

## 4. Economic Development

The economic development element provides an inventory and assessment of North Charleston's economic base and labor force. The economic base of a community refers to the employment located within that jurisdiction. On the other hand, the labor force consists of the workers living within the community.

### 4.1 Local Economy

North Charleston is the economic and multi-modal hub of the region. Military establishments, retail shopping malls, port terminals, major manufacturers, and a growing technology base fuel the local economy. North Charleston features two regional malls, Tanger Outlets and Northwoods Mall. Two major universities are within the city limits – Trident Technical College and Charleston Southern University. Along the Cooper River in North Charleston are two of the State Ports Authority's port terminals, with a third under development. The growing high-tech industrial sector features the new addition of the Vought Aircraft/Global Aeronautica complex, which will manufacture fuselages for the new Boeing 787 Dreamliner Aircraft.

North Charleston is consistently the leading city in retail sales – 2005 marked 14 straight years of being the top in retail. Retail sales increased 14% from 2004 to 2005, with \$5.92 billion – surpassing any other South Carolina city by over \$800 million.

**Table 4.1.1 – North Charleston Retail Sales**

Year	Retail Sales (In \$Billions)	Increase From Prev. Year
2005	\$5.92	14.3%
2004	\$5.18	9.5%
2003	\$4.73	8.0%
2002	\$4.38	1.4%
2001	\$4.32	-1.8%
2000	\$4.4	4.8%
1999	\$4.2	2.4%
1998	\$4.1	7.9%
1997	\$3.8	2.7%
1996	\$3.7	N/A

*North Charleston – State of the City Address, 2007*

North Charleston is also a major provider of hotel accommodations. Its geography in the center of the region, easy access to the airport and interstates, and cheaper room rates than Historic Charleston and beach areas, make North Charleston an ideal location for hotels. In 2005, North Charleston's planning department performed a survey of hotels in the city. It found that there were 37 existing hotels, 3 under construction, and 11 planned hotels – with a total of 4,494 rooms by 2007 (this does not include motels, bed & breakfasts, etc.). The City Center area around North Charleston Coliseum is a major center of accommodations. Of the 4,494 existing and future hotel rooms, 2,069 of them (46%) are located within a 1-mile radius of the coliseum. There are two other major conglomerations of hotels in North Charleston – one is located at the interchange of Ashley Phosphate Road and Interstate 26, and the other node is emerging near Charleston Southern University and Trident Hospital along University Drive.

Hotel sales are helping fuel the local economy along with retail sales. The next table (4.1.2) reports hospitality, accommodations, admissions and sales tax revenues for the last 5 reported fiscal years. All have increased over the 5-year span, and all except the admissions tax increased with each year.

**Table 4.1.2 - Accommodations, Admissions, & Sales Tax Revenues, FY 2002-2006**

Fiscal Year	Hospitality Taxes	Accommodations Taxes	Admissions Taxes	Sales Taxes
2006	\$3,983,488	\$2,720,342	\$163,111	\$9,091,500
2005	\$3,682,402	\$2,358,154	\$122,295	\$8,849,187
2004	\$3,461,976	\$2,262,006	\$139,565	\$7,206,883
2003	\$3,072,956	\$2,182,498	\$132,891	\$6,645,139
2002	\$2,138,566	\$2,134,739	\$126,535	\$6,326,276

