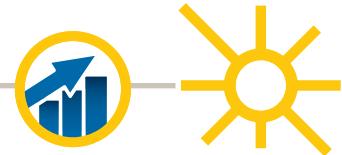


# 4.0 ECONOMIC DEVELOPMENT



## 4.1 OVERVIEW

North Charleston is an economic leader in South Carolina. The City is home to the Charleston Port, and other major public and private sector employers such as Joint Base Charleston, Boeing, Mercedes-Benz Vans, Trident Health Systems, and Robert Bosch LLC. The City and region has continued to see growth in its manufacturing base as spin-off or secondary industries strategically locate to the region to support, for example, the automotive, aerospace and logistic industries. The Economic Development element explores the economic trends, workforce characteristics, industries, jobs, and commuting patterns for the citizens of North Charleston. North Charleston excels in promoting a climate that is easy for businesses to work within, which helps to ensure that jobs are available and that high sales revenue can be returned to the citizens through strong public services. Maintaining a strong, diversified and skilled workforce is essential to sustaining the economic vitality of North Charleston.

## 4.2 ECONOMIC TRENDS

The City of North Charleston and the region at large was at one time a military/defense dependent economy. However, since the closure of the Naval Base, the area has successfully shifted to a more diverse economy focused around the Charleston Port and its related transportation and logistics (warehousing and distribution) industries, tourism, manufacturing (automotive and aerospace), education, health, and information technology.<sup>5</sup> The Charleston Metro Chamber of Commerce identifies the region's major employers (employing more than 500 workers) and drivers of the economic community, many of which are located in North Charleston's Planning Area. These include Joint Base Charleston, Boeing Company, Trident Health System, Robert Bosch LLC, Trident Technical College, City of North Charleston, WestRock MWV LLC, Mercedes-Benz Vans LLC, Detyen's ShipYard Inc., SAIC, TIGHTCO Incorporated, and Scientific Research Corporation. With two regional shopping centers, Tanger Shopping Outlets and Northwoods Mall; North Charleston also leads South Carolina in retail sales, exceeding \$6 billion each year.

The Charleston Regional Development Alliance (CRDA) keeps tracks of businesses that it has helped to bring into the region in a "Location and Expansion Log." In the last decade the CRDA has either attracted or helped with the expansion of some the following business: Robert Bosch, Boeing, SAIC, Senior Aerospace, Weber Automotive and NexGen Composites. North Charleston has made investments in public infrastructure to entice commerce. Palmetto Commerce Boulevard and the beautification project for East Montague Avenue would be two examples of this.

5. Charleston Metro Chamber, <https://www.charlestonchamber.org/economicdata/>

## 4.3 WORKFORCE

### 4.3.1 Income

Household income is a measure commonly used by both public and private institutions to represent the total income of all residents over the age of 18 in each household, whether related to the primary householder or not. Household income is a measure of not just wages and salaries, but also unemployment insurance, disability and child support payments, regular rental receipts, as well as any personal business, investment, or other kinds of income regularly received.

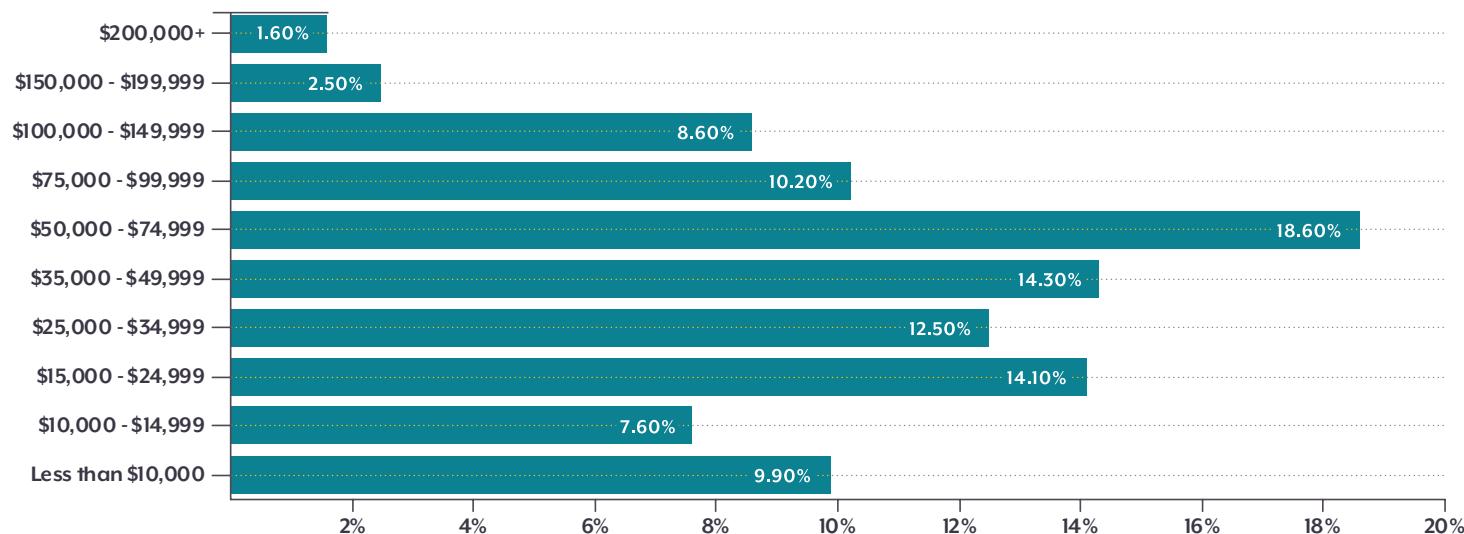


Figure 22: 2017 North Charleston Annual Household Income Distributions

In 2017, the median household income in the Charleston-North Charleston Metro Area was \$57,666 however; the median household income in the City of North Charleston was approximately 30% less at \$39,944. When compared to the median incomes of surrounding jurisdictions, Table 13 shows that North Charleston residents also lag behind residents who live in the City of Charleston, Goose Creek, and the Summerville jurisdictions. As discussed in the Population Chapter, educational attainment in North Charleston is lower than the surrounding jurisdictions. Educational attainment is directly correlated to lower household incomes in North Charleston.

