

## Chapter 3. Economic Element

The local economy shapes every aspect of community life – from jobs and taxes to environmental quality. A healthy economic climate fosters greater income potential for Newberry residents, a supportive environment for business and industry to succeed, and fiscal stability to maintain and expand community services and infrastructure for City residents. A balanced and diversified economy can also help the City, its residents, and employers successfully weather economic downturns.

The Economic Element of the Comprehensive Plan focuses on the components of the economy in the City of Newberry, as well as Newberry County and the surrounding region. These components include labor force characteristics, income and wealth distribution, commuting patterns, educational attainment and workforce development, occupational outlook, existing business and industry, market forces, realized and untapped economic assets, diversity of the economic base, and economic recruitment and growth strategies. These factors, along with an assessment of current economic trends, form the basis for recommendations designed to contribute to a healthy economic climate in the City of Newberry.

The Element provides a platform for local officials to identify the types of employment desired and the general location where such opportunities should be directed, while ensuring the distribution of economic benefits to residents citywide. The Element also examines the role of the City and Newberry County within the context of the regional and statewide economies.

Economic diversity is a vital component in achieving community sustainability. 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 foster the development of a sound economic base for the City of Newberry 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 community's rich cultural and natural resource base, and strengthens the overall health and quality of life for all residents.

### **A. REGIONAL ECONOMIC CONTEXT**

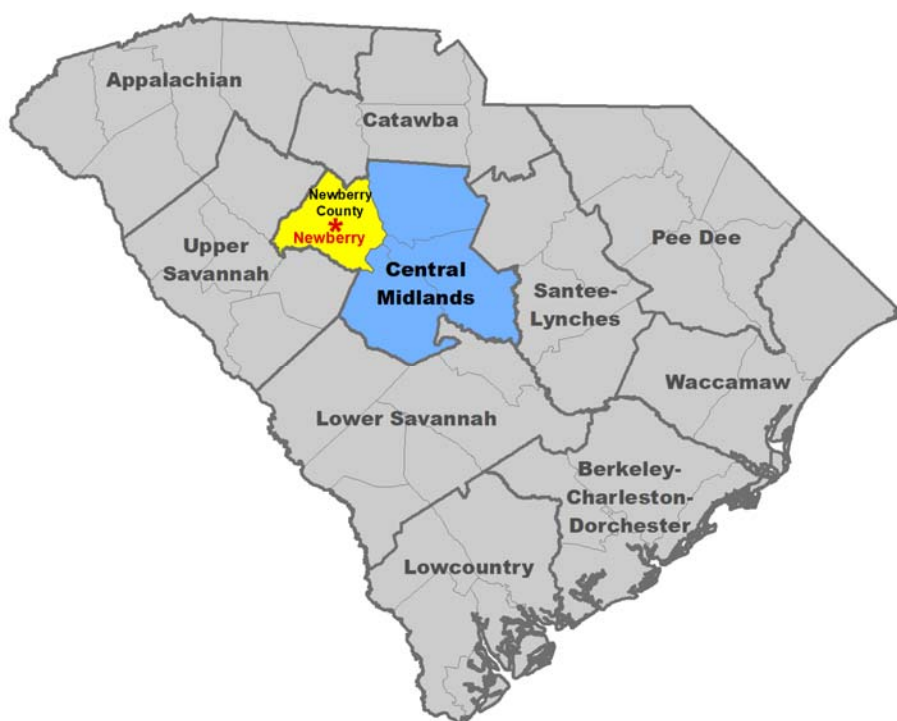
The City of Newberry is located in the Central Midlands Region of South Carolina, approximately 40 miles west of the State Capitol of Columbia along the Interstate 26 corridor that links the Columbia Metro region to Greenville to the west. The City of Newberry is the County seat and the largest of Newberry County's seven municipalities at nearly nine square miles and more than 10,250 residents.

Newberry County is one of two predominantly rural counties of the Central Midlands Region. Approximately one-third of the County's population resides within the City of Newberry, contributing to the City's role as the commercial hub of the County. Newberry County is also bounded on the southeast by Lexington and Richland Counties, which form the Columbia Metropolitan Statistical Area. The Interstate 26 corridor bisects the County from east to west just north of the City of Newberry. This strategic location between Columbia and the Greenville-

Spartanburg area offers the City opportunity for future growth. Newberry County has a population of more than 37,900 with an active civilian labor force of more than 17,700 that includes many City of Newberry residents.

The City and Newberry County are situated at the intersection of multiple planning, economic, and service delivery regions, with regional affiliation varying by service. Newberry County is part of the four-county Central Midlands region for planning purposes; the ten-county region of the Central Alliance for industrial recruitment purposes; and the seven-county Upper Savannah Workforce Investment Area for workforce development services (Map 3-1).

**Map 3-1. City of Newberry Location Map**



## **B. INCOME AND WEALTH**

South Carolina has generally experienced heightened social and economic growth during the last two decades. The State as a whole has successfully launched the transformation of its economy into a diversified base of manufacturing, trade, health care, services, and tourism activity. The Midlands region has shared in this economic growth over the last decade, with the infusion of new employers and rapid residential and commercial growth, particularly in neighboring Richland and Lexington Counties. Although not at the level of its urban neighbors to the west, Newberry County has experienced notable commercial and industrial development, with most growth concentrated in and around the City of Newberry.

The continued recruitment and expansion of existing industries and businesses will significantly strengthen the City by raising the tax base and increasing the number and quality of job opportunities available to City residents, as well as supporting the revitalization and reinvestment in downtown Newberry. However, economic development is more than job creation. A well-designed economic development strategy raises the standard of living and increases the assets and income levels of local residents. In addition to employment rates, companion measures of economic health include the property tax base, sales revenue, diversity of employment sectors, capital investment, income levels, educational attainment, and cost of living.

### 1. Property Tax Base

The value of the property tax base impacts the ability of the City to provide vital services and facilities and to make the necessary public investments to encourage private investment. Property taxes are also the leading source of revenue for local governments. Assessment ratios applied to manufacturing, commercial, and other classes of real property are based on classifications and rates established by the State of South Carolina (Table 3-1). For residential uses, the assessment ratio is 4% for owner-occupied, principal residences and 6% for other non-principal residential uses. Residential owner-occupied properties are exempt from school property taxes. The State also offers a homestead exemption for residents based on multiple qualifying factors that include age and disability.

A tax rate of 6.0% applies to other real estate such as commercial properties and agricultural real property owned by corporations, while private agricultural properties are assessed at 4.0%. Manufacturers pay a tax rate of 10.5% for real and personal property. This rate will be reduced to 9% by 2023 through a manufacturing property tax exemption passed in 2017. The assessment ratio for all other businesses is 6.0% for real property and 10.5% for personal property.

**Table 3-1. South Carolina Real Property Assessment Rates**

Property Classification	Tax Rate
Manufacturing and Utilities	10.5%
Residential Real Estate (Owner-Occupied)	4.0%
Commercial and Residential (Non-Owner-Occupied)	6.0%
Agricultural Property (Corporate)	6.0%
Agricultural Property (Private)	4.0%
Motor Vehicles	6.0%
Railroads, Pipelines, Airlines	9.5%
All Other Personal Property	10.5%

*Source: 2018 Property Tax Report, S.C. Association of Counties*

There are three elements to South Carolina's property tax system: (1) the tax rate; (2) the assessment ratio; and (3) the property value. Although the State sets the assessment rates, only local governments levy property taxes. The City of Newberry is empowered to levy a property tax on both real and personal properties located within its boundaries. The tax rate is generally reflected in mills or the millage rate. A mill is a unit of monetary value equal to one tenth of a

cent, or one thousandth of a dollar and is assessed at the rate per \$1,000 of assessed value. For example, a tax rate of 200 mills translates into a tax of \$200 per \$1,000 of assessed value. In general terms, the appropriate tax or millage rate for a taxing entity is reached by dividing the assessed value of all property to be taxed by the revenues needed to be generated by the property taxes.

For densely populated areas and those with major tax contributors, the millage rate is generally lower than in areas with sparse development and few industries or major commercial businesses. Because individual property taxes are determined by multiplying the fair market value of the property by the assessment ratio and then by the tax rate (millage), the millage rate is a determining factor in how high taxes are on properties within the City and the County.

The value of the property tax base impacts the ability of the City to provide vital services and facilities and to make the necessary public investments to encourage private investment. Property taxes comprise slightly more than \$2.3 million of the annual revenue support of the City's general fund. The County's base millage rate for operations and debt service was 135.2 mills with a value of one mil at \$131,940 in 2018. The City has a 2019 millage rate of 83.8. The Newberry County School District also exacts an additional, overlapping millage of 239.8 countywide.

**Table 3-2. Tax Millage Rates for City of Newberry, Newberry County and Newberry County School District**

Jurisdiction	2019 Millage Rate
Newberry County - Base Millage	.1352
City of Newberry	.0838
Newberry County School District	.2398

*Source: 2018 Property Tax Report, SC Association of Counties; CAFR, 2019*

The top ten principal taxpayers in the City are listed in table 3-3. These businesses collectively provide 11.27% of the total assessed value citywide.

**Table 3-3. Ten Largest Taxpayers in City of Newberry**

Property Owner	Taxable Assessed Value	% of Total Taxable Assessed Value
Oakland Mill Dev Group 2 LLC	\$ 474,620	1.69%
Oakland Mill Dev Group LLC	401,980	1.43%
Wal-Mart Real Est.	367,890	1.31%
Lowe's Home Centers	355,180	1.27%
ISE Newberry Inc.	354,720	1.26%
Bellsouth Telecomm Inc.	292,760	1.04%
Duke Energy	252,370	0.90%
Newberry Developments LLC	228,380	0.81%
Paramount Hotels LLC	218,830	0.78%
Loves Travel Stops	202,400	0.72%

*Source: City of Newberry CAFR, 2019*

South Carolina offers a homestead exemption for residents who are age 65 and older, blind, or have a permanent disability. The exemption from local property taxes applies to the first \$50,000 of value on the primary residences of qualified property owners. The State also exempts residential owner-occupied properties from the school property tax.

## **2. Taxable Sales**

Other key indicators of community wealth include revenues from retail sales, the local option sales tax, and accommodations and admissions taxes. The State of South Carolina has established a statewide base sales tax of 6% applied to the retail sale, lease, or rental of tangible personal property. Supplemental taxes can be added by South Carolina local governments based on community needs and voter approval to include the Local Option, School District, Transportation, Capital Projects, Tourism Development, and Education Capital Improvement tax. The City of Newberry adopted a Capital Projects tax of 1% that brings the total base sales tax rate to 7%. The base sales tax is applied to the retail sale, lease, or rental of tangible personal property.

The level of taxable sales generally reflects the overall state of the economy, which can influence purchasing decisions. Net taxable sales include automobiles, food, and merchandise. However, consumer money spent on gasoline, accommodations, and admission fees are not included in net taxable income statistics. Newberry County had nearly \$280 million in net taxable sales in FY 2016. The County had total retail sales of \$428 million in 2012, the most recent Economic Census reporting year. As the commercial hub of the County, the City of Newberry had more than \$214 million in annual retail sales, or nearly half of the County total. The City's retail sales per capita of \$20,961 was well above the statewide retail per capita of \$12,298 and the County per capita of less than \$11,400.

Travel and tourism revenue represents a growing industry in South Carolina, generating nearly \$23 billion each year in travel related spending by almost 30 million visitors annually (*SCPRT, 2019*). Tourism spending directly impacts retail trade, foodservice, recreation, lodging, and transportation. One of every ten jobs in the State is supported by tourism, with the greatest workforce impact in the food service and lodging sectors. State data reveals that tourism adds more than \$1.7 billion in State and local tax revenues. This equates to a tax burden transfer from residents to tourists of \$895 per household (*U.S. Travel Association, 2019*).

Locally, Newberry County benefitted from more than \$36 million in total expenditures related to travel and tourism in 2018, ranking 28<sup>th</sup> highest among South Carolina counties (*SCPRT, 2019*). Tourism was responsible for more than \$5.4 million in payroll countywide. Traveler generated local tax revenues in the County, including accommodations and admissions taxes, approached \$1.9 million. Much of the tourism activity in Newberry County is centered in the City of Newberry.

Admissions taxes are collected at a rate of 5% of the paid admission for any amusement venue for which an admission fee is charged, including night clubs, sporting events, amusement parks, golf courses, movie theaters, bowling alleys, concerts, and health clubs. Admissions taxes collected countywide totaled \$16,798 in FY 2016, the most recent data available.

An additional 2% state sales tax is imposed on the gross proceeds from the rental of rooms, campground spaces, lodging, and sleeping accommodations. The City of Newberry also collects an additional 3% local accommodations tax. Accommodations tax distribution within Newberry County totaled \$232,346 in FY 2018, with the City of Newberry receiving \$146,732 of these accommodations tax allocations.

South Carolina local governments may also adopt a hospitality tax of up to 2% on prepared food and beverages sold within their jurisdiction. The City of Newberry uses hospitality tax revenues to fund necessary buildings and improvements related to tourism, such as beautification projects, advertising and promotional efforts, tourism-related facilities and tourism-related water and sewer infrastructure. Fiscal year 2019 data from the City's Local Hospitality and Accommodations Fee Fund shows an increase compared to fiscal year 2018 data, with \$900,108 in revenue. Hospitality and Accommodations gross sales increased by 0.7%, from \$43.853 million for fiscal year 2018 to \$44.159 million for fiscal year 2019 (*City of Newberry CAFR, 2019*).

County and city governments may impose a business license tax on businesses operating within their jurisdictional limits. The base tax rate is dependent upon the local jurisdiction and the nature of the business. The annual business license tax typically takes the form of a gross receipts tax on the revenues of the business located within the limits of the county or city. The City of Newberry has a business license requirement in place that also includes home occupations.

### **3. Bank Deposits**

The presence of financial institutions and growth in personal bank deposits are key indicators of individual wealth and economic independence. There are five FDIC-insured commercial banks in the City of Newberry, including branches of First Community Bank, South State, Truist Bank, TD Bank, and Wells Fargo. The total value of bank deposits in the County exceeded \$461 million, with more than \$384.5 million of this total deposited in banks within the City of Newberry (*FDIC, 2019*).

