

# ALLENDALE COUNTY

## SOUTH CAROLINA



**2020** **INVESTMENT  
PROSPECTUS**

DEAL FLOW: PAGE 16



## MEET YOUR REGIONAL PARTNERS

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# EXPLORING ALLENDALE COUNTY



Allendale County has a rich culture filled with southern history and Lowcountry tradition. The county's landscape includes historic homes, churches, and cemeteries accompanied by equestrian trails, low-lying swamps, and vast agricultural land.

Allendale County's Opportunity Zone covers the western half of the county. The Opportunity Zone's most prominent features include manufacturers, the University of South Carolina Salkehatchie, the Allendale County Airport, and the Town of Allendale.

Future investment in the county can leverage these existing assets and continue to build on Allendale County's positive momentum. The county's Opportunity Zone contains distinct assets including US 301, excellent access to rail, and nearby access to the ports of Charleston and Savannah.

## ABOUT THE REGION

Allendale County is an integral part of the SouthernCarolina Alliance (SCA) region—a seven county area in the southern tip of South Carolina. In close proximity to Aiken, Augusta, Savannah, and Charleston, the region has significant advantages including access to major U.S. ports, airports, rail, I-20, I-26, and I-95. The region's existing industry assets include aerospace, automotive, advanced composites,

distribution, forest products, and alternative energy. There are amenities to build upon in the SouthernCarolina region, with natural and cultural assets such as Hilton Head Island, the Savannah River, and Edisto Beach. The region and its leadership have created a climate that is supportive of growth and are ready to help you realize your vision of success.



# SOUTH CAROLINA'S COMMITMENT

The State of South Carolina is a willing partner with investors, businesses, and individuals who wish to create meaningful economic impact. The SC Department of Commerce and its associated Coordinating Council for Economic Development have developed a unified system to make an investment in South Carolina seamless.

The Council's 2018 investments and partnerships generated over 1.8 billion dollars in economic activity and approximately 9,800 jobs. In 2019, Area Development Magazine ranked South Carolina as the 3rd best U.S. State for doing business.

Opportunity Zones have the full attention of the State of South Carolina's government leadership. State leaders have identified the following focus areas for OZ investment:

- Promoting economic vitality in parts of the state that have not shared in the general prosperity over the past few years
- Funding the development of workforce and affordable housing in areas with escalating prices and inventory shortages
- Funding new infrastructure to support population and economic growth
- Investing in the startup businesses that have potential for rapid increases in scale
- Upgrading the capability of existing underutilized assets through capital improvement investments

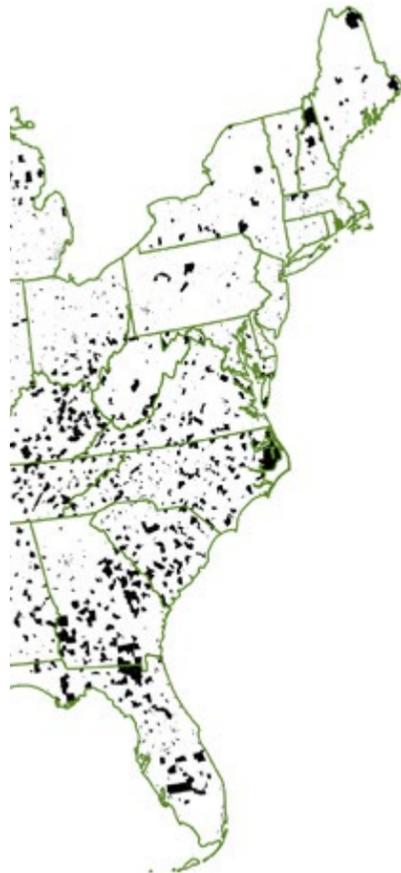
"The typical profile of an OZ real estate investor is someone who is interested in tax savings, wealth-building, and preservation with a medium- to long-term hold period." -Meg Epstein, Forbes Councils

## ABOUT OPPORTUNITY ZONES

Opportunity Zones offer a new economic development tool that promotes investment in distressed census tracts through legislation enacted by the Federal Tax Cuts and Jobs Act of 2017. 8,700 census tracts across the United States have been designated as Opportunity Zones by the U.S. Department of Treasury, incentivizing investments in business growth, housing improvements, and infrastructure updates in these distressed census tracts.

