

ECONOMIC DEVELOPMENT

Chapter 4

Economic growth is critical to the future vitality of the City of Florence. The City's economic health will dictate the type and quality of new development and the ability of the City to provide basic public services. It will affect the City's standing as the dominant economic engine for the Pee Dee Region, and impact the City's ability to keep taxes low through tax-base growth and the avoidance of major new demands for increased municipal services. This Chapter discusses policies and programs to grow and diversify the City's economy. It includes specific recommendations designed to expand the tax base, promote job creation, increase household wealth, and support the formation of new businesses. The recommendations are made with the understanding that Florence's economy is part of a much larger regional economic system whose overall performance will directly affect the City's own economy. They are also made with the assumption that Florence County will continue to handle the area's major economic development functions (such as industrial recruitment, expansion, and retention) and that it will continue to represent the City of Florence in future regional economic development initiatives. The City's economic development programs, therefore, are designed to augment and supplement, not supplant, existing County programs.

INTRODUCTION

Like other fluid systems, such as transportation and energy, Florence's economy is dynamic, interdependent, and constantly in flux. It doesn't adhere to municipal boundaries and is driven by internal, as well as external, forces. For this reason, the City's economic development policies and programs should be established and implemented within a regional context with the understanding that, "What is good for the region is good for Florence (and vice-versa)." This is particularly important for Florence due to its position as the County seat and economic hub for the entire Pee Dee Region. From its historical role as rail hub and center of textile production, the Florence region today has a diverse economy consisting of well-defined clusters of manufacturing, metal fabrication, medical services, distribution, government, and pharmaceuticals. From a national perspective, Florence is strategically positioned on the I-95 corridor midway between New York and Miami. Regionally, it is located at the eastern end of I-20 corridor, midway between the State Capital at Columbia and Myrtle Beach – one of the East

Coast's most popular coastal communities. Florence is also midway between Charlotte, NC, one of the South's largest financial centers, and Charleston, SC, one of the nation's oldest and largest seaports and a significant tourists destination. Both are a little more than a two-hour drive from Florence.

The City proper has many existing assets that can serve as a platform for future economic development efforts. These include, among others, Francis Marion University (FMU), two major medical institutions, and regional offices of major multi-national corporations such as GE Healthcare, Johnson Controls Inc., Honda, and Monster.com. It also has a fledgling tourism economy and a growing array of major cultural attractions. Florence has a robust transportation infrastructure and also features several attractive residential neighborhoods conveniently located to major centers of employment. It is also the center of an eight-County retail trade area comprised of a population of nearly 80,000. Overall, the City offers an affordable and attractive lifestyle along with low taxes and a warm-weather, pro-business climate.

In recent years, the City has established the Florence Downtown Development Corporation (FDDC) to spearhead downtown revitalization. The Corporation helped lead the creation of a new tax increment finance (TIF) district area. The creation of the FDDC and the TIF district are indicative of the City's

increasingly proactive stance in redevelopment planning and downtown regeneration. These steps are intended to help expand the City's economy in a deliberate, strategic, and balanced way. With the exception of the FDDC, most economic development functions for the City are currently handled at the County level by the Florence County Economic Development Partnership (FCEDP) and, nominally, the Florence

County Chamber of Commerce. The FCEDP is primarily involved in strategic business outreach and community marketing activities and as a facilitator for local businesses to access statewide tax and job training incentives. Florence County offers additional incentives such as a five-year tax abatement for business real estate and equipment that the FCEDP helps promote and administer. **Table 4.1: Florence City/County Selected Economic Sectors: 2002 Economic Census**, gives business and employment information for Florence.



Years ago, a TIF district was established for the downtown.

Table 4.1: Florence City/County Selected Economic Sectors: 2002 Economic Census

| NAICS Code | Sector | No. of Establishments | | Sales (X \$1000) | | Annual Payroll (X \$1000) | | Paid Employees | |
|------------|-----------------------------------|-----------------------|--------|------------------|-------------|---------------------------|-----------|----------------|-------------|
| | | City | County | City | County | City | County | City | County |
| 31-33 | Manufacturing | 33 | 128 | n/a | \$3,772,156 | n/a | \$429,722 | 2,500-4,999 | 12,379 |
| 42 | Wholesale Trade | 59 | 189 | \$285,656 | \$1,134,711 | \$22,970 | \$88,577 | 602 | 2,446 |
| 44-45 | Retail Trade | 367 | 771 | \$906,790 | \$1,773,439 | \$85,347 | \$159,562 | 4,929 | 8,934 |
| 53 | Real Estate | 64 | 118 | \$35,519 | \$83,890 | \$7,868 | \$16,126 | 411 | 749 |
| 54 | Professional & Technical Services | 136 | 217 | n/a | n/a | n/a | n/a | 1,000-2,499 | 1,000-2,499 |
| 56 | Administration & Support | 63 | 129 | \$42,584 | \$78,714 | \$24,193 | \$41,892 | 1,603 | 2,921 |
| 62 | Health Care | 244 | 339 | \$814,997 | \$894,433 | \$399,064 | \$371,973 | 8,128 | 10,087 |
| 71 | Arts, Recreation, Entertainment | 19 | 39 | \$13,553 | \$20,500 | \$5,173 | \$7,173 | 354 | 517 |
| 72 | Hospitality, Food Service | 121 | 248 | \$88,253 | \$164,278 | \$25,350 | \$47,205 | 2,560 | 4,875 |

The FCEDP also operates a site location website and has facilitated various business expansions and relocations- leveraging such incentives as infrastructure extensions, land assembly, and land discounts. The entire County is a federally designated “Enterprise Community,” making new and expanding companies in it eligible for major tax incentives such as accelerated depreciation of capital assets and job training credits.

