



**Columbia**  
COMPASS

Envision 2036

# Economic Development

WHAT IS IT?

## What is Economic Development?

The International Economic Development Council defines the term as “a program, group of policies, or activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs that facilitate growth and provide a stable tax base.”

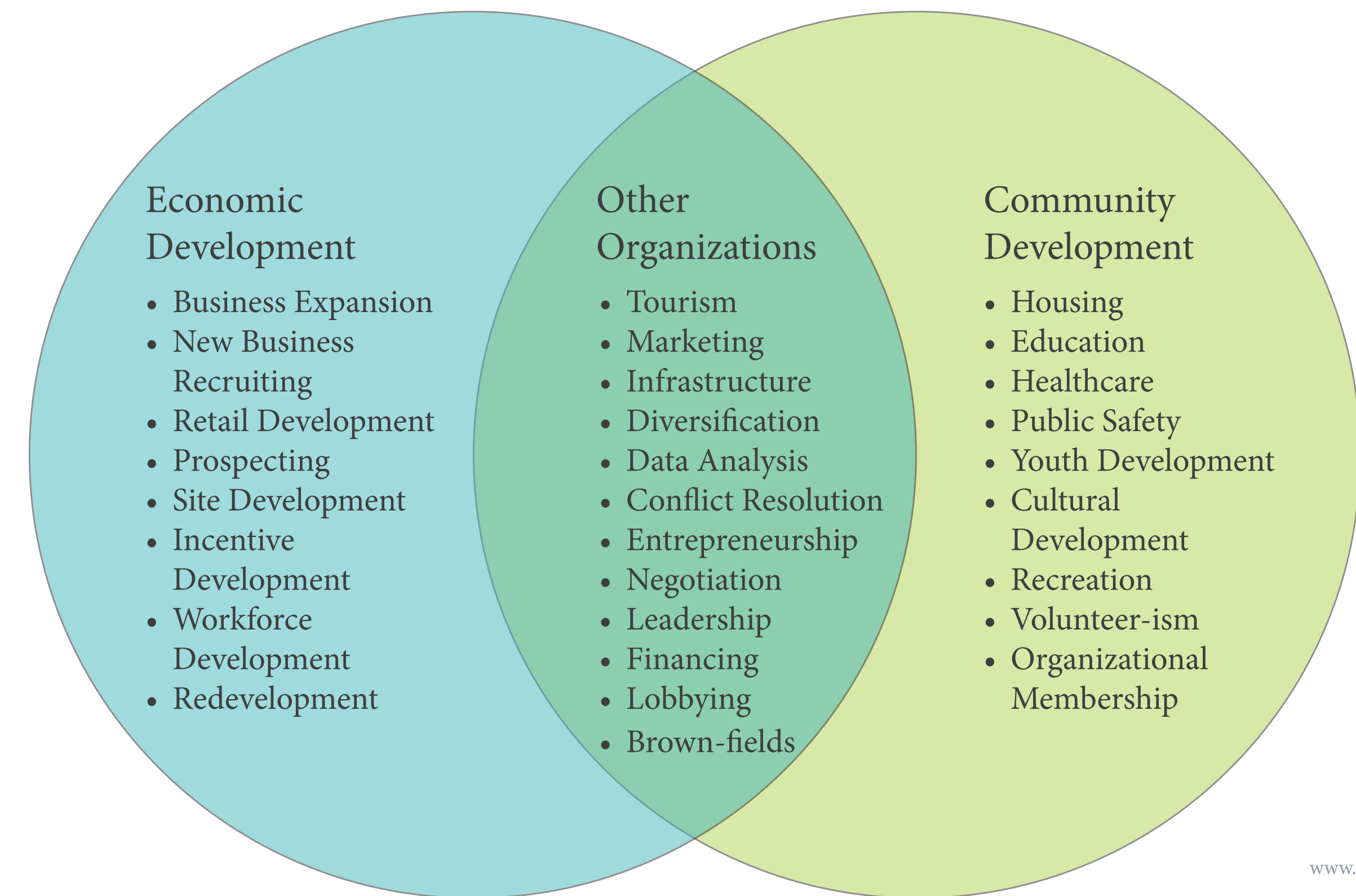
- International Economic Development Council



Photo: ExperinceSC, ColumbiaSC

Economic Development focuses on the creation of wealth which benefits the community. Key priorities are often on the retention and expansion of existing businesses, attracting new business from other areas to a target area, and the development or growth of completely new business.

## Economic Development and Community Development



**High Road Development** is a type of economic development where collaborative efforts between industry and workers, planners, and researchers seek to revitalize communities abandoned by businesses, reduce sprawl, and invest in public goods like education, transportation systems, and infrastructure.

