

A coastal scene featuring a wooden fence in the foreground, a black metal bench, and a seagull perched on a wooden post. The background shows a body of water, a marshy area, and distant hills under a clear blue sky.

Cities Mean **BUSINESS**

A PUBLICATION OF THE MUNICIPAL ASSOCIATION OF SOUTH CAROLINA | ISSUE 1 | 2015

Redevelopment on the rise

**Cleanup of contaminated properties
leads to development opportunities**

You see a police car...



We see a police officer who works closely with fire departments and EMS, who knows every business owner downtown, who can name every city street and who buys 12 snow cones on Saturdays even though his T-ball team has never won a game.

CITIES MEAN BUSINESS

www.CitiesMeanBusiness.org

MASC Municipal Association
of South CarolinaSM

CONTENTS

6 Boutique hotels help make downtowns lively

By Amy Geier Edgar



Cities Mean BUSINESS

A publication of Municipal Association of South Carolina

1411 Gervais St., P.O. Box 12109
Columbia, SC 29211
803.799.9574
mail@masc.sc
www.masc.sc

Miriam Hair
Executive Director,
Municipal Association of SC

Reba Campbell
Deputy Executive Director,
Municipal Association of SC

Contributing writers
Amy Geier Edgar,
Page Ivey

Published by

SC BIZ  NEWS
www.scbiznews.com

9 Making healthy food accessible to all

By Page Ivey



11 Perspective: Looking at a city through the eyes of local chamber executives

By Reba Hull Campbell

13 Fields of dreams: Redevelopment rises out of contaminated property

By Amy Geier Edgar

DEPARTMENTS

4 Letter from the Editor

By Reba Hull Campbell

5 Development's benefits

By Jeff Ruble

Cover photo: Bay Creek Community Park, Edisto Beach

FEATURES

Letter from the
EDITOR

This issue of Cities Mean Business magazine takes a look at economic development from several perspectives.

People may not ordinarily think of food as an economic development tool, but access to healthy and affordable food is a critical part of community redevelopment in South Carolina cities and towns. Read about how Spartanburg and Easley are taking two different approaches to making food a centerpiece of economic development.

With the increase in economic growth in our downtowns, the demand for higher end hotels is increasing. Find out what's happening in Florence, Beaufort and Anderson, where locally owned boutique hotels are serving as anchors to bring more people, retail, restaurants and economic activity downtown.

Blight can take on many forms, and often it's a contaminated industrial site that is too expensive to redevelop. A grant program is helping many South Carolina cities clean up these sites and return them to a useful purpose. Learn about how Greenwood, Rock Hill and Edisto Beach have used these grant funds to reclaim properties as diverse as wetlands and old textile mills.

Local chambers of commerce serve as an important bridge between the business community and local governments. Chamber leaders in Fountain Inn, Clinton and Myrtle Beach talk about the importance of their city government, their services and their attitude of collaboration.

Our guest column is from the president of the South Carolina Economic Developers' Association. Jeff Ruble discusses the importance of economic development strategy and the important role of local elected leaders in our cities and towns.



Reba Hull Campbell

Reba Hull Campbell

rcampbell@masc.sc

Editor

Communicating the Benefits of Economic Development

By Jeff Ruble



Jeff Ruble

*CEcD, President,
South Carolina Economic
Developers' Association*

The South Carolina economy has experienced steady growth over the past five years, and we know that much of this progress can be attributed to the increased economic development across the state. This growth is supported by the most recent census results, which report South Carolina had one of the top 10 fastest growing populations in the country over the past year. Large companies like Boeing, Michelin North America and Google have expanded in or relocated to South Carolina to take advantage of its resources, workers and low cost of doing business.

In 2013, South Carolina recruited more than 15,000 jobs to the state, a 9 percent increase compared to the previous year. In 2013, 127 projects were recruited, and 43 percent of these projects were considered new business. We expect to see similarly impressive numbers for 2014 as we look forward to another productive year in 2015.

As we know, an extraordinary amount of work goes into attracting these companies to conduct business in South Carolina. A large network of experienced business leaders working in partnership with state and local government officials comes together to market South Carolina's resources and find businesses that are a perfect match for the state's economy.

