SOUTH CAROLINA DEPT. OF COMMERCE

ECONOMIC DEVELOPMENT 101

SOUTH CAROLINA DEPT. OF COMMERCE

MISSION

Create economic opportunities to increase choices for all South Carolinians.

VISION

Embrace the future to ensure South Carolina's sustainable advantage.

SOUTH CAROLINA DEPT. OF COMMERCE

As the state's lead economic development agency, the South Carolina Department of Commerce (S.C. Commerce) works to recruit and support companies of all sizes in their quest to launch, expand and build a legacy. With proactive, strategic initiatives that help the agency create economic opportunities to increase choices for all South Carolinians, S.C. Commerce champions new and existing businesses and partnerships that fuel emerging and established industries alike. Recognized for our pro-business climate and policies that have attracted global brands and industry leaders, South Carolina is committed to maintaining the state’s long-term competitiveness while building a modern economy — one that is diverse, supporting businesses at every phase of their lifecycle, and allowing people to live and work where they love.

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2025

82 Announced Projects (34 Rural Projects)

$9.12B Capital Investments ($4.25B Rural Investments)

8,100 New Jobs (3,500 Rural Jobs)


ECONOMIC DEVELOPMENT
WHAT MY FRIENDS THINK I DO
WHAT MY FAMILY THINKS I DO
WHAT MY COWORKERS THINK I DO
WHAT SOCIETY THINKS I DO
WHAT I THINK I DO
WHAT I ACTUALLY DO
imgflip.com

What does Economic Development mean to you?


SAY NO TO
DEVELOPMENT
SAVE RURAL LANDSCAPE


NO
DATA
CENTER

NIMBY


AI
AI


NO
SOLAR
FARMS

CAVE

What is the Vision of the Community?

- Do they WANT to grow?
- What KIND of growth do they want?
- WHERE do they want to grow?
- Do they want ECONOMIC DEVELOPMENT?


Who
What
When
Why
Where
How

(WHAT) is Economic Development?

- **Economic development is the PROCESS through which per capita income, tax revenue, and wealth are INCREASED in a community by attracting investments and creating jobs.**
- **Successful economic development IMPROVES quality of life in a community.**
- **Economic Development is a PROCESS; not an EVENT!**

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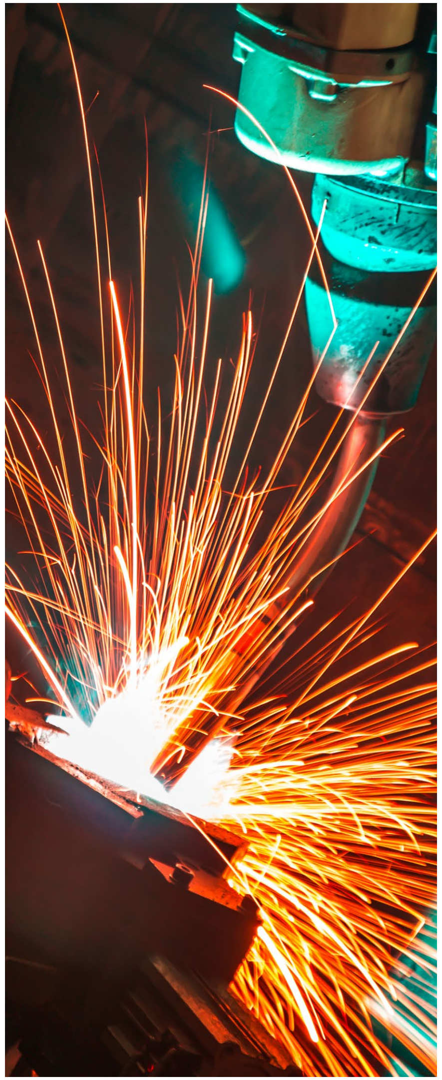
Historical Focus on Manufacturing



