

Annual Report of Clemson University
EDA University Center for Economic Development

Clemson University, Clemson, South Carolina

EDA Project Number: 04-66-05769

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to
June 30, 2008



University Center for Economic Development

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This report was prepared by the Clemson University EDA University Center for Economic Development (UCED). The statements, findings, conclusions, and recommendations are those of the authors and do not necessarily reflect those of the Economic Development Administration.

University Center Organization

A. The University Center (UCED) is housed in the Department of Applied Economics and Statistics. The UCED is a joint program of the Regional Economic Development Research Laboratory (REDRL) and the Clemson Institute for Economic and Community Development (CIECD). The UCED reports to the Clemson University Vice President for Research and Economic Development and the Vice President for Public Service. An organizational chart is provided in Figure 1.

B. The UCED has a staff of five faculty members and four support staff.

Faculty

David L. Barkley, Ph.D., Economics, Iowa State University, 1976; Co-Director of Regional Economic Development Research Laboratory; 31 years of teaching, applied research, and technical assistance experience in regional economic development.

Mark S. Henry, Ph.D., Economics, Kansas State University, 1973; Co-Director of the Regional Economic Development Research laboratory; 34 years of experience in teaching and applied research in regional economic development.

David W. Hughes, Ph.D., Agricultural Economics, Washington State University, 1988; Professor of Applied Economics; Research/Technical Assistance provider for Clemson Institute for Economic and Community Development; 19 years of applied research and technical assistance in rural economic development.

R. David Lamie, Ph.D., Applied Economics, Clemson University, 1996; Associate Professor of Applied Economics; Technical Assistance provider for Clemson Institute for Economic and Community Development; 11 years of experience in public service and technical assistance in rural economic development.

Kenneth L. Robinson, Ph.D., Development Sociology, Cornell University, 2001; Assistant Professor of Applied Economics; six years of applied research experience in entrepreneurial development and the sociology of community development.

Support Staff

Daniel Eades, M.S., Agricultural and Resource Economics, West Virginia University, 2006; Research Associate of UCED; one year of experience in applied research in economic development.

Will Culler, M.S., Agribusiness, South Carolina State University, 1995; Technical Assistance Associate of the UCED; 12 years of experience in banking and entrepreneurial development. (Mr. Culler joined to the UCED staff in January, 2007).

Rebekka Dundensing, M.S., Agricultural and Applied Economics, Texas Tech University, 2005; graduate research associate, Ph.D. program in Applied Economics.

Lori Dickes, M.A., Applied Economics, University of Central Florida, 1993; graduate research associate, Ph.D. program in Policy Studies.

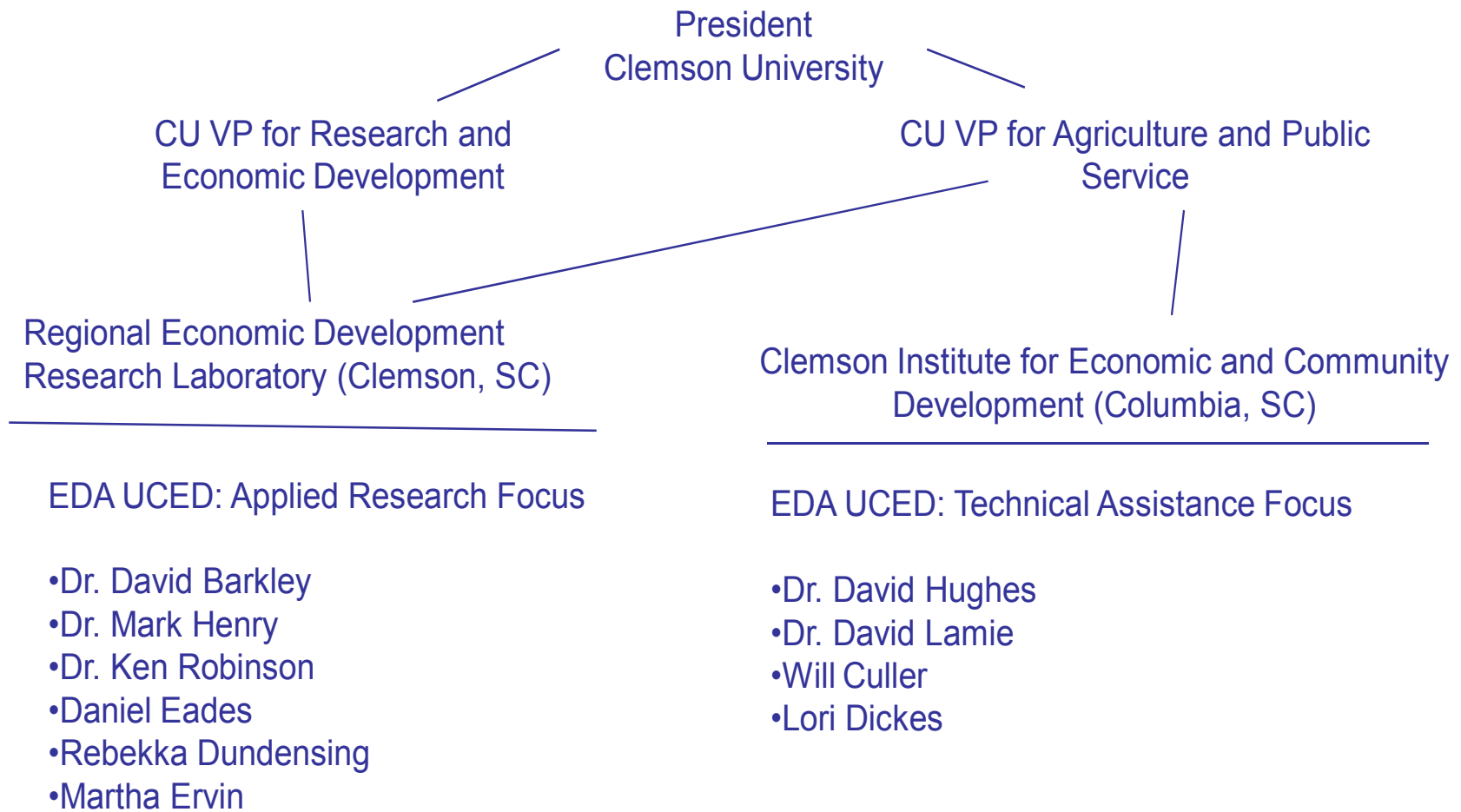
Martha Ervin, B.A., Journalism/Public Relations, Georgia State University, 1988, Administrative Assistant, UCED.