*North Charleston, State of the City Address, 2007*

## 4.2 Economic Base

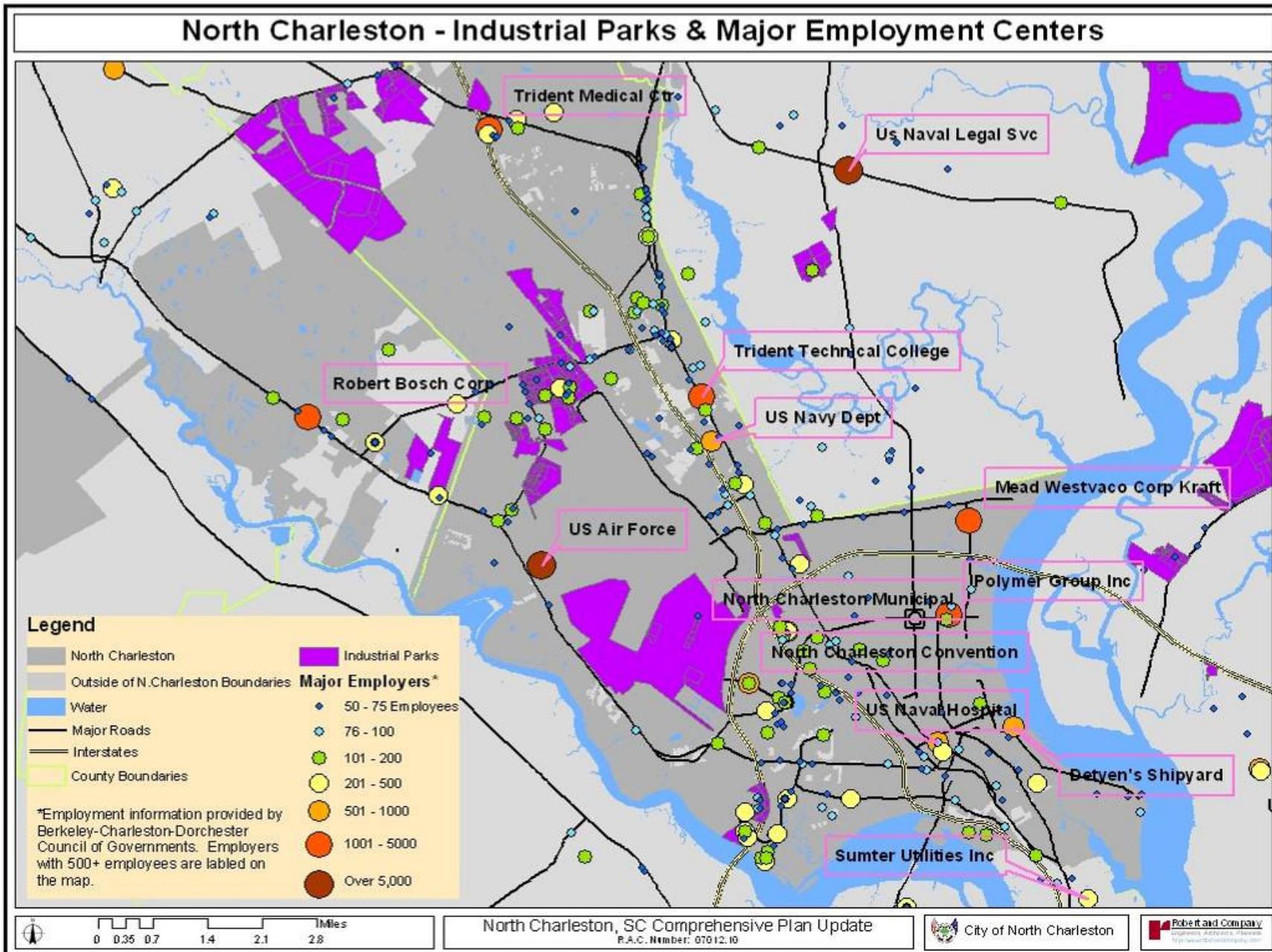
The table below shows employment by industry in North Charleston, the Charleston-North Charleston Metropolitan Statistical Area (MSA) and South Carolina. The figures shown are estimates from the U.S. Census Bureau's 2006 American Community Survey (ACS). North Charleston's largest industry sector in 2006 was 'Education services, and health care, and social assistance.' This was also true in the region and state. The city's next highest percentage of jobs are within the industries of 'professional, scientific, management, administrative, and waste management,' 'construction,' and 'retail trade.' In the 2002 Economic Census, Retail Trade and Manufacturing were the largest industries, each with 16% of the city's jobs. According to the 2006 estimates, Manufacturing has declined significantly and now only consists of 7.7% of North Charleston employment. On the other hand, the Professional/Scientific category has increased from 7.8% to 12.2%