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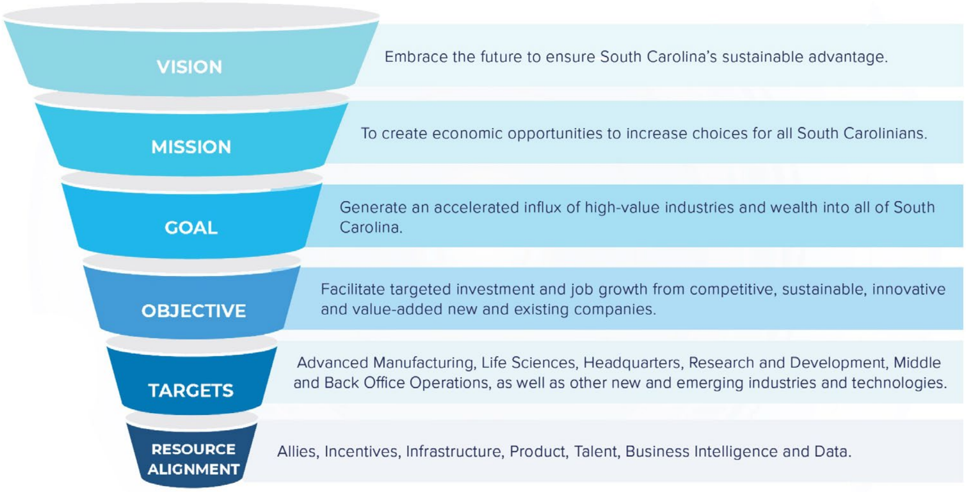
SC DOC Strategic Framework:

Identified Additional Focus on the Following Sectors:

- Advanced Energy
- Life Sciences
- HQ/R&D
- It is important to remember, that while S.C. Commerce is actively working to pursue companies in the three target areas, we are not stopping our efforts to attract new investment and reinvestment in manufacturing, the automotive and EV sectors, aerospace and others



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Economic Development Activities

- **The most visible economic development efforts are accomplished by the local economic development organization.**
- **The three main economic development activities -** *(HOW)*
  - **Developing new industrial product**
  - **Recruiting new industry**
  - **Business Retention & Expansion (BR&E)**

