

CHAPTER 2 – ECONOMIC DEVELOPMENT

The economic development element provides an inventory and assessment of the economic base and labor force in Orangeburg and the surrounding region. The economic base refers to the jobs located within the jurisdiction, and the labor force of workers and dependents living within the community. Historic trends and projections regarding employment and labor force numbers and characteristics, including education levels and preparedness for work are important factors for defining the quality of the local economic conditions and accommodate new industries, businesses, and employers.

Over several past decades, the Orangeburg region has been transitioning from an economy dependent on local agriculture to a more diversified mix of manufacturing, logistics, services, and agribusiness with greater dependence on regional location, accessibility, education, and information technology. The strength of the transportation/logistics and manufacturing in the Columbia metropolitan area to the north and the Charleston metropolitan area to the south have significant potential to accelerate growth in the location of new businesses, employment, and population in and close to Orangeburg.

2.1 LOCAL ECONOMY

Orangeburg and Orangeburg County have placed a high priority in attracting new economic development to the region. The location of the community adjacent to the primary road and rail connectors between Charleston and Columbia provides economic incentives to support the industrial growth of South Carolina. Two universities located within the city – South Carolina State University and Claflin University – along with a growing number of local manufacturers and technology companies support the City and County economic base. The City has joined with the County to promote economic development through the Orangeburg County Development Commission (OCDC).

The OCDC serves as a liaison with the State, surrounding counties, and other entities to attract industry and commerce to Orangeburg County.

RETAIL TRADE

Table 2.1 shows retail sales in Orangeburg (including some sales from adjacent portions of unincorporated Orangeburg County).

2.1 RETAIL SALES TABLE

2012 Retail Sales Statistics	Orangeburg, SC		South Carolina		United States	
Total Retail Sales (including Food Services)	\$174,263,000		\$65,319,633,000		\$4,690,741,823,000	
Building Materials & Garden Store Sales	\$13,021,000	7.47%	\$4,939,328,000	7.56%	\$300,121,841,000	6.40%
Clothing & Accessories Store Sales	\$4,803,000	2.76%	\$3,133,760,000	4.80%	\$225,430,344,000	4.81%
Electrical & Appliances Store Sales	\$0	0.00%	\$1,160,459,000	1.78%	\$101,037,294,000	2.15%
Food and Beverage Store Sales	\$6,216,000	3.57%	\$8,124,813,000	12.44%	\$612,863,797,000	13.07%
Food Services	\$23,530,000	13.50%	\$7,197,989,000	11.02%	\$502,456,682,000	10.71%
Gasoline Stations Store Sales	\$49,534,000	28.42%	\$10,341,923,000	15.83%	\$526,122,149,000	11.22%
General Merchandise Store Sales	\$27,132,000	15.57%	\$9,650,689,000	14.77%	\$634,982,512,000	13.54%
Health & Personal Care Store Sales	\$25,452,000	14.61%	\$3,952,983,000	6.05%	\$270,681,729,000	5.77%
Home Furnishings Store Sales	\$438,000	0.25%	\$1,274,990,000	1.95%	\$90,949,539,000	1.94%
Miscellaneous Store Sales	\$0	0.00%	\$1,693,053,000	2.59%	\$122,027,154,000	2.60%
Non-store Purchases Sales	\$2,097,000	1.20%	\$1,594,442,000	2.44%	\$398,848,318,000	8.50%
Sporting Goods Store Sales	\$708,000	0.41%	\$1,000,372,000	1.53%	\$89,619,853,000	1.91%

The data for Orangeburg, SC may also contain data for the following areas: Portions of unincorporated Orangeburg County

Source: CLRSearch.com website

Transportation and Logistics

With major port facilities in North Charleston and Charleston and Interstate 95 serving as the primary truck route from Florida to Virginia, transportation and logistics remain a growing sector in the local economy. Shipping volumes at Port of Charleston facilities in 2014 exceeded pre-recession levels. The North Charleston Terminal of the Port of Charleston is a modern container handling facility complete with container cranes, a container freight station, a rail yard, and access to I-26 and I-526. The Port of Charleston is expected to remain one of the top ports in the nation with plans for harbor deepening and expanded capacity. At 45 feet of depth, the harbor can already accommodate the larger post-Panamax ships at high tide, and in 2011 the federal government launched a program to deepen the harbor to 52 feet to increase the capacity for large container ships.

