

ECONOMIC DEVELOPMENT

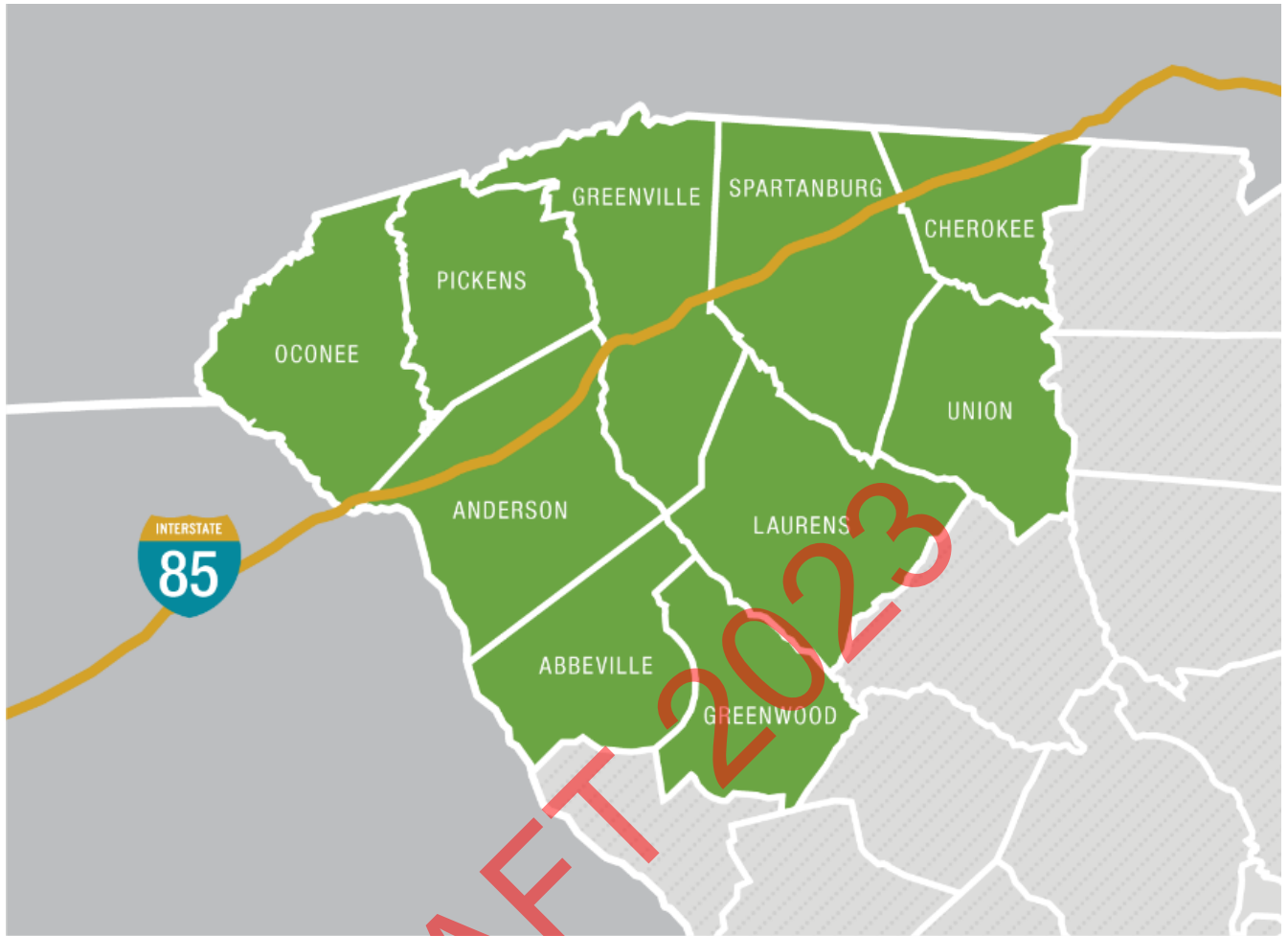
OVERVIEW

The Economic Element of the Comprehensive Plan focuses on the components of the economy in the County and the surrounding region. These factors, along with an assessment of current economic trends, form the basis for recommendations designed to contribute to a healthy economic climate in Laurens County. The local economy affects every aspect of community life – from jobs and taxes to environmental quality. A healthy economic climate fosters greater income potential for County residents, a supportive environment for businesses to succeed, and increased fiscal stability of local governments to maintain and expand community services and infrastructure.