U.S. investors held an estimated \$6.1 trillion in unrealized capital gains at the end of 2017. Opportunity Zones leverage this pool of money to promote economic development by providing federal capital gains tax advantages for investments made in these areas. Investors can realize deferral and reduction of capital gains taxes in investments held for at least 5 years with additional incentives available for investments maintained in Opportunity Zones for 7 and 10 years. To be eligible, investments must be made through Qualified Opportunity Funds which are vehicles formed for investing in qualified Opportunity Zone property.

There are over 8,700 Opportunity Zones throughout the United States creating competition among communities to attract investment.



**Allendale County has one Opportunity Zone located in the western portion of the county. The Zone, is home to 4,693 people and 1,363 jobs, an increase of 22% over five years.**

**Investment opportunities in the county include existing businesses and real estate positioned for redevelopment. Ultimately, Opportunity Zone investment in Allendale would allow a prospective investor to leverage a tax incentive while also contributing to equitable and inclusive growth in the region.**

# OPPORTUNITY FUNDS

*"To create a brighter tomorrow for communities that have been left behind, we need to capitalize on the private-sector resources that can help boost these areas in ways we haven't seen before."*

*Senator Tim Scott, (R - South Carolina)*

While each Opportunity Zone offers investors the same federal capital gains tax advantages, all Zones are not created equal. All Opportunity Zones will compete for the large pool of investment, but some Zones will stand out immediately due to obvious pro-investment market conditions. Allendale County stands out with its recent job growth, proximity to the Savannah River Site, and well-positioned community redevelopment opportunities. Allendale County offers a stable framework for sustainable and collaborative capital investment because of committed local

leadership and a favorable business environment. Most Zones, given their designation as "distressed," will have to strategically position themselves to attract investors. Allendale County has positioned its Opportunity Zones through months of planning and engagement with local stakeholders and residents to create a strategic vision. This vision is conveyed in the following prospectus which positions Allendale County to leverage its strengths and macroeconomic opportunities to promote transformative development.

## BENEFITS OF OPPORTUNITY FUND INVESTING:

**Defer Payment -**  
Opportunity Funds allow investors to defer payment of the capital gains until December 31st, 2026



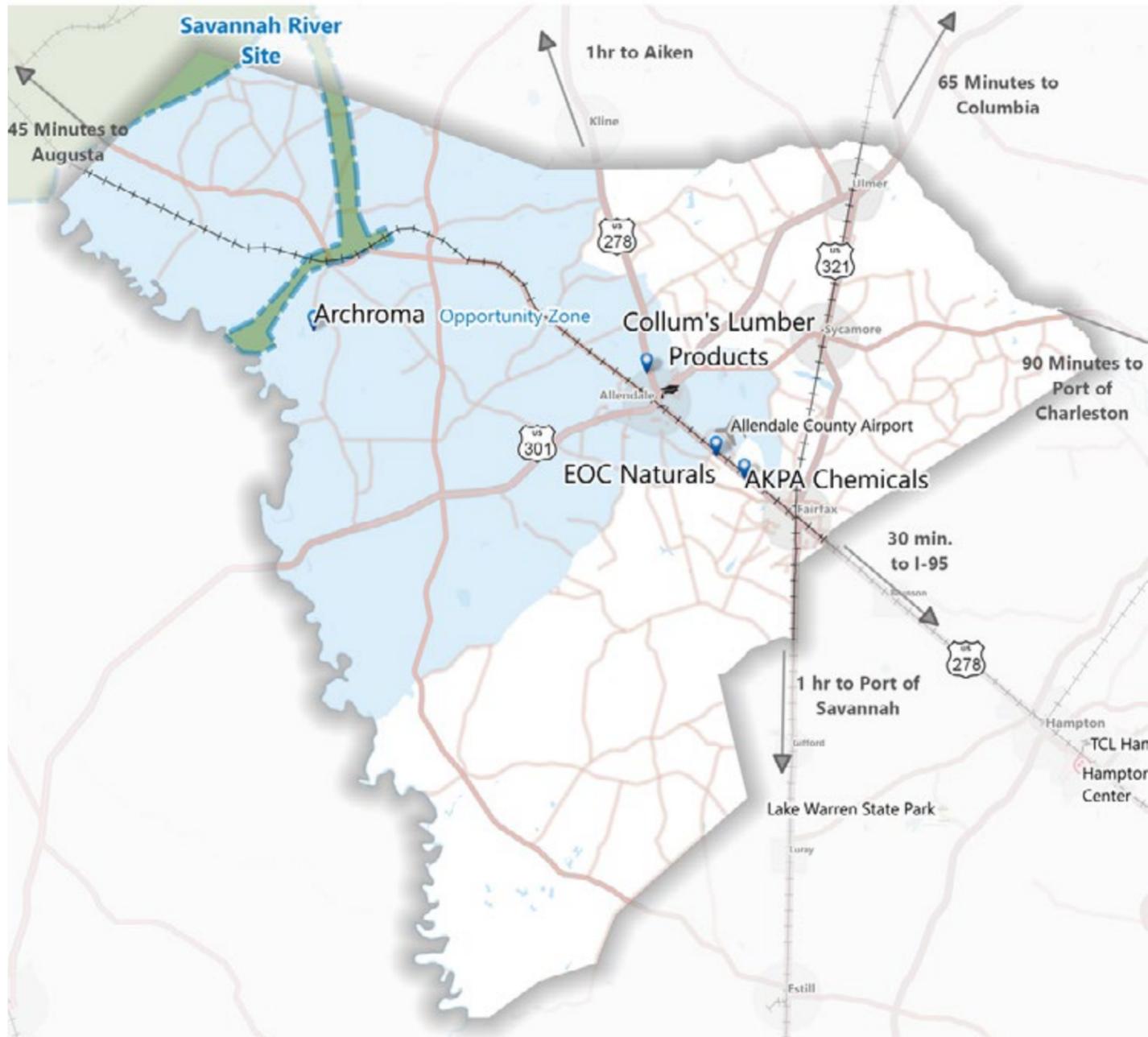
**Reduce Owed Taxes -**  
Opportunity Fund investing reduces the tax investors owe by up to 15% after seven years