C. University administrators to whom the UCED directors report.

1. Dr. John W. Kelly
VP for Public Service and Agriculture
Clemson University
Clemson, South Carolina
864-656-3015
2. Dr. C.E.G. Przirembel
Vice President for Research and Economic Development
Clemson University
Clemson, South Carolina
864-656-7701

Figure 1

Organizational Placement of EDA University Center for Economic Development (UCED) in Clemson University



(All faculty are members of the Department of Applied Economics and Statistics.)

Focus of University Center

A. Mission/Focus of UCED

The mission of the Clemson University EDA UCED is to provide high-quality services to South Carolina businesses, local and state governments, and community organizations striving to improve the economic development prospects of the state. The UCED has four principal goal areas:

- Build capacity among individuals and organizations that are responsible for economic development,
- Target the needs of economically disadvantaged communities and peoples through innovative policies and programs,
- Provide research and technical assistance to businesses and communities with specific economic development needs, and
- Help transition the state economy to a more competitive status regarding developing high-skilled, high wage employment opportunities.

B. Services Available at UCED:

1. Applied Research
 - a. Industry targeting and industry cluster development
 - b. Assess the economic development impacts of the state's industry clustering and centers of innovation initiatives
 - c. Assess costs and benefits associated with local government economic development programs
 - d. Feasibility analysis of specific economic development projects
 - e. Telecommunications planning, feasibility assessment, and project management

2. Technical Assistance

- a. Develop action plans to strengthen industry cluster linkages to the less developed areas of the state.
- b. Assist workforce investment boards in identifying workforce needs (occupational or skill shortages) and training alternatives.
- c. Assess community capacity to support entrepreneurship and small business development.
- d. Provide a system of community level indicators that indicate community readiness to compete in the knowledge economy.
- e. Provide capacity building and training for local economic development professionals to focus on strategies for success in the knowledge economy.
- f. Provide entrepreneurship and e-commerce training for prospective and existing small businesses.

Work Program Accomplishments (July 1, 2007-June 30, 2008)

A. Technical Assistance Projects

1. Project: Entrepreneurial Training for Small Businesses in South Carolina (Updated, Ongoing).

Clients: Local Governments and Business Communities
Will Culler
FastTrac Training Program
Clemson University
Institute for Economic and Community Development
Columbia, SC
803-206-9795

Summary: Training is a critical need for many small businesses, especially individuals who are starting a business. UCED is assisting in the delivery of FastTrac business training programs in South Carolina communities. UCED also is working with the statewide coordinator of the rural portion of the FastTrac entrepreneurship curriculum to integrate an e-commerce component into the training curriculum. UCED support includes workshops and curriculum development to better integrate e-commerce training as a component of the statewide program. As a result, several start-up and existing small businesses are including e-commerce as an integral part of their business strategy. Three UCED members (Lamie, Hughes, and Dickes) are responsible for this initiative. Cooperating state organizations include FastTrac and the Clemson University Cooperative Extension Service.

