

Organizational Assessment of Beaufort County Economic Development

September 16, 2011

Presented to:
Beaufort County Economic Assessment Task Force

The Low Country
Economic Alliance

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Executive Summary

The objective of this analysis is to assess the economic development approach in Beaufort County, South Carolina and to recommend appropriate structure and processes. AngelouEconomics examined the County's past and current approach as well as successful economic development organizational structures regionally and nationally, and developed a set of recommendations on ways to capitalize upon existing strengths and address deficiencies in order to improve economic development programs and results. Three regional economic development alliances within South Carolina and one out-of-state organization, the Colorado Springs Regional Economic Development Corporation were selected for benchmarking of key characteristics. The largest South Carolina organization, Upstate Alliance, was identified by several individuals interviewed as an outstanding model to examine. The smallest, the Economic Alliance (Aiken and Edgefield counties) was largely selected because of its similar size to the Low Country Alliance, its economic linkages across the border with Georgia (Augusta) and several innovative programs. The North Eastern Strategic Alliance was identified as having a very proactive and effective external marketing program as well as also being a tourism and retirement mecca (Myrtle Beach). The heavy role that tourism and the military play in the Colorado Springs economy were of interest from a comparability standpoint.

With the assistance of the County's Economic Assessment Task Force, twenty-two interviews were conducted with key stakeholders from within Beaufort and Jasper Counties, including volunteer and professional leadership of the Low Country Alliance. Interviews were conducted with the CEO's of benchmark organizations as well. Key facets such as organizational structure, services, staffing, funding and performance measures were reviewed. Additionally, several best practices are included in this report which identify effective economic development approaches including industry specific initiatives, regional collaboration, and international marketing.

Key goals of the study include:

- To assess the region's strengths, weaknesses, opportunities, and threats in regards to organizational structure, programs, and regional connectivity
- To examine the structure, regional scope, performance metrics, board size, staffing levels, and funding size of successful economic development organizations
- To present recommendations for an effective organizational structure, programs and regional connectivity

Executive Summary

Key findings of the study include:

- Although some areas were identified where improvements can be made, it is important to recognize that the Low Country Economic Development Alliance and Network made significant progress in putting in place many of the foundational elements critical to economic development success. These include the development of a two county organization with public and private representation as well as creation of a marketing framework including a website, data base of demographic/economic information, real estate data base with GIS search capability, marketing collateral materials, etc.
- The economic development alliance with Jasper County has been and will continue to be mutually beneficial and should be further strengthened.
- Both counties have complementary competitive assets(i.e. real estate options and workforce). A multi-County alliance is also a necessary condition to qualify as a regional marketing alliance for State of South Carolina cooperative marketing funds.
- The County and Region should continue to utilize a public-private sector economic development approach; however, the level of business participation needs to be substantially increased. Public - private partnerships are generally the most effective economic development approach as they can fully engage regional strengths.
- There is a need to improve accountability including the development of better performance measures, and the annual calculation of return on investment.
- Performance measures need to be developed on an annual basis and closely monitored. These metrics should include economic development results as well as measurement of progress in addressing any deficiencies in regional competitiveness, i.e. workforce development, real estate options, incentives, etc.
- The size of the Board of Directors needs to be substantially expanded over the size of the current board, and should be broad-based consisting of representatives from both counties.
- The majority of board members should be private sector representatives. Both counties should have the ability to appoint some directors – both business representatives and public officials. Each member city should also have at least one representative.
- Expand the organization's structure to foster broader engagement, particularly of the private sector, through industry specific task forces.
- Each community Chamber should be represented on the board.
- Establish a five to nine member Executive Committee to help handle more in-depth matters. Ensure that the Executive Committee has ample private sector representation.

Executive Summary

- Collaboratively establish written guidelines to help ensure equitable and effective processes including those used for the handling of prospective new industries.
- Primary roles played by counties engaged in the most effective economic development alliances consist of the following: financial support to leverage business contributions, active involvement of both county officials and their appointed business representatives on the regional group's Executive Committee and Board of Directors, periodic review of economic development results and strategic direction while enabling day-to-day operational autonomy of the economic development organization.
- There is broad interest in improving business attraction results and increased emphasis needs to be placed on external marketing to attract additional economic base employers to the region. Additional sales missions, trade shows, and hosting events need to be undertaken with the strong social media campaign continued.
- Marketing and business development need to be closely aligned with the target economic clusters to be identified through the recently initiated strategy.
- A strong business retention and expansion program needs to be put in place with findings monitored with the use of Synchronist or another retention and expansion software package.
- Retention and expansion program findings including ratings of governmental services need to be regularly communicated to the counties and cities.
- Scarcity of industrial real estate options remains a glaring weakness in Beaufort County, and thus programs need to be undertaken to encourage and support private sector development of market-ready sites and buildings.
- Conduct an in-depth assessment of County permitting and development review with tangible recommendations for improvements.
- Explore opportunities to co-market with Savannah.
- Efforts should be placed towards full regional teamwork in competing for good employers and the reduction of intra-County disagreement, which hurts Beaufort County's ability to assist new and expanding businesses.
- Implement joint task forces and other collaborative approaches in order to address regional issues and to strengthen intra-regional trust.
- Communication of results and approaches should be elevated through a website, periodic newsletters, etc. so that the public is more aware of the importance of economic development as well as what efforts are underway.

Executive Summary

- An annual economic development summit should be held to address issues and opportunities with broad participation encouraged.
- Attraction or expansion of a business in either Beaufort or Jasper County benefits both counties. Revenue sharing of net tax revenues generated from new projects should be investigated and pursued.

SWOT Analysis

This section of the report identifies the region's strengths, weaknesses, opportunities, and threats in three key areas.

Organizational Structure

Programs and Competitiveness

Regional Connectivity

SWOT Analysis

Includes interview findings

	Strengths	Weaknesses	Opportunities	Threats
 <p>Organizational</p>	<ul style="list-style-type: none"> □ The Alliance has put in place many of the foundational requirements necessary for a regional approach □ Group of people committed to Low Country economic development □ Multi-county alliance established with Jasper County in 2008 □ Regional public-private sector approach has been in operation with business, government, higher education and non-profit collaboration □ Strategic Marketing Plan developed in 2007 □ Economic Development element of County's Comprehensive Plan written □ Marketing framework is in place – website, social media, earned media, collateral materials 	<ul style="list-style-type: none"> □ Need for more accountability including better performance measures with ROI determination □ Weak business development and marketing program relative to other regional alliances □ Insufficient progress has been made in attracting new employers □ Small board of directors □ Limited involvement of area businesses □ Relatively few large potential funders □ Written job descriptions □ Prospect handling guidelines and operating protocols 	<ul style="list-style-type: none"> □ Increase private sector involvement in economic development □ Engage area “subject matter” experts in industry development groups □ Aggressively market the region to prospective employers □ Better engage the financial institutions □ Commitments from funding bodies to help ensure sustainable effort □ The new economic development strategy being formulated will update target industries and provide a game plan □ Continue to strengthen economic development linkages with higher educational institutions 	<ul style="list-style-type: none"> □ Dissolution of Network may impact credibility of future efforts □ Risk of liability if new organization is too similar to former Network □ Perception that too many strings are attached to County funding □ Distrust between cities and County

SWOT Analysis

Includes interview findings

Programs and Competitiveness

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> □ E/D Website developed □ Land and buildings inventory with GIS search tool for land and building options □ PR and social media campaign □ Conducted regional competitiveness studies - incentives policies, airport, etc. □ Alliance helped recruit several new employers □ Data base of demographic and economic information □ Marketing collateral developed □ Many young workers in some parts of the two counties □ Technical College responsiveness to employer training needs □ Tax credits can cover part of state leverage requirement □ Multi-modal transportation access □ Desirable quality of life □ Jasper County has 7 interchanges along I-95 and multiple sites □ Angel investment fund created 	<ul style="list-style-type: none"> □ Relatively weak external marketing and business development □ Lack of a systematic business retention and expansion program □ Very limited industrial real estate options within Beaufort County □ Lack of clear incentive programs □ Ageing infrastructure and buildings □ County regulatory burden is perceived as onerous with often lengthy permit processing times □ High land costs and hurricane risk □ Design Review Committee viewed as impediment □ High business license fees 	<ul style="list-style-type: none"> □ Large State of South Carolina matching grants for marketing □ Be more proactive in external marketing □ Better capitalize upon the area's military assets including the new F-35 mission □ International inward investment opportunities □ Strong interest within the region in growing Medical, Aerospace, Green Energy and Knowledge-intensive sectors □ Ability to diversify the economy with a concerted effort □ Provide more good quality job opportunities for local workers □ Retain more military retirees □ Abundance of retired C-level executive talent □ Reinstigate formal industry retention and expansion program □ Potential River Port in Jasper County will benefit entire region □ Possible airport in Jasper County □ Better capitalize upon USCB 	<ul style="list-style-type: none"> • Pressing need to diversify the economy • Few middle class job opportunities • Loss of young people to areas with more opportunities • Tax base is largely resting on home owners • Continuing challenge of providing attractive industrial and commercial real estate options in a competitive market • State marketing dollars require 1:1 local match • Increasing real estate foreclosure rate • County is more known for tourism, military and retirement