**Pay Zero Tax on Gains -**  
Investors can enjoy tax-free capital gains earned from investments through the Opportunity Fund



# COMMUNITY & OPPORTUNITY ZONE ASSETS



Allendale County is an advantageous location for global distribution and manufacturing and has many other attractive features for residents and employers. Allendale offers a manufacturing-oriented community that is home to large and small manufactures. Manufacturers and other businesses are attracted to Allendale County due to its logistical advantages.

## COMMUNITY ASSETS

### Education

Allendale County has educational assets such as the University of South Carolina Salkehatchie (USC) and the SC Works/Clemson extension office. The USC – Salkehatchie campus confers associate's and bachelor's degrees in a mix of disciplines ranging from business administration to nursing and engineering.

USC – Salkehatchie also allows students to complete the first two years of higher education locally before transferring to another institution. For primary education, Allendale County Schools offer public education to the community and serve 1,200 students.

### Premier Access to Domestic and Global Markets

Access to global markets is one of Allendale County's greatest strengths. Manufacturers can build success on the County's strategic location within a day's drive of two-thirds of the U.S. population. The SCA region features:

- International Airports including Charleston International Airport and the Savannah – Hilton Head International Airport, in addition to the local Allendale County Airport.
- An expansive rail system that includes two Class I railroads and eight independent lines that can service over 2,300 miles of rail.
- Ports of Charleston and Savannah feature one of the most productive container ports along the Gulf Coast. Additionally the Jasper Ocean Terminal is scheduled to be operational in 2035.
- Premier interstate access and trucking routes with I-95, the major north-south corridor on the East Coast, running through the entire southeastern half of the Southern Carolina region.

### Shovel Ready Sites

Allendale County offers significant investment opportunity, with over 15 shovel ready sites available for industrial, commercial, and mixed-use, development. The county's shovel ready sites are advantageous due to proximity to the ports of Savannah and Charleston.

### Allendale County Airport

The airport features a 5000 x 75ft asphalt runway in "Excellent" condition. The airport is publicly owned and features a medium intensity runway edge and executive meeting room frequently used by local business leadership. The location covers approximately 95 acres of land and its surveyed elevation is 161 feet MSL.



*Allendale offers a manufacturing oriented community and premier access to domestic and global markets with robust public education and quality of life amenities.*

# COUNTY OVERVIEW

## Market Demand Statistics

Average Daily Traffic on US 278 through Allendale County	7,000 vehicles
Manufacturing Supply Chain Gap in Allendale	\$115.6M
Retail Trade Supply Chain Gap in Allendale County	\$24.7M
Allendale County Residents who Leave the County Daily for Work	2,330
Population within 1-hr of Allendale	139,031

