



Opportunity Zone Investment Prospectus

Union County, South Carolina

Prepared by:
Thompson Consulting and Analytics
And
OnPointe Partners

A project for
Union County Development Board

EXECUTIVE SUMMARY

- **Union County offers a diverse transportation system which provides excellent access to interstate highways, airports, rail services, and an inland port with connections to the Port of Charleston.**
- **Union County's progressive and pro-business policies are designed to support a multi-faceted economy, attracting some of the most innovative businesses and organizations.**
- **The County is part of a growing regional labor shed which offers businesses a highly-trained and skilled workforce.**
- **Union County's Opportunity Zone is well-positioned in the City of Union providing excellent investment potential and robust infrastructure to support multiple business options.**
- **Union County's Opportunity Zone has become a home for start-ups and expansions offering space for commercial, retail, restaurants, and recreational opportunities; the low overhead, affordable cost of living, and business-friendly environment encourages growth and an excellent ROI.**
- **Union County's collaborative nature with City and County government and its stakeholders provides unique opportunities to promote investment and growth.**

Union County **Welcome**

The future of Union County is bright! Located in South Carolina's Upstate Region, a unique blend of scenic beauty, small town charm, and heritage can be found here. With collaborative local governments, business leaders, residents, and educational institutions, we desire to build upon our economic assets and preserve our unique community.



Tourism + Recreation

Union County attracts thousands of visitors each year. Outdoor enthusiasts enjoy the County year-round due to a mild climate. Visitors looking for excitement of sports, arts, history, or agriculture can also enjoy ample opportunities for fun.



Business + Investment

Businesses invested nearly \$300 Million in capital expenditures between 2016-2018. Business investment incentives are strong and continue to attract national and multi-national business.



Higher Education + Expansion

The University of South Carolina Union and Spartanburg Community College Union campuses are the heartbeat of the County. Enrollment and increasing degree offerings can drive development.

Union County **Welcome**

Proximity is a competitive advantage! Union County is within a short drive for millions of potential visitors. Opportunity Zone benefits, development incentives, and tax advantages position Union County as a great place to invest!

Driving Distance to:

Spartanburg: 26 miles

Greenville: 47 miles

Charlotte, NC: 66 miles

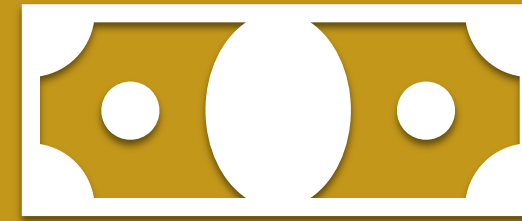
Columbia, SC: 71 miles

Atlanta, GA: 201 miles



Opportunity Zone Tax Incentives

Three incentives that can produce substantial long-term benefits!



Temporary Tax Deferral

A deferral of capital gains tax if reinvested into an Opportunity Zone Fund by December 31, 2026.



Step-up in Basis

Reduce amount of capital gains tax owed by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years, and by an additional 5% if held for at least 7 years, excluding up to 15% of the original gain from taxation.



Permanent Tax Exclusion

Permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years.

This exclusion only applies to gains accrued after an investment in an Opportunity Fund.

TOURISM + RECREATION

NATURAL ABUNDANCE

Thousands of acres of preserved areas and four major rivers offer boating, hunting, fishing, camping, hiking, wildlife viewing, and photographic opportunities.

Recreation + Tourism

Union County attracts outdoor enthusiasts and is known for its many offerings. Ample hunting grounds, four scenic rivers, and opportunities to enjoy nature keep visitors returning to Union County all year long.



SUMTER NATIONAL FOREST

Over 55,000 acres of Sumter's preserved forest are within Union County. Hunting, fishing, camping and more are available.



THE PALMETTO TRAIL

Imagine 500 miles of hiking and mountain biking paths crossing the entire state! Hike the Blackstock Battlefield Passage and all 25 miles of trail that run through Union County.