**Table 4.2.1: Employment by Industry, 2006\* - N. Charleston, Charleston MSA, and South Carolina**

Industry Sector	N. Charleston		MSA		S. Carolina	
Agriculture, forestry, fishing and hunting, and mining	85	0.2%	1,507	0.5%	19,887	1.0%
Construction	4,406	11.5%	28,810	10.1%	173,229	8.8%
Manufacturing	2,972	7.7%	24,873	8.8%	306,695	15.6%
Wholesale trade	864	2.2%	7,454	2.6%	63,271	3.2%
Retail trade	4,160	10.8%	34,826	12.3%	235,945	12.0%
Transportation and warehousing, and utilities	3,131	8.1%	17,538	6.2%	92,854	4.7%
Information	814	2.1%	5,986	2.1%	32,401	1.6%
Finance and insurance, and real estate and rental and leasing	1,043	2.7%	16,923	6.0%	125,278	6.4%
Professional, scientific, and management, and administrative and waste management services	4,671	12.2%	32,974	11.6%	168,352	8.6%
Educational services, and health care, and social assistance	7,131	18.6%	55,176	19.4%	381,533	19.4%
Arts, entertainment, and recreation, and accommodation, and food services	4,016	10.4%	29,102	10.3%	177,992	9.1%
Other services, except public administration	2,604	6.8%	12,564	4.4%	94,554	4.8%
Public administration	2,542	6.6%	16,157	5.7%	92,719	4.7%

Map 4.1 on the next page shows the locations of North Charleston's major employment centers and industrial parks.

Map 4.1 – Industrial Parks & Major Employment Centers

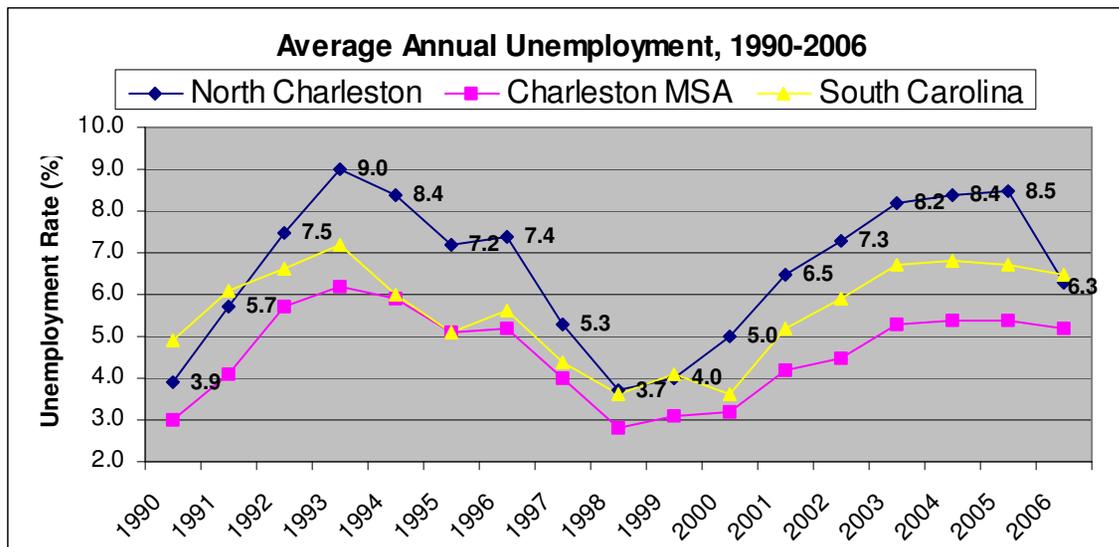


### 4.3 Labor Force

Labor force participation rates for North Charleston in years 1990 and 2000 are reported in Table 4.2.1. Labor forces participation refers to the number of people of working age who are employed or seeking employment. In North Charleston, the labor force participation rate has declined from 75.2% in 1990 to 63.8% in 2000.

Labor force participation is higher among men (68.8%) than among women (58.9%) due to traditional female tasks of child rearing and care giving. However the difference in labor force participation rates between men and women has narrowed from 1990 to 2000, and male participation dropped significantly from 85.6% in 1990 to 68.8% in 2000. Female labor force participation rates have increased steadily across the nation, from 33.9% in 1950 to 57.5% in 2000. According to Bureau of Labor Statistics projections, the national trend toward increased female labor force participation is expected to stabilize at 58% by 2025. North Charleston women have higher participation rates than the national average, but the rate dropped slightly from 1990 to 2000.