SWOT Analysis

Includes interview findings

Regional
Connectivity

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> □ Widely held view among leaders that E/D effort must be regional □ Inter-county cooperation is improving □ Broad interest in economic development and diversification of the regional economy □ Interest in a collaborative public and private sector approach □ The two counties possess complementary assets, i.e. Jasper County possesses numerous real estate options while Beaufort has ample workforce 	<ul style="list-style-type: none"> □ Much of competitive energy taken up in - fighting rather than with the region's real competitors □ "On again - off again" relationship with the State □ Weak understanding of the role of the Low Country Alliance/Network □ Negative branding of County re: E/D 	<ul style="list-style-type: none"> □ Increase public understanding of value of e/d through improved communication of results and programs □ Engage more stakeholders in economic development □ Further involve key allies such as the local Chambers of Commerce □ Improve the relationship with the SC Department of Commerce □ Augment tourism with other industry types □ Create written guidelines and other operating protocols □ Revenue sharing to share benefit of regional "wins" □ Engage young professionals who currently feel left out □ Better capitalize upon proximity to Savannah □ Palmetto Electric has funds for E/D available – largely untapped in Beaufort Co. 	<ul style="list-style-type: none"> □ County is diverse and often polarized □ Regionalism is not well understood □ Limited trust between the two counties □ Low level of trust between Beaufort County and the cities within it □ View by some that the county does not truly want e/d □ Possible loss of Jasper County to another regional group □ State misperception that Beaufort is a rich county and doesn't need assistance □ Perceived State opposition to greater collaboration with Savannah due to possible competition with Port of Charleston

Benchmark Profiles

The North Eastern Strategic Alliance

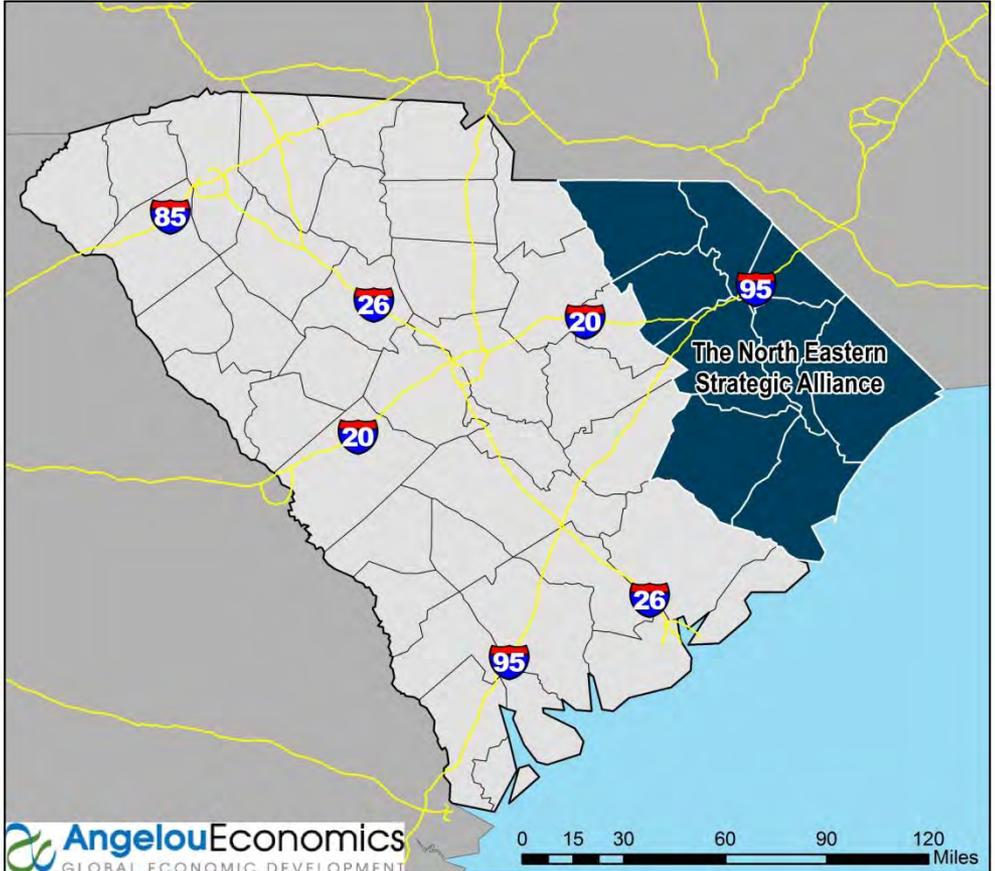
The Economic Development Partnership

The Upstate South Carolina Alliance

Colorado Springs Regional Economic Development Corporation

The North Eastern Strategic Alliance

The North Eastern Strategic Alliance (NESAs) is a public-private 501-c-3 economic development organization whose mission is to work with existing county and state economic development organizations to create new jobs and increase the per capita wage of the citizens of the North Eastern region of South Carolina at a faster rate than per capita growth rates for the state and the nation.



The North Eastern Strategic Alliance

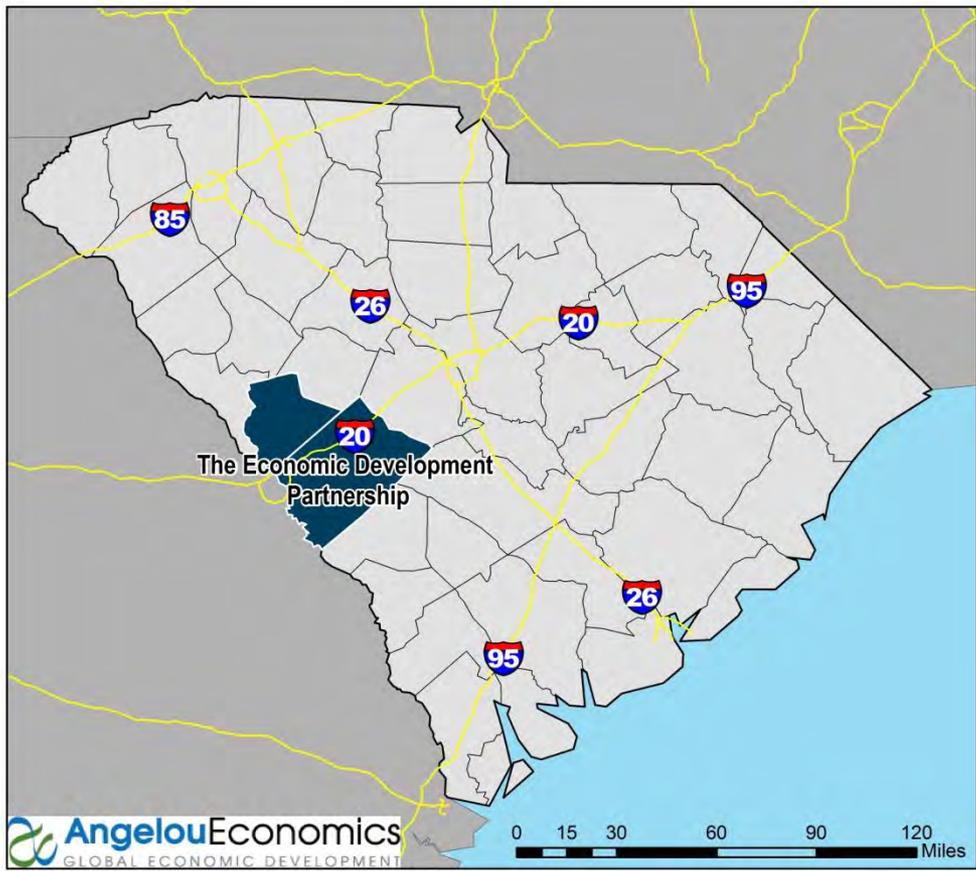
Key Highlights of NESAs:

- A nine county alliance in northeastern South Carolina serving a population of more than 702,000
- Has an aggressive marketing and business development program which included 18 marketing missions last year
- Heavily involved in regional infrastructure improvements
- Utilizes quantifiable performance measures
- Task forces dedicated to economic development, tourism and I-73
- Organized business retention and expansion program
- Its Executive Committee acts as the Nominating Committee for the Board
- Any member who contributes \$100,000 over three years has a board seat
- Has a county membership formula based on mil values (tiered affluent versus poor counties)
- No cities are members of NESAs
- 34% of its funding is public, 45% is private funding, and 21% is state funding
- Produces a very good annual report
<http://www.nesasc.org/UserFiles/nesa/Documents/2011%20Annual%20Report%20-%20Web.pdf>
- The region's branding and image as strictly a vacation destination has been a challenge for economic development marketing
- Has some initiatives related to tourism, including the identification of and marketing to tourism industry suppliers



The Economic Development Partnership of Aiken and Edgefield Counties

The Economic Development Partnership of Aiken and Edgefield Counties is a public-private 501-c-3 economic development organization whose mission is to promote economic development within Aiken and Edgefield Counties, both for existing businesses and for new members of the business community.



