



3.11.20

Appendix C

Economic Development

SHOPPING • ESSENTIALS • DINING

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This section provides a broad snapshot of economic development in the Midlands, then looks closer at the City's role in economic development policies, programs, and investments, and summarizes the public input received through surveys, focus groups, and public meetings.

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TOPICS

Tax Structure, Industries, Work
Force, Innovation, Talent, Infill
Development, Corridors

Introduction

WHAT IS ECONOMIC DEVELOPMENT?

Economic development focuses on the creation of wealth which benefits the community. Wealth creation is an economic and community development tool that considers the importance of the following types of capital: human, physical, financial, intellectual, natural, social, political, and cultural. Priorities are often placed on the retention and expansion of existing businesses, attracting new businesses from other areas to a target area, and the development or growth of completely new businesses. Often these efforts require regional and state agencies to be impactful. The ability of the City to directly affect the economy is limited, and therefore the City's efforts are largely focused on managing resources to enhance livability and programs to support existing and new businesses.

DRAFT



Existing Conditions

This section provides a broad snapshot of economic development in the Midlands, then looks closer at the City's role in economic development policies, programs, and investments, and summarizes the public input received through surveys, focus groups, and public meetings.

SUPPORTING ENTREPRENEURS

Supporting entrepreneurs and new businesses involves providing access to training, start-up facilities, and capital. Connecting entrepreneurs with research institutions, venture capitalists, and government agencies is the primary goal of a variety of organizations that are focused on entrepreneurial support. These organizations are often connected to universities and technical colleges or public nonprofits such as the South Carolina Research Authority.

SUPPORTING EXISTING BUSINESSES

Business retention and expansion includes advocacy for business interests, access to grants and loans, access to property, training, and marketing. Representing the needs of businesses to legislators happens at all levels of government, primarily through the state and local chambers of commerce. Other groups provide industry specific support, such as the South Carolina Retail Association. Development corporations provide area specific resources to catalyze development. The City of Columbia and its development corporations have a number of programs which support existing businesses as they grow through grants, loans, and training programs which are summarized later in the Policies section. Finally, area-specific business district organizations provide localized support in the way of organized advocacy, marketing, and hospitality.

ATTRACTING CORPORATIONS/EMPLOYERS

There are a number of organizations in the Midlands that conduct economic development activities. Bringing established businesses to Columbia involves strategic partnerships between local, state, national, and international organizations. This can include providing access to property, facilitating the development of property, and providing research and data about the workforce and the local economy. Financial incentives, such as tax reductions or reduced utility rates, are also tools that can enhance a deal for a potential location. The South Carolina Department of Commerce is the primary statewide agency that is in a position to provide these incentives to attract companies on a broad scale. The SC Jobs - Economic Development Authority, which acts as a conduit for tax-exempt bonds, and the SC Power Team, which provides utility incentives, also operate at a statewide level. Supporting specific industry clusters is a focused approach to increasing competitiveness by building on existing resources and developing a specialized market. The South Carolina Council on Competitiveness and the South Carolina Research Authority are two examples of statewide agencies that promote and focus on specialized market developments.



Economic Development focuses on the creation of wealth in a community, which might come in many forms, such as the development of small businesses. Image iStock.com/ijeab

Existing Conditions

ENHANCING LIVABILITY

One of the biggest impacts the City has on economic development is through enhancing livability, as land use, infrastructure and other City-driven items have an impact on so many facets of livability. Livability can include commute time, cost of living, and access to arts, entertainment, and natural resources. Having a healthy, vibrant community that ranks high on the livability index helps make the City competitive in the regional economy.

Some key indicators of Columbia's livability are:

- **Cost of Living:** 1% more expensive than US average, 5% higher than statewide
- **Median home price:** \$164,000, 11% lower than US average
- **Commute Time:** 15 minute
- **Household Income:** \$42,875, 22% lower than US average
- **High School Graduation Rates:** 1% higher than US average
- **Total employed in Armed Forces:** 9,200
- **Civilian Veterans in Columbia:** 8.3% of the population

Based upon current livability scores from www.vibes.com, Columbia ranks high on amenities and weather. However, factors that did not score well include crime, education, employment, and housing. For more on these data points refer to the Population Section.



Indie Grits Festival. Photo by Brett Flashnick, courtesy of Experience Columbia



Columbia Museum of Art. Photo by Brett Flashnick, courtesy of Experience Columbia

Existing Conditions

ENHANCING LIVABILITY, CONTINUED

Some of the key components that make up livable communities are directly affected by land use policies:

- Vibrant, desirable neighborhoods have a mix of uses that enable people to access resources within their communities.
- Areas with rich cultural or historical resources provide assets that define the character of a community and create a sense of pride.
- Access to parks and green spaces provides opportunities for recreation
- Architectural, landscape, and sign design standards provide predictable guidance for improving the aesthetics of an area, helping to protect property values.

Investment in the City's physical infrastructure, including utilities, roads, and greenways, creates the framework for how the City operates and how people live within it. Investment in a single corridor can have a number of impacts on economic development.

- Providing opportunities for multi-modal transportation increases the efficiency of all transportation systems.
- Utility improvements such as burying power lines, upgrading storm drainage systems, and providing for digital and wireless communication sets the stage for new development.
- Beautification of corridors and gateways helps create a positive identity for an area and encourages private investment.



Riverbanks Zoo. Photo by Brett Flashnick, courtesy of Experience Columbia



Columbia Skate Park. Photo by Brett Flashnick, courtesy of Experience Columbia

Existing Conditions

ECONOMIC DEVELOPMENT ORGANIZATIONS

During the planning process, statewide, regional, and local government organizations that focus on economic development provided insight and feedback. Throughout this process a summary list was developed which includes each organization and the types of economic development that they engage in to better identify types of overlap and potential gaps. Twelve areas of focus were identified, while 38 of 42 organizations focus on strategic partnerships, only six agencies focus on start-up facilities. A majority of these organizations focus on advocacy, strategic partnerships, and marketing and recruitment, while other focus areas are typically only supported by about a quarter of these agencies. In addition, when meeting with the leadership of these groups, there was consistent feedback from focus group members including that many do not coordinate on a regular basis, resulting in a great deal of overlap among roles and responsibilities of these agencies. Ultimately this contributes to confusion within the development community as to with whom they should be communicating.