### **4. Commercial and Industrial Land Uses**

The availability of desirable land for industrial and commercial purposes is necessary for economic growth. For planning purposes, industrial land areas are those used to manufacture, assemble, process, or fabricate goods and/or to store (warehouse) or transport goods. Examples include manufacturing plants, industrial parks, truck terminals, and warehouses. Industrial properties within the City comprise less than two percent (77.6 acres) of the City's total land area (Table 3-4). Of the nine industrial properties and eight buildings marketed through the Newberry County Economic Development Office, thirteen are in or near the City.

Commercial land areas are used to conduct business, trade activities, administrative activities, professional activities or services, or personal services. Examples of commercial uses include establishments for retail sale or wholesale of goods and services, restaurants, entertainment facilities, administrative or professional offices, gas stations, grocery stores, clothing stores, furniture stores, hair stylists, dry cleaners, car sales, law offices, doctor offices, real estate offices,



hotels/motels, lumber sales, private gyms, post offices, and nursery or garden centers. Eight percent of land in the City (420.2 acres) is in commercial use. Commercial uses are primarily concentrated in downtown Newberry and along U.S. Highway 76 and S.C. Highway 219 (Map 3-2).

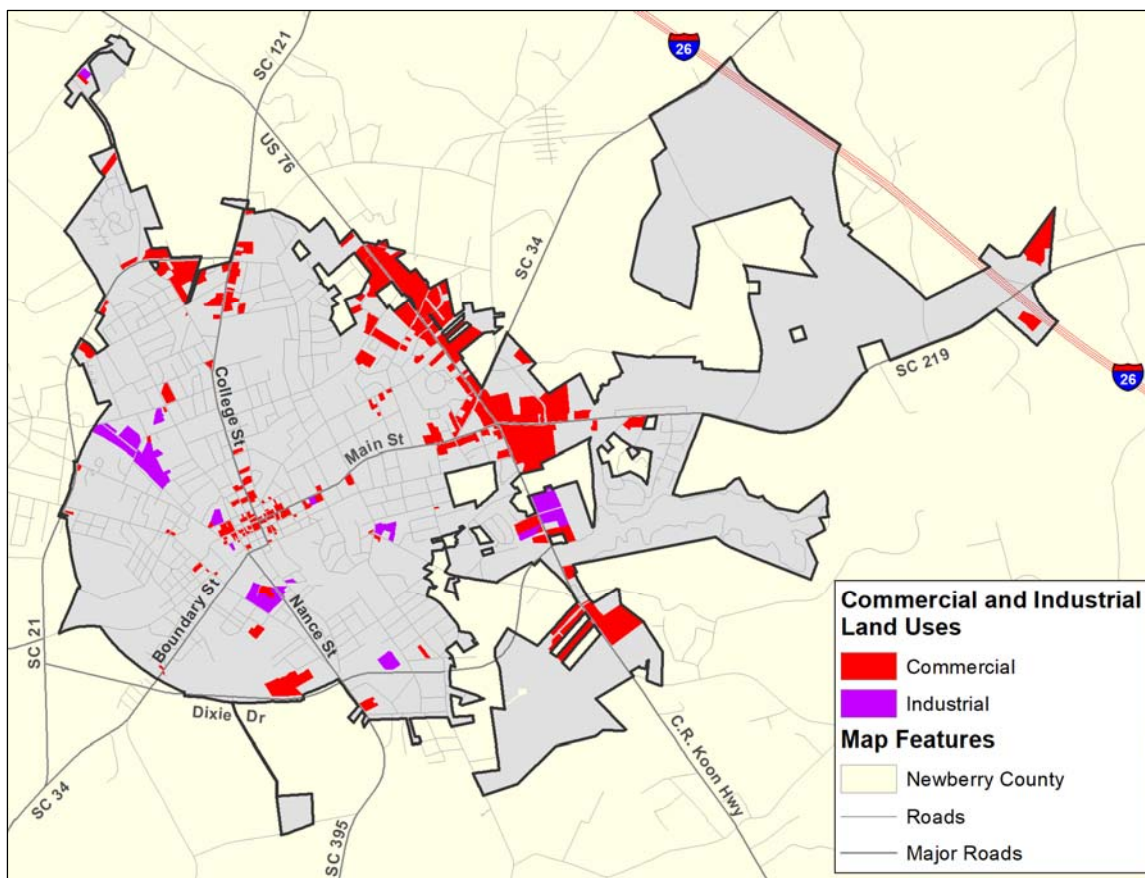
**Table 3-4. Existing Industrial and Commercial Land Use by Area**

Existing Land Use	City of Newberry	
	Acres*	% of Area
Vacant Land	589.2	11.4%
Commercial*	420.2	8.2%
Industrial	77.6	1.5%
<b>Total of all Uses</b>	<b>5,151.6</b>	<b>100.0%</b>

\* Commercial land includes uses in the Central Business District

Source: City of Newberry, July 2019

**Map 3-2. Existing Industrial and Commercial Land Use in the City of Newberry**



Source: City of Newberry, July 2019

## 5. Capital Investment

Industrial capital investment is an important contributor to the local economy, yielding more tax revenue per investment dollar to schools and local governments than residential and commercial development. The economic multiplier for manufacturing industries is typically much higher than for retail, health services, and personal business services.

Efforts to recruit new employers to the area have targeted industries in agribusiness and food processing, timber, and advanced materials and manufacturing. Diversified industrial growth has attracted international investment in facilities and job creation. The County is now home to facilities of companies based in Canada, Germany, Japan, Korea, and the United Kingdom. From 2010 to 2017, new and expanded manufacturing capital investment in Newberry County surpassed \$490 million and yielded 1,938 new jobs. The largest number of jobs was created by Samsung Electronics in 2017 with 954, while the County's highest annual capital investment also occurred in 2017 with the \$380 million announcement by Samsung. Capital investments by employers include equipment, buildings, and land.

## 6. Leading Employers

The top employers in the City of Newberry represent health care, K-12 and higher education, manufacturing, retail, and local government (Table 3-5). The list of major employers in the City of Newberry is topped by Kraft Heinz Foods with 2,000 employees, followed by the Newberry County School District with 836 full and part-time staff.

**Table 3-5. Major Employers in and Adjacent to the City of Newberry**

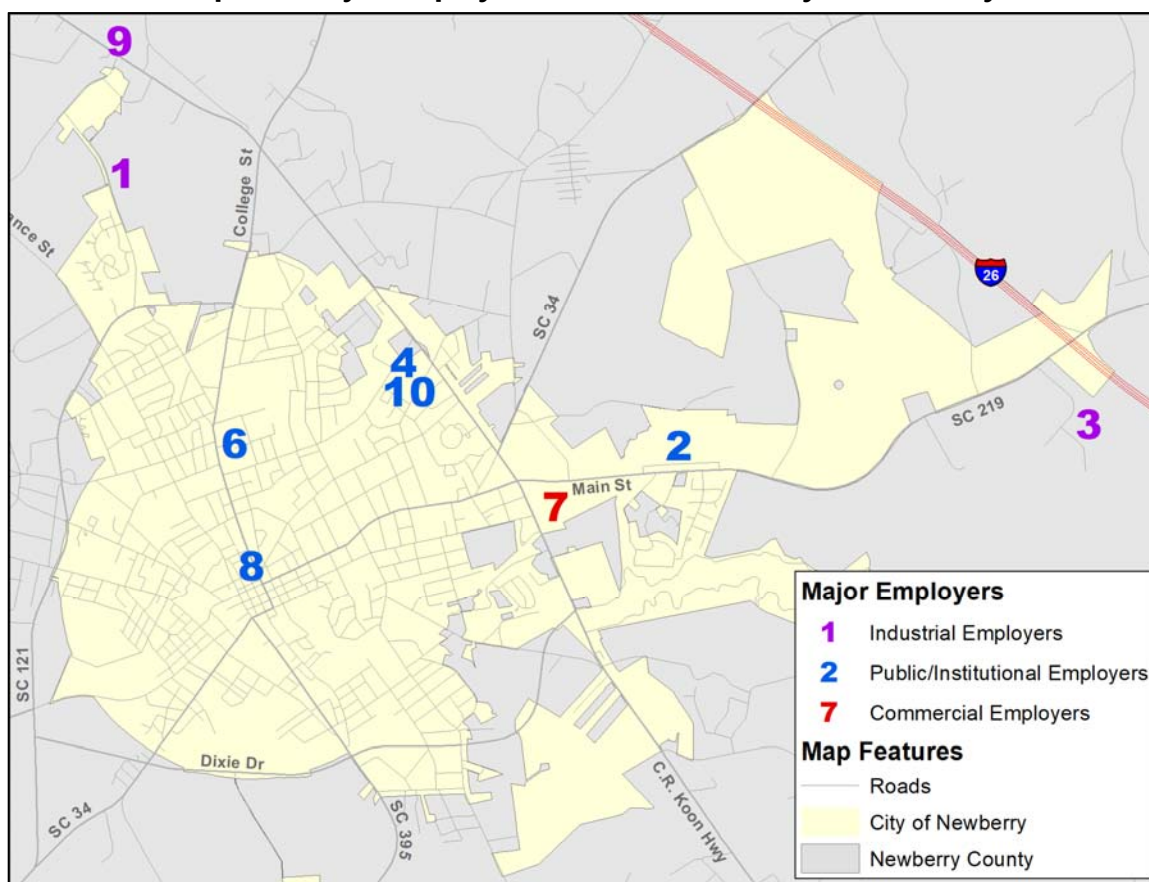
Rank	Employer	Employed	% of Total Employment	Employer Type
1	Kraft Heinz Foods <sup>2</sup>	2,000	12.20%	Manufacturing
2	Newberry County School District <sup>3</sup>	836	5.10%	Public - K-12 Education
3	Samsung <sup>2</sup>	745	4.54%	Manufacturing
4	Newberry County Memorial Hospital <sup>3</sup>	457	2.79%	Public – Health Care
5	Georgia Pacific <sup>2</sup>	419	2.56%	Manufacturing
6	Newberry College <sup>1</sup>	263	1.60%	Private – Higher Ed
7	Walmart <sup>1</sup>	229	1.40%	Retail
8	County of Newberry <sup>1</sup>	205	1.25%	Public – Government
9	Valmont Composite Structures <sup>2</sup>	200	1.22%	Manufacturing
10	White Oak Manor <sup>2</sup>	176	1.07%	Health Care

<sup>1</sup>Located within City; <sup>2</sup>Located outside of City; <sup>3</sup>Multiple facilities

Source: City of Newberry CAFR, 2019

Map 3-3 depicts the location of these major manufacturing and non-manufacturing employers by numbered rank as listed in Table 3-5. Georgia Pacific is located outside of the mapped area.



**Map 3-3. Major Employers in and Near the City of Newberry**

Source: City of Newberry CAFR, 2019

## 7. Income

Income is measured through a variety of indicators that include per capita income, total personal income, poverty levels, living wage indicators, and earnings. *Per capita income* is an income average computed for each individual in the population. Per capita income for Newberry residents at \$18,357 is considerably lower than per capita incomes for Newberry County and the State (Table 3-6). As detailed in the *Population Element*, this is attributed in part to the large percentage of students residing within the City, most without higher paying, full-time jobs.

**Table 3-6. Per Capita Incomes for Newberry and Newberry County**

Location	2000 Census	2010 Census	2017 ACS	Change 2000-2017
City of Newberry	\$ 14,389	\$ 18,409	\$ 18,357	\$ 3,968
Newberry County	16,045	21,410	22,190	6,145
South Carolina	18,795	23,443	26,645	7,850
United States	21,567	27,334	28,555	6,988

Sources: U.S. Census Bureau, 2000 and 2010 Census; 2013-2017 American Community Survey

*Poverty level* data is based on thresholds established by the Federal government that are linked to changes in the cost of living and the Consumer Price Index (CPI). Poverty is defined as having insufficient resources to meet basic living expenses, including the costs of food, shelter, clothing, transportation, and medical expenses. The percentage of City of Newberry residents living in poverty is 26.8%, much higher than the percentages of County and State residents in poverty at 19.8% and 16.6%, respectively. Working age adults between 18 and 44 years of age comprise nearly a third (32.5%) of all City residents living in poverty.

*Low and moderate income (LMI) households* are those households with incomes below 80% of median family income. As detailed in the *Housing and Population Elements*, 44.3% of Newberry County residents are considered to be in LMI households, compared to more than half (55%) of City of Newberry residents.

The *Basic Family Budget Calculator* developed by the Economic Policy Institute estimates the minimum income needed to cover basic living expenses to provide a secure, yet modest standard of living. Under the EPI model, a family of four with two adults and two children living in Newberry County, including City of Newberry families, would need an annual income of \$65,487 – or a monthly income of \$5,457 – to adequately provide for basic housing, food, transportation, child care, taxes, and health care costs (*Economic Policy Institute, 2018*).

The Bureau of Economic Analysis also maintains a county-level database of economic distress criteria using unemployment and per capita personal income. This information is used for some federal funding opportunities to measure community economic need and eligibility. The County's local two-year unemployment rate was lower than State and national averages, while both the five-year per capita money income (PCMI) and 2018 per capita personal income (PCPI) for County residents were only 71% and 69% of the national per capita, respectively (Table 3-7).

**Table 3-7. Economic Distress Criteria for Newberry County**

Area	24 Month Unemployment	BEA PCPI	ACS 5-Year PCMI
Newberry County	3.10	\$ 37,793	\$ 22,190
South Carolina	3.30	43,702	26,645
United States	3.83	54,446	31,177

Sources: 2013-2017 American Community Survey; StatsAmerica, 2019

*Living wage indicators* have been developed by MIT researchers to determine the market-based cost of living within communities in each state. The living wage estimate for families living and working in Newberry County projects the full-time hourly rate that a resident (employed full-time at 2,080 hours annually) must earn to support family expenses for food, child care, transportation, medical, and housing costs (Table 3-8). Using this formula, the working head of household for a typical family of four in the City would have to make approximately \$23.98 an hour to support the family's basic needs for housing, medical, child care, transportation, and food.