The Economic Development Partnership of Aiken and Edgefield Counties

Key Highlights of the Economic Development Partnership:

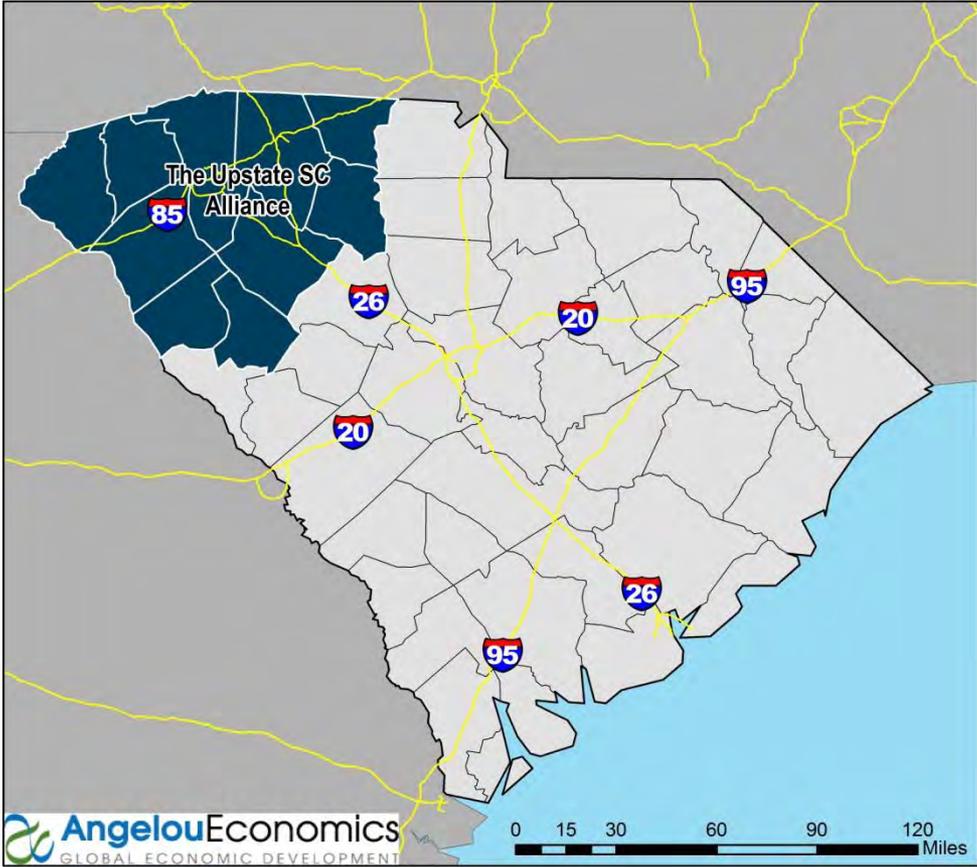
- Serves two counties and a population of more than 180,000
- Adjacent to Augusta, GA and thus they market Augusta-Aiken metro advantages despite no formal economic development alliance
- Has an interagency relationship with the Southern Carolina Alliance where they jointly retain a lead generation company
- Aiken County(\$225k) and Edgefield County(\$46k) both support the organization financially, as do the cities of Aiken and North Augusta
- County membership is on a per capita basis and city membership is based on predetermined amounts approved by each council
- Public sectors appointments are made by the County Councils
- Participates in 3 to 4 marketing missions annually including the Paris Air Show
- The organization doesn't currently have performance measures in place
- Scope of responsibility includes industrial attraction, retention, and expansion
- Utilizes State of South Carolina co-op funds for marketing activities
 - Up to \$400,000 which must be matched by private sector investors
- Land and building ownership is a mix of both the public(counties and cities) and private sectors. Some parcels within government parks are privately owned by developers
- Some limited revenue sharing occurs where Edgefield County receives 1% of the tax revenues generated by Aiken County industrial park deals



Benchmark Profiles

The Upstate SC Alliance

The Upstate South Carolina Alliance is a public-private economic development organization whose mission is to position and market the Upstate South Carolina region to successfully compete for business investment globally.



The Upstate SC Alliance

Key Highlights of the Upstate South Carolina Alliance:

- An alliance of ten counties which serves a population of nearly 1.4 million in Northwestern South Carolina
- Has a ten member executive committee which acts as the governing body
 - The executive committee includes no more than four county officials
 - Has Finance and Legislative Committees
- There are 53 members on the full Board of Directors. Each county has an appointee(all officials). The remainder of the board is private sector including firms at \$25k/year or more.
- Has Industry Councils for each of its five target industries, led by industry leaders in collaboration with local economic developers
- Was a purely private organization until 2009
- Has both county and city per capita membership formulas
 - Counties pay \$.50 per capita for first 100,000 in population, \$.40 per capita for the next 100,000 in population, and \$.30 per capita for any population above 200,000
 - Five cities are members at \$.50 per capita
- Private sector pledges are annual at a range of \$2,500 to \$50,000 per year
- In order to qualify for matching state marketing dollars, pledges must be reviewable and renewable
- Land and building ownership includes a wide blend of both public and private ownership
- Utilizes performance metrics which are linked to its Strategic Plan



Colorado Springs Regional Economic Development Corporation

The Colorado Springs Regional Economic Development Corporation is a privately funded economic development organization whose mission is to attract, retain and create quality jobs and investment in the Pikes Peak region.



Colorado Springs Regional Economic Development Corporation

Key Highlights of Colorado Springs Regional Economic Development Corporation:

- A two-county alliance serving a population of more than 635,000 in the Colorado Springs MSA
- Industry teams focused on each target industry
- Has a formal business retention and expansion program
- Has created a formal group of key partners, called the “Economic Vitality Group” with the mission of enhancing the competitiveness of Colorado Springs’ primary employers through economic development and infrastructure support services
- Has recently joined forces with the Greater Colorado Springs Chamber of Commerce to form a unified organization focused on six key areas:
 - Economic development, including job attraction, business retention, job growth through entrepreneurial activities, and capital investment
 - Community development and infrastructure improvements
 - Military affairs and developments
 - Public policy
 - Marketing and communications
 - Membership and business services



Organizational Assessment

Information contained in this section was gathered from telephone interviews, websites, annual reports, and other secondary sources using the best available information at the time of data collection. Note that metrics for The Low Country Economic Alliance were not utilized in this analysis, primarily due to its transitional status.

Target Industries

Organizational Structure

Programs and Services

Performance, Staffing, and Funding

Target Industries

Organization	Distribution & Logistics	Aeronautics	Aerospace	Defense & Homeland Security	Renewable Energy & Energy Efficiency	IT/ Data Storage	Life Sciences	Plastics	Call Centers	Advanced Manufacturing	Automotive	Energy	Chemicals	Other
The North Eastern Strategic Alliance	★		★			★		★	★					Agribusiness; Food Processing
The Economic Development Partnership								★			★		★	Hydrogen Technology
Upstate SC Alliance			★							★	★	★		Biosciences
Colorado Springs Regional Economic Development Corporation			★	★	★	★	★							Sports & Sports Related Organizations; National Non-Profits

Organizational Structure

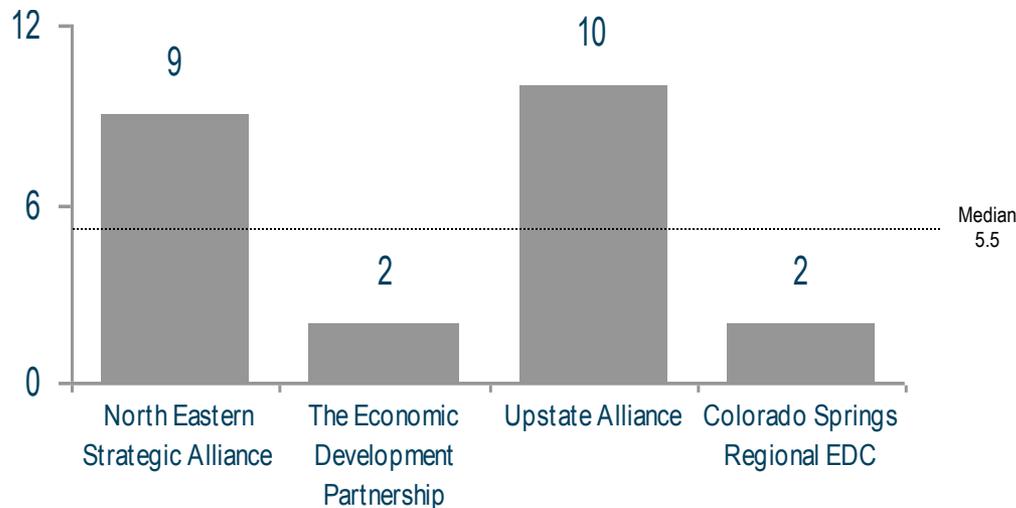
Organization	Private Non-Profit	Part of Chamber	Public-Private Partnership	Part of Development Commission	Multi-County
The North Eastern Strategic Alliance			★		★
The Economic Development Partnership			★		★
Upstate SC Alliance			★		★
Colorado Springs Regional Economic Development Corporation		★			★

