

CHAPTER 9: ECONOMIC DEVELOPMENT



INTRODUCTION

The Economic Development Chapter provides information on significant existing plans, workforce and employment trends, economic sectors, and economic opportunities. It also addresses opportunities to expand and diversify Horry County's economic base, in addition to identifying opportunities to spur business growth through revitalization. While the Economic Development Chapter provides recommendations for business and employment growth, economic growth cannot be successful without considering the close ties to housing, transportation and land use. Providing a stable environment and a high quality of life are key components in attracting new and expanding existing businesses, all of which will be necessary to grow Horry County's economy.

EXISTING PLANS

There are a number of agencies involved in economic development in Horry County, including Myrtle Beach Regional Economic Development, the Waccamaw Regional Council of Governments, the SC Department of Commerce, Santee Cooper, various business associations, and area chambers of commerce. In addition, there are numerous educational institutions involved with developing our County's workforce and with providing assessments of economic growth opportunities.

ECONOMIC PLANNING EFFORTS

The *Myrtle Beach Regional Economic Development Cooperation (MBREDC)* serves as a resource for location and expansion assistance to new and existing industries across Horry County. The Myrtle Beach Regional Economic Development Strategic Plan (2016) identifies three areas for the MBREDC to focus, including:

- Recruit and retain high-quality industries in order to generate jobs for the citizens of Horry County;
- Provide a variety of high-quality economic development "products" in which new and existing industries can locate and/or expand; and
- The MBREDC being recognized as a leader in economic development within Horry County and throughout South Carolina.

The Strategic Plan identifies a variety of mechanisms for MBREDC to achieve these goals, which primarily focus on manufacturing growth.

The *Waccamaw Regional Council of Governments (WRCOG)* is responsible for the development of the *Comprehensive Economic Development Strategy for the Waccamaw Region 2017-2022 (CEDs)*. This plan is designed to guide regional economic growth in Georgetown, Horry and Williamsburg counties in terms of job creation, diversified economies, and improved coordination between public and private entities. This plan is required to qualify for US Economic Development Administration Public Works Program and Economic Adjustment assistance. While the recommendations in this plan are regional, it is important to understand Horry County's economic significance in the region.

The *Economic Development Strategic Plan (2008)* for Horry County was developed by the Clemson Institute for Eco-

nomics and Community Development and the BB&T Center for Economic and Community Development at Coastal Carolina University. The purpose of this effort was to identify and prioritize issues surrounding economic development in Horry County and to build consensus around a set of actions that may be taken in the pursuit of a collective economic vision. Consensus building through numerous public service entities and their private partners was conducted to collectively identify ways to overcome the barriers and challenges to continued economic prosperity. This involved an array of strategies extending beyond typical economic development planning efforts, as it addresses quality of life and services needed to lay a foundation for economic growth. While this plan was developed through a number of partners, follow through of the implementation strategies has been sparse, as it is not regulatory in nature and there is no agency charged with responsibility for implementation.

In 2013, Clemson University developed the *Horry County Agribusiness Strategic Plan*. This plan outlines the trends in agriculture in Horry County, the region and the state, and identifies opportunities for agribusiness growth in the County. Among its recommendations include a stronger focus on sweet potato and peanut production and processing, the development of a food hub to service locals and the food industry in the area, and the development of an equine show facility to diversify our tourism offerings.

SPECIALIZED STUDIES AND PLANS

There are multiple academic specialists from the Grant Center for Real Estate and Economic Development and the Clay Brittain Jr Center for Resort Tourism at Coastal Carolina University that provide the County and area industries with economic updates for the County. In addition, the Myrtle Beach

Chamber of Commerce provides monthly and quarterly economic indicator publications to track trends in development, employment, and hotel occupancy and rates. This data informs emerging economic trends in the Grand Strand.

EXISTING PLANS FINDINGS

There are multiple plans and studies that have been conducted by government agencies, business associations, and academic institutions. Each of these plans conveys the need for building upon our existing economy, diversifying our industries, developing a marketable product, and fostering workforce development. The implementation of all of these plans is dependent upon voluntary efforts of numerous organizations; however, there is no one agency that is responsible for ensuring the implementation of these plans. Coordination is critical to effectively overcome and foster economic development in any community.

WORKFORCE

In 2016, individuals in Horry County within the workforce was estimated to be 145,503. This means that 59% of people who are of working age are active in the workforce in Horry County, compared to 60% for South Carolina and 63.1% in the United States. This is the result from a number of factors, such as unemployment, disabled individuals, families with stay at home parents, and residents that retired early. It may also be an indicator that people are traveling out of the County for work and contributing to another community's workforce.

When compared to South Carolina and the United States, Horry County has a greater percentage of participation from people of workforce age, 16 to 24 (13.1%, 13.1% and 14.85%

Labor Force Statistics Comparison to Similar Counties

	Horry County	Charleston County	New Hanover County, NC	Sarasota County, FL	Volusia County, FL	SC	US
Labor Force Participation (age 16+)	59.0%	65.1%	64.8%	48.9%	51.8%	60.0%	63.1%
With a disability, under age 65	12.0%	7.1%	8.9%	8.9%	10.7%	10.4%	8.6%
Persons without Health Insurance	17.4%	12.6%	12.4%	15.7%	14.8%	11.9%	10.1%
HS Education+ (% of persons 25 yrs+)	88.2%	89.7%	91.7%	92.6%	89.3%	86.0%	87.0%
BA Degree+	22.8%	40.4%	36.9%	33.1%	22.4%	26.5%	30.3%
Median Household Income	\$43,299	\$53,437	\$50,088	\$54,989	\$42,240	\$46,898	\$55,322
Per Capita Income	\$24,094	\$32,162	\$29,880	\$35,210	\$24,834	\$25,521	\$29,829
Median Value of Owner-Occupied Housing	\$159,700	\$249,200	\$214,300	\$181,400	\$131,600	\$143,600	\$178,600

Source: US Census, Quickfacts

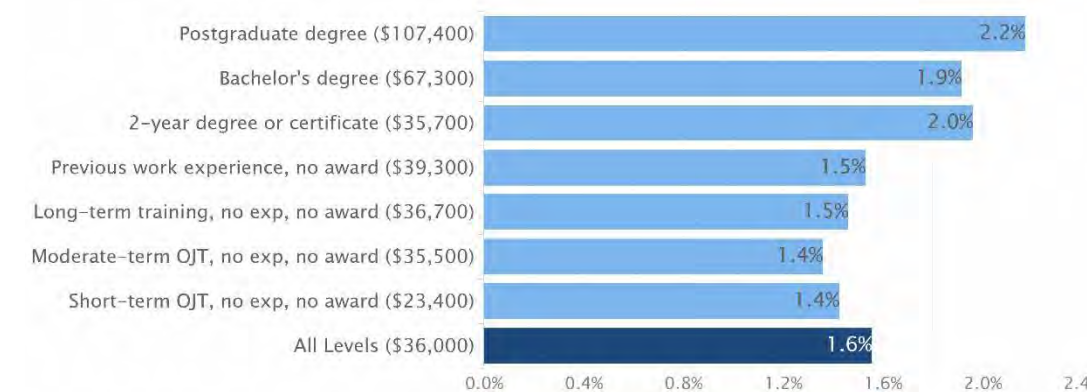
respectively). Similarly, Horry County has a higher percentage of workforce over the age of 65 (5.60%, 5.81%, and 6.83% respectively). In contrast, Horry County has a smaller percentage of workforce between the ages of 25 and 64 (81.73%, 81.9%, and 78.16% respectively). The highest percentage of the active workforce is between 25 and 34 years old.

The chart to the left compares Horry County's labor force statistics to similar counties, South Carolina, and the United States. According to this comparison, Horry County has a higher percentage of persons under the age of 65 with disabilities. In addition, Horry County has a higher percentage of persons without health insurance. Similarly, Horry County has fewer persons with a Bachelors Degree or higher in comparison to all jurisdictions except for Volusia County, Florida. In relationship to per capita income, Horry County is lower than all comparisons, if only marginally.

EDUCATION AND SKILLS

Expected growth rates for occupations vary by the education and training required. While all employment in Horry County, South Carolina is projected to grow 1.6% over the next ten years, occupations typically requiring a postgraduate degree are expected to grow 2.2% per year, those requiring a bachelor's degree are forecast to grow 1.9% per year, and occupations typically needing a 2-year degree or certificate are expected to grow 2.0% per year.

Annual Average Projected Job Growth by Training Required for Horry County



Source: JobsEQ, Data as of 2017 Q4

Horry County has a number of specialty programs and schools that cater specifically to certain industries. Coastal Carolina University's William L. Spadoni College of Education offers five undergraduate and three graduate programs with a total enrollment of over 1,200 students (roughly 12% of the entire student body). Horry-Georgetown Technical College (HGTC) offers high school students the opportunity for dual enrollment, which allows students to transition into higher education with existing credits. HGTC's International Culinary Institute of Myrtle Beach of-

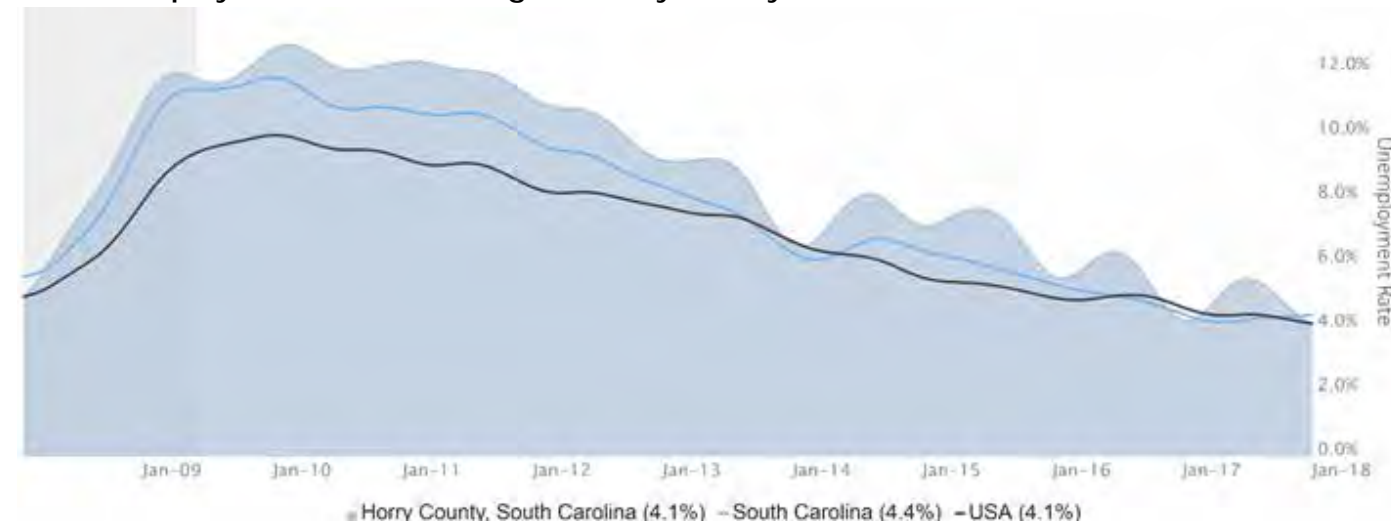


fers numerous certificates and associates degrees that can lead to career advancements in the culinary arts as well as many of the other tourism related industries that are abundant along the Strand. Horry County Schools has multiple specialty high school options which can lead students directly into technical careers or provides students with college credits.