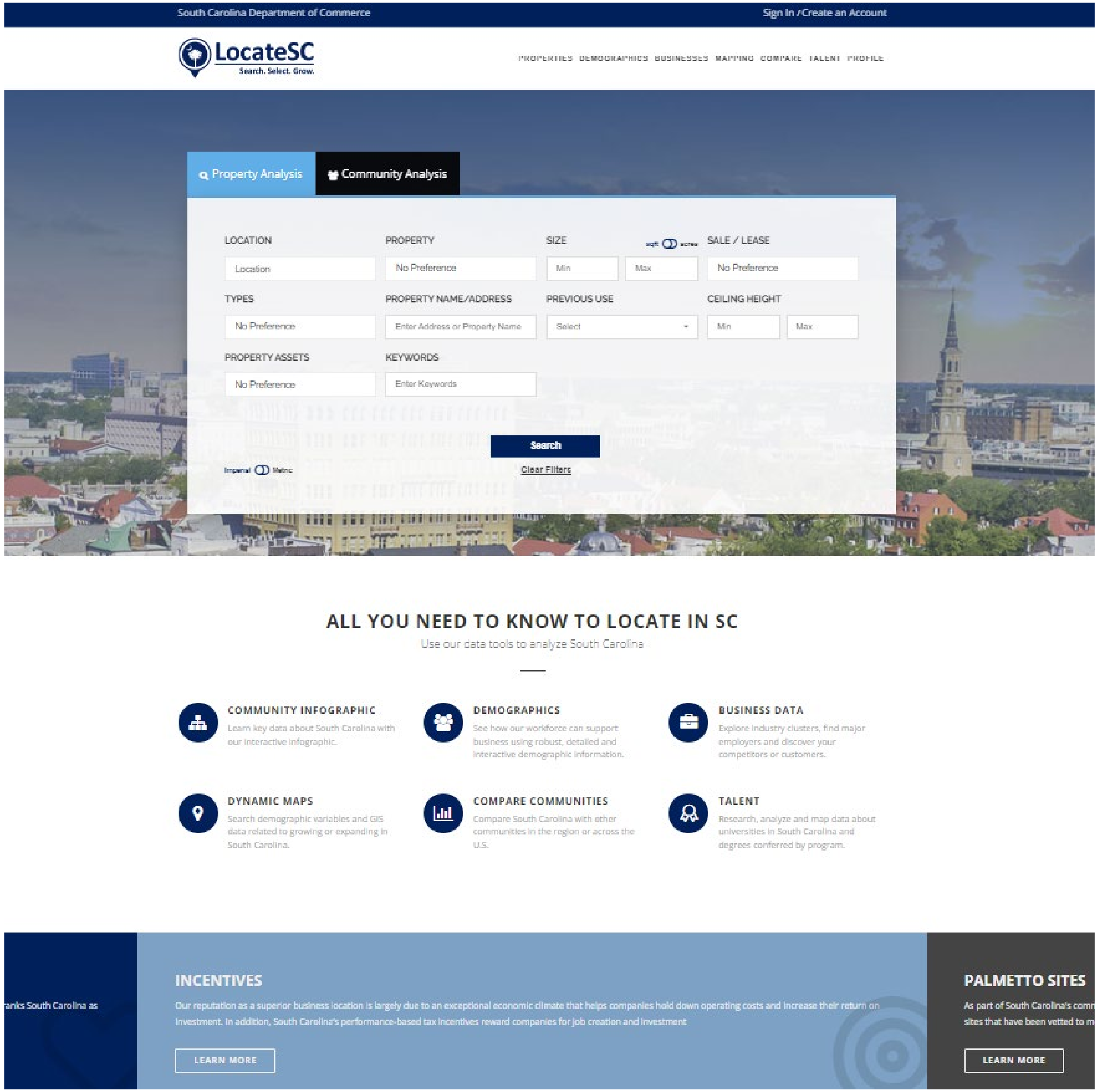
Product Development

Refers to the *REAL ESTATE* component of economic development. If a community wants to have a chance at successfully recruiting a new industry to the county, a location must exist for the business to operate. And while much more is involved in winning a project, if a community does not have a location for the business to locate, it is not even in consideration. However, due to its public nature, there are a number of components that influence the activity and set it apart from traditional real estate development:

LocateSC

locatesc.sccommerce.com

- Website revamped in 2022 and agency partnered with GIS Planning
- Primary database for State Projects
- Free to list properties and search availabilities
- Focused on industrial, office and greenfield sites
- Linked to other ED websites across the state, including County & Regional Alliances
- All properties must be approved by County and State



