



# RURAL DEVELOPMENTS

## EXISTING BUSINESS PROGRAMS PAY DIVIDENDS

STORY BY WALTER HARRIS

Keeping and maintaining a good relationship with the existing employers in your community is the most cost-effective, and most overlooked strategy in economic development. Each year existing companies provide most of the new jobs and capital investment. It is not uncommon in recent years for the state to announce that over 80% of new jobs and investment comes from growth of existing companies. Yet most economic development organizations spend little or no time in implementing efforts to encourage the growth of existing employers.

The reasons for this oversight are not obvious, but have something to do with the excitement of recruiting that big new industry. It also has something to do with the fact that most leaders assume incorrectly that expansions just happen and are not influenced by economic development professionals. This generates a situation where resources are never allocated and opportunities are never realized.

Even a small new company announcement generates lots of excitement with speeches, ribbon cuttings, and accolades for all concerned. However, an existing industry announcement can create twice as many jobs and double the tax base impact without attracting any attention at all. The return on investment of the community's existing industry strategies is often further enhanced

because the expanding companies typically require less extensive public investment in infrastructure. Roads, water lines and sewers are already in place.

Existing employer programs come in several varieties, but most are based on a solid visitation program. Typically the economic development organization methodically visits every major employer in the area with a consistent message—"We represent the community and we are happy you are here." After that message is delivered it becomes easy to ask about the general conditions at the company, growth plans, training needs, infrastructure needs, etc. The primary purpose of these types of questions is to identify and overcome any potential road blocks to expansion. A thorough knowledge on the part of the economic developer of the community's resources and incentives will provide numerous opportunities during the visit to assist the company.

After developing a solid visitation program, many communities have found success in adopting some other successful strategies:

**Buyer/supplier matches**-Virtually all businesses buy products and services and then sell other products and services. Quite often, one local company might offer a product or service that is needed by another local company. Making that connection can have the result of helping both companies with additional business and lower transportation costs. During

scheduled visits the economic development professional can start asking for lists of product purchased and sold in the hope that matches can be made at a later date.

**Wage and Benefit Survey**-A very useful service that can be provided by the local development organization is a wage and benefit survey. This can be conducted by mail, telephone or during scheduled visits. An ancillary benefit of this program is that current wage information then becomes available for recruited companies and entrepreneurs as well.

**Employer Associations**-Some communities have encouraged existing industries and employers to form associations. These organizations can then act together to do wage surveys, contract for common training needs and speak with one voice on issues of concern to the employment community. Several of the more successful associations have sub-groups for CEO's, personnel managers and purchasing managers.

**Headquarter Visitation**-Some communities have been quite successful by visiting the headquarters of local companies. The purpose of this visit is to express appreciation for the investment the company has made in the community and to encourage additional investment. You can usually expect a good reception and maybe some good referrals from the CEO's of your local corporations.

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**SOUTH CAROLINA  
RURAL DEVELOPMENT  
COUNCIL**

# THE IMPACT OF ENERGY DEVELOPMENT IN RURAL SOUTH CAROLINA

STORY BY Erica Hartwig

The questions on everyone's minds these days seems to be how we can reduce America's dependence on foreign oil, keep energy bill costs down, and continue to live a life that is comfortable but does not impact the environment.

There are certainly no easy answers and I don't attest to know them all, but what I do know is that one of the mixed blessings of increased energy costs is that it is suddenly economically feasible to invest in homegrown, indigenous, renewable sources of energy. Rural America can benefit economically from this increase in interest in renewable energy.

South Carolina is uniquely positioned for indigenous energy development due to the abundance of biomass that grows in the state. The USDA has committed \$176 million this year in loan guarantees and over \$11 million in grants for renewable energy and energy efficiency. Last June South Carolina committed over \$7 million for biofuel development and rebates for taxpayers purchasing alternative fueled vehicles.

This year, Representative Bill Witherspoon (R-Horry), Chairman of the



House Agriculture and Natural Resources Committee, has introduced H.3649, the "Energy Freedom and Rural Development Act". The bill would generate funds for low-interest loans and grants specifically for South Carolina residents that would make our state more competitive for federal funds. Additionally the act would create more incentives for alternative fuel development, particularly with feedstocks best suited for South Carolina. Though the state does not produce large

quantities of corn and soybeans, we do have an abundance of trees and native switchgrass, which could be harvested for cellulosic ethanol. New technologies promoted by the act could utilize algae for biodiesel, animal manure for methane, and wood waste for electricity. H.3649 was generated by the hard work of the Strategic and Tactical Research on Energy Independence Commission (STREIC), established by legislation in 2006, and an ad hoc group of stakeholders, the South Carolina Biomass Council.