SCENIC RIVERS: TYGER, BROAD, ENOREE, & PACOLET

Take a boat ride down Union County's 24-mile stretch of The Tyger River or take photos from the banks. No matter what river you choose, Union County delivers!



PIEDMONT PHYSIC GARDEN

The non-profit botanical garden in the heart of Union features ornamental plants and a growing collection of historical medicinal plants.

Entertainment + Tourism

What draws over 70,000 visitors to Union County? Every year a variety of motorsports, art, historical, and sporting events draw people here. Attendance is steadily increasing and contributing to the County's economic vibrancy. Visitors return for the friendly people and southern hospitality.

UNION COUNTY DRAGWAY



23,000
VISITORS

Start your engines! The excitement of motorsport racing can be found in Union County!

AG + ART



2,800
VISITORS

Free self-guided tours of farms and local artists throughout South Carolina.

TIMKEN SPORTS



6,600
VISITORS

Seven ballfields accommodates baseball from Little League to the collegiate level.

COUNTY FAIRGROUNDS



25,000
VISITORS

The Fairgrounds is also the site of Treeing Walker, an event that draws over 5,000 people (majority are out-of-town visitors). Union County's Agricultural Fair stands out as one of the few in the state.

BIG BUCK RACING



8,300
VISITORS

Open to amateurs and professionals. Big Buck offers tracks for motorcycles and ATVs. It is also the site of a major event called the Dragstravganza.



History + Tourism

Visitors come to Union County every year to learn about our history. From Revolutionary War reenactments to historic district tours, museums, and state parks, our history is a part of the fabric of our community.

- The **Reenactment at Cross Keys Plantation** is a weekend of events that draws over 3,000 spectators each year. As one of the oldest and most significant homes in Union County, **The Cross Keys House and Plantation** can be toured from April to December.
- **The Union County Museum** provides a glimpse into the past through interesting artifacts and exhibits. The Museum's **genealogical research center** draws worldwide visitation.
- Visitors to **Rose Hill and Blackstock Battlefield State Parks** can tour a historic mansion or Revolutionary War battlefield.
- South Carolina's first and most ornate Carnegie Library is located in downtown Union's **South Street-South Church Street Historic District**.