**Business Retention and Expansion**

**Attracting New Business**

**Growth of New Business**

## Current Trends in Business Retention and Expansion

Low-Interest Loans

Financial Incentives

Training

Bond Programs

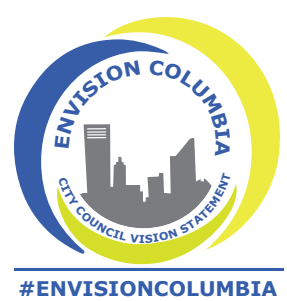
Zoning

Tax Credits

One-Stop Permitting Centers

Tax Increment Financing Districts

Multi-County Industrial Parks

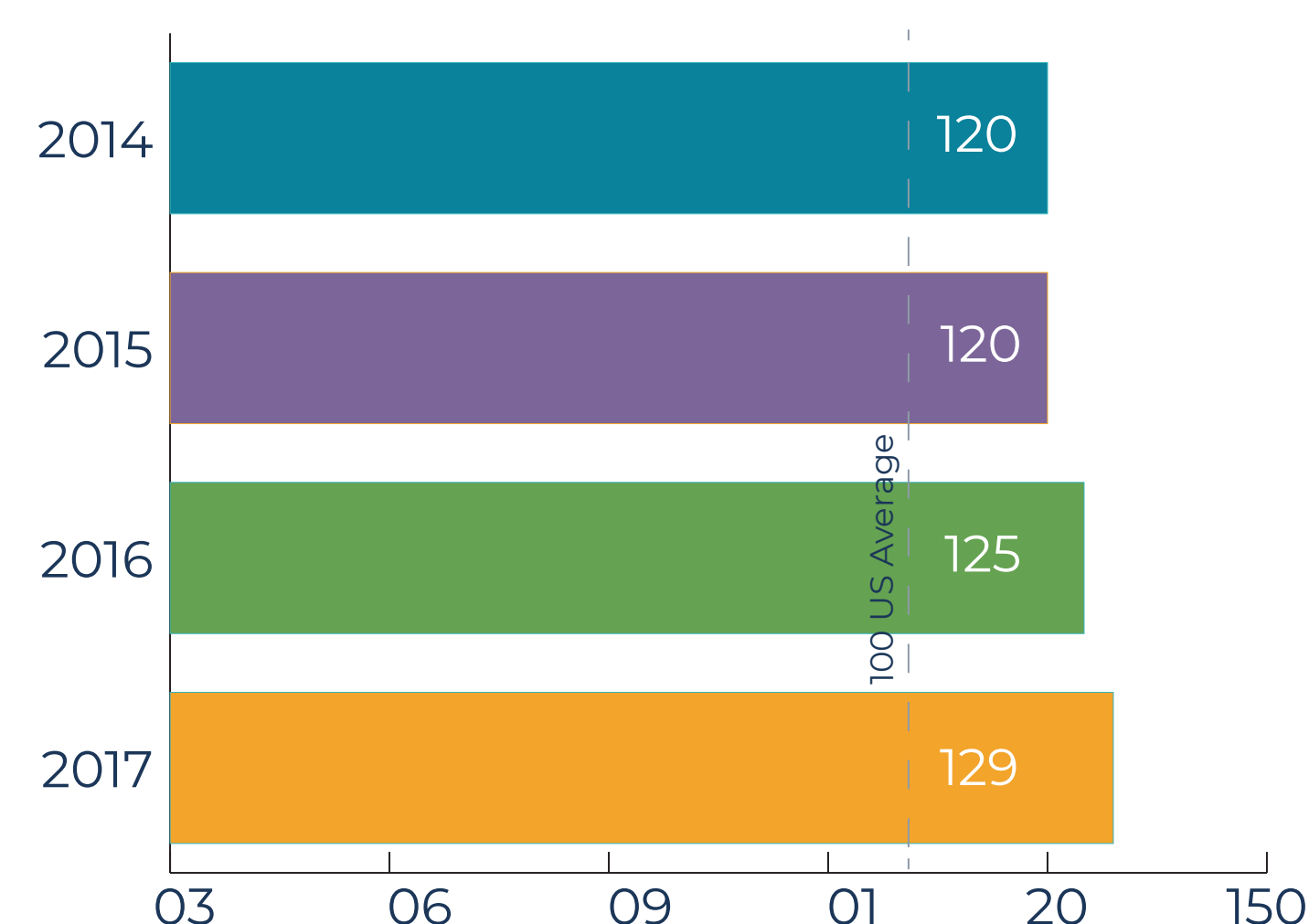






## Trade Clusters:

"An industry cluster is a group of firms and related economic actors and institutions that are located near one another and that draw productive advantage from their mutual proximity and connections." - Joseph Cortright - Brookings



### Change in Index Value + 9 points from 2014 to 2017

Overall, Columbia's trade cluster is 29 points above the US average of 100. With the percentage of employment increasing, the region is more competitive at a global scale.

- Emerging industry clusters are Pharmaceuticals, Automotive, and Engineering

- 2017 Midlands Regional Competitiveness Report

## Regions Top Clusters

### Insurance

3.64

location quotient

11,124

Employment

### Communications

2.13

location quotient

1,725

Employment

### Distribution and E- Commerce

1.26

location quotient

14,141

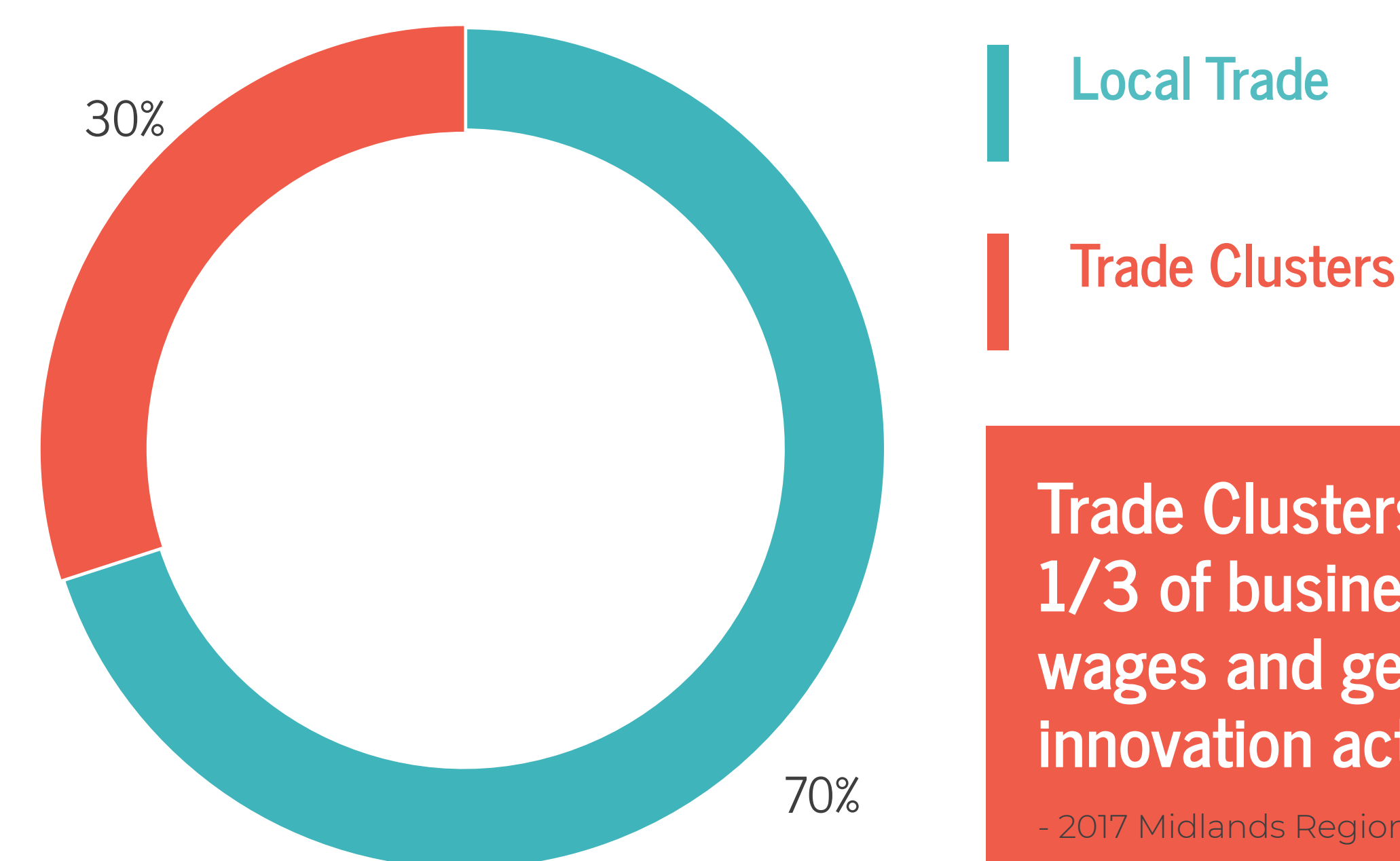
Employment

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 Trade



Trade Clusters represent about 1/3 of businesses, but pay higher wages and generate 90% of innovation activity.