This table also reports a steep decline in the Armed Forces labor force between 1990 and 2000. This is due to the shutdown of the Naval Base in 1996.



Source : U.S. Bureau of Labor Statistics

The closure of the U.S. Navy Base in North Charleston in 1996 was a major detriment to North Charleston's economy and employment. The table below (4.3.1) shows a large drop off in labor force participation between 1990 and 2000 from 75.2% to 63.8%. Of course this drop-off is even more dramatic in the Armed Services sector – the numbers drop from 38.3% to 8.2% for the male population. Although North Charleston has fared well in recovering from the base closure, labor force participation still remains much lower without the Navy. The 2006 estimates show a labor force participation of 64.6% - a slight improvement over 2000, but still well below the 75% participation in 1990. This reduction is even more dramatic for the male population when looked at independently. The closure has had only a minimal effect upon female labor participation.

**Table 4.3.1: North Charleston Labor Force Participation, 1990-2000 & 2006\***

	1990		2000		2006*	
	Amount	%	Amount	%	Amount	%
<b>Persons 16 Years and Over</b>	<b>52,929</b>		<b>59,589</b>		<b>67,318</b>	
<b>Male:</b>	<b>29,385</b>	<b>100.0%</b>	<b>29,397</b>	<b>100.0%</b>	<b>34,815</b>	<b>100.0%</b>
In labor force:	25,230	85.9%	20,214	68.8%	24,130	69.3%
In Armed Forces	11,240	38.3%	2,422	8.2%	1,814	5.2%
Civilian:	13,990	47.6%	17,792	60.5%	22,316	64.1%
Employed	13,244	45.1%	16,273	55.4%	20,757	59.6%
Unemployed	746	2.5%	1,519	5.2%	1,559	4.5%
Not in labor force	4,155	14.1%	9,183	31.2%	10,685	30.7%
<b>Female:</b>	<b>23,544</b>	<b>100.0%</b>	<b>30,192</b>	<b>100.0%</b>	<b>32,503</b>	<b>100.0%</b>
In labor force:	14,564	61.9%	17,785	58.9%	19,382	59.6%
In Armed Forces	989	4.2%	471	1.6%	203	0.6%
Civilian:	13,575	57.7%	17,314	57.3%	19,179	59.0%
Employed	12,401	52.7%	15,515	51.4%	17,682	54.4%
Unemployed	1,174	5.0%	1,799	6.0%	1,497	4.6%
Not in labor force	8,980	38.1%	12,407	41.1%	13,121	40.4%
<b>Total in Labor Force</b>	<b>39,794</b>	<b>75.2%</b>	<b>37,999</b>	<b>63.8%</b>	<b>43,512</b>	<b>64.6%</b>
<b>Total Not in Labor Force</b>	<b>13,135</b>	<b>24.8%</b>	<b>21,590</b>	<b>36.2%</b>	<b>23,806</b>	<b>35.4%</b>

Source: U.S. Census; \*2006 Estimates from American Community Survey

The comparisons in employment status between North Charleston and the region, state, and nation (table 4.3.2) show that although labor force participation in the city has suffered since the loss of the U.S. Navy, its current participation percentage is very close to that of the metro area, the state and the nation. Even with the base closure, North Charleston's still has a high percentage of military personnel compared to the region and state – this is due to the continued presence of the Charleston Air Force Base, the nearby Naval Weapons Station, and the Navy's SPAWAR division.