Table 13 includes the gross increase and percent change in median household incomes between 2007 and 2017. North Charleston's median household income has grown at the second fastest pace of surrounding jurisdictions between 2007 and 2017. However, while the median income increased by \$5,648 since 2007, it is almost 30% - 40% less than some of its neighboring jurisdictions. Figure 23 shows how the incomes are distributed throughout North Charleston.

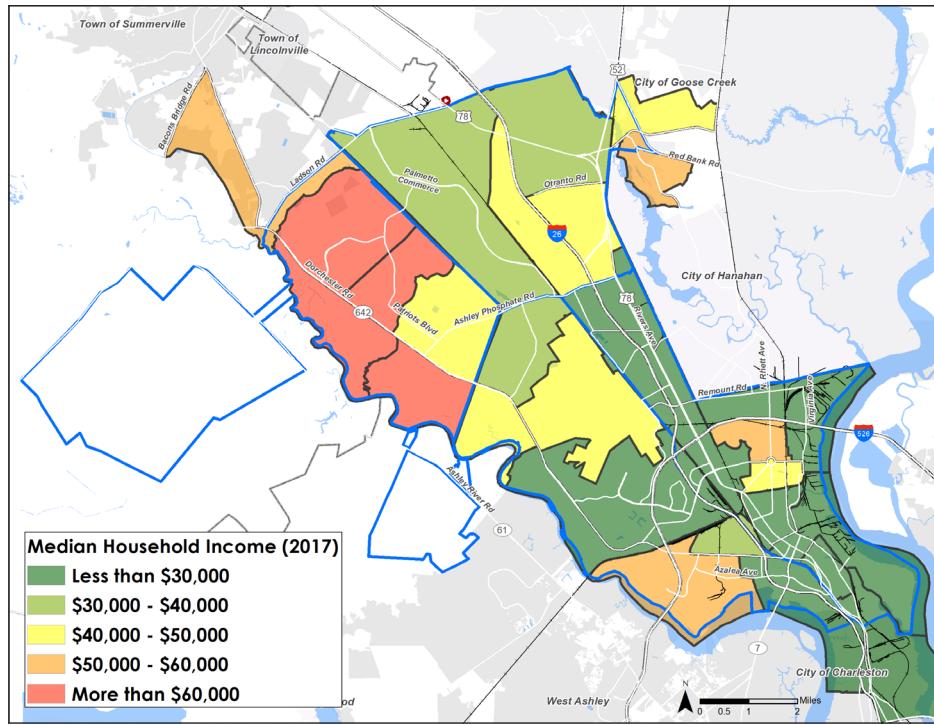


Figure 23: Median Household Income Distribution by Census Tract (2017)

	2007	2017	GROSS INCREASE	% CHANGE
<b>CHARLESTON-NORTH CHARLESTON METRO</b>	\$48,315	\$57,666	\$9,351	19.4%
<b>NORTH CHARLESTON</b>	\$34,296	\$39,944	\$5,648	16.5%
<b>CHARLESTON</b>	\$44,765	\$61,367	\$16,602	37.1%
<b>GOOSE CREEK</b>	\$56,042	\$64,204	\$8,162	14.6%
<b>SUMMERVILLE</b>	\$52,806	\$57,825	\$5,019	9.5%

Table 13: Comparative Median Household Income Growth (2007 & 2017)

#### 4.3.2 Education

As discussed in the Population Chapter, the Census Bureau defines educational attainment as the highest level of education completed by an individual. A community's high school graduation rate is a barometer of its health and the skill level of its future workforce. In 2017, 16.5% of North Charleston residents did not have a high school diploma while only 22.1% had a bachelor's degree. Comparatively, 10% of residents in the Charleston Metro area did not have a high school diploma and 34.1% had a bachelor's degree.

Efforts to improve educational opportunities in North Charleston are currently underway. Currently, CCSD offers students opportunities to take college courses in high school. A new CCSD technical high school, which is scheduled to open in the fall of 2020, will work to enhance skills for the residents who live in North Charleston and Charleston County. Embry-Riddle is a postsecondary school that offers certificates in Aviation Maintenance, Associate/Bachelor Degrees in Aeronautics, Aviation Maintenance, and Technical Management, and a Master Degree in Aeronautics.<sup>6</sup> Last, there are plenty of workforce development opportunities that exist such as ReadySC<sup>7</sup> and SC Works<sup>8</sup> for workers in the region.