Programs and Services

Organization	External Marketing	Business Recruitment & Expansion	Community Development	Workforce Development / Small Business Development	Public Policy	Entrepreneurial Support	Military Affairs and Development
The North Eastern Strategic Alliance	★	★	★		★		
The Economic Development Partnership	★	★			★		
Upstate SC Alliance	★	★			★		
Colorado Springs Regional Economic Development Corporation	★	★	★		★	★	★

Geography

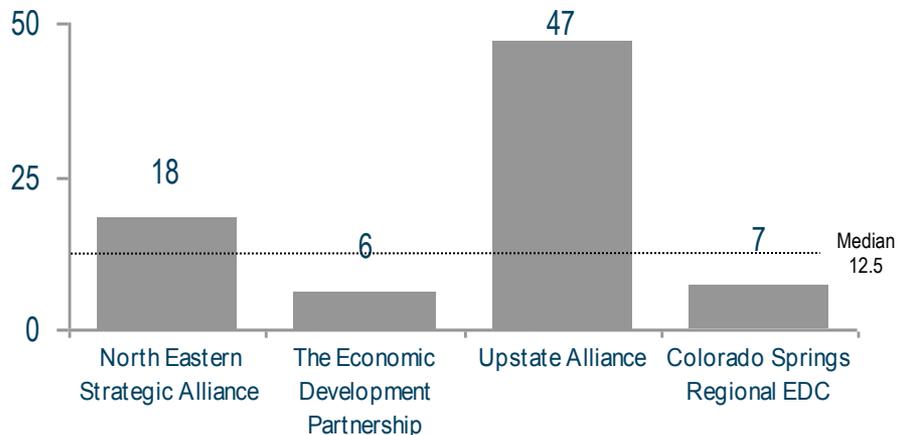
Number of Counties Served



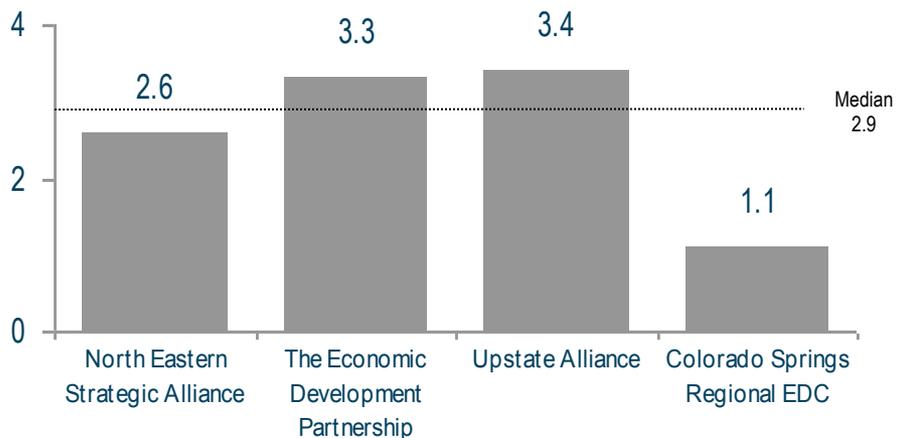
- Each of the benchmark organizations serve multiple counties, illustrating a common understanding that collaborative regional approaches create synergies which help regions increase economic growth and compete in an ever increasing global economy
- An important financial reason is that State of South Carolina cooperative marketing funds are directed at multi-county alliances

Projects

2010 Projects



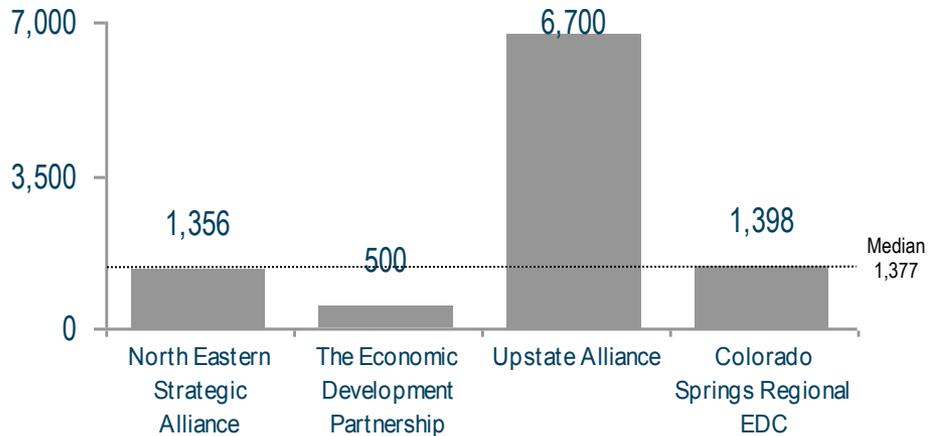
2010 Projects per 100k



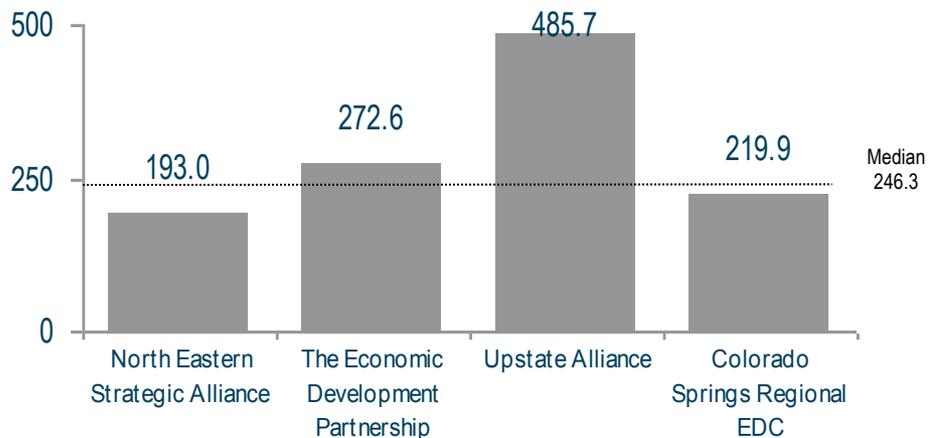
- The Upstate Alliance had forty-seven projects in 2010, most among the benchmark organizations
- The Upstate Alliance had 3.4 projects per 100,000 in population, slightly higher than projects per capita for the Economic Development Partnership of Aiken and Edgefield Counties
- The Low Country Alliance would need to be responsible for 6 completed business relocation or expansion projects annually to equal the 2010 benchmark organization per capita median

Job Creation

2010 Job Creation



2010 Job Creation Per 100k



- The Upstate Alliance was responsible for the creation of 6,700 jobs in 2010, most among the benchmark organizations

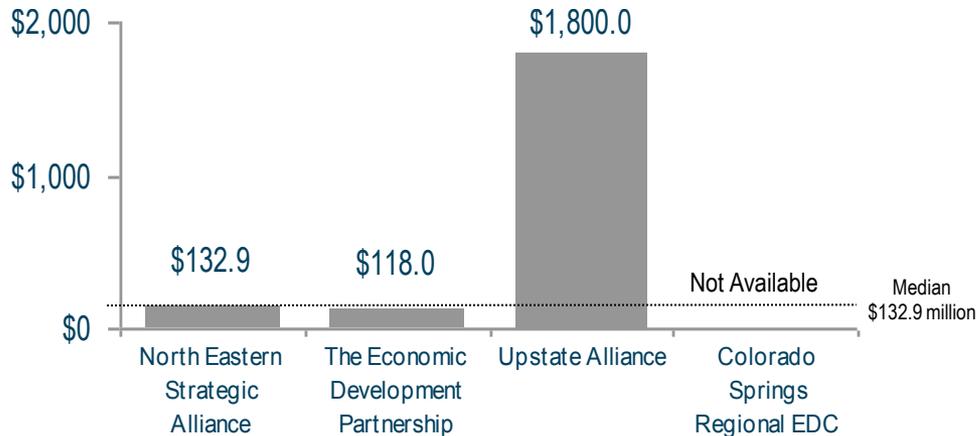
- The Upstate Alliance was also responsible for the highest job creation on a per capita basis among the benchmark organizations

- The Low Country Alliance would need to be responsible for the creation of 450 jobs annually to equal the 2010 benchmark organization per capita median