HIGHER EDUCATION + EXPANSION

EDUCATIONAL DRIVER

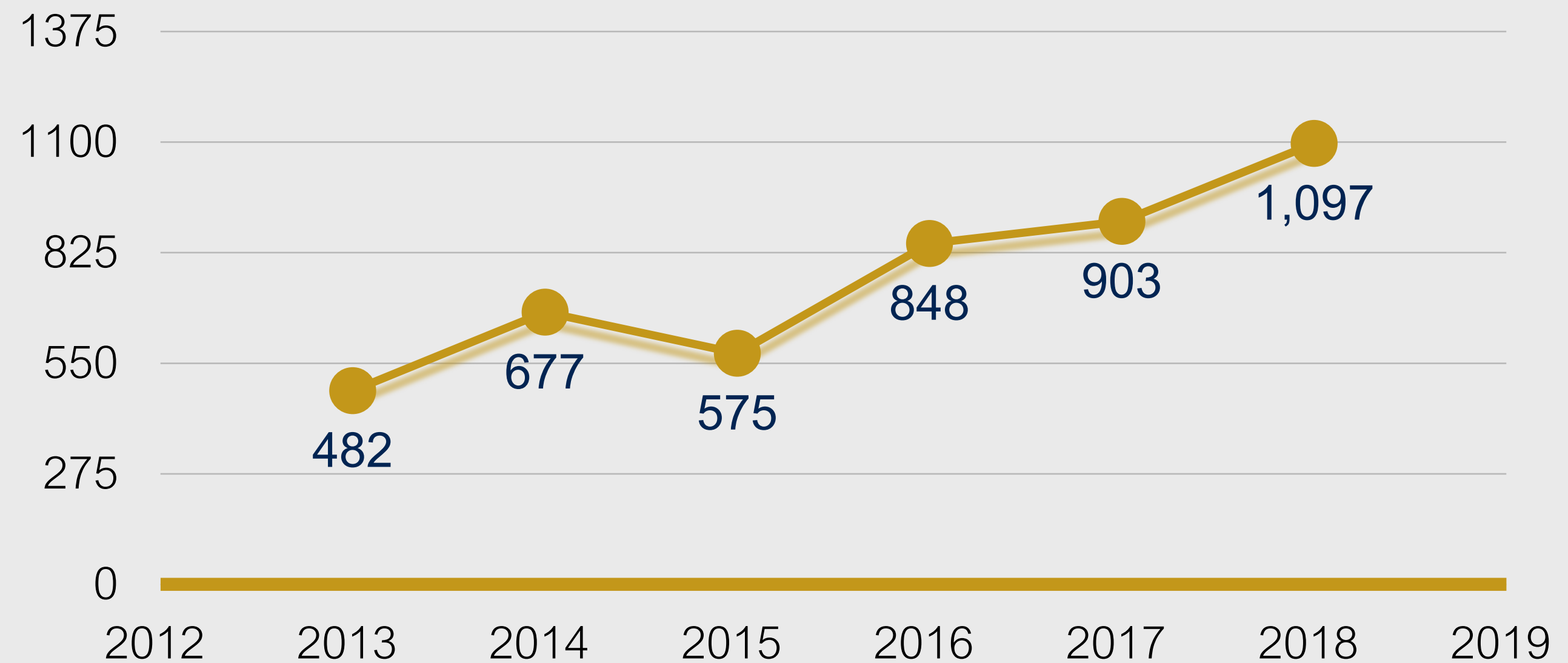
Both the University of South Carolina and Spartanburg Community College are partners in educational attainment, technical training, and community development through thriving campus locations in Union County.



Higher Education + Expansion



USC Union Student Fall Enrollment 2013-2018



- USC Union enrollment grew 127% between 2013-2018!
- In Fall 2019, the Union campus began offering USC Aiken's Bachelor of Science in Nursing degree (ranked 30th nationally).
- USC Union's nursing curriculum includes unique virtual reality technology and 3D anatomical models.
- USC Union Bantam Athletics has expanded to include men's soccer, men's baseball, and women's softball.
- A women's volleyball team will be added in Fall 2020. These teams compete in the National Junior College Athletic Association.
- Three local developers collaboratively worked to establish privately-owned housing for USC Union students.
- The residences have been occupied each semester since opening.

Higher Education + Expansion



Spartanburg Community College Union County Campus

- Established through a collaborative effort between the City of Union, Union County, Spartanburg Community College, and USC Union.
- Provides a pipeline of skilled workers by educating and training Union County's workforce to meet high skilled/high demand jobs of today and in the future.
- Serves as a catalyst for economic development through apprenticeships, technical training, and adult education programs.

EDUCATION AND WORKFORCE DEVELOPMENT

Union County has implemented educational initiatives and workforce programs designed to increase labor force competitiveness and address area labor shortages.



- Created by Union County, Union County School District, USC Union, and Spartanburg Community College.
- Provides access to post-HS education programs.
- Addresses shortages in Union County's workforce.



- Union County is nationally-recognized as a Certified Work Ready Community.
- Program enables policymakers to identify and address skill gaps in the workforce.
- Certification became active in May 2016.

Operation Workforce Training

- Collaborative partnership with Union County, Union Co. Schools, Spartanburg Community College and Lockhart Power.
- Connects the classroom to careers by inspiring and training students to explore careers in the Union County's major industry clusters.
- Prepares students through a 65-hour program focusing on core skills through MSSC, Lean Six Sigma, OSHA, and Forklift Certification.



BUSINESS + INVESTMENT

INDUSTRY GROWTH

Businesses are finding a home in Union County! Advanced manufacturing, distribution and logistics lead industry growth.