**Table 3-8. 2019 Living Wage Estimates for Newberry County (includes City)**

Annual Expense	Household Size					
	1 Adult	1 Adult 1 Child	1 Adult 2 Children	2 Adults	2 Adults 1 Child	2 Adults 2 Children
Food	\$ 2,994	\$ 4,413	\$ 6,644	\$ 5,489	\$ 6,832	\$ 8,822
Child Care	0	4,621	6,660	0	0	0
Medical	2,342	7,149	6,805	5,243	6,805	6,887
Housing	6,120	8,436	8,436	6,348	8,436	8,436
Transportation	4,623	8,424	9,905	8,424	9,905	11,459
Other	2,824	4,697	5,099	4,697	5,099	5,935
<b>Annual Income</b>						
Required After-Tax Income	\$18,903	\$ 37,738	\$ 43,549	\$ 30,200	\$ 37,077	\$ 41,539
Annual Taxes	3,565	7,537	8,755	5,991	7,399	8,334
Before Tax Income Required	22,468	45,276	52,303	36,191	44,476	49,873
<b>Living Wage (Hourly)</b>	<b>\$ 10.80</b>	<b>\$ 21.77</b>	<b>\$ 25.15</b>	<b>\$ 17.40</b>	<b>\$ 21.38</b>	<b>\$ 23.98</b>
Poverty Wage	5.84	7.91	9.99	7.91	9.99	12.07
Minimum Wage	7.25	7.25	7.25	7.25	7.25	7.25

Note: All models assume one working adult

Source: *Living Wage Calculator, MIT, 2019*

Another important indicator of income is the number of taxpayers in the community receiving the federal Earned Income Tax Credit (EITC). Participation in the EITC is linked to the prevalence of lower wage jobs in a community and is intended to benefit low-income taxpayers as a wage supplement. EITC-eligible workers are most likely to work in the retail trade, health care, accommodation and food services, manufacturing, and construction sectors.

Nearly half a million South Carolinians qualified for the EITC in for tax year 2015, receiving nearly \$1.3 billion in credit receipts. Nearly 1,360 City of Newberry residents qualified and received over \$3.6 million in EITC credits. The average EITC credit per filer in the City was \$2,660 (Table 3-9), higher than County and State averages. The South Carolina General Assembly created a State Earned Income Tax Credit as part of the 2017 *South Carolina Infrastructure and Economic Development Reform Act* to provide additional support for working families. The credit is used to reduce taxes on low-wage workers.

**Table 3-9. Federal Earned Income Tax Credit Filings and Receipts**

Tax Data	# of Tax Returns Receiving EITC	Total EITC Received	Average EITC Credit Per Filer
City of Newberry	1,359	\$ 3,615,165	\$ 2,660
Newberry County	4,351	11,115,742	2,555
South Carolina	491,378	\$1,250,706,730	2,545

Source: *EITC Interactive, Brookings Institute, 2019*

Wage data by economic sector also provides additional insight into the income potential of local residents. South Carolina had more than 2.1 million wage and salary occupational employees in

2019 with an average hourly wage per worker of \$22.43 and average annual wage of \$46,664 (SC Works, 2019). The highest average hourly wages statewide were found in *Management* occupations at \$48.44 per hour, *Architecture and Engineering* occupations at \$37.35 per hour, and *Legal* occupations at \$35.48 per hour. *Food Preparation and Serving Related* occupations had the lowest average wage at \$10.23 per hour (2018 S.C. Economic Analysis Report).

The average hourly wage was \$18.95 with an annual wage of \$39,416 for Newberry County workers. As detailed in Table 3-10, the highest average annual wages in Newberry County are generated in the Utilities sector, followed closely by Wholesale Trade. The Arts and Accommodation and Food Services industries yielded the lowest average annual wages in the County at \$9,100 and \$15,756, respectively. At more than \$48,000, a Manufacturing sector job in Newberry County offers more than three times the average annual wage of an Accommodation and Food Services sector job and almost double the Retail Trade wage. Although wage data is not available at the city level, the County averages include the City of Newberry workforce. While the local average sector wages for six industries are higher than those of the workforce region, the annual wage of all industry sectors are below statewide wage averages.

**Table 3-10. Comparison of Average Annual Wage by Industry, 2019**

Industry	Newberry County	Upper Savannah Workforce Region	South Carolina
Accommodation and Food Services	\$ 15,756	\$ 13,988	\$ 18,096
Administrative & Waste Management Service	24,180	26,634	35,672
Agriculture, Forestry, Fishing and Hunting	36,192	35,672	39,000
Arts, Entertainment, and Recreation	9,100	14,248	21,996
Construction	49,712	44,980	57,304
Finance and Insurance	33,696	45,500	67,236
Health Care and Social Assistance	32,812	45,604	52,416
Information	34,580	44,564	60,580
Management of Companies and Enterprises	N/A	57,252	82,576
Manufacturing	48,100	49,244	60,788
Other Services (except Public Administration)	28,704	31,200	34,996
Professional, Scientific & Technical Services	35,932	41,652	77,376
Public Administration	39,884	33,644	48,048
Real Estate and Rental and Leasing	43,264	31,772	49,348
Retail Trade	23,452	23,764	28,288
Transportation and Warehousing	45,864	45,396	46,540
Utilities	56,836	58,708	83,616
Wholesale Trade	54,704	57,460	72,592

Source: S.C. Department of Employment & Workforce (Q2 2019), 2019

Local wages by sector are particularly relevant when considering the minimum living wage estimates previously provided in Table 3-8. Community economic development strategies should consider the need to provide a balanced economic sector mix to ensure adequate earnings

opportunity for City and County residents. Although the services sector represents a growing segment of the national and local economy, these jobs often offer lower pay and fewer benefits than many other sector employment opportunities. A local reliance on lower paying jobs can have an impact on consumer activity, homeownership rates, the tax base, and the demand for public services within a community.

## C. WORKFORCE

Employers require access to a qualified workforce to survive and grow, making the composition and size of a community's labor force one of the most critical factors in employer location and for building and maintaining a successful and strong economy. The labor force is the number of residents employed and those seeking employment and available for work. This number represents the combined pool of workers potentially available to employers.

Information on the population base and labor force characteristics can provide insight into the ability of the City of Newberry and Newberry County to attract and retain sound employers, as well as adapt to changing global economic trends. An understanding of the community's workforce requires an examination of underemployment and unemployment, education and skill levels of the incumbent and entering workforce, population growth, and commuting patterns.

A healthy economy requires a stable and growing population. Population growth is fueled by multiple factors including job creation and capital investment, residential housing supply, fuel prices, rate of natural increase, and migration. An expanding job market will require employers to compete in a larger labor region. The seven-county Upper Savannah Workforce Investment Area is home to a population of more than 262,000 and a combined labor force of more than 114,000 adults. With an active workforce that exceeds 19,000 residents, Newberry County comprises 17% of the Upper Savannah regional civilian labor force. The neighboring three-county Midlands Workforce Investment Area is home to a population of nearly 680,000 and a workforce of more than 354,000. The larger nine-county Central SC Alliance economic development region that includes Newberry County has a combined population of more than 996,000 with a workforce of 466,000.

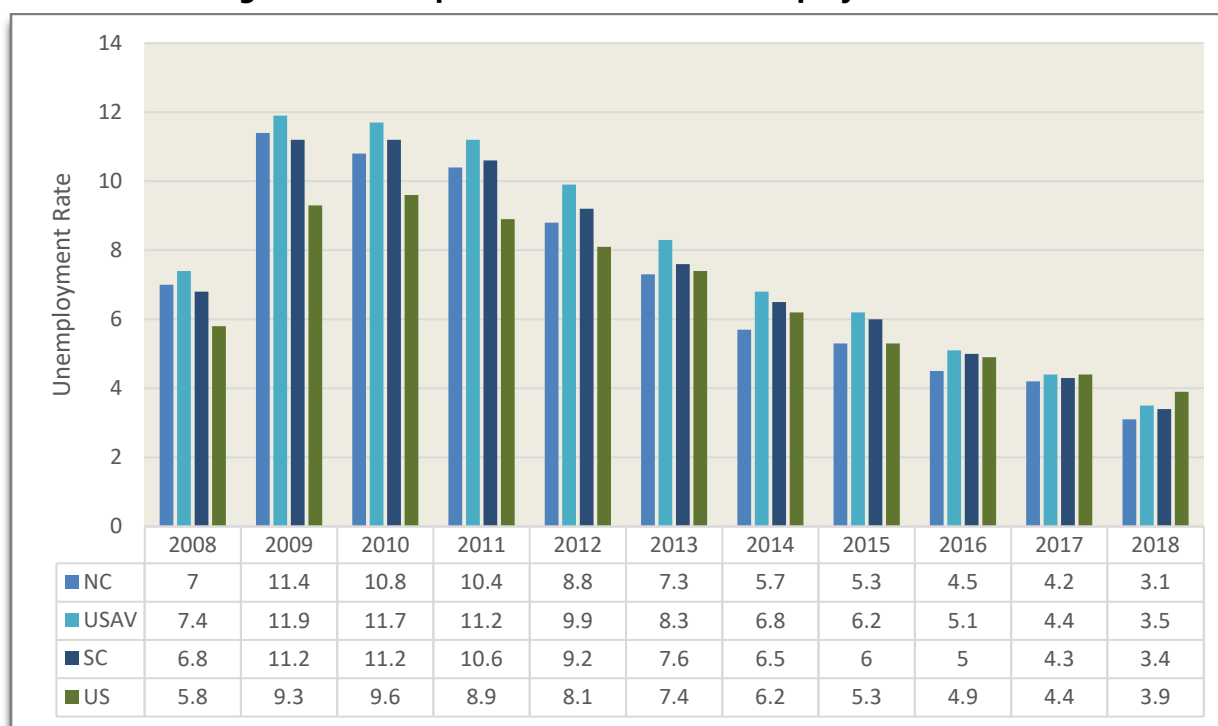
Approximately 57% of the County's population and 54% of City residents aged 16 and older are participating in the labor force, compared to nearly 61% statewide. Of County residents currently in the workforce, 79.3% are private wage and salary workers, 16% work in federal, state and local government, and 4.6% are self-employed. Of City residents currently in the workforce, 78% are private wage and salary workers, 15.8% work in government, and 5.9% are self-employed (*American Community Survey, 2013-2017*).

### 1. Unemployment and Underemployment

The unemployment rate reflects the number of individuals who are without work and are actively seeking employment. Unemployment rates for Newberry County have generally averaged at or below statewide and regional unemployment rates. The Great Recession of the previous decade

prompted a sharp rise in the County's unemployment to a high of 11.4% in 2009 that was followed by a steady decrease to 3.1% in 2018, with a preliminary 2019 rate of only 2.2%. This pattern mirrors regional, state, and national unemployment trends over the same period. The County's annual unemployment rate has been lower than state and national rates over the last six years. Figure 3-1 compares ten-year unemployment trends for Newberry County (NC), the Upper Savannah Region (USAV), South Carolina (SC), and the United States (US).

**Figure 3-1. Comparison of Ten-Year Unemployment Trends**



Source: S.C. Department of Employment and Workforce, 2019

The most recent data published by the S.C. Department of Employment and Workforce reveals that among Newberry County workers filing unemployment claims, more than half had attended, but not completed, college. Nearly 45% of jobless residents were between 25 and 40 years old, while almost 25% were between the ages of 56 and 64 years.

Another key workforce concern is *underemployment*. An underemployed worker is generally one who is overqualified in a current job and interested in other employment. Many underemployed residents are in part-time or temporary jobs that may lack key benefits such as health insurance. On a positive note, unemployment and underemployment are two contributing factors to the potential pool of qualified labor for new businesses looking to locate in Newberry. Underemployed workers are often the first to respond to new job opportunities with new and expanding industries and often have more skills than their jobs require. However, declining unemployment rates will make it more challenging for current and potential employers in the City and County to find and retain a qualified workforce.

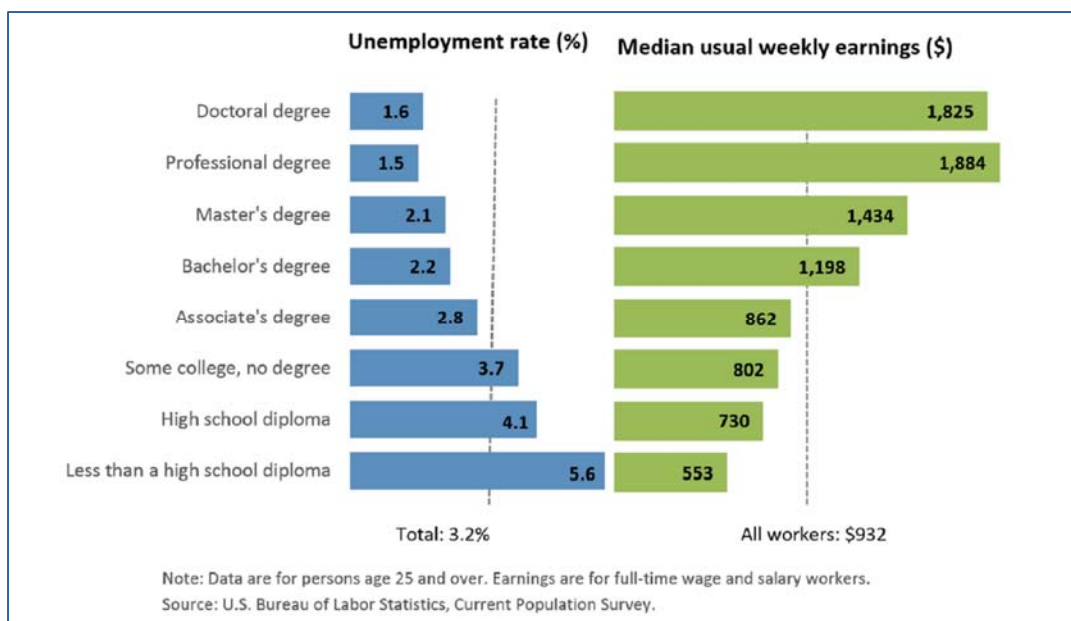


## 2. Education and Skills

An educated and skilled workforce is integral to building a strong local economy. Local educational attainment levels provide an important indicator of the long-term economic competitiveness of Newberry County and the City of Newberry. Local efforts to increase educational attainment and encourage postsecondary training yield new and rewarding job opportunities that strengthen quality of life and community prosperity.