2. Project: Strategic Planning Assistance to SCACDC (Updated, Completed)

Client: South Carolina Association of Community Development Corporations (SCACDC) Bernie Mazyck, Executive Director
658 Rutledge Avenue, 2nd Floor
Charleston, SC 29403
843-579-9855

Summary: UCED provided technical assistance to the South Carolina Association of Community Development Corporations (SCACDC) in the form of a statistical analysis and summary report assessing the organizational needs of 29 community-based organizations across South Carolina. SCACDC is the state-wide trade association and intermediary for community development corporations (CDCs) and community economic development stakeholders in South Carolina. The provided analysis and report focus on the examination of governance and planning goals of each organization as well as

personnel and liability issues, financial management, and internal controls. The capacity of each organization to successfully undertake property management and housing development activities was analyzed as several of the organizations are involved in housing and related development. The goal of UCED technical assistance is to help SCACDC determine how best to serve and meet the technical assistance and training needs of member organizations, specifically as they relate to how much and what kind of assistance is needed. As a result of UCED assistance, SCACDC expects to assist CDCs with organizational development, provide financial and technical assistance to CDCs, and support training for housing and other asset management activities. Two UCED team members (Robinson and Dundensing) were associated with the project. Collaboration on the project was provided by community development agents of the Clemson University Cooperative Extension Service.

3. Project: Lower Richland Agricultural Cooperative (Updated, Completed)

Client: Eastover-Lower Richland Business Association (ELRBA)
Ann Pringle Washington, CEO
(803) 353-0167

Summary: In November 2007, UCED team member Robinson selected students from two Rural Sociology courses, RS 459 and RS 401, to travel to Lower Richland to meet with local officials, including Representative Joe Neal, SC House of Representatives; planners with the Central Midlands Council of Governments; UCED team member Hughes and Dr. Mac Horton at Clemson Institute for Economic and Development staff, and directors of the Eastover-Lower Richland Business Association, a local organization dedicated to improving the entrepreneurial climate and generating economic growth in the Lower Richland region. Student involvement in this project was designed to: 1) provide students with a greater understanding of development processes and applications by observing firsthand CED in practice in an emerging market context and setting, and 2) provide limited but much needed technical assistance and analytical support to underserved businesses and rural communities. Specifically, students participating in the field trip contributed to an analysis of the study area, including a social impact assessment of the Lower Richland Agricultural Cooperative and community profile of the Hopkins/Lower Richland area. The community profile involved a comprehensive description of the needs of the community, and the resources that exist within the community for the purpose of developing an action plan or other means for improving the quality of life in the community. The information contained within the profile is intended to be of use to the local planning committee.

4. Project: Establishing Entrepreneurial Training Coalitions in Rural South Carolina (Updated, Ongoing)

Client: Economic Development Professionals, Local Elected Officials, Business Leaders, Chambers of Commerce, Universities and Technical Colleges.

Summary: In a pilot group of South Carolina cities, Regional Entrepreneurship Coalitions have been in place for three years. An example is the Midlands FastTrac Coalition operating through Midlands Technical College in Columbia, South Carolina. This coalition is comprised of area government and business leaders as well as members of academia and local entrepreneurs. Meetings are held regularly, and the group's marketing resources, meeting spaces, and expertise provide the foundation for a successful FastTrac curriculum. Since 2004, this highly successful group has run eleven FastTrac classes with a total of 180 graduates, with 60% of the graduates being minority.

UCED has continued to establish Entrepreneurial Training Coalitions outside of these select cities and regions. The lead for this project is provided by UCED Associate, Will Culler. Working with the FastTrac SC coalition, meetings have been held over the past year in Saluda, Georgetown and Newberry, South Carolina for the purpose of establishing local coalitions aimed at small business development and training. These meetings included collaboration with local Economic Development Authorities, Chambers of Commerce, Clemson Extension Service, Technical Colleges, and business and community leaders. Anticipated output is formalized entrepreneurial training programs and numerous new business start-ups.

5. Project: FastTrac Growth Venture Training in Newberry and Georgetown, South Carolina (Updated Ongoing).

Client: Existing small businesses located in and around Newberry and Georgetown.

Summary: Using an existing infrastructure of Clemson Extension personnel and local Economic Development and Community leaders, Will Culler (UCED Associate) coordinated Small Business Training Courses in Newberry and Georgetown, South Carolina. Outcomes include two FastTrac Growth Venture courses offered in Newberry and Georgetown and a case study currently being developed for Newberry. The FastTrac program is being expanded to include training in e-commerce marketing and sales. This expansion will be the result of merging two existing UCED Ecommerce and small business development programs.

6. Project: Workforce Development in Upper Savannah Workforce Investment Area (New).

Clients: Upper Savannah Council of Governments
 Ms. Sandra M. Johnson
 PO Box 1366
 Greenwood, SC 29648
 (864) 941-8055
 (864) 941-8090 (fax)
sjohnson@uppersavannah.com

Summary: A project funded by the Upper Savannah Workforce Investment Area (a seven county region including Abbeville, Greenwood, McCormick, Edgefield, Saluda, Newberry, and Laurens counties) assists the Upper Savannah WIA in developing workforce-based strategies that are tied to appropriate economic development goals; i.e., through the growth of feasibility and desirability region-based economic clusters. This region has been especially hard hit by recent job losses related to textile industry plant closures. The proposal activities include data analysis, interviews with local business leaders, and presentation of research results to appropriate community leaders.