MANUFACTURING

Manufacturing in the Orangeburg is being driven by growth in the automobile and aviation industries and the population growth in the Southeastern United States. The growth of Boeing South Carolina since 2008 and the recent (2015) announcements from Mercedes Benz for a new assembly plant to construct new Sprinter vans in North Charleston and Volvo to build a new plant near Ridgeville provide opportunities for supplier and support industries to locate along the I-95 and I-26 corridors. Although there are few opportunities within the City, local industries in Orangeburg County have a variety of manufacturing and logistical support available sites in the City/County Industrial Park, the Global Logistics Triangle (GLT), and elsewhere in Orangeburg County.

TOURISM

Orangeburg has several attractions for local tourism, including the Edisto Memorial Gardens, South Carolina State and Claflin Universities, and numerous parks and recreation facilities. New hotels in Orangeburg have been constructed within the past five years. These include Comfort Suites, Holiday Inn Express, Homewood Suites, Springhill Suites, and Value Place. Hotel occupancy in the region exceeded 60% in 2015. This is an increase.

MILITARY AND DEFENSE

There are no active military bases in the City of Orangeburg. However, Joint Base Charleston is located 50 miles to the south, Shaw Air Force Base is located 50 miles to the north in Sumter, South Carolina and North Auxiliary Landing Field is located in northern Orangeburg County approximately 18 miles to the northwest.

2.2 ECONOMIC BASE

Table 2.2 shows employment by industry in Orangeburg and Orangeburg County and South Carolina for the year 2013. Table 2.3 illustrates the changes in employment between 2007 and 2013. Although the construction industry suffered significant job losses between 2007 and

2013, the construction industry is expected to rebound as residential home sales grew 21% in 2013, and vacancy rates for office, retail, and industrial sectors were each in single digits.¹

Table 2.2: Employment by Industry, 2015 - Orangeburg County, South Carolina

Industry	City of Orangeburg		Orangeburg County	
	Jobs	% of Total	Jobs	% of Total
Total All Industries	4,743	100.0%	26,992	100.0%
Agriculture, forestry, fishing and hunting (NAICS 11)	21	0.4%	602	2.2%
Mining, quarrying, and oil and gas extraction (NAICS 21)	0	0%	0	0%
Utilities (NAICS 22)	43	0.9%	358	2.3%
Construction (NAICS 23)	89	1.9%	905	3.4%
Manufacturing (NAICS 31-33)	806	17.0%	4,688	17.4%
Wholesale trade (NAICS 42)	69	1.5%	568	2.1%
Retail trade (NAICS 44-45)	617	13.0%	4,482	16.6%
Professional and technical services (NAICS 54)	84	1.8%	446	1.7%
Management of companies and enterprises (NAICS 55)	18	0.4%	23	0.1%
Administrative and waste services (NAICS 56)	208	4.4%	1,480	5.5%
Educational services (NAICS 61)	981	20.7%	3,404	12.6%
Health care and social assistance (NAICS 62)	687	14.5%	4,167	15.4%
Transportation and warehousing (NAICS 48-49)	153	3.2%	1,116	4.1%
Information (NAICS 51)	96	2.0%	130	0.5%
Finance and insurance (NAICS 52)	138	2.9%	577	2.1%
Real estate and rental and leasing (NAICS 53)	56	1.2%	157	0.6%
Arts, entertainment, and recreation (NAICS 71)	29	0.6%	276	1.0%
Accommodation and food services (NAICS 72)	472	10.0%	3,159	11.7%
Other services, except public administration (NAICS 81)	176	3.7%	459	1.7%

Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages 2016 Annual Averages

Table 2.3 – Change in Employment by Industry 2007-2015

Orangeburg County				
Industry	Jobs 2007	Jobs 2015	Change	% Change
Total All Industries	28,752	26,992	-1760	-6.1%
Agriculture, forestry, fishing and hunting (NAICS 11)	151	602	451	-74%
Mining, quarrying, and oil and gas extraction (NAICS 21)	1	0	-1	-100%
Utilities (NAICS 22)	10	358	348	-97.2%
Construction (NAICS 23)	904	905	1	+0.1%
Manufacturing (NAICS 31-33)	7,715	4,688	-3027	-64.6%
Wholesale trade (NAICS 42)	827	568	-259	-45.6%
Retail trade (NAICS 44-45)	4,615	4,482	-133	-3.0%
Professional and technical services (NAICS 54)	369	446	77	+17.3%
Management of companies and enterprises (NAICS 55)	82	23	-59	-256.5%
Administrative and waste services (NAICS 56)	1,768	1,480	-288	-19.5%
Educational services (NAICS 61)	648	3,404	2756	+81.0%
Health care and social assistance (NAICS 62)	3,515	4,167	652	+15.6%
Transportation and warehousing (NAICS 48-49)	1,569	1,116	-453	-40.6%
Information (NAICS 51)	273	130	-143	-110.0%
Finance and insurance (NAICS 52)	852	577	-275	-47.7%
Real estate and rental and leasing (NAICS 53)	233	157	-76	-48.4%
Arts, entertainment, and recreation (NAICS 71)	269	276	7	+2.5%
Accommodation and food services (NAICS 72)	3,715	3,159	-556	-17.6%
Other services, except public administration (NAICS 81)	1,075	459	-616	-134.2%

Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages 2007, 2013 Annual Averages

Manufacturing remains an important part of the local economy, with continued expansion of manufacturing and logistics plants. Furthermore, the city could seek industrial-related research and development facilities to expand on the multiple industrial manufacturing and training programs at Orangeburg-Calhoun Tech. Additional high tech manufacturing could become a promising sector for industrial growth within the city.

Transportation and warehousing are a local industrial strength with strong potential for growth. The proximity to the State Port Authority container terminal facilities scheduled to open in 2019, and the expansion of the Global Logistics Center are expected to facilitate continued growth in transportation and warehousing employment.

Finally accommodations and food services represent another important local sector as the City’s location at the edge of the Columbia metro and adjacent to the Charleston region provides access to growth in these nearby communities. The Edisto Gardens and other recreation facilities, renewed growth at SCSU and Claflin University, and the expansion of hospital and health care facilities provide incentives for regional travel to Orangeburg. Medical facility expansion and a quality of life for an affordable price also may help the City grow as a retirement community as the number of older persons in the region increases.

2.3 LABOR FORCE

Table 2.4 illustrates the unemployment rates for Orangeburg County, the state of South Carolina, and the United States between 2004 and 2016. The local unemployment rates appear to have been consistently higher than the State and national rates throughout the reporting period. During the 2007-2011 Recession, unemployment rates in the County spiked above 14% between 2009 and 2012, and as of 2014, the unemployment rate in the County remained above 10%.

Table 2.4: Unemployment 2004-2013

Area	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Orangeburg Co.	9.4%	9.6%	9.2%	8.1%	10.1%	15.3%	15.9%	15.8%	14.3%	10.1%	10.6%	10.1%	n/a
South Carolina	6.8%	6.7%	6.4%	5.7%	6.8%	11.2%	11.2%	10.5%	9.2%	7.6%	6.4%	6.3%	5.2%
United States	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%	6.3%	4.4%

Source: Bureau of Labor Statistics

Table 2.5 shows employment and labor force participation in Orangeburg, Orangeburg County, and South Carolina. The city’s labor force participation rate has dropped to 68.7% in 2015.

Table 2.5: Employment Status 2015, Orangeburg, Orangeburg County, and State

Employment Status	Orangeburg		Orangeburg County		South Carolina	
	Workforce	% of Total	Workforce	% of Total	Workforce	% of Total
Population 16 years and over	11,323	100.0%	72,350	100.0%	3,812,548	100.0%
In labor force	5,412	47.8%	38,775	53.6%	2,323,906	61.0%
Civilian labor force	5,412	47.8%	38,754	53.6%	2,293,251	60.2%
Armed Forces	0	0%	21	>0.1%	30,655	0.8%
Not in labor force	5,916	52.2%	33,575	46.4%	1,492,642	39.2%
Civilian labor force	5,412	100.0%	38,754	100.0%	2,293,251	100.0%
Employed	4,743	87.6%	33,811	87.2%	2,075,274	90.5%
Unemployed	669	12.4%	4,943	12.8%	217,977	9.5%

* Active Duty personnel

Table 2.6 shows the change in employment status between 2010 and 2015 for the City of Orangeburg.

Table 2.6: Change in Employment Status 2010-2015

Employment Status	2010	2015	Change in %
Population 16 years and over	11,698	11,323	
Civilian labor force	52.4%	47.8%	-4.6%
Employed	44.1%	41.9%	-2.2%
Unemployed	8.2%	5.9%	-2.3%
Armed Forces	0.2%	0.0%	-0.2%
Not in labor force	47.6%	52.2%	+4.6%

Source: US Census Bureau American Community Survey 2007, 2013

Table 2.7 on the next page shows the percentage of the labor force by occupation type in Orangeburg and the state in 2013, according to the American Community Survey.

