

ECONOMIC DEVELOPMENT OF SOUTH CAROLINA'S I-95 COUNTIES: INFRASTRUCTURE DEVELOPMENT AND PROJECT POSSIBILITIES

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ABSTRACT

Economic development in the poorest region of South Carolina is the subject of this paper. An analysis shows that this 11 county region lags behind other regions of the state in population growth and per capita income. A number of initiatives from infrastructure improvements to business investments are forthcoming and should improve opportunities for economic growth. Several of these initiatives are discussed here. There is reason for optimism, but continued focus on the region by the state legislature is crucial.

INTRODUCTION

The I-95 Corridor region of South Carolina consists of the 11 counties through which the I-95 interstate passes. This region as a whole has not developed economically at the pace of the state, although having interstate-level highways is generally felt to foster economic development. The lack of economic progress in the region is reflected in the fact that in four of the counties more than 10 percent of the White population and more than 30 percent of the Black population had incomes below the poverty level in 1999.

This region is in contrast to three other regions of South Carolina that have enjoyed healthy economic development during recent decades. These three regions are The I-85 Corridor through the northwestern part of the state, the region around the capitol of Columbia, with I-20, I-26, and I-77, and the coastal counties, with tourism and retirement communities. In this preliminary study we examine the I-95 Corridor region to understand why the region has lagged and to gain insights into how the region can foster a more healthy level of economic development.

The initial step in the present study is an analysis of the progress in economic development of the 11-county I-95 Corridor region during recent decades. In this analysis we rely on two basic measures of economic progress: population and per capita income. Economic progress for an area such as a county is closely associated with population increase. Intuitively this makes sense, since if the economy of an area is improving fewer people will leave and more will move into the area; and, in addition, this relationship between economic progress and population growth is supported by the statistical evidence. Per capita income also is a comprehensive measure of economic well-being for an area. The product of population and annual per capita income is a measure of the annual income of the individuals in an area and the year-to-year changes in an area's income provides a comprehensive measure of economic progress.

ANALYSIS OF POPULATION CHANGES

Tables 1 and 2 provide population data for the I-95 Corridor counties for the decennial census years in the 40-year period 1960-2000. Table 1 provides population levels and Table 2 shows the population of the I-95 region counties as a percent of the South Carolina population in the specified years. From Table 1 it is seen that South Carolina's population increased from about 2.38 million in 1960 to 4.01 million in 2000, which represents an increase of 68.4 percent over that 40-year period. Over the same period the 11-county I-95 Corridor region increased from 0.45 million to 0.66 million, representing a 45.8 percent increase. Thus, there was substantially slower population growth in the I-95 Corridor region than in the

state as a whole. Dorchester County showed the highest growth rate with 295.4 percent, and this is probably due in large part to the county's proximity to rapidly growing Charleston County and the Charleston metropolitan area. The second fastest growing county is Jasper County with a population increase of 68.9 percent during the 1960-2000 period. Jasper County has probably benefited from its proximity to rapidly growing Beaufort County and the Savannah metropolitan area. Four counties in the region showed good growth: Florence with 48.9 percent, Sumter with 39.6 percent, Colleton with 37.5 percent, and Orangeburg County with 33.6 percent. Three counties showed a more moderate rate of growth: Darlington County with a 27.3 percent increase, Hampton with a 22.7 percent increase, and Clarendon with a 10.2 percent increase. The lowest growth rates were shown by Marlboro County with a 1.0 percent increase and Dillon County with a 0.4 percent increase.

Table 1. Population of I-95 Corridor Counties: 1960-2000 (in 1,000).