Project outcomes by June 30, 2008 include training and education programming to match projected occupational/skill needed by new and expanding businesses in the region. The improved skills of the local labor forces will be a strong attraction to firms deciding where to expand and locate new establishments.

Seven UCED members (Hughes, Barkley, Henry, Robinson, Eades, Culler, and Dickes) are responsible for this initiative. Cooperating state organizations include the Clemson University Cooperative Extension Service, Piedmont Technical College, and SC Department of Commerce.

7. Project: ECommerceSC, E-commerce Training for Small Businesses (Updated, Ongoing).

Client: Existing and new venture small businesses

Summary: In collaboration with the University of Minnesota-Extension, Lamie provided training for an e-commerce training curriculum to Clemson and South Carolina State University Agriculture and Community Economic Development Extension agents. This training focuses on helping small businesses develop or improve existing web presence and to incorporate e-commerce strategies into their business operations.

Lamie and Culler delivered an introductory session at the Technical College of the Lowcountry in Beaufort, SC in collaboration with the Beaufort Area Chamber of Commerce and local Clemson Extension office. Approximately 20 small businesses were in attendance. The primary contact with the chamber is Carlotta Ungaro, President and CEO of the Beaufort Regional Chamber of Commerce

(president@beaufortsc.org). Subsequent to this introduction to e-commerce, Beaufort Chamber staff met with Lamie and Culler to discuss co-branding a more in-depth training program and a related small business services trade show to be scheduled in 2008.

Lamie developed a model for a 3-session (12-hour) program to be delivered as a follow-up to the FastTRac program through technical colleges. Lamie met with representatives of Midlands Technical College (Mr. Tom Ledbetter; ledbetter@midlandstech.edu), York Technical College (Ms. Katie Dykhuis; kdykhuis@yorktech.com) and Technical College of the Lowcountry (Ms. Harriet Hildton; hhilton@tcl.edu). The Midlands Tech program was delivered in January, 2008. Lamie and Culler delivered an e-commerce training introductory program in Newberry to their Downtown Merchants Association in November, 2007 and a 12-hour, 3-session program was delivered in May 2008. Similar e-commerce training programs were delivered, with program funding support from USDA-RD, to small businesses in Cheraw, St. Stephen, and Barnwell in April, 2008. In addition, a program was scheduled for delivery in the Charleston area in November and December but postponed due to organizer (Ms. Vickie Waller, FastTrac SC Director; vwaller@charlestonchamber.org) having a medical emergency.

Lamie presented on his e-commerce program to the South Carolina Economic Development Association's annual certification program in conjunction with Hughes' presentation on small business training and incubator feasibility.

8. Project: Strategic Planning for Economic Development in Horry County (New).

Client: Horry County Council through Horry County Extension Office (Blake Lanford; blanford@clemsun.edu)
1949 Industrial Park, P.O. Box 1005
Conway, SC 29526; (843) 365-6715

Summary: UCED (Lamie, Hughes), in collaboration with CIECD, Horry County Cooperative Extension, and Coastal Carolina University, developed a strategic planning process for the economic development of Horry County. This program is currently being delivered. The purpose of this process is to assess current economic trends, identify issues, and chart a vision-centered course of action for regional economic prosperity for Horry County. Diversifying the economic base toward success in industries other than tourism is a focal point. The county committed funds for the support of a Clemson Extension Community Economic Development Agent who will provide local leadership to the effort. UCED staff (Lamie, Hughes) are supporting the process with technical assistance in the form of economic, workforce, and social indicators and by helping to shape the engagement process. Economic indicator information was delivered to the planning committee. Lamie facilitated two planning sessions. Resulting documents are available online at www.horrystrategicplan.blogspot.com.

9. Project: Development of a Technology Cluster in Horry County (New).

Client: Grand Strand Technology Council
www.gstechcouncil.org
 Mr. John Sanders, Organizing Chairman
 Managing Director-Carolinas, InfoTech Strategies
 (843) 491-6060; sanders@itstrategies.com

Horry County Extension Office (Blake Lanford; blanford@clermson.edu)
 1949 Industrial Park, P.O. Box 1005
 Conway, SC 29526, (843) 365-6715

Summary: UCED (Lamie and Hughes), in collaboration with Horry County Community Economic Development Extension Agent, Blake Lanford, is providing technical support to an emerging organization (Grand Strand Technology Council) focused on developing a high-tech cluster for the Myrtle Beach area. The principal goal of this initiative is to diversify the tourism-dependent regional economy. Based on data concerning local high technology businesses provided by UCED, a Grand Strand Technology Council was formed. Hughes and principally Lamie facilitated several planning sessions for a strategic plan for economic development of the county with a technology focus.