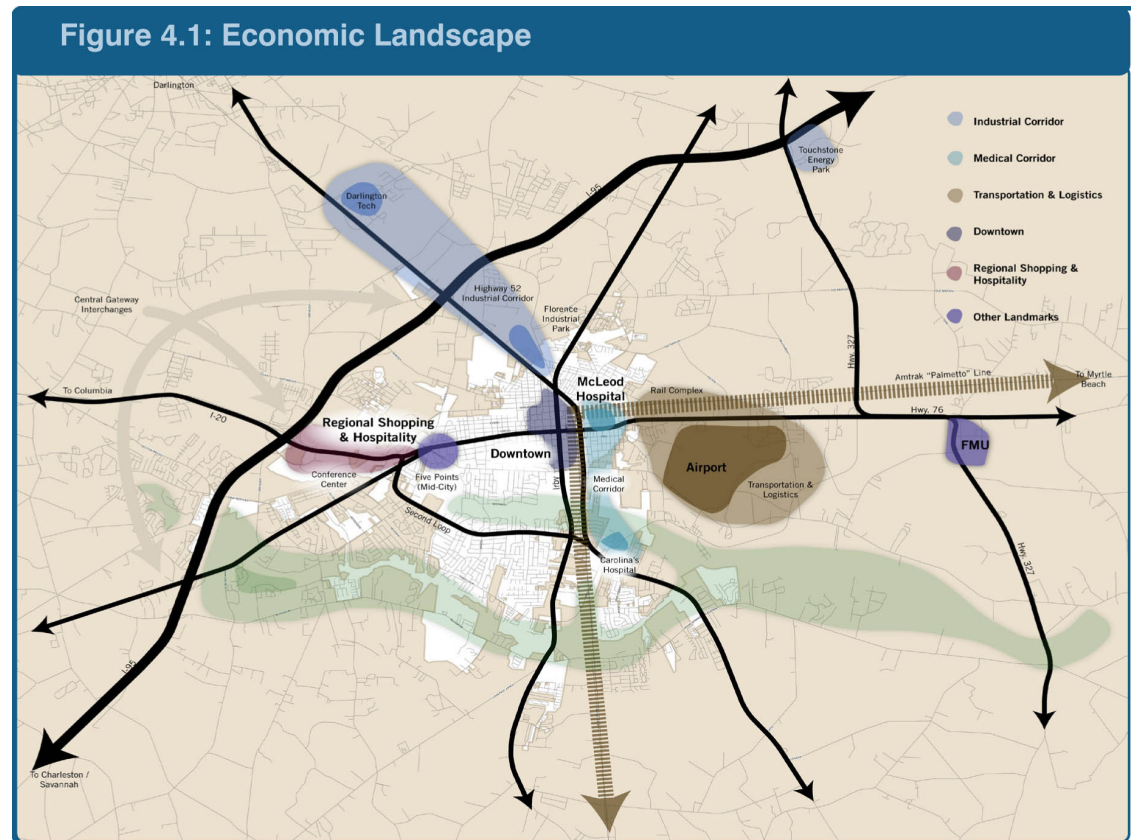
Discussions with City government and business leaders indicate that more tactical efforts need to be taken to steer investment into the City. There is growing sentiment that Florence should create some of its own economic development incentives to augment County and State programs, particularly in the areas of entrepreneurship, public-private partnerships, inter-institutional partnerships (such as between/among the City, University, hospitals, and Florence - Darlington Tech), and downtown redevelopment. There is also local support to promote or expand existing economic clusters such as medical care, pharmaceutical manufacturing, and tourism through customized incentive packages. Finally, there is a sense that the City should go to extra lengths to support local businesses and industries that do more than just expand the tax base, but that also provide quality jobs.

ECONOMIC POSITIONING OPPORTUNITIES

The region’s geographic location and existing asset base lend themselves to the potential creation of new or expanded economic opportunities for the Florence area. Realizing these opportunities, however, will require a concerted alignment of City and County economic development resources, including those of area educational institutions, and a continued build-up of the region’s existing industry specializations. (See **Figure 4.1: Economic Landscape**.)

Financial and Information Technology Services Backroom Operations

As the main financial center for the Pee Dee Region, the Florence area already has a large number of regional banks and supporting services. That the City is also very accessible to the southeast’s main financial centers of Charlotte and Atlanta and that it has affordable land and labor costs, reliable energy, and robust telecommunications capacity makes it a potentially attractive area to house backroom services for the financial and IT sectors. These services could include major IT services such as server farms and transaction processing centers. Currently, there are several daily flights to Charlotte and Atlanta from the Florence Regional Airport.



Florence “Railport” (Logistics Park)

The City’s geographic location and integrated transportation systems have made it an attractive location for distribution and logistics operations. Beyond this, however, the region’s specialization in manufacturing, together with low land and labor costs and a good technical education system, make it an attractive location for value-added manufacturing. This opportunity could be given impetus through the designation of a Foreign Trade Zone (FTZ) and the creation of state-of-the-art intermodal facilities at the airport and/or rail yards on the east side of the City. A Florence FTZ could be either a stand-alone zone or a sub-zone of coastal FTZs in Charleston

Additive Manufacturing and Prototyping

The region currently has a high concentration of metal fabrication and other basic manufacturing industries. Its additional strengths in technical education, including the prototyping lab at the Southeastern Institute of Manufacturing and Technology (SIMT), as well as its reliable and affordable energy infrastructure, however, present an opportunity to establish an even stronger advanced manufacturing sector. Partnerships with other key regional players such as GE Healthcare and the University of South Carolina could be keys in building this sector. The presence of GE, the hospitals, and the local pharmaceuticals cluster may offer the potential for a medical instruments sub-

niche for Florence. Likewise, the regional presence of major corporations like Johnson Controls and new technology companies like Materials Technology, Inc. in nearby Lake City offer the potential for precision components manufacturing for leading-edge applications in emerging areas such as new materials, waste-to-product, and energy efficiency.



The Darlington Tech Campus offers manufacturing classes.