Twelve Current Areas of Focus of Columbia's Economic Development Organizations

Advocacy/representation	Resources for Entrepreneurs
Strategic partnerships	Research and Development
Access to capital	Education
Access to property	Cluster specific support
Start-up facilities	Marketing and recruitment
Livability	Incentives



Coordination of economic development efforts in the next decade will be important to align the Midlands competitively with our surrounding region and global competition. Image iStock.com/fizkes



Providing quality incubator space for business will be key to advancing our region in the next decade. Image iStock.com/scyther5

Existing Conditions

ECONOMIC DEVELOPMENT ORGANIZATIONS, CONTINUED

The following chart shows many of the organizations and agencies that are involved in the array of economic development activities.

	Organizations	Primary	Focus	Advocacy/representation	Strategic partnerships	Access to capital	Access to property	Start-up facilities	Resources for Entrepreneurs	Research and Development	Education	Cluster specific support	Marketing and recruitment	Incentives	Liability
Statewide	South Carolina Department of Commerce	State of SC													
	South Carolina Chamber of Commerce	State of SC													
	SC Small Business Chamber of Commerce	State of SC													
	Small Business Administration	State of SC													
	Division of Small and Minority Business Contracting and Certification	State of SC	Certification for small & minority businesses												
	Small Business Development Center	US Small Business Admin													
	South Carolina Research Authority	State of SC	Support for research and start-ups												
	SC Launch	independent non-profit	Start-up support/ SCRA												
	South Carolina Retail Association	nonprofit	Support for retail businesses												
	Faber Entrepreneurship Center	U of SC													
	South Carolina Council on Competitiveness	nonprofit													
	U of SC Office of Business Engagement	U of SC													
	U of SC Technology Commercialization Office	U of SC													
	South Carolina Manufacturing Extension Partnership (SCMEP)	nonprofit													
	South Carolina Technology Alliance	nonprofit													
	Business Development Corporation of SC	non-bank commercial lending													
	SC Jobs- Economic Development Authority (JEDA)														
	SC Power Team														

Existing Conditions

ECONOMIC DEVELOPMENT ORGANIZATIONS, CONTINUED

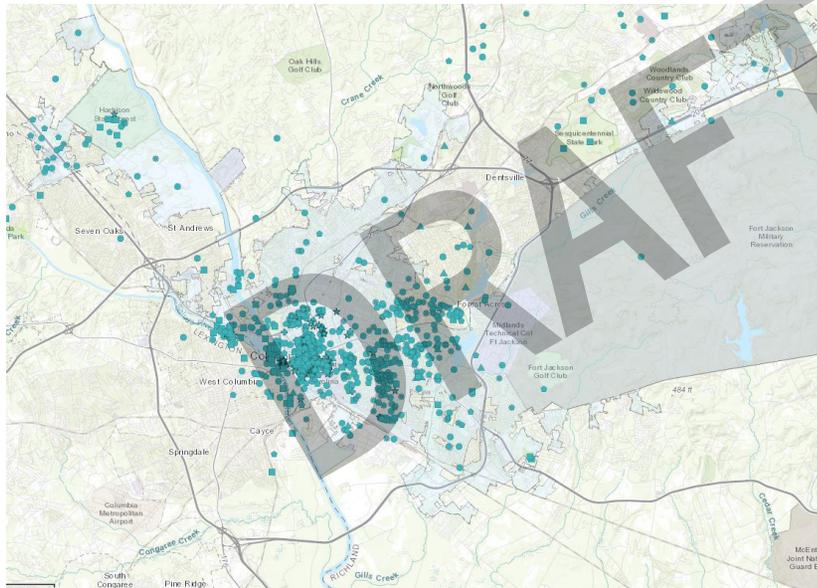
The following chart shows many of the organizations and agencies that are involved in the various array of economic development.

	Organizations	Primary	Focus	Advocacy/representation	Strategic partnerships	Access to capital	Access to property	Start-up facilities	Resources for Entrepreneurs	Research and Development	Education	Cluster specific support	Marketing and recruitment	Incentives	Livability
Midlands Region	Central SC Alliance	501c(3)	Regional recruitment												
	EngenuitySC	nonprofit	Collaboration management												
	Richland County Office of Economic Development	Richland County													
	Lexington County Office of Economic Development	Lexington County													
	Columbia Chamber of Commerce														
	Irmo Chamber of Commerce														
	Greater Cayce West Columbia Chamber of Commerce														
	Greater Lexington Chamber of Commerce														
	Blythewood Chamber of Commerce														
	U of SC Technology Incubator	U of SC													
	Enterprise Campus at Midlands Tech	Midlands Tech													
Minority Business Development Agency	US Dept of Commerce														
City of Columbia	City of Columbia Office of Economic Development	City of Columbia	Support for local business												
	City of Columbia Office of Business Opportunity	City of Columbia													
	Columbia Development Corporation	501c(3)													
	City of Columbia Planning and Development Services	City of Columbia													
Area specific	Eau Claire Development Corporation	City of Columbia													
	Columbia Empowerment Zone	City of Columbia													
	City Center Partnership	Columbia Main Street District													
	Vista Guild	Columbia Vista													
	North Columbia Business Association	North Columbia													
	Five Points Association	Five Points District													
	Rosewood Merchants Association	Rosewood District													
Devine Street Association	Devine Street District														

Existing Conditions

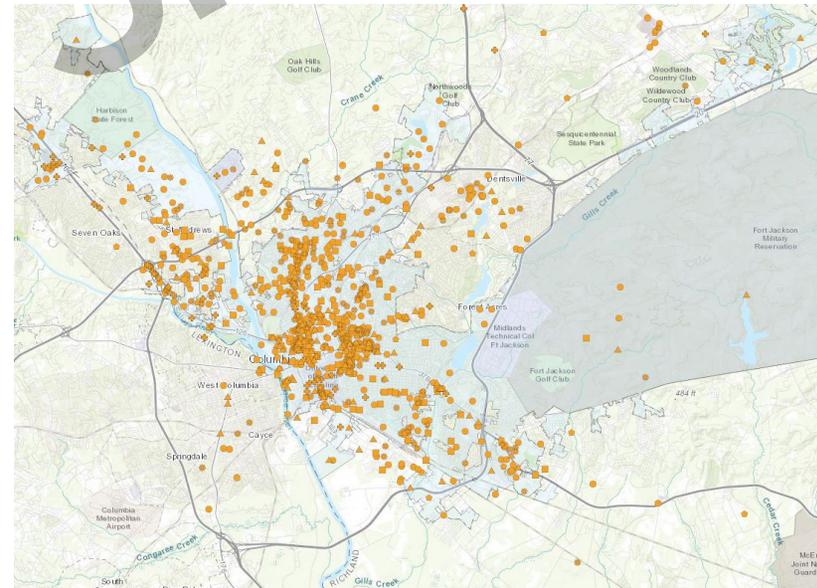
STRONG AND WEAK PLACES

Economic development is often driven by perceptions. During the planning process, survey participants were asked to identify where they thought the strong places in Columbia were located on an interactive map. Of the 1,260 markers and 728 individual comments received, strong places identified included thriving and favorite businesses, parks and open space, areas identified as attractive, and local and regional attractions such as museums. Some of the key words that were used to describe these strong places included: “Amazing Transformation,” “Great,” “Whoohoo! Lookin’ good,” “Love,” and “One of the best in the City.”