Economic diversity is a vital component in achieving community sustainability. A balanced and diversified economy can help Laurens County and its residents successfully weather economic downturns. The ability of residents to live near their places of work and the provision of goods and services locally are major factors in a successful economy. The intent of this Element is to encourage the development of a sound economic foundation for Laurens County that offers a wide range of employment opportunities for residents, supports the economic competitiveness of existing and future employers, promotes a highly trained and educated workforce, complements the County's cultural and natural resource base, and strengthens the overall quality of life for all residents.

Laurens County Development Corporation is the lead economic marketing and business retention organization for the County. LCDC actively partners with Upstate Alliance to market Laurens County business sites to a worldwide audience. At the local level, LCDC promotes business expansion, retail and commercial development, and industrial recruitment. LCDC's 2021 Strategic Plan is provided as part of Appendix A.





Emerging from an early agrarian, lumber, and textiles tradition, Laurens County has successfully transitioned to a diversified economic base of advanced manufacturing, trade, health care, services, and tourism activity. The region has leveraged this economic transition over the last few decades with residential, commercial, and industrial growth. Although not at the level of its more urban neighbors in Greenville County, Laurens County has experienced increased development, with most growth concentrated along the Interstate 385 corridor and in the northern part of Laurens County that borders Greenville County.

Today, the top employers of Laurens County have diversified from the agrarian era. In 2022 the top employers in Laurens County were:

- ZF Transmissions (2300 Employees | Automotive)
- Laurens County School District 55 (1195 Employees | Education)
- Wal-Mart Distribution (840 Employees | Distribution)
- Yanfeng (815 Employees | Automotive)
- Sterilite Corporation (675 Employees | Plastics – Household)
- Laurens County (435 Employees | Government)

- Laurens County School District 56 Clinton (400 Employees | Education)
- Presbyterian College (374 Employees | Education)
- Whitten Center (334 Employees | Special Needs)
- Laurens County Hospital – Prisma (314 Employees | Healthcare – Hospital)

Economic development is more than job creation. A well-designed economic development strategy raises the standard of living, strengthens the tax base, and increases the assets and income levels of local residents. Additional measures of economic health include sales revenue, diverse employment sectors, banking deposits, property tax base, capital investment, per capita and household income levels, educational attainment, and cost of living.

Economic Development

Bolstered by a strong employment workforce, a seamless K-12 and higher education system, and abundant tourism assets, Laurens County is well-positioned for continued economic development growth. Laurens County offers a comparably low cost of living and a low cost of doing business including factors such as low taxes and utility rates, as well as a generally lower cost of living. As a right-to-work state, South Carolina ranks as the nation’s second least unionized state, with a rate of union membership at less than 3.5%. The unionization rate falls to only 1.6% among private manufacturers.

State and local jurisdictions can go even further in creating a positive business climate through the offer of tax incentives that help employers hold down operating costs and realize a return-on-investment, the provision of infrastructure, the promotion of higher educational attainment levels among residents, and the availability of low to no-cost specialized workforce development and training programs. Local governments can also streamline development review and permitting processes to facilitate clear communication of expectations and regulations; ensure the consistent enforcement of codes, ordinances, and regulations; and promote the protection of existing and future business operations through sound planning for infrastructure and compatible land use.

Development Incentives

Public investments and incentives, when part of a well-planned development strategy, can provide an attractive business climate and increase private investment. In addition to a low corporate income tax rate, the State of South Carolina and Laurens County provide multiple tax incentives to businesses to encourage economic growth. Because the State does not tax real or personal property, property tax incentives are implemented in conjunction with each county. There is no State or local tax on inventories or intangibles. Among the strongest incentives available to State and local economic developers are the jobs tax credit, the fee-in-lieu of property taxes, and job development and retraining credits. The ability to offer of many of these incentives depends on the formal approval of the SC Department of Revenues and county councils.

The State’s 46 counties are ranked by the SC Department of Revenue each year in one of four tiers, with Tier I including the highest ranked counties and Tier IV including the lowest. Rankings are based on employment rates and per capita income. Laurens County is currently ranked among twelve counties in

the second tier. This ranking is used by the State to determine the amount of jobs tax credits allocated to each county, with the larger credits going to counties with the greatest need.