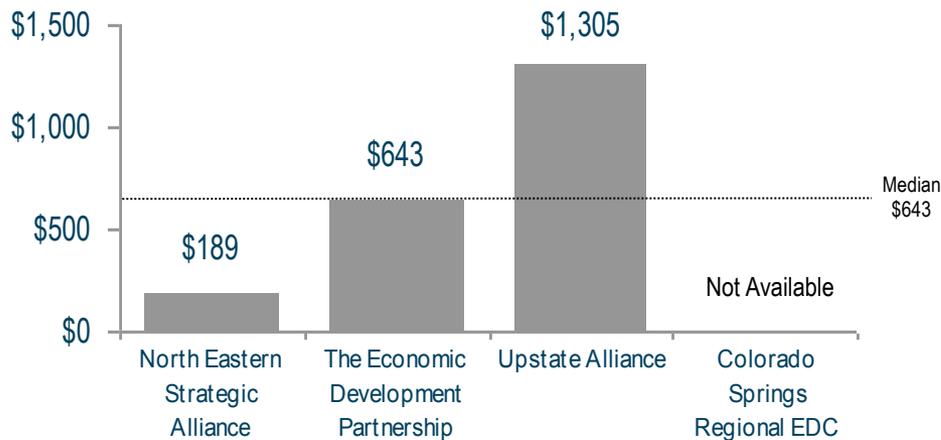
Capital Investment

2010 Capital Investment

In Millions of \$'s



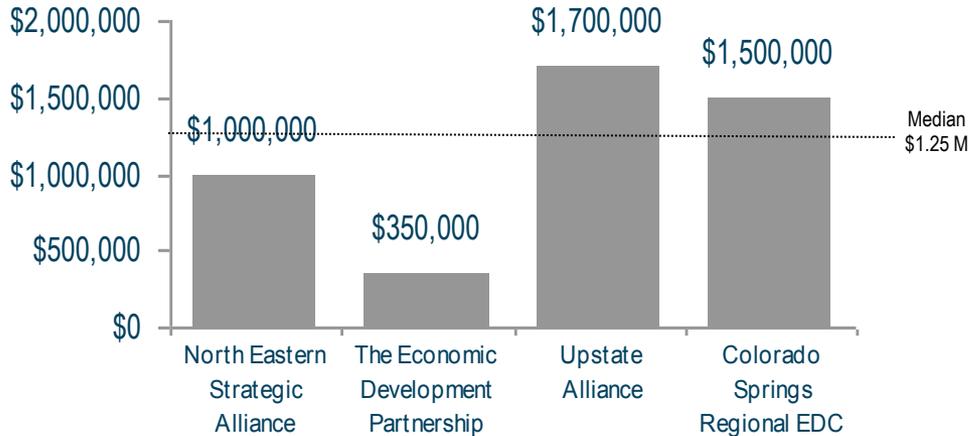
2010 Capital Investment per Capita



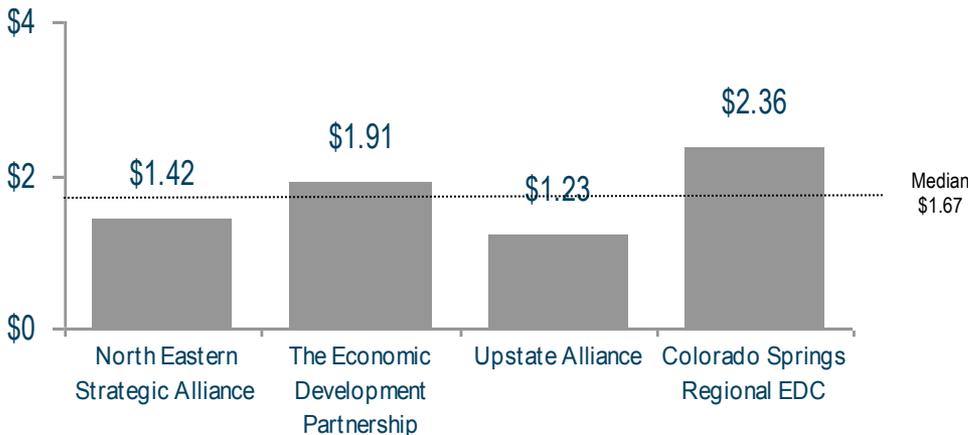
- The Upstate Alliance was responsible for \$1.8 billion in investment by new and expanding industries in 2010, most among the benchmark organizations
- The Upstate Alliance was also responsible for the highest investment on a per capita basis among the benchmark organizations
- The Economic Development Partnership, representing a population size comparable to the Low Country Economic Alliance, was slightly below the median of \$132.9 million for capital investment
- The Low Country Alliance would need to be responsible for \$117.3 million annually in capital investment in order to match the 2010 benchmark organization per capita median

Budget

2010 Budget



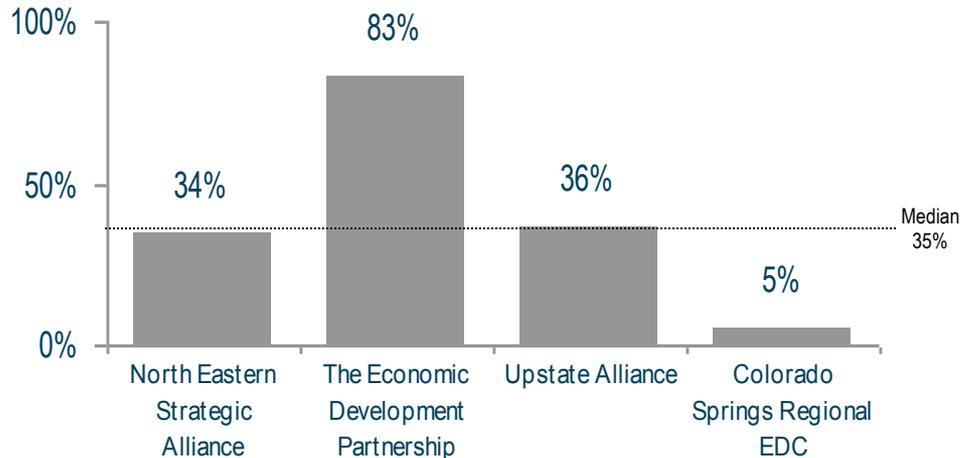
2010 Budget Per 100K



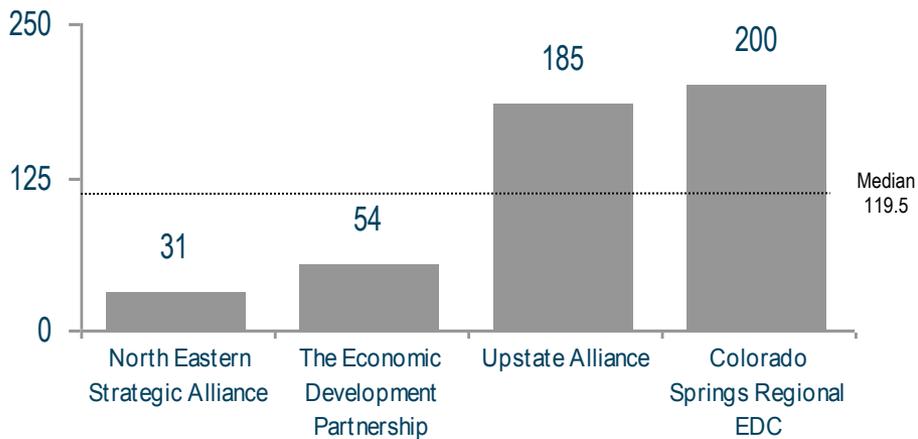
- The Upstate Alliance has a budget of \$1.7 million, largest among the benchmark organizations
- The Low Country Alliance would need a budget of \$584,195 in order to match the \$3.20 per capita economic development funding for all organizations nationally, as found in the ACCRA 2006 Survey of Economic Development Organizations (see page 35 of this report)
- The median per capita budget was \$1.67 among the four benchmark organizations although this was influenced by the larger size of most benchmarks as larger organizations typically have smaller per capita budget sizes.

Funding

Percentage of Public Funding



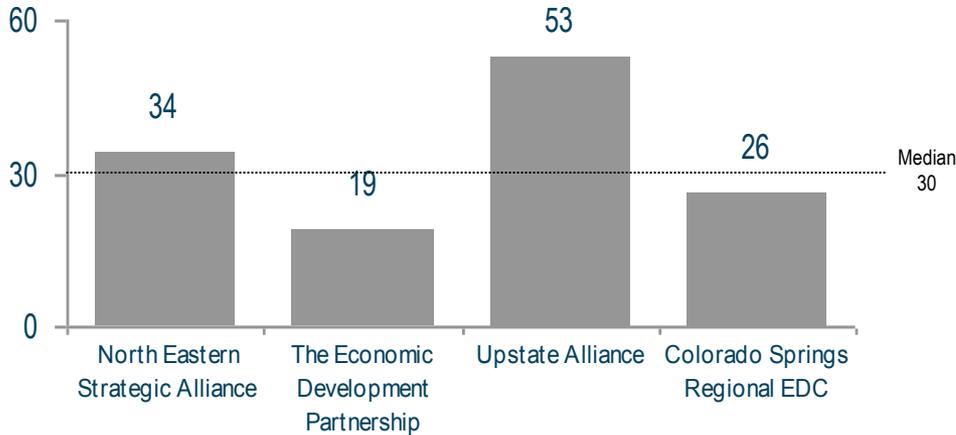
Number of Investors



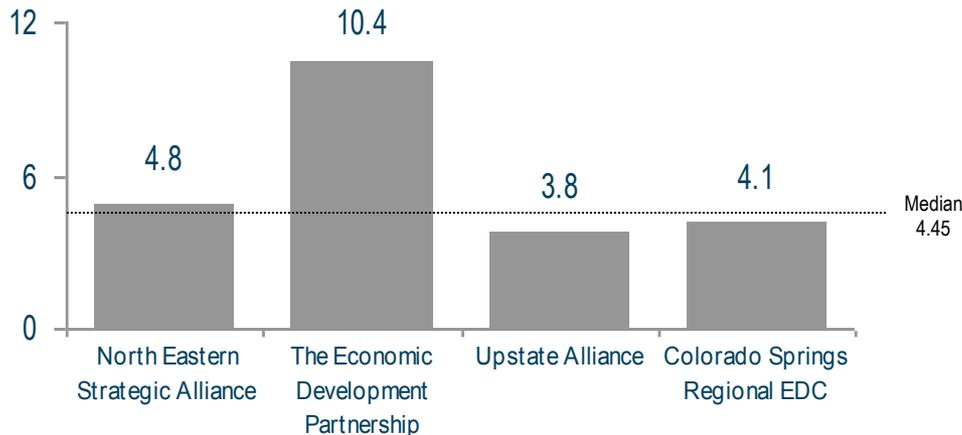
- The median percentage of public funding among the benchmark organizations is 35%
- The Economic Development Partnership of Aiken and Edgefield Counties has the highest percentage of public funding among the benchmark organizations at 83%
- The Colorado Springs Regional Economic Development Corporation has the lowest percentage of public funding among the benchmark organizations at 5% and the highest number of investors among the benchmark organizations