EMPLOYMENT TRENDS

Unemployment rates provide a snapshot of the economic health of the region. The graph below illustrates how Horry County has compared to South Carolina and the United States in unemployment rate over a ten-year period from 2008-2017. For each year, there is an obvious fluxuation in unemployment between winter and summer months. The chart shows that historically Horry County has had much higher fluxuations in unemployment annually compared to South Carolina and the United States. These unemployment rates do not reflect people that are underemployed and working multiple jobs.

Annual Employment Percent Change for Horry County, SC



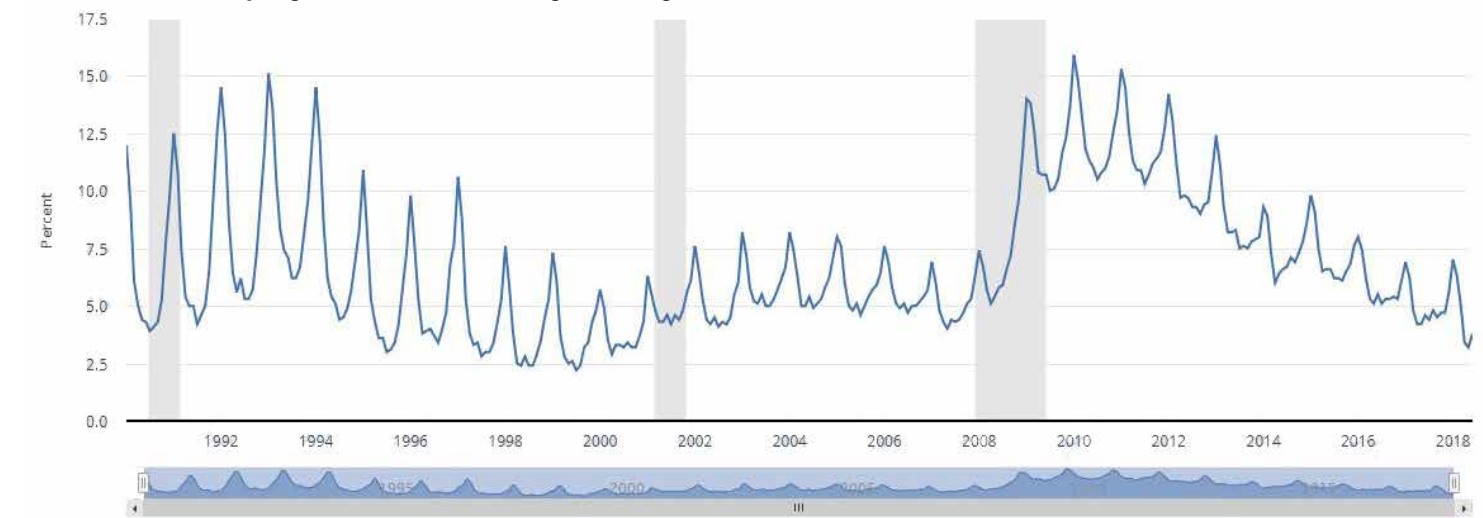
Source: SC Department of Employment & Workforce

Immediately following the economic downturn in of 2008-2009, Horry County's unemployment rate spiked to an all-time high in January 2010 (US Bureau of Labor Statistics). Between 2008 and 2010 there were a reported 58,769 layoffs state-wide, of which the industries with the top three highest layoff rates were manufacturing, administrative and waste services, and retail trade (respectively). While state-wide layoff rates decreased from 2008 to 2010 in most industries, accommodation and food services layoffs increased extensively over that same 3 year period. Considering Horry County's high percentage of employment in the accommodation and food service, and retail trade industries, it is logical to assume that workers in the County experienced similar rates of layoff. By occupation, the majority of un-

employment claims in Horry County come from sales, management, food prep/serving, office/administrative support, and healthcare practitioners and technical. Horry County has higher rates, compared to South Carolina, in all of these fields except office/administrative support.

While the County's seasonally adjusted unemployment rate has improved since the Great Recession, it has not improved to pre-recession levels, nor has it improved at the same rate as the state or the US. By industry, the majority of unemployment claims in Horry County come from the retail trade, accommodations/food services, healthcare/social assistance, manufacturing, and construction. Horry County has higher rates, compared to South Carolina, in all of these fields except manufacturing. As of May 2018, Horry County's unemployment rates have fallen to 3.2%, the lowest monthly rates since the late 1990s when summer rates frequently fell to the 2-4% range (see the graph below).

Historical Unemployment Rate in Horry County, SC

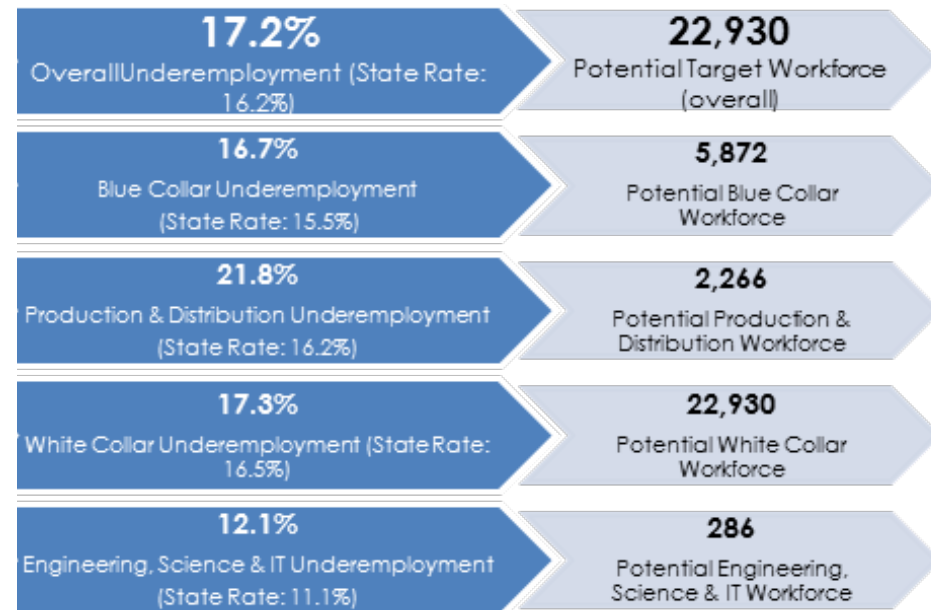


Source: Bureau of Labor Statistics

It is often quoted that most new jobs are created by businesses that are already located in a community. In 2016, almost 60% of the total new jobs in Horry County announced originated from existing industries (MREDC). As of 2017Q4, total employment for Horry County was 135,585 (based on a four-quarter moving average). Over the year ending 2017Q4, employment increased 2.0% in the region. The South Carolina Department of Employment and Workforce (DEW) states that employment has expanded significantly in Horry County growing from 19,760 in 1970, to 118,920 in 2005, to 133,177 in 2010, and to 145,663 in 2016. (DEWS, 2016 Q3).

Overall underemployment in the region's labor shed is 17.2%, almost a full point higher than that for the state overall at 16.2%. Given the strong seasonal employment presence, along with

Underemployment Statistics for 40 Minute Drive Time Labor Shed in Horry County, SC



Source: 2017 SC Power Force Workforce Survey

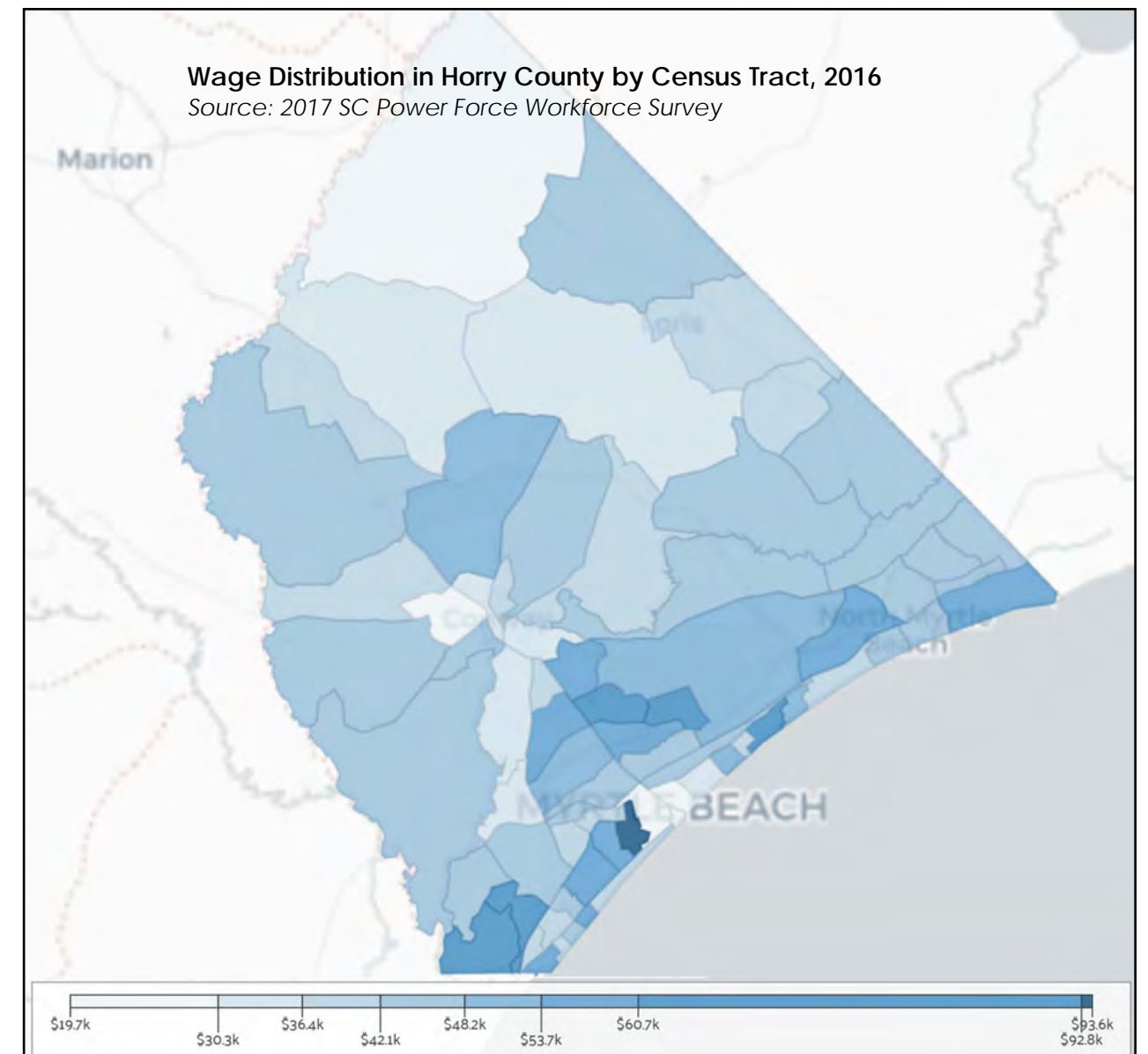
service related jobs, this comes as no significant surprise. Underemployment among production and distribution workers is also higher than state levels at 21.8% (vs. 20.2%). In absolute numbers, this equates to approximately 5,872 potentially underemployed blue collar workers and 17,058 underemployed white collar workers within a 40-minute drive time. As a result, the region is poised for employment expansions.

Fueled by South Carolina's largest workforce development database, SC Works helps job seekers link to all of South Carolina's state and local workforce services and resources. SC Works partners with the SC Department of Employment and Workforce and SC 12 Workforce Investment Boards to help employers post positions and candidates find positions. Horry Georgetown Technical College (HGTC) has a blueprint for the future economic development in Horry County, which will strengthen our workforce and homegrown industry opportunities.