Table 2.7: Labor Force by Occupation Type, 2015

Occupation	Orangeburg	Orangeburg (%)	Orangeburg County	South Carolina
Civilian employed population 16 years and over	4,743	-	33,314	2,165,702
Management, business, science, and arts	1581	33.3%	32.4%	33.8%
Service occupations	926	19.5%	16.9%	17.9%
Sales and office	1,077	22.7%	23.4%	24.6%
Natural resources, construction, and maintenance	176	3.7%	10.9%	9.0%
Production, transportation, and material moving	983	20.7%	16.3%	14.7%

Source: US Census Bureau American Community Survey 2013

A relatively high proportion of the City’s labor force is employed in the service and natural resources, construction, and maintenance occupations. Unfortunately, service occupations are typically some of the lowest paying occupations. Job training for relevant technical skills is something that can help local residents get better paying jobs, and reduce the proportion of service-related jobs in the city. The city has a relatively low proportion of its labor force in the management, business, science, and arts occupations as compared to the metro area and state.

2.4 SALARIES AND WAGES

Table 2.8 shows average weekly wages for Orangeburg County and South Carolina. Regionally, the highest paying industries in 2013 were the federal government, manufacturing, finance, and information sectors. Average weekly wages for all industries was \$640 in Orangeburg County as compared to \$765 in the state.

Table 2.8: Average Weekly Wages by Industry, 2013

Industry	Orangeburg County	Richland County	Dorchester County	Charleston County	South Carolina
All Industries	\$ 639	\$ 615	\$ 639	\$ 822	\$ 765
All Private Industries	\$ 684	\$ 669	\$ 633	\$ 784	\$ 752
Natural Resources and Mining	\$ 675	\$ 688	\$ 898	\$ 443	\$ 637
Construction	\$ 924	\$ 628	\$ 719	\$ 943	\$ 857
Manufacturing	\$ 1,405	\$ 787	\$ 1,110	\$ 1,282	\$ 1,024
Trade, Transportation, & Utilities	\$ 759	\$ 984	\$ 544	\$ 654	\$ 680
Information	\$ 834	\$ 789	\$ 798	\$ 1,000	\$ 1,034
Financial	\$ 964	\$ 817	\$ 760	\$ 1,131	\$ 1,009
Professional and Business Services	\$ 934	\$ 650	\$ 651	\$ 887	\$ 859
Education and Health	\$ 801	\$ 641	\$ 578	\$ 912	\$ 796
Leisure and Hospitality	\$ 274	\$ 257	\$ 272	\$ 373	\$ 310
Other Services	\$ 455	\$ 440	\$ 465	\$ 604	\$ 562
Government	\$ N/A	\$ 851	\$ N/A	\$ N/A	\$ 824
Federal	\$ 1,405	N/A	\$ 1,027	\$ 1,390	\$ 1,216
State	\$ N/A	N/A	\$ 604	\$ 949	\$ 839
Local	\$ 625	N/A	\$ 657	\$ 769	\$ 757

Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages 2013 Annual Averages and SC Dept. of Employment & Workforce

2.5 ECONOMIC RESOURCES

The following agencies, programs and other resources described in this section are available in Orangeburg and South Carolina to help generate more business and produce labor readiness in the local economy.

DEVELOPMENT AGENCIES

- Orangeburg County Development Office** – The Orangeburg County economic development office works with the City of Orangeburg, the State and other organizations to recruiting business into the city and county, help existing businesses expand, and help solve problems for local businesses so that they may stay in the area. The department has had success in attracting manufacturing and logistics jobs to the county. The City and County provide several types of business incentive packages.

PROGRAMS

- ❑ **FasTrac South Carolina** – FasTrac is an educational program that helps train entrepreneurs and small business owners in starting and running their business. FasTrac is a national program, with local programs held in South Carolina. State funding provides these educational programs at significantly reduced rates for South Carolina residents and additional discounts for students.

OTHER

- ❑ **Center for Accelerated Technology Training (CATT)** – CATT is a state program that provides qualifying companies with a pre-trained and productive workforce. CATT works in partnership with the South Carolina Technical College System of which Orangeburg-Calhoun Technical College is a part.
- ❑ **Colleges and Technical Schools** – The number of colleges and technical schools in Orangeburg County is growing. OC Tech, SCSU, and Claflin University have been in Orangeburg for decades, but additional programs and resources are continually added to serve the community.