**Table 4.3.2: Comparison of Employment Status, 2006\***

	North Charleston	MSA	S.Carolina	U.S.
Persons 16 Years and Over	59,589	100.0%	100.0%	100.0%
Male:	29,397	49.3%	48.3%	47.8%
In labor force:	20,214	33.9%	34.3%	33.4%
In Armed Forces	2,422	4.1%	2.3%	0.9%
Civilian:	17,792	29.9%	32.0%	32.4%
Employed	16,273	27.3%	30.3%	30.7%
Unemployed	1,519	2.5%	1.7%	1.7%
Not in labor force	9,183	15.4%	14.1%	14.4%
Female:	30,192	50.7%	51.7%	52.2%
In labor force:	17,785	29.8%	30.3%	30.0%
In Armed Forces	471	0.8%	0.3%	0.2%
Civilian:	17,314	29.1%	30.0%	29.8%
Employed	15,515	26.0%	28.2%	27.9%
Unemployed	1,799	3.0%	1.7%	1.9%
Not in labor force	12,407	20.8%	21.4%	22.2%
<b>Total in Labor Force</b>	<b>37,999</b>	<b>63.8%</b>	<b>64.5%</b>	<b>63.9%</b>
<b>Total Not in Labor Force</b>	<b>21,590</b>	<b>36.2%</b>	<b>35.5%</b>	<b>36.0%</b>

Source: U.S. Census, 2006 American Community Survey; \*estimates

The next two tables (4.3.3 and 4.3.4) show the percentage of the labor force by occupation type in North Charleston, the region, the state, and the nation in 2000 and 2006 (estimate). North Charleston differed from the region, state, and nation in 2000, in that the highest percentage of its labor force held sales and office occupations, rather than management, professional, and related occupations. However, this appears to have since changed, as the 2006 estimates show that North Charleston's highest percentage of the labor force is now in management or professional occupations.

**Table 4.3.3: Labor Force by Occupation Type, 2000**

OCCUPATION	North Charleston	MSA	South Carolina	United States
Management, professional, and related occupations	21.1%	<b>32.5%</b>	<b>29.1%</b>	<b>33.6%</b>
Service occupations	21.7%	16.2%	14.7%	14.9%
Sales and office occupations	<b>28.4%</b>	26.3%	25.2%	26.7%
Production, transportation, and material moving occupations	16.0%	13.1%	19.0%	14.6%
Construction, extraction, and maintenance occupations	12.5%	11.5%	11.5%	9.4%
Farming, fishing, and forestry occupations	0.3%	0.5%	0.6%	0.7%

Source: U.S. Census 2000, SF3

The amount of North Charleston's labor force with service occupations is much higher than the region, state, and nation, and the proportion is estimated to have grown slightly from 2000 to 2006. 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.

On a positive note, North Charleston is showing a trend towards diversification of its labor force, with an increasingly even proportion of its labor force in all occupation types, except for farming, fishing and forestry. The region, state, and nation have a high and increasing proportion of its labor force in management/professional occupation and sales/office occupations. A diversified labor force helps community stability, in that it will be less susceptible to large company relocations, base closures and other economic hardships.

**Table 4.3.4: Labor Force by Occupation Type, 2006\***

OCCUPATION	North Charleston	MSA	South Carolina	United States
Management, professional, and related occupations	<b>26.8%</b>	<b>34.1%</b>	<b>30.4%</b>	<b>34.0%</b>
Service Occupations	22.9%	16.3%	16.1%	16.5%
Sales and office occupations	18.4%	25.6%	25.5%	25.9%
Farming, fishing, and forestry occupations	0.0%	0.4%	0.5%	0.7%
Construction, extraction, maintenance & repair occupations	15.6%	11.4%	10.9%	10.0%
Production, transportation, and material moving occupations	16.3%	12.3%	16.6%	13.0%

U.S. Census Bureau, 2006 American Community Survey; \*estimates

#### 4.4 Salaries & Wages

Average weekly wages are not available at the city level. However, regional and state wages are reported in the next table, 4.4.1. Regionally, the highest paying industries in 2006 were the federal government, finance and insurance, professional or technical services, and utilities.