WAGES AND EARNINGS

While employment data is closely linked to the health of the economy, wage and earnings data give some insight into how each sector contributes to individual and family incomes. The average worker in Horry County earned annual wages of \$33,684 as of 2017Q4 (not to be confused with the median Household income discussed in the Population Chapter). Average annual wages per worker increased 3.9% in the region during the preceding four quarters. For comparison purposes, annual average wages were \$54,343 in the nation as of 2017Q4. Sectors in Horry County with the highest average wages per worker are Management of Companies and Enterprises (\$73,830), Utilities (\$65,959), and Finance and Insurance (\$58,287). Wage growth in Horry County saw a 5.5% year-over-year increase, which moved slightly ahead of the national rate of 5.4% and slightly behind the state which experienced 5.6% wage increases.

While the County's demographic data is very compelling for the recruitment and retention of industries, portions of the current economic condition may provide some level of concern for executives. The majority of the jobs in Horry County are related to services that support the tourism business. The County's largest employment sectors include: Accommodations and Food Services and Retail Trade, with an average weekly wage of \$315 (approximately \$7.87 per hour) and \$441 (approximately \$11.03 per hour) respectively. While these two work forces represent the largest employment sectors, the overall average hourly wage in Horry County is \$15.99.



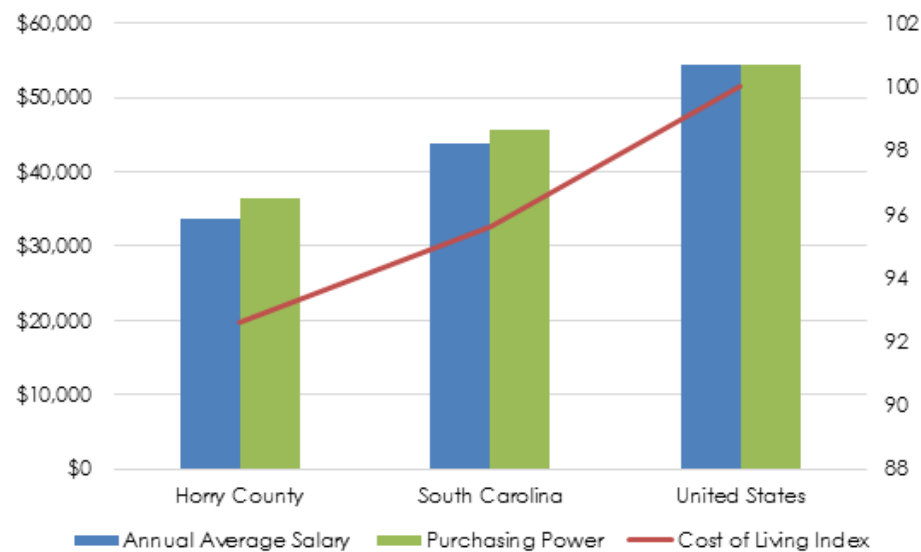
Source: DataUSA



COST OF LIVING

The Cost of Living Index estimates the relative price levels for consumer goods and services. When applied to wages and salaries, the result is a measure of relative purchasing power. The cost of living is 7.4% lower in Horry County than the United States average.

Relative Purchasing Power in Horry County, compared to South Carolina and the United States



Source: JobsEQ, Data as of 2017 Q4

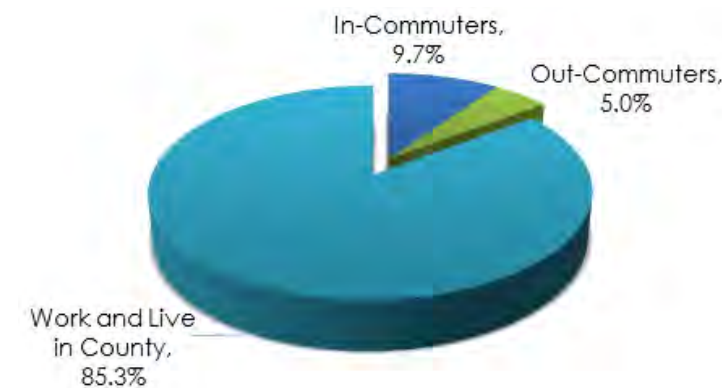
While cost of living is lower in Horry County in comparison to the state and the nation, Horry County's average annual salary is also lower. In addition, since the housing recession, there has been a significant increase in housing costs, both rental and home values, making it more and more difficult for people to live near their places of employment.

In addition, the majority of hospitality positions, with the exception of managers, typically are not provided with health benefits. Not only are these concerns for existing residents, it is also a concern for prospective residents that cannot find jobs in their field of expertise or with the benefits they need to support their families.

COMMUTING PATTERNS

There are a large number of in-bound and out-bound commuters for employment in Horry County. According to the South Carolina Department of Employment and Workforce, 9.7% of employees in the County commute into Horry County from other places and 5% of Horry County employment-age residents commute to work outside of Horry County, while 85.3% of workers work and live in Horry County.

In and Out-Bound Commuting Patterns in Horry County, SC



Source: SC Department of Employment & Workforce

Per the US Census Bureau data, the majority of Horry County workers that commute out of the County drive to Georgetown County (over 3,600 commuters). The second and third most commuted-to counties are Marion County and Brunswick County (NC), with 876 and 874 commuters respectively.

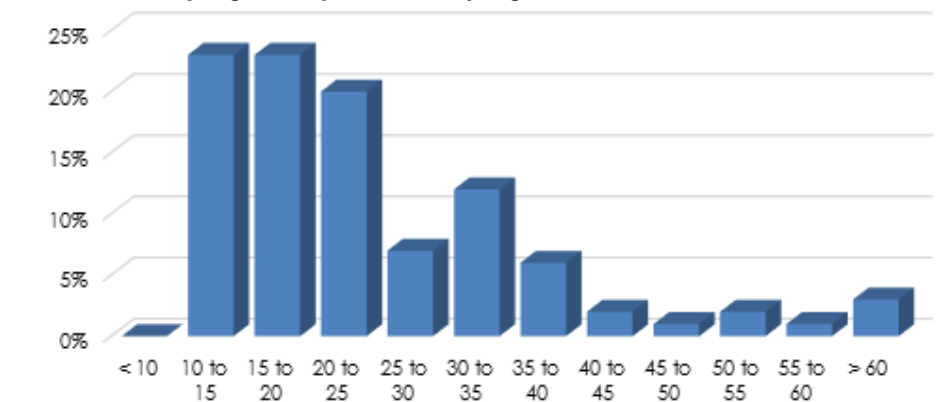
The majority of workers that commute into Horry County are commuting from Georgetown County, with over 4,400 workers. Also, 2,303 workers commute from Columbus County (NC), 2,180 workers commute from Brunswick County (NC), and 1,831 workers commute from Marion County.

Commuting patterns within Horry County and its neighboring counties provides information regarding job creation and regional pull. It appears that since the recession, more Horry County workers are commuting to other Counties. In 2005,

96.6% of employed Horry County Residents worked within the County. At that time, the percentage of employed Dillon County residents working in Dillon County was 72.4%, the percentage in Georgetown County was 74.8% and Marion County was 73.1%. This data indicated that within the region, Horry County was creating new jobs at a higher rate, which allowed for its own residents to work closer to home, while also providing jobs for workers from surrounding counties.

Nearly two-thirds of workers within a 40-minute labor shed travel less than 25 minutes to work. Approximately another 25% travel a moderate 25-40 minutes. Some employers noted salary workers may travel an hour-plus. Some employers noted challenges in terms of lack of public transportation options in the region, along with increased traffic congestion during tourism season.

Overall Employer Reported Employee Drive Time



Source: SC Department of Employment & Workforce

WORKFORCE FINDINGS

Horry County's high disability among those of workforce age, the prevalence of low paying positions, and the high numbers of those without health insurance are significantly limiting factors in the County's economy. Those who lack health insurance are more likely to be financially instable. With rising costs of out-of-pocket health care, any illness or injury can truly impact an individual's ability to maintain work and can severely strain a family's finances. These limitations create a scenario where a fragile population lives paycheck-to-paycheck or is only a few paychecks away from homelessness or economic destitution.

When compared to Richland, Charleston, and Greenville Counties, Horry County has fewer employers, fewer numbers of employed individuals, a lower percentage of labor force participation, and an annual payroll of between 1/2 and 1/3 of the other counties. This can be attributed to our tourism economy. While it attracts visitors and retail sales, those funds do not translate into livable wages. Accommodations and Food Service make up 23.1% of jobs; however, the average wage is approximate \$21,000 annually, while retail jobs make up 17.6% of the jobs, with an average wage of \$26,000/year. This has a substantial impact on the annual payroll in Horry County.

Horry County needs to focus economic growth on higher paid skilled jobs to help mitigate instability. In addition to maintaining low costs of living, focus on affordable housing is necessary. Staving off economic destitution will also deter crime amongst residents.

The region boasts strong projected population growth and overall high workforce participation among working age adults. However, age, income, and educational statistics

Horry County's Labor Force and Payroll Compared to Other Jurisdictions

	Horry County	Richland County	Charleston County	Greenville County
Employers	8,629	8,918	13,321	12,909
Employed	107,915	161,532	202,114	224,915
Labor Force Participation (16+)	57.8%	63.6%	65.0%	63.7%
Annual Payroll (\$1,000)	\$ 3,239,373	\$ 6,923,076	\$ 8,776,547	\$ 9,941,011

Source: SC Department of Employment & Workforce

are in line or below state averages, which may limit more highly skilled workforce requirements. While historic and projected occupational growth statistics are favorable, overall concentration and counts of key occupational sectors in the region is relatively low and again may hinder opportunities in the manufacturing and distribution space.

There is higher underemployment in the region compared to the state overall, which is an opportunity for companies to leverage those latent workers and skills. However, that is in large part contingent upon continued and enhanced interaction between employers, local training institutions, and the community at large.



ECONOMIC BASE ANALYSIS

Economic health and growth is dependent upon a balance between large and small businesses and a diversification of industries. This section identifies major employers and industries in the County. It also takes a more in depth analysis of important sectors of the County's economy.

Horry County has over 8,500 employers. Of these, 94% employ fewer than 50 people and only account for 44% of the active workforce. Employers with 50 to 250 people account for 34.54% of the workforce, while the remaining 21.07% are employed by large businesses or governments with over 250 employees.

Number of Employers Categorized by Number of Employees

Employees	Employers	% of Total Employers	Employees	% Total Employees
0 to 4	4,537	53.19%	7,412	5.62%
5 to 9	1,466	17.19%	9,781	7.42%
10 to 19	1,177	13.80%	15,979	12.12%
20 to 49	836	9.80%	25,344	19.22%
50 to 99	301	3.53%	20,643	15.66%
100 to 249	170	1.99%	24,889	18.88%
250 to 499	30	0.35%	10,261	7.78%
500 to 999	5	0.06%	3,409	2.59%
1000+	7	0.08%	14,111	10.70%
Total	8,539		131,829	

Source: SC Department of Employment & Workforce - 2016 Q3

MAJOR EMPLOYERS

The top employers in Horry County include Horry County School District, second is Horry County Government, and the third largest employer is Coastal Carolina University. The South Carolina Department of Employment and Workforce (SC DEW) identifies the top 20 list of employers; however, they do not rank them or list employment numbers. Beyond governmental offices and utilities, Horry County's largest employers include hospitals and chain big box stores, hotels and restaurants.