Biomedical Clinical Research, Biopharmaceuticals

With its two large hospitals, the City already serves as the regional medical center for the Pee Dee region. The City’s location midway between the State’s

main biomedical research facilities at the University of South Carolina in Columbia and large patient populations in the greater Pee Dee region and in Myrtle Beach; also position it to play a potentially greater role in clinical research trials (particularly involving geriatric medicine for instance). This opportunity may be given even greater impetus by the City’s current healthcare education infrastructure and the region’s pharmaceuticals industry. McLeod Hospital currently participates in limited clinical trials in conjunction with the University of South Carolina Medical School (USCMS) and, through a national consortium of regional hospitals, the Cleveland Clinic. This function could be significantly enlarged by forging stronger ties to the USCMS, potentially to also include clinical training of medical students much like the school’s relationship to hospitals in Greenville. Meanwhile, Roche represents one of the State’s flagship pharmaceuticals manufacturers. Opportunities may exist to develop or attract other companies that would benefit from having close proximity to Roche. Examples include major input suppliers and those having cross-over markets to other area companies, such as food manufacturing (i.e. preservatives and nutraceuticals).

Retirement Living & Tourism

Previous studies have dubbed Florence as the “Gateway to the Pee Dee Region and the Coast.” The City’s location at the mid-point between New York and Miami and as the main I-95 “exit” to Myrtle Beach afford the possibility to capitalize on the tourism market, provided that the City’s offerings – either alone or as part of a regional grouping of attractions – have enough drawing power to compel road-trippers to stop. The City is already well served by hotels that serve the tourism market. Continued growth of the City’s arts and culture economy also helps put Florence “on the map.” It has been suggested throughout this plan, however, that Florence will need to create at least one large, unique attraction to anchor a tourism market and improve the appearance of its entrance corridors to enhance its reputation as a destination. The City’s climate, major medical facilities, regional recreational attractions, and affordability also make it an attractive location for retirement living. Encouraging more senior housing in a variety of formats would help the City capitalize on the growing and potentially lucrative senior market.

Inland “Shop Floor”

Major coastal resort communities such as Myrtle Beach are usually home to sizable populations of successful, highly affluent, mid-career “serial entrepreneurs” who work or telecommute from their second home. Many of these entrepreneurs want to be close to their main place of businesses without giving up their coastal lifestyles. Further down the coast, Charleston is disadvantaged by its limited land and labor capacity to capitalize on all of the value-added manufacturing opportunities presented



Executives can provide business-as-usual even on vacation.

by its port and major manufacturers such as Boeing. Affordable land and labor availability, transportation access, and land entitlements are often restricted in dense coastal communities. Nearby Florence, with fewer of these limitations, may have an opportunity to position itself as a commuter “shop-floor” or supply-chain “link,” particularly for production-related companies originating from the coastal, as well as inland, areas. This opportunity is strengthened by Florence’s excellent transportation infrastructure and its uncommon innovation- infrastructure, as characterized by the prototyping lab at SIMT.

City financial incentives and target marketing to encourage new business start-ups may be needed to better position the City for this opportunity.

Table 4.2: May 2008 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates: Florence MSA, provides occupation information.

Table 4.2: May 2008 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates: Florence MSA

| Occupation | No. of Employees | Average Annual Salary |
|---|------------------|-----------------------|
| Management | 3,100 | \$91,950 |
| Business & Financial | 2,930 | \$49,030 |
| Computer & Math Science | 780 | \$52,680 |
| Architecture & Engineering | 1,070 | \$68,260 |
| Life, Physical, & Social Science | 460 | \$52,930 |
| Community & Social Service | 1,290 | \$32,120 |
| Legal Occupations | 490 | \$43,080 |
| Education | 4,800 | \$39,500 |
| Arts, Entertainment, Media, Sports | 480 | \$40,170 |
| Healthcare & Technical | 6,540 | \$60,330 |
| Healthcare Support | 3,790 | \$21,590 |
| Protective Services | 1,490 | \$28,590 |
| Food Preparation & Servers | 6,760 | \$16,640 |
| Building, Grounds Cleaning, & Maintenance | 3,380 | \$20,590 |
| Personal Care & Service | 1,350 | \$21,530 |
| Sales & Related | 8,600 | \$28,310 |
| Office & Administrative Support | 13,210 | \$27,740 |
| Farming, Fishing, & Forestry | 340 | \$27,370 |
| Construction & Extractions | 3,570 | \$29,260 |
| Installation, Maintenance, & Repair | 4,230 | \$36,970 |
| Production | 8,710 | \$32,750 |
| Transportation & Moving Materials | 6,550 | \$28,640 |

Source: US Department of Labor, Bureau of Labor Statistics

FOCUS AREAS AND STRATEGIC RECOMMENDATIONS

Focus Area 4.1

Build the City's capacity to undertake basic development.

Strategy 4.1.1: Create and fund a starter-menu of City-level economic development programs and incentives to supplement Florence County programs.

Rationale

Florence County, through the FCEDP, currently offers a general set of tax incentives and other business assistance available to businesses throughout the County; however, there are no added incentives for locating directly within the City of Florence. Therefore, there is little to provide the City a leg-up on its neighbors in attracting or retaining companies considering a Florence-area location. Because of a common perception that older cities have more than their share of "urban problems," including available sites, the City should consider additional "booster" incentives that could be added to countywide incentives to equalize its competitive footing, vis-à-vis neighboring communities

Actions and Initiatives

- ◆ Form a City economic development committee to oversee the development of City economic development programs and incentives, including the eventual creation of a permanent, dedicated economic development coordinator position and/or full time FDDC executive director.
- ◆ Consider the extension/expansion of County five-year tax abatements to seven years (i.e. offer a two-year "rider" of City property taxes). Identify and post all City census tracts that are eligible for New Markets Tax Credits (NMTCs).
- ◆ Identify and post all area Community Development Entities (CDEs) that have, or are eligible to receive, an allocation of NMTCs. Make this information known to area developers.
- ◆ Create a downtown façade grant program.