- 2017 Midlands Regional Competitiveness Report

## City of Columbia Major Employers

Organization	# of Employees	Organization	# of Employees
State of South Carolina	25,246	DHEC	1,623
Palmetto Health Alliance	15,000	Dorn VA Medical Center	1,457
University of South Carolina	5,678	Colonial Life	1,200
Richland One	4,265	Allied Universal	1,200
City of Columbia	2,523	Verizon	1,000
AT&T	2,100	Wells Fargo	800
Richland County	1,879	Aflac	650
SCDOT	1,716	First Citizens Bank	611
Providence Health	1,625	Aramark	540



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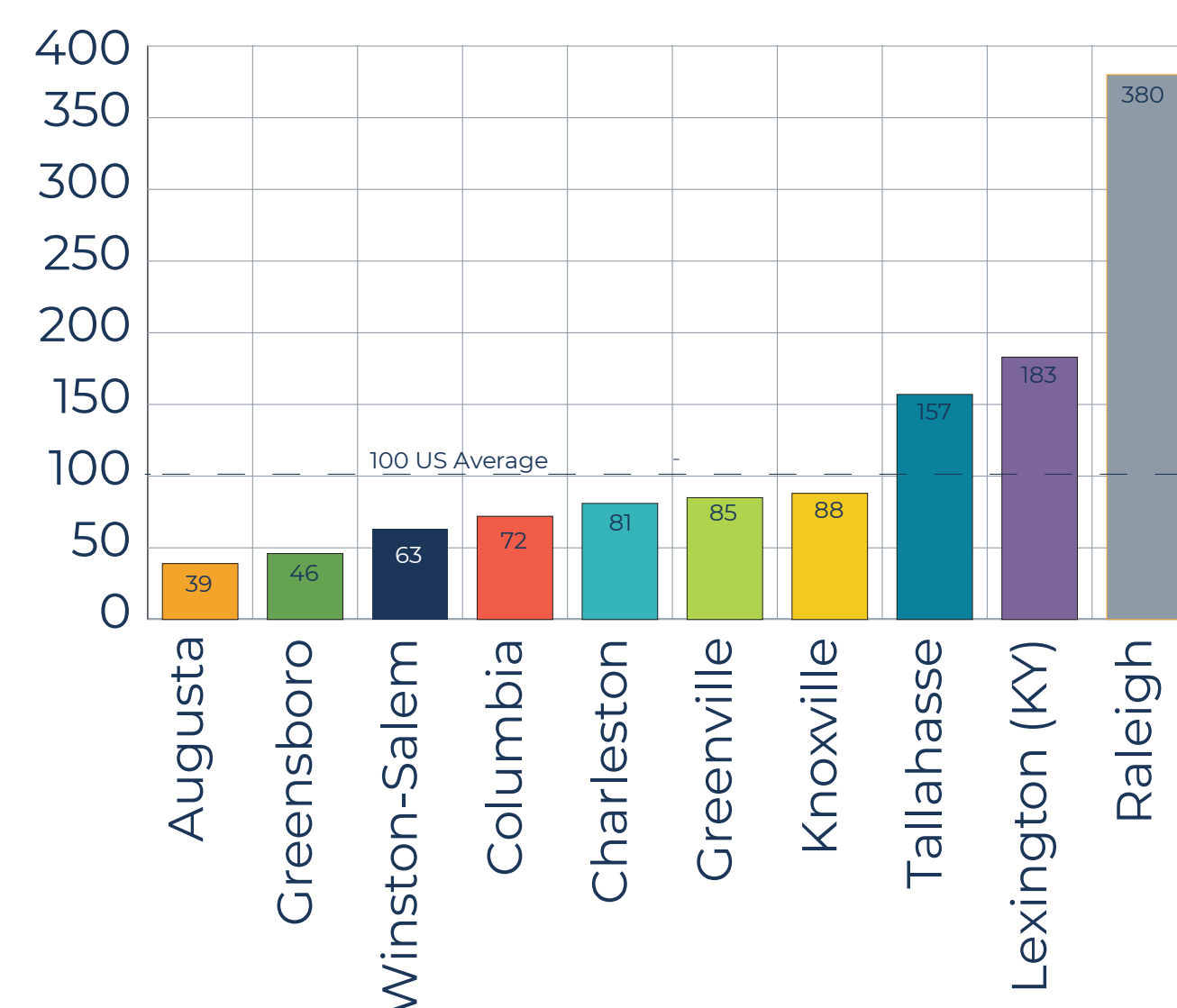
# Innovation

## Innovation Capacity:

A region's capacity to support the creation of new knowledge, to generate new ideas, products, and processes.

- 2017 Midlands Regional Competitiveness Report

### Comparison of Innovation (Index) Among Peer Cities



### Innovation Capacity Indicators

- Innovation Awards
- = Intellectual Property Creation
- + Research and Development
- Academic Achievement
- + Research and Development Funding

- 2017 Midlands Regional Competitiveness Report

Local businesses receiving Small Business Innovation Research  
and Small Business Technology Transfer programs (Funds in 2017)

MagAssemble, LLC

\$774,000

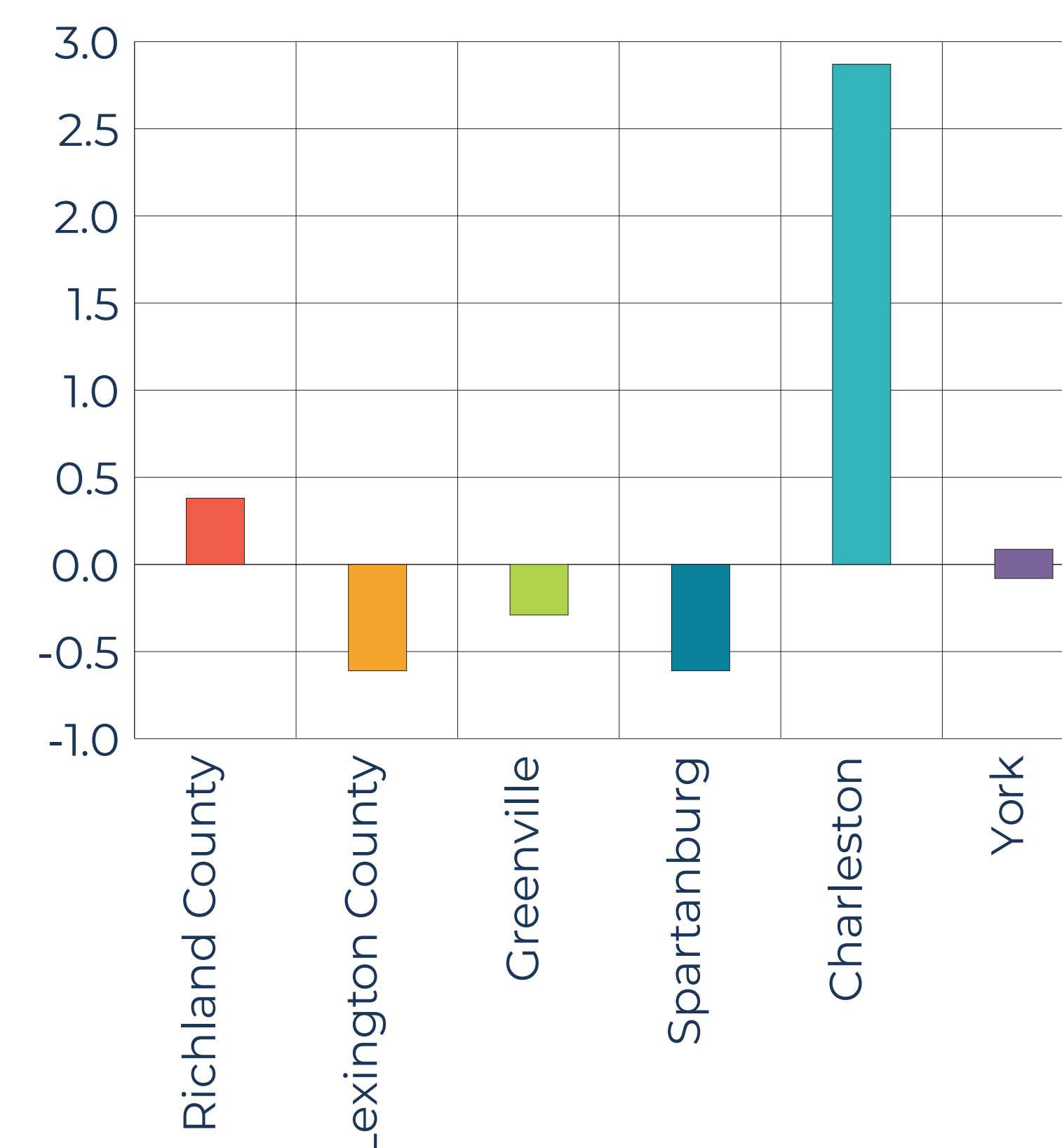
TerraStride

\$200,000

Zillioninfo

\$166,000

### Change in Vitality Index by County (1980-2016)



### What Explains County Vitality?

Six factors are associated with County Vitality:

- Population Density
- Degree of Industry Concentration
- Manufacturing Share of Employment
- Educational Attainment (High School/College)
- Innovation and Patenting

- The Geography of Prosperity, Nunn, Parsons, Shambaugh, Brookings Institute, Sept. 28, 2018

## Vitality Index

"Over the last several decades, the fortunes of regions and communities across the United States have stopped converging. Evolving patterns of trade and technology, among other factors, have created concentrated prosperity while leaving many places behind."

- The Geography of Prosperity, Nunn, Parsons, Shambaugh, Brookings Institute, Sept. 28, 2018







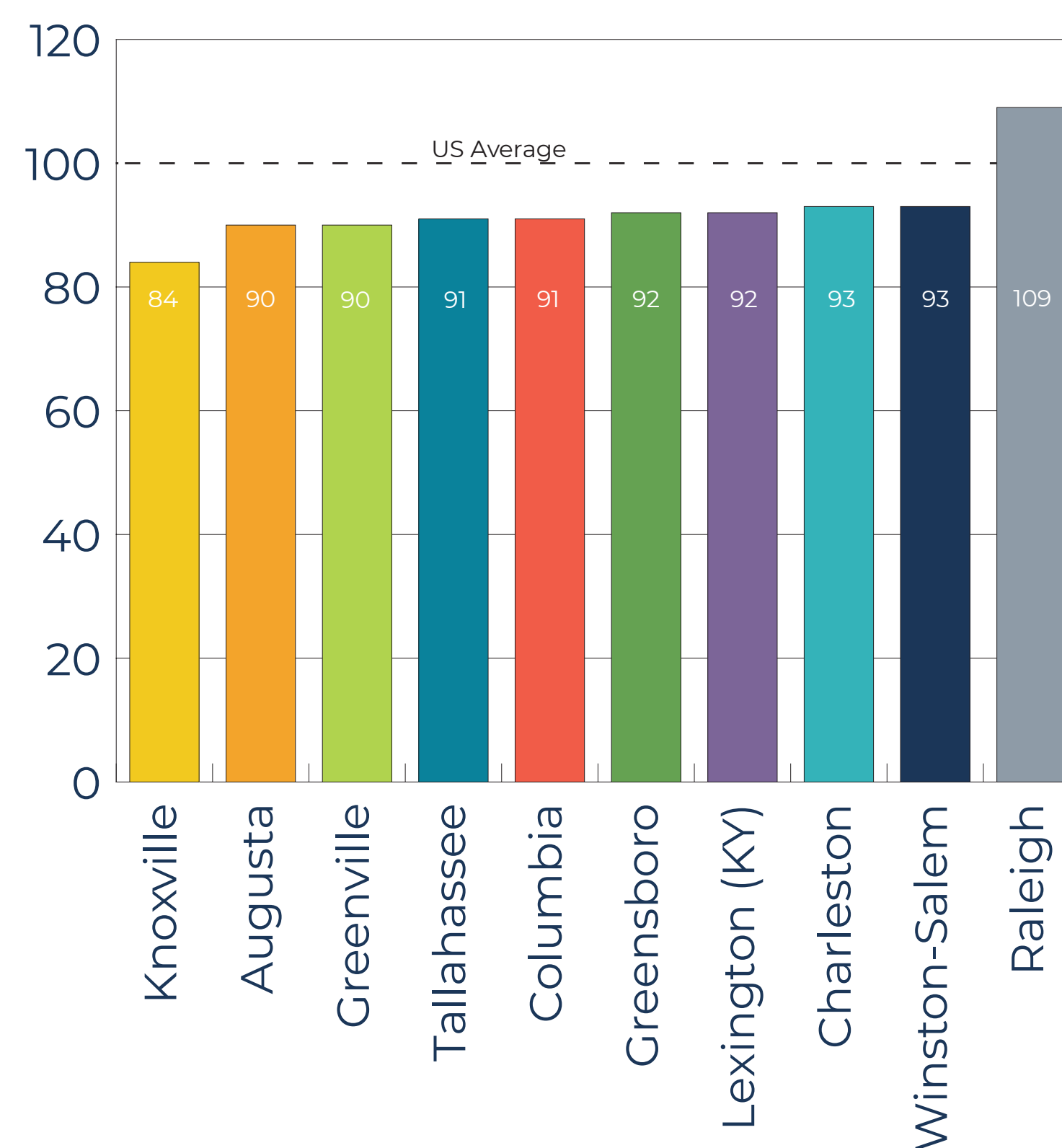
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# Talent

## Talent

A region's ability to retain and attract talent of a skilled workforce is key to the economic success of a community and region.



Talent Index Comparison (2017)

### What is an Index Value?

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

## Talent

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.