Horry County's Top Employers

- Horry County School District
- Walmart
- Horry County Government
- Coastal Carolina University
- Conway Medical Center
- Grand Strand Regional Medical Center
- Food Lion
- McLeod Loris Seacoast
- City of Myrtle Beach
- Horry Telephone Cooperative
- City of North Myrtle Beach
- Embassy Suites Management LLC
- Hilton Grand Vacations LLC
- LOWES Foods
- OS Restaurant Services INC
- Southeast Restaurants Corporation
- Wyndham Vacation Ownership INC

Source: SC Department of Employment & Workforce - 2017 Q3, Jobs.SCWorks.org (via SC DEW)

Below are the top Industrial Employers reported by MBREDC. It is important to note that these are self-reported numbers and may not reflect all industrial employers in the County.

Horry County's Top Industrial Employers

- Conbraco Industries, Inc.
- New South Lumber Co, LLC
- Precision Southeast, Inc.
- UFP Mid Atlantic, LLC
- Metglas, Inc.
- Professional Plumbing Group (ie. Wolverine Brass)
- AVX Corporation

There are a number of large businesses in Horry County that have developed locally that have a major impact on em-

ployment in our region. Many large to moderately sized businesses in Horry County are directly tied to tourism and real estate. It is important to note that corporations often own multiple chains or brands, which they report separately. While there may be additional local companies that are large employers, the reporting method may inhibit their ability to make the largest employers list. The following are a few significant employers, not included in MBREDC and SC DEW's lists, in Horry County:

- SC Blue Cross Blue Shield
- Plantation Resort
- Lexington Memorial Condo
- Sun News
- Business Telecom Inc
- Embassy Suites
- Grand Strand Water & Sewer
- Landmark Resort
- Kingston Plantation Condos
- Dave & Buster's
- Crown Reef Beach Resort
- Legends Golf & Resort
- Sands Ocean Club Resort
- Marriott Resort
- Little River Medical Center
- Ocean Dunes Resort & Villas
- Ocean Lakes Family Campground

Source: MBREDC, Pee Dee Region Largest Manufacturing Employers 2008

STARTUP AND SMALL BUSINESSES

Small businesses make up 94% of all businesses in Horry County. In most cases, these businesses start as home occupations and blossom into thriving small businesses in need of commercial buildings. The Myrtle Beach Area Small Business Development Center is located at Coastal Carolina University. They promote the growth and development of small businesses by providing management training courses and one-on-one technical assistance to business owners who wish to start, grow or maintain their business in Horry and Georgetown counties. They offer marketing analysis, business plan preparation, financial feasibility studies and other valuable resources to the entrepreneur at little to no cost.

Home occupations are a large part of the local economy. In Horry County, a home occupation is defined as “a business conducted entirely within a residential dwelling and/or fully enclosed attached or detached structure that is an accessory use/structure to the residential dwelling. The business use must be owned and operated by the resident owner and/or occupant.”

In 2012, there were a total of 28,464 firms in Horry County. Of these, 9,050 were owned by women (32%); 3,804 were owned by minorities (13%); and 3,520 were owned by veterans (12%) (Quickfacts 2016). In order to improve the efficiency and encourage the creation of more small and minority businesses, the County must improve the availability and understandability of business ordinances and requirements. There are opportunities to improve availability of information on the County website in relation to business licenses. Clearer information about what types of businesses are allowable in each zoning district should also be available. In addition, more closely aligning government offices relative to business licensing and zoning compliance will assist in streamlining the process. Horry County can also work towards minimizing development requirements for temporary, seasonal uses in rural areas such as agritourism, ecotourism, guided hunting, paddle tours, and heritage tourism.

EMPLOYMENT BY INDUSTRY

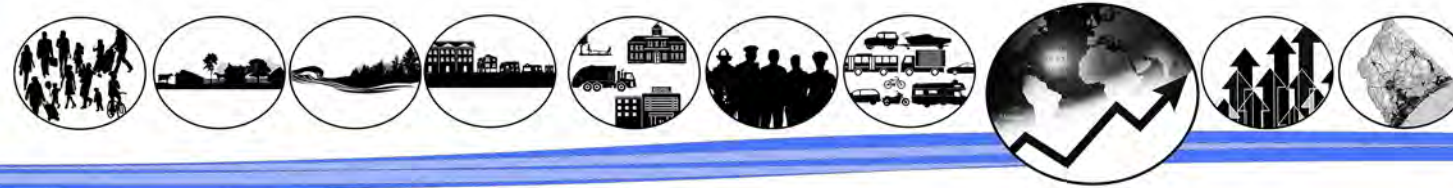
The largest industry sector in Horry County is Accommodation and Food Services, employing 31,317 workers. The next-largest sectors in the region are Retail Trade (23,842 workers) and Health Care and Social Assistance (13,219). The following chart shows that the breakdown in jobs by industry.

The *location quotient* is a technique used to identify the concentration of an industrial sector in a local economy relative to a larger reference economy. High location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average (LQ=1). The sectors with the largest LQs in the region are Accommodation and Food Services (LQ = 2.57), Real Estate and Rental and Leasing, and Arts, Entertainment, and Recreation. While Accommodation and Food Services are the largest industry in Horry County, Charleston and Beaufort counties still employ more people within these sectors. Horry County is the third highest employer in this industry in the state. Two of the three of the Industries with the highest LQ also have the lowest average annual wages (\$20,193 and \$20,940 respectively). It is important to note that two industries that employ the greatest numbers, Accommodations and Food Services and Retail Trade, have two of the lowest four average annual wages (\$20,193 and \$26,070 respectively).

Industry NAICS, LQ, Employment, and Average Annual Wages

NAICS	Industry	Current			5-Year History	
		Four Quarters Ending with 2017q4			Total Change	Avg Annual % Change
		Employment	Average Annual Wages	LQ	Employment	Region
11	Agriculture, Forestry, Fishing and Hunting	611	\$28,671	0.32	26	0.9%
21	Mining, Quarrying, and Oil and Gas Extraction	84	\$47,972	0.15	45	16.4%
22	Utilities	583	\$65,959	0.81	-284	-7.6%
23	Construction	8,675	\$44,097	1.15	2,403	6.7%
31	Manufacturing	3,419	\$44,546	0.31	6	0.0%
42	Wholesale Trade	2,505	\$45,272	0.47	306	2.6%
44	Retail Trade	23,842	\$26,070	1.64	2,598	2.3%
48	Transportation and Warehousing	2,493	\$40,964	0.44	600	5.7%
51	Information	1,907	\$46,787	0.71	-20	-0.2%
52	Finance and Insurance	2,981	\$58,287	0.55	328	2.4%
53	Real Estate and Rental and Leasing	4,978	\$35,472	2.16	105	0.4%
54	Professional, Scientific, and Technical Services	4,622	\$50,070	0.52	935	4.6%
55	Management of Companies and Enterprises	526	\$73,830	0.26	-26	-0.9%
56	Administrative and Support and Waste Management and Remediation Services	7,933	\$31,857	0.91	1,999	6.0%
61	Educational Services	8,945	\$41,469	0.80	683	1.6%
62	Health Care and Social Assistance	13,219	\$49,683	0.68	2,657	4.6%
71	Arts, Entertainment, and Recreation	5,474	\$20,940	2.04	124	0.5%
72	Accommodation and Food Services	31,317	\$20,193	2.57	2,617	1.8%
81	Other Services (except Public Administration)	5,297	\$25,920	0.88	535	2.2%
92	Public Administration	6,175	\$39,894	0.96	944	3.4%
	Total - All Industries	135,585	\$33,684	1.00	16,584	2.6%

Source: JobsEQ, Data as of 2017 Q4, numbers provided by Bureau of Labor Statistics. The North American Industry Classification System (NAICS) is used to classify business establishments according to the type of economic activity. The NAICS Code comprises six levels, from the “all industry” level to the 6-digit level. The first two digits define the top level category, known as the “sector,” which is the level examined in this report.



KEY EMPLOYMENT SECTORS

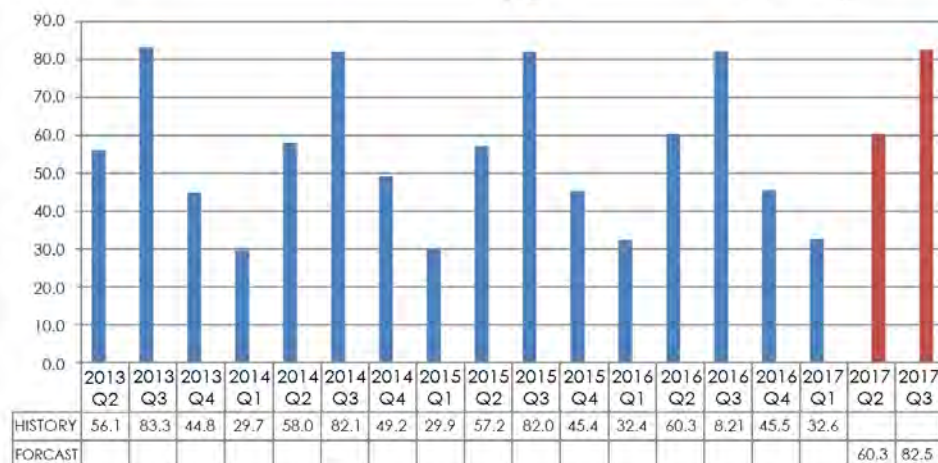
There are multiple employment sectors that are prominent in Horry County. The following employment sectors either play a role in Horry County's current or historic economic base. Some sectors present opportunities for expansion, while others may be emerging, or losing significance.

TOURISM

Tourism continues to be the most important industry on the Grand Strand. It drives accommodation and food services, in addition to retail sales.

The Grand Strand is considered one of the nation's top vacation destinations and hosts an estimated 17.95 million visitors annually (Myrtle Beach Economic Impact Study, 2016). According to an Economic Impact of Travel report produced by the US Travel Association, Horry County led all counties in South Carolina in travel expenditures in 2016. There are many industries that provide goods and services to travelers and tourists. In a study conducted by Coastal Carolina University, over \$4.8 billion in direct tourist related spending occurred in Horry and Georgetown counties in 2015. This led to a total economic impact of \$7.0 billion in the same year, supporting over 83,000 jobs. It generated \$2.2 billion in in-

Hotel-Condotel-Campground Occupancy Rate



Source: Grant Center for Real Estate and Economic Development, via Clay Brittain Jr. Center for Resort Tourism.

come for employees and business owners and a combined tax revenue of \$484.6 million for state and local governments. \$158.8 was local government tax revenue. (Salvino, 2016).

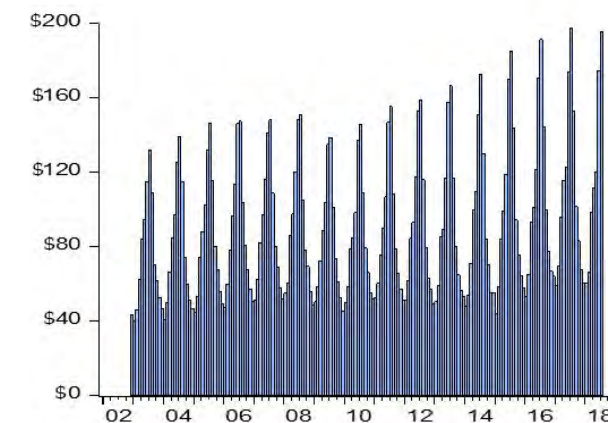
There are approximately 98,573 bedrooms available for rent along the Grand Strand including 58% in hotels/motels, 22% in vacation rentals, 11% in timeshares, and 9% in campgrounds (Horry County Finance Department 2017). Annual average hotel and motel occupancy rates on the Grand Strand, as reported by the Myrtle Beach Area Chamber of Commerce was 55.1% in 2017 vs 54.4% in 2016. The annual average daily rate was \$107.40 in 2017 vs \$101.80 in 2016. During peak seasons, hotels reach more than 80% occupancy, while the off-season is approximately 30%. During this shoulder season, hotel rates are also significantly lower, resulting in less revenue per room. This is a key indicator of the need to offer exciting events during the shoulder season which will increase year round employment and spending.