6. <https://worldwide.erau.edu/locations/north-charleston/>

7. <http://www.readysc.org/>

8. <https://www.scworkstrident.org/>

### 4.3.3 Labor Force

The available labor force in North Charleston has grown from 75,063 people in 2012 to 84,348 people in 2017 (Table 14). This represents a 12.4% increase in the total available labor force living within the City, which aligns with the City's overall growth discussed in the Population Chapter. Likewise, North Charleston residents who are working increased by 10.2% over the same period. The unemployed civilian workforce decreased by 40.2% between 2012 and 2017, which is consistent with the trends following a recession.

### 4.3.4 Unemployment Rate

The unemployment rate is a measure of economic vitality and is calculated as a percentage by dividing the number of unemployed individuals (all those looking for work and excluding those who have chosen not to work) by all individuals currently in the labor force. The South Carolina Department of Employment & Workforce (SCDEW) collects annual employment data which is shown in Figure 24. The fall in the unemployment rate throughout South Carolina, including North Charleston, indicates that the economy has improved since the recession eased and is healthy. However, North Charleston's economy has improved more than its peers with the greatest decrease in its unemployment rate between 2012 and 2017.

### 4.3.5 Poverty

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine who lives in poverty. If a family's total income is less than the family size threshold, then that family, and every individual in it, is considered to be in poverty. The official poverty thresholds do not vary geographically, but they are updated for inflation using the Consumer Price Index (CPI-U). Historically, North Charleston has had higher poverty rates than both the Charleston Metro Area and South Carolina. According to the Census Bureau, despite improvements in the unemployment rate, that trend has continued in 2017 with 22.8% of North Charleston residents living in poverty (Figure 25).

	2012	2017	CHANGE
AVAILABLE LABOR FORCE (ALL RESIDENTS AGE 16+)	75,063	84,348	12.4%
IN LABOR FORCE	51,047	56,273	10.2%
CIVILIAN LABOR FORCE	48,877	54,279	11.1%
CIVILIAN EMPLOYED	42,399	50,403	18.9%
CIVILIAN UNEMPLOYED	6,478	3,876	-40.2%
ARMED FORCES	2,170	1,994	-8.1%
NOT IN LABOR FORCE	24,016	28,075	16.9%

Table 14: North Charleston Labor Force

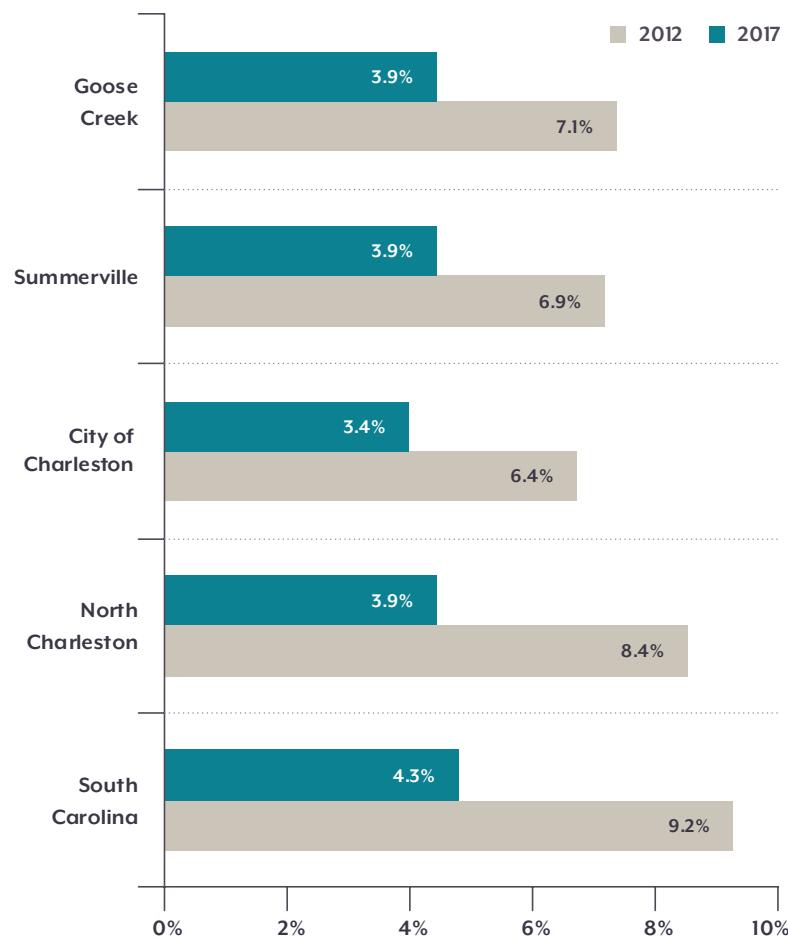


Figure 24: Unemployment Rate 2012 & 2017

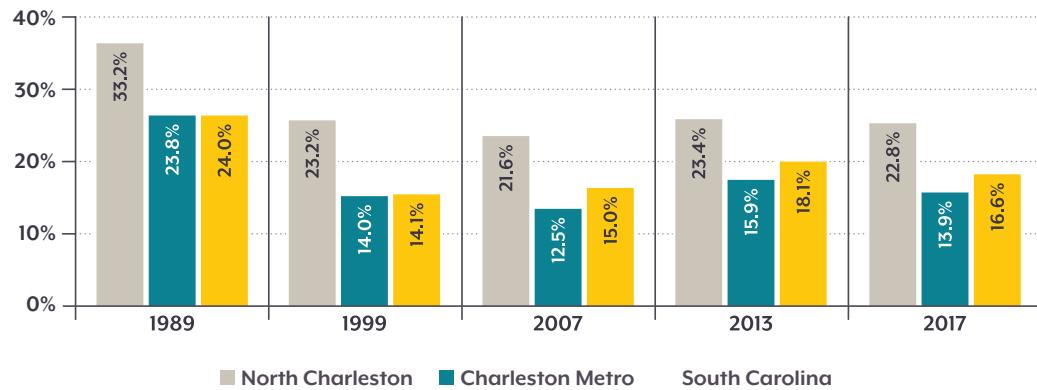


Figure 25: Historic Poverty Rates (1989–2017)