## ALLENDALE OZ OVERVIEW

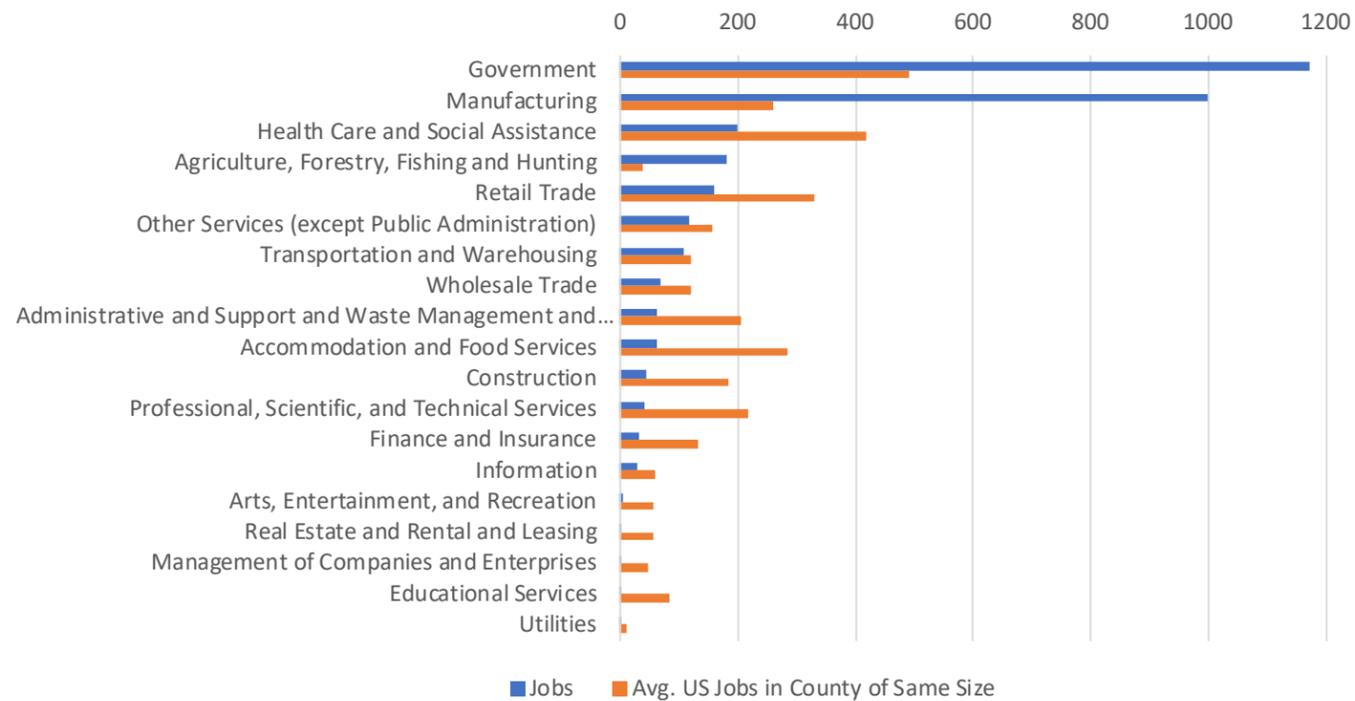
### 2019 OZ Profile

Population	4,955
Number of Jobs	1,742
Number of Workers Living in OZ	1,440
Median Household Income	\$26,720
% Bachelor's Degree Attainment	9.2%

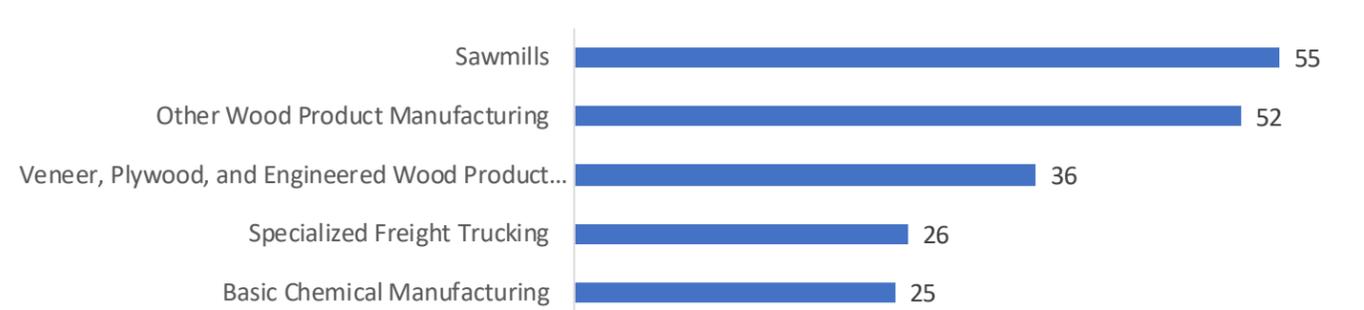
### Labor Shed

Distance	Workers	Population
20 Miles	12,035	37,684
40 Miles	66,709	217,329
60 Miles	392,934	1,155,118