According to the Chamber of Commerce, visitors to Horry County spend an average \$117 per person per day, while group business travelers spend an average of \$277 per person per day. This is significant considering the number of visitors to the County. The direct effects of visitor spending is apparent in hotels. Because Horry County's economy is so dependent upon tourism, it is susceptible to economic downturns. In addition, this industry can also be vulnerable to tropical storms and hurricanes, as travel can be impaired by flooded roadways, eroded beaches, and potential lack of power.

Following the 2008 economic recession, there was a \$1.2 billion dip in retail sales for businesses located in the Coun-

ty. Retail sales have not only recovered since then, but 2017 was a record-setting year.

Average Nightly Accommodations Costs in the Grand Strand



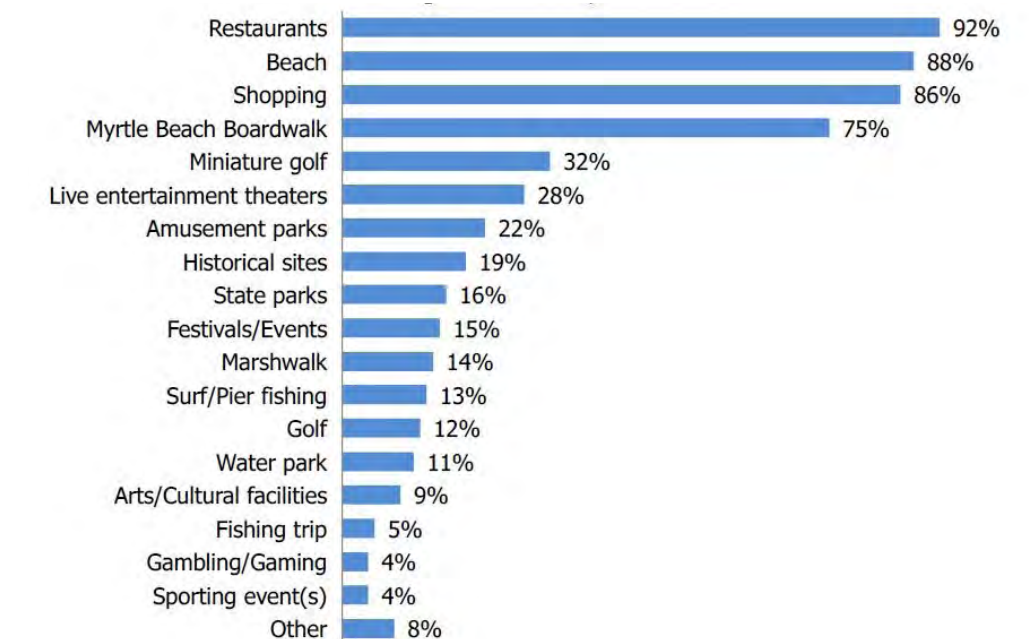
Source: Bureau of Labor Statistics

Total Retail Sales Annually

Year	Total Retail Sales
2008	\$9,064,308,659
2009	\$8,212,831,863
2010	\$7,858,031,821
2011	\$8,291,304,481
2012	\$8,751,960,729
2013	\$9,011,131,130
2014	\$9,430,513,440
2015	\$9,999,531,153
2016	\$10,685,625,039
2017	\$11,297,018,127

Source: Horry County Finance Department, 2017

Activities Participated in at Myrtle Beach



Source: Grant Center for Real Estate and Economic Development, via Clay Brittain Jr. Center for Resort Tourism.

Airport Travel

Horry County Department of Airports plays a tremendous role in the growing tourism economy. The South Carolina Aeronautics Commission recently released its Statewide Aviation System Plan and Economic Impact Study announcing that the Horry County airport system's total economic impact exceeds \$3 billion annually for all of its facilities, supporting 26,240 jobs and contributing \$122 million in annual tax revenue to the region. Myrtle Beach International Airport continues to expand the number of destinations and airlines coming in and out of the region. Continued expansion of the airport will be needed to accommodate passengers and freight. An airport master planning effort is currently underway.

Horry County Airports Employment and Spending

Total Employment		Total Annual Payroll	Total Annual Spending	Total Annual Economic Activity	Total Annual Tax Revenue
Myrtle Beach International Airport (MYR)	25,781	\$779,878,690	\$2,193,821,310	\$2,972,700,000	\$119,872,710
Conway-Horry County Airport (HYW)	72	\$3,239,860	\$5,856,660	\$9,096,520	\$382,660
Grand Strand Airport (CRE)	385	\$12,334,580	\$31,173,930	\$43,508,510	\$1,824,820
Loris Twin City Airport (SJ9)	2	\$70,450	\$125,520	\$195,970	\$7,850
TOTAL	26,240	\$794,523,580	\$2,230,977,420	\$3,025,501,000	\$122,088,040

Source: SC 2017 Power Force

Sports Tourism

What attracts sporting events to Horry County is primarily the availability of extensive attractions that offer sports tourists' more than just sports. Top area sports tourism opportunities include the NASCAR Speedpark, Myrtle Beach Pelicans, Ripkin Experience, and more than 30 area Golf Courses. In March 2015, the Myrtle Beach Sports Center opened its doors, featuring 8 basketball courts, 16 volleyball courts, and 100,000 square feet of configurable space for numerous indoor events. The Sports Center joined the extensive list of existing sports facilities, from Coastal Carolina University's Convocation Center to the North Myrtle Beach Sports Complex. The Grand Strand continues to expand its sporting opportunities.

HEALTHCARE

Expanded population necessitates the need for expanded healthcare options and services. This includes a variety of healthcare service facilities, physician's offices, medical laboratories, information management firms, and even medical device manufacturers. With 37% of Horry County residents over the age of 55, healthcare services for seniors is of special importance.

According to the United States Bureau of Labor Statistics, employment of healthcare occupations is projected to grow 19% from 2014 to 2024, adding 2.3 million new jobs nationwide. This is much faster than the average for other occupations. This is due to an aging population and federal health insurance reform aimed at increasing the number of people with access to health insurance. The median annual wage for healthcare practitioners and technical occupations in Horry County was \$63,420 in May 2016, which is higher than the median annual wage for all occupations of \$37,040.

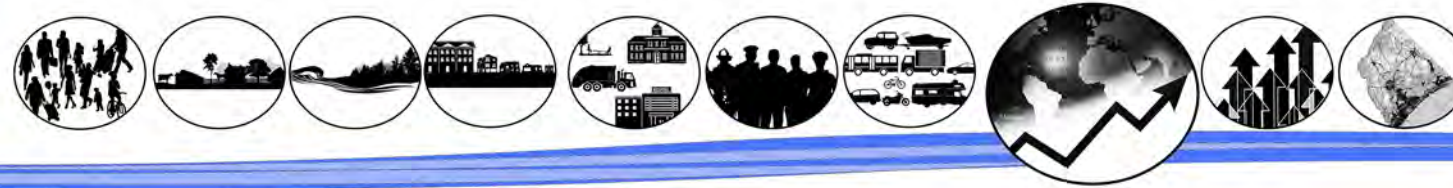
Healthcare-related businesses in Horry County work closely with HGTC, which offers dental and nursing programs, and CCU, which offers nursing, biology, and health administration degrees. Also, Horry County Schools, including the Academy for the Arts, Science, and Technology (AAST) and the the Academy for Technology & Academics (ATA) provide specific career majors like pre-medicine, nursing, and health sciences among several others.

To match healthcare options to the growing population in Horry County, Tideland Health began a new Family Medicine Residency Program in partnership with the Medical University of South Carolina (MUSC) in Fall 2016. This program is intended to provide quality healthcare in medically understaffed Horry County, as well as keep the residents as practicing doctors in Horry County once their three-year residency ends. However, local hospitals have expressed the challenges associated with recruiting professionals and their families to relocate to Horry County because of concerns over quality of life and lack of available jobs for their spouses.

CONSTRUCTION

Building requires a vast amount of natural, fiscal and human capital. Real estate houses our population, provides places to work and play, places of worship, safety, wellness and security. In all, the construction industry is immense, its full economic impact is difficult to measure. Nonetheless, there are statistics that begin to describe the impacts that a built environment has on the economy. This industry, like tourism, is reliant upon national economic trends.

Prior to the recession, construction was booming in Horry County. Construction had been on the rise over the last couple of years. In the FY2015, County permit revenue increased 25% to \$3.9 million from FY2014 at \$3.1 million. New Single Family Residential (SFR) structure permits increased 32% in FY2015 (SFRs 2,490) from FY2014 (SFRs 1,889). The construction value has increased 32% from FY2014 (\$405 million) to FY2015 (\$534 million). These trends in growth are



continuing to increase and are reflective of a strong economy. Additional information on housing growth can be found within the Housing Chapter (Coastal Carolina Association of Realtors).

Commercial development has also seen an uptick in recent years. In 2010, the greater Myrtle Beach areas was defined by the Census as a metropolitan statistical area. This has started attracting many national retailers to the region. As the population continues to grow, there will be growing demand for more information on appropriate siting locations for new commercial businesses.

Zoning and land development regulations are a common concern of developers as they often change within overlay zones and can create hurdles. Conversely, there are still needed changes to the land development regulations to support the quality of life that people are seeking for their employees. See the Land Use Chapter for more information about zoning and land development regulations.

There are many implications in infrastructure that must be considered if redevelopment is to be encouraged. Development often leads to an increase in need for affordable construction materials which would necessitate expansion of local sourcing for sand, gravel, and lumber. Sourcing of skilled labor is also increasing in demand. WBTW News13 reported in August 2018, that the nationwide construction worker shortage is affecting Horry County. Horry Georgetown Home Builders Association have teamed up with Georgetown Tech and Horry County Schools to find solutions to this shortage.

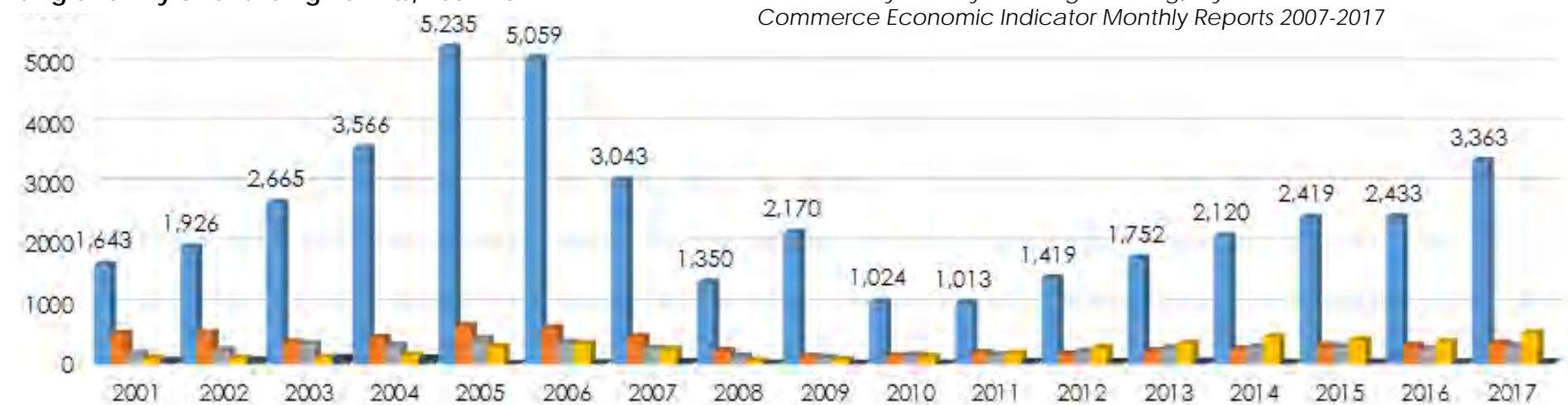
In addition, the transportation network would undoubtedly be impacted. Increased pressure on urban streets would necessitate adherence to a complete streets network. Improvements to rail systems to import industrial goods, road networks for in-

creased trucking traffic, as well as upgrades to older roadways would need to be examined on a case-by-case basis and in coordination with the redevelopment project. As has been done in other urban areas, the increase in tax revenue from redevelopment can be reinvested into infrastructure and resources for citizens.

