is done on an individual basis with private sector developments and regional realtors. Future efforts should include Lancaster County and the LCEDC partnering with private sector initiatives to create a regional and national campaign to promote the advantages of living in Lancaster County. This may include building off the current efforts to promote the County as a premier place for retirees.



Advertisement, Event Poster, and Billboard promoting residential in Waynesville, North Carolina

Promote Focus Areas and Vision Identified in this Study

This study has six detailed focus areas outlining future development potential (see the Focus Areas Chapter of this study). Lancaster County and the LCEDC should create branded RFP's for development, info sheets presenting the conceptual vision, etc, in order to specifically market the potential identified in this study. The use of the images will help promote the concepts of compatible infill development, cluster conservation development, industrial and office employment centers and highlight the airport as a prime opportunity for future development. See chapter 7 of this report for more information on the focus areas.

Marketing: Summary Thoughts

Clearly define marketing roles.

Lancaster County and the LCEDC cannot be solely responsible for marketing all of the assets and opportunities in the County. Ultimately, each individual agency (both public and private) should play a role in the effort. First, the partners should identify the lead agency for specific areas and messages. For example, the LCEDC would likely lead marketing strategies related to economic development, with other agencies participating. With visitor promotion, the lead is not as clear but would likely be the Chamber of Commerce. Depending on the determination of specific roles and leads, it could potentially result in staffing considerations for the County in terms of marketing, tourism, or public relations staff.

Provide small business support.

While the bigger picture economic development and tourism efforts will occur within agencies representing the entire County, localized agencies such as Indian Land Action Committee, Van Wyck Business Association, etc. should be responsible for creating small business support materials such as providing access to information, creating business directories, event creation and promotion, etc.

Create marketing committee.

Other communities have found success in creating marketing committees or organizing biannual/quarterly meetings to discuss progress and efforts. These meetings are not intended to foster high level decision making on marketing strategies, but more to create a mechanism for all partners to be aware of ongoing marketing efforts and status of implementation.

Summary of Recommendations

1. Identify important stakeholders to join in the development of a marketing plan.

Several agencies currently market in the County in some capacity. All agencies should be identified and contacted to assist in the development of an overall marketing plan for the County. This process will improve coordination and strengthen partnerships among agencies as well as clearly establish the role each agency will play in carrying out the overall marketing plan.

2. Create a marketing plan that capitalizes on the existing efforts of the County, City, Chamber of Commerce, See Lancater, and Lancaster County Economic Development Corporation.

Currently the County has no overall marketing strategy. Development of such a strategy will enhance current marketing efforts, expand market reach, and facilitate growth and investment in the County.

3. Capitalize on opportunities identified in the market study report, i.e. market opportunities that are “leaking” outside of study area.

As discussed in the Market Analysis Chapter, the County has an undersupply of over 800,000 square feet of retail. As a result, County residents are purchasing retail goods and services from surrounding counties. Building additional retail provides the opportunity for the County to recapture expenditures that are leaking outside of the study area and capture dollars from outside of the immediate vicinity. Entitled retail projects in the study area, if constructed, will satisfy this “leaked” demand.

4. Guide growth and development towards priority economic development sites using the focus areas as designed in the focus area chapter as a guide of how to integrate with the natural and built environment.

The general development chapter, includes recommendations on ways to protect key economic development sites identified in the County. In conjunction with protecting these sites, the County must also promote them. This should be a part of the County’s overall marketing plan and should include recruitment efforts, creation of economic development collateral, development of incentives tied to these locations, and highlights on the LCEDC website. The focus area drawings associated with certain key sites should be included in collateral and on the website to both spark an interest from developers and set design expectations.

5. Consider creating criteria for determining when it is appropriate to deviate from the priority economic development sites and recommendations set forth in this chapter.

Bringing jobs and employment opportunities to the County is a top priority. In some circumstances, it may be necessary to make decisions that are contrary to the recommendations set forth in this study. Deviations should only be considered for significant economic development opportunities. The County should consider the creation of criteria for considering exceptions so that the integrity of the study recommendations are maintained. If and when a large employment center is located contrary to the study recommendations, the County is encouraged to revise the comprehensive plan to reflect this change in order to capitalize on the positive impacts of the new center.

6. Continue implementing recommendations found in the Economic Development Strategic Plan.

In April 2009, a plan entitled *Economic Development Strategic Plan Target Industry Study Marketing/Implementation Plan* was completed for the LCEDC. Although several of the recommendations set forth in this plan have been completed or are underway, many key recommendations still need to be completed. Additionally, the

County should ensure that new plans developed as a part of this study are consistent with findings and recommendations stated in the plan.

7. Reinforce recommendations from previous chapters (Transportation, General Development, Place-Making).

The term “economic vitality” expands the traditional economic development strategy to include considerations for transportation, place-making, and general development. Addressing these themes in conjunction with core economic development strategies like business recruitment, help give the County a competitive advantage over its neighbors. A successful economic vitality strategy depends not only on the County’s ability to achieve recommendations set forth in this chapter, but those suggested in previous chapters as well.

8. Coordinate with LCWSD to ensure water and sewer is available at all prime economic development sites.

Lancaster County does not have control over the provision of utilities – that responsibility lies with the LCWSD. In order to ensure water and sewer service is available to priority economic development sites, the County must work with the LCWSD to establish a strategy for extending service to priority sites. The County may consider splitting the cost of extending service with the developer or other forms of incentives to ensure service becomes available in these desired locations.

9. Increase public funding for LCEDC to comparable levels of adjacent counties.

During development of the *Economic Development Strategic Plan* it was discovered that the LCEDC has the lowest budget when compared with peer communities with whom the County competes for economic development projects. The County could consider increasing development related fees to comparable levels and shifting funds to LCEDC.

10. Develop design guidelines specific to business, office, and industrial parks.

County Council should consider amending existing development regulations to require a master plan for all business, office, and industrial parks or develop design guidelines specific to parks.

11. Continue to support and increase funding for workforce training that is responsive to the changing economy.

A community Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis conducted as a part of the *Economic Development Strategic Plan* identified workforce skill levels as a threat to future development in the County. The County must increase educational attainment and employment opportunities to ensure that residents possess the skills and education to perform the job duties desired by the types of businesses the County is looking to recruit.