County	1960	1970	1980	1990	2000
Clarendon	29.49	25.60	27.46	28.45	32.50
Colleton	27.82	27.62	31.78	34.38	38.26
Darlington	52.93	53.44	62.72	61.85	67.39
Dillon	30.58	28.84	31.08	29.11	30.72
Dorchester	24.38	32.28	58.76	83.06	96.41
Florence	84.44	89.64	110.16	114.34	125.76
Hampton	17.43	15.88	18.16	18.19	21.39
Jasper	12.24	11.88	14.50	15.49	20.68
Marlboro	28.53	27.15	31.63	29.36	28.82
Orangeburg	68.56	69.79	82.28	84.80	91.58
Sumter	74.94	79.42	88.24	102.64	104.65
Total	451.33	461.55	556.78	601.67	658.17
South Carolina	2382.60	2590.50	3121.8	3486.7	4012.00

Table 2 is based on the same population data as Table 1, but provides a different perspective by showing the population of the I-95 Corridor region counties as a percent of the state's population. Again it is apparent that the I-95 Corridor region did not grow as rapidly as the state, since as shown in 1960 the region had 18.9 percent of the state's population but by 2000 had only 16.4 percent. From Table 2, it also is clear that only Dorchester County and Jasper County grew faster than the state as a whole.

Table 2. Population of I-95 Counties as a Percent of South Carolina Population: 1960-2000.

County	1960	1970	1980	1990	2000
Clarendon	1.2	1.0	0.9	0.8	0.8
Colleton	1.2	1.1	1.0	1.0	1.0
Darlington	2.2	2.1	2.0	1.8	1.7
Dillon	1.3	1.1	1.0	0.8	0.8
Dorchester	1.0	1.2	1.9	2.4	2.4
Florence	3.5	3.5	3.5	3.3	3.1
Hampton	0.7	0.6	0.6	0.5	0.5
Jasper	0.5	0.5	0.5	0.4	0.6
Marlboro	1.2	1.0	1.0	0.8	0.7
Orangeburg	2.9	2.7	2.6	2.4	2.3
Sumter	3.1	3.1	2.8	2.9	2.6
Corridor Total	18.9	17.8	17.8	17.3	16.4

ANALYSIS OF PER CAPITA INCOME CHANGES

Tables 3 and 4 provide information on the per capita income of the I-95 Corridor counties. From Table 3, the per capita income of the region was \$20,539 in 2000, well below the South Carolina per capita income of \$23,988. In 2000 only Florence County, with a per capita income of \$24,517, exceeded the state per capita income. In addition to Florence County, only Darlington County and Dorchester County exceeded the region's per capita income of \$20,539. From Table 4, the per capita income of the I-95 Corridor region in 2000 is only 85.6 percent of South Carolina's level. It is useful to summarize the levels of per capita income for 2000 as is shown in Table 5. From this summary it is clear that six, more than half, of the region's counties have a per capita income less than 80 percent of the state's per capita income.

Table 3. Per Capita Income of I-95 Corridor Counties: 1960-2000 (in dollars)

County	1960	1970	1980	1990	2000
Clarendon	\$593	\$1,339	\$4,175	\$8,181	\$17,727
Colleton	\$766	\$1,763	\$4,633	\$9,193	\$18,672
Darlington	\$943	\$2,103	\$5,141	\$10,510	\$21,038
Dillon	\$692	\$1,613	\$4,162	\$8,077	\$17,580
Dorchester	\$911	\$2,063	\$6,013	\$11,884	\$20,906
Florence	\$997	\$2,218	\$5,526	\$11,007	\$24,517
Hampton	\$805	\$1,732	\$4,827	\$8,578	\$19,028
Jasper	\$703	\$1,522	\$4,312	\$7,984	\$16,716
Marlboro	\$759	\$1,743	\$4,483	\$7,948	\$16,546
Orangeburg	\$830	\$1,820	\$4,713	\$9,004	\$19,619
Sumter	\$1002	\$1,970	\$4,774	\$9,943	\$20,493
Total	\$870	\$1,915	\$4,987	\$9,943	\$20,539
South Carolina	\$1,142	\$2,312	\$5,886	\$11,897	\$23,988

Table 4. Per Capita Income of I-95 Corridor Counties as a Percent of South Carolina per Capita Income (in percents)