Looking at the three largest racial/ethnic groups, the disparity in poverty between African American or Blacks and Hispanic/Latinos is significant when compared to Whites in the City of North Charleston as well as across the entire State of South Carolina (Table 15). This coincides with the educational attainment data showing disproportionately fewer high school and bachelor's degrees among these groups (see Population Chapter). Planning Area 1 has the largest portion of its population living below the poverty level (Figure 26).

	BLACK ALONE		HISPANIC/ LATINO		WHITE ALONE	
	2013	2017	2013	2017	2013	2017
NORTH CHARLESTON	32.4%	31.0%	28.4%	33.1%	12.4%	10.4%
CHARLESTON METRO	27.4%	24.0%	30.4%	26.0%	9.9%	8.6%
SOUTH CAROLINA	29.5%	26.7%	31.5%	11.2%	12.1%	11.2%

Table 15: Poverty Rate by Racial Composition (2013 & 2017)

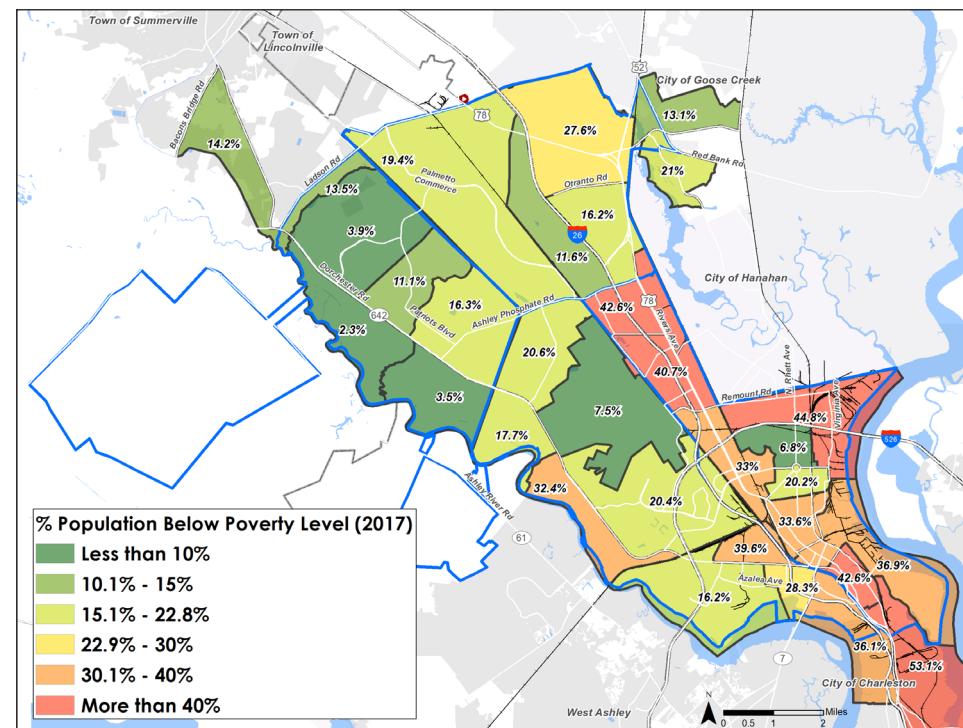


Figure 26: North Charleston Population Below Poverty Level (2017)

#### **4.3.6 North Charleston Industry**

North Charleston is considered the economic hub of the region and maintains an extremely business friendly climate. North Charleston's central location within the tri-county region, gives it a competitive advantage for the movement of goods by air, land, or sea. The City has convenient access to domestic and global markets through the Charleston Port, two class one rail lines (CSX and Norfolk Southern Railways), and commercial air services (Atlas Air, FedEx Express, FedEx Feeder, and UPS Airlines). The State, SC Port Authority and other partners have committed to invest in port and port-related infrastructure that will not only increase port capacity, but also enhance the operational performance and transportation infrastructure related to the movement of cargo at the Port of Charleston and throughout the State. The Charleston International Airport has also implemented an expansion plan to increase the capacity of the region's air facilities. The development of the successful Palmetto Commerce Industrial Park reflects the local commitment to creating an environment that is necessary for the economic vitality of the region.

The region supports a diverse mix of industries. The industries that take advantage of the business climate and transportation network currently in North Charleston are shown in Table 16. In 2018, there were 5,662 businesses that employ roughly 95,000 people. The major industries by share include Manufacturing, Transportation and Warehousing, Retail trade and Health care services. As the retail sales leader in South Carolina, the retail trade industry contains the most businesses (862) and second highest job count (11,034) in the City. Manufacturing accounts for 15,546 employees spread across 227 businesses. The industry with the third highest job count is health care and social assistance which employs 9,687 people.

Table 16 also shows how North Charleston compares against each of the three counties in the region and the state. North Charleston has more businesses located within or total employees when compared to either Berkeley or Dorchester County. Likewise, it grosses more total sales than either Berkeley or Dorchester County. Comparatively, North Charleston represents about 45% of the total sales in Charleston County which is fairly impressive considering that not all of North Charleston is geographically located within Charleston County.