STATE AND LOCAL BUSINESS INCENTIVES AVAILABLE IN SOUTH CAROLINA

Incentive	Description	Authority
Corporate Income Taxes	The SC corporate income tax rate is among the lowest in the Southeast. The State does not allow local governments to impose a corporate income tax and businesses are taxed only on the portion of income derived from in-state operations.	State
Jobs Tax Credits	Rewards new and expanding companies that create and maintain a minimum of 100 new jobs in manufacturing, processing, warehousing and distribution, research and development, agribusiness, or qualified technology intensive facility or corporate office. Credits are used against the State corporate income tax liability. Unused credits can be carried forward for up to 15 years. Credit values range from \$1,500 to \$8,000 per job, depending on the county. Pickens County is classified as a Tier II County.	State
Small Business Jobs Tax Credit	Created for companies in the above sectors, but that have fewer than 99 employees worldwide and will create a monthly average of 2 net new jobs. Companies get full credit for net new jobs that pay 120% of the County's average hourly rate. For jobs paying less than 120% of the average wage rate, credits from \$750 to \$4,000 per job (or \$1,750 to \$5,000 in a multi-county industrial park) may be available.	State
Multi-County Industrial Park	Counties may also partner to form a multi-county industrial park in which a county agrees to share property taxes with a partner county. This partnership raises the value of the credits by \$1,000 per job, meaning credits from \$2,500 to \$9,000 per job may be available for qualifying companies.	State
Corporate Headquarters Tax Credit	A 20% tax credit is available for companies that relocate or expand a corporate headquarters. Credit is based on the value of the portion of the facility dedicated to HQ operation or direct lease costs for the first five years of operation. Credit is applied against corporate income tax or license fee and can potentially eliminate corporate income taxes for as long as 10 years from the year earned. Companies must create a minimum of 40 new full-time jobs engaged in corporate HQ or research and development.	State

Job Development Credits	Allows new and expanding employers that are creating a minimum number of jobs to obtain a refund of employee withholding to use for approved business expenditures to offset the costs of locating or expanding a business. The maximum credit is \$3,250 per employee per year as determined by the South Carolina Coordinating Council for Economic Development. Companies generally can collect credits for up to 10 years on new full-time jobs with wages at or above the current county average wage.	State
Job Retraining Credits	Allows employers to obtain a refund of employee withholding to use for employee retraining for competitiveness and introduction of new technologies. Eligible businesses engaged in manufacturing, processing, or technology intensive industry can qualify for a refund of up to \$500 per full-time production or technology employee per year for retraining costs.	State
Research & Development Tax Credit	To reward companies for increasing research and development in a taxable year, South Carolina offers a credit equal to 5% of the taxpayer's qualified research expenses.	State
Sales Tax Exemptions	Sales tax exemptions are given for: machinery, equipment, and applicable repair parts used in the production of tangible goods; materials that become an integral part of the finished product; coal, coke, or other fuel for manufacturers, transportation companies, electric power companies, and processors; industrial electricity and other fuels used in manufacturing tangible personal property; research and development machinery and equipment; air, water and noise pollution control equipment; material handling equipment for manufacturing or distribution projects investing \$35 million or more; packaging materials; Long distance telephone calls and access charges; and construction materials used to build a single manufacturing and distribution facility with a capital investment of at least \$100 million.	State
Property Tax Exemptions	South Carolina exempts three classes of property from local property taxation: all inventories (raw materials, work-in-progress, and finished goods); all intangible property; and all pollution control equipment.	State

5-Year Property Tax Abatement	Manufacturers investing \$50,000 or more and distribution or headquarters facilities investing \$50,000 or more with at least 75 jobs by the first year are entitled to a 5-year property tax abatement from county operating taxes that can yield 20-50% savings. School taxes are not included in the exemption.	State Laurens County
Infrastructure Development	Laurens County owns an industrial park on Interstate 385 with sites already served by a range of utilities. Clinton's 26 Commerce Park is located in Clinton on Interstate 26.	Laurens County
Expedited Permitting	Company permits for new buildings and other improvements are processed expeditiously to allow companies to move quickly.	Laurens County
Fee-In-Lieu of Taxes (FILOT)	Companies can negotiate a fee with local governments in lieu of taxes. A FILOT allows companies making significant capital investments (\$2.5 million or greater) to negotiate lower assessment ratios and stabilize millage rates up to 30 years. The FILOT is offered in place of the 5-year abatement.	Laurens County

In addition to the incentives listed, the wide range of tax credits available to employers includes credits for hiring displaced workers, conservation and habitat management credits, credits for port volume increases, childcare credits, textile mill and abandoned retail sites revitalization credits, minority business credit, recycling facility credit, and a credit for energy conservation and renewable energy improvements.