Educational attainment is a significant indicator of current and future earnings potential. U.S. Department of Labor data reveals that the national median weekly earnings in 2018 were \$553 for a person without a high school diploma, compared to \$730 for a worker with a high school diploma and \$862 for an associate degree holder (Figure 3-2). Individuals with a bachelor's degree or higher had median earnings ranging from \$1,198 to \$1,884 per week. Unemployment is also generally lower for individuals with higher educational attainment. At the national level, residents with no high school diploma experienced an unemployment rate of 5.6%, compared to the rate for adults with a bachelor's degree at only 2.2%. Individuals with a high school diploma, but no college, had an unemployment rate of 4.1%.

**Figure 3-2. Earnings and Unemployment Rates by Educational Attainment, 2018**



In South Carolina, a worker with less than a high school diploma makes an average annual wage of \$19,864, compared to a high school graduate or GED holder who earns \$26,702 (*American Community Survey, 2013-2017*). In Newberry County, the annual earnings gap between a high school dropout (\$18,939) and a high school graduate (\$26,262) is even higher at \$7,323. City residents without a high school diploma have a median income of \$17,528, compared to adult residents with a diploma at \$26,657. A South Carolinian with some college or an associate degree earns an average of \$32,022, while income with a bachelor's degree averages \$45,757. Newberry County residents with an associate degree or some college earn an annual average of \$32,055,

while those with a four-year degree average \$44,912. City residents with some college earn considerably less than those countywide at \$25,703, while City adults with a bachelor's degree earn more at \$46,150. A State resident with a graduate or professional degree has an annual average income of \$55,414. County residents with post-graduate degrees average \$51,979, while City residents holding the highest degrees average slightly higher at \$50,625.

As detailed in the *Population Element*, nearly 81% of County and 75.8% of City residents aged 25 and older have completed high school. This is lower than the statewide average of 86.5%. The percentage of County and City residents with a Bachelor's degree or higher is 17.1%. Likewise, the percentage of residents with some college, including those with an associate degree, is 25.9% in the County and 20.2% in the City. Statewide, 9.3% of South Carolinians have earned an associate degree and 27% a baccalaureate degree or higher.

**Table 3-11. Educational Attainment**

Educational Attainment	City of Newberry		Newberry County		South Carolina	
	#	%	#	%	#	%
<b>Population 25 Years and Over</b>	<b>6,321</b>	<b>100.0%</b>	<b>25,802</b>	<b>100.0%</b>	<b>3,325,601</b>	<b>100.0%</b>
Less Than 9th Grade	505	8.0%	1,771	6.9%	148,353	4.5%
9th to 12th Grade, No Diploma	1,023	16.2%	3,273	12.7%	299,123	9.0%
High School Graduate/GED	2,441	38.6%	9,638	37.4%	978,521	29.4%
Some College, No Degree	929	14.7%	4,311	16.7%	692,360	20.8%
Associate Degree	345	5.5%	2,385	9.2%	309,163	9.3%
Bachelor's Degree	714	11.3%	3,004	11.6%	571,099	17.2%
Graduate/Professional Degree	364	5.8%	1,420	5.5%	326,982	9.8%

Source: U.S. Census, 2013-2017 American Community Survey

Educational achievement and skill proficiency levels among the local workforce strongly influence employer interest in locating to the area, as well as productivity and satisfaction with the workforce for existing employers.

The path to educational achievement and job readiness starts in the Pre-K through 12 school system. Public schools are a vital community resource in attracting new employers and in preparing residents for a knowledge-based, global economy. Recent reports, including the *2012 State of the Workforce Report* and the *2017 Economic Analysis for South Carolina*, note a significant demand shift during the last few decades from a low-skilled to a higher-skilled workforce. Statewide studies also reflect the need for advanced education, revealing that two-thirds of the South Carolina's incumbent workforce now needs a minimum of 14 years of education to be successful in an increasingly technology-driven economy, with nearly 80% of all jobs requiring skill levels beyond high school. Most of the State's top 100 jobs require middle-level skills and three-quarters (74%) of all top jobs are out of reach for low-skilled workers. Middle skill jobs are those that require more than a high school diploma and less than a four-year degree. Examples of middle skill occupations include registered nurses, dental hygienists, electrical technicians, auto mechanics, and legal secretaries. In addition to formal training, employers are placing a greater

emphasis on general soft skills and knowledge including active listening, reading comprehension, and customer service.

City of Newberry residents are served by a single, countywide school district that operates a total of 12 schools with a combined enrollment of more than 6,000 students. In addition to seven elementary schools, two middle schools, and two high schools, the Newberry County School District also operates the Pre-K-12 Whitmire Community School, an alternative school, and the Newberry County Career Center. The Career Center provides specialized skills and hands-on training in 18 different career areas for students in grades 9 through 12. The Newberry County Adult Education program offers High School Equivalency (GED) classes and Career Readiness instruction and testing for out-of-school adults aged 18 years and older.

Strengthening the college and career readiness of high school graduates is important for raising state and local economic competitiveness. The District has enhanced instruction in STEM and STEAM activities at the elementary and middle school levels. The school system also offers advanced and extended learning opportunities that include Advanced Placement courses that provide college-level instruction and credit, career and technology education, virtual classes, and work-based learning.

The District also maintains articulation agreements with the technical college to offer dual enrollment opportunities for high school students to gain both high school and college credit before graduation. Dual enrollment courses transfer to any state technical college or public university in South Carolina and can be taken at no cost for students meeting the minimum credit hours per semester. These credits give many local students a head start on postsecondary education and help reduce the total costs associated with college. Currently, 8.7% of Newberry County high school students participate in dual enrollment courses.

Table 3-12 details selected college readiness and career performance data for the School District relative to high school SAT/ACT exam scores, state-mandated *End of Course Test* (EOCT) pass rates, graduation rate, and percentage of high school seniors eligible for the merit-based *Legislative Incentive for Future Excellence* (LIFE) scholarships for students attending postsecondary institutions within the State.

**Table 3-12. Comparison of Selected High School Performance Measures**

School District	SAT <sup>1</sup>	ACT <sup>1</sup>	ACT College Ready <sup>2</sup>	4-Year Grad Rate	% LIFE Eligible	Postsecondary Enroll Rate <sup>3</sup>
Newberry County	991	16.6	6.9%	86.3%	29.8%	70.7%
South Carolina	1021	18.6	14.0%	81.1%	---	---

<sup>1</sup>Composite score for public school students; <sup>2</sup>All 4 subjects; <sup>3</sup>Enrolled in a 4 or 2-yr college by fall after graduation

Source: 2018 School Report Cards, S.C. Department of Education

The 2018 on-time graduation rate for Newberry County high school students was above the State average. LIFE eligibility for County graduates is almost 30%, with a postsecondary participation

rate of nearly 71%. Composite ACT exam scores for County students were below the State average of 18.6. Approximately 43% of Newberry County public high school students took the SAT in 2018, posting a composite SAT score average of 991. This average was 30 points below the State score average.

The ACT also provides benchmarks as an indicator of individual student potential for college success. These benchmarks are based on minimum scores on each subject test that support the likelihood of a student having a 75% chance of making a C or higher in corresponding freshman college courses in each subject. Statewide, 24% of high school graduates met three or four ACT College Readiness Benchmarks in 2019. Nearly half (46%) of South Carolina students taking the test met the English benchmark, 33% met the Reading threshold and 27% met the Math threshold. A quarter of students statewide (25%) met the Science benchmark. Less than 7% of Newberry County high schoolers taking the ACT met college readiness benchmarks in all four subjects, compared to 14% statewide. Nearly 28% of Newberry students met the English benchmark, 18% met the Math threshold and 17.8% met the Reading benchmark, while less than 14% met the Science benchmark.

In addition to the ACT and SAT college readiness testing options, beginning in 2018 South Carolina high school students can take the *Ready to Work* (R<sub>2</sub>W) career readiness assessment. The new test is administered to eleventh grade students to determine student achievement in Applied Mathematics, Reading for Information, and Locating Information. Soft skills are also assessed in areas such as problem solving, goal setting, decision-making, and self-direction. Approximately 65% of graduating seniors received completer certificates from the Newberry County Career Center, while 60% of graduating students received a Silver, Gold, or Platinum designation on the *Ready to Work* assessment (S.C. Department of Education, 2019).

As one of sixteen public, two-year colleges serving South Carolina, Piedmont Technical College (PTC) serves the seven-county Upper Savannah region through multiple campus locations, including a Newberry County campus in the City on Wilson Road. PTC operates under an open-door admissions mandate, providing a key entry point into higher education for many low-income, first generation, disabled, and other non-traditional student populations. PTC offers 25 postsecondary programs leading to degrees, diplomas, and certificates designed for direct job placement at its Newberry campus, as well as degree programs designed for transfer to the State's four-year colleges and universities. The College also delivers short-term continuing education courses, professional and career advancement programs, and customized training for businesses, industries, and health care and government agencies. The Newberry County Center is the College's largest satellite campus, serving more than 700 students locally.

### **3. Existing and Projected Employment by Sector**

The occupation of employed residents provides an overview of the local and regional economic base and insight into individual earnings potential. Data on current employment by industry group reveals that Manufacturing is the leading employment sector in the City of Newberry at 26% of total jobs (Table 3-13). Educational Services and Health Care ranks second largest at 23% of the

current workforce. The broader Arts, Entertainment, recreation, accommodation and food services sector ranked third at 8.8%, followed closely by Retail Trade at 8.7%. The lowest sector employment is found in the Agriculture, Construction, and Transportation related sectors – all under 2%.

**Table 3-13. Current Employment by Sector**

Economic Industry Sector	Percent of Total Employment		
	City of Newberry	Newberry County	South Carolina
Agriculture, Forestry, Fishing, Hunting, and Mining	1.1%	3.3%	1.0%
Construction	1.9%	6.1%	6.5%
Manufacturing	26.2%	22.2%	13.8%
Wholesale Trade	4.9%	3.9%	2.6%
Retail Trade	8.7%	10.0%	12.2%
Transportation, Warehousing and Utilities	1.3%	3.7%	4.8%
Information	2.1%	1.9%	1.8%
Finance and Insurance, Real Estate and Rental and Leasing	5.0%	4.1%	5.7%
Professional, Scientific and Technical Services	4.4%	7.4%	9.9%
Educational Services, Health Care and Social Assistance	23.4%	20.1%	21.7%
Arts, Entertainment & Recreation, Accommodations & Food Services	7.7%	6.1%	10.4%
Other Services except Public Administration	2.1%	5.9%	5.1%
Public Administration	4.6%	5.2%	4.6%

Source: American Community Survey, 2013-2017

In contrast, Newberry County more closely mirrors statewide sector employment with the exception of Manufacturing, which comprises the largest sector with 22% of employment. Agriculture, Construction, and Retail Trade make up larger employment shares than in the City. The Information sector has the lowest employment in Newberry County and statewide at less than 2%.

The latest available statewide industry employment projections cover the ten-year period from 2016 to 2026 (Table 3-14). Collectively, all sectors are projected to grow by 11.9 percent, or 245,200 jobs, statewide (*2018 S.C. Economic Analysis Report*). Employment in the Health Care and Social Assistance sector, along with the Accommodation and Food Services sector and the Administrative and Support and Waste Management sector will all increase by more than 29,000 jobs through 2026. The Retail Trade and Transportation and Warehousing sectors will add nearly 20,000 and 17,000 new jobs, respectively. However, employment in the Mining and the Agriculture, Forestry, Fishing and Hunting sectors is projected to decline over the same period.

The City of Newberry and Newberry County are located at the intersection of two workforce regions, Upper Savannah and Midlands, that both influence the local economy. The overall ten-year job growth rate within the seven-county Upper Savannah Workforce Investment Area (WIA) is projected to approach 7% by 2026, nearly five percentage points lower than the neighboring three-county Midlands region at 12%. The regional increase in job openings for the Upper Savannah region is projected to be strongest within the Transportation and Warehousing industry

at nearly 40%, followed by Administrative and Support and Waste Management at 19%. Other high growth industries include the Health Care and Social Assistance, Construction, Real Estate, Management, and Accommodations and Food Services sectors. This generally mirrors the labor outlook in the neighboring Midlands region.

**Table 3-14. Comparison of Labor Market Outlook by Industry, 2016 to 2026**

Industry	% Change 2016-2026		
	Upper Savannah	Midlands	South Carolina
Health Care and Social Assistance	14.31	22.04	21.30
Construction	13.83	12.57	13.10
Educational Services	9.01	9.06	9.00
Administrative and Support and Waste Management	18.58	18.49	18.50
Retail Trade	3.09	8.83	8.10
Accommodations and Food Services	13.26	22.10	20.08
Manufacturing	4.38	4.81	5.00
Professional, Scientific and Technical Services	13.30	13.28	13.30
Other Services (Except Government)	1.51	5.68	5.10
Government	N/A	N/A	2.30
Finance and Insurance	6.79	6.99	7.40
Wholesale Trade	6.52	14.42	13.40
Transportation and Warehousing	39.51	31.20	26.50
Arts, Entertainment and Recreation	1.10	10.42	9.90
Real Estate and Rental and Leasing	16.71	15.81	16.90
Management of Companies and Enterprises	14.46	14.64	14.60
Information	2.37	8.21	6.20
Utilities	0.78	0.68	0.70
Mining	N/A	-2.99	-2.70
Agriculture, Forestry, Fishing and Hunting	N/A	-8.26	-12.00
<b>All Jobs</b>	<b>6.76</b>	<b>12.06</b>	<b>11.90</b>

Source: S.C. Dept. of Employment and Workforce, Industry Projections, 2019; 2018 S.C. Economic Analysis Report

As depicted in Table 3-15, labor market projections for the Upper Savannah workforce investment region that includes the City of Newberry show continued growth in health care occupations such as physician assistants, nurse practitioners, dental assistants, home health and personal care aides, and physical therapists. Regional occupational forecasts are also strong for manufacturing occupations such as machine tooling and chemical technicians and food service jobs. Average annual earnings potential for these high growth professions range from a low of \$18,874 for food preparation and serving workers to highs of \$105,351 for financial managers and \$103,340 for physician assistants.