Strong places identified by participants in the Fall 2018 survey.

Participants surveyed were also asked to share the areas in Columbia which, they thought were weak and could use some improvement. Respondents provided a total of 1,117 markers and 700 comments. Some of the key words and phrases that were used to describe these weak places included: “Run down,” “Needs more activity,” “Needs Attention,” “Would like to see more development in this area,” “Please complete the infrastructure (sidewalks /bikes),” “Overgrown,” “Great location but area has too many abandon buildings and looks trashy,” and “pedestrian safety.” While Columbia has some very successful economic drivers, we also have some areas of the community such as commercial corridors where investment has been overlooked.



Weak places identified by participants in the Fall 2018 survey.

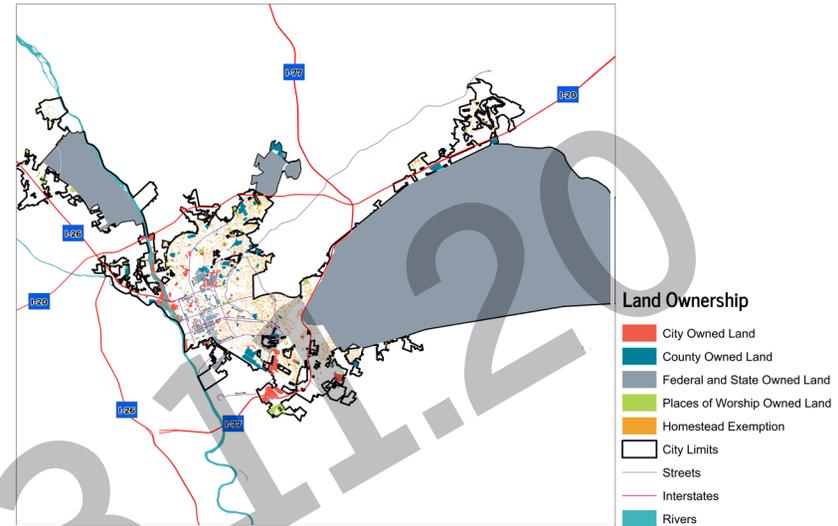
Tax Structure

PROPERTY TAX LAND ASSESSMENTS

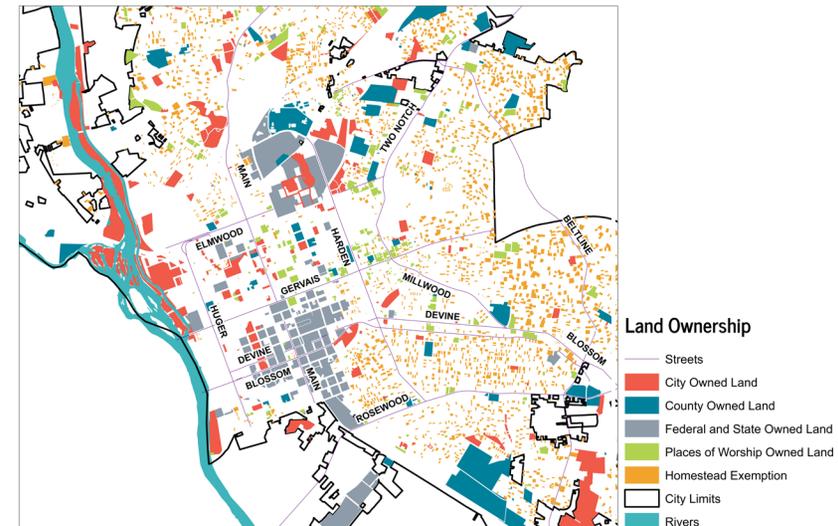
Property taxes are the main revenue stream for municipalities and governments in South Carolina. Property taxes are determined by the value of land and the value of improvements to the land, including structures and infrastructure. Taxes and fees have a significant influence on the success of a community, region, and state. Columbia is uniquely affected by a combination of comparably low residential taxation, comparably high commercial and industrial taxation, and the presence of nontaxable land as a large portion of the city limits. Upon examination of the original two-mile grid of the City (Elmwood, Harden, Heyward, and the river), it becomes clear that a quarter of the original grid is currently nontaxable. As the City spreads past the original grid, non-taxable properties continue as well, in the form of educational institutions, churches, local, state, and federal governmental agencies, and nonprofits.

TAX EXEMPT LAND AREA

The City of Columbia has 128.6 square miles of owned property within its boundaries excluding right of way. 36.5% of the owned property area of the City is fully or partially tax exempt (excluding Ft. Jackson). When Ft. Jackson is included, this percentage increases to 76.5%. Homestead exemptions make up 2% of the total, while County-owned land makes up 1.3% and City owned land is 1.4% (not including the 11.7 square miles of right of way). Federal and State governments make up 21.4% of the total of tax exempt land. Places of worship makes up 0.7% of the total.



City of Columbia Land Ownership Summary, 2018 Data



City of Columbia Land Ownership - Original City Grid, 2018 Data

Tax Structure

RESIDENTIAL PROPERTY TAX

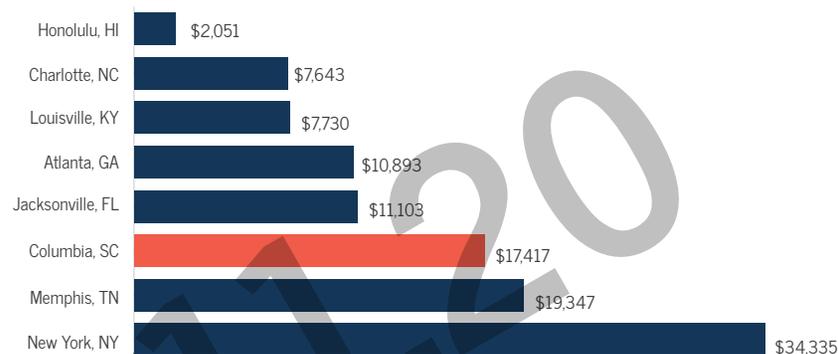
Columbia homeowners enjoy some of the lowest residential property taxes in the country, and many benefit from other clauses in the state statutes which result in reduced property taxes for veterans or those over the age of 65. In fact, Columbia ranks as one of the lowest cities in the country for property tax rates for primary residents over the age of 65 who live in an urban county. Also of note is that Columbia's tax rate for homestead properties is below that of Memphis, Jacksonville, Louisville, Atlanta, and Charlotte.¹

However, not all residents enjoy low property taxes. Columbia ranked 10 out of the 53 largest cities for highest taxation on urban apartments. Related to our peers such as Charlotte, Louisville, and Atlanta, those who rent rather than own do so at a significant cost, because the owners of rental units are taxed at a higher rate (6%), the cost of which they pass along to the renter. This has a significant financial impact on those whose only choice is to rent, and can make it more difficult for those trying to saving for down payment to purchase a home of their own.