- ◆ Initiate discussions with area banks on participating in a City Revolving Loan Fund (RLF) as part of their Community Reinvestment Act (CRA) requirements (see above). (Revolving loan funds typically provide subordinated, low-interest "gap" financing for new businesses and development projects that can't obtain the necessary amount of conventional financing from commercial banks. They are not intended to be sole-source financing.) Besides contributing low interest loan funds, bank participation could also include in-kind assistance with loan underwriting and serving on a special RLF loan approval committee.
- ◆ Reconstitute the City's downtown micro-loan program with tighter underwriting guidelines requiring more owner-equity and sounder business planning.
- ◆ Launch a land-banking program that acquires and holds tax foreclosed, condemned, and other City-owned property in key locations for reassembly and redevelopment. Advantages to the City include greater control over the quality, scale, and timing of new development.

Strategy 4.1.2: Create a formal economic development staff position (or contracted consultant budget) to administer the above-described City programs (or re-align current staff responsibilities to do same).

Rationale

Economic development activities in Florence are currently under the aegis of the Florence County Economic Development Partnership. Although the City itself has demonstrated strong support for economic development through its support of the FCEDP, as well as the recent creation of the FDDC and downtown TIF district, it does not, by itself, have dedicated economic development staff to serve as liaison to business groups or to the County. While the County function is a necessary regional "layer" to lead major regional initiatives such as major corporate recruitment and the brokering of State resources, it doesn't have the resources to do much of the everyday, "ground level" work of economic



Evans Street Historical District is a potential location to start a grant program.

development such as helping put together smaller real estate projects, administering TIF districts, and working as staff support to neighborhood business groups and community development corporations (CDCs). This work typically falls to a dedicated staff person or consultant working for the City, a quasi-public development corporation such as the FDDC, or both.

Actions and Initiatives

- ◆ Engage the City Council in discussions on the creation of a new City economic development director position (or realignment of current staff) under the Urban Planning and Development Department (this person's time and salary could possibly be split between the City and the FDDC). Alternatively, establish a dedicated executive directorship for the FDDC separate from other planning functions. Establish a sub-committee of the Council to study the matter, draft a preliminary job description, and make a recommendation to the full Council.
- ◆ Revise the FDDC's strategic plan to sharpen its programmatic focus and capitalization strategy. Consider adding new programs focused on business formation and expansion such as micro-loans and façade grants. (See **Figure 4.2: Florence Downtown Development Foci**.) Deepen the FDDC's Board expertise in the areas of real estate development/brokering, banking, business/financial management, marketing and fundraising. Consider paring down Board membership to a smaller number of "contributing" experts in the above fields.

Strategy 4.1.3: Improve the business friendliness of the City.

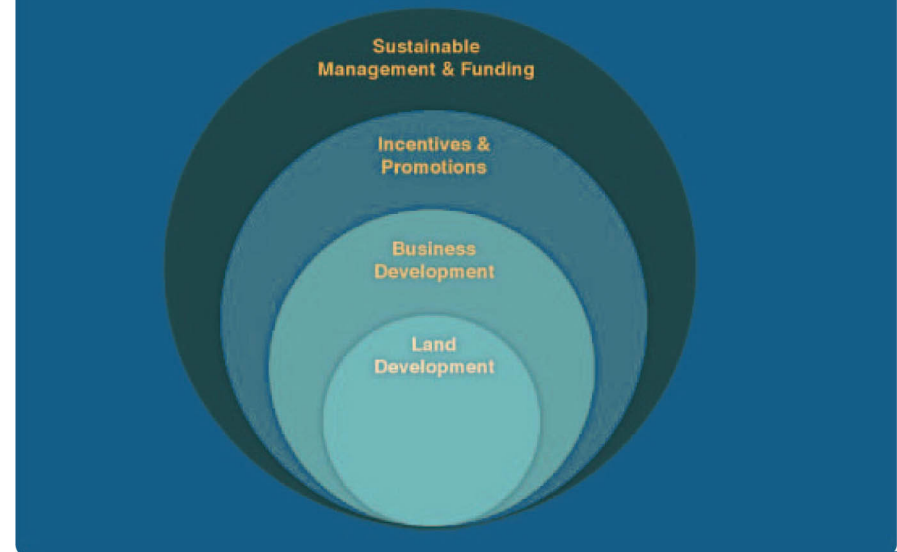
Rationale

Several people interviewed for this plan indicated that the City doesn't have a strong customer service orientation. Others suggested that the City wasn't aggressive enough in pursuing or following up on economic opportunities. These comments suggest that the City may need to be more proactive in creating and responding to new opportunities.

Actions and Initiatives

- ◆ Conduct a thorough review of City intake procedures for development projects and business permits with a view toward adopting more expedited permitting processes.

Figure 4.2: Florence Downtown Development Foci



- ◆ Implement a single-point-of-contact protocol for all new development and business permit applications. This would be likened to a one-stop project manager or expeditor who would help shepherd development applications through the process, troubleshoot problems on the applicant's behalf, coordinate tax abatement requests with the County, and lead the applicant in the direction of other assistance. This system could be implemented with current staff.
- ◆ Mobilize top government officials and business leaders as welcoming committees for promising businesses, site selectors and selected developers.

Focus Area 4.2

Maximize the influence of Florence's medical institutions to drive economic growth in the City and region.

Strategy 4.2.1: Support the growth of local medical institutions and maximize the capture of their economic spillover. Work to retain more hospital visitor spending in the City, particularly in hospitality-related services. Facilitate

the formation of ancillary service support industries in the City such as medical equipment, medical labs and clinics, commissary services, pharmacy, and hospitality.

Rationale

The presence of McLeod and Carolinas hospitals in Florence firmly positions the City as the regional health hub of the Pee Dee region. Together, they draw thousands of annual visits into the City and, along with retail, represent the City's largest "export" industry. Anecdotal accounts, however, suggest that the City is not capturing much of the consumer spending potential presented by hospital visits. The City of Florence also needs to widen its offerings of amenities and housing options in order to maximize residency of health care workers and other professionals in the City.



The medical center is an economic driver, serving local and out-of-town residents.