10. Project: Creating a web-based infrastructure to support the local food system in South Carolina (New).

Client: Local food producers, processors, farmers markets, wholesalers and retailers, customers --- all in food supply chain.
 South Carolina Department of Agriculture
 P.O. Box 11280
 1200 Senate Street
 Columbia, SC 29211
 (803) 734-2210

Summary: Lamie provided a proposal and business plan for the development of a web-based tool that will serve as IT infrastructure for agricultural producers and others involved in the food supply chain in South Carolina. He presented his proposal to the South Carolina Department of Agriculture (Hugh Weathers, Commissioner; and Larry Boyleston, Deputy Commissioner; USDA-Natural Resources Conservation Service (Walter Douglass, State Conservationist), and the USDA-Rural Development Innovation Center (Walter Harris, Director; walterh@clermson.edu) and each decided to help fund the project. Lamie was approached by the PI of an existing grant from National Oceanographic and Atmospheric Administration (NOAA) and the Director of the South Carolina Sea Grant Extension Program (Robert Bacon; Robert.bacon@seagrant.org) focused on assisting the South Carolina shrimping industry. In total, Lamie has secured over

\$100,000 in support of this effort. This project has already generated a substantial amount of enthusiasm and goodwill between agencies. Lamie is contracting with the University of Illinois to develop the site as part of their MarketMaker initiative (www.marketmaker.uiuc.edu). Site development, training, and other work associated with this project have begun. Lamie delivered a training session for the Clemson Extension Service and agencies and organizations that serve the South Carolina shrimp industry. In cooperation with the South Carolina Department of Agriculture, Lamie submitted a proposal to the United States Department of Agriculture's Federal State Marketing Improvement Program for funding to develop an evaluation framework for the MarketMaker program nationwide. The focus of this evaluation is to better understand how this program can best generate intended outcomes (increased sales, reduced costs, enhanced profitability).

B. Applied Research Projects

1. Project: Benchmarking the Competitiveness of the Greenville Economy (Updated, Ongoing).

Client: Greater Greenville, SC Chamber of Commerce
 24 Cleveland Street
 Greenville, S.C. 29601
 Ben Haskew, President and CEO

Summary: UCED provided analysis of the performance of the Greenville County and regional economies focusing on five key dimensions of economic development: human capital, innovative activity, the entrepreneurial environment, localization economies, and the creative class. Comparisons with 113 southern metropolitan areas and 12 target MSAs in the South revealed strengths and weaknesses of the local economy to Chamber and other community leaders. These findings were used as benchmarks for assessing the effectiveness of alternative policy initiatives in moving the area's economy to higher levels that have been achieved by target MSAs. New policy and programs to develop venture capital for small firm formation and for improved labor quality are expected to result from this effort. UCED team members involved in this project are Henry, Barkley and Eades. This project will continue through 2010 to provide annual updates of the regional economic scorecard developed by the UCED team and to assess Greenville's progress relative to its peer cities.

2. Project: Development of Medical Devices Clusters (Completed).

Client: South Carolina Council on Competitiveness
 Medical Devices Cluster Taskforce
 Matthew Gevaert, Taskforce Chair (864) 656-1140

Summary: The South Carolina Council on Competitiveness (SCCC) recently identified the medical devices industry as an emerging industry cluster in the state. The UCED is assisting the SCCC to identify cluster members, linkages to input suppliers, labor force requirements, and high-growth potential sectors. This information will be used by the taskforce to develop its cluster promotion strategies. Anticipated results are an increase in networking among cluster members and an increase in state and local resources committed to cluster development. A UCED report on the South Carolina medical devices cluster was published in May, 2008, and the report is available on the UCED website (www.clemson.edu/uced). Three UCED staff were involved on the project (Barkley, Henry, Dundensing). Collaboration was provided by the Clemson University Spiro Center for Entrepreneurial Leadership and the South Carolina Council on Competitiveness.

3. **Project:** Case Studies of E-commerce Activities in Rural Areas (Updated, Completed).

Client: Southern Rural Development Center (SRDC)
Starkville, Mississippi
Bo Beaulieu, Director (662) 325-3207

Summary: UCED contracted with SRDC to provide four publications on the successful use of e-commerce by firms located in Nonmetropolitan areas. The publications include case studies, lessons learned from early adopters of e-commerce, and a user's guide for leaders of workshops/classes on e-commerce. The publications were completed in October 2007 and are available on the EDA University Website www.clemson.edu/uced. The publications are incorporated into the UCED e-commerce and entrepreneurship (FastTrac) training programs. The overall goal of the project is to encourage the expansion of e-commerce activity among small businesses. The UCED is partnering with the National Center for Rural Entrepreneurship on the project. Anticipated results are an increase in rural businesses' revenues and/or a decrease in costs due to the expansion of e-commerce capabilities. Two UCED staff are assigned to the project (Barkley and Lamie).

4. **Project:** Economic Trends for South Carolina WIAs and COGs (Updated, Ongoing).