According to a recent study by Miley, Gallo, & Associates, an economic research firm based in Columbia, billions in economic development could be generated in the state by utilizing homegrown agricultural products and indigenous resources like wood for energy development. The incentives provided by H.3649 would help farmers and rural workers find new sources of revenue, reduce energy costs, and reduce emissions produced by fossil fuels.

To view H.3649 and other information about energy in South Carolina please visit the South Carolina Biomass Council website at [www.scbiomass.org](http://www.scbiomass.org) and the South Carolina Energy Office website at [www.energy.sc.gov](http://www.energy.sc.gov).

## CIECD RECEIVES USDA-RURAL DEVELOPMENT RBEG GRANT

STORY BY WALTER HARRIS

The Clemson Institute for Economic and Community Development (CIECD) has been notified by the United States Department of Agriculture-Rural Development (USDA-RD) that is the recipient of a \$150,000 RBEG grant. The grant will be used to develop an Innovations Center at the Sandhills Research and Education Center in Columbia. The Innovations Center will make the best

use of USDA's programs to generate jobs in targeted areas of South Carolina. The Center will use innovative techniques to promote job development. The two person Center staff is supported by all of the resources of Clemson University. This unique relationship between USDA-Rural Development will work with community leaders to conduct seminars and meet one on one with businesses and community groups to ensure that all of the state and

federal resources are brought to bear to generate jobs and investment in rural South Carolina. Interested parties should contact Walter Harris or Stan Perry for additional information on the program.

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### Upcoming Events

SC Economic Developers' Association--May 2-4, 2007 at the Francis Marion Hotel in Charleston.

SC Rural Development Council  
Quarterly Meeting--May 9, 2007

# IS IT TIME FOR A FARMLAND PRESERVATION DIALOGUE?

STORY BY BLAKE LANFORD

For better or worse rural communities across South Carolina face the transformational impacts of new commercial and residential development. In some cases such development signifies economic prosperity previously absent. In other cases new growth is highlighted by the emergence of unforeseen conflicts between incompatible land uses and the decline of traditional economic influences.

Natural Resource Conservation Service statistics indicate that between 1992 and 1997, more than 104,400 agricultural acres were converted to higher intensity residential and commercial uses in the state. In the decade since, the loss of such acreage has continued at much the same pace. However in some rapidly growing areas, losses far exceed this 2% rate of overall conversion.

As the vast majority of acreage in the state is determined to be "rural" by U.S. Census definition, such conversions are no doubt a sign of welcome economic progress in struggling rural communities. However in many rapidly growing areas of the state and country, the pace of conversion and often disjointed nature of development in the rural-urban interface has resulted in increased calls for decisive policy to stem the loss of irreplaceable agricultural lands.

Lawrence Libby, professor of Rural-Urban Policy at Ohio State University notes that, the primary policy actors involved with farmland protection efforts have been and will continue to be, state and local governments. Libby cites available policy instruments including property tax incentives that reduce farming costs, capital gains taxes and transfer fees to discourage conversion, state and local farmland conservation easement purchase programs, and agricultural zoning. Some states seek to address the issue through growth management programs that protect farmland by directing growth away from prime lands and by reducing the uncertainty of development patterns.

In South Carolina, communities are enabled to pursue similar programs

through the 1994 Planning Enabling Legislation and associated local comprehensive land use plans. To date however, most communities have been relatively hesitant to deploy the tools mentioned above to fully affect farmland preservation initiatives. Many comprehensive plans seek to contain urban development within the areas most intensively served by existing infrastructure, but seldom is the strategic purpose cited as farmland protection as opposed to the reduction of associated capital expenditures.

To be certain, there are many sides to the issues associated with farmland conversion in the rural-urban interface. To some, policy actions are viewed as unnecessary and potentially damaging to the development process. Others groups oppose any land use planning and growth management efforts as a matter of principle. However limited, the attention to farmland protection efforts provided in the 2002 Farm Bill signifies some sense of priority even if the federal role is relegated to support and facilitation for local decisive action.

Establishment of dialogue between advocates for state land use and farmland protection policies and the economic development community is critical if our state is to overcome the challenges associated with the inevitable transformation. The Clemson Institute for Economic and Community Development and the Clemson Extension Service at-large are committed to providing the research based empirical experience and data necessary to advance just such a dialogue. Where rural and urban land use policy forums are not an uncommon occurrence, those focused specifically on the issues related to farmland preservation, and agricultural economic decline are much less common. Perhaps it time for the nexus between economic development and farmland protection policies to be addressed in such a statewide dialogue.

## RURAL DEVELOPMENTS

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The South Carolina Rural Development Council is a federally recognized organization made up of federal and state agencies, non-profit organizations and other organizations which have interests or responsibilities in rural areas.

The SC Community Development Collaborative is made up of organizations interested in effective community development practices in South Carolina. It is facilitated by Clemson's Institute for Economic and Community Development.

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