Business + Investment

Come grow in Union County! Businesses find Union County a great place to start or expand their operations. The area has seen substantial capital investment over the last several years.

Nearly \$300 Million of Capital Investment
2016-2018



Business + Investment

Union County's Major Employers

Company	No. Of Employees	Category
Gestamp South Carolina, LLC	800	Stamping, Automotive Suppliers
Belk E-Commerce	800	Distribution & Fulfillment Center
Dollar General Distribution Center	610	Distribution Center
Union County School District	544	Public Education
Milliken- Cedar Hill	242	Woven Fabrics
Timken Bearings-Tyger River Plant	241	Anti-friction roller bearings
CSL Plasma	234	Medical devices in flexible packing
SC State Government	230	State Government
County of Union	170	Local Government
Standard Textile	160	Textile Manufacturing
Carlisle Finishing Plant	150	Finishing cotton and synthetic fabric
Gonvauto South Carolina	98	Steel Processing

Source: Union County Development Board

Business + Investment

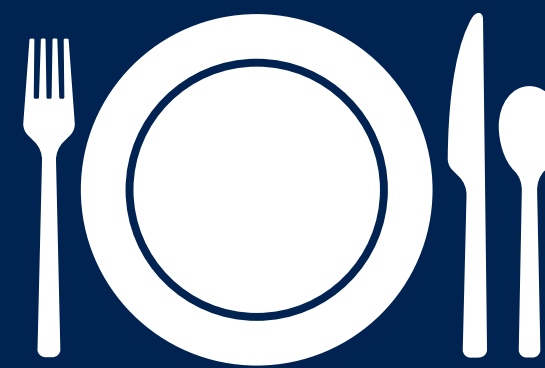
Union County's primary employment sectors collectively recorded 77% employment growth since 2010!

Union County Employment Growth by Sector 2010-2018



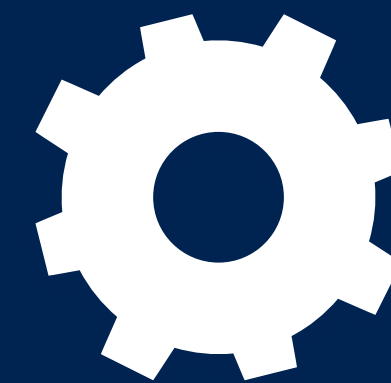
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Transportation + Warehousing



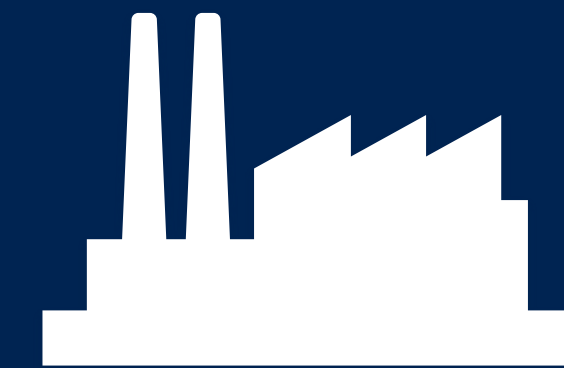
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Accommodations + Food Service