### NORTH CHARLESTON INDUSTRIES

	2018 BUSINESSES	% OF TOTAL	2018 EMPLOYEES	% OF TOTAL
AGRICULTURE, FORESTRY, FISHING & HUNTING (NAICS 11)	3	0.1%	175	0.2%
MINING, QUARRYING, & OIL & GAS EXTRACTION (NAICS 21)	5	0.1%	39	0.0%
UTILITIES (NAICS 22)	3	0.1%	130	0.1%
CONSTRUCTION (NAICS 23)	374	6.6%	5,924	6.3%
MANUFACTURING (NAICS 31-33)	227	4.0%	15,546	16.4%
WHOLESALE TRADE (NAICS 42)	285	5.0%	4,067	4.3%
RETAIL TRADE (NAICS 44-45)	862	15.2%	11,034	11.6%
TRANSPORTATION & WAREHOUSING (NAICS 48-49)	249	4.4%	3,772	4.0%
INFORMATION (NAICS 51)	129	2.3%	1,938	2.0%
FINANCE & INSURANCE (NAICS 52)	246	4.3%	1,981	2.1%
REAL ESTATE & RENTAL & LEASING (NAICS 53)	340	6.0%	2,046	2.2%
PROFESSIONAL & TECHNICAL SERVICES (NAICS 54)	489	8.6%	5,975	6.3%
MANAGEMENT OF COMPANIES & ENTERPRISES (NAICS 55)	7	0.1%	40	0.0%
ADMINISTRATIVE & WASTE SERVICES (NAICS 56)	242	4.3%	5,295	5.6%
EDUCATIONAL SERVICES (NAICS 61)	124	2.2%	5,924	6.3%
HEALTH CARE & SOCIAL ASSISTANCE (NAICS 62)	436	7.7%	9,687	10.2%
ARTS, ENTERTAINMENT, & RECREATION (NAICS 71)	91	1.6%	1,206	1.3%
ACCOMMODATION & FOOD SERVICES (NAICS 72)	466	8.2%	9,066	9.6%
OTHER SERVICES, EXCEPT PUBLIC ADMINISTRATION (NAICS 81)	649	11.5%	4,095	4.3%
PUBLIC ADMINISTRATION (NAICS 92)	207	3.7%	6,624	7.0%
UNCLASSIFIED ESTABLISHMENTS	228	4.0%	200	0.2%
<b>TOTAL ALL INDUSTRIES</b>	<b>5,662</b>		<b>94,764</b>	

### 2018 ECONOMIC COMPARISON

	TOTAL BUSINESSES	TOTAL EMPLOYEES	TOTAL SALES
NORTH CHARLESTON	5,662	94,764	\$21,669,126
BERKELEY COUNTY	4,567	54,682	\$9,734,757
CHARLESTON COUNTY	18,842	265,665	\$47,241,511
DORCHESTER COUNTY	3,499	41,367	\$5,238,876
SOUTH CAROLINA	165,366	2,113,518	\$377,766,385

Source: ESRI Business Analyst Online

Table 16: North Charleston Industries and Economic Comparison

#### 4.3.7 Place of Work and Commuting Patterns

As the employment and economic hub for the region, North Charleston offers a variety of employment opportunities. Figure 27 not only shows some of the major employers in North Charleston, but it also depicts the density of jobs (jobs per square mile) as of 2015. The region's principal transportation routes, I-26, I-526, and Rivers Avenue (US 52) all transverse the City and tend to accommodate higher densities of employment. These routes also play an essential role in the transportation of goods throughout the city and region. In addition, these major corridors are commuting routes for people to get to other employment destinations such as Mount Pleasant and downtown Charleston.

In fact, of the 93,596 people employed in North Charleston in 2015, 78,204 or 83.6% of them commuted to work from another jurisdiction.<sup>9</sup> Only 15,392 people lived and worked in North Charleston, which represents about 16.4% of the City's population.