BUSINESS TAX CREDITS AND INCENTIVES

- ❑ **Business License Tax Credits** – Credits may be granted to reduce business license fees.
- ❑ **Historical Tax Credits** – Credits may be granted for historic industrial properties that qualify for the state historic tax credit for rehabilitation. This law includes providing financial incentives for the "rehabilitation, renovation, and redevelopment of abandoned textile mill sites located in South Carolina".
- ❑ **Jobs Tax Credits** – Credits granted for 5 years for each permanent job created, of \$1,500 per job. Amount depends on number of jobs created and location. Manufacturers that locate in a jointly developed industrial park and create permanent jobs may be eligible for an additional five-year credit.
- ❑ **Child Care Program Incentive** - Provides tax credits for companies that provide child care benefits. Annual credit may not exceed \$3,000 per employee.
- ❑ **Infrastructure Construction and Improvements** - Credits can be applied to corporate income taxes for contributions to infrastructure construction or improvement. Credits are up to 50% and cannot exceed \$10,000 per year.
- ❑ **Corporate Headquarters & Office Facilities** - Corporate tax credits are available to companies that establish corporate headquarters and office facilities. Credit given only for 20% of cost of construction or for five-year lease expenses on headquarters' real property. Minimum of 40 new jobs must be created, 20 of which must be managerial or professional positions. Unused credits may be carried over for 10 years.

- ❑ **Business Development Corporation of South Carolina** - Financing available to job-creating companies unable to obtain loans from conventional sources.
- ❑ **Tax Increment Financing** - Companies that locate in a designated area may be eligible for reimbursement for public infrastructure such as park facilities, streets and water/sewer improvements.
- ❑ **Palmetto Seed Capital Fund** - Financing for early-stage development projects.
- ❑ **Fee-In-Lieu Program** - Allows companies to negotiate fee-in-lieu of property taxes for up to 40% savings.
- ❑ **Special Schools** -Relocating or expanding companies can receive a pre-trained workforce on the first day of operation. The State can screen, recruit, test and train potential employees to fit specific needs.
- ❑ **Enterprise Zones** - Qualified companies may apply for up to 5% of wages that normally are withheld for personal income tax. Credits may be used for land, building, training and infrastructure.

2.6 ECONOMIC DEVELOPMENT GOALS AND POLICIES

GOAL	POLICY	ACTION	STATUS
2.1: Attract new business and industry to Orangeburg.	2.1.1: Increase marketing of the city.		The City’s economic development and recruiting efforts are ongoing. Also, through the Tourism Office, the City is advertising in major national publications and will be launching a new website.
	2.1.2: Continue to support and cooperate with the local Chambers of Commerce, Regional Development Alliance, and other regional business organizations.		Ongoing.
	2.1.3: Continue providing attractive business incentives that will attract desired industries.		Ongoing.
	2.1.4: Encourage new hotel development and other accommodations-related uses.		Ongoing.
2.2: Increase and incubate the high-tech industry sector in Orangeburg.	2.2.1: Work with Orangeburg Calhoun Technical College and high school vocational programs to generate a work-ready labor force for high-tech industries.	Market Orangeburg as a center for logistics, high-tech and innovative industries and businesses.	Orangeburg Calhoun Tech (OCT) has expanded course offerings and is currently working with the State and local stakeholders to expand training for new and existing industries.
	2.2.2: Promote sustainability in Orangeburg as a draw for innovative and environmentally conscious small businesses and corporations.	Identify best practices for Orangeburg to be a ‘Sustainable City’ and use this in marketing and business recruiting.	

GOAL	POLICY	ACTION	STATUS
2.3: Utilize the city’s cultural assets as a generator of the local economy.	2.3.1: Provide adequate support for local arts organizations		Use Accommodations Tax allocations to support cultural organizations and activities.
	2.3.2: Continue promoting festivals, farmers markets, and other cultural events in the city.		Ongoing.
2.4: Ensure the availability of good jobs for the city’s residents.	2.4.1: Coordinate with school systems to provide high school curriculums that provide skills needed by local industries.		
	2.4.2: Provide a local labor force with skills needed for local industries and businesses.	Continue and expand workforce-training partnerships with OCT through the Workforce Investment Act and JTPA.	
2.5: Provide education and training for residents to create the workforce skills necessary to support and attract new industries.	2.5.1: Include both job training and business recruitment in the city's economic development programs.	Provide job training and marketable skills to citizens in distressed areas.	
		Develop summer internship programs aimed at local youth.	
2.6: Support planning efforts to better integrate rail and major highway corridor operations and redevelopment with economic development goals to provide a suitable environment for attracting desirable growth.	2.6.1: Identify and support the design and redevelopment of transportation facilities that include providing suitable economic development opportunities.	Consolidate/relocate/remove rail and highway barriers to accessibility and/or redevelopment through planning studies and incentives that add jobs and economic value to properties.	

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