**Table 4.4.1: Average Weekly Wages by Industry, 2006**

Industry	MSA	South Carolina
Natural Resources	\$ 532	\$ 504
Agriculture, Forestry, Fishing and Hunting	\$ 480	\$ 465
Mining	\$ 832	\$ 862
Construction	\$ 735	\$ 703
Manufacturing	\$ 915	\$ 806
Wholesale Trade	\$ 832	\$ 923
Retail Trade	\$ 482	\$ 445
Transportation and Warehousing	\$ 688	\$ 668
Utilities	\$ 949	\$ 1,151
Information	\$ 808	\$ 862
Finance and Insurance	\$ 1,019	\$ 889
Real Estate and Rental and Leasing	\$ 656	\$ 610
Professional and technical services	\$ 978	\$ 943
Admin & Support & Waste Mgmt. & Remediation Serv.	\$ 461	\$ 507
Educational services	\$ 664	\$ 574
Health Care and Social Assistance	\$ 732	\$ 693
Arts, Entertainment, and Recreation	\$ 337	\$ 322
Accommodations and Food Services	\$ 198	\$ 266
Other Services (Except Public Administration)	\$ 407	\$ 453
Federal Government	\$ 1,178	\$ 1,065
State Government	\$ 817	\$ 734
Local Government	\$ 629	\$ 653

South Carolina Employment Security Commission, Third Quarter 2006

## 4.5 Economic Resources

The following agencies, programs and other resources described in this section are available in North Charleston or the BCD Region for helping generate more business, and produce labor readiness in the local economy.

### DEVELOPMENT AGENCIES:

- ❑ **North Charleston Department of Economic Development** – The city's economic development works with the Regional Development Alliance in recruiting business into the city, helping existing businesses expand, and helping solve problems for local businesses so that they may stay in the area. The department has had numerous successes in recent years in attracting high-tech manufacturing, including Daimler-Chrysler, Cummings, Shimano, and Vought-Global Aeronautica. The department also works with local malls and shopping centers to keep them from decline or vacancy. The city provides several types of business incentive packages (listed on the next page).
- ❑ **Charleston Metro Chamber of Commerce** – The Metro Chambers mission is to advance the regional economy of the BCD Region. The Chamber's services include local business development, providing regional economic data and information, public policy advocacy, education initiatives, and business events.
- ❑ **Regional Development Alliance** – The Regional Development Alliance is a professional economic development organization the services the three counties of the BCD Region. The Alliance assists companies in site selection, financing, workforce training, and other aspects involved for a business establishing itself in the region.
- ❑ **Greater Summerville/Dorchester County Chamber of Commerce** – The Summerville/Dorchester Chamber is responsible for business and economic development for Dorchester County.

### PROGRAMS:

- ❑ **Trident One-Stop Career Center** – Located on Hanahan Road in North Charleston, the Trident One-Stop provides services to employers and job seekers to meet local workforce needs. Funding for services come from the Workforce Investment Act (WIA) and Jobs Training Partnership program (JTPA). The center's services include classroom education and on-the-job training.
- ❑ **North Charleston Revolving Loan Fund (RLF)** – This fund uses money from Community Block Development Grants to help start-up or expanding businesses in North Charleston. The RLF provides loans of \$5,000 to \$25,000 at a low-interest fixed rate, for a term of 1 to 7 years. The loan is administered locally through the Berkeley-Charleston-Dorchester Council of Governments.
- ❑ **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 the

Charleston region. State funding provides these educational programs at significantly reduced rates for South Carolina residents, and additional discount for students.

OTHER:

- ❑ **Center for Accelerated Technology Training (CATT)** – CATT is a state program that provides qualifying companies with pre-trained and productive workforce. Works in partnership with South Carolina Technical College System, of which Trident Technical College is a part.
- ❑ **Colleges and Technical Schools** – The number of colleges and technical schools in North Charleston is growing. Trident Tech and Charleston Southern University have been in North Charleston for decades, but has in recent years added the American College of Building Arts, Webster College, Southern Wesleyan University, College of Charleston's North Campus, and the Lowcountry Graduate Center. Clemson University is also developing a future campus on the former Navy Base property to house its Restorative Institute.
- ❑ **Sustainability** – Sustainable living is a principle of making decisions to benefit current generations and future generations, as well as making economic, environmental and social choices that benefit all three aspects, rather than one over the other. This includes increasing a community's quality of life while not exceeding the ecosystem's carrying capacity. North Charleston is increasingly becoming a state leader in sustainable development and facility construction, as well as generating a number of sustainable partnerships and resources. Building on this trend will allow the city to attract innovative and eco-friendly business, helping to diversify the labor force and local economy. North Charleston should declare itself a 'Sustainable City', and use that as a marketing edge for attracting innovative businesses and enterprises, as well as residents seeking quality of life characteristics.
- ❑ **Aircraft Technology** – The Vought-Alenia/Global Aeronautica partnership, manufacturing aircraft fuselages, has brought the opportunity to develop and expand an aircraft technology sector in the city, much like the BMW plant has generated a growing automobile technology sector for upstate South Carolina. Parts suppliers and manufacturers, as well as high-tech research are logical offshoot businesses that the city can pursue to develop this sector and increase the local job market.
- ❑ **Port Expansion** - South Carolina Ports Authority (SPA) operates two seaport terminals in North Charleston (Veterans and North Charleston). A third port terminal broke ground in 2007 on the south end of the former U.S. Naval Base, and is expected to begin operation in its first phase by 2013. The new container terminal will provide three shipping berths, covering 280 acres, and will expand the shipping capacity by 1.4 million TEU (twenty-foot equivalent units, or containers).

BUSINESS TAX CREDITS & INCENTIVES:

- ❑ **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 (Dorchester or Charleston County). Manufacturers that locate in a jointly developed industrial park and create permanent jobs may be eligible for an additional \$1,000 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 Development Financing** - Companies that locate in a distressed area may be eligible for financing for the redevelopment of buildings, park facilities, streets and water/sewer improvements.
- ❑ **Palmetto Seed Capital Fund** - Financing for early-stage development projects.
- ❑ **JEDA Direct Loans and Guarantees**  
Loans and loan guarantees available to companies for land, construction, equipment and working capital.
- ❑ **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. State can recruit, screen, 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.
- ❑ **Foreign Trade Zones** - It is expected that by mid-1997 North Charleston sites will expand the 2,400 approved acres in the tri-county area, allowing businesses to bring in goods or raw materials and process and store them duty-free until they are shipped into or out of the U.S.
- ❑ **Entertainment And Tax Increment Financing Districts** - Located around the North Charleston Coliseum, former Naval Base and Century Oaks area to assist new development in the designated area with their infrastructure requirements.

## 4.6 Goals & Policies

Goal 4.1: Attract new business and industry to North Charleston.

- ❑ Policy: Increase marketing of the city.
- ❑ Policy: Continue to support and cooperate with the local Chambers of Commerce, Regional Development Alliance, and other regional business organizations.
- ❑ Policy: Continue providing attractive business incentives that will attract desired industries.
- ❑ Policy: Encourage new hotel development and other accommodations-related uses.

Goal 4.2: Increase and incubate the high-tech industry sector in North Charleston.

- ❑ Policy: Work with Trident Technical College and high school vocational programs to generate a work-ready labor force for high-tech industries.
  - Action – Market North Charleston as a center for high-tech and innovative industries and businesses.
- ❑ Policy: Promote sustainability in North Charleston as a draw for innovative and environmentally conscious small businesses and corporations.
  - Action: Declare North Charleston a 'Sustainable City' and use this in marketing and business recruiting.

Goal 4.3: Utilize the city's cultural assets as a generator of the local economy.

- ❑ Policy: Provide adequate support for local arts organizations
- ❑ Policy: Continue promoting festivals, farmers markets, and other cultural events in the city.

Goal 4.4: Continue to ensure the availability of good jobs for the city's residents.

- ❑ Policy: Coordinate with school systems to provide high school curriculums that provide skills needed by local industries.
- ❑ Policy: Provide a local labor force with skills needed for local industries and businesses.
  - Action: Continue and expand workforce-training partnerships with Trident One-Stop and technical schools, through the Workforce Investment Act and JTPA.

Goal 4.5: Provide education and training for residents to create the workforce skills necessary to support and attract new industries.

- ❑ Policy: Focus the city's Economic Development on job training in addition to business recruiting.

- Action: Provide job training and marketable skills to citizens in distressed areas.
- Action: Develop a summer internship program aimed at local youth.