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Recruiting New Industry

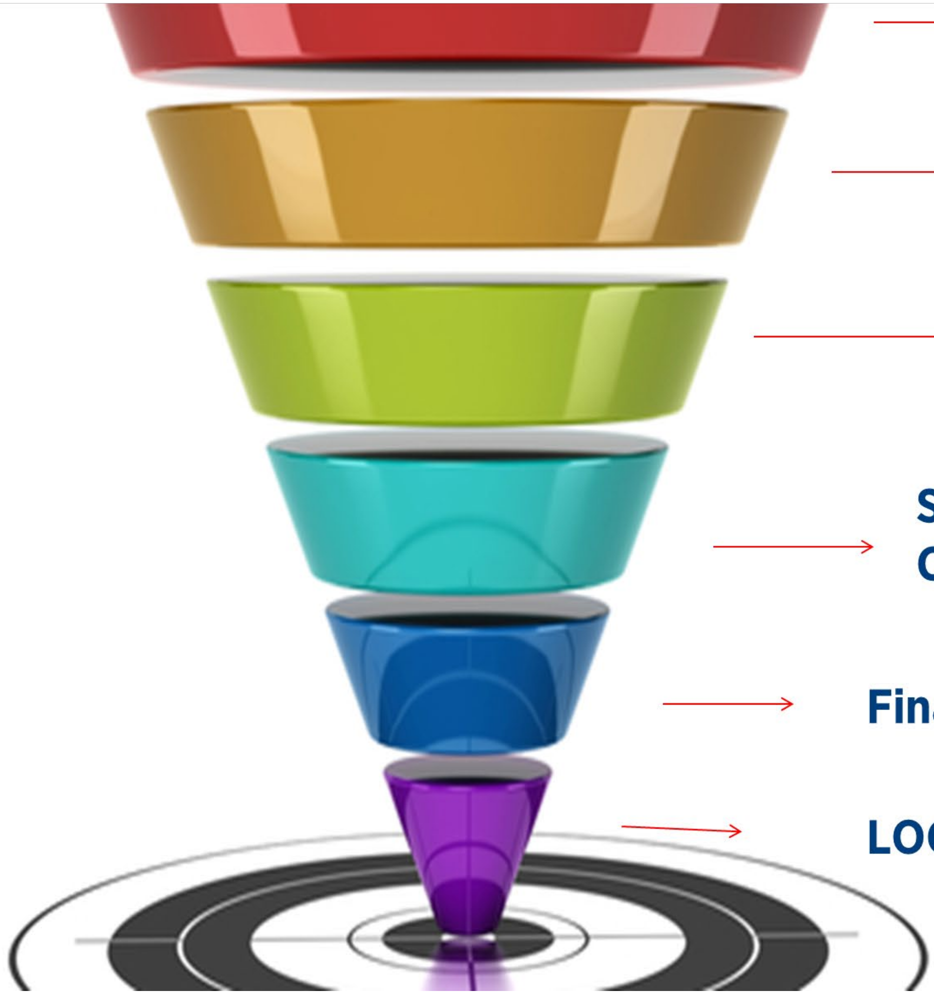
What are companies looking for?

The optimal location where they can maximize return on investment (ROI) with the minimal risk!

How do companies decide where to locate?

(WHERE)