It is also important to note that Columbia ranks 4th out of the 53 largest cities in each state with regard to the ratio between commercial and homestead classifications. It is worthy to note that Columbia's tax rate for homestead properties is below that of Memphis, Jacksonville, Louisville, Atlanta, and Charlotte.

URBAN APARTMENT PROPERTY TAXES

\$600,000 Valued Property with \$30,000 in Fixtures (Payable 2014)



Urban Apartment Property Tax of selected cities - Columbia ranked 10 out of 53 largest cities per state for taxation on urban apartments.

URBAN HOMESTEAD PROPERTY TAX (Effective Tax Rate)

\$150,000 Valued Property (Payable 2014)



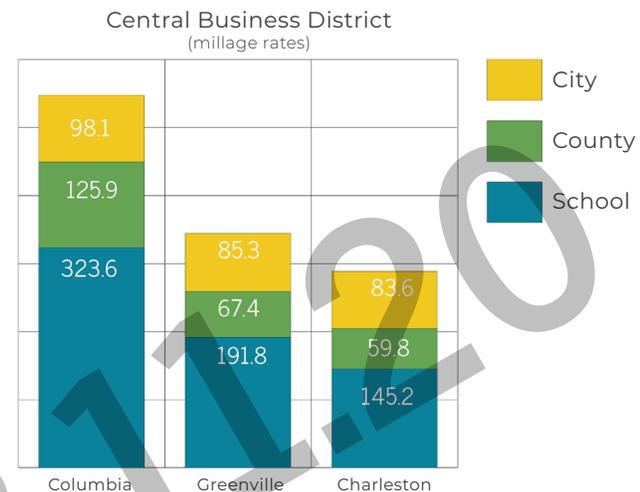
Homestead Property Tax of selected cities. Columbia ranked one of the lowest out of 53 largest cities per each state to enjoy low property tax.

Tax Structure

COMMERCIAL PROPERTY TAX

Commercial properties in the central business district of Columbia pay significantly more in property taxes compared to those in our peer cities of Charleston and Greenville. Reasons for this significant departure include higher county tax rates in Richland County and higher school tax rates in Richland One when compared to peer counties and school districts. A \$25M valued commercial building in the central business district of Columbia pays approximately \$730,000 in taxes, while taxes for the same property in Greenville would be approximately \$500,000, 31.5% lower than Columbia. Charleston taxes on the same property would be approximately \$388,000, or 46.8% lower than Columbia. When compared with Greenville, Columbia’s municipally-levied taxes are 1.15 times greater than the City of Greenville’s, Richland County taxes are 1.8 times greater than Greenville County taxes, and Richland One School taxes are 1.6 times greater than those levied by Greenville Schools.

In addition to higher tax rates, there are some other reasons why taxes on commercial properties in Columbia are high. Properties in both Charleston and Greenville have a higher median value than Columbia. Furthermore, Columbia has a significant amount of land that is tax exempt with many state, nonprofit, and institutional uses that support the overall state. This means that commercial tax payers in Columbia are paying taxes to support a larger piece of the pie than their counterparts in peer cities. It should be noted that South Carolina Act 388 structures taxes for schools based upon commercial and industrial revenue only. Thus primary residential property is also exempt from the school operating tax. Columbia ranks 8 out of 53 of the largest cites for the highest urban commercial property taxes.



The above chart provides a comparison of central business district millage rates between comparable cities. Only major taxing entities are compared; smaller millages are assessed by a variety of other entities which also contribute to the overall tax burden.

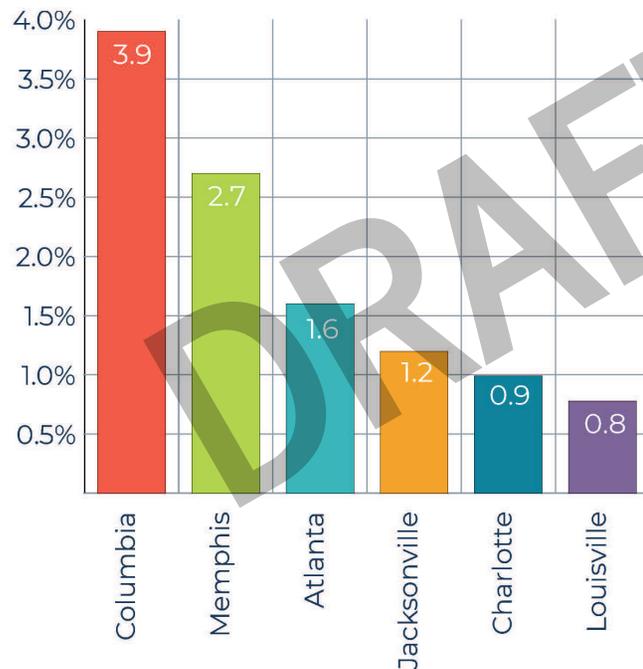


Central Business District of Columbia Spring 2019. Image iStock.com/Kruck20

Tax Structure

INDUSTRIAL PROPERTY TAX

In 2015, Columbia had the highest industrial taxes in the US of the 53 largest cities in each state. In 2014, industrial property assessed at \$25M would pay \$1,985,861 in taxes in Columbia, in comparison to \$256,155 in Wilmington, DE (#53). South Carolina law assesses industrial buildings and equipment at 10.5% of market value, compared to assessments 4% for owner occupied residential and 6% for commercial properties. A property valued at \$100,000 with \$20,000 in fixtures has a net tax of \$3,673. Columbia's industrial tax rate exceeds that of Memphis, Atlanta, Jacksonville, Charlotte, and Louisville.



Comparison of industrial property Tax in select City's.