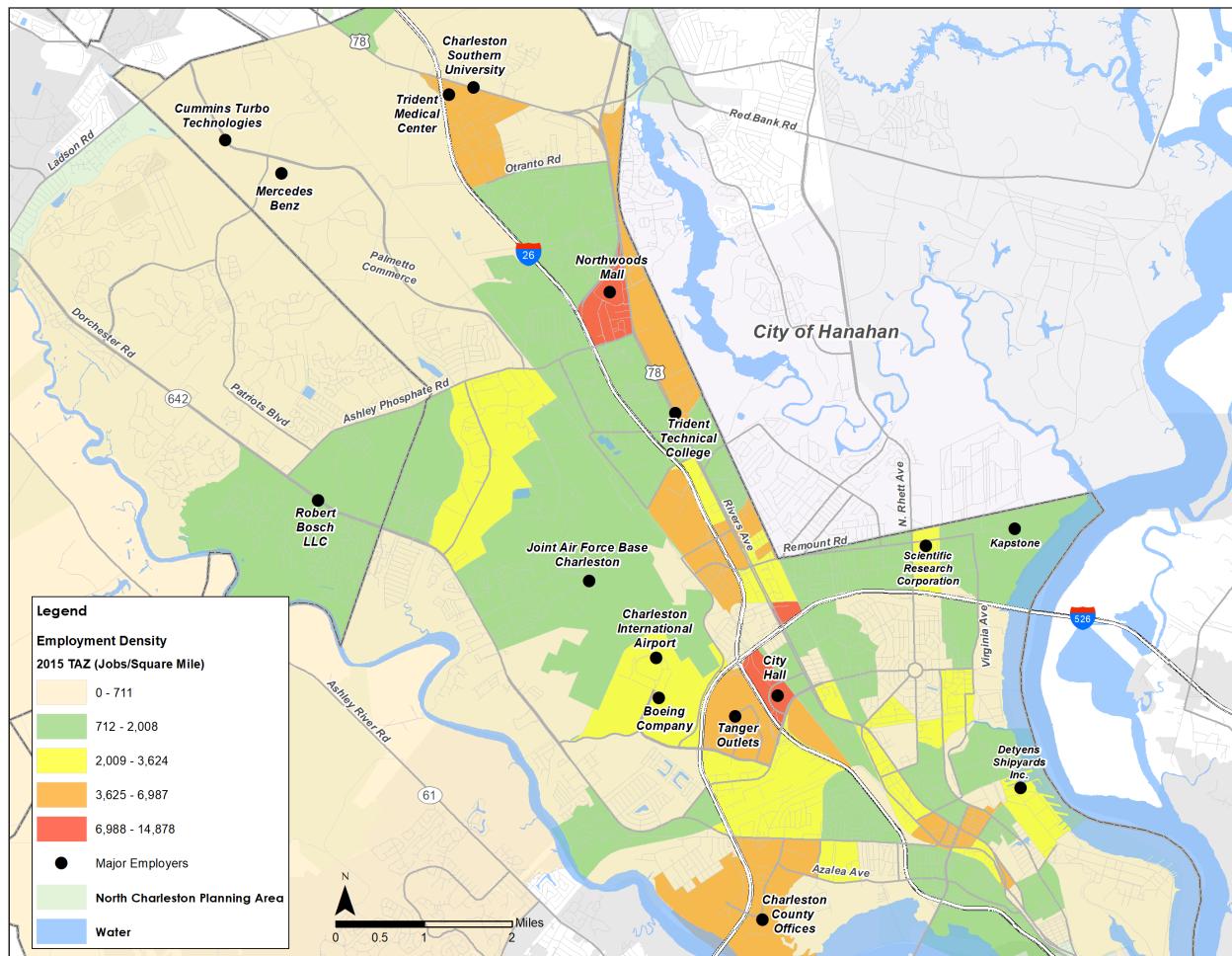


Figure 27: North Charleston Major Employers and Employment Densities (2015)

9. <https://onthemap.ces.census.gov/>

## 4.4 TAX INCREMENT FINANCING DISTRICTS

Tax Increment Financing (TIF) Districts are economic incentives that work to bring businesses and residents to a specific location. Areas that are in need of updated infrastructure and/or redevelopment are identified by a local municipality and designated for a TIF district in an effort to catalyze revitalization. TIF financing does not come directly from the coffers of the local municipality; however governmental entities with tax levying authority incur a temporary loss through foregone tax revenue. The benefits of increased tax revenues through land or physical improvements are delayed for a specified number of years. Figure 28 shows a 23 year TIF period where any incremental assessed value does not contribute to the local tax roll, but instead is applied to the project or infrastructure improvements. At the end of the 23rd year, the total taxes may be collected by the taxing entities. There are four TIF Districts in North Charleston: City Center, Noisette, Naval Base, and Ingleside as referenced in Figure 29.

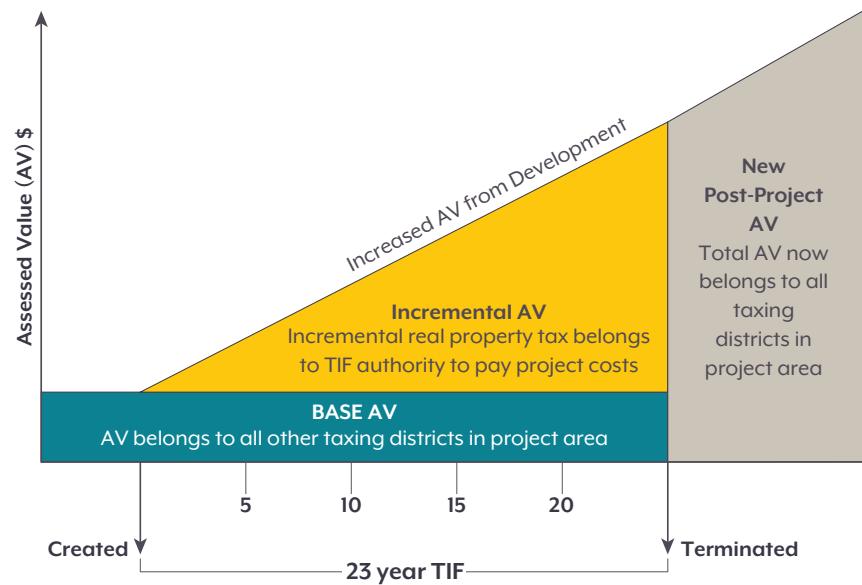


Figure 28: TIF Assessed Value

### 4.4.1 City Center TIF

Charles Towne Square was an indoor mall that was opened in 1976. The original anchors included JC Penney, Montgomery Wards, and Edwards, but the mall was underperforming for many years. As a result of the declining mall, the City Center TIF was established in 1991 and then revised in 1996. This City Center TIF district prompted the demolition of Charles Towne Square and its redevelopment to an office complex, Verizon Wireless call center, movie theater, and the North Charleston City Hall. The City Center TIF district also helped facilitate building the North Charleston Coliseum in 1993. After the City Center TIF district was revised in 1996, the district successfully spurred redevelopment with projects like Tanger Outlet Mall, Sam's Club, Walmart, and several new hotels.