**Table 3-15. High Growth Occupations in the Upper Savannah WIA Region**

<b>Occupation</b>	<b>% Growth 2016-2026</b>	<b>Average Salary</b>
Physician Assistants	42%	\$ 103,340*
Nurse Practitioners	38%	81,804
Machine Feeders and Offbearers	38%	25,260
Medical Assistants	33%	29,679
Database Administrators	27%	54,735
Financial Managers	23%	105,351
Dental Assistants	23%	36,605
Respiratory Therapists	23%	52,271
Opticians, Dispensing	23%	N/A
Dental Hygienists	23%	51,435
Physical Therapists	23%	80,505
Industrial Engineers	22%	80,641
Home Health Aides	22%	21,164
Industrial Machinery Mechanics	22%	49,211
Laborers and Freight, Stock, and Material Movers, Hand	22%	27,192
Combined Food Preparation and Serving Workers	21%	18,874
Chemical Technicians	21%	50,698
Personal Care Aides	21%	22,132
Computer-Controlled Machine Tool Operators	21%	40,166
Software Developers	21%	96,819

\*Upper Savannah salary for this position not available, Midlands salary used

Source: S.C. Department of Employment and Workforce, Occupational Projections, 2019

#### **4. Commuting Patterns**

Nearly half of Newberry residents aged 16 and older are employed in the City of Newberry and more than three-fourths of City residents are employed in Newberry County. By comparison, only 13.2% of Newberry County workers, 16.3% of State workers, and 31.4% of workers nationally both live and work in the same city or town. While 24.5% of City residents work in another county, less than one half of one percent travel outside the state for employment. By comparison, 65.8% of County workers, 70.6% of workers statewide and 72.4% of workers nationwide are employed in their county of residence.

The Census Bureau defines the mean travel time to work as the average travel time to work for workers who do not work at home. Given that the commute time to and from work can affect the worker's productivity and quality of life, communities with shorter travel times to work could be more attractive to potential new residents. Mean travel time to work for City of Newberry workers is only 17.5 minutes, shorter than the commute for County workers at 24.6 minutes and commuters throughout the State and nation at 24.3 minutes and 24.6 minutes, respectively. Nearly two-thirds (61%) of City of Newberry workers have a commute time of less than 14 minutes to work – a higher percentage than workers countywide at 33.8% and more than double the percentages statewide at 26.9% and nationwide at 26.3%.

An estimated 79.8% of City workers drove to work alone in 2013-2017, compared to nearly 88% of Newberry County workers and 83% of South Carolina workers who commuted alone. Twelve percent of City workers carpooled, compared to the 7.3% of County workers and 9.3% of State workers who carpooled. More detailed data on worker travel times, mode of travel, and commuter data are provided in the *Transportation Element*.

The *employment-residence (E-R) ratio* is a measure of the total number of workers working in an area relative to the total number of workers living in a place. An E-R ratio of greater than 1.00 occurs when there are more persons working in an area than living there. The City of Newberry's overall E-R ratio of 1.71 indicates that there are more persons working in the City than living there, identifying the City as a net importer of workers. The population of the City of Newberry increases by 27.2%, or 2,790 persons, during the daytime due to an influx of workers from neighboring communities. These trends are in contrast to Newberry County, where the daytime population decreases by nearly 3% due to workers commuting to neighboring areas (Table 3-16). While the City's E-R ratio reflects the role of the City of Newberry as the economic center of the County, the County's overall ratio reveals the employment pull of the neighboring Midlands region.

**Table 3-16. Daytime Population and Employment Residence Ratios,  
City of Newberry, Newberry County and South Carolina, 2017**

<b>Employment-Residence Ratio Factor</b>	<b>City of Newberry</b>	<b>Newberry County</b>	<b>South Carolina</b>
Total resident population	10,257	37,914	4,893,444
Total workers working in area	6,705	14,966	2,132,269
Total workers living in area	3,915	16,020	2,168,006
Estimated daytime population	13,047	36,860	4,857,707
Daytime population change due to commuting	2,790	-1,054	-35,737
% Daytime population change due to commuting	27.2%	-2.8%	-0.7%
Workers who lived and worked in same area	1,936	10,538	1,530,359
% Workers who lived and worked in same area	49.5%	65.8%	70.6%
Employment Residence (E-R) Ratio	1.71	0.93	0.98

Source: U.S. Census Bureau, 2013-2017 American Community Survey

## **5. Computer and Internet Use**

Access to computers and the internet influences the availability of education, training, and job search resources for residents, small businesses, and larger employers. In 2013-2017, 64.8% of City households, 72.9% of County households, and 84.2% of households statewide had a computer (2013-2017 American Community Survey). Internet service was less prevalent in the City, with only 53% of households having broadband internet subscriptions compared to 59% of County households and 72.8% of households statewide with broadband access. However, the City is currently developing a high-speed, open access fiber optic network that is designed to serve the needs of users citywide, which is likely to result in greater internet connectivity. Less than half (48%) of City of Newberry households have a smart phone. This is low compared to the 59% of County and 69% of South Carolina households with smart phone access.

## D. ECONOMIC DEVELOPMENT

Bolstered by a growing population, an emphasis on workforce development, direct Interstate access, expanded access to higher education, community investment in infrastructure, and strong tourism assets, the City of Newberry is well-positioned for continued economic growth. The community offers a comparably low cost of doing business including factors such as low taxes and utility rates, as well as a generally lower cost of living within proximity to the State capital.

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 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.

### 1. 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, multiple tax incentives to businesses are available from the State of South Carolina, Newberry County, and the City of Newberry to encourage economic growth and investment. These incentives include jobs tax credits, fee-in-lieu of property taxes, and job development and retraining credits. Because the State does not tax real or personal property, property tax incentives must be implemented in conjunction with each county.

The State's 46 counties are ranked by the S.C. 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. Newberry 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 eligible employers in each county, with the larger credit amounts going to counties with the greatest need. The 2019 jobs tax credit amount for Newberry County is \$2,750 for each full-time job created.

The ability to offer many of these incentives depends on the formal approval of the S.C. Department of Revenue and local city and county councils. In addition to the incentives listed in Table 3-17, the wide range of tax credits available to employers includes credits for hiring displaced workers, conservation and habitat management, child care, textile mill and abandoned sites revitalization, and minority businesses. There are also federal and state green incentives available to promote recycling facilities and energy conservation and renewable energy improvements such as solar energy systems, biomass, and renewable fuels.

**Table 3-17. State and Local Business Incentives**

Incentives by Type	Authority	
	State	Local
<b>Corporate Income Tax and Incentives</b>		
Corporate Income Tax Credit	✓	
Job Tax Credit	✓	
Corporate Headquarters Credit	✓	
Research & Development Tax Credit	✓	
Investment Tax Credit	✓	
Recycling Facility Tax Credit	✓	
Solar Energy Tax Credit	✓	
Biomass Resources Tax Credit	✓	
Renewable Fuels Tax Credit	✓	
<b>Sales and Use Tax Incentives</b>		
Sales and Use Tax Exemptions	✓	
Sales Tax Caps	✓	
Economic Development Set-aside Program	✓	
Rural Infrastructure Fund	✓	
Tourism Infrastructure Development Grants	✓	
<b>Local Property Tax Incentives</b>		
Special Source Revenue Credit		✓
5-Year Property Tax Abatement		✓
Property Tax Exemptions	✓	
Textile Revitalization Tax Credit	✓	✓
Abandoned Building Revitalization Tax Credit	✓	✓
Retail Facilities Tax Credit	✓	✓
<b>Discretionary and Other Incentives</b>		
Fee-In-Lieu of Taxes (FILOT)		✓
Super Fee-In-Lieu of Taxes (FILOT)		✓
Job Development Credit	✓	
Job Retraining Credit	✓	
Port Volume Increase Fund	✓	
SC Agricultural Products Purchases Credit	✓	
Expedited Permitting		✓
Multi-County Industrial Park	✓	✓
Infrastructure Development		✓
Certified Industrial Sites	✓	✓
Historic Preservation Income Tax Credits	✓	✓
Special Assessment for Historic Properties (Bailey)		✓
<b>Workforce Development and Training</b>		
readySC™	✓	
Apprenticeship Carolina	✓	

Source: 2019 S.C. Business Incentives Guide, S.C. Department of Commerce

While many of these State and County incentives focus on larger industrial prospects, the City has created a Welcoming and Enabling Business (WEB) program that promotes a team-based

approach to supporting small business development in the City. The guide walks new businesses through a one-stop permitting process with easy to follow checklists and forms, along with an invitation for a preliminary meeting with multiple department staff prior to investment. The City also offers a property tax rebate for public infrastructure improvements including water, wastewater, road, sidewalk, and drainage investments. The City will rebate 50% of the annual property taxes collected from the subject property over a ten-year period in an amount equal to, but not exceeding, the investment. The City offers non-resident industrial rates for water and sewer. Although the in-city commercial and residential rates are doubled for out-of-city customers, the City provides service to industrial customers at a rate that closely approximates the in-city residential and wholesale rate.

As described in the *Cultural Resources Element*, eligible building owners in the downtown currently have access to Federal and State Historic Preservation Income Tax Credits. The combined value of the credits can range from 30% to 45% of eligible building rehabilitation expenses as an incentive to assist in costly projects. The *Bailey Bill* also allows cities and counties in South Carolina to provide property tax incentives for improvements to historic structures.

## **2. Workforce Development**

Local officials in communities throughout the State consistently cite workforce development as the leading challenge in development efforts. The availability of a trained and highly skilled workforce is a major consideration in business location decisions for most employers. The emphasis of State, regional, and local economic recruitment efforts to attract higher-wage, higher-tech employers also requires a better-educated and more technologically proficient workforce. This shift makes advanced education and training a requisite to achieving higher incomes and an improved quality of life. For residents who are trying to pull out of the cycle of dependence, finding a job with adequate earnings to support a family is a daunting challenge. Without advanced training, residents with minimal education will increasingly be restricted to less secure, minimum wage jobs with little opportunity for advancement.

Newberry County was certified as a *South Carolina WorkReady Community* (SCWRC) in 2014. *WorkReady SC* is an employee credentialing program based on the *ACT WorkKeys* assessment tool that focuses on core job skills such as communication, interpersonal skills, and problem-solving. The assessment is used in creating job profiles, measuring skills levels of job applicants, and identifying skill gaps of the existing and potential workforce. Participants must take and pass tests in applied math, reading or information comprehension, and locating information in order to earn the *WorkReady SC Career Readiness Certificate*. South Carolina became the first fully certified state in the nation, with all 46 counties achieving certification. The SCWRC is a voluntary collaboration between economic development and business leaders, chambers of commerce, the education community, and the S.C. Workforce Development Board. Certified counties such as Newberry demonstrate to potential businesses that they can provide a skilled workforce.

Employment and training resources are offered by State and local providers to Newberry residents through the Pre-K-12 school system, technical college system, adult education, and specialized

workforce training and job placement programs. Expanded access to training resources has and will continue to contribute to higher educational attainment and employability of City and County residents. These job training and re-training programs help attract and retain employers by providing a pool of highly-skilled labor. Current resources are summarized in Table 3-18.

**Table 3-18. City and County Workforce Training Resources**

<b>Provider</b>	<b>Workforce Development Role</b>
School District of Newberry County	<ul style="list-style-type: none"> <li>▪ K-12 school system offering career and college readiness programs</li> <li>▪ Middle and high school career information and opportunities</li> <li>▪ Apprenticeship and job shadowing experiences</li> <li>▪ College Advanced Placement and dual enrollment courses</li> </ul>
Newberry County Adult Education	<ul style="list-style-type: none"> <li>▪ Prepares out-of-school adults for the High School Equivalency Diploma (GED)</li> <li>▪ Enrolls more than 200 GED and diploma graduates annually</li> </ul>
Newberry County Literacy Council	<ul style="list-style-type: none"> <li>▪ Offers programs and classes, ranging from Pre-GED preparation to basic reading and math skills for adults, as well as family literacy and summer literacy programs for children</li> <li>▪ Services include Reading, Writing, Math, English, Spanish, Pre-GED Tutoring, Computer Skills, and Reading Comprehension Literacy</li> </ul>
Piedmont Technical College (PTC)	<ul style="list-style-type: none"> <li>▪ Serves a seven-county service area as one of 16 public, two-year colleges that comprise the S.C. Technical Education System</li> <li>▪ Offers 25 programs of study at Newberry campus, including complete Associate of Arts and Associate of Science degree programs on-site</li> <li>▪ Newberry campus includes Community Conference Center with 225-seat auditorium and classrooms</li> </ul>
Newberry College	<ul style="list-style-type: none"> <li>▪ Four-year, private liberal arts institution located in heart of the City</li> <li>▪ Offers 20 majors, 25 areas of concentration, and 29 minors</li> <li>▪ Maintains a 90-acre campus serving more than 1,000 students</li> </ul>
Apprenticeship Carolina™	<ul style="list-style-type: none"> <li>▪ Joint program of S.C. Tech System and S.C. Department of Commerce to promote registered occupational apprenticeships using supervised on-the-job training and related technical instruction</li> <li>▪ Leverages regional workforce investment funds and lottery tuition assistance to cover instruction and wages for trainees</li> <li>▪ Participating employers qualify for income tax credits</li> </ul>
readySC™	<ul style="list-style-type: none"> <li>▪ Statewide program offering employee recruitment, screening, and short-term training programs specifically tailored to the workforce needs of new and expanding companies in South Carolina at little or no cost</li> <li>▪ Locally accessed through Piedmont Technical College</li> </ul>
Upper Savannah WIA/SC Works Center	<ul style="list-style-type: none"> <li>▪ Meets workforce needs of employers and residents in seven-county region</li> <li>▪ SC Works offers human services and employment-related programs including internet access, labor market data, resume writing and job placement, adult education and literacy, senior and veteran employment assistance, unemployment insurance, and skills assessment</li> <li>▪ Post job openings for local employers seeking potential job candidates</li> <li>▪ Newberry County is served through the one-stop location in the City adjacent to the PTC campus</li> </ul>



### 3. Transportation and Utilities

Public investment in physical infrastructure and essential services – roads, water and sewer, stormwater drainage, utilities, recreation, education, and public safety – comprises a substantial share of public expenditures. Infrastructure, community facilities, and support services are in large part provided by local governments and funded through taxes, fees, and State support. Such investments significantly influence and assist economic development efforts, with the location, timing, and pace of new infrastructure impacting the ability of the City and County to service new and existing employers and businesses. To maximize the economic benefit of costly infrastructure investments, the City of Newberry must maintain a consistent and coordinated process for planning and prioritization of capital facilities and infrastructure needs. The City's infrastructure resources are described in greater detail in the *Community Facilities, Transportation, and Priority Investment Elements*.