The Columbia Region attracts a number of quarries. Image iStock.com/igorbondarenko



Industrial Parks in many regions assist to offset cost of single family and tax exempt properties. Columbia has limited industrial parks. Image iStock.com/MediaProduction

Industries

REGIONAL CLUSTERS

A trade cluster is a group of business which are located near one another and draw economic advantages because of their location and serve markets beyond the region. Columbia gained nine points within the trade cluster index value between 2014 and 2017. Current clusters within the region are centered around insurance, communications, and distribution and e-commerce. Emerging industry clusters in the region are pharmaceuticals, automotive, and engineering. Our trade clusters pay higher wages, and generate 90% of our innovation activity. When comparing our trade clusters over time, the Midlands Regional Competitiveness Report has shown that our trade clusters have risen by 29 points above the US average between 2014 and 2017.

LOCAL CLUSTERS

A local clusters is a group of business, which are located near one another and serve the local market. Local clusters are in every region of the country regardless of the competitive advantages of a particular location. Our economy is driven by 70% local clusters and 30% trade clusters.

Major Employers in the City of Columbia consist of the State of South Carolina, Prisma Health, Blue Cross Blue Shield of SC, and the University of South Carolina.

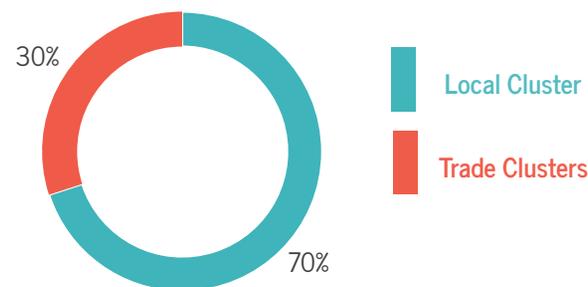
Region's Top Clusters

Insurance	Communications	Distribution and E-Commerce
3.64	2.13	1.26
location quotient	location quotient	location quotient
11,124	1,725	14,141
employment	employment	employment

A location quotient above 1.0 means the region has a higher concentration than the national average.

- 2017 Midlands Regional Competitiveness Report

Columbia's Trade Clusters vs. Local Cluster



Columbia's Trade Clusters are mainly based upon local trade

- 2017 Midlands Regional Competitiveness Report

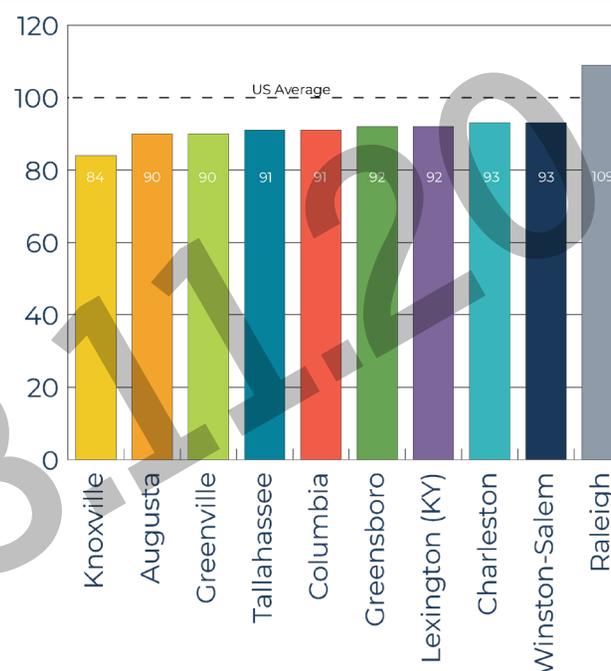
Workforce

TALENT

Attracting and retaining talent is a key to the success of growing communities and regions. Indicators of talent include GDP per worker, STEM degrees, knowledge works, educational attainment, global talent, and STEM salaries. Columbia has a relatively high talent index value compared with our peer cities, however all of our peer cities (with the exception of Raleigh) fall below the US average. The talent value in Columbia dropped 5 points between 2014 and 2017. During this time the strength of the US economic market grew, and while other regions were able to attract talent, Columbia was unable to keep up with increasing salaries and job access. In 2018, the City of Columbia was home to 13,080 companies with 57,741 employees. Of these over 15,000 employees, in healthcare, 3,200 in scientific and technical services, and 4,800 in finance and insurance.

The US Census in 2017, indicates that the median household income is \$42,875, and the per capita income is \$25,990. In Columbia, 87.6% of residents have a high school degree or higher, while 16.1% have a bachelor's degree or higher. Columbia is in line with our peer cities with regard to talent, however both Columbia and our peer cities are below the US average as calculated.

Talent Index Comparison (2017)



Talent Index: Columbia, peer cities and US average - 2017

Index Value

An index is a construct meant to monitor the changes in the talent of cities over time.

The index value on talent in Columbia dropped five points from 2014 (96 points) 2017 (91 points).

- 2017 Midlands Regional Competitiveness Report

Workforce

TALENT, CONTINUED

Key Economic Measurements - City of Columbia

Assorted Measurements

Bachelor's Degree
or Higher
16.1%

High School
or Higher
87.6%

Per Capita
Income*
\$27,730

Median Household
Income*
\$43,650

Owner-occupied housing unit
rate*
45.3%

Median Value of
Owner Occupied Housing*
\$168,800

Households with Broadband
Internet*
75.2%

Households with a
Computer*
87.2%

Civilian Labor Force*
57%

Persons per household*
2.24

Total Retail Sales**
\$2,631,071

Persons in Poverty
22.3%

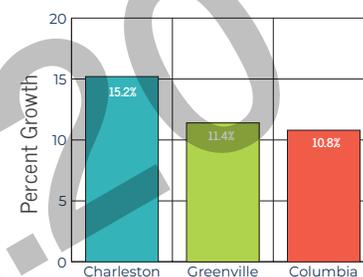
- U.S. Bureau of Economic Analysis
*2013 to 2017
** 2012

Key Economic Measurements - City of Columbia

Gross Domestic Product (GDP)



Regional Growth 2011-2016



- U.S. Bureau of Economic Analysis

SECTORS

In 2018, the City of Columbia was home to 13,080 companies with 57,741 employees. Of these, over 15,000 employees worked in healthcare, 3,200 in scientific and technical services, and 4,800 in finance and insurance.