Board Size

Board Size



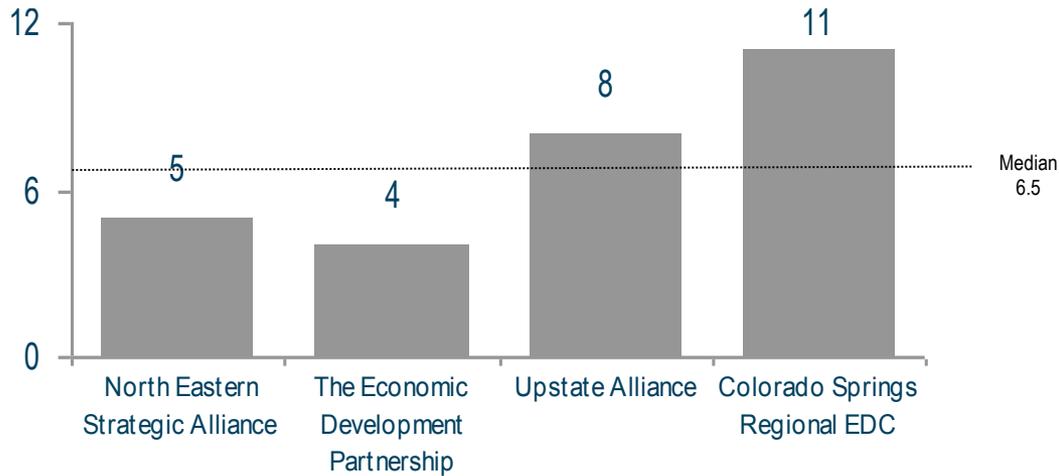
Board Size Per 100K



- The benchmark median for board members is 30 people
- The Upstate Alliance has 53 board members, the largest board among the benchmark organizations
- The Economic Development Partnership of Aiken and Edgefield Counties serves nearly the same population size as the Low Country Alliance, and has 19 board members
- All of the benchmarks have substantially larger boards than the Low Country Economic Alliance

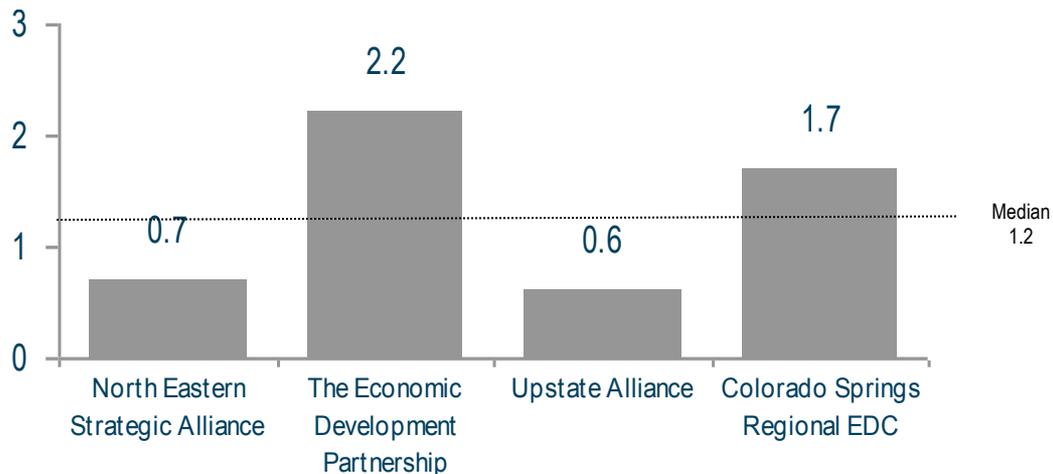
Staffing

Staff Size



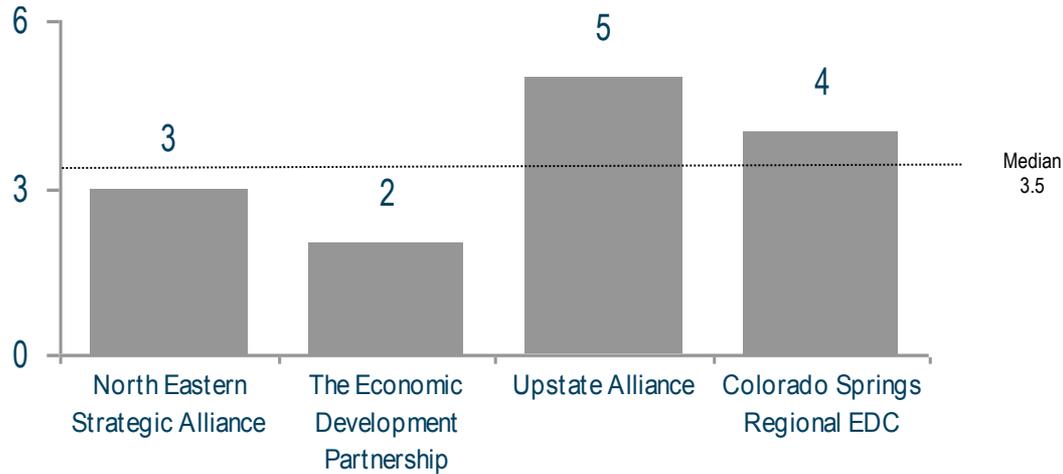
- Colorado Springs Regional Economic Development Corporation has eleven employees, the largest staff among the benchmark organizations
- On a per capita basis, the Economic Development Partnership of Aiken and Edgefield Counties has the largest staff size among the benchmarks organizations

Staff Size Per 100K



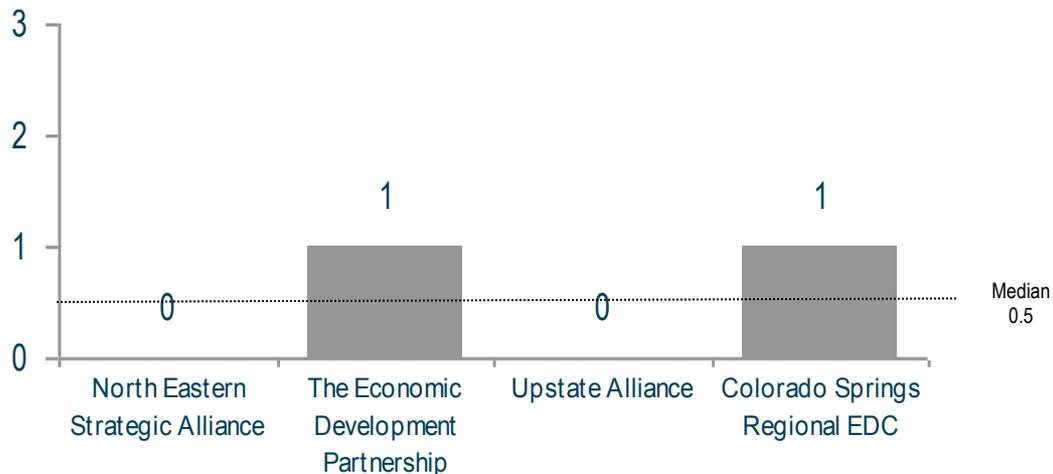
Staffing

Business Development & Marketing Staff



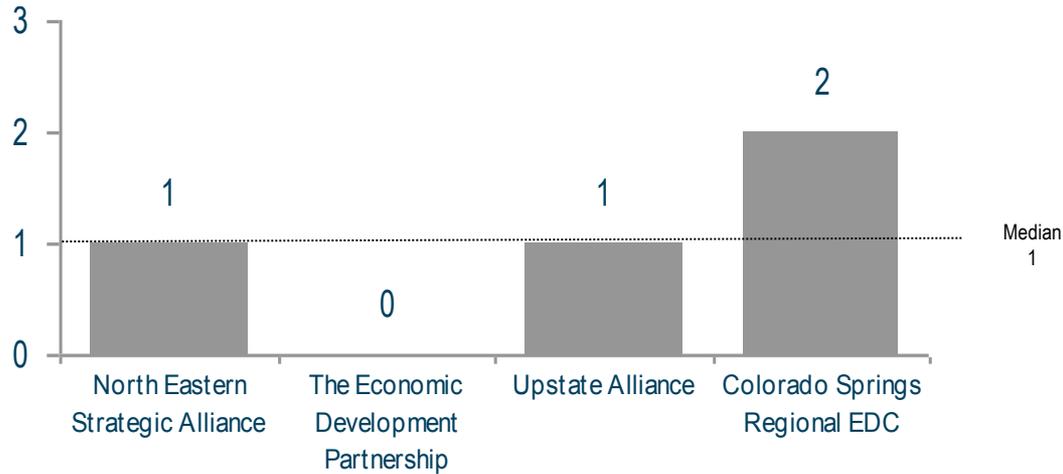
- The Upstate Alliance has five staff members dedicated to business development and marketing, the most among the benchmark organizations
- Of the benchmark organizations, only Colorado Springs Regional Economic Development Corporation and the Economic Development Partnership of Aiken and Edgefield Counties have a staff member dedicated to research