Actions and Initiatives

- ◆ Work to mesh the facilities plans of the hospitals into the larger fabric of the City. In particular, Florence should make improvements to the east end of Evans Streets and facilitate infill development, as well as cosmetic improvements along Cheves Street, to better connect the McLeod campus to downtown. Engage the hospitals in discussions on implementing walk-to-work incentives that provide forgivable loans to hospital workers to live in neighborhoods immediately surrounding the hospitals (in lieu of having to reserve or build valuable parking spaces for them). Added incentives for the hospitals can be restored urban neighborhoods surrounding the hospital campuses and workers living within minutes of the workplace.
- ◆ Work with the Pee Dee Regional Transportation Authority (PDRTA) and downtown business owners to establish a new transit center and free midday shuttle service between the McLeod campus and downtown (the latter possibly funded in whole or in part by a future BID district).

- ◆ Encourage the hospitals and other large corporations to support local companies and, to the extent possible, source their supplies locally.
- ◆ Work with McLeod on potentially siting new support facilities such as extended-stay resident housing in downtown.
- ◆ Secure a site and work to recruit one or more hotels downtown, at least one of which should be an extended-stay format.

Strategy 4.2.2 Work with hospitals and the University of South Carolina on collaborative, interdisciplinary research, especially involving clinical trials and medical testing around specialty care medicine (i.e. establish and celebrate the City as a regional center of excellence for oncology, orthopedics, geriatrics, or other specialty practice areas.) Encourage cooperative cost-sharing agreements for specialty imaging equipment or other technologies.

Rationale

The City's location midway between the State's main medical research facilities in Columbia and large patient populations in the greater Pee Dee region and in Myrtle Beach position it to play a greater role in clinical research trials. (McLeod, through a consortium of other regional hospitals, currently participates in clinical trials with both the USCMS and the renowned Cleveland Clinic.) A stronger research profile would assist in cementing stronger inter-regional economies with Columbia and Myrtle Beach and may also assist the growth of the region's pharmaceuticals cluster. A greater research profile will also generate more visitor spending in the City and may help the hospitals attract and retain talent and secure additional operational funding.

Actions and Initiatives

- ◆ Encourage more inter-institutional partnerships between McLeod and Carolinas Hospitals and encourage their engagement with other State medical research institutions.
- ◆ Engage in discussions with key local corporations such as GE Healthcare and Roche on how they could interface with, or benefit from, local clinical research (i.e. new medical equipment or drug testing).
- ◆ Use the medical research opportunity as a platform to engage other statewide economic development agencies around other inter-regional opportunities such as tourism, satellite educational facilities, transportation, etc.

Focus Area 4.3

Expand other industry clusters in pharmaceuticals, metal fabrication, advanced manufacturing/prototyping, and logistics.

Strategy 4.3.1: Encourage the FCEDP to focus its economic development programming around specific economic sectors and clusters.

Rationale

Florence County has small, but well-defined, industry clusters in the above sectors. Although the City and County should continue to try to diversify the local economy, they should align their marketing and future infrastructure investments to further develop existing clusters over trying to attract new companies in a random or ad-hoc manner. The ability of Florence to become a magnet for specialized talent workers and cluster support services is directly proportional to cluster size. The concentration of specialized skill sets and other cluster "infrastructure" in turn, helps enlarge the cluster in a virtuous self-reinforcing cycle. A targeted industry strategy also allows for a stronger leveraging of the region's current assets.

Actions and Initiatives

- ◆ Work with local industries and Florence-Darlington Tech to develop specialized training modules for targeted industries in such areas as supply-chain management, prototyping and advanced manufacturing, and entrepreneurship.
- ◆ Encourage Francis Marion University's business school to work more closely with local corporations on developing specialized professional development programs (i.e. MBA in supply-chain management, import/export, or entrepreneurship).
- ◆ Consider equipping future business parks and other business centers with specialized amenities and infrastructure that are attractive to target industries, e.g. Wi-Fi, Foreign Trade Zone (FTZ), and distributed/redundant energy.
- ◆ Facilitate the formation of regional business networks and industry trade groups, especially around medical, pharmaceuticals, specialized manufacturing, tourism, and logistics.

- ◆ Work with FCEDP on developing a special targeted marketing campaign directed toward industry clusters. Consider offering special incentives packages for them.

Strategy 4.3.2: Enlarge the region's logistics, distribution, and specialized manufacturing sectors by dedicating a new state-of-the-art logistics park east of downtown near the Highway 76 corridor. (See **Figure 4.3: Special Logistics Park**.)

Rationale

There are a number of distribution-related companies already in the region, and the region has ample space and infrastructure to accommodate more. The key in maximizing this opportunity, however, is for the City to go beyond just warehousing to create opportunities to add value to the goods passing through it.

Specialized facilities that allow for the easy off-loading of freight combined with special financial incentives for the modification of imports and exports (such as through an FTZ) could be key in making Florence a stronger regional hub for value-added manufacturing and distribution.

Actions and Initiatives

- ◆ Talk with site selectors, State and County economic development officials, CSX Corporation, airport officials, utilities, and developers to test the idea of creating a special logistics park near the rail yards and airport. Conduct preliminary feasibility analysis.
- ◆ Talk with State and Federal officials on the process of creating a Foreign Trade Zone at the proposed logistics park or at the airport.

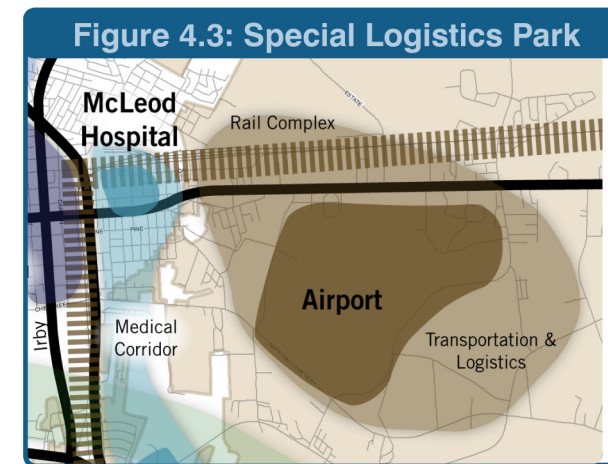


Figure 4.3: Special Logistics Park

- ◆ Create the appropriate land use and zoning/permitting designations that allow for high-quality, large-site industrial warehousing.
- ◆ Talk with CSX Corporation about the possibility of building special rail sidings into a proposed park.
- ◆ Talk with State and County transportation officials and State elected officials on building/designating a special truck route from the proposed park to I-95.