### 4.4.2 Noisette Community Redevelopment TIF

The Noisette Community Redevelopment TIF district was created in 2001 and has helped to fund projects such as the Oak Terrace Preserve (OTP) neighborhood. OTP was developed on a 55 acre site and accommodates approximately 370 residences. OTP is a model green community within the region and contains green spaces, parks, oak trees and is friendly for both pedestrians and bicyclists alike. The Noisette Community Redevelopment also covers areas specifically along Montague Avenue, Durant Avenue, Virginia Avenue, McMillan Avenue, and Rivers Avenue. In 2013, North Charleston started the process to extend the life of the Noisette Community Redevelopment TIF district for the years 2018 to 2028. During this process North Charleston added a few areas including the former GARCO mill site near East Montague Avenue. Currently the former GARCO site has secured two tenants that will occupy two 30,000 square foot facilities.<sup>10</sup>

10. <https://charlestonbusiness.com/news/construction/76007/>

The Naval Base TIF district has helped with infrastructure improvements such as roads, drainage utilities, and public buildings. It also spurred redevelopment that put in place North Charleston's Riverfront Park and the accompanying Naval Base Memorial. Redevelopment continues to occur in and around the Naval Base.

#### 4.4.3 Ingleside TIF

In 2011, the Ingleside TIF district was formed for an area west of I-26 and south of Highway 78. The land encompassed approximately 2,100 acres and was partially vacant and partially used for agriculture. Original estimates depicted that the development would entail roughly 6 million square feet of commercial space, 3 million square feet in retail, and approximately 3.5 million square feet of industrial development. Since then, approximately \$40 million dollars of public infrastructure improvements have been put in place. This has helped to catalyze development along Palmetto Commerce Parkway as well as Ingleside Boulevard. TIGHTCO Incorporated and Mercedes-Benz Vans are two major employers who are located on Palmetto Commerce Parkway. Medical, office, light industrial and residential developments are also occurring along Ingleside Boulevard.

