

## **NEEDS ASSESSMENT**

Based on demographic, economic, and market trends, as well as information obtained from stakeholder interviews and focus group meetings, issues and opportunities regarding the Rock Hill economy have been identified. These issues and opportunities have been formulated into a needs assessment categorized by topic. A clear understanding of the economic needs in Rock Hill will guide the creation of goals and objectives.

### **Regional Context**

The role of Rock Hill in the Charlotte region's economy has not been defined. Rock Hill's economic drivers need to be identified, and an environment in which they can thrive needs to be created. Collaboration with organizations such as the Charlotte Regional Partnership will help promote and leverage available resources and information.

The creation of a South Carolina "chapter" of the Charlotte Regional Partnership, including York, Lancaster, Chester, and Chesterfield counties, would provide more legitimacy to economic development efforts in the region. Also, there needs to be more frequent and efficient York County-City of Rock Hill governmental coordination. Workforce training programs should focus on the types of companies the York County Economic Development Commission are pursuing. York County and the State of South Carolina control incentives for business development, but should participate to promote the goals and objectives of City of Rock Hill economic development policies.

### **Community Assets**

An assessment of local market strengths would provide strategic direction for future economic development policies and programs. This assessment should identify economic niches for areas identified in the Land Use Element as having future potential, including Dave Lyle Corridor East, downtown, and inner-city corridors.

Based on construction of a new Catawba River crossing, the Dave Lyle Corridor East area would be well-positioned to capture corporate and industrial employment as the result of access to the regional labor force. Recreational amenities on the river would augment demand created by improved highway connections.

Downtown Rock Hill and nearby inner-city corridors comprise the Urban Mixed Use Framework Area in the Comprehensive Plan. This area will require focused direction and funding to accelerate market demand. Specific recommendations will provide guidance on how to leverage community assets to generate private investment, including City participation in projects through targeted incentives.

The Catawba River is a unique environmental feature to the Rock Hill region. It can serve as a recreational amenity that attracts sustainable residential and commercial development to Rock Hill. In addition, local parks such as Glencairn Gardens, Winthrop Park, and Cherry Park, can generate spin-off business activity, particularly along older corridors and in Old Town. All of these public recreational assets have the ability to support private investment.

In addition to recreational assets, there are educational assets in Rock Hill. Winthrop University and York Technical College are major institutions that contain resources for both residents and the local business community. York Technical College provides workforce training as part of its readySC program. This program should be continuously evaluated to ensure it is meeting the needs of the local business community. Entrepreneurs could benefit from a small business incubator affiliated with Winthrop University. Developing a public/private partnership at this facility could provide start-up companies with the resources they need to grow their business, while Winthrop students could acquire some on-the-job training.

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### Programs/Policies

Existing economic development policies in Rock Hill and York County should be reflective of emerging trends in the market place. Focus needs to be shifted from traditional business recruitment practices targeting large manufacturers to a more diverse strategy that includes high technology industries, energy-related research and innovation, and entrepreneurs.

The following related recommendations/observations were made during a series of stakeholder interviews and two focus group meetings:

- Any target industry analysis needs to be more aligned with the particular skill sets of the local labor force.
- Training unemployed and currently “unemployable” residents is a need.
- A regional task force for workforce development can help provide direction at all levels of training.
- There is an opportunity to develop a food co-op along the Saluda Street corridor. This could provide jobs and help the local agricultural community.
- Health-impact assessments could be incorporated into the local development approval process.
- South Carolina annexation laws are prohibitive; unless property owners voluntarily ask to be annexed, it is difficult to incorporate properties, negatively impacting a municipality’s ability to grow its tax base.
- The lack of a rehabilitation code in South Carolina discourages the conversion of upper floor space to office or residential in downtown Rock Hill.
- Existing electrical service provided by the City of Rock Hill in the downtown area is not adequate. There are frequent power surges. The City should add a power substation, remove obstacles interfering with utility lines, and assist in the replacement of outdated electrical wiring in buildings.
- Incentives for redevelopment should include risk management clauses that take uncertainty out of the equation.
- The recruitment of jobs should not be limited to uses that directly grow the privately-owned tax base. Exempt uses can serve as catalysts that attract tax-paying uses.