Sector Summary

	Total	Health Care & Social Assistance	Companies in Finance & Insurance	Scientific & Technical Services
Number of Companies	13,080	549	516	838
Number of Employees	57,741	15,335	4,873	3,280

- U.S. Bureau of Economic Analysis

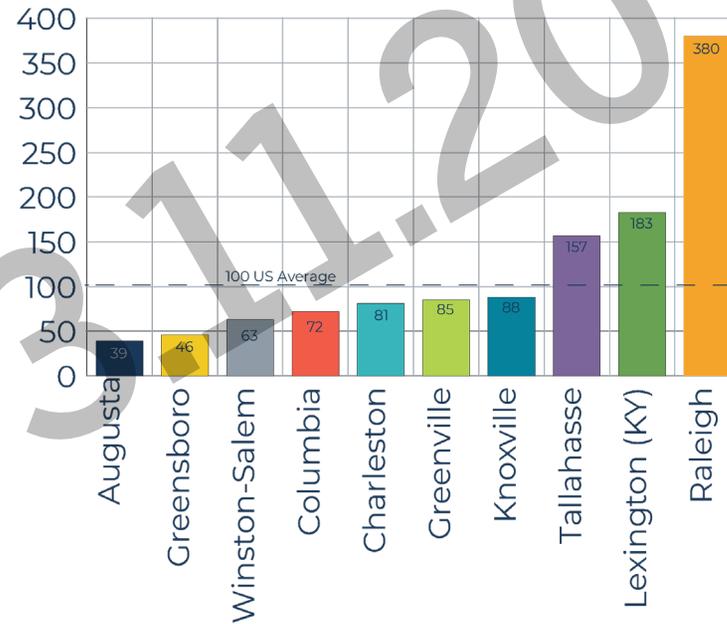
Workforce

INNOVATION

The strength of a community or region can often be measured by innovation capacity indicators. These indicators have been defined by the Midlands Regional Competitiveness Report for a number of years, and include innovation awards, intellectual property creation, research and development, academic achievement, and research and development funding. These indicators allow a community to understand how they align with other peer cities. The below chart shows that Columbia is below the US average, however we are clearly in the middle of peer cities but below by 10-15 points of Charleston and Greenville our most comparable cities in South Carolina.

Another, index that is often used to determine how a community relates to their peer cities is a vitality index. A vitality index examines patterns of trade and technology to see which areas are prospering and which are being left behind. A 2018 report from the Geography of Prosperity from Nunn, Parsons, Shambaugh, and Brookings Institute indicates that Charleston County has the most vitality in the state. Factors that make up this index include population density, degree of industry concentration, manufacturing share of employment, educational attainment, and innovation and patenting.

Innovation Index Comparison Among Peer Cities



Policies & Programs

ENTREPRENEURSHIP

Entrepreneurship is one of the key economic development activities of the City's Office of Business Opportunities and the Economic Development Department. The City's Office of Business Opportunities (OBO) has a number of programs focused both on helping new businesses get off the ground and helping established businesses grow, some of the program offered by OBO are listed below.

FastTrac® GrowthVenture™ program is a flexible course designed to help businesses reach their potential through proven frameworks and processes to facilitate sustainable growth and efficient operations. This 30 hour course takes applicants through a process that:

- Analyzes their current situation,
- Determines a model for growth,
- Builds a budget that supports the vision and strategic plan,
- Finds ways to strengthen products/services,
- Looks at roles of management team,
- Strategizes how to improve profitability and performance.

The course is an interactive format that encourages teamwork and network building.

NXLevel Micro Entrepreneur class is a 45-hour, weekly evening class that helps applicants who are considering opening a business or are interested in taking a small business to the next level. The course focuses on common successes, failures, and best industry practices for success. Participants learn how to define a business idea and develop a business plan, understand the value of business analysis and develop a marketing plan, explore financing options, risk management, and create a customer service philosophy, as well as

other relevant entrepreneurial skills.

Small Business Week Conference: In conjunction with National Small Business Week, the City's Office of Business Opportunities (OBO) hosts a one-day conference to facilitate networking between all types of businesses, face-time with City and County officials, and informational presentations for business owners.

Columbia's Disadvantaged Business Enterprise program (CDBE) is a policy which states that Disadvantaged Business Enterprises* (DBEs) shall be afforded the opportunity to participate fully in the overall procurement process. This policy applies when the City has placed a mandatory subcontractor goal on a project; the bidder must subcontract a certain percentage of its bid to qualified available CDBE subcontractors.

The City of Columbia Local Business Enterprise (LBE) encourages the use of local businesses in an effort to support and empower local community efforts and to further economic growth. The LBE preference applies to any procurement valued between \$5,000 and \$25,000, and any City contract procured by a competitive sealed bid or by a Request for Proposal, if the estimated contract value is over \$25,000.

The Mentor Protégé Program (MPP) pairs small, minority, veteran, and women-owned business enterprises with corporations and/or prime contractors.

*A Columbia Disadvantaged Business Enterprise (CDBE) is defined as (1) a certified business (2) has had an active office in the Columbia-Orangeburg-Newberry Combined Statistical Area (Calhoun, Fairfield, Kershaw, Lexington, Newberry, Richland, Saluda, or Orangeburg) for one year; and (3) is a socially and/or economically disadvantaged business.

Policies & Programs

ENTREPRENEURSHIP, CONTINUED

The City's Commercial Revolving Loan Fund (CRLF) has funds available to lend to qualifying small businesses located in the City of Columbia. The goal of the commercial revolving loan program is to foster economic development and improve the number and caliber of job opportunities in the City of Columbia. OBO offers assistance to start-up and existing businesses for expansion, creation or retention of jobs, and assistance in the redevelopment of commercial corridors and the elimination of blight. The commercial loan program supports Small and Minority/Women Owned Businesses and businesses located in priority development areas of the City. The funds may be used in cooperation with private lenders in making loans that banks might not ordinarily fund on their own, or to provide gap financing beyond what is offered by a bank for a project. Small businesses unable to receive financing from other lenders at reasonable rates and terms may also be eligible.

The Commercial Retention and Redevelopment Program is a two-part forgivable loan program in a targeted area of the City that rotates to various areas every 1-2 years. The façade improvement loan requires a 20% match by the applicant for exterior improvements that meet City standards and contribute positively to the targeted area. The forgivable commercial loan may be used for interior or exterior projects which meet the criteria. It does not require a match, but the applicant must also be taking advantage of the façade improvement loan.

The purpose of the Sub-contracting Outreach Program (SOP) is to provide full and equitable sub-contracting opportunities for all segments of the business community, promote contract opportunities for smaller firms, and enhance competition for City contracts. Supplier diversity is critical to maintaining a competitive advantage in the marketplace and community, as well as our economy. The SOP applies to City-funded construction contracts of \$200,000 and above. In 2017, the City awarded \$28,488,500 through its Sub-contractor Outreach Program with \$8,790,466 going to sub-contractors.