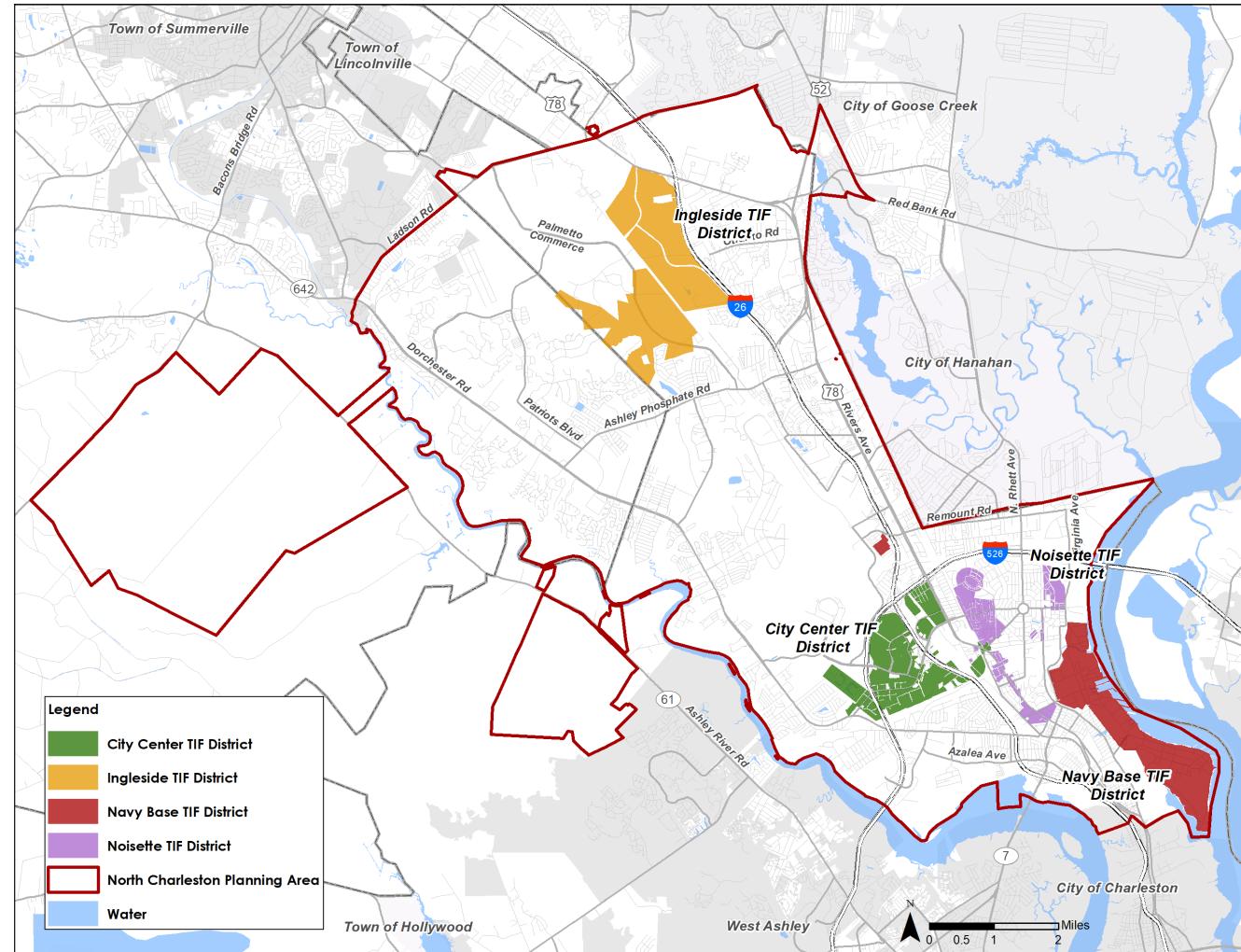


Figure 29: North Charleston Established TIF Districts

## 4.5 OPPORTUNITY ZONES

The United States Congress authorized Opportunity Zones as a community development program through the Tax Cuts and Jobs Act of 2017.<sup>11</sup> Opportunity Zones encourage long term private investment in low-income communities by incentivizing taxpayers to reinvest unrealized capital gains in low-income communities. Opportunity Zones are designated by the Governor of South Carolina and are based off of data from the 2011 to 2015 American Community Survey. The Governor designated twenty-five percent of qualifying Census Tracts in South Carolina as Opportunity Zones. Census Tracts 40, 43, 44, 54, and 55 are in North Charleston and are within Opportunity Zones as shown in Figure 30.

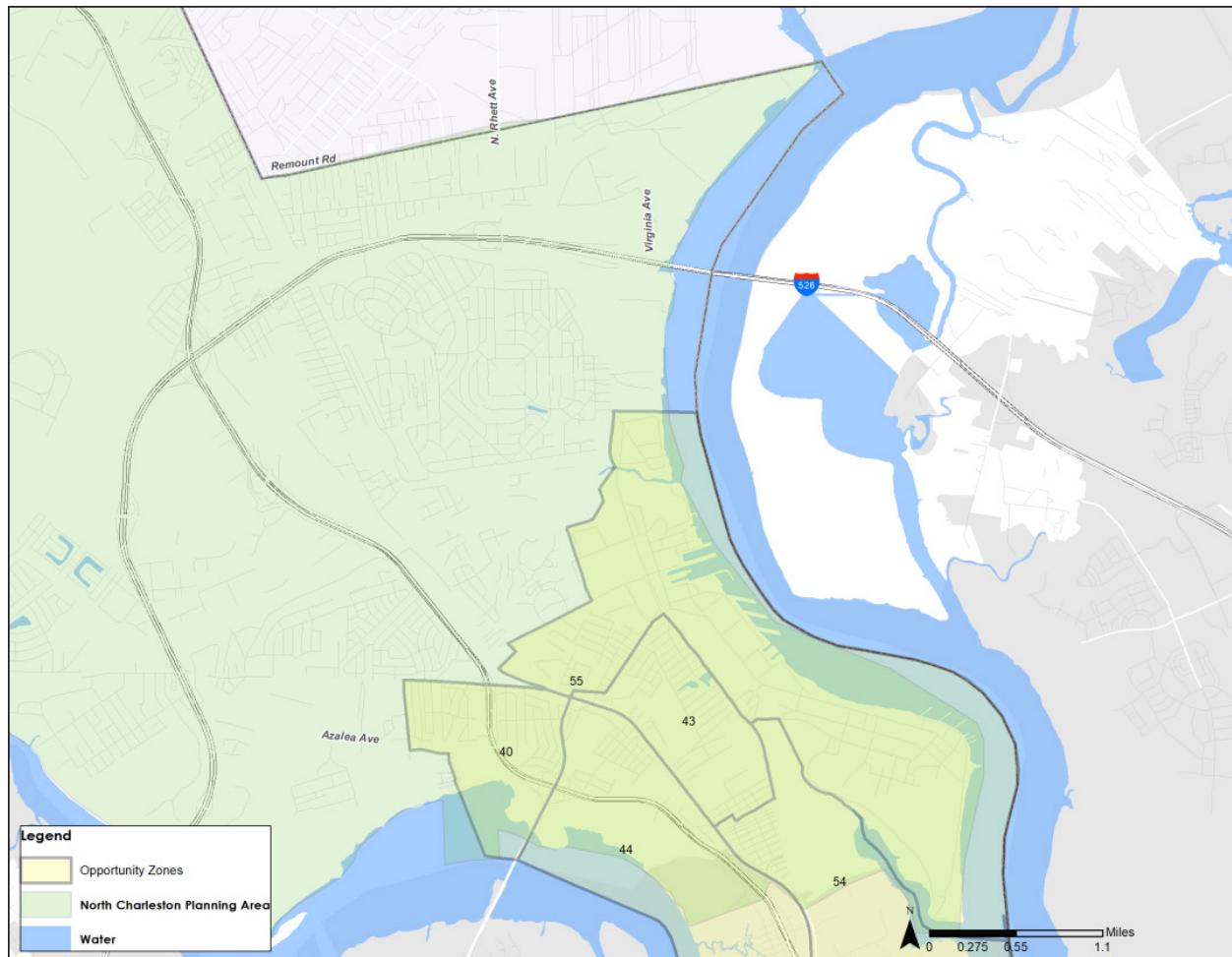


Figure 30: North Charleston Opportunity Zones

11. <http://scopportunityzone.com/>