Clients: South Carolina Councils of Governments (COGs) and Workforce Investment Areas (WIAs).

Summary: The UCED provided annual overviews of economic trends in South Carolina's ten COGs and twelve WIAs. The overviews included trend analysis of establishment numbers, employment, unemployment, earnings, income, and measures of innovative activity (patents, SBIR funding, and Small Business Technology Transfers). The goal of the overviews is to permit ready assessment of COG and WIA economic conditions versus other regions in the state, the state as a whole, and the nation. The 2007 annual overview was provided in October, 2007. Two UCED staff (Barkley and Eades) were involved on the project.

5. Project: Retirement Communities in the Upstate of the Carolinas (Updated, Completed).

Client: Cliffs Communities, Inc.
Harris Robinson, Business Manager
Travelers Rest, South Carolina (864) 371-1000

Summary: It was shown that The Cliffs Communities provide an important stimulus to economic growth in the region (Buncombe County, NC, and Greenville, Pickens, and Oconee Counties, SC). Construction of new homes, amenities, and infrastructure in the Cliffs Communities injects significant new dollars into the regional economy. Consumer purchases by new Cliffs' residents sustain growth in the private sector and increase tax revenues for local governments. Spending associated with new home construction, new resident consumer spending, and the construction and operation of amenities and infrastructure is expected to increase Cliffs' employment impacts from 7,842 workers in 2006 to a peak of 28,028 in 2012. Employment growth is driven primarily by home construction and linked activities (17,023 jobs) and increased person consumption expenditures (9,436 jobs). After 2012, fewer new homes are built and Cliff's related employment stabilizes at approximately 14,000 jobs in 2016. Three UCED staff (Henry, Barkley, and Eades) were involved on the project.

6. Project: Enhancing Broadband Connectivity for Success in the Knowledge Economy (New).

Client: Economic Development Professionals, Local Elected Officials, and Citizen Volunteers, Higher Education, Internet Providers, and Internet-Dependent Businesses and Entrepreneurs

Summary: UCED coordinated a panel discussion at the South Carolina Telephone Association titled "Higher Education, Economic and Community Development, and Advanced Telecommunications: A Possible Partnership for the Success of All of South Carolina". This panel included presentations from Dr. Jim Bottum, Chief Information Officer for Clemson University; Dr. Jabari Simama, Vice President for Community Development and Organizer of the *Broadband in Cities and Towns* conference, and Dr. Lamie (UCED). Outcomes of this event included enhanced relationships and contacts between university and Internet provider organizations and an increased understanding of how to plan and invest in the telecommunications infrastructure in South Carolina for future advanced knowledge economy employment.

UCED members (Lamie and Dickes) continue research to assess the social and economic returns to investments in advanced telecommunications infrastructure. This research focuses on cities with existing electric utilities as high-potential targets for making local investments to leverage build out of high-bandwidth infrastructure projects.

Collaborating with the Piedmont Municipal Power Agency (PMPA) of Greer, SC (a wholesale provider of nuclear power to 10 of the 21 electric cities in South Carolina) and the Municipal Association of South Carolina (MASC) an online survey instrument was sent to representatives from 10 of the 21 electric cities. The survey instrument attempts to address key economic development and related policy issues as they relate to telecommunications infrastructure. Questions related to purview of municipal authority, potential barriers to municipal investments, and the role of advanced telecommunications for local economic development are several key areas of emphasis. The initial results of the survey were presented at the Southern Regional Science Association meeting in March 2008. Given the small initial sample size, Lamie and Dickes will continue surveying the additional South Carolina electric cities in collaboration with the PMPA and the MASC. In addition, they plan to hold a focus group(s) of PMPA municipal representatives to examine critical issues in more detail.

In conjunction with the above research, several site visits of communities with municipal telecommunications investments, or with interest in these investments, were made and findings are being developed into case studies. A case study of Rock Hill, SC was completed and will be available on the UCED website Summer 2008. A Spring 2008 visit to Danville, Virginia provided the initial groundwork for an additional case study of a new approach to municipal telecommunications investments.

Anticipated results are that local, municipal decisions to invest in advanced telecommunications can be made with a clearer understanding of potential returns on investment. This is of particular importance for rural areas where sufficient incentives are not available for private-sector telecommunications provider investment yet availability of bandwidth is considered to constrain economic development. Future UCED programs will be targeted at facilitating the appropriate investment, enhancing the likelihood of further investment and employment, reducing inappropriate expenditures, and increasing competitiveness of rural communities, counties, and regions.

7. Project: The Flow of South Carolina Harvested Seafood Products and Related Substitutes Through SC Market Channels (New).

Client: South Carolina Department of Natural Resources, Division of Marine Resources
Charleston, South Carolina

Summary: In cooperation with key members of the South Carolina seafood industry, this research characterized and quantified the aggregate (total) annual flow of major SC marine harvested seafood products within SC market channels. The study documents major SC market channel members and their role in the flow of major marine SC seafood products (e.g. blue crabs, oysters, shrimp, etc.) and applicable

substitutes (i.e. domestic and/or foreign derived products) imported into the state. Project outcomes provide seafood market opportunities and strategies to enhance employment and income growth in this industry. Two UCED staff (Henry and Eades) are involved in the project. This project ends August 1, 2008.