County	1960	1970	1980	1990	2000
Clarendon	51.9	57.9	70.9	68.8	73.9
Colleton	67.1	76.2	78.7	77.3	77.8
Darlington	82.5	91.0	87.3	88.3	87.7
Dillon	60.6	70.0	70.7	67.9	73.3
Dorchester	79.7	89.2	102.1	99.9	87.2
Florence	87.3	95.9	93.8	92.5	102.2
Hampton	70.5	74.9	82.0	72.1	79.3
Jasper	61.5	65.8	73.2	67.1	69.7
Marlboro	66.4	75.3	76.2	66.8	69.0
Orangeburg	72.7	78.7	80.0	75.7	81.8
Sumter	87.7	85.2	81.1	84.0	85.4
Total	76.2	82.8	84.7	83.6	85.6

Table 5. Per Capita Income of I-95 Corridor Counties as a Percent of South Carolina per Capita Income (in percents) - 2000

Percent of South Carolina's

<u>Per Capita Income</u>	<u>Counties</u>
More than 100	Florence
90, but less than 100	none
80, but less than 90	Darlington Dorchester Orangeburg Sumter
70, but less than 80	Clarendon Colleton Dillon Hampton
60, but less than 70	Jasper Marlboro

INFRASTRUCTURE DEVELOPMENTS

There are a number of infrastructure developments that are in process that will enhance economic development in South Carolina generally and the I-95 Corridor region in particular. Examples of these developments include: the new port in Jasper County that is to be developed jointly by South Carolina and Georgia, the Global Logistics Triangle, being developed in Orangeburg County, which incorporates a cluster of international trade activities anchored by an inland port, The I-73 Interstate that will link Myrtle Beach and the coastal region with the midwestern states, and the international airport being proposed for the northeastern section of the state. These developments are long term and are at different stages of their development.

In this proposal we describe two of these infrastructure developments: the Global Logistics Triangle and the I-73 Interstate. For the conference paper we plan to development descriptions of the others and tie these developments together in a strategic concept.

GLOBAL LOGISTICS TRIANGLE

The eastern-most part of Orangeburg County is being promoted as the Global Logistics Triangle. Bounded by I-95, I-26, and US 301, this Orangeburg County land mass takes advantage of three major highways, rail access, and close proximity to major east coast ports. The primary egress to international trade will be the Port of Charleston, some 50 miles from the eastern-most point of the Global Logistics triangle. Also within easy reach of the Global Logistics Triangle are ports at Wilmington, NC (200 miles away), and Savannah (100 miles away). A number of projects have begun to take shape in the Global Logistics Triangle.

Industrial Parks

Industrial parks have established infrastructure for potential business locations. The John W. Matthews Industrial Park, named for the State Senator from Orangeburg County, is located on US 301 ten miles form I-95 and five miles from I-26. The Orangeburg City-County Industrial Park is located at the intersection of I-26 and US 301.

JAFZA

JAFZA International (a Dubai company) purchased 1,300 acres at the intersection of I-95 and US 301. JAFZA projections indicate that over \$1 billion will be invested in the local economy bringing up to 10,000 jobs to this inland port. The JAFZA logistics center would be a staging area for cargo coming into and going out of the Port of Charleston. Warehousing, retailing, and light manufacturing will take place in this center. An Orangeburg County contingent visited Dubai in spring 2008 and held meetings with JAFZA leaders helping to plan the next steps in the project.

World Trade City of Orangeburg

World Trade City of Orangeburg is located on I-26 ten miles from I-95 and 5 miles from US 301. Plans of this private group are to develop a logistics center and staging area for cargo coming into and going out of the Port of Charleston. The plans also include wholesale and retail businesses and a residential community.

WT PERC

The South Carolina World Trade Center, South Carolina State University, and Orangeburg County are teaming together to develop a multi-complex distribution, education, business, and retail center. This center is named the World Trade Park and Education and Research Center (WT PERC). A \$97,500 feasibility study was launched in spring 2008. One potential partner for WT PERC is the James E. Clyburn Transportation Research and Conference Center, being constructed on the SC State campus in Orangeburg. That partnership would resemble the I-CAR public-private partnership that Clemson University has with BMW in Spartanburg.