Research Staff



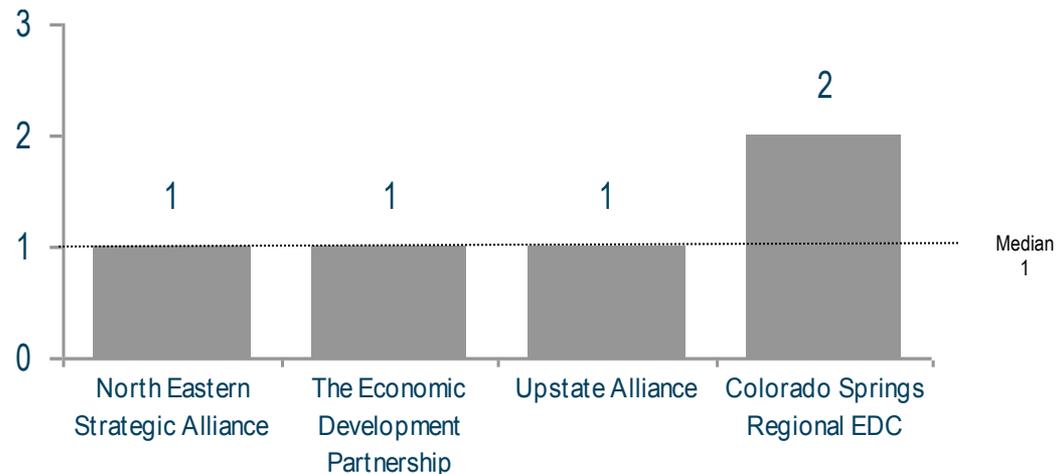
Staffing

Investor Relations Staff



- Three of the four benchmark organizations have a staff member dedicated to investor relations
- Each of the four benchmark organizations has an administrative staff member

Administrative Staff



National Trends

2006 Survey of Economic Development Organizations Findings

IEDC 2010 Salary Survey of Economic Development Professionals Findings

Conclusions

2006 Survey of Economic Development Organizations

- The most recent national organizational benchmarking data was collected by the Council for Community and Economic Research in a 2006 study
- 793 EDOs from across the nation participated in the survey
- Conducted by ACCRA – The Council For Community and Economic Research

Per Capita ED Budget by Organization Type

EDO Type	2006 Per Capita Budget
All EDOs	\$3.20
Economic Development Corporations	\$3.85
Local Government	\$6.61
Chambers of Commerce	\$2.19
Regional Planning Councils	\$0.06

Source: ACCRA 2006 Survey of Economic Development Organizations

Average number of FTEs

EDO Type	2006
All EDOs	3.35
Economic Development Corporations	3.95
Local Government	3.22
Chambers of Commerce	1.89
Regional Planning Councils	2.90

Source: ACCRA 2006 Survey of Economic Development Organizations

Economic Development Salaries

The International Economic Development Council's 2010 Salary Survey of Economic Development Professionals (compiled and released in 2011) provides compensation and benefit data based on the survey of 3,301 respondents employed in an economic development-related position. International Economic Development Council (IEDC) is the largest professional membership organization of U.S. and Canadian economic developers.

- The following page identifies salary information for specific economic development positions in the southern region of the U.S.
- The first table provides salary information for organizations serving a population between 100,000 and 249,999, and the second table provides salary information for organizations with a budget in the \$250,000-\$499,999 range.

Economic Development Salaries

2010 Salary Levels (Organizations serving regions of 100,000-249,999 population)		
South Region Respondents		
Position	Median Salary	Mean Salary
CEO	\$104,000	\$110,100
VP / Division Manager	\$76,000	\$80,200
Program Manager	\$53,600	\$55,100
Entry Level Staff *	\$39,200	\$41,300

* Note: Entry level data is for all organizations and has no breakdowns available by population or budget size.

Source: IEDC 2010 Salary Survey of Economic Development Professionals

2010 Salary Levels (Organizations with budgets in the \$250,000-\$499,999 range)		
South Region Respondents		
Position	Median Salary	Mean Salary
CEO	\$90,000	\$100,800
VP / Division Manager	\$70,000	\$77,100
Program Manager	\$54,200	\$58,300

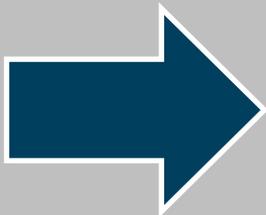
Source: IEDC 2010 Salary Survey of Economic Development Professionals

Conclusions



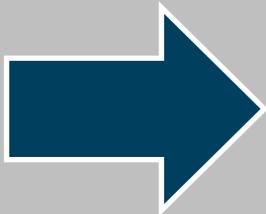
Economic Development Corporations

- More likely to focus on business incentives and development activities
- Have larger ED staff and pay higher salaries
- Increasingly turning to local governments and the private sector for funding



Chambers of Commerce

- Reducing support for traditional ED activities
- Increasing focus on providing community development and tourism related services



Local Governments

- Continued focus on facility and infrastructure development with emphasis on downtown redevelopment and neighborhood revitalization



Regional Planning Councils

- Focus on infrastructure planning efforts and advocacy and management activities

Source: ACCRA 2006 Survey of Economic Development Organizations

Recommendations

This section of the report presents a set of recommendations for the region in three key areas of economic development.

Organizational Structure

Programs and Competitiveness

Regional Connectivity

Organizational Structure

1. Some elements of the current economic development approach are strong and advantageous and should be continued while addressing areas of deficiency. Building upon the base that has been put in place will help prevent further loss of momentum.
2. The economic development alliance with Jasper County has been and will continue to be mutually beneficial and should be further strengthened.
3. Both counties have complementary competitive assets(i.e. real estate options and workforce). A multi-County alliance is also a necessary condition to qualify as a regional marketing alliance for State of South Carolina cooperative marketing funds.
4. The County and Region should continue to utilize a public-private sector economic development approach; however, the level of business participation needs to be substantially increased. Public - private partnerships are generally the most effective economic development approach as they can fully engage regional strengths.
5. There is a need to improve accountability including better performance measures. Annually calculate return on investment.
6. Seek over time to further strengthen the Alliance through the addition of an additional county such as Colleton or Hampton(this may be difficult as both are attached to other alliances).
7. The size of the Board of Directors needs to be substantially expanded over the size of the current board, and broad-based consisting of representatives from both counties.

Organizational Structure

8. The majority of board members should be private sector representatives. Both counties should have the ability to appoint some directors – both business representatives and public officials. Each member city should also have at least one representative.
9. Expand the organization's structure to foster broader engagement, particularly of the private sector, through industry specific task forces.
10. Each community Chamber should be represented on the board.
11. Provide for appointment by the Chair of ex-officio representatives, i.e. military and K-12.
12. Establish a five to nine member Executive Committee to help handle more in-depth matters. Ensure that the Executive Committee has ample private sector representation.
13. A standing Finance Committee should be formed to help prepare budgets and monitor finances.
14. Written job descriptions should be developed for all positions .
15. Collaboratively establish written guidelines to help ensure equitable and effective processes including those used for the handling of prospective new industries.
16. Any organizational structure needs to be in alignment with the economic development strategy currently being formulated.
17. Primary roles played by counties engaged in the most effective economic development alliances consist of the following: financial support to leverage business contributions, active involvement of both county officials and their appointed business representatives on the regional group's Executive Committee and Board of Directors, periodic review of economic development results and strategic direction while enabling day-to-day operational autonomy of the economic development organization.

Organizational Structure

18. A budget size of \$400,000-500,000 will be necessary in order to carry out an external marketing program, retention and expansion, and product improvement functions.
19. Given the relatively small population size of the two counties, the county assessment rate needs to be within the \$1.00 to \$1.60 per capita range - higher than that for the larger metropolitan benchmarked regions. City contributions should be on a negotiated basis.
20. The recommended private sector investment schedule should range from approximately \$2,000 per year to \$25,000 per year.
21. Critical staff skills sets include the following: organizational management of economic development organizations, financial management, sales and marketing, website development and social media, geographic-based research, customer service, and public policy.