Because the results of this work are often seen months or years after companies announce their intent to expand or open the doors to their new facilities, it is sometimes challenging for South Carolina residents to understand why so much effort is targeted toward attracting new business to the state. As part of this network, we can help communicate to our friends and neighbors exactly why economic development is so crucial to our state.

Economic development positively impacts our cities and towns in a variety of ways that will affect all residents, even if they do not immediately realize it. One of the largest and most obvious impacts is the influx of

new jobs into a community. These may be a result of a company relocation or an expansion and typically benefit current area residents.

Furthermore, these new jobs contribute to an increase in wealth in the community, which can improve quality of life for all residents. New or expanded business can also increase the tax base of a community, benefiting public services such as schools, local government or infrastructure.

Some other long-term impacts are just as important. In South Carolina, economic development has helped to diversify our economy on a state and local level. No longer do economies need to rely solely on one industry for a sustainable income.

A diverse business landscape results in a more diverse pool of workers, which can attract employees with unique skill sets and backgrounds. This influx of workers is also proving to be a long-term benefit to communities, as more people are available to perform volunteer work, support local schools or nonprofits and provide funds for public projects.

Economic development has many long-lasting benefits and community support for development efforts is integral to its success. The South Carolina Economic Developers' Association has supported these efforts across the state for nearly 50 years and hopes to continue with a growing network of professionals who can help stimulate new development.

Earlier this year, we published The SCEDA Economic Development Handbook specifically designed to assist local, regional and statewide business and government leaders as they work to attract new business to their region. We hope this will be a useful tool to local government leaders as South Carolina continues to grow.

South Carolina sees economic development success at many levels, and collaboration from the local level is critical to success.

Boutique hotels

bring vibrancy to downtowns

By Amy Geier Edgar

Florence hotel developer Grey Raines was talking over the idea of a boutique hotel with a friend and asked where it should be located.

“I said great idea, where are we going? Charleston? Charlotte?” Raines recalled. “He said, ‘Downtown Florence.’ I thought he was crazy.”

Less than five years later, Raines and his partners are planning an expansion of the Hotel Florence, an Ascend-affiliated 49-room hotel in a renovated early 20th century building in what once was the city’s main downtown shopping, dining and entertainment district.

“We could not have done this project without the cooperation of the city and the leadership of Mayor Stephen Wukela,” Raines said.

Wukela said he saw the hotel project as a catalyst for revitalizing the city’s downtown core — a catalyst that would bring people to the area after dark. The city tapped water and sewer funds to make im-

provements to the downtown infrastructure, much as it does for new developments outside the city’s core, Wukela said. Tax increment financing provided funding for landscape and parking improvements. The water and sewer money will be repaid by increased demand for services, Wukela said.

Now, a developer is looking at putting apartments, stores and a restaurant across the street from the hotel.

Other midsize South Carolina cities, including Beaufort and Anderson, have followed a similar path to bring vibrancy back to their downtown areas. In each case, the hotels were developed by local residents looking to re-create the downtowns where they had grown up.

“The stimulus of that one project has taken a street that was nothing but a thoroughfare and turned it into a center of commerce,” Beaufort Mayor Billy Keyserling said of his city’s boutique hotel, City Lofts.





Bleckley Inn, Anderson

City Lofts was built without financial incentives from the city. “The only city investment was encouragement,” Keyserling said.

Matt McAlhaney, a real estate developer, said he knew there was a void in Beaufort for a downtown boutique hotel. The market for affordable hotel rooms, largely for families coming to watch basic-training graduations at Marine Depot Parris Island, was covered mostly by quality national chains. Downtown has a number of bed-and-breakfast operations that offer luxury, but focus on a different type of traveler.

“Our product caters to a sophisticated, well-traveled audience,” McAlhaney said.

But the City Lofts was not planned as a boutique hotel. McAlhaney originally planned a condominium/hotel complex.

“I had a number of presales, but it was perfectly horrible timing,” he said. “We opened our doors at the bottom of the recession in 2009.”

The project has survived the failure of his original lender and subsequent note-holders. Still, he said, the hotel has done well throughout the downturn.

“We are enjoying some very high occupancy rates,” he said. “We are looking at

expanding. We have room for an additional 12-15 more rooms.”

The Hotel Florence also is looking at expanding as is the Bleckley Inn in Anderson.

Like the other hotels, the Bleckley was built by a successful businessman in his hometown.