Focus Area 4.4

Work with the FCEDP and Francis Marion University to establish Florence as a State center for entrepreneurship.

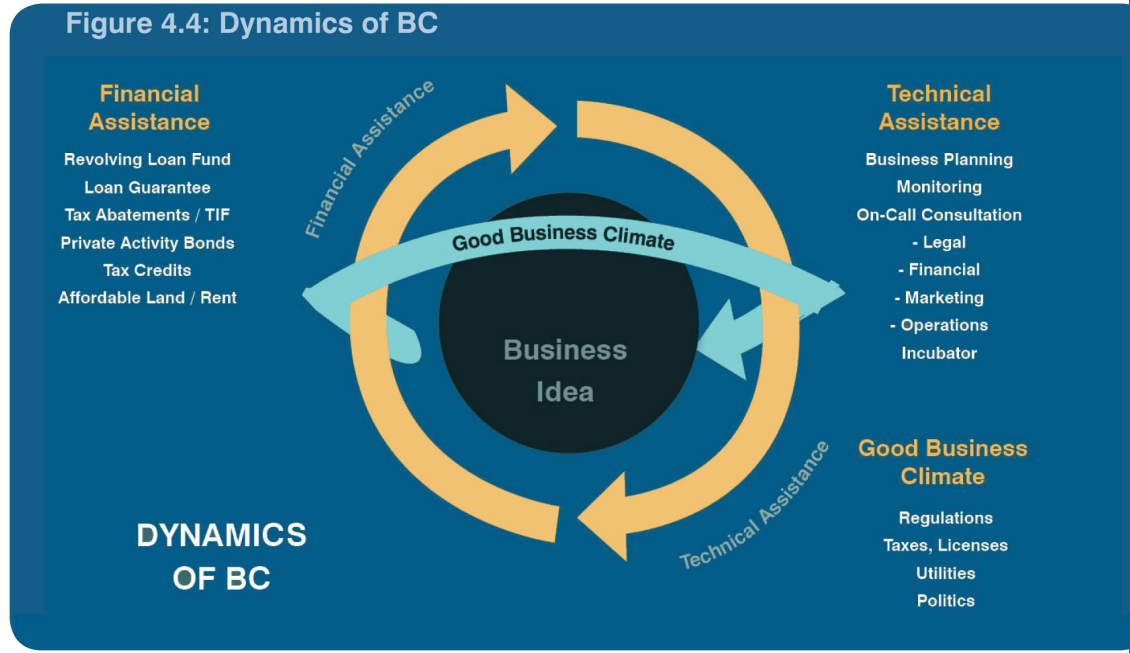
Strategy 4.4.1 Create conditions, incentives, and institutional support mechanisms that are conducive to business formation and expansion in and around the City of Florence. See **Figure 4.4: Dynamics of BC**. Attracting new businesses from the outside can be an expensive and time-consuming process with small odds for success. Statistics show that the vast majority of new jobs (80% in most places) are the result of new startups or the expansion of existing firms; yet, most economic development agencies continue to devote most of their resources to the recruitment of outside businesses. Local entrepreneurs generally support other local businesses by spending more of their money locally and have more loyalty to their host community. They are also much more likely to drive the regeneration of downtown and other older commercial districts.

Actions and Initiatives

- ◆ Work with FMU to raise the profile of their Center for Entrepreneurship and Small Business Institute. Work with them to establish a downtown business incubator and encourage them to introduce additional entrepreneurship programming as part of their business school curriculum.
- ◆ Work with the University to aggressively promote this facility and the resources it can provide.

- ◆ Work with the FCEDP to help facilitate an aggressive business outreach program specifically for Florence-based businesses. Encourage them to develop a full service regional business development center including technical support services and liaison support for securing loans through the Small Business Administration and other sources.
- ◆ Work with the FCEDP to maintain ongoing outreach with major companies such as GE Healthcare, McLeod and Carolinas Hospitals, Heinz, Johnson Controls, and other major businesses to assure their continued satisfaction with the City of Florence and to secure any proposed expansions including those of key customers and suppliers.
- ◆ Work with local banks and the Small Business Administration to establish a Revolving Loan Fund (RLF) and underwriting guidelines specifically for Florence-based businesses. The fund may be capitalized initially through State/County CDGB funds, SBA funds, pooled bank funds, foundation grants, tax increment finance proceeds, or general funds- and be used for real estate development, as well as business equipment and working capital. Consider adding booster incentives specifically for new downtown businesses.

Figure 4.4: Dynamics of BC



- ◆ Work with individual business prospects and local developers to build appropriate business accelerator facilities in the City of Florence.
- ◆ Work with the FCEDP to grow the social, professional, and financial networks necessary to support innovation and entrepreneurship. (i.e. Young professionals groups, allied business networks, entrepreneurs clubs, and angel investor groups).

Focus Area 4.5

Regenerate, revitalize, and redevelop existing commercial and industrial districts within the City.

Strategy 4.5.1: Step up efforts to regenerate downtown with a mixture of new employment opportunities, housing, public spaces, infrastructure, and event programming. (See **Figure 4.5: Downtown Opportunities.**) Efforts should be led by a fully empowered FDDC with a strategic focus on business development, as well real estate development.