Unincorporated Horry County Commercial Plans 2001-2017

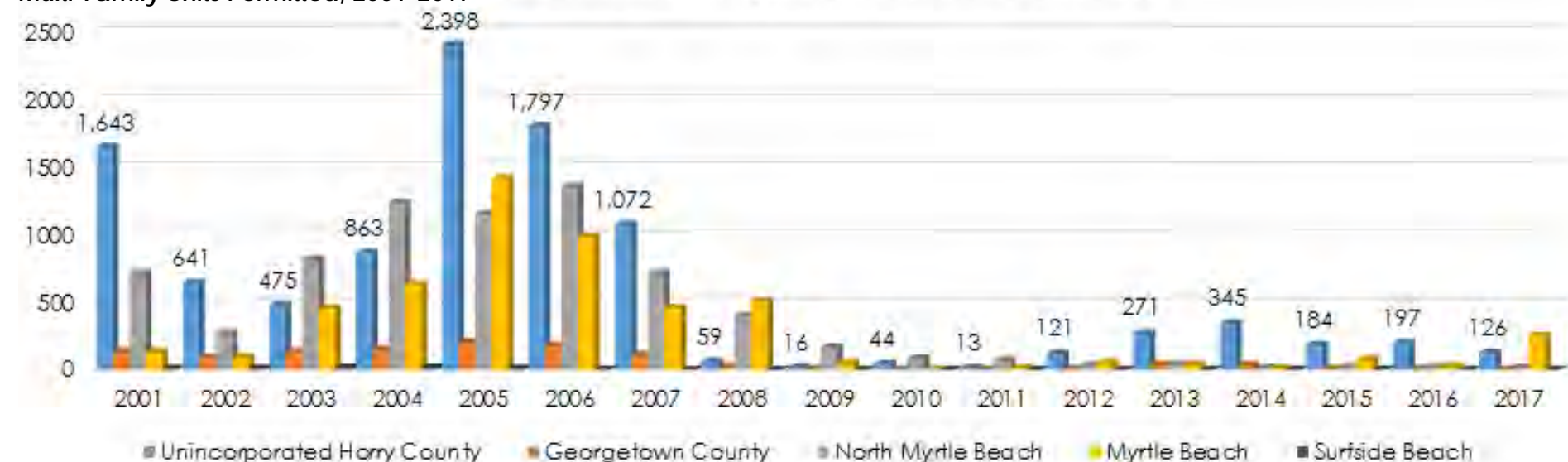


Single Family Unit Building Permits, 2001-2017



Source: Horry County Planning & Zoning, Myrtle Beach Area Chamber of Commerce Economic Indicator Monthly Reports 2007-2017

Multi-Family Units Permitted, 2001-2017



■ Unincorporated Horry County ■ Georgetown County ■ North Myrtle Beach ■ Myrtle Beach ■ Surfside Beach

MANUFACTURING

Horry County is home to 25 international companies and US headquarters for such companies as SURTECO North American NA, DME. Manufacturing USA, Integra Fabrics, Teknoware, and Canfor Southern Pine are located in Horry County. Myrtle Beach Regional Economic Development is the primary agency responsible for attracting manufacturing jobs to the County. There are a number of sites that are prime for the location of new manufacturing and distribution centers.

Cool Springs Business Park is made up of more than 60 acres of available land with access to nearby major roadways and is a short drive from I-95. The property is zoned for HI – heavy industrial use. PTR Industries, a firearm manufacturer, is currently the only user of the park. The site is equipped with water, sewer, electric, and telecommunications.

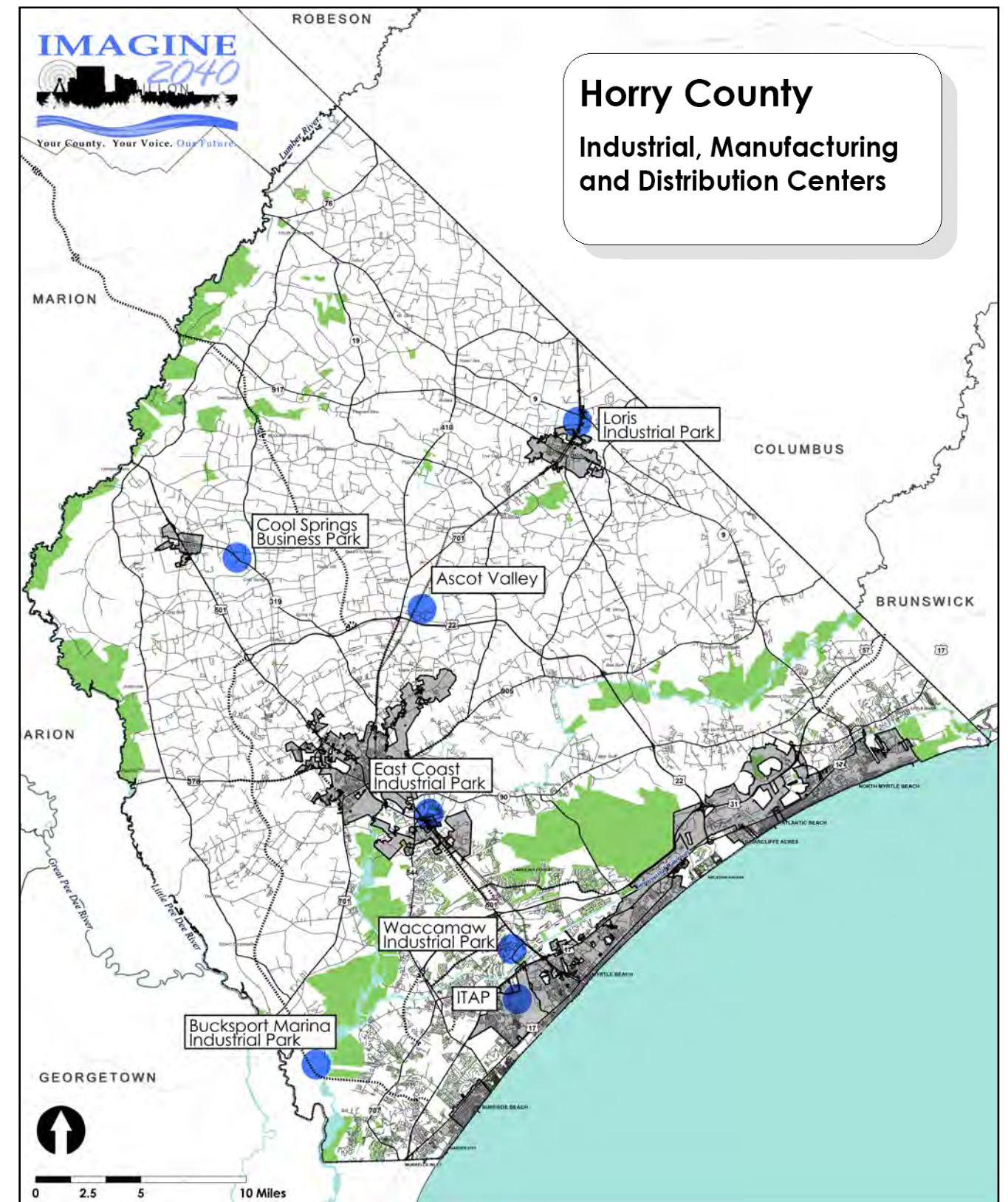
The Loris Industrial Park is made of up 100 acres located in the City of Loris. The property is zoned for LI – light industrial use. The site is equipped with water, sewer, electric and telecommunications. There are multiple buildings that are move in ready for new industry and distributors. Both Cool Springs Business Park and Loris Industrial Park are located within Opportunity Zones (see section on Opportunity Zones). Opportunity Zones are areas where reinvestment is encouraged through reduction in capital gains taxes for those looking to invest.

Ascot Valley is another industrial park site made up of over 220 acres of ready-to-build land. The property is located within one mile of Highway 22 and is zoned for industrial uses. The property is equipped with water, sewer, electric, and telecommunications.

East Coast Industrial Park is a privately owned industrial park. The building is ideal for distribution and warehouse needs. It is fully sprinkled, including dock, well lighted with trailer spotlights, substantial trailer and truck parking. The building is in excellent condition with offices ready to build to suit.

The **Waccamaw Distribution Center** is a perfect location for a business that is looking for a move-in-ready space with great accessibility, lots of space, and an abundance of other features.

The **Myrtle Beach International Technology & Aerospace Park (ITAP)** is the region's new hub for the aerospace and technology industry. ITAP is a prime 460-acre aerospace, technology, and aviation park, just off one of the longest runways on the East Coast, at more than 9,500 feet. This site is ideal for aviation related industry. The Myrtle Beach Academy of Aviation is a pilot training program that operates in ITAP. This will also be the location of a new 84,000 square foot Veterans Clinic in 2019.



Source: Horry County Planning and Zoning



The **Bucksport Marine Industrial Park** is located on the Waccamaw River. This site is zoned for marine industrial use. A new roadway from Hwy 701 is currently being constructed to access the site. In addition, dredging permits to improve water depths at the site have been approved by the Army Corps of Engineers.

Siting of new manufacturing facilities can be challenging in any community. New facilities require access to major roadways and interstates, need adequate utilities and infrastructure, and appropriate zoning, in addition to an available workforce to support the business. At this time, the greatest limitation to expanding manufacturing jobs is lack of interstate access. Further details on planned transportation projects are included in the Transportation Chapter. Until such time that the interstates are constructed, expansion opportunities for manufacturing will be limited. In addition, there is a need for industrial park siting along natural gas lines and for already available specific buildings in prime locations. To attract major manufacturers, large tracts of land over 500 acres is needed.

AGRICULTURE AND FORESTRY

According to the 2013 Horry County Agribusiness Strategic Plan there are three main sectors of agribusiness in Horry County: farming or agricultural production, food processing, and forestry based business. While employment trends indicate only 611 employees in agriculture, forestry, fishing and hunting, this number underestimates farmers that are operating without a business license, as USDA Farm numbers are all that is necessary to operate a farm.

In 2012 alone, Horry County generated over \$101 million crop and livestock sales. Agricultural sales continue to increase in Horry County. Between 2007 and 2012, there was a 54% in-

crease in agricultural sales with \$79.65 million in crop sales and \$21.64 million in livestock sales. In 2013, Horry County ranked 13th in the state in cash receipts solely from timber harvests with a total delivered value of \$34,439,543. While the total delivered value was higher in 2013 (up from \$31,379,566), the County's overall rank in South Carolina fell from 6th place and the total acreage of private forestland increased to 460,349 from 426,871 acres (Clemson, 2001 and SCFC, 2017). In 2011, Horry County dropped to 15th in the state with a total delivered timber value of \$19,478,434 (SCFC, 2011).