### Indicators of Talent

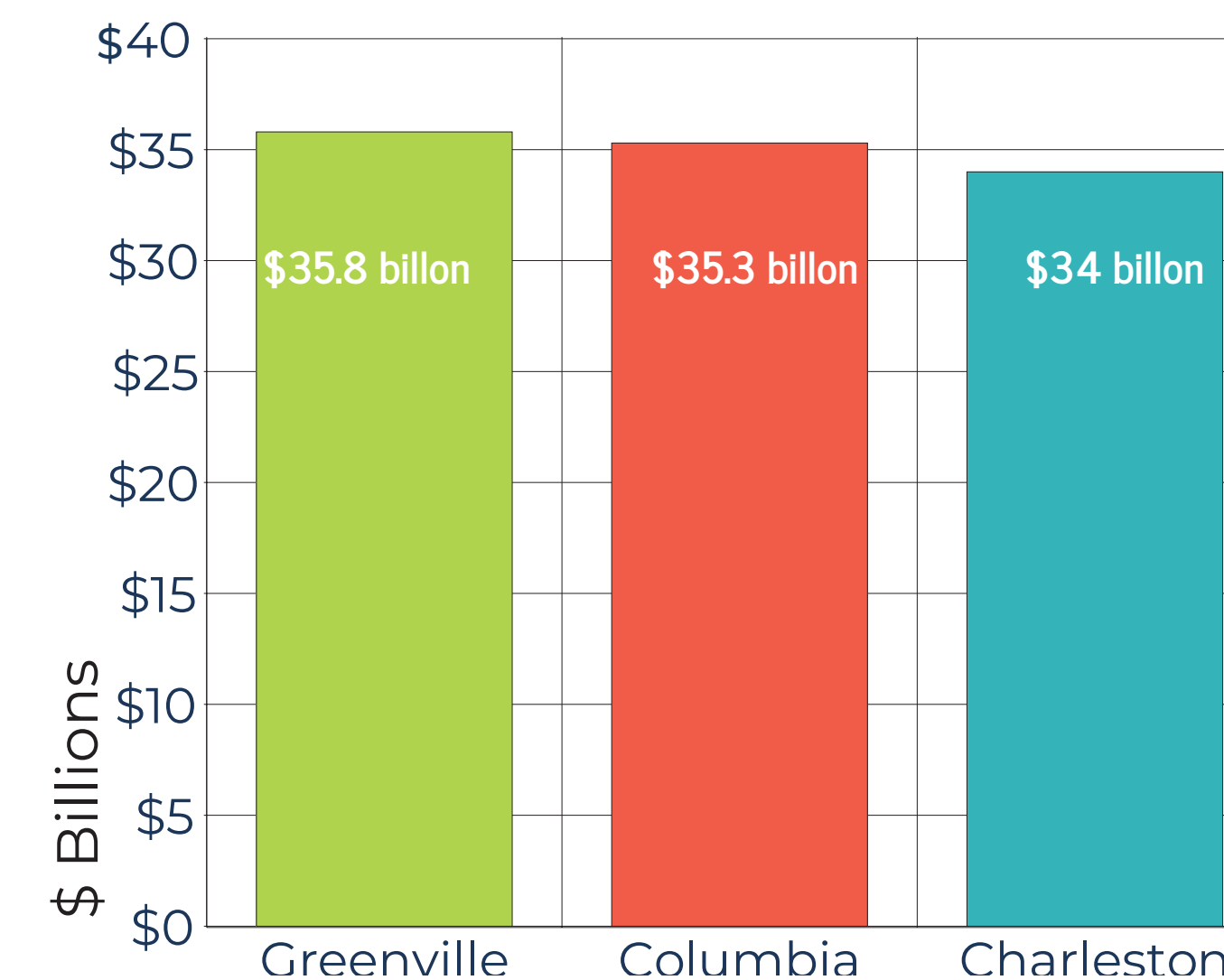
- GDP per Worker
- STEM Degrees
- Knowledge Workers
- Educational Attainment
- Global Talent
- STEM Salaries

### Index Value

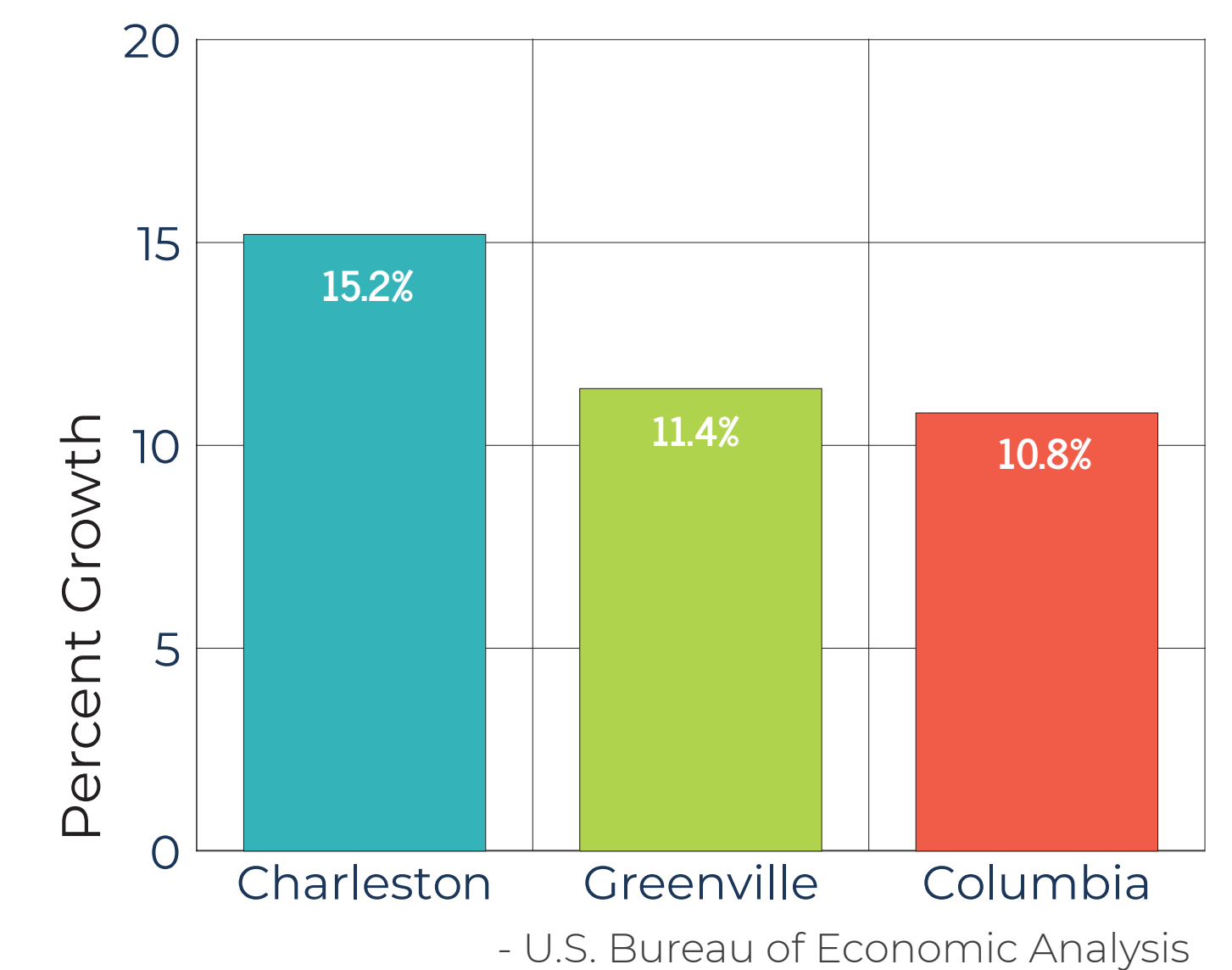
The index value on talent in Columbia dropped five points from 2014 (96 points) to 2017 (91 points).