The City of Columbia Local Business Enterprise (LBE) encourages the use of local businesses in an effort to support and empower local community efforts and to further economic growth. Image iStock.com/IPGGutenbergUKLtd

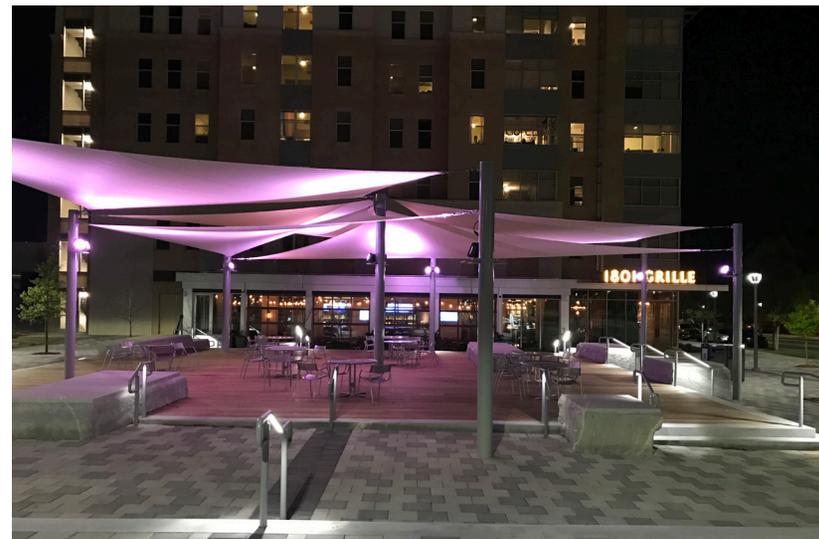
Policies & Programs

SUMMARY OF CITY PROGRAMS

	Policy	Program	Project	Partnerships
Land Use				
Bailey Bill tax incentive				Richland County
Parking reductions in design districts				
Abandoned Building tax credit				State of SC
Public provision of parking incentive/garages				Richland County
New Market tax credit				Federal IRS
Textile Revitalization tax credit				Federal IRS
Public Infrastructure/Investment				
North Main Streetscaping				Richland County Penny, SCDOT, CMCOG
South Main Project				SCDOT, U of SC
Wayfinding program				Experience Columbia, SC, Business Districts
Cannon Garage				
BlueBike SC bike share program				BCBS SC
Business Development				
Columbias Disadvantaged Business Enterprise Program (CDBE)				City of Columbia
Local Business Enterprise Preference Policy (LBE)				City of Columbia
Mentor Protégé Program (MPP)				City of Columbia
Subcontractor Outreach Program (SOP)				City of Columbia
Business Spotlight Program				City of Columbia
FastTrac Growth Venture				Midlands Technical College
Grants and Loans				
City Wide Commercial Loan Program				City of Columbia
Facade Improvement Program				City of Columbia
Entrepreneurship				
NxLevel Micro Entrepreneur				Benedict College
Fired Up Accelerator				U of SC Technology Incubator
Launch Pad				
USC Business Incubator				



Pendleton Street, 2017 Improvements with sidewalks, lighting, parking, and bike lines.



Public space and evening lighting within plaza area within Foundation Square.

Livability

QUALITY URBAN INFILL

One of the greatest roles the City plays in economic development is the ability to shape the physical characteristics of the City in a way that enhances the livability for all residents. From land use policies to infrastructure improvements, the City has a critical responsibility to ensure that the day-to-day policies, operations, and spending decisions support the long term vision and values of the City.

Land use regulations and incentives are both effective tools used to guide private development. The City's current rewriting (2019) the Unified Development Code which has been rewritten to address quality urban infill. This important process was undertaken for the first time in nearly 40 years, and is a process to modernize the regulatory tools and ensure they reflect the recommendations of the land use element, which was updated in 2015. Ensuring that land use regulations support the desired growth patterns and are easily understood and transparent to the public is critical for the future of economic development in the City of Columbia.



Residential infill can be contemporary, urban, and spacious. Image iStock.com/Solidago



Quality urban infill is a key to continued investment in our corridors.



New urban infill can blend and complement existing development in both downtowns and neighborhood commercial areas. Image iStock.com/Michael Jones

Livability

TAX INCENTIVES

There are also a number of tax incentives that have been developed for specific types of redevelopment. The Bailey Bill, discussed more in the Cultural Resources existing Conditions Report in the appendices, is a City and County property tax abatement incentive that freezes an eligible historic property's tax value for 20 years if a certain percentage of the current tax value is invested in qualifying expenses.

Land use and tax incentives are also very effective tools in shaping development by providing voluntary programs that advance the City's goals and offer benefits to the developer.

Prior to the new land use code adoption which will reduce the off-street parking requirements, parking reductions are attached to all four urban design overlays as a way to offset the cost of development while acknowledging the additional modes of transportation that are available in the urban core.

In the North Main Corridor, density bonuses are included for projects that include a percentage of residential development as a way to address one of the goals of the North Columbia Master Plan, which was to increase residential density along the corridor in order to support mixed-use development and walkability.

Also in the North Main Corridor Overlay District, additional parking reductions are given for projects that provide public space or public art adjacent to the right-of-way. This too was an effort to increase pedestrian-oriented development along a corridor with narrow sidewalks in a historically auto-oriented corridor.

In addition to the Bailey Bill, there are other tax incentives that can help projects become feasible for redevelopment. The Abandoned Building tax credit can be applied to property tax or income tax, and provides a credit equal to 25% of the cost of rehabilitation for buildings of which the majority of the space has been closed to business for at least five years.

A recent ordinance passed by the City provides a 50% reduction of property tax for public infrastructure. Passed in the Fall of 2018, the tax reduction is good for ten years and requires a minimum investment. Land use and tax incentives are also very effective tools in shaping development by providing voluntary programs that advance the City's goals and offer benefits to the developer.



The redevelopment of many historic buildings on Main Street was made feasible by using the Bailey Bill tax abatement program.