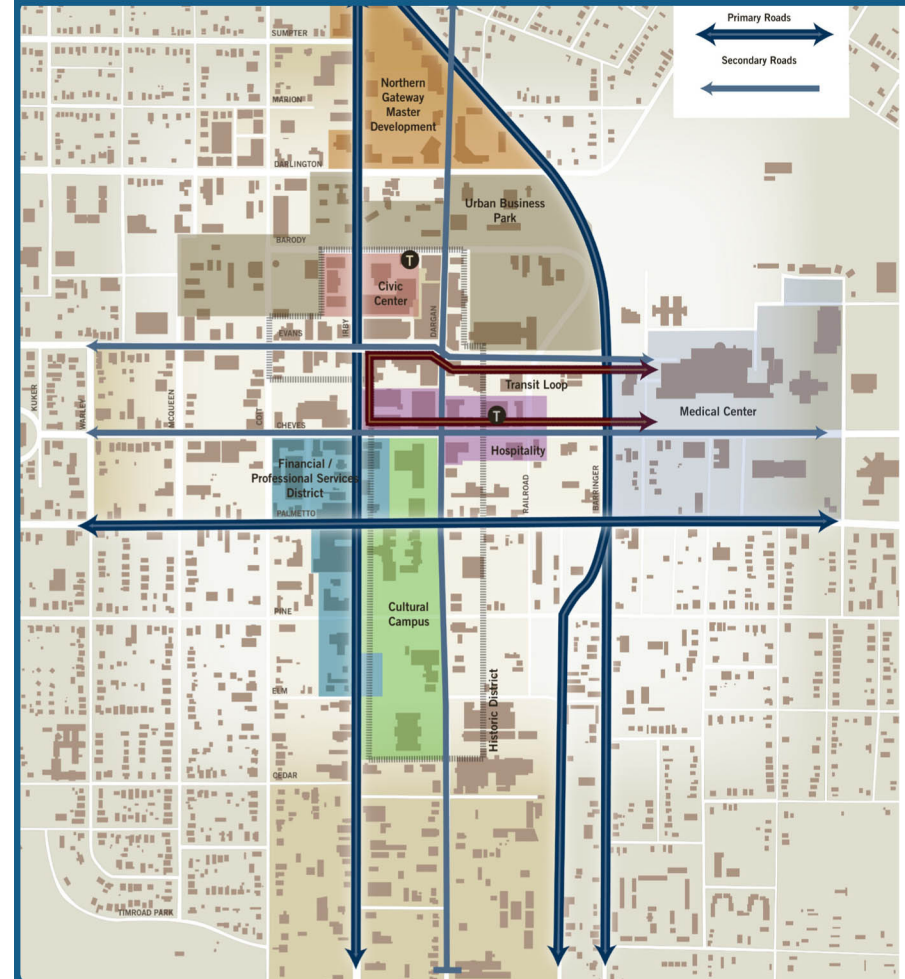
Rationale

Downtowns are a city's main barometer of community vitality. Most people will make inferences about the entire community based on their first impressions of downtown. Downtowns also play an important role in supporting economic innovation and talent attraction/retention by adding depth and variety to city life. Nurturing entrepreneurship is a critical piece of downtown redevelopment since pioneering local business people usually form the vanguard for downtown redevelopment and provide the desired local flavor.

Actions and Initiatives

- ◆ Improve the "climate" for historic preservation in downtown by securing its enrollment in the National Park Service's Certified Local Government (CLG) program.
- ◆ Establish a downtown façade grant/loan program.
- ◆ Develop a business plan and budget for the FDDC and identify its permanent funding source. Empower it to actively manage the redevelopment of downtown through the strategic land purchases, developer solicitation,

Figure 4.5: Downtown Opportunities



and selective business lending. Change the FDDC Executive Directorship to a full time, dedicated position.

- ◆ Work with downtown property owners to rehab and rent vacant storefronts and upper story units. Create financial incentives for urban housing.
- ◆ Change zoning as needed to encourage more multi-family and senior housing in different formats. Recenter the region's office market in

downtown by redeveloping the Irby and Cheves corridors into a professional services district. (See **Figure 4.6: Irby Redevelopment Concept.**)

- ◆ Relax zoning regulations to allow/encourage sidewalk vending, merchant displays, and dining.
- ◆ Support the efforts of the Downtown Merchants Association to self-manage and promote downtown. Encourage more downtown event programming and joint promotional activities.
- ◆ Work with the Downtown Merchants Association to encourage the eventual formation of a downtown Business Improvement District (BID) as a future funding mechanism for promotional events, landscape/streetscape improvements, or security services. Supported by City economic development staff, the association should be groomed to eventually assume responsibility for existing Main Street-type functions.
- ◆ Work to secure a permanent downtown site for a farmer's market and actively recruit a downtown grocery store.
- ◆ Revamp the City's micro-loan program for downtown businesses. Funds may be used to supplement a City/County-wide revolving loan program. Work with Florence-Darlington Tech on expanding its downtown presence (potentially with a new residential facility).
- ◆ Work with FMU to establish a downtown business incubator. Work with property owners and developers and the FDDC to expand downtown

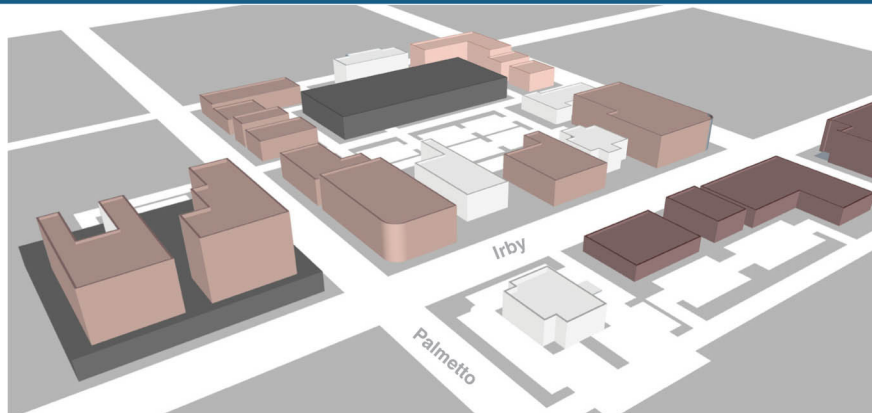
housing market opportunities, including merchant live/work units. Support the development of additional affordable (tax credit) housing units to drive the market.