“The idea came after the Budweiser Clydesdales visited the city,” inn developer Steve Kay said. The horses were put up in the old livery stable downtown, but the trainers who worked with the horses had to leave town each night during the visit to get to their hotel room.

“We had a nice place for horses to sleep,” Kay said. “But not for people.”

Kay, an electrical contractor by trade, put together three buildings that were gutted and renovated into hotel rooms. The city was able to provide a grant of \$40,000 a year for five years and about \$100,000 in infrastructure improvements.

Now, Kay is looking at another nearby property for a second hotel combined with extended stay facilities and retail on the first floor.

The primary customer for the Bleckley Inn is wedding parties.

“Midweek, we have a lot of industry representatives, especially foreign-based, who

like the boutique hotel idea,” he said. “But on the weekend, the brides take over.”

The Bleckley offers turnkey service for weddings—a place to stay, hold the ceremony and the reception.

“The goal is to get more people downtown,” he said.

That is exactly what the hotels have done, bringing in restaurants and shops and helping return the city centers to what they once were.

“We chose Anderson because that’s where I grew up. My family has been there for several generations,” Kay said. “I’m old enough to remember when downtown was where you went to town. I can walk around the square and tell you what every store was.”

Anderson Mayor Terence Roberts hails Kay’s local connections as a major part of his business’ success. “Steve grew up here and has roots here. He understands our city and knows the time is right for this type of development.”

Wukela said the Hotel Florence initially was met with skepticism after decades of false starts and developments that promised much, but delivered little.

“When this facility opened, people saw that promise come to fruition,” he said. •

MAKING HEALTHY FOOD ACCESSIBLE



By Page Ivey

The Northside area of Spartanburg was 400 acres of blight, where poverty ran rampant and about half the homes were vacant. The only grocery option for residents was a convenience store that had a gas station and liquor store attached.

City leaders had discussed ways to revitalize the neighborhood. Those discussions finally gained traction some five years ago when the Virginia-based Edward Via College of Osteopathic Medicine decided to invest \$30 million in a Carolina campus in the neighborhood. That investment energized the area. Plus public and private partners developed their vision for the Northside, which included mixed-income housing, commercial development, and improved access to health and wellness programs.

Community meetings were held to see what residents wanted in their neighborhood. In one such meeting, a resident wondered aloud that if an ice cream truck could drive through their neighborhood and sell sweets, couldn't a vegetable truck bring them the healthy foods they lacked? The idea of the Healthy Food Hub was born.

The area, which was once a "food desert" where healthy, fresh foods were not easily accessible, will be home to the new \$2 million Harvest Park, which will include a restaurant, grocery store, culinary job training and farmer's market. Harvest Park—which was scheduled to

open in late October—aims to meet the needs of many residents by providing amenities, job training opportunities and healthy food options, said Northside Development Corporation Project Manager Curt McPhail.

"We have always celebrated our agricultural history," said Spartanburg Assistant City Manager Chris Story. "Now we have a new way of making it relevant, by exploring the economic development opportunities related to it."

Harvest Park will be a catalyst for investment. The foodies who routinely shop at the farmer's market will be visiting and spending money in a neighborhood that historically has been one of the area's most distressed, Story said.

"All of this will raise expectations and expose development opportunities for this area," he added.

It's part of a growing trend to use locally sourced food as an engine for economic development. A number of counties and towns in the Upstate have begun discussions on an Upstate Regional Food System, which would create a network of local food producers and small retailers in an attempt to spur growth, create local jobs and encourage healthy eating.

Many cities have established farmers markets because of their economic potential. In most cases, the market managers operate under a contract with the municipality. A few, like

Greenville and Easley, have a city employee who acts as market manager.

Lisa Garrett, manager of Easley's Farmers Market, said the 5-year-old market has had a great impact on the community.

"It brings people to our downtown every Saturday morning. A lot of our customers come every week to buy, visit with vendors and meet up with friends," Garrett said. "More and more people are looking for alternatives to the big box grocery stores. It has been one of our goals to bring awareness to the public about supporting our local farmers and growers, being able to talk to the farmers and learn how they grow their food."

Greenville County Planning Department Principal Planner Scott Park has been involved in the movement for a local food system for the past few years. He said the entire Upstate would see economic benefits from a regional food system plan. Rural counties have assets that more urban counties need, while urban areas have the market for rural goods, he said.