430

Admin Support + Waste Management
+ Remediation



685

Manufacturing

2010

569

406

305

1,150

2018

1,193

532

735

1,835

Source: SC Department of Employment & Workforce



Union County Opportunity Zone

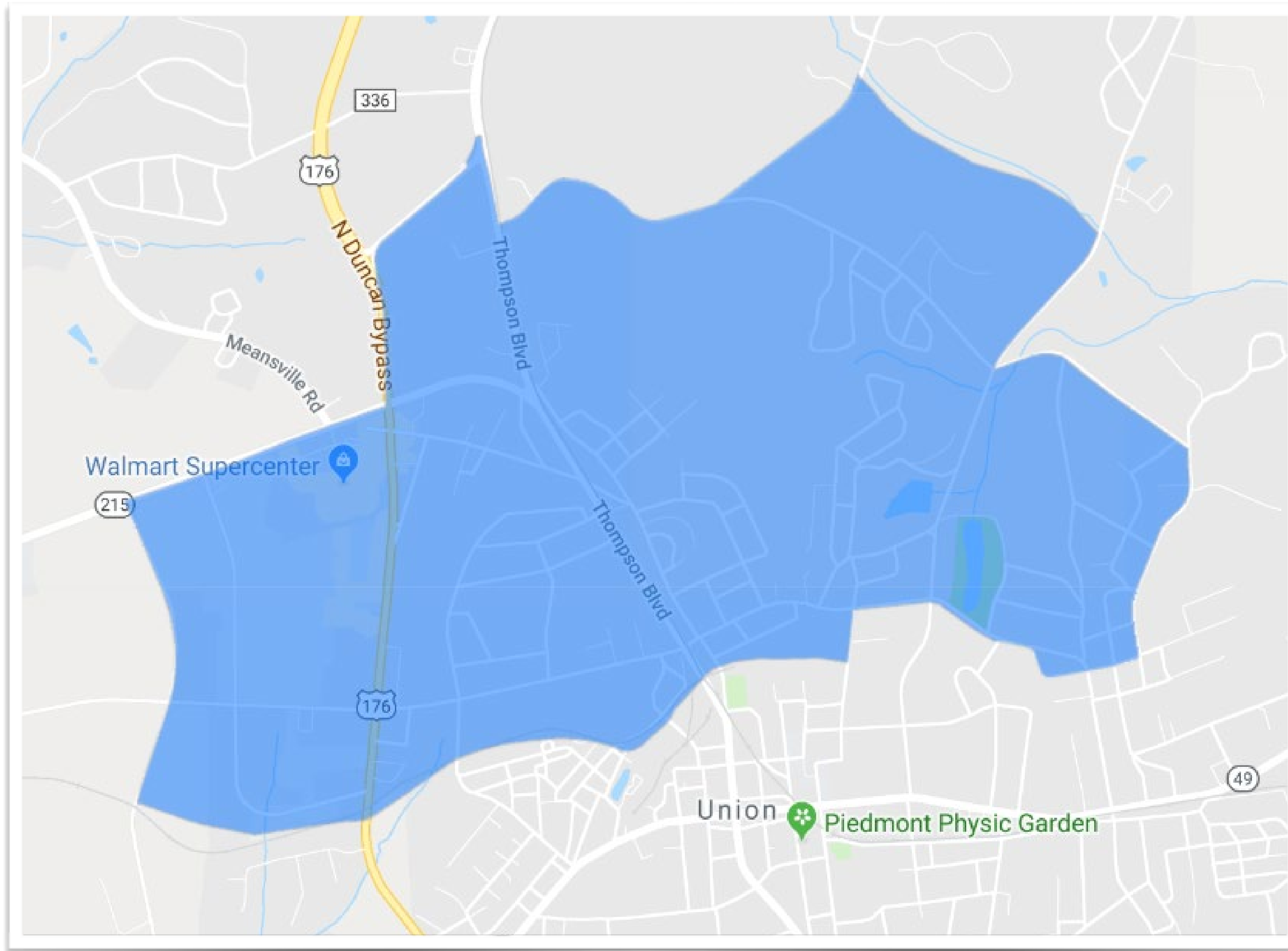
ASSETS AND POTENTIAL DEVELOPMENT

Opportunity Zone

The Opportunity Zone is located in the City of Union, the County Seat and largest community in the County. Just minutes from Downtown Union, the Opportunity Zone features U.S. Highway 176, national tenant retail, major employers, and housing. Tourist attractions are also located within the boundaries of the Opportunity Zone.



Opportunity Zone



Union County Opportunity Zone

Location - City of Union

Major Roads - US HWY 176 & Thompson Blvd

Key Assets

Commercial Corridor: Retail, dining, banks, grocery stores, pharmacies, entertainment, etc.

Location: High traffic count thoroughfare with easy access to retail, office, industrial and entertainment.