Site Selection Process



Needs Assessment by Company

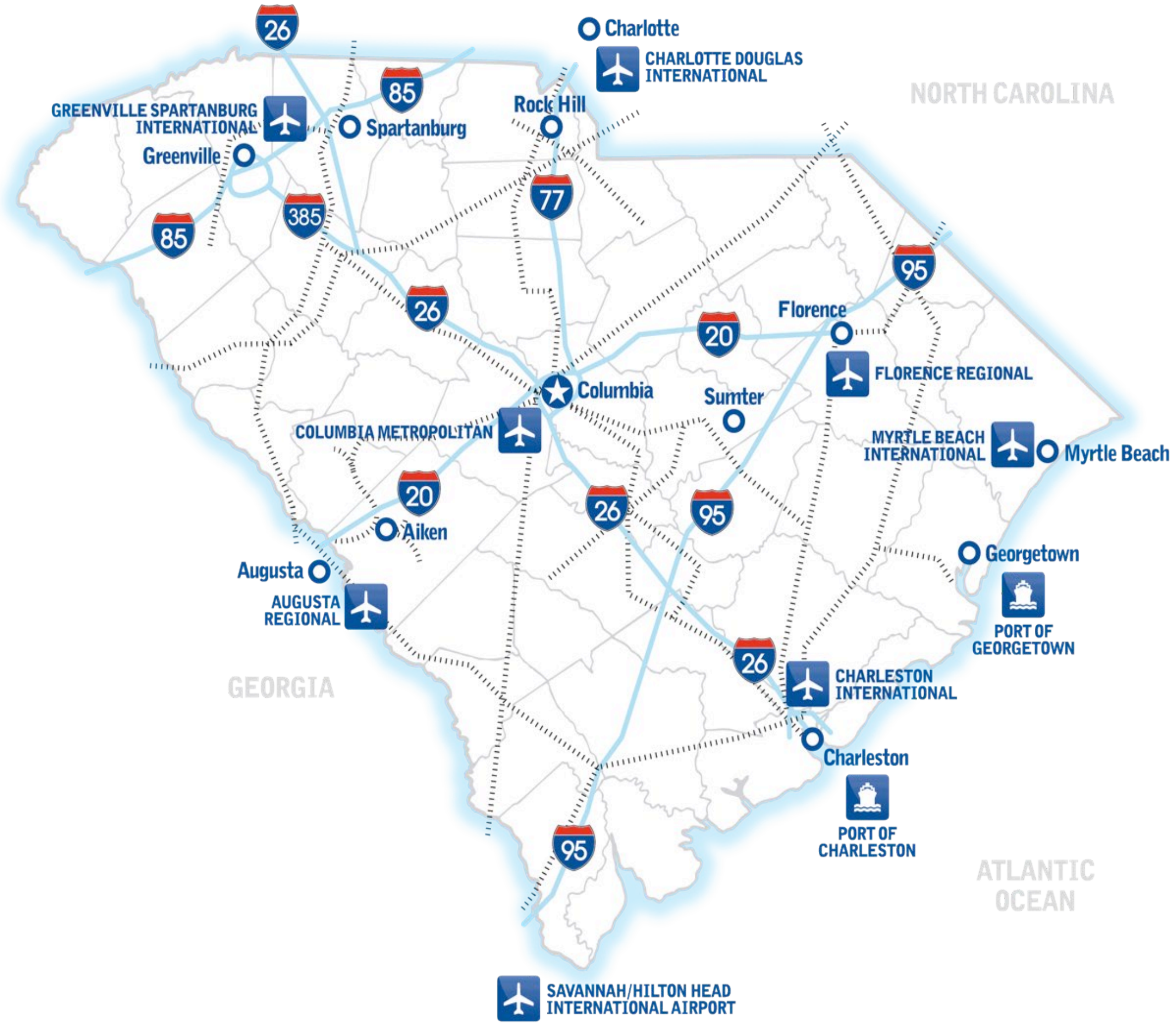
Qualifying areas / regions identified

Company makes initial contact with qualified States or Regions. Information is exchanged.

Specific property / communities identified.
Company visits. Additional information exchanged.

Finalist's locations selected (2-3). Negotiations begin.

LOCATION CHOSEN



Site Selection Factors

- Availability of Skilled Labor
- Proximity to Major Markets/Suppliers
- Available Land and Buildings
- Infrastructure
- Utilities
- State and Local Incentives
- Quality of Life

What are Incentives & *WHEN* are they used?

Incentives are discretionary, performance-based tools, used to make a community competitive during the site selection process.

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Economic development incentives win a project by offsetting initial capital costs, reducing operational expenses, and lowering execution risk. Governments and Economic Development Organizations (EDOs) selectively use these packages—such as tax abatements, infrastructure improvements, and cash grants—when the benefits of job creation and a widened tax base outweigh the subsidies.

What Incentives are NOT…

- Not arbitrary
- Not cash giveaways
- Not "The Reason" a site is selected

Types of Incentives

STATE INCENTIVES

- Statutory
  - Income Tax Credits
  - Sales Tax Exemptions
  - Single Factor Apportionment
- Discretionary
  - Grants
  - Job Development Credits
  - Workforce Training

LOCAL INCENTIVES

- Fee In Lieu of Taxes (FILOT Agreements)
- Property Tax Abatements
- Special Source Revenue Credits (SSRC)
- Multi-County Industrial Park Destinations (MCIP Agreements)
- Other Discretionary Incentives

Grant Funding

- Discretionary – Reviewed and Awarded by the Coordinating Council for Economic Development (CCED)
- Made to units of local government
- Performance Agreements and Grant Award Agreements

Break

Business Retention & Expansion

- **Existing industries accounted for approximately 35% of all new jobs created and 53% of total projects in 2025.**
- **Existing industries and their employees help stabilize a community's tax base through tax revenues.**
- **Existing industries are the best "salespeople" in a community and help with recruiting new industries.**

"Take care of your Existing Industries!"