8. Project: An Assessment of the Economic Contribution of the Textiles and Apparel Industries to the South Carolina Economy: Past, Present, and the Outlook for the Next Decade (Updated, Completed).

Client: South Carolina Council on Competitiveness
George Fletcher, Executive Director, New Carolina, Inc.
Greenville, South Carolina (864) 527-4602

Summary: Amid the headlines of textile and apparel plant closings, there is an undercurrent of industry restructuring that suggests the emergence of a revitalized textile and apparel industry cluster in South Carolina. This new industry cluster will likely employ fewer low skilled laborers and more in research and development. While total direct employment in the cluster may not approach the peak years of twenty five years ago, the value of textile and apparel output could show substantial growth as the demand for "smart" fibers and non-traditional textile and apparel products is expected to expand over the next decade. The purpose of the research was to document the current contributions of the textile and apparel sector to the South Carolina economy and to project expected impacts of the "new" textile and apparel sector on the state economy over the next decade.

Project outcomes identify which industry sectors are relatively competitive and positioned for growth in the future. The SC Council on Competitiveness will use this information in designing their cluster development strategy for the textile and apparel sector. Goals of the strategy are to foster collaboration in the evolving Textiles Cluster and generate new and higher paying jobs in the sector. Three UCED staff (Henry, Barkley, and Eades) were involved in the project.

9. Project: Developing Business Incubators in Clinton, South Carolina (Updated, Ongoing).

Client: City of Clinton
Joshua L. Kay, Assistant City Manager, City of Clinton
Clinton, South Carolina (864) 833-7518

Summary: The City of Clinton, South Carolina recently experienced a decline in its manufacturing base and a slowdown in economic activity due to the closure of several major employers. In response, strong city leadership sought ways to invigorate the local economy and bring high-paying jobs to the city, including the establishment of a business park. They also decided to investigate establishing a business incubator as a way to engender business start-ups and higher-income economic growth. However, the city needs help in determining if a business

incubator is a feasible and desirable strategy and in constructing a local base of appropriate support that will maximize the chance of success. The UCED continues to conduct a formal feasibility study of a possible business incubator for the city that will meet these needs including visits to four existing business incubators in North Carolina and South Carolina and a meeting with Clemson University CU-ICAR aimed at establishing cluster-based linkages. Two UCED team members are involved with this effort (Hughes (faculty), and Culler (technical assistance associate)). Strong collaboration is maintained with the city of Clinton and with the Presbyterian College School of Business (Presbyterian College is a local institution of higher learning), and a committee of committed local stakeholders.

Current findings are: (a) a local facility is a viable option for housing the incubator, (b) strong local city leadership is in place for supporting incubator activity including strong cooperation between Presbyterian College and the City, (c) adequate number of business starts in recent years in the region (Laurens County and southern Greenville County) indicate a sufficient number of local clients given appropriate recruiting, (d) viable incubator options include a general use business incubator for "office-based" businesses (including high technology businesses), a kitchen-based business incubator, and an arts-based business incubator, and (e) economic development linkages between the City and CU-ICAR should be further developed within or without the context of a business incubator. The client will use the feasibility study in determining whether an incubator is a viable business support option and given the decision to move forward, the leadership group formed as a result of the study will be used to provide local and regional business and governmental support. The anticipated outcomes of the feasibility study for the Clinton incubator are as follows:

- a. At least 5 businesses will occupy space in the incubator upon opening
- b. The incubator will build on links with local and regional companies and organizations, including the Clemson-ICAR effort in Greer, SC.
- c. An in-place set of appropriate FastTrac trainings, the premier entrepreneurial training effort, will be available.
- d. At least two of the incubator companies will "graduate" into space in the new Clinton Business park.
- e. We project that at least 10 well-paying jobs and at least three new businesses will be created as a result of this cooperative effort.

10. Project: Muscadine Grape Processing Feasibility Study (Updated, Completed).

Clients: Jody Martin, Clemson Extension Service; jamrtn@clemson.edu
Clemson University Pee Dee REC
Florence, South Carolina (843) 661-4800 (Ext. 115)

Summary: The project goal is to determine preliminary feasibility of a muscadine grape processing facility in the Pee Dee region of South Carolina. The project client is Carolina Agri-Solutions Growers Association (CASGA), a recently formed farmers' owned cooperative, who wish to determine what is required for a feasible muscadine processing operation. One UCED faculty member (Hughes) is working with a graduate student in conducting the study over the current period. The advice of nationally recognized experts have been sought and obtained in conducting the study, including a site visit to Eastern Washington State. Cooperation is maintained with Clemson University Pee Dee Research and Education Center (REC) and CASGA.