Although size and space needs for new businesses and industries can vary widely among employer types and sectors, an accessible transportation infrastructure that provides easy access to materials, supplies, customers, and markets is a common requirement. Depending on the specific needs of the employer, this infrastructure network can include major facilities such as interstates and highways, aviation facilities, rail service, and ports that provide convenient connectivity to areas nationwide and overseas for the County's large manufacturers, or it can include more localized needs such as parking and pedestrian access to smaller businesses in downtown Newberry.

The City of Newberry and Newberry County benefit from direct interstate frontage, as well as a State and local road network that provides easy access to neighboring cities and the region that opens employment and shopping opportunities to residents and worker access to employers. Key elements in the transportation infrastructure are listed in Table 3-19. Additional detail on the transportation resources of the City and County is presented in the *Transportation and Priority Investment Elements*.

**Table 3-19. Transportation Infrastructure Supporting Economic Development**

Type	Description
<b>Highways and Interstates</b>	
Interstate 26	<ul style="list-style-type: none"> <li>County has direct frontage on Interstate 26 with five interchanges, three leading into the City of Newberry</li> <li>Access to I-20, I-77, and I-85 less than 40, 45 and 65 miles away, respectively</li> <li>Provides strong interstate connections to markets in Columbia, Charlotte, Greenville, and Raleigh, and to the Ports of Charleston, Wilmington, and Savannah</li> </ul>
U.S. and State Highways	<ul style="list-style-type: none"> <li>U.S. Highway 76 provides access to markets and customers to the north and south</li> <li>S.C. Highways 34, 219, and 121 provide additional access to the Interstates and surrounding counties</li> </ul>

**Table 3-19. Transportation Infrastructure Supporting Economic Development, *Continued***

Type	Description
<b>Rail</b>	
CSX Transportation and Norfolk Southern Railroad	<ul style="list-style-type: none"> <li>Rail lines parallel College Street in the northern area of the City, running southwest past Nance Street, then southeast and continuing parallel to C.R. Koon Highway south of the City</li> <li>Cost-effective option for manufacturers that require shipments of bulk raw materials and finished products with access to Inland Ports in Greer and Dillon</li> </ul>
<b>Airports</b>	
Newberry County Airport	<ul style="list-style-type: none"> <li>General aviation airport located two miles north of the City</li> <li>Originally built in 1946, the county-owned airport expanded its paved and lighted runway in 2008 to 4,000 feet by 75 feet</li> <li>Available services include 100-octane fuel, tie downs, and hanger space</li> </ul>
Columbia Metropolitan Airport (CAE)	<ul style="list-style-type: none"> <li>Located in adjacent Lexington County, less than one hour away</li> <li>Serves more than one million passengers and 1.8 million tons of cargo annually</li> <li>Offers 35 non-stop flights to nine major airports daily and is a UPS southeast regional air cargo hub</li> <li>108-acre duty-free, quota-free Foreign-Trade Zone</li> </ul>
Greenville-Spartanburg International Airport (GSP)	<ul style="list-style-type: none"> <li>One of the nation's top 100 commercial service airports with access to large cargo and commercial facilities, located one hour northwest</li> <li>Serves more than 2.3 million passengers through six major carriers with an average of 50 non-stop flights to 19 destinations</li> <li>Freight carriers include 120,000 square foot FedEx facility</li> </ul>
<b>Ports</b>	
Port of Charleston	<ul style="list-style-type: none"> <li>Located 153 miles southeast of Newberry County</li> <li>Among the top ten busiest container ports on the East coast and the primary port service for S.C. businesses</li> <li>Handles 1.12 million containers annually and moves one million tons of non-containerized cargo</li> </ul>
South Carolina Inland Ports – Greer and Dillon	<ul style="list-style-type: none"> <li>Inland ports extend the Port of Charleston's reach to provide shippers with access to more than 95 million consumers within one-day drive</li> <li>Boosts intermodal efficiency for international freight movements between the Port of Charleston and companies located across the Southeast</li> <li>Inland Port Greer is a partnership between the S.C. Ports Authority and Norfolk Southern and located one hour west on I-85</li> <li>Inland Port Dillon is a partnership between the S.C. Ports Authority and CSX and located two hours east of Newberry on I-95</li> </ul>

Industrial and commercial development is largely dependent on available water and sewer service. Industrial recruitment efforts generally center on sites and communities where water and sewer are either already available or can be extended with reasonable expense. Conversely, areas without water and sewer service are not as attractive to new industrial and commercial development. Along with ready access to major transportation routes, the availability of water and sewer is a major catalyst for economic development. Access to large capacity electric service, natural gas, and other utilities is also essential for most new and expanding industrial, commercial, and institutional employers.

The City of Newberry owns, operates and maintains a combined public utility (CPU), providing electricity, water, and sewer services to City residences, institutions, and businesses. The City of Newberry is the exclusive provider of electric service within the corporate limits, with the exception of existing customers of the Newberry Electric Cooperative (NEC) or Duke Energy at the time of annexation or in NEC franchise areas. NEC is a member-owned, not-for-profit electric distribution utility based in the City of Newberry that serves homes, businesses, and industries in the majority of Newberry County, as well as small portions along the county lines of Fairfield, Laurens, and Lexington Counties. The City obtains wholesale electric power from the *Piedmont Municipal Power Agency* and has an ownership interest in the Catawba Nuclear Station that secures a reliable source of electric generation. Electric service in the City is furnished to nearly 5,000 customers through approximately 275 miles of primary conductor and 86 miles of secondary conductor.

Many businesses and industries require the reliability and access to water that only a public utility can provide. The City of Newberry provides water service within the corporate limits and a surrounding service area to approximately 4,894 customers, of which 4,124 are residential, 741 are commercial, and 29 are industrial accounts. The largest single water consumer is the Kraft Heinz poultry processing plant. Water customers are served by approximately 150 miles of water distribution pipes. The City owns and operates the George H. Connelly Water Treatment Plant where surface water from the Saluda River is treated. The Plant has a treatment capacity of 8.1 million gallons per day (MGD), with an average daily demand of 5.5 MGD. The Plant is forecast to meet the needs of the City and its customer base for the foreseeable future. Three elevated storage tanks with a combined capacity of 1.5 million gallons are used to maintain peak demand and fire flow requirements. The planned addition of a new 3.5 million gallon ground water storage tank and pump station on Airport Road will service the Kraft Heinz plant and additional industrial customers.

The availability of sewer service is requisite for higher density residential development, educational and health care facilities, and the location or expansion of business and industry. As the only wastewater provider in the immediate vicinity, the City of Newberry currently has approximately 4,171 wastewater customers, including 3,573 residential, 576 commercial, and 22 industrial accounts. The City operates and maintains an extensive system of approximately 142 miles of gravity wastewater collection pipes and force mains that range in size from 4 to 30 inches in diameter, supported by nine lift stations. Wastewater is transported to the Bush River Wastewater Treatment Plant for treatment. The Plant has a 5.0 MGD capacity and an average daily flow of 2.53 MGD.

The *Clinton-Newberry Natural Gas Authority* is the exclusive provider of natural gas service in the City of Newberry and surrounding area. The Authority provides service to approximately 13,000 residential, commercial, and industrial customers in all of Newberry County, much of Laurens County, and southern Spartanburg County.

Additional details on utility service areas, design, and capacity for water and wastewater management facilities are provided in the *Community Facilities Element*. Water quality issues are further detailed in the *Natural Resources Element*.

#### 4. Economic Development Sites

Adequate land area and suitable sites are necessary to provide space to accommodate new and expanding business and industry. The identification and inclusion of adequate commercial and industrial areas in land use planning and zoning becomes more pressing amid residential and institutional growth. Industrial development in the Newberry area is generally concentrated along the Interstate 26 corridor near the City of Newberry and the Mid-Carolina Industrial Park, while commercial uses are concentrated in and near the City of Newberry.

Areas that offer infill and reuse opportunities include downtown Newberry and commercial corridors along Wilson Road and C.R. Koon Highway. Of the 17 properties currently listed on the County's Economic Development Office site inventory, 13 are within or adjacent to the City (Table 3-20).

**Table 3-20. Primary Available Commercial and Industrial Sites in the City of Newberry**

Site	Location	Size	Description
Exchange Bank	1303 Main Street	17,000 SF	<ul style="list-style-type: none"> <li>Historic, five-floor, high visibility building in Downtown</li> <li>Built in 1918</li> </ul>
First Community Bank Call Center	1735 Wilson Road	13,340 SF	<ul style="list-style-type: none"> <li>Close to Piedmont Technical College and Newberry County Memorial Hospital</li> <li>Zoned Commercial</li> </ul>
200 Park Avenue	200 Park Avenue	43,235 SF	<ul style="list-style-type: none"> <li>Single story metal building on 7 acres</li> <li>Zoned Industrial</li> </ul>
786 Wilson Road	786 Wilson Road	141,000 SF	<ul style="list-style-type: none"> <li>Large warehouse building on 17.30 acres</li> </ul>
Carlton Industrial	S.C. Hwy. 34/121	119 acres	<ul style="list-style-type: none"> <li>Undeveloped land</li> <li>Zoned Industrial</li> </ul>
14301 C.R. Koon Highway	14301 C.R. Koon Highway	14,400 SF	<ul style="list-style-type: none"> <li>Single story metal building on 6.19 acres</li> <li>Zoned Industrial</li> </ul>
Boyd's Crossing Rail	C.R. Koon Highway	80 acres	<ul style="list-style-type: none"> <li>Undeveloped land</li> <li>Zoned Industrial</li> </ul>
Cockrell Industrial	591 Cockrell Drive	40 acres	<ul style="list-style-type: none"> <li>Undeveloped land</li> <li>Zoned Industrial</li> </ul>
Dikert Rail	U.S. Hwy 76/Old Whitmire Hwy.	70 acres	<ul style="list-style-type: none"> <li>Undeveloped land</li> <li>Zoned Industrial</li> </ul>
Griffin Building	177 Thomas Griffin Road	3,261 SF	<ul style="list-style-type: none"> <li>Single story building on 16 acres</li> <li>Zoned Commercial</li> </ul>
Griffin Tract	I-26/S.C. Hwy. 121	181 acres	<ul style="list-style-type: none"> <li>Undeveloped land</li> <li>Zoned Industrial</li> </ul>
Bluewater Drive	182 Bluewater Drive	189,000 SF	<ul style="list-style-type: none"> <li>Single story metal building on 22.83 acres</li> <li>Zoned Industrial</li> </ul>
Public Works	11494 S.C. Hwy. 34	65 acres	<ul style="list-style-type: none"> <li>Undeveloped land</li> <li>Zoned Industrial</li> </ul>

Source: Newberry County Economic Development, 2019

Commercial growth, particularly retail, is an economic development priority for the City. Sensible growth initiatives encourage the development of land closer to existing development, provide incentives for infill and the redevelopment of previously developed areas, and avoid encroachment of new development into areas that lack the necessary public facilities, services, and infrastructure. The revitalization of existing built properties and the infill of new development on vacant lands within developed areas can produce substantial economic benefits and maximize existing infrastructure investments. Vacant structures can range from former strip commercial centers and historic storefronts to big box retail and abandoned mills. Often referred to as *greyfields*, these sites represent infill opportunities that do not require the expansion of new infrastructure and are convenient to existing transportation networks and housing markets. The commercial reuse of historic structures in the heart of the City can strengthen the appeal of the downtown district and boost economic activity.

## **5. Economic Development Strategies and Focus Areas**

Over the last decade, South Carolina has increasingly shaped its economic development strategy around target industries as part of a long-term economic strategy that aims to foster growth and raise the State's per capita income to the national average. Clusters, targets, and specialty sectors have been identified in multiple State and regional studies. These targets are used to identify areas for collaboration across jurisdictional boundaries that combine public and private investment to promote growth within each region.

Statewide economic growth potential is focused on the advanced manufacturing, advanced materials, aerospace, agribusiness, automotive, distribution and logistics, life sciences, and the office/shared services sectors. At the regional level, the Central SC Alliance has identified ten targeted sectors for the region that includes Newberry County. These industries range from advanced manufacturing and automotive to food processing and transportation and distribution. The Newberry County Economic Development Office seeks to build a vibrant and diversified economy by focusing on related industry targets including advanced manufacturing and materials, agribusiness, automotive, and food products.

As the economic hub of the County, the City is poised to benefit from the successful targeting of these industry segments by State, regional, and local economic developers. In addition to the County's continued effort to recruit and retain traditional industrial employers, potential economic opportunities can be found in such sectors as tourism, retiree migration, downtown retail and cultural markets, and small business development. A brief overview of each of these sectors follows along with a summary of assets and potential for growth in the City of Newberry.