Economic Development Participants - *(WHO)*

- Local
- Economic Development Allies
- Regional
- State
- Federal

South Carolina Dept. of Commerce

The Role of Elected Officials in Economic Development

- Provide necessary resources to support local economic development organizations
- Invest in infrastructure
- Instill a Pro-Business Climate in the community
- Maintain STRICT confidentiality

"Hire competent professionals, hold them accountable, and allow them to do their jobs!"

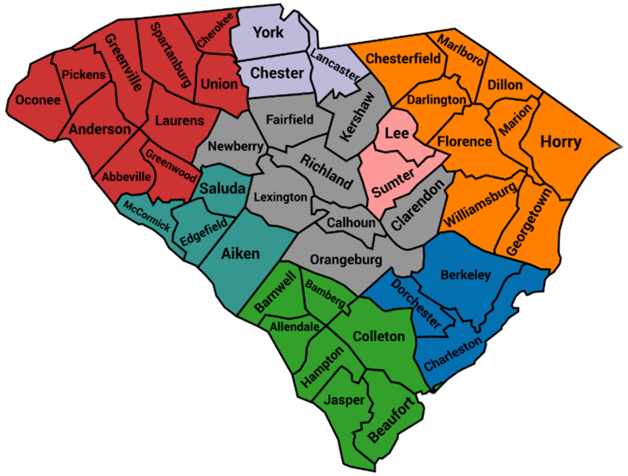
Economic Development Allies

- K-12 School Systems
- Technical Colleges
- Universities
- Chambers of Commerce
- Downtown Revitalization Organizations
- Councils of Governments
- Utility Companies
- Telecommunication Firms
- Site Selection Consultants

Regional Economic Development Alliances

SC Regional Economic Development Alliances

- Upstate SC Alliance
- Charleston Regional Development Alliance
- North Eastern Strategic Alliance
- TheLink
- Southern Carolina Regional Development Alliance
- Central SC Alliance
- Economic Development Partnership (Western SC)
- I-77 Alliance (Also includes Fairfield and Richland Counties)



U.S. Department of Commerce

The mission of the U.S. Department of Commerce is to create the conditions for economic growth and opportunity for all communities. Through its 13 bureaus, the Department works to drive U.S. economic competitiveness, strengthen domestic industry, and spur the growth of quality jobs in all communities across the country.

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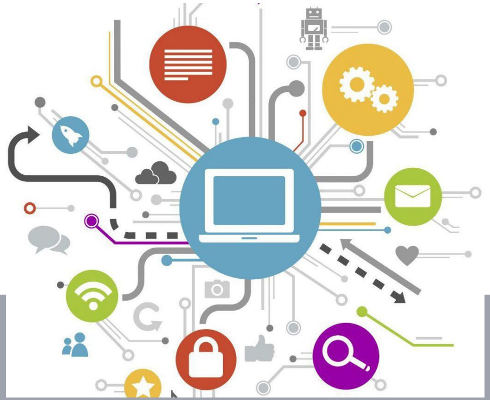
Divisions