- ◆ Work with the FDDC, Florence County, and other property owners to assure an optimal distribution of public/private parking facilities downtown.
- ◆ Consider building one or more public parking structures in key locations and/or securing long-term leases in privately developed structures. The development of private structures should be supported by City TIF policies.
- ◆ Develop general criteria for public financial participation in private development projects. Be prepared to invest in catalytic projects that spur the market and help implement City plans.



Coit Village would be a good place for additional parking, due to the development nature of the area.

Figure 4.6: Irby Redevelopment Concept



Strategy 4.5.2: Work to assure that downtown remains the center of City and County services and “civic life.”

Rationale

Florence is the seat of County government and administration, with most services grouped in the downtown area. The co-location of public services in a defined geographic area allows for operational efficiencies and provides a critical number of downtown jobs that support local businesses and drive visitation. The dispersal of these services can accelerate

downtown's decline and create challenges for downtown businesses, as well as people with limited mobility. It also dilutes downtown's role as the symbolic center of civic life. (See **Figure 4.7: Downtown.**)

Actions and Initiatives

- ◆ Support the continued “hubbing” of regional transit downtown. Assist the transit agency's efforts to build a new downtown intermodal station near main centers of activity including McLeod Hospital.
- ◆ Work to secure the proposed new judicial center downtown. Design it in such a way to create a recognizable “civic center” across from the City/County Building.
- ◆ Explore the feasibility of establishing universal, free Wi-Fi coverage downtown.

Strategy 4.5.3: Continue to grow the arts and culture “scene” downtown.

Rationale

The City of Florence already has an abundance of cultural facilities located downtown, and it is solidly positioned as the region's cultural capital. This

stature presents a host of spin-off opportunities for kindred goods and services including restaurants, entertainment, and art-based businesses that can capitalize on visitor flows.

Actions and Initiatives

- ◆ Work with the Doctors Bruce and Lee Foundation, FMU, the Art Trail, the Florence Convention and Visitors Bureau, and others to promote cross-marketing and programming opportunities between the institutions and downtown businesses.
- ◆ Promote the creation of an arts guild or arts consortium/network among the above organizations. Work with FDDC and/or FMU to evolve Art Trail into a fully integrated arts co-op or arts incubator that combines teaching, learning, and the commercialization of local art.
- ◆ Create a formal business plan and funding strategy for the gallery and consider moving it if necessary. Consider creating a subsidiary, spin-off, nonprofit organization to manage it.
- ◆ Encourage FMU to build stronger links between its renowned business and arts programs to groom more artist-entrepreneurs.

Strategy 4.5.4: Work to “level the playing field” between older urban commercial/industrial sites and new “greenfield” sites in outlying areas.

Rationale

As a mature city with relatively fixed boundaries, Florence has limited expansion potential to accommodate new growth. Moreover, the dictates of sound fiscal management compel cities to maximize the utilization of existing infrastructure before developing new. Redevelopment of older urban sites, however, is often hampered by a number of factors that newer sites aren't encumbered with. These include: fragmented land ownership, environmental contamination, inadequate parcel size/shape, land use conflicts, and obsolete buildings, among others.

In order to make urban sites attractive for reinvestment, cities often need to work to neutralize or mitigate some of the factors that drive development outward. Typically, this involves things like: upgrades to existing infrastructure; land assembly, clearance, and reconfiguration of lots; limiting the amount of new

Figure 4.7: Downtown



commercial and industrial zoned land; title clearing mechanisms; and, in cases where dilapidated housing and other conflicting land uses are present, “down-zoning.”

Actions and Initiatives

- ◆ Consider more aggressive use of tax increment finance to spur the redevelopment of older commercial districts and corridors.
- ◆ Work with State and Federal environmental agencies and property owners to perform comprehensive brownfield site assessment and remediation planning.
- ◆ Lead efforts to create a modern urban business park along the Baroody Street corridor through the strategies of adaptive use of older buildings, infill of vacant lots, surgical redevelopment, expansion of shared parking, and unified landscaping.
- ◆ Develop and implement industrial park design standards to aid the attraction of top companies and to extend the life of the parks.
- ◆ Work with the FCEDP, local utility companies, and developers to assemble industrial parcels in targeted redevelopment areas as part of a land-banking program.

Focus Area 4.6

Unify local economic development efforts under a common regional banner such as a FCEDP, NESA consortium. Deepen the region's economic links throughout the state and southeast.

Strategy 4.6.1: Encourage FCEDP to conduct more “trade missions” outside the region; help galvanize local industry groups; and, when necessary, lobby the State for assistance in seizing key opportunities.

Rationale

If, as the saying goes, “all politics is local,” then all economics are regional. Local economies don’t exist in a vacuum. They affect and are affected by economic conditions that exist at a macro-regional level. Business leaders in the Florence area realized this when they came together several years ago

under the name “Progress” to advocate for non-governmental approaches for improving the region’s business climate. Creating a stronger regional identity is a part of a bigger strategy to strengthen outside trade links and to quell parochial competition among local municipalities. This reasoning may justify an expansion of FCEDP’s mission and geographic reach.

Actions and Initiatives

- ◆ Continue to hold Florence County Legislative Days at Columbia where local business leaders can have full audience with State - elected representatives.
- ◆ Encourage the FCEDP and Florence hospitals to seek more relationships with State medical research institutions.
- ◆ Work with the FCEDP and local corporations to explore the possibility of landing a satellite program/campus of USC in the City of Florence (potentially around bio-medical research or new materials engineering and development). Specialty programs and institutes could be partially sponsored by benefiting corporations.
- ◆ Advocate for a coordinated regional marketing branding effort for the Florence area emphasizing culture, history, quality health care, affordability, and geographic centrality. Align the City's messaging to complement the regional brand. Develop separate City print and web materials that interface with County/Regional content.