### ***a. Downtown Revitalization and Retail Development***

As the County seat, the City of Newberry has long provided a focal point for a vibrant arts and cultural destination where business, residential, cultural, and governmental uses intersect. However, the 1970s marked the start of the gradual, but steady economic and physical decline of the downtown district. The construction of the U.S. Highway 76 Bypass and additional commercial

development toward Interstate 26 along S.C. Highway 219 further strained the commercial importance and economic vitality of the downtown area. By the early 1990s, amid rising concerns about Newberry's declining downtown, a group of citizens proposed the concept of renovating the historic Newberry Opera House into a performing arts center to serve as a catalyst for economic development and downtown revitalization. The Opera House renovation and public streetscape improvements were intended to motivate private property owners to renovate and market downtown buildings and support existing and new businesses with an increased customer base generated by Opera House programming.

Following the success of the Opera House, the City has proactively completed a variety of major projects to further enhance the economic vitality of the City and provide an anchor for revitalization, such as the Firehouse Conference Center and the strategically located Newberry Arts Center storefront off Main Street that draws visitors into the downtown's secondary streets. The City followed these projects over the last decade with investments in improving pedestrian safety, making crosswalk and sidewalk improvements, and the addition of street trees, bike racks, and seating in the downtown with the goal of making the downtown environment more pedestrian-friendly and welcoming to visitors.

In order to protect the historic character of the City, a design review process was also adopted. Property owners within the Core Commercial (CC) District are required to obtain a Certificate of Appropriateness (COA) prior to making any changes to the exterior of their properties or undertaking new construction or demolition. This includes changes such as signs and awnings. The COA is issued by the City's Board of Architectural Review to promote a general harmony of style, form, proportion, and material within the built environment. To encourage replacement and repair of downtown facades and rehabilitation of buildings in need of repair or upgrade, the City introduced a facade grant program in 2013. The grants provided merchants a financial incentive to invest in their properties and make the downtown more attractive for visitors, residents, and potential businesses. The facade program was expanded to include wayfinding signage, a concept that allows visitors and residents to navigate easier by providing directional signs to landmark buildings and store locations.

More recently, the City of Newberry is expanding telecommunications options to serve the needs of users citywide, including residents who operate home-based businesses using the internet. With assistance of a \$500,000 grant from the S.C. Department of Commerce, the City plans to develop a \$3 million high-speed, open access fiber optic network in partnership with a third-party provider to operate a subscription-based system under City ownership. This coordinated community-wide approach to telecommunications planning and delivery is expected to yield numerous benefits in the areas of public safety and homeland security, utilities management and efficiency, small business development, and lifelong learning opportunities for all residents. The system is nearing 60% completion, with full buildout projected for FY2020. The City will recoup its investment through a per customer share remitted to the City through provider payments.

The City also conducted a retail analysis that identified retail establishment types that offer growth opportunities. As shown in Table 3-21, the analysis evaluated a dozen retail store types, along



with the potential sales and service revenue within the City's trade area (potential revenues), the actual revenue currently being generated (actual sales), the remaining available market share (leakage/surplus), and the actual percentage of potential revenue currently being captured by each type (capture index).

**Table 3-21. Potential for Retail Business Growth within the City of Newberry**

Major Store Type	Potential Revenues	Actual Sales	Leakage/ Surplus	Capture Index
Equipment & Supply Dealers	\$ 49,127,660	\$ 28,330,540	\$ 20,797,120	58%
Clothing & Clothing Accessories Stores	17,771,780	4,470,307	13,301,473	25%
Electronics & Appliances Stores	9,372,098	800,169	8,571,929	9%
Food & Beverage Stores	51,607,722	23,363,142	28,244,580	45%
Foodservice & Drinking Places	31,869,322	19,000,290	12,869,032	60%
Furniture & Home Furnishings Stores	9,920,002	7,646,098	2,273,904	77%
GAFO (Discount Retailers/Department)	99,693,896	53,670,905	46,022,991	54%
General Merchandise Stores	51,016,519	38,323,647	12,692,872	75%
Health & Personal Care Stores	24,774,449	16,478,701	8,295,748	67%
Miscellaneous Store Retailers	10,388,684	3,962,930	6,425,754	35%
Motor Vehicle & Parts Dealers	92,832,080	84,380,776	8,451,304	91%
Sporting Goods, Hobby, Book & Music	7,721,608	1,715,341	6,006,267	22%
Total Retail Sales (Including Foodservice)	\$456,095,820	\$282,142,846	\$173,952,974	62%

Source: Buxton Leakage Analysis, City of Newberry, 2019

These investments, incentives, and policies have fueled a "renaissance" in the City, with residents and visitors drawn to the historic downtown as a vibrant, mixed-use activity center of arts and culture, dining, and shopping experiences. The City now has a daytime population that exceeds 13,000, or approximately 2,800 more people than the City's resident population. The City anchors the County's retail economy, with Downtown Newberry serving as a specialty retail, dining, and cultural center of growing regional significance. This historic center of activity has the potential to evolve into larger role with continued public and private investment. Projects underway include mixed-use residential with second floor housing in the Old Newberry Hotel and The Standard on Main with new apartment living spaces. The addition of downtown housing will generate new activity for businesses in the district, reinforce the redevelopment of a compact and cohesive commercial core district, diversify the customer base, create new energy, and extend the hours of commercial activity.

### **b. Tourism Development**

The recreation and tourism sector plays an important role as a provider of jobs and income in many South Carolina communities, both large and small, including the City of Newberry. As detailed in the *Cultural Resources* element, tourism has grown to a \$22.6 billion industry in South Carolina, accounting for nearly three percent of the State GDP and supporting one in ten jobs statewide (*U.S. Travel Association, 2019*). State tourism estimates for 2018 show that the Palmetto State draws nearly 30 million visitors each year. Domestic travelers to the State spent more than \$14.4 billion on transportation, lodging, food, entertainment, recreation, and incidentals. While

hotels depend heavily on tourism, nearly a third of food and beverage business is attributed to tourism spending. Sector spending also generates \$1.7 billion in State and local tax revenues, ultimately reducing the tax burden on City residents.

Newberry County benefitted from nearly \$37 million in travel and tourism related expenditures, with more than \$1.8 million in local tax revenues in 2018 (*SCPRT, 2018*). Tourism generated more than \$5.4 million in local payroll and employed 2,600 residents. Tourism employment includes numerous sectors such as public and auto transportation, lodging, food service, entertainment and recreation, and general retail. Tourism-related jobs offer opportunities for residents with diverse skills and educational backgrounds, ranging from first-time job seekers to senior citizens and from part-time work to alternative work schedules.

Tourism is closely tied to the City's efforts to revitalize the historic downtown, boost retail activity, support small businesses, and grow its rich natural and cultural resources base as tourism assets. Along with the new Newberry County Museum, the City boasts nine Historic Districts, fourteen individual National Register properties, and twelve historic cemeteries. With 170 events, the Newberry Opera House now draws more than 100,000 visitors to the City each year. As detailed in the *Cultural Element*, the City and partner organizations host a dozen festivals and special events throughout the year for the enjoyment of residents and visitors. These events range from the Irish Fling and Taste of Newberry to Oktoberfest, the Ag+Art Tour, and the Holiday Tour of Homes that all provide a significant draw to the downtown area. The continued effort to make the City a more complete visitor destination will also advance the appeal of the City as a desirable place to work and live and as a tourism and retirement destination.

Tourism development efforts strongly complement Newberry's overall economic development goals by improving the quality of life for residents; diversifying the local economic base; enhancing and preserving the rich cultural and natural resource base of the City and County; providing increased job opportunities for area residents; cultivating the creation of locally-owned, small businesses; and promoting clean, low impact, environmentally-sensitive economic activity. City and County tourism development efforts should seek to raise per capita tourism expenditures, improve the visitor mix, broaden the tourism product, and leverage tourism assets to attract new businesses and residents, especially retirees, to the community. Creating awareness of tourism assets in the Newberry area offers the added benefit of enhancing community image and name recognition among businesses and industries. Quality of life issues are also important considerations in industrial recruitment and location decisions. Tourism and traditional economic development programs can build upon one another for the benefit of the entire community.

### **c. Retiree Migration**

South Carolina has emerged as a favorable retirement destination, making retiree recruitment a part of the overall economic development strategy for many communities. The benefits of growing the retirement base of a community generally include higher incomes and educational levels, economic stability and vibrancy, and a neutral fiscal impact on service delivery (*Golden Rules, University of Georgia, 2013*). Armed with potentially significant purchasing power, retirees

impact the local economy particularly in the areas of health care, retail sales, and housing. It is estimated that one new job is generated by every two new retirees to a community. Current retirees in South Carolina generate an annual economic impact of nearly \$30 billion (*Attracting Retirees to South Carolina, 2016*). The annual rate of in-migration of retirees is close to 54,000.

Relocating retirees generally seek specific non work-related amenities and quality of life factors that include a mild climate, lower cost of living, low crime rates, quality housing options, medical services, cultural and recreational opportunities, and services for seniors. More recent studies show that retirees are placing an increasing emphasis on cultural, educational, and wellness opportunities as well as technology access in their new communities (*Attracting Retirees to South Carolina, 2016*). South Carolina ranks well in common retirement metrics such as quality of life, climate, health care, and affordability. Approximately two-thirds of the nearly 110,000 people who made South Carolina their new home in 2017 were over the age of 50 (*The Center for Carolina Living*). The State consistently ranks within the top ten retirement destination lists of national publications such as *Kiplinger's*, *Southern Living*, *Forbes*, *Conde Nast*, and *U.S. News & World Report*. A retirement preference survey conducted by the University of South Carolina found that small towns are among the most preferred locations in the State. In addition, given the frequency and severity of natural disasters such as hurricanes in popular coastal retirement destinations many retirees are seeking communities further inland that offer many of the same amenities, without the higher property taxes, housing costs, and sharp increases in insurance premiums.

Research also shows that most retirement relocation decisions are not made in a few months, but are made over a period of years leading up to actual retirement. Therefore, opportunities to attract retirees often occur when they first visit a community as tourists much earlier, closely linking tourism and retiree recruitment strategies. As a result, many states have launched Certified Retirement Community programs similar to initiatives geared toward industrial development. These programs assess communities in terms of access to health care, volunteer and part-time employment opportunities, recreation and wellness, climate, tax structure, safety, lifelong education, and entertainment.

The City of Newberry is poised to attract those retirees seeking convenient access to the Columbia metro area, interstate access, the more relaxed and historical charm of a smaller town, the cultural and lifelong learning venues of a college town, and the natural amenities offered by nearby Lake Murray and Lake Greenwood. In recent years, the City of Newberry has earned recognition in both Crampton's *The 100 Best Small Towns in America* and in Sweitzer & Fields' *The 50 Best Small Southern Towns*. The growing list of City accolades includes being the only town in South Carolina recently named in the *Top 50 Charming Small Towns in America* by the Travel Channel in 2019.

Communities attracting large numbers of retirees should also plan for the impacts of an aging population. An influx of retirees to a community, coupled with higher numbers of current residents who are aging-in-place, can influence the local economy by spurring growth to meet the demands of a growing and older population. The future needs of the retiree population should be evaluated to determine the types of cultural activities, amenities, facilities, and services needed to serve current and recruit additional retirees to the City and County. An older population typically has a

greater need for specialized health care providers and facilities, aging services, transportation, and housing options. The influences of an older population on the types and focus of community services and programming can also affect the appeal of a community to younger families and young professionals whose interests may differ.

#### ***d. Small Business Development***

Small business development strategies are an integral part of local economic development plans, with diversification playing an important role in building a resilient economy. There are approximately 400,000 active small businesses in South Carolina that employ 727,000 residents (*S.C. Chamber of Commerce, 2018*). More than half of the State's private sector employees work for small businesses. Although most of the State's small businesses have fewer than 20 employees, they comprise 97% of all employers and employ nearly half (49%) of the State's private sector workforce. Small businesses also tend to be more diverse with higher levels of minority, veteran, and female ownership. It is noteworthy that the largest number of small businesses with fewer than 20 employees are engaged in retail trade, professional and technical services, accommodation and food services, construction, and other services. The potential impact of small business development as part of a local economic strategy can be considerable, especially when considering that small businesses with less than 100 employees continue to employ the majority of workers in South Carolina.

The continued local emphasis on promoting the growth of the retail and tourism sectors in the City creates an attractive environment for developing locally-owned small businesses to serve these markets. A distinct advantage of smaller firms is that they are locally-owned and typically employ residents within the local community, do business with other community-based firms, and reinvest profits within the community. Recent studies indicate that when buying local, 65% of each dollar spend stays in the economy, compared to only 40% spent with a chain store (*Central Midlands CEDS, 2017*). Small business development can also provide alternative employment for residents impacted by downsizings and plant closures. Such smaller firms also tend to locate in existing facilities and utilize existing infrastructure, resulting in less capital investment on behalf of the local government to accommodate new businesses. Small businesses have higher levels of minority, veteran, and women ownership. Smaller, locally-based firms are typically well-positioned to serve larger corporations recruited to the region, opening new opportunities for small business start-ups to serve as corporate suppliers and subcontractors.

City and County efforts to grow sectors such as tourism, retirees, and downtown markets are strongly complemented by the support of small business development. As the retail analysis summary in Table 3-21 indicates, entrepreneurial opportunities in the tourism and downtown retail sectors are particularly ripe for cultivation, with the continued growth of the tourism industry creating an attractive environment in the region for developing small businesses to serve these markets. Opportunities will grow in services targeted to the retiree population. The retail study also identified multiple underrepresented commercial business niche markets. Local growth in these sectors will strengthen the City's position as a services and retail destination in the County and surrounding region. Coordinated and centralized efforts such as the City's one-stop

Welcoming and Enabling Business (WEB) program are vital to assist small business owners as they walk through the development and start-up process to include permitting and inspections, licensing, and eligibility for State and local incentives.

While regional and county economic development teams focus on recruitment and retention of larger industries, small business and entrepreneurial development needs are supported jointly by multiple organizations including the City of Newberry, the Newberry Downtown Development Association, the Newberry Small Business Development Center, and the Newberry County Chamber of Commerce. The efforts of these groups, which range from networking and training to marketing assistance, are detailed in the *Organizations and Partnerships* section.