Current findings of the project are: an adequate level of local produced grapes is essential for success, economics of scale are required for grape production to be profitable, muscadine grapes have the disadvantage of lacking a well established reputation as a high quality wine, but also have the advantage of not requiring a large investment in cooperate (storage for fermenting). Several US Department of Agriculture-Rural Development Programs have been identified as being possible sources of funds for the construction of a processing f. The goal of the project is to provide guidance concerning whether to move forward with a facility, and if so, how best to move forward.

11. Project: Targeting Industry Clusters in the Upper Savannah COG Region (New)

Clients: Upper Savannah Council of Governments
Greenwood, SC
Patricia Hartung, Executive Director
864-941-8051, pchartung@uppersavannah.com

Summary: The Upper Savannah COG contracted with the CU UCED to identify existing and emerging industry clusters in the six county area. Funding for the applied research project (\$89,000) is provided by the COG. The area of interest consists of the micropolitan core county Greenwood and the five surrounding nonmetro counties (Abbeville, Laurens, Edgefield, McCormick, and Saluda). The area served by the Upper Savannah COG is characterized by relatively high unemployment and relatively low wages. The area economy is attempting to transition from textiles and agriculture to New Economy activities. The UCED initiated work in December on identifying high potential industry clusters for the region. Three UCED personnel are involved on the industry targeting project (Barkley, Henry, Eades). The project will collaborate with the South Carolina

Department of Commerce and county economic development advisory boards and Chambers of Commerce in the six county area.

12. Project: Comprehensive Assessment of the South Carolina Agri-Business Cluster (Updated, Ongoing).

Clients: MarketSearch Group (Subcontract with Palmetto Institute)
Mr. Fenton Overdyke
Vice President
MarketSearch Corporation
2721 Devine Street
Columbia, SC 29205
803/254-6958

Summary: An ongoing research project focuses on the identification of emerging opportunities for agri-business in South Carolina. The specific components of this effort will include: a description of the current state of the Agri-Business sector in South Carolina; analysis of the current state of the Agri-Business sector in South Carolina based on standard metrics against national and regional benchmarks thus allowing for the identification of the strengths and weaknesses of the sector; identification of opportunities for growth in the Agri-Business cluster including an extensive review of consumer and economic trends at the national and international level as they relate to Agri-Business; and collaboration in the development of the MarketSearch survey instruments for interviewing agricultural experts and farmers and the review of the final version of the report. Two UCED members (Hughes and Culler) are responsible for this initiative. Cooperating state organizations include the Clemson University Cooperative Extension Service, faculty in the Department of Applied Economics and Statistics, the South Carolina Department of Agriculture, and the South Carolina Forestry Commission. Numerous jobs and investment opportunities should be created by this activity given the commitment of follow-up by SC Agribusiness Leadership.

13. Project: Entrepreneurship and Economic Cluster Development across South Carolina (New)

Client: Upper Savannah Council of Governments
Ms. Sandra M. Johnson
PO Box 1366
Greenwood, SC 29648
(864) 941-8055
(864) 941-8090 (fax)
sjohnson@uppersavannah.com

Summary: UCED provided research support to determine whether cluster development and entrepreneurship are viable, high-priority community and economic development

strategies in South Carolina. Insights into the nature of the current environment supporting cluster development, business retention and entrepreneurial activity will enable a better understanding of the community and economic development practices and policies that best suit communities statewide. UCED staff interviewed selected community economic development professionals statewide, including representatives of community development organizations and local industry leaders to determine their level of support for and participation in entrepreneurial activities. Interviews included a series of focus groups conducted across the region to gain insight on topics including local support (e.g., training, technical and financial assistance) and opportunities for entrepreneurship, factors that may constrain cluster development, and business retention and entrepreneurial activity. UCED team members involved in this project are Robinson, Hughes, Dickes, and Culler. A final report and findings will be submitted by June 30, 2008.

14. Project: Sustainable Agriculture and Cooperative Development (New).

Client: Clemson University Creative Inquiry Initiative
Jeff Appling, Director
Clemson, South Carolina (864) 656-5009

Summary: Across South Carolina and elsewhere, profit margins for farmers are shrinking, pinching small-scale operations especially hard. Population increases and development are driving up land prices and property taxes. Simultaneously, small-scale farmers face stiffer price and quality competition from large regional, national, and international farms that profit from economies of scale. Combine these conditions with inadequate access to marketing channels and agricultural management practices, and it is not surprising that many farmers are selling their land to developers. Despite such trends, cooperatives and cooperative efforts all have the potential for facilitating sustainable production and thereby enhancing farm income and helping rural communities to grow. Our project has involved visiting cooperatives, and interacting with small-scale farmers, cooperative representatives, agriculture officials, and retail food industry executives. A series of case studies is being developed on cooperative management, organization, challenges, profitability and current marketing schemes. UCED staff (Robinson) is involved on the project. This project runs through May, 2010.