- 2017 Midlands Regional Competitiveness Report

## Gross Domestic Product (GDP)



## Regional Growth 2011-2016

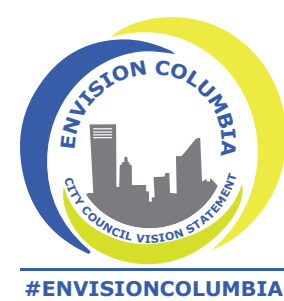


## Key Economic Measurements - City of Columbia

	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
Median Household Income	\$42,875			
Per Capita Income	\$25,990			
High School or Higher	87.6%			
Bachelor's Degree or Higher	16.1%			

- U.S. Census

columbiacompass.org

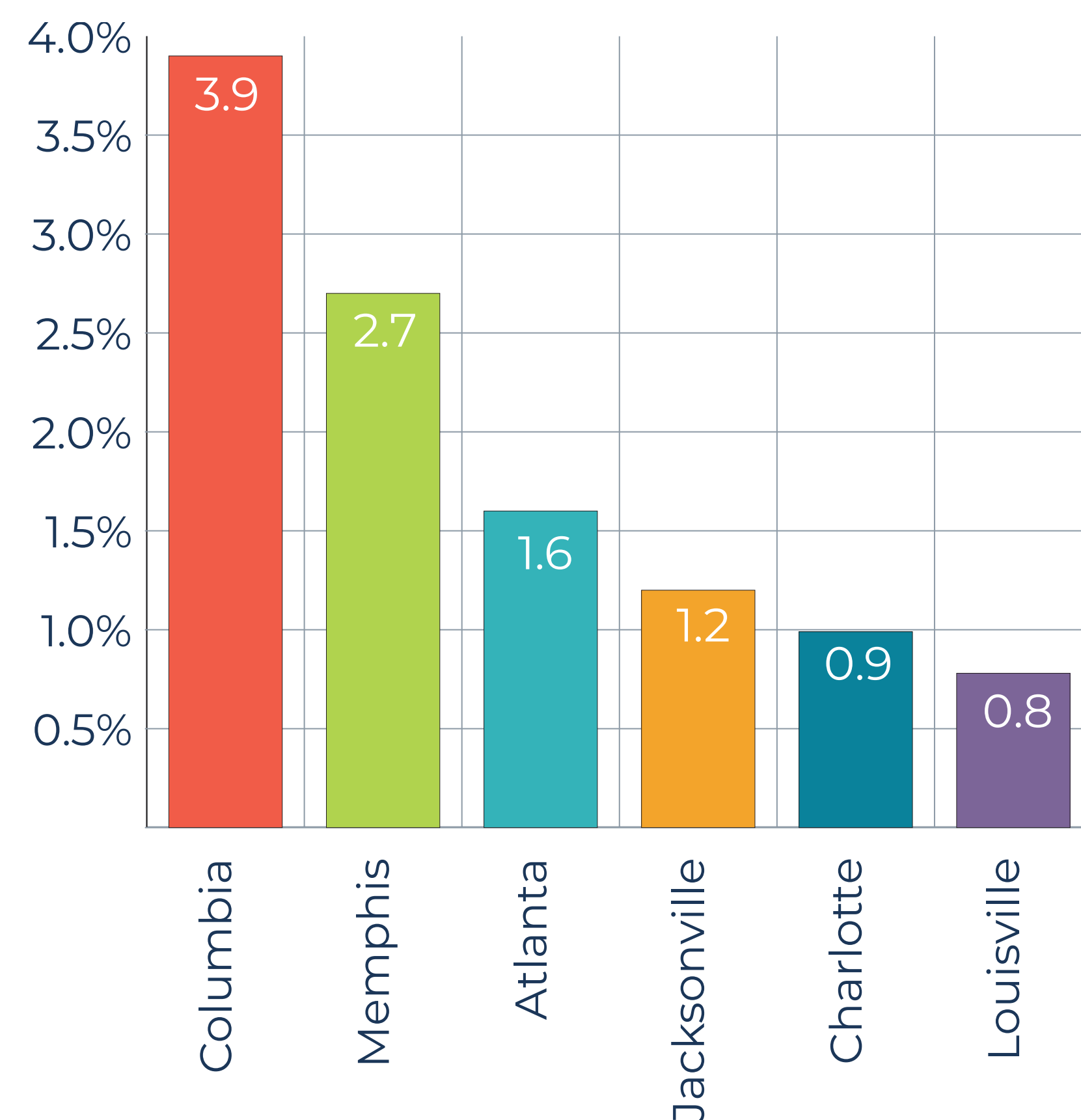






## Industrial Taxation

In 2015 Columbia SC ranked #1 of the top 50 urban cities with the highest industrial taxes in the US. A \$25M property would pay \$1,985,861 in taxes in Columbia, in comparison to \$256,155 in Wilmington, DE (#53).

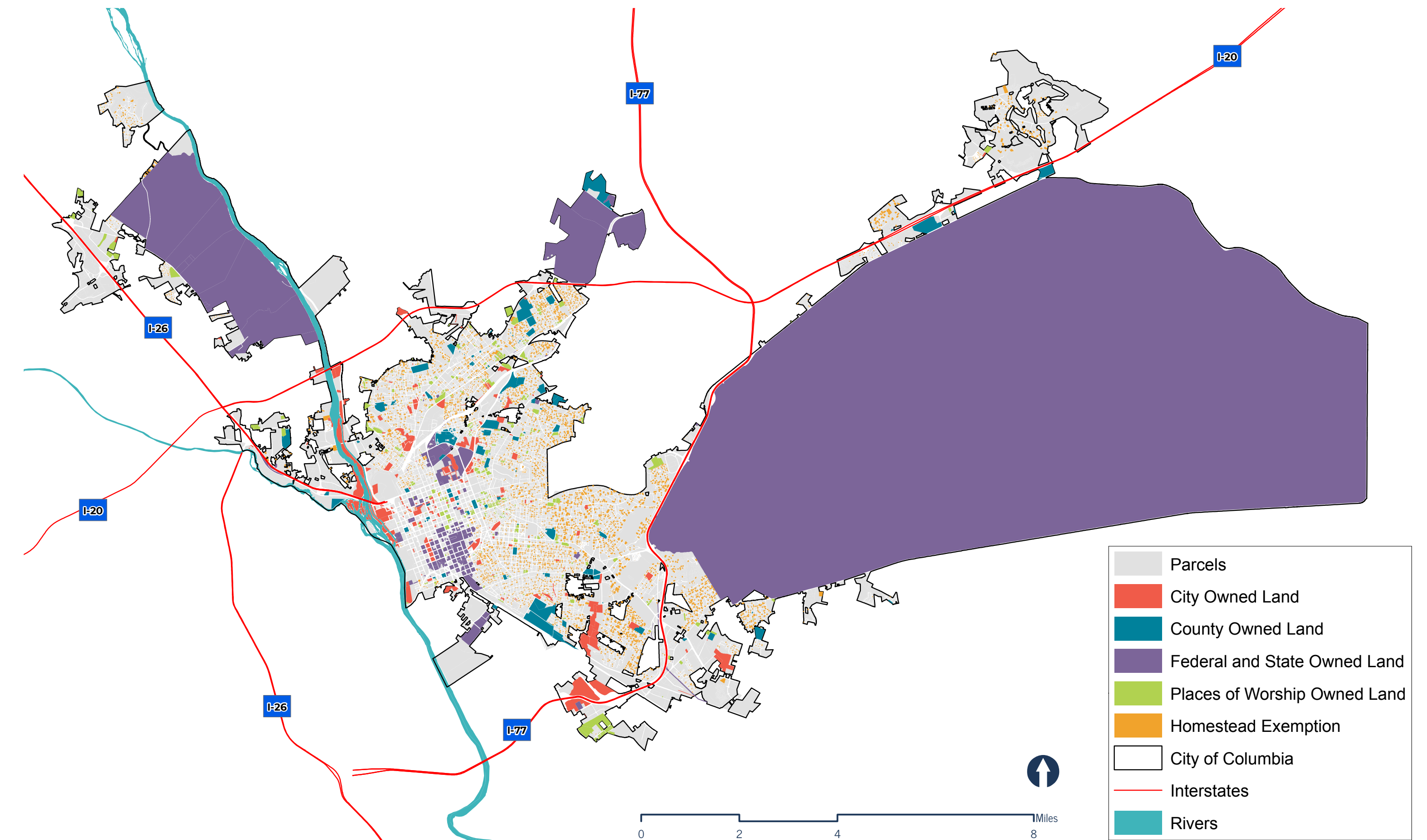


Urban Industrial Property Taxes  
(Effective Tax Rates)

## Industrial Taxation

- SC law assesses industrial buildings and equipment at 10.5% of market value, compared to 4% for homesteads and 6% for commercial properties.
- Columbia ranks 8 out of 53 of the largest cities for urban commercial property taxes. A property valued at \$100,000 with \$20,000 in fixtures has a net tax of \$3,673.