### Competitive Sites and Buildings

There is an adequate amount of competitive land with transportation access and public utilities in the Planning Area for potential employers. As the Rock Hill area continues to attract residential development, sites need to be preserved for future employment uses. According to economic developers, a larger issue is providing industrial buildings that meet the criteria of prospective tenants or owners. The two major concerns are ceiling heights and floor plate size. Public/private partnerships need to be pursued that foster the development of speculative buildings in competitive locations that meet the needs of future employers. In addition, existing businesses need to be able to expand at their current locations.

### Tax Structure

The State of South Carolina has a disproportionate property tax assessment structure. Owner-occupied residential properties are taxed at 4% of their assessed value, while retail/office and industrial properties are taxed at 6% and 10.5%, respectively. In essence, businesses are contributing more to the tax base per address than households, and often require fewer services. While the property assessment rates are mandated by the State of South Carolina, the composition of the tax base can be affected by local policies and economic development initiatives. The goal is to increase the share of commercial/industrial property.

There are county incentives in place that attempt to offset commercial property taxes. The question is whether these incentives are successful. In addition, many of these incentives are based on job

creation thresholds. Therefore, new small businesses cannot take advantage of the incentives, but are still contributing a higher share of their assessed value to the tax base than housing units.

### **Transportation and Utilities**

Future development patterns in Rock Hill will be shaped by public infrastructure capacity and improvements. Two major transportation issues in Rock Hill relate to public transit and Catawba River crossings. The lack of public transit in and around Rock Hill limits resident access to employment and education destinations. In addition, the lack of Catawba River crossings inhibits Rock Hill employers from access to a broader labor market.

The following related recommendations/ observations were made during a series of stakeholder interviews and two focus group meetings:

- Any future transit opportunities need to access downtown Rock Hill and York Technical College, and connect to commuter transit service to Charlotte.
- Promote and expand the airport and preserve the land around it from residential encroachment. Focus on corporate uses as opposed to recreation.
- Road connections and public utilities are needed east of I-77 and south of Dave Lyle Boulevard in order to support employment growth in those locations.
- There is potential for operation centers and corporate office development along the future Dave Lyle Boulevard Extension.
- Public utilities are needed in the southern portion of Rock Hill to support future employment growth in close proximity to the Porter Road and Mt. Holly Road interchanges with I-77.
- To preserve the local tax base, the majority of funding for the Dave Lyle Boulevard Extension should come from the State of South Carolina Infrastructure Bank.

### **Redevelopment**

Economic development is not exclusive to interstate highway locations and industrial parks. Through the Comprehensive Planning process, the Rock Hill community has stated a desire for more redevelopment as a priority over new development. Currently, the demand for urban mixed-use living and working environments in Rock Hill is not enough to offset the higher development costs associated with them. Therefore, it is necessary to provide incentives to encourage redevelopment in strategic locations. Three distinct geographies have been identified as target areas to focus redevelopment efforts in the future:

- 1) Gateway corridors such as Cherry Road and Saluda Street
- 2) Textile Corridor
- 3) Downtown Rock Hill

Disinvestment and inadequate property maintenance along Rock Hill's gateway corridors discourage redevelopment. A few poorly maintained buildings and the perception of an unsafe environment along Saluda Street deter investment opportunities. Vacant retail space along Cherry Road is an indication of an overbuilt and outdated inventory. In many cases, these corridors need incentives to encourage a different mix of uses that are suitable and sustainable in the current market place.

The success of the Textile Corridor is dependent on the adaptive reuse of historic structures and sites. The redevelopment of the Cotton Factory provides a success story in this regard. The single-most important site that could serve as a catalyst for redevelopment along the Textile Corridor is the Bleachery. The clean-up and redevelopment of the site will remain cost-prohibitive unless the risk and reward is spread among more investment partners. The redevelopment of this site would provide a more safe and efficient pedestrian and vehicular link between Winthrop University and downtown Rock Hill, generating redevelopment interest on other sites along the Textile Corridor.

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The success of redevelopment projects along gateway corridors and the Textile Corridor is contingent upon a thriving core. Downtown Rock Hill supporters should continue to focus on business development, as well as seek new strategies that encourage residential uses. Centralizing government and civic uses in downtown Rock Hill is also recommended. By increasing vehicular and pedestrian traffic, these uses would generate demand for commercial development, particularly retail/restaurants.

A target business analysis to determine the most appropriate and supportable mix of uses in downtown Rock Hill is needed. An incentives package specific to downtown could help offset some of the costs for redevelopment. One prime opportunity is the redevelopment of publicly-owned surface parking lots. Providing land write-downs and parking incentives for potential developers takes some of the risk out of investing in an area with an emerging market.