## 6. Organizations and Partnerships

The involvement of public and private organizations as economic development allies in the development process supports a coordinated economic growth strategy that addresses community needs and advances the City's economic vision. This partnership approach to economic development has fueled the community's transition from a predominantly farm-oriented economy to a more balanced economic mix that includes agriculture, manufacturing, services, retail, tourism, and health care. Economic allies include public and private organizations involved in planning, finance, education and training, construction, and utilities, as well as related regional and State economic resources (Table 3-22). A continued partnership approach to economic development will fuel the creation of a diverse economic base that provides a quality living environment for City and County residents.

**Table 3-22. Newberry Economic Development Allies**

Economic Partner	Role
City of Newberry and Newberry County	<ul style="list-style-type: none"> <li>Support economic development with key infrastructure and public services</li> <li>Source of financial incentives such as property tax abatements, fee-in-lieu agreements, and other infrastructure and utility incentives</li> <li>Provide land use planning, regulation, permitting, infrastructure coordination</li> </ul>
Newberry County Economic Development (NCED)	<ul style="list-style-type: none"> <li>Official economic development organization for the County, with the mission to create quality jobs, increase the per capita income, and broaden the Newberry County tax base</li> <li>Works with existing and prospective business and industry to facilitate investment and economic growth in the County</li> <li>Provides industrial site, demographic and community information, hosts site and community tours, creates financial and tax incentive packages, and provides relocation support</li> </ul>
Newberry Downtown Development Association (NDDA)	<ul style="list-style-type: none"> <li>Comprised of local businesses, property owners, and private citizens</li> <li>Promotes dynamic and healthy downtown retail environment to create a strong, vibrant, and unique Main Street experience and small business success</li> <li>Expands awareness of historic downtown, produces community events, assists with downtown development, and provides a shared voice to the City</li> <li>Partners to offer 10-week "Fast Trac" Business School for Entrepreneurs</li> </ul>

**Table 3-22. Newberry Economic Development Allies, Continued**

<b>Economic Partner</b>	<b>Role</b>
Newberry County Chamber of Commerce	<ul style="list-style-type: none"> <li>▪ Lead tourism promotion agency for County</li> <li>▪ Supports local economic development, well-being, and quality of life by developing leadership, improving education, and marketing County's assets</li> <li>▪ Operates the Newberry Visitors Center in the Old Courthouse on Main Street</li> <li>▪ Sponsors Mentoring Newberry County, Leadership Newberry, Newberry On Board, and Newberry County Young Professionals</li> </ul>
Central SC Alliance	<ul style="list-style-type: none"> <li>▪ Regional public/private partnership between Newberry and eight neighboring counties to promote industrial development and jobs creation</li> <li>▪ Facilitates team approach to domestic and international investment using market and research and data, project administration, site identification, product development, marketing missions, incentive facilitation, new and existing industry assistance, and corporate relocation assistance</li> </ul>
Central Midlands Council of Governments (CMCOG)	<ul style="list-style-type: none"> <li>▪ Voluntary organization of local governments serving four-county region of Fairfield, Lexington, Newberry, and Richland Counties and 11 municipalities</li> <li>▪ Coordinates regional Comprehensive Economic Development Strategy (CEDS) that is the basis for federal economic and workforce investments</li> <li>▪ Coordinates transportation, environmental, air, and water quality planning</li> </ul>
Newberry Area Small Business Development Center (SBDC)	<ul style="list-style-type: none"> <li>▪ Located on Newberry College campus as part of statewide network of training and counseling centers for new and existing businesses</li> <li>▪ Provides assistance with business plan development, one-on-one counseling, management and technical assistance, marketing analysis, feasibility studies, and seminars at little to no cost</li> <li>▪ Specialized programs for veterans, women, and young entrepreneurs</li> <li>▪ Help with government contracting, export assistance, and manufacturing ventures technology commercialization</li> </ul>
Upper Savannah Workforce Development Area (SC Works)	<ul style="list-style-type: none"> <li>▪ State office providing employer assistance in hiring qualified workers, labor market information, job skills assessment and placement, and employment training programs for youth, seniors, veterans, and other special populations</li> <li>▪ Administers regional job training programs and funding</li> </ul>
Capital City/Lake Murray Country	<ul style="list-style-type: none"> <li>▪ One of eleven tourism marketing regions in the State covering Newberry, Richland, Lexington, and Saluda counties bordering Lake Murray</li> </ul>
South Carolina Research Authority/ SC Launch	<ul style="list-style-type: none"> <li>▪ Public, non-profit that accelerates technology-enabled growth in research, academia, entrepreneurship, and industry</li> <li>▪ Supports start-ups with early-stage funding using grants, loans, investments, and mentoring support to state-based companies aligned with Information Technology, Life Sciences, or Advanced Manufacturing and Materials sectors</li> </ul>
South Carolina Innovation Hub	<ul style="list-style-type: none"> <li>▪ Online tool that provides individual entrepreneurs and businesses within the technology sector a platform to access and connect with resources</li> </ul>
S.C. Division of Small & Minority Business Contracting	<ul style="list-style-type: none"> <li>▪ Links minority and women-owned small businesses to State contracting and procurement opportunities</li> <li>▪ Provides one-on-one consultation, training, vendor lists, dispute resolution</li> <li>▪ Sponsors SC Launch program to assist fledgling companies</li> </ul>
S.C. Manufacturing Extension Partnership	<ul style="list-style-type: none"> <li>▪ Private, non-profit resource for small to mid-size South Carolina businesses</li> <li>▪ Improves competitiveness through hands-on consulting, training, and reviews</li> </ul>



## E. GOALS, OBJECTIVES AND STRATEGIES FOR IMPLEMENTATION

Goals/Objectives/Strategies	Accountable Agencies	Time Frame for Completion
<b>Goal 3.1. Increase the City's tax base through a thriving and diversified economy.</b>		
<b>Objective 3.1.1. Reinforce and expand the City's retail market.</b>		
<u>Strategy 3.1.1.1.</u> Reduce retail leakage and continue efforts to attract new and underrepresented businesses through retail recruitment efforts.	City of Newberry Newberry Downtown Development Association (NDDA)	On-going
<u>Strategy 3.1.1.2.</u> Provide for traditional neighborhood businesses and encourage commercial revitalization.	City of Newberry	On-going
<b>Objective 3.1.2. Encourage retention of existing businesses and location of new businesses in the downtown and commercial districts.</b>		
<u>Strategy 3.1.2.1.</u> Promote the development of retail and service niche markets for Newberry businesses.	City of Newberry Chamber of Commerce	On-going
<u>Strategy 3.1.2.2.</u> Strive for a financial and regulatory environment that supports the establishment and growth of small businesses.	City of Newberry Chamber of Commerce Lending Institutions	On-going
<u>Strategy 3.1.2.3.</u> Target new and under-represented markets to enhance the customer base of existing and future merchants and businesses.	City of Newberry Chamber of Commerce Merchants	On-going
<u>Strategy 3.1.2.4.</u> Strengthen the downtown base market through a local retail loyalty campaign.	City of Newberry Chamber of Commerce NDDA and Merchants	On-going
<b>Objective 3.1.3. Encourage infill and redevelopment of existing commercial and industrial areas.</b>		
<u>Strategy 3.1.3.1.</u> Develop economic and infrastructure incentives to businesses locating in targeted development areas such as tax or fee reductions or zoning incentives.	City of Newberry Newberry County	On-going
<u>Strategy 3.1.3.2.</u> Identify and inventory infill and greyfield sites throughout the City and prioritize them for redevelopment.	City of Newberry	On-going
<u>Strategy 3.1.3.3.</u> Ensure incentives are well publicized, understood and effectively used to promote redevelopment and investment in targeted areas.	City of Newberry Chamber of Commerce NDDA	On-going
<b>Objective 3.1.4. Continue to focus on the revitalization of the Downtown.</b>		
<u>Strategy 3.1.4.1.</u> Encourage a diverse, yet compatible mix of retail, residential service and cultural uses in the downtown district.	City of Newberry Chamber of Commerce NDDA	On-going
<u>Strategy 3.1.4.2.</u> Promote the City of Newberry as specialty retail, dining and cultural destination of the region.	City of Newberry Chamber of Commerce NDDA	On-going
<u>Strategy 3.1.4.3.</u> Leverage the Opera House, Fire Station, Arts Center and County Museum, along with public streetscape improvements, to stimulate additional substantive and cosmetic improvements to downtown buildings.	City of Newberry	On-going
<u>Strategy 3.1.4.4.</u> Continue to encourage replacement and repair of downtown facades and the rehabilitation of buildings to enhance the historic character of the City, create a more inviting pedestrian experience, and make the downtown more attractive for visitors, residents, and potential businesses.	City of Newberry NDDA Property Owners	On-going
<b>Goal 3.2. Increase commercial activity in targeted areas of the City.</b>		
<b>Objective 3.2.1. Strengthen the downtown commercial district.</b>		
<u>Strategy 3.2.1.1.</u> Protect historical architectural assets that distinguish Newberry from other communities and improve the appearance and function of complementary downtown visual elements to include building storefronts, windows, sidewalks, lighting, landscape, signs and streets.	City of Newberry Property Owners	On-going
<u>Strategy 3.2.1.2.</u> Continue to encourage replacement and repair of downtown facades and the rehabilitation of buildings to enhance the historic character of the City, create a more inviting pedestrian experience, and make the downtown more attractive for visitors, residents, and potential businesses.	City of Newberry NDDA Property Owners	On-going
<u>Strategy 3.2.1.3.</u> Review current and proposed ordinances, codes and regulations to facilitate regulatory flexibility in redevelopment as feasible.	City of Newberry	On-going

Goals/Objectives/Strategies	Accountable Agencies	Time Frame for Completion
<b>Goal 3.2. Increase commercial activity in targeted areas of the City. (Continued)</b>		
<b>Objective 3.2.1. Strengthen the downtown commercial district.</b>		
<u>Strategy 3.2.1.4.</u> Assess the local housing market and encourage development of additional residential options downtown to extend business hours and increase business activity.	City of Newberry Development Community	On-going
<u>Strategy 3.2.1.5.</u> Pursue funding public and private opportunities to support facility and infrastructure improvements.	City of Newberry	On-going
<u>Strategy 3.2.1.6.</u> Aggressively market downtown Newberry throughout the State and neighboring border areas with the objective of establishing Newberry as a tourism, conference, and cultural arts destination.	City of Newberry Lake Murray Country Chamber of Commerce	
<u>Strategy 3.2.1.7.</u> Identify additional opportunities and potential partnerships for special events, public activities, and festivals.	City of Newberry NDDA Arts and Cultural Groups Chamber of Commerce Business Owners	On-going
<b>Objective 3.2.2. Enhance the tourism offering of the City.</b>		
<u>Strategy 3.2.2.1.</u> Promote tourism as a viable economic sector.	City of Newberry Chamber of Commerce Lake Murray/Capital Region	On-going
<u>Strategy 3.2.2.2.</u> Foster growth in the City's tourism market by promoting tourism assets that raise per capita tourism expenditures, improve the visitor mix, and broaden the tourism product.	City of Newberry NDDA Lake Murray Country Arts and Cultural Groups Chamber of Commerce Business Owners	On-going
<u>Strategy 3.2.2.3.</u> Incentivize additional lodging, restaurant, and retail providers to accommodate greater visitation.	City of Newberry	On-going
<b>Goal 3.3. Raise the income levels and earnings potential of City residents.</b>		
<b>Objective 3.3.1. Support efforts to attract new and rewarding job opportunities for residents within the community.</b>		
<u>Strategy 3.3.1.1.</u> Continue to increase the educational levels of residents and encourage postsecondary training and skill development.	Newberry County School District Piedmont Tech Newberry College	On-going
<u>Strategy 3.3.1.2.</u> Increase access to local employment opportunities that can reduce overall commuting distance and costs for residents.	City of Newberry Newberry County Newberry County Economic Development (NCED)	On-going
<u>Strategy 3.3.1.3.</u> Conduct targeted soft skills and community ambassador training for hospitality employers and the workforce to enhance the resident and visitor experience and strengthen local spending.	City of Newberry Piedmont Tech Upper Savannah WIA NDDA	On-going
<u>Strategy 3.3.1.4.</u> Encourage compatible commercial and retail investment in underserved communities to provide economic opportunity to all City residents.	City of Newberry Chamber of Commerce	On-going
<u>Strategy 3.3.1.5.</u> Support K-12 and postsecondary education systems and the workforce development network to improve the job-readiness and competitiveness of Newberry residents.	Newberry County School District Private Schools Higher Education Upper Savannah WIA	On-going
<b>Objective 3.3.2. Foster a climate of entrepreneurial activity and small business success.</b>		
<u>Strategy 3.3.2.1.</u> Maintain communication with existing businesses to assess the local business climate, public services, workforce needs, and potential areas for improvement.	City of Newberry Newberry County NDDA Chamber of Commerce Business Owners	On-going
<u>Strategy 3.3.2.2.</u> Encourage and facilitate businesses and industries to develop strong community relationships and support community initiatives that enhance the quality of life through funding, leadership and volunteer base support.	City of Newberry County Economic Development Chamber of Commerce	On-going

Goals/Objectives/Strategies	Accountable Agencies	Time Frame for Completion
<u>Strategy 3.3.2.3.</u> Provide increased job opportunities for area residents through the creation of locally-owned, small businesses that address unmet existing and emerging markets.	City of Newberry Newberry County Chamber of Commerce Newberry Area Small Business Development Center (SBDC)	On-going
<b>Objective 3.3.2. Foster a climate of entrepreneurial activity and small business success.</b>		
<u>Strategy 3.3.2.4.</u> Complete and maintain a citywide wireless broadband service.	City of Newberry Third Party Provider	On
<u>Strategy 3.3.2.5.</u> Continue to leverage the disposable income and consumer spending of Opera House and Conference Center clients to support existing businesses, as well as create opportunities for new businesses.	City of Newberry Newberry County NDDA Chamber of Commerce Business Owners	On-going