"The local food system allows for a wide variety of people to gain skills, jobs and tools for entrepreneurship to support themselves, their families and their communities," Park said. "From the farm, to distribution and processing, to adding value to local goods, and to retail establishments, all can become a bigger part of the local food system." •



The new \$2 million Harvest Park will include a restaurant, grocery store, culinary job training and farmers market. (Photos by Hot Eye Photography)



Myrtle Beach Convention Center



Charleston



Columbia



Beaufort



PERSPECTIVE: LOOKING AT THE CITY THROUGH THE EYES OF LOCAL CHAMBER EXECUTIVES

By Reba Hull Campbell

Collaboration and open lines of communication are two key elements when developing a good working relationship between city governments and their local business community, say a number of local chamber executives.

Local chambers of commerce are often the first, and sometimes only, organization in many communities that focus solely on meeting the needs of their local businesses. For this reason, good relationships between local chambers and city government are key to

ensuring everyone involved with the process of recruiting, growing and maintaining local businesses is on the same page.

Whether it's as simple as the chamber having city representation on its board or the city including a chamber voice on municipal committees, open lines of communication are critical.

In Laurens County, the chamber of commerce not only brings together local businesses, but it also supports collaboration among the cities in the county. Greg

Alexander, president of the Laurens County Chamber, says, "The chamber has established a municipal committee that meets monthly bringing together the cities of Fountain Inn, Clinton and Laurens as well as our economic development corporation and the chamber. This is a nonpolitical group that shares ideas, finds common ground and works to solve problems collectively."

Brad Dean, executive director of the Myrtle Beach Chamber, says city staff and officials are quick to get involved in chamber



committees, task forces or other initiatives to ensure the city is both present and involved in the goals and vision of the business community. “City leaders listen to the business community’s opinions and respond to their concerns. We may not always agree on every single issue, but they never ignore the concerns of the chamber and our members,” Dean said.

Dean also stressed how the City of Myrtle Beach regularly involves the business community in its committees and events. He said the city will hold forums or events that are designed to help the business community. Earlier this year, he noted, the city hosted a symposium focused on preparing for long-term damage from a major hurricane.

But collaboration goes beyond just committee involvement. John Hastings, president and CEO of the Fountain Inn Chamber of Commerce, says the city is involved in downtown revitalization and has been working with a developer that will soon begin building new homes with pricing beginning around the \$180s.

“Once home buyers are in place,” he says, “it will be even more attractive for businesses to locate and shoppers to shop in downtown Fountain Inn.”

Alexander agrees the city has an important role to play in creating a downtown that is conducive to business growth. He notes that in Clinton, “the city has created a professional look of uniformity downtown by enacting strict signage ordinances.”

Plus, Alexander says, “The city has been successful in securing a number of façade grants over the past several years that have helped changed the face of downtown.”

The same is true in Fountain Inn, Hastings says. He notes that city façade grants to several downtown building owners have enhanced the front of their buildings, increasing curb appeal to make the buildings look more professional and inviting.

“The city has begun its downtown business district revitalization of the Main Street and its sidewalks,” Hastings says. “Yes, it hurts whenever construction and change take place, but the end result will help make Fountain Inn a destination place to come and shop.”

In Myrtle Beach, where tourism is so important and construction is a constant, Dean says the city staff takes into consideration the impact of construction projects on businesses and tourists.

He says, “Myrtle Beach city staff tends to be very pro-tourism and understands the important role that business plays in keeping our community and economy growing. This productive relationship extends far beyond the top levels down into both organizations. I often find my staff consulting or reaching out to city staff to coordinate our efforts.”

All these chamber leaders agree that staying in touch with city leaders and listening to one another can do nothing but make their cities more attractive to business growth.

Alexander suggests that chamber executives need to get in front of the city council and present projects and priorities at least one to two times per year.

Dean agrees. “It’s important for us to listen to and learn from our peers in the public sector, and eagerly seek collaboration in those areas where we can establish common goals.” •

Edisto Beach: Before



FIELDS OF DREAMS

REDEVELOPMENT RISES OUT OF CONTAMINATED PROPERTY

By Amy Geier Edgar

For some cities and towns, redevelopment on a former industrial or commercial site can be stymied by environmental contaminants. These sites, known as brownfields, can include textile mills, old landfills and abandoned manufacturing or processing sites. Often they sit vacant and blighted, but there is help to clean up these sites and make them vibrant redevelopments.