## Jobs in Allendale County, vs U.S. Average



## Fast-Growing Industries, Jobs Added Since 2014



# SCA REGION: BIG PICTURE OPPORTUNITIES

## Agribusiness - A Dominant Cluster

Each of SCA's seven counties have a strong agricultural base including cotton, livestock, forest production, and more recently, industrial hemp. The region contains over 600,000 acres dedicated to harvesting crops and raising livestock. The SCA Region comprises a significant part of the state's "lumber basket," with approximately 24 forest product companies contributing to an \$18.6 billion economic impact, over 90,000 jobs, and \$4.1 billion in payroll.

Proximity to an international port, improved logistics for moving agricultural products, and the continued automation and downstream opportunities for wood, hemp, and other locally produced materials demonstrate future growth and diversification for the SCA region.



## SMALL TOWN DEVELOPMENT – SCA PLACE MAKING

The SCA Region has a growing population of nearly 320,000. Each of SCA's 7 counties has 1 or more place-making opportunities – small towns. Placemaking investments concentrate services, connect people to jobs, and establish community gathering places and identity. There are multiple placemaking investment opportunities throughout the SCA region which

include activating storefronts with needed services, encouraging local entrepreneurs to start and expand small businesses, and diversifying an aging housing stock. These place-making investment opportunities can serve as the epicenter for a growing workforce, business services, and new families looking for an affordable quality of life.

**The initial “deal flow” projects that follow are the tip of the iceberg when considered in the context of the above overarching opportunities. These opportunities will attract people, new housing, business start-ups, and investment. SCA leadership will continue to add projects to the deal flow in 2020 and beyond. Make sure to engage with us to take advantage of our future growth.**

## Workforce – An Investment Resource

The SCA region is truly unique with its combination of economic and workforce opportunities. The region is growing in population, and a labor force participation rate (55%) lower than the national average (63%) indicates a potential surplus of workers ready to fill open jobs. In addition, 6 of the 7 counties see the majority of residents commute outside their county of residence for work.

SCA wishes to encourage investor driven solutions that link place of work to place of residence, increase labor force participation, and grow workforce by supporting community growth strategies.



# OUR DEAL FLOW



### ALLENDALE MIXED-USE INVESTMENTS

Within the City of Allendale are two vacant properties that could be redeveloped into alternative uses that support workforce housing and community programming.



### ARCHROMA INDUSTRIAL SITE

A 628-acre site with a host of attractive features for industrial or logistical development. The site includes premier rail, interstate, air, and water access that would be ideal for anyone seeking entry to different international and domestic markets.



### ALLENDALE COMMERCIAL

An investment opportunity in the City of Allendale that includes a vacant hardware store in the downtown area that will yield the ideal opportunity for development.

# ALLENDALE COMMUNITY CENTER

## SITE OVERVIEW

Allendale County Schools has two former school buildings that could be redeveloped in a manner that better addresses community needs. The first property has potential to be adaptively re-used as a community center.

## OPPORTUNITY DESCRIPTION

This former school site is located approximately one mile southwest of downtown Allendale. The building is currently vacant but could be adaptively re-used as a mixed-use community center. This development could include sports, recreation, and community programming space for meetings and public events. There is a significant need for workforce housing in Allendale specifically for young professionals such as teachers.

Currently, Allendale Public Schools has an agreement with the University of

South Carolina Salkehatchie to allow teachers to rent and live in student dorms because there is not enough suitable housing for young professionals in the county. There is also need for a community center that can provide programming and services for all age groups. Combining multifamily-residential units and a community center could create a popular anchor development in Allendale that serves a variety of community needs.



## POTENTIAL PROJECT

The former brick school building is currently vacant but is in fair condition. The building's outer shell can be re-used but some upgrades to systems including air-conditioning will likely be required. The elementary school building sits on four acres of land and the school district owns three additional developable acres directly west of the school building. It is anticipated that some of the school's current amenities could be incorporated into the design of the community center, such as the gymnasium. Some classrooms and offices could be maintained and updated for meeting space. It will likely be necessary to adapt some of the classrooms for residential units.