The Clemson Institute for Economic and Community Development reported in the 2013 Horry County Agribusiness Strategic Plan the following statistics:

- 53% of Horry County's Crop Sales were from Tobacco, followed by Corn (19%) and Soybeans (11%)
- 49% of Horry County's Livestock and Poultry Sales were from Poultry and Eggs, followed by Hogs and Pigs (41%) and Cattle and Calves (9%)
- 28,700 acres of Horry County are planted with Soybeans, followed closely by corn (28,400 acres)
- The total economic impact of farming in Horry County in 2012 was \$23.186 million.
- Average earned income per farm worker (including owner operators) was \$17,331
- Average earned income from forest-based timber farms was \$42,528 per worker.

Despite decreases in cash receipts for timber harvests, forestry continues to have a strong impact on the local and regional economy. While few people are employed directly by agriculture, there is a significant economic impact to the region. In 2013, there were an estimated 386 direct

jobs in Horry County in forest-based products sector (all forest-based activity, wood product, paper product, and furniture production) with a direct economic impact of \$17.925 million in earned income and \$19.298 million in gross regional product. Total output generated \$59.749 million, while the total impact of the sector led to \$86.724 million in sales through the regional economy (Hughes, 2013).

Agritourism is the fastest growing segment of agricultural related business in South Carolina. Agritourism is defined as any agriculturally based activity that attracts visitors to farms and ranches. Horry County boasts 6 agritourism permits, the first being established in 2016. These farms primary agricultural uses include vineyards, cattle farms, and produce growing (like strawberries, melons, cotton, and soybeans) and have activities like you-pick-crops, special events, farm-to-table, weddings, harvest markets, farm tours, museums, educational classes, hay rides, barn dances, corn maze, wine tastings, and more.

Strawberries, sweet potatoes, tobacco, indigo, rice and corn all have historical roots in the County. While many farms still harvest these products, peanuts are emerging as an important commodity for farmers in the County. In addition, other land and water intensive industries continue to be an important aspect to the local economy. Early in the County's history, the inexhaustible supply of pitch, pine tar and turpentine provided a continuing source of naval supplies for the ever-growing City of Charleston. Agriculture is a strong economic driver in Horry County and the region, but remains an opportunity for economic growth and preservation of rural lifestyle.

The long tradition of living off the land is alive and well today. The greatest challenges to farming are aging farmers and

the cost to purchase and maintain equipment. Succession of farm operations may be an issue as future generations lose interest in farming, meaning heirs might decide to divide or sell the farm in light of increasing demand for raw land near urban areas. While these are constraints, the availability of prime farmland and the proximity of an available local consumer base presents an opportunity for economic growth. The core strategies to drive agribusiness development, as outlined by Clemson's Institute for Economic and Community Development's, Horry County Agribusiness Strategic Plan are as follows:

- Provide support infrastructure for developing local food system;
- Pursue a formal feasibility study for the development of a tourist oriented equestrian park;
- Work with regional peanut producers to pursue investment in peanut shelling facilities;
- Leverage existing export networks to develop a market for regionally grown sweet potatoes;
- Capitalize on the national trend of brew pubs and develop linkages with local agribusiness.

PROJECTED INDUSTRY GROWTH

Regional sectors with the best job growth over the last five-years are Health Care and Social Assistance (+2,657 jobs), Accommodation and Food Services (+2,617), and Retail Trade (+2,598). Over the next five-years, employment in Horry County is projected to expand by 10,904 jobs. The fastest growing sector in the region is expected to be Health Care and Social Assistance with a +2.6% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Accommodation and Food Services (+2,369 jobs), Health Care and Social Assistance (+1,832), and Retail Trade (+1,406). This projection indicates no change in economic diversification (DEW).

In order to meet the needs of existing industries, there are sectors of the economy that are likely to see job openings due to retirement, yet may not have the local expertise to fill. Such areas include professions like engineering and teaching. While historic and projected occupational growth statistics are favorable, overall concentration and counts of key occupational sectors in the region is relatively low, and again, may hinder opportunities in the manufacturing and distribution space. However, there are steps that can be taken to foster business growth.

ECONOMIC BASE FINDINGS

While specialized economic and strategic plans have been written by many groups, implementation remains an issue. With top employers in education, government, healthcare, and utilities, Horry County needs to work towards retaining and attracting highly skilled and educated residents. In addition, there needs to be a greater variety of jobs available to retain young couples and families and to increase economic vitality through diversity.

Horry County has an economy strongly driven by tourism. Continued growth in accommodations and food service and retail trade is expected. While Horry County has largely recovered from the 2008 downturn when unemployment spiked, diversification is desired to maintain economic stability and avoid large increases in unemployment. This can be accomplished through increased concentration in expansion of sports tourism, manufacturing, and agricultural opportunities in addition to small business growth and local training and education to meet employment needs and workforce development.



ECONOMIC OPPORTUNITIES

Achievement of Horry County’s economic vision requires a long-term organized effort that goes beyond entrepreneurial successes. Any economic strategy that seeks to fulfill a balance in improved education, economic diversity, infrastructure, and natural resources must rely on both public and private partnerships with shared economic goals.

Assuming Horry County continues to grow along the population projection explained in the Population Chapter, it can reasonably be assumed that employment and business opportunities must expand at a similar rate.



Word Cloud highlighting the hierarchy of survey responses to the question “Are there places in Horry County that you would like to see redeveloped or reinvigorated?” Source: Horry County Planning and Zoning

COMMUNITY REVITALIZATION

The health of a community is often tied to the number of vacant storefronts and the aesthetics of existing or former commercial centers. Revitalization is an approach that can stabilize residential communities and foster downtown redevelopment and investment. Not only does the construction, design, and implementation of revitalization efforts provide employment opportunities, but also the rejuvenated commercial and industrial centers can provide increased employment opportunities. This in turn can lead to reinvigoration of existing residential areas.

The Horry County IMAGINE 2040 Survey identified multiple locations that could benefit from rejuvenation or the redevelopment of community centers. Each of the following locations has unique opportunities which can strengthen sense of community and cultural experience, as well as economic reinvestment. These areas may be ideal opportunities for the integration of residential and commercial uses to create live-work communities. While there are many locations in area municipalities, the County still has a role to play in supporting community reinvestment.

Downtown Myrtle Beach, also known as the site of the “Old Pavilion”, is a thriving oceanfront tourist destination with boardwalk, promenade, beach shops and restaurants. The area directly surrounding Downtown Myrtle Beach could benefit from increased redevelopment. The Myrtle Beach Downtown Redevelopment Corporation is leading an aggressive implementation schedule for their Pavilion Area Master Plan which addresses much of the redevelopment potential of the area.

Fantasy Harbor was the home to the former Hard Rock Park and Freestyle Music Park. Besides the Waccamaw Factory Shops and a handful of hotels and area churches, the area largely sits vacant with abandoned buildings and parking facilities. This area has great potential, as it is located between two thriving areas and is located directly on the Intracoastal Waterway. Fantasy Harbor is in a Special Tax District for admissions. The Admissions Tax is authorized only for improvement of roads within this area (Horry County Budget, 2010-2011).

Carolina Forest has potential for redevelopment relating largely to resident interest in roadway and traffic improvements. These projects are already underway. There also remains opportunity for economic growth near Carolina Forest Blvd and Highway 501 and the Town Center area near River Oaks Drive and International Drive.

The City of Loris has potential for revitalization in the downtown commercial district. Crime prevention, street and sidewalk maintenance improvements and enhancement of the historical characteristics of the area would greatly enhance the sense of community in Loris and its surrounding communities. In addition, job growth at the Loris Commerce Park could also drive revitalization. The Main Street Program and Community Assistance Program may be of value to revitalization of the City of Loris.

The City of Conway has multiple revitalization and rejuvenation opportunities. Most frequently, participants in the survey called out the need for revitalization of the Downtown Conway area and the rejuvenation of the historic area and district around the area near the intersections of US-378 and US-701 with 501 Bypass.

Socastee Boulevard could benefit from commercial frontage revitalization, as well as rejuvenation of surrounding, aging neighborhoods. Repetitive flooding in the Hurricane Joaquin in and Hurricane Matthew in 2016 has led to a rapid deterioration of many neighborhoods directly adjacent to the Intracoastal Waterway. Its proximity to Market Common in the City of Myrtle Beach makes this area prime for revitalization and reinvestment. It is also part of a low to moderate income area with high levels of Spanish speaking residents.

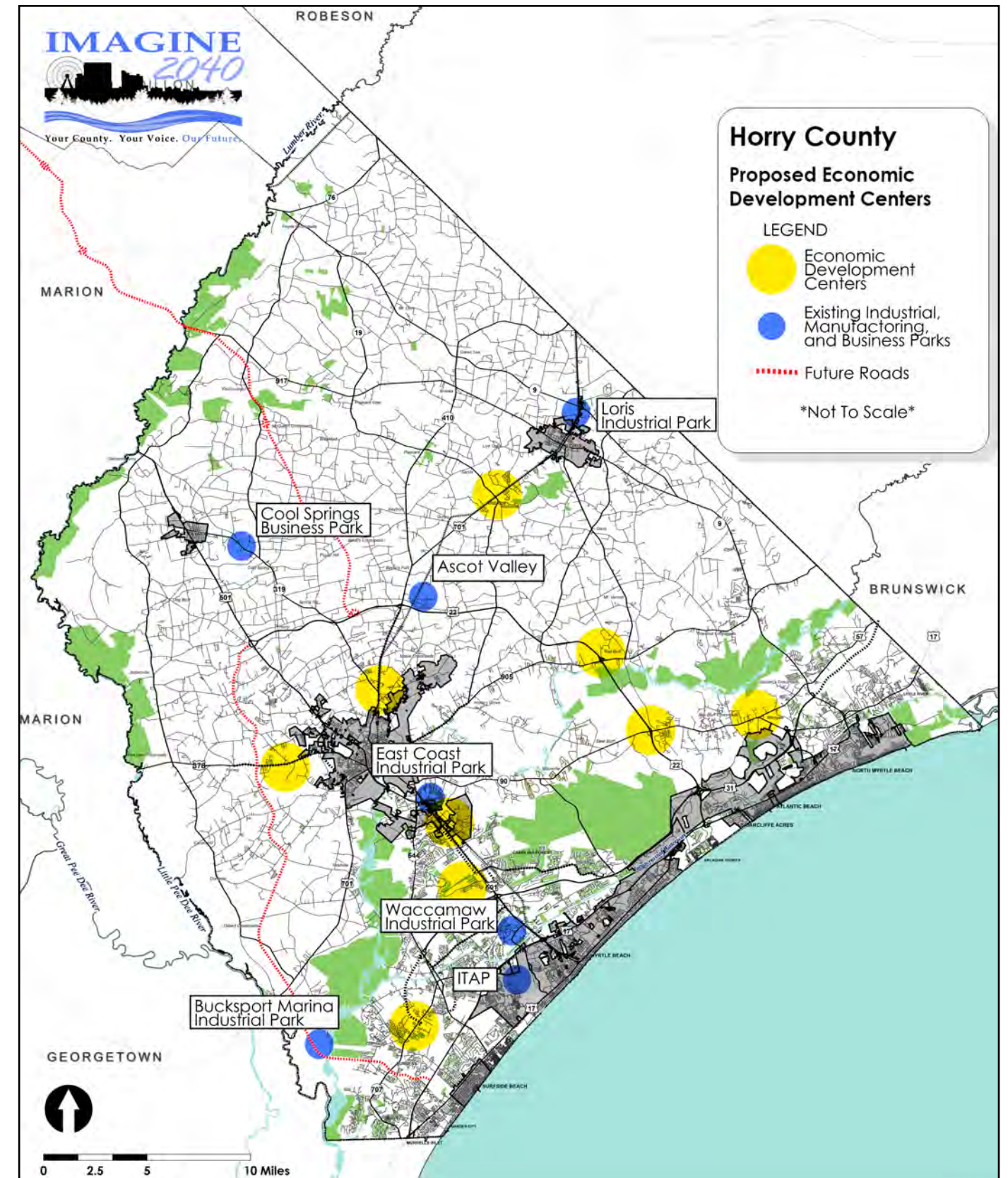
The Inlet Square Mall in Garden City was repetitively identified by survey participants as a revitalization and rejuvenation opportunity in the South Strand. Largely vacant with deteriorating external facade, this area already benefits from an active restaurant presence immediately surrounding the mall. Revitalization could increase the economic vitality of the entire area surrounding it. It could also serve as a significant destination when entering the County from the south.