The Brownfields Cleanup Revolving Loan Fund is funded by a series of grants from the U.S. Environmental Protection Agency to the S.C. Department of Health and Environmental Control. The fund provides a combination of very low-interest loans and grants to

finance environmental cleanup and removal activities at brownfield sites across South Carolina. Helping DHEC is the Catawba Regional Council of Governments, which is serving as the statewide fund manager for the program.

"A major goal of the program is to clean up sites for reuse and to convert a community or neighborhood eyesore into an area asset, whether for private redevelopment or public use such as open or recreational space," said Harold Shapiro, the program's marketing director.

The fund's primary emphasis is the cleanup of hazardous waste. Although abandoned textile sites

and old landfills may be the first such hazards that come to mind, the fund also can help with the removal of friable asbestos and lead-based paint from older buildings, Shapiro said.

As an added incentive to promote redevelopment of new projects, 30 percent of any amount borrowed from the fund, up to a maximum of \$200,000, is eligible to be converted to a grant.

Edisto Beach: After



The City of Greenwood received \$500,000 toward the cleanup of the 7-acre Greenwood Mills property adjacent to downtown, according to City Manager Charlie Barrineau.

Large amounts of asbestos-containing material had been found at the site. City officials worked with a contractor and site consultant to remove and properly dispose of the dilapidated structures, smokestack and environmental waste. They brought in clean fill to level the site and planted grass seed.

One historic structure — the original Greenwood Mills Office — remains on the site, and local officials are working with the Palmetto Trust for Historic Preservation on restoration options. With work nearly complete, the Greenwood officials will soon issue a request for proposals for redevelopment.

“We envision a mixed-used development on the site,” Barrineau said.

The Town of Edisto Beach received \$225,000 from the brownfields fund in 2010 to remediate the former Bell Buoy Seafood site. The property had been used for a shrimp boat dock, retail and wholesale seafood outlet, and takeout food establishment. There also was a large incised area in the shoreline along the creek that had been developed with a marine rail to haul commercial vessels out of the water for hull repair and painting, according to Town Administrator Iris Hill. City officials had to overcome contamination in the tidal wetlands and numerous regulatory hurdles.

Today the site has found new life as the award-winning Bay Creek community park, featuring a dock for fishing and crabbing, boardwalk, picnic tables and a vast open area. It is home to festivals and community events such as the Governor’s Cup, Music and Shag Fest, and Shrimp Fest, Hill said.

The brownfields loan also has contributed to revitalization projects at two former mill sites in the City of Rock Hill. The Arcade Mill project borrowed \$485,000 from the brownfields loan fund, according to Jen-



nifer Wilford, project manager for the Economic and Urban Development Office of the City of Rock Hill. The overall project involved assessment, demolition and cleanup of the mill structure and a number of drums and tanks that were buried on site. A portion of the site will be used for affordable housing, and the remainder has been developed as open green space that serves as the trailhead for the Winston Searles memorial trail, she said.

A second site, the 24-acre Bleachery project, received a total of \$1.5 million from the brownfields fund. Work at the large and

complex Bleachery project is ongoing, Wilford said. The main mill structure has been demolished, and assessments of the conditions below the former structure have been conducted.

“The redevelopment of these cleaned sites provides an opportunity for individual economic development opportunities on the sites themselves,” Wilford said. “More importantly, though, they often serve as a catalyst for economic development to begin taking place on the adjacent properties and surrounding areas. Their revitalization often serves as a visible signal that the area is ready to support renewed investment and activity.” ●

HOMETOWN SNAPSHOT



Photo/Northside Development Group

An urban farm and greenhouse are part of Spartanburg's Harvest Park, an initiative to make healthy food available to the city's underserved Northside. With \$2 million in loans and grants, the new park includes the Hub City Farmers Market, a restaurant, grocery store, culinary job training and teaching kitchen.

You see a street...



We see a lifeline that is a hometown with planned traffic flow, fire stations, thousands of visitors each year, city parks and community centers for children of all ages. Our streets take us to our jobs, our churches, our fun places and even to grandma's house.

www.CitiesMeanBusiness.org



MASC Municipal Association
of South CarolinaSM