Livability

CORRIDORS AND GATEWAYS

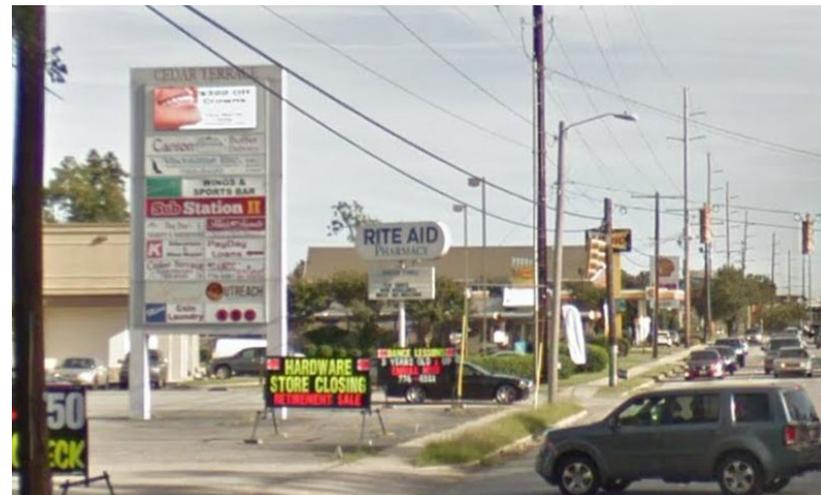
Investing in corridors is one of the most effective ways to revitalize an area. Beyond serving as transportation arteries for cars, corridors have a significant impact on the image of the City. As noted later in the feedback section of this report, staff heard repeated concern about the poor image the City's corridors projects. Streets that are dominated by fast moving traffic, utility poles with overhead lines, and which lack quality sidewalks and street trees, do not lend themselves to a safe, multimodal transportation system. While the transportation element discusses multimodal corridors in more detail, the impact of unattractive, auto-dominated corridors on economic development is significant. In addition to the design and condition of the right-of-way, the properties along many corridors present a predominance of surface parking lots with little or no landscaping, poorly maintained buildings, and sign clutter.



Harbison Blvd. in Columbia is a great example of a commercial corridor that through private restrictions developed an economically successful and aesthetically pleasing corridor with coordinated signage, trees, and landscaping. Image iStock.com/Solidago



Broad River Road near the Richland Library. One common condition of many corridors is the lack of shade trees.



Garners Ferry shows common conditions of sign clutter.

Livability

CORRIDORS AND GATEWAYS, CONTINUED

Reconfiguring a street to accommodate multimodal transportation not only improves mobility and safety, it makes destinations along the corridor more easily accessible to more people, which is good for business. Furthermore, businesses are looking to locate in cities that are meeting of the needs of the younger generation of workers who are less interested in cars and more interested in active mobility and ride-sharing.

Utility upgrades, such as burying power lines along a corridor, can improve the image of the corridor, burying lines also provides opportunities for shade trees, both increasing property values, and making a safer and more attractive pedestrian environment. Similarly, installing infrastructure for fiber-optic cable and having appropriate opportunities for wireless communication facilities sets the stage and ensures the highest quality services for new development.



Elmwood Avenue, a key gateway to the central business district has many of the same design challenges as neighborhood corridors.



Greene and Park Street 2017 improvements to sidewalks, lighting storm system (bioswales), and lighting



Sumter Street 2018. Proposed to become a multi-modal transit street.

Data Gathered

FALL SURVEY

The Fall 2018 survey looked at each plan element and allowed respondents to choose from 5 of the 9 elements. The most popular element selected was Economic Development, with 844 people answering specific questions on the topic. In general, respondents felt that Columbia had improved in the past decade. Respondents also agreed that the percentage of nontaxable property in the City creates a financial difficulty for City operations. With regard to jobs, there were a number of respondents who felt that Columbia did not have enough job opportunities to entice recent graduates to stay in the area. Respondents did not have a strong opinion as to jobs whether jobs are or are not conveniently located where people live.

A mapping exercise during the survey asked participants to identify thriving businesses throughout the region. The results were high concentrations in the downtown area (Vista, Main Street, Five Points, and Innovista) as well as along the corridors of Devine and Forest, and in the Crosshill Area.

Participants were also asked to identify weak places, which included empty storefronts. These were also mapped in concentrations in the community, specifically in areas along Two Notch, Millwood, North Main, and Broad River Road. Yet when these survey results are compared to the hidden gems also mapped during this survey, some of the same areas with empty storefronts, such as in the North Main area, were identified as hidden gems. More information about the Fall 2018 Columbia Compass Survey can be found in the survey results analysis document.

FOCUS GROUPS

During September, October, and November of 2018 City staff conducted a series of economic development focus groups. These focus groups reached around 80 individuals who are leaders in the community. Some individuals focus on attracting and retaining business, some were CEOs of major regional businesses, and others were involved in the educational sector and workforce development. Notable observations made by these group members included the following:

Taxes: Property taxes in the City are too high and are driving away investment. The City should look into collecting revenue from current non-revenue generating properties via fees.

Transportation: The City should advance transit options and look to density to make them effective (walking, bike, trains, trams, and other modes beyond the personal vehicle).

Economic Engines: Although the University has doubled in size, the City and Midlands is still lack a true economic engine and we have failed to create one.

Image: Columbia doesn't have a welcoming image entering the community. Trash and weeds are prevalent along corridors of the City.

Marketing: The City needs to do a better job of selling itself and its attractions; many people are unfamiliar with what the City has to offer.

Data Gathered

FOCUS GROUPS, CONTINUED

Schools: Young families are actively moving out of the City because they want to be located in better school districts. The newest trend currently is that new families to the area are choosing to live in other areas of the region for the same reason.

Partnerships: The City needs to be a regional leader, by promoting partnerships with other municipalities, counties, and organizations such as U of SC.

Maintenance: The City needs to focus on investing in existing infrastructure, roads, parks, and structures.

Catalyst Projects: The City needs larger scale investment to develop the river, parking garages, and office space.

Focus: The City needs to finish the projects they begin, not become distracted and spread too thin.

Housing: Companies have had difficulty attracting executive-level talent to the City of Columbia's because of a lack of appropriate housing stock.

PUBLIC MEETINGS

In October of 2018 public meetings were held with the goal of soliciting feedback on each element of the plan and finding out what the communities' perspective was on each topic. Stations were staffed topically and included Envision Columbia as well as each of the elements. The economic development station focused on Trade Clusters, Taxes and Fees, Talent, and Innovation. An interactive board asked participants to work together to draw a map of how economic development worked in Columbia. This exercise was challenging for participants, as understanding how economic development works in the Midlands region and who was involved is not clear to the average citizen, especially given the number of organizations involved in economic development efforts.

During the months of October, November, and December the Columbia Compass team engaged with residents in their communities. Fourteen community meetings were held throughout the City. During these meetings residents engaged with staff providing feedback on a one-on-one basis or in small groups. Discussions in regard to economic development involved retaining talent, creating opportunities for young adults to find jobs within the community, and redevelopment through investment into corridors of the community.

The public meetings held in February of 2019 built upon the information that was gathered in October, but more clearly focused on what we had heard and providing suggestions on where Columbia would like to be in ten years and at our 250th Anniversary as city in 2036. The feedback that was received allowed staff to develop and fine-tune the first round of recommendations that make up the plan.

Endnotes

- 1 Lincoln Institute of Land Policy and the Minnesota Center for Fiscal Excellence., (2015). *50 State Property Tax Comparison Study*, Cambridge: Lincoln Institute of Land Policy.

DRAFT 3.11.20