Access to capital is another requisite for economic development. Although most business lending is leveraged through the private sector banking system, government can provide gap financing programs and loan guarantee programs, as well as facilitate angel and venture capital networks that pair private investors with employers. Together with incentives, these tools can help communities take a proactive role in fostering economic investment, job creation, and desirable growth.

Workforce

According to the 2022 American Community Survey, 56.5% of the population in Laurens County over the age of 16 is employed. 7,526 persons are employed in the manufacturing services, and 2,032 in health care and social assistance industry.

Of the residents that work, 82% of them commute alone in a car, truck, or van. It can be assumed that the number of employees that work from home has only increased due to the lasting effects of the COVID-19 pandemic. The mean travel time for those who commuted is 26.4 minutes long. This is longer than the travel times for South Carolina as a whole by 1.8 minutes.

Organization and Partnerships

The involvement of public and private organizations as economic development allies in the development process can support a sound economic growth strategy that addresses community needs and supports the County's economic vision. A partnership approach to economic development will continue to fuel Laurens County's creation of a diverse economic base that provides a quality living environment and promotes sustainable economic and community development strategies.

This partnership approach to economic development has been the anchor of Laurens County's economic success to date. Economic development and industrial recruitment efforts for Laurens County are led by Laurens County Development Corporation (LCDC). The LCDC is a public/private economic development organization with the primary mission to attract, retain and grow the number of jobs for residents and increase the tax base in Laurens County. The LCDC represents the County as the lead entity in local economic recruitment efforts and is the official point of contact for the SC Department of Commerce.

Laurens County supports economic development efforts by providing key infrastructure and public services. The County is also the source of key financial incentives such as property tax abatements, fee-in-lieu agreements, and other infrastructure and utility incentives. Laurens County, and its municipalities, also influence local economic development through land use planning and regulation, permitting, site planning, grants, and coordination of utilities.

Laurens County also benefits from a regional economic development partnership with nine of its neighboring counties through the Upstate South Carolina Alliance. These jurisdictions jointly fund the Alliance in a team approach to regional economic growth in the high growth I-85 corridor of the northwestern corner South Carolina. The mission of the non-profit, public-private partnership is to promote capital investment and jobs creation within the region to benefit both urban and rural areas. Services provided by the Alliance to member communities include: market research, economic impact analysis, labor analysis, project administration, site identification, product development, community profiles, domestic and international marketing missions, incentive facilitation, new and existing industry assistance, corporate relocation assistance, and event coordination. The Upstate SC Alliance is funded through member jurisdictions and more than 170 private sector business partners.

Goals/Implementation Strategies	Accountable Agencies	Time Frame	Completion Date
Goal: Encourage economic growth of commercial and industrial development relative to environmental and economic impacts along major roads (Interstate 385 and Interstate 26) and performance corridors			
Support and promote a marketing program for industrial recruitment in Laurens County which actively markets the County's Industrial Parks.	LCDC County Council	Short Term	
Work with the Laurens County Development Corporation and with existing businesses and industries to evaluate and improve economic development strategies.	County Council LCDC	Short Term	
Encourage the location of industry and commercial activities through the development of performance standards that ensure the activity would be compatible with the County's goals.	LCDC County Council Planning	Ongoing	
Encourage the recruitment of industrial and commercial development that provide competitive wages and benefits.	LCDC County Council	Ongoing	
Improve road infrastructure for growth management areas specifically related to industrial parks and commercial corridors.	SCDOT LCDC County Council	Mid Term	
Improve technical education opportunities within the County by developing a plan for a career and technology center for Laurens County High School students.	School District LCDC County Council	Mid Term	
Encourage the establishment of research technology zones, as well as technology overlay districts to ensure harmonious development within these areas.	LCDC County Council Planning	Ongoing	
Continue to promote expansion of utilities along Growth Management Areas	LCDC County Council	Short Term	
Identify, market, and certify all industrial sites within Laurens County.	LCDC	Short Term	

Landscape the entrances to the Industrial Parks.	Parks, Recreation & Tourism	Short Term	
Centralize information about the agriculture industry for easier distribution.	Clemson Extension County Council	Short Term	