Business Incentives and Community Development

Business Services

Global Business Development



Information Management and Technology

SC Nexus for Advanced Resilient Energy

BUSINESS INCENTIVES & COMMUNITY DEVELOPMENT

- Incentives
- Grants
- Rural/Community Development

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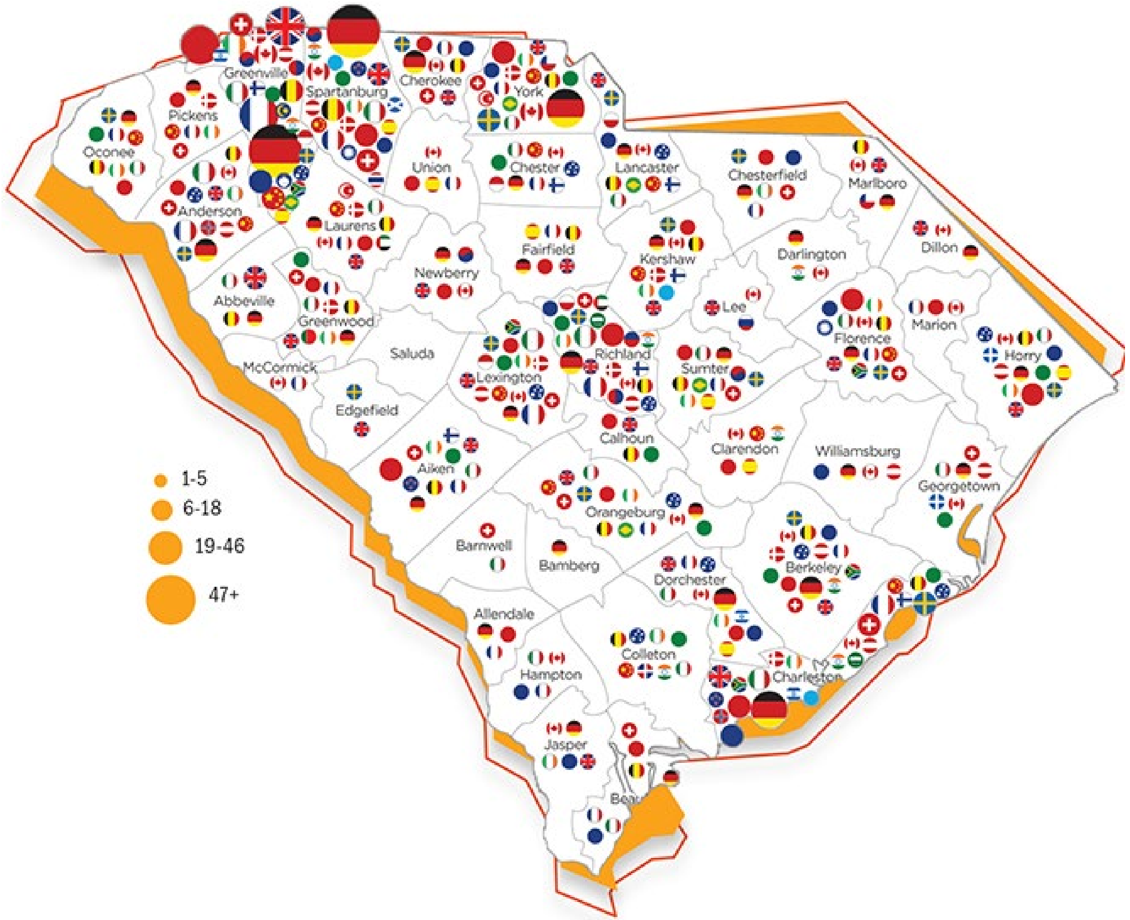
BUSINESS SERVICES

- Existing Industry
- Small Business
- Recycling Market Development
- Emergency Management
- Business Outreach
- Trade
- Office of Innovation



GLOBAL BUSINESS DEVELOPMENT

- Recruitment
- Business Development
- International Strategy
- Product Development

INFORMATION MANAGEMENT & TECHNOLOGY

- Research
- Data Management Information
- Technology

SC NEXUS FOR ADVANCED RESILIENT ENERGY

- Develop
- Test
- Deploy

Site Selection Exercise

The Future of Economic Development

- Advanced Manufacturing (AI)
- Talent will be the Primary Driver
- Sustainability as Core Goals
- Global to Local Realignments
- Sustainability
- Community Centric Development
- Public Private Collaborations

SUMMARY

- Economic development is a PROCESS, not an EVENT
- Three major activities are product development, industry recruitment, and business retention/expansion
- Elected officials should support investments and policies that foster successful economic development
- No PRODUCT; No PROJECT. Communities must be READY!!!

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