Attractions: Timken Sports Complex, Union County Fairgrounds, Union County Stadium.

Infrastructure: Business-ready location. City of Union provides water, sewer, gas, and electric.

Prominent/growing employers: CSL Plasma, Kemper Corporation, Global Felt Technologies.

Opportunity Zone

Demographics by Geography

Geography	Racial Composition					Poverty & Income			Educational Attainment			Age Cohorts	
	Black	Hispanic	White	Asian	Other	Poverty	Median HH Income	No Insur.	BA+	Some College	No HS Degree	Under 20	Over 65
Within Opportunity Zone	35.1%	1.5%	61.3%	0.1%	2.0%	23.4%	\$29,635	N/A	16.5%	18.5%	16.9%	23.5%	28.4%
City of Union	46.7%	1.6%	49.1%	0.4%	2.2%	30.4%	\$28,087	9.4%	18.3%	22.7%	18.5%	26.2%	17.9%
Union County	30.9%	1.4%	65.1%	0.4%	2.2%	19.3%	\$37,493	9.9%	12.6%	19.2%	18.9%	23.2%	19.1%
South Carolina	27.0%	5.5%	63.8%	1.9%	1.8%	16.6%	\$48,718	12.1%	27.0%	20.8%	13.5%	25.1%	16.3%
USA	12.3%	17.6%	61.5%	6.3%	2.3%	14.6%	\$57,652	10.5%	30.9%	20.8%	12.6%	25.7%	14.9%

Source: US Census and ESRI

Opportunity Zone Demographics



POPULATION

2,097



HOUSING UNITS

1,096

Owners 47%

Renters 36.4%



MEDIAN HOME VALUE

\$81,996



TOP EMPLOYMENT
SECTORS

Services 37.8%%

Manufacturing 25.2%

Retail 16.5%



MEDIAN HOUSEHOLD
INCOME

\$29,635



TRAFFIC COUNT
HWY 176

12k-13k/day

Opportunity Zone

US Hwy 176

- Nearly 2 miles of US Hwy 176 is in Union County's commercial corridor.
- Over 30 national tenant retailers, restaurants, banks, and grocery stores are located in the Opportunity Zone.
- Locally-owned and independent retail also contribute to the commercial node.
- The downtown core is a mile away with development opportunities available.
- New development can also take advantage of proximity to other local attractions.