The I-95 Corridor Initiative

The counties along Interstate Highway I-95 have been labeled the Corridor of Shame. Cries have been heard from local state legislators and local residents for the state to concentrate development focus on these counties. South Carolina State University and Francis Marion University received a state grant to study the economic, health, and educational issues on the I-95 Corridor. A steering committee from the two universities evaluated proposals of major research groups to conduct the study. The research team from the Research Triangle Institute (RTI) was selected. Following preliminary meetings, the first Phase of the project entailed interviews with local leaders from the 17 counties (note that this study expanded the I-95 region to counties close to I-95 even though the interstate may not touch the county) in the study along with state legislators from the region. The in-person interview subjects have included town managers and mayors; university presidents; planners and economic development experts; newspaper editors; doctors and county council members; community development representatives and school superintendents.

Results from the First Interim Report from RTI indicate that the I-95 counties are poised for development [3]. The report states, "In much of the region there is good transportation infrastructure, excellent location, an abundance of natural and cultural resources, along with an agreeable climate and low cost of living. These factors provide fertile ground for private and public investment." On the negative side, the report uncovered a bias in state support of the region relative to more developed regions:

- Development aid, they (respondents) argue, is going to already-developing regions, such as the Upstate, Columbia and Charleston, and not to struggling communities. State officials deny that the Corridor has been the victim of such bias.
- Clearly, I-95 has not enjoyed the investments in infrastructure that have been made along I-85 in the western part of the state.
- Water and sewer may be available in towns, but not in surrounding areas. Particularly frustrating is the inability in some places to extend water and sewer out to the interstate, resulting in a missed opportunity to exploit that transportation route.

The report also indicates that human development and economic development are inseparable, with these findings:

- Many communities in the Corridor are suffering from serious health, education and social problems that will play key roles in determining the prospects for future economic growth.
- This is seen most severely in the condition of public schools, but the poor performance of the schools appear to be the result of fundamental problems related to poverty:
 - health problems
 - high teen pregnancy rates
 - crime
 - drug addiction

In summer 2008, RTI interviewed approximately 50 people from each of the 17 I-95 counties and gathered additional information on pressing issues. Final report for the study will contain specific strategies to address the most important issues. This final report is due in late January 2009.

THE INTERSTATE 73 DEVELOPMENT

For more than 25 years Federal, State of South Carolina, and local governments have worked to bring Interstate 73, I-73, into being. Initially I-73 was to extend from Detroit to Charleston, SC, but in 1998 Congress amended previous legislation to change the southern terminal point of the highway to the Conway, Myrtle Beach, and Georgetown area. The Myrtle Beach community was heavily involved in the push for I-73 since it would provide an interstate highway linkage of the Grand Strand with the nation's interstate system. The Grand Strand needed this since it was one of the nation's fastest-growing tourist

destinations. This new interstate would serve the South Carolina coast generally which continues growing at a fast rate, In addition, I-73 would be a positive factor in the development of the northeastern region of South Carolina. It was recognized that I-73 would support economic growth and regional competitiveness for the state of South Carolina; and clearly I-73 would enhance development possibilities in the I-94 corridor by enhancing that region's ties to the interstate highway system.

Within South Carolina I-73 is divided into two projects: the Southern Project and the Northern Project. The Southern Project will run from I-95, at a point about 20 miles south of the North Carolina-South Carolina state line, to near Conway, SC. There I-73 will link with State Route 22 (Conway Bypass or Veteran's Highway) which runs to Myrtle Beach to intersect with Highway 17. (State Route 22 already meets interstate standards.) The Northern Project of I-73 will enter South Carolina just south of the Rockingham/Hamlet, NC area and run south through Marlboro and Dillon Counties to intersect with I-95.

In 2007 the Southern Project obtained final approval for the Final Environmental Statement from the Federal Highway Administration and the South Carolina Department of Transportation. In addition, the South Carolina Department of Transportation gained approval to begin expending federal funding to acquire right of way for the Southern Project, and the acquisition of properties for the right of way began in 2008. As a rough estimate, the I-73 Southern Project may be completed within five years.

CONCLUSION

Counties along the I-95 corridor in South Carolina are less developed than counties in other regions of the state. A number of initiatives point to an optimistic view of potential for the region. It is hoped that as more investment dollars come into the region educational and health care systems will improve along with the rising economic tide.

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