The Little River Waterfront is another area that has been identified by the County and property owners as in need of revitalization. The redevelopment of the waterfront could not only increase the vitality of the fishing industry based in the area, but could also provide greatly needed commercial enhancements.

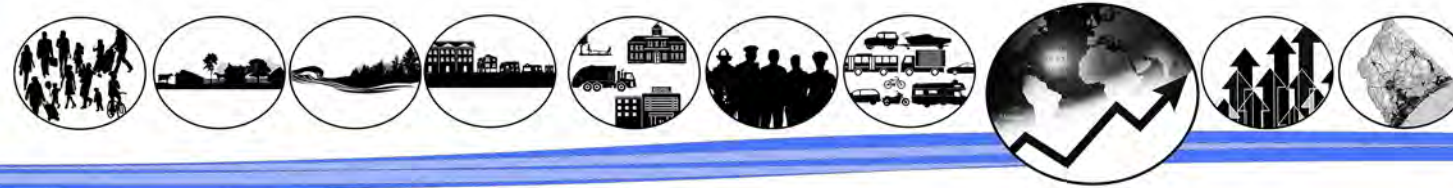
The revitalization and reemergence of economic activity in these areas are significant to improving character and sense of community. The Future Land Use Map encourages the revitalization of these areas and the preferred community form if redeveloped. Other tools, such as overlays, priority investment zones, and TIF districts may assist with the redevelopment of these areas.

INDUSTRIAL AND MANUFACTURING CENTERS

Concentrated areas of high quality facilities that are adjacent to complementary retail, commercial uses and residential areas are needed in Horry County to further encourage industrial and manufacturing centers. These centers should have proximity to major roadways including proposed I-73 and I-74, as these will undoubtedly be critical components to lead to future jobs. Siting such centers can help Horry County become more economically diverse, moving away from being a place just for tourism and capitalizing on the tourism market to build complimentary



Source: Horry County Planning and Zoning



manufacturing and service industries. It is important that these areas not be developed as low density residential or as commercial with low tax return. These sites need to be preserved for large employers as areas of economic growth. See the Land Use Chapter for more on these Economic Development Centers.

OPPORTUNITY ZONES

Opportunity Zones are a new community development program established by Congress as a part of the Tax Cuts and Jobs Act of 2017. They are designed to encourage long-term private investments in low-income communities. This program provides a federal tax incentive for taxpayers who reinvest unrealized capital gains into "Opportunity Funds," which are specialized vehicles dedicated to investing in low-income areas called "Opportunity Zones."

The zones themselves are comprised of low-income community census tracts and designated by governors in every state. South Carolina designated 25% of qualifying census tracts as an Opportunity Zone. Qualifying Zones are based on the 2011-2015 American Community Survey.

The Opportunity Zones program offers investors the following incentives for putting their capital to work in low-income communities:

1. Investors can roll existing capital gains into Opportunity Funds with no up-front tax-bill
2. A five-year holding results in a 10% exemption in capital gains owed
3. A seven-year holding results in a 15% exemption in capital gains owed
4. Investors can defer their original tax bill until December 31, 2026 at the latest, or until they sell their

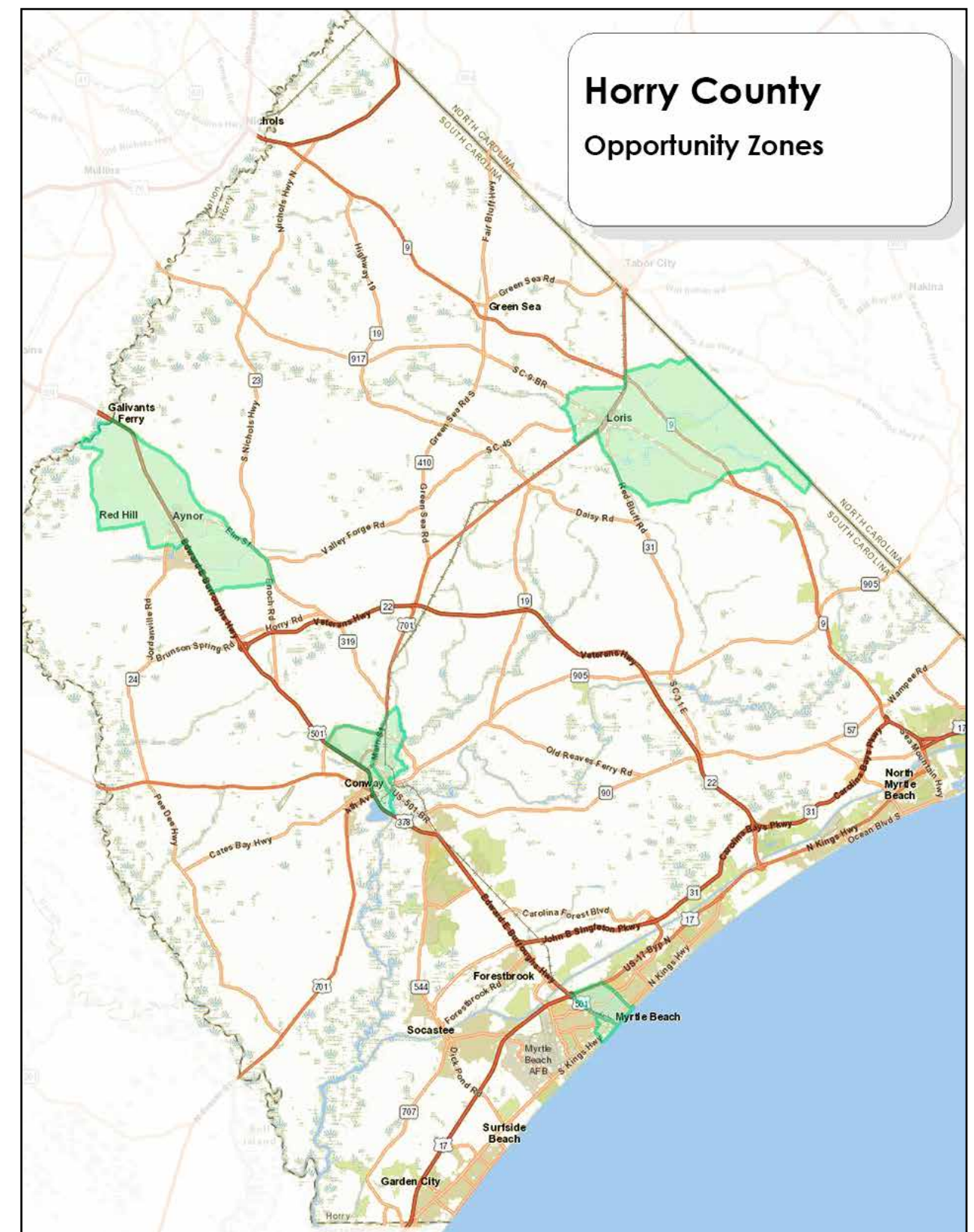
Opportunity Fund Investments, if earlier

5. If opportunity fund investments are held for at least ten-years, there will be no capital gain whatsoever on the appreciation of the investment

Horry County has 6 Opportunity Zones:

- 1) Tract 506 (Myrtle Beach – Pavilion/Superblock)
- 2) Tract 202 (Loris – Loris Commerce Park)
- 3) Tract 703 (Conway – West Downtown/Grainger Plant)
- 4) Tract 801 (Aynor – Cool Springs Industrial Park)
- 5) Tract 507 (Myrtle Beach – South Ocean Boulevard)
- 6) Tract 702 (Conway – Main Street)

Some of these sites are ideal for expansion of existing manufacturing, while others coincide with areas of the County that residents wish to see revitalization. The Opportunity Zones allow for a variety of reinvestment, not limited to manufacturing.



Source: <http://www.grandstrandopportunityzones.com/>

ECONOMIC OPPORTUNITIES FINDINGS

Economic diversification is considered essential for the general economic health of a community as it insulates the workforce from cyclical trends in the national economy while helping to maintain a broad base for egalitarian access to amenities. By encouraging small businesses through land use policy and lowering barriers for startups, Horry County can help to diversify the types and sizes of commercial and industrial offerings. Redevelopment is also essential to perpetuating a sustainable and stable economy. Horry County must not only encourage redevelopment in urban areas where available land is limited for new development, but also in rural and suburban areas where unsightly vacant and underutilized building shells discourage new growth and investment. Encouraging development in opportunity zones through the creation of industrial and manufacturing centers will not only create centralized hubs of large employers, but will create a loop of reinvestment into underprivileged areas of the County.

CONCLUSIONS

Horry County's economy is heavily dependent upon tourism, which is driven by the hospitality industry and retail sales. The warm climate and low cost of living has also attracted many people to relocate to the area, resulting in housing growth. Horry County's economic growth is dependent on the national economy and the availability of disposable income. Economic diversification is a necessity for any jurisdiction, as it can stabilize a community even during economic downturns or in case of a hurricane.

Horry County should foster a stable and competitive business climate to draw business to the region and should support and strengthen the economic viability of existing industries. The County should also encourage business start-ups, includ-

ing small business enterprises, minority owned businesses, high-technology and knowledge-based businesses, and attract new targeted industry sectors to our community. Appropriately sized acreage should be preserved at Economic Development Nodes to ensure space for industrial, manufacturing and business park uses.

Myrtle Beach Regional Economic Development Department should continue to promote the County and its trained quality workforce, evaluate new economic development opportunities as they arise, and support the other recommendations of this Plan as part of the comprehensive strategy for the future of the County.

A comprehensive economic development framework and an economic development plan with commitments to implementation is vital. Continued training will be pivotal in maintaining a living economic plan that has the adaptability needed in a changing economy. A strategic comprehensive growth plan is needed.

Horry County needs to improve the business climate by enhancing government services and communication processes. This can be accomplished by improving the Horry County website as well as simplifying the information distribution process to new small business and start-up owners. Along similar lines, Horry County must target the appropriate audiences for this information.

Horry County must continue to work towards the development of high quality industrial land and building products that attract new and expanding businesses. By utilizing public input for revitalization, the County can identify and develop targeted mixed-use revitalization areas. This includes

implementation of plans for areas that are deemed highest priority.

Airport travel service is essential to maintaining the tourism industry. Horry County should continue to cooperate with local municipalities to increase air service. The tourism industry can be further enhanced through continued beach renourishment and protection. Tourism niches should also be encouraged and strengthened in areas like the City of Conway, Little River, Garden City, and the surrounding areas. This can be achieved through improved sense of community and individual character as well as by tapping into existing and new sports tourism opportunities, existing and new agritourism opportunities, and future possibilities for ecotourism.