• Lincoln Institute of Land Policy



The City of Columbia has 128.6 sq miles of owned property within its boundaries. 36.5% of the owned property area of the city is full or partial exempt (excluding Ft. Jackson). When Ft. Jackson is included this number increases to 76.5%. The city has about 11.7 square miles of public right-of-way (ROW).

## Tax Exempt Land Area

Total Exempt  
Land Area

76.5%

County

1.3%

Places of Worship

0.7%

City

1.4%

Not including 11.7 miles of ROW.

Homestead  
Exemption

2.0%

Federal and State

21.4%

With Fort Jackson 70.96%

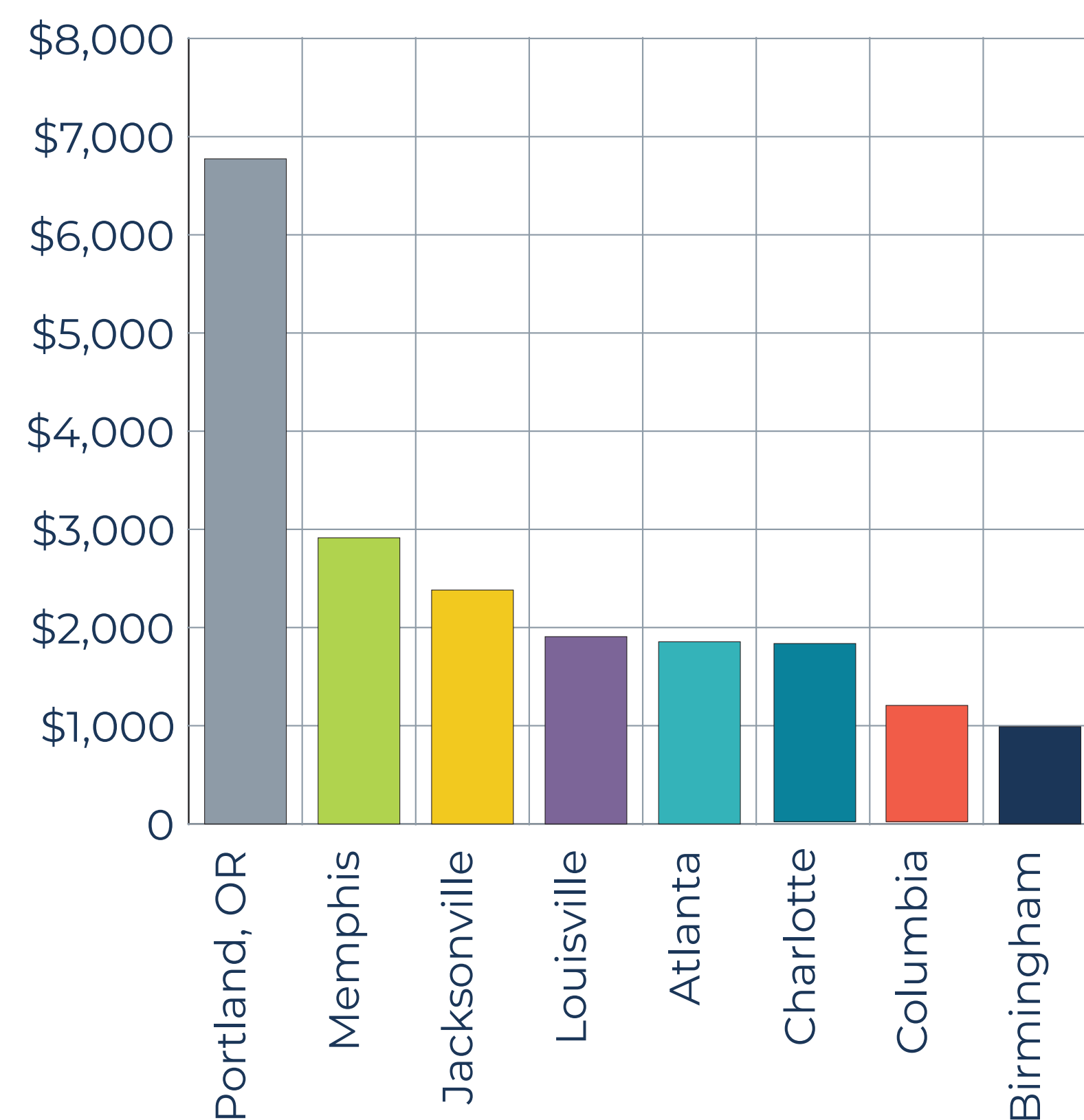




### Taxes and Fees:

Taxes and fees have a significant influence on the success of a community, region, and state. Columbia has a unique situation of having low residential taxation, high commercial and industrial taxation and a larger portion of land that is non taxable.