Services Provided Key



Dining



Pharmacy



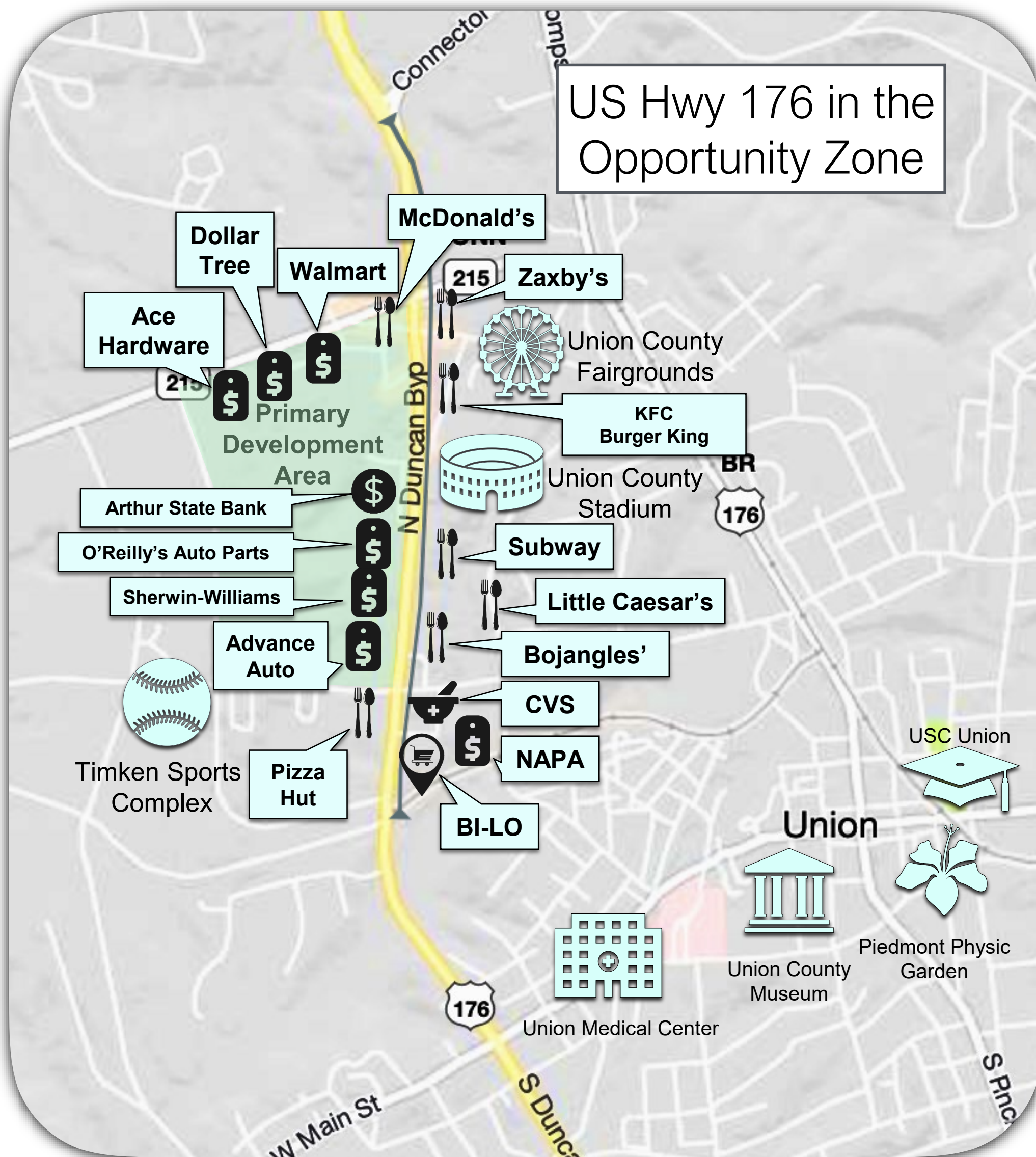
Bank



Grocery Store



Retail



Catalytic Projects Within the Zone



- Welcome to the renovated stadium. In 2019, a \$1.4 million renovation of the stadium was completed.
- The facility is used by the Union County High School football team, pee wee leagues, and for other recreational activities.
- The stadium is also leased for all types of outdoor events including festivals, concerts, flea markets, and carnivals.



- Timken is a top-notch sports facility that attracts nearly 7,000 visitors per year. Featuring seven ball fields, the complex can accommodate Little League to collegiate baseball.
- Timken is also part of the Miracle League. Our facility has a Miracle League field and a Miracle League All Star Playground designed for children with disabilities.

Catalytic Projects Downtown



- Union Medical Center is now part of Spartanburg Regional Healthcare System. The 143-bed facility brings the benefits of integrated healthcare delivery to Union County.
- Recently, Union Medical Center purchased land in Union County for its future home. The facility will provide enhanced services and clinical capabilities.



- In 2016, the County completed the renovation of a historic building for events. The \$1.5 million multi-purpose facility is considered a core asset for Union County.
- Main Street Junction offers unique spaces for a variety of events. Space rentals include the banquet room, flex space, conference room, office space, ornamental garden, patio, veranda, and bridal parlor.

Catalytic Projects Downtown



- The Piedmont Physic Garden is passionate about educating and promoting ornamental horticulture as well as educating the community on the impact that plants have on our daily lives.
- The PPG draws visitors to downtown and to the historic district. PPG also co-sponsors events, such as the Environmental Art & Music Festival.