Programs and Competitiveness

1. Performance measures need to be developed on an annual basis and closely monitored. These metrics should include economic development results as well as measurement of progress in addressing any deficiencies in regional competitiveness, i.e. workforce development, real estate options, incentives, etc.
2. There is broad interest in improving business attraction results and increased emphasis needs to be placed on external marketing to attract additional economic base employers to the region. Additional sales missions, trade shows, and hosting events need to be undertaken with the strong social media campaign continued.
3. Marketing and business development need to be closely aligned with the target economic clusters to be identified through the recently initiated strategy.
4. Efforts should be leveraged where possible with the South Carolina Department of Commerce's sales missions, trade shows and other marketing initiatives.
5. A strong business retention and expansion program needs to be put in place with findings monitored with the use of Synchronist or another retention and expansion software package.
6. Retention and expansion program findings including ratings of governmental services need to be regularly communicated to the counties and cities.
7. Seek to fully utilize state cooperative marketing funds by finding 1:1 matches.
8. The economic development organization needs to work closely with tourism promotion efforts of the Chambers and other groups to identify and pursue overlapping opportunities, i.e. targeted industries' conferences within the region.

Programs and Competitiveness

9. Scarcity of industrial real estate options remains a glaring weakness in Beaufort County so programs need to be undertaken to encourage and support private sector development of market-ready sites and buildings.
10. Continue to strengthen linkages with USCB, Technical College of the Low Country and other higher educational institutions in order to better capitalize upon educational programs, research, graduates and other economic development resources
11. Conduct an in-depth assessment of County permitting and development review with tangible recommendations for improvements.
12. Explore opportunities to co-market with Savannah.

Regional Connectivity

1. Efforts should be placed towards full regional teamwork in competing for good employers and the reduction of intra-County disagreement, which hurts Beaufort County's ability to assist new and expanding businesses.
2. Communication of results and approaches should be elevated through a website, periodic newsletters, etc. so that the public is more aware of the importance of economic development as well as what efforts are underway.
3. An annual economic development summit should be held to address issues and opportunities with broad participation encouraged.
4. Attraction or expansion of a business in either Beaufort or Jasper County benefits both counties. Revenue sharing of net tax revenues generated from new projects should be investigated and pursued.
5. Pursue additional regional linkages with Savannah in promising areas of joint endeavor where cooperative State funds are not put at risk.
6. More business people and other subject matter experts throughout the region need to be engaged through economic cluster groups for each of the target industries.
7. Actively involve higher education institutions' leadership.
8. Better engage the local Chambers.
9. Try to get more young professionals involved who often feel left out.
10. Implement joint task forces and other collaborative approaches in order to address regional issues and to strengthen intra-regional trust.

Best Practices

Industry Specific Initiatives

Regional Collaboration

International Marketing

Best Practices

Industry Specific Initiatives (Aerospace)



Tucson Regional Economic Opportunities (TREO) was formed in 2005 to serve as the lead economic development agency of the greater Tucson area. Its economic development strategy uses an industry cluster approach focusing on four industries: bioscience, aerospace, solar, and transportation & logistics. Each target industry has a website that aims to educate industry parties about the state of the industry in Tucson and portray the opportunities that the region provides for related businesses.

The aerospace and defense portion of the TREO website (TUSONIC) aims to portray Tucson's best assets that are related to the aerospace industry. It has pages that describe various assets that aerospace companies may be looking for, including an educated workforce page with links to area universities; a strong funding support page that details federal, local and private funds that aerospace actors have been able to use; a collaboration opportunities page that lists the various aerospace initiatives in the region; and a page illustrating the importance of the military presence on Tucson's aerospace sector. The website also allows visitors to see a map with the current aerospace employers located in Southern Arizona, as well as videos of some of the key players of aerospace in Tucson describing the strengths that the area provides for their institute or business. Finally, a news page informs visitors of the latest developments in aerospace in Tucson, such as new grants being provided to local companies or announced firm expansions into the region.

<http://www.treoaz.org/Aerospace.aspx>

Best Practices

Industry Specific Initiatives (Renewable Energy)



ARC: Hydrogen is an initiative formed by the Aiken Edgefield Economic Development Partnership. The project provides a collaborative environment enabling both private industry and academic partners to work with scientists at the Savannah River National Laboratory. The program was established to leverage the local expertise in hydrogen research and development.

The facility is 60,000 square feet with half of the space utilized by the Savannah River National Laboratory (SRNL). SRNL has more than 60 years of experience in the handling and storage of hydrogen, a critical component of fuel cells. The other half is utilized by academia and the private sector. Partners in the initiative include the Savannah River National Laboratory, Toyota, the University of South Carolina-Aiken, ITER (a major international research project), and the U.S. Department of Energy.

Education is also an important component of the project. A 2,000 square foot Education, Training & Development Center lies within the **Arc: Hydrogen** facility. Aiken Technical College is an important partner in the project and K-12 programs and outreach have been established, educating young people on the importance of developing alternative energy sources.

Arc: Hydrogen is funded by Aiken County and is a program of the Aiken Edgefield EDP, marking the first time that a nationally-recognized lab and community have joined together to become the leader in applied research and technology. The \$10 million investment demonstrates the importance of hydrogen technology to the region and the Economic Development Partnership's focus on the hydrogen technology industry.

<http://www.archydrogen.com/>

Best Practices

Regional Collaboration



The JAXUSA Partnership is a private, nonprofit division of the Jacksonville Regional Chamber of Commerce that operates as Jacksonville and Northeast Florida's regional economic development initiative. JAXUSA Partnership, formerly Cornerstone Regional Development Partnership, partners with seven regional counties, the Jacksonville Regional Chamber of Commerce, the Jacksonville Economic Development Commission, and more than 200 private sector entities in the Jacksonville area, a region of roughly 1.5 million residents.

JAXUSA focuses its efforts on regional marketing, prospecting, and international trade. It has six staff members, an eighteen person executive committee, and maintains a comprehensive website with a multitude of resources and data for prospective businesses looking to relocate or expand in the Jacksonville area.

(<http://www.expandinjax.com/Home.aspx>).

Best Practices

Regional Collaboration



Florida's Great Northwest

International Convergence. Regional Innovation.

Florida's Great Northwest, Inc. is a regional economic development organization representing 16 counties in Northwest Florida. It was founded in 2000 as an effort to bring together organizations across the region in order to realize collective advantages and build upon regional strengths. It is comprised of county and local economic development groups, workforce development boards, community and junior colleges, universities and private businesses. Since its founding, it has evolved into one of the nation's premier regional alliances for economic and workforce development.

The main goal of Florida's Great Northwest is to create high-wage, high-skill jobs for the citizens of the region by diversifying its economic base, following a retention and recruitment strategy focused on target industry sectors, and transitioning its workforce into a knowledge-based economy. It embraces an aggressive marketing campaign, and recently adopted a new tagline, *Florida's Great Northwest: International Convergence*.

Workforce development is a defining activity of Florida's Great Northwest, and is conducted through the WIRED Northwest Florida Initiative. It provides grants for job creation and education as start-up funds in engineering and information technology. It has also invested \$1.15 million in scholarships to students in the IT and engineering disciplines in seven community colleges and universities. In order to build its Aerospace industry, Florida's Great Northwest recently formed the four-state Aerospace Alliance, which conducted events such as participation in the Paris Air Show and the Northwest Florida Aerospace Tour. Similar strategies in its other target industries have resulted in the growth of its target industries, both in terms of revenue and job creation, even during the recession.

<http://www.floridasgreatnorthwest.com/index.html>

Best Practices

International Marketing



The Charlotte Regional Partnership is a nonprofit, public/private economic development organization that markets the 16-County Charlotte region (12 counties in North Carolina and four in South Carolina). The 20 year old Partnership encourages government/business collaboration to promote the Charlotte region to attract sustained, long-term growth, job creation, and investment opportunities.

The Partnership operates an International Business Information website with a wealth of publicly available information geared toward international inward investment. The website (<http://charlotteusa.com/business-info/international-business/>) includes a separate webpage for nine foreign countries that have a major presence in the Charlotte region. Each webpage highlights the reasons why companies from that particular country have chosen to locate in Charlotte including factors such as direct air travel connections, cultural festivals, and key industry strengths shared by both the Charlotte region and the foreign country. Each webpage also provides a map and directory of every foreign-owned firm from that country that has facilities in the Charlotte region, including basic company information (address, contact person, # of employees, year established, and type of industry). The website includes a foreign investment profile of each of the nine foreign countries relative to North Carolina and the U.S., and a marketing document in each foreign language. The Partnership also has a list of international business organizations (such as local ethnic chambers of commerce) and international cultural organizations, complete with contact information, on its “Regional Resources” webpage (http://charlotteusa.com/business-info/regional-resources/#international_business_organizations).

About AngelouEconomics

AngelouEconomics partners with client communities and regions across the United States and abroad to candidly assess current economic development realities and identify opportunities. Our goal is to leverage the unique strengths of each region to provide new, strategic direction for economic development. As a result, AngelouEconomics' clients are able to diversify their economies, expand job opportunities and investment, foster entrepreneurial growth, better prepare their workforce, and attract 'new economy' companies.

AngelouEconomics
8121 Bee Cave Road, Suite 200
Austin, Texas 78746
(512) 225-9322
www.angeloeconomics.com

AE Project Team

Angelos Angelou
Principal Executive Officer

Steve Vierck, CEcD
President, Economic Development

Abel Balwierz
Associate Project Manager