– Lincoln Institute of Land Policy

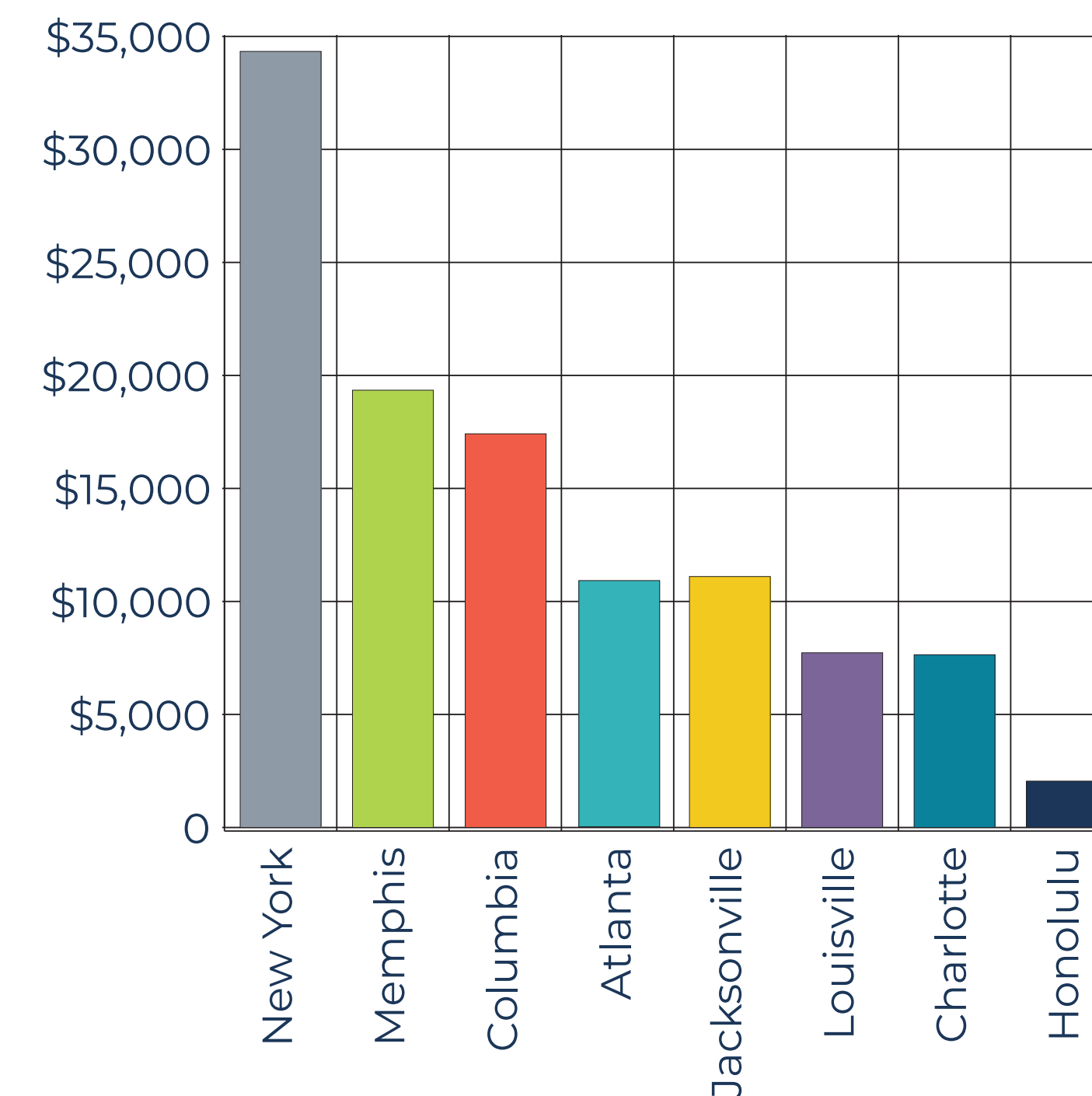


### Urban Homestead Property Tax (ETR)

\$150,000 Valued Property

- Columbia has low homestead property taxes. We are ranked 47 out of 53 largest cities.
- Columbia ranks 4th out of 53 large cities with regard to the ratio between commercial and homestead classifications..
- Columbia ranks as one of the lowest in the country for primary residents over the age of 65 that live in an urban county.
- Rankings near the bottom tend to do so because of low property tax rates, assessment at some fraction, and exemption, or some combination of the three.

– Lincoln Institute of Land Policy



### Urban Apartment Property Taxes

\$600,00 Valued Property with \$30,000 in Fixtures

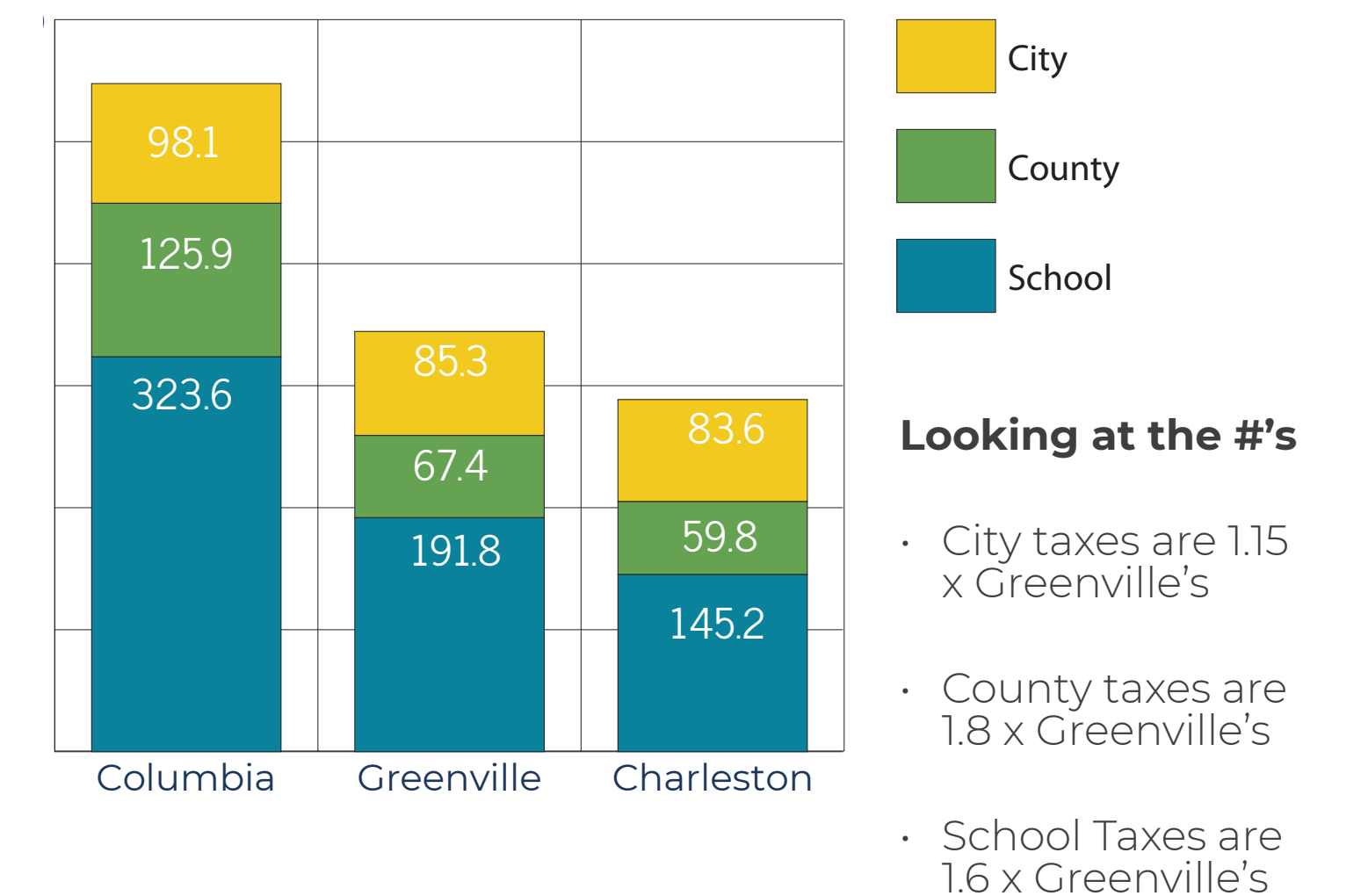
### Apartment Taxation

- Columbia ranked 10th out of 53 largest cities for taxation on urban apartments.
- Locations with high rankings have relatively high tax rates and/or impose tax on a relatively large amount of the commercial parcel's market value.

– Richland County / Lincoln Institute of Land Policy

### Central Business District (CBD) Taxes

- A \$25 M valued building in a CBD pays appoximately \$730,000 in taxes in Columbia (School, County, City)
- In Greenville the taxes would be approximately 500,000 or 29.2% lower than Columbia.
- In Charleston the taxes would be \$388,000 or 46.7% lower than Columbia.



### Property Tax Millage Rates

Central Business Districts



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C O M P A S S

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# Concept Map

ECONOMIC DEVELOPMENT

What does economic development mean to you Columbia?