- The Union County Museum features exhibits of South Carolina history. National and international visitors come to explore their lineage at the museum's genealogical research center.
- The Museum also helps coordinate the historical reenactment at Cross Keys Plantation. Reenactment weekends draw 2,500-3,000 regional and national participants.

Within the Zone: Businesses Poised for Growth

Companies tout Union's hard-working labor force and collaborative, business-friendly government as key reasons for site selection and growth!

CSL PLASMA

- Biotech manufacturing facility (pharmaceutical solution).
- Employs over 200 workers.
- Selected and continues to operate in Union for its labor force and collaborative government.
- Facility output has grown nearly 30% over the last 4 years.
- Company expects continued significant growth over the next several years.

KEMPER CORPORATION

- Securement product manufacturer.
- Area labor force characteristics was key reason for selecting Union.
- Invested \$1.9 million in purchase of a facility, machinery, and equipment in 2018; created 25 new high-skilled, high-paying jobs.
- Expanded operations in 2019, purchasing an additional 13,000 sf facility.
- Expects to increase employment by 30% over the next few years.

Infrastructure + Capacity

Union's Opportunity Zone has robust infrastructure already in place, which is a great asset for prospective developers. The City of Union provides water, sewer, electric, and natural gas to the Opportunity Zone.



Development Potential & Community Needs



1

RETAIL & DINING

OUTDOOR & SPORTING GOODS STORE
FAMILY ENTERTAINMENT
DINING OPTIONS



2

LODGING

SELECT-SERVICE HOTELS
MOTELS



3

HOUSING

SINGLE-FAMILY RESIDENTIAL
MULTI-FAMILY RESIDENTIAL
SENIOR LIVING FACILITY



4

BUSINESS

NEW BUSINESS
BUSINESS EXPANSION
BUSINESS RELOCATION

Opportunity Zone

Primary Development Area

Union County has identified several potential development sites within the Opportunity Zone. These sites offer investors an outstanding opportunity to address three primary community needs: dining, lodging, and family entertainment!



Primary location for dining, lodging, & family entertainment

Potential Development Projects

DL1: Dining and/or Lodging

DL2: Dining or Lodging

FE: Family Entertainment Center

Opportunity Zone

Project Area Identification

DL1 (Dining and Lodging)



- Walkable to Union County Fairgrounds
- Close proximity to Walmart
- Infrastructure-ready area
- Can simultaneously support lodging AND dining projects
- Dining and lodging projects could have symbiotic relationship
- Site Feasibility – Lodging IRR: 15%-18%, Dining IRR: Upwards of 13%

DL2 (Dining or Lodging)



- Located on primary commercial corridor
- Close proximity to Walmart
- Walkable to Union County Fairgrounds
- Infrastructure-ready area
- Can support lodging OR dining project
- Site Feasibility – Lodging IRR: 15%-18%, Dining IRR: Upwards of 13%

FE (Family Entertainment)



- Located on primary commercial corridor
- Close proximity to Timken Sports Complex
- Walkable to Union County Fairgrounds
- Infrastructure-ready area
- Only attraction of its kind within 30 miles
- Site Feasibility – Family Entertainment Center IRR: Upwards of 15%

Local Development Incentives

The City of Union and Union County incentives are designed to lessen tax burden and encourage growth. County incentives are determined on a case-by-case basis, with additional potential tax incentives for projects that address community gaps.



- Capacity Fee (100%) – One time
- Building Permit Fee (50%) – One time
- Hospitality Fee (50%) – Annually (up to 5 years)
- Building License Fee (50%) – Annually (up to 5 years)
- Accommodation Taxes (50%) – Annually (up to 5 years)

- Infrastructure Upgrade – Grants and Loans
- Property Tax Incentives
- Special Discretionary Incentives

A photograph of a street scene at sunset. The sky is filled with soft, orange and yellow clouds. The street is lined with historic buildings, some with awnings and streetlights. The streetlights have multiple white globe lights. The overall atmosphere is warm and inviting.

Contact Us to Discuss These Opportunities!

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Images by