There is also the opportunity to develop 70 residential units as part of this project. Approximately 8-10 of these units could be inside the community center. The upper floor of the school building could be adapted for this purpose. The other 60 residential units could be developed on the vacant western 3-acre parcel. This part of the development could be a new 2-3 story multi-

family building built along with or as a second phase of the community center redevelopment project. The multi-family portion of this development would add scale to the overall project, making it more attractive to potential investors. It is anticipated that this development could have significant financial support from a university partner which makes the project financially feasible.

The most recent set of Opportunity Zone regulations clarify that investors can buy and sell different assets over a ten-year period to trigger the permanent exclusion of future gains provided funds are re-invested in a new qualified Opportunity Zone investment within 12 months. This makes real-estate development more feasible as investors and developers may not want to hold the same real-estate investment for 10 years. This may apply for investments in the Allendale Community Center/multi-family workforce housing development.

## Sources & Uses

USES	
Project Development	\$375,000
Construction	\$10,375,000
A/E/C Design	\$875,000
Legal/Finance	\$875,000
<b>Total</b>	<b>\$12,500,000</b>
SOURCES	
Developer Equity	\$1,200,000
Conventional Debt	\$2,600,000
LIHTC	\$1,960,000
Institutional	\$5,500,000
OZ/Opp Fund Equity	\$1,300,000
<b>Total</b>	<b>\$12,500,000</b>

*\* A public-private partnership is possible with this project. Potential public investment and terms subject to project details and quantifiable community benefit.*



# ALLENDALE WORKFORCE HOUSING

## SITE OVERVIEW

Allendale County Schools has two former school buildings that could be redeveloped in a manner that better addresses community needs. The second property could ultimately support workforce housing.

## OPPORTUNITY DESCRIPTION

The second former school site is located southeast of downtown Allendale off US-278. The school is currently vacant and occupies approximately 9.5 acres of land. The building's footprint is approximately 80,000 SF. The property is adjacent to a residential neighborhood and new development could be tied to this existing land-use. There is demand for quality affordable housing in Allendale which could be addressed by development on this site. This is especially true for young

professionals such as teachers which is exemplified by the fact that Allendale Public Schools has an agreement with the University of South Carolina Salkehatchie to allow teachers to rent and live in student dorms. For these reasons, this site is positioned to take advantage of demand for new multi-family residential development.



## POTENTIAL PROJECT

The potential project could include development of an estimated 92 multi-family affordable housing units. Likely tenants for these units would be employees that commute into the county for work which is projected to increase based on county job growth.

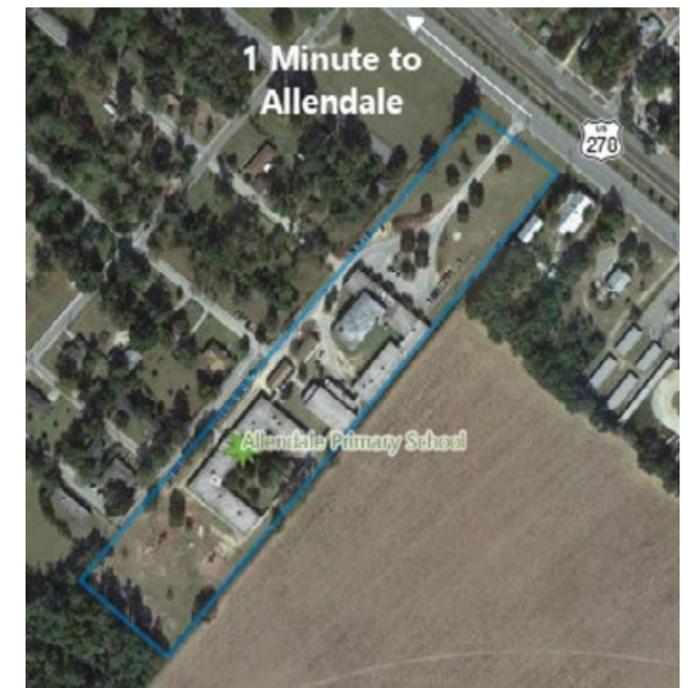
In order to accommodate this development, the school building will likely need to be demolished. A multi-family building with an 101,500 SF footprint two-story set of buildings could be built in its place. This project would address significant need in Allendale County which is, quality affordable housing for young professionals such as teachers or students. For this reason, the project could be financed with federal affordable housing tax credits. The project would work well with surrounding land-use which is currently residential. This site is also near downtown Allendale and the University of South Carolina

Salkehatchie which could create additional demand for this housing.

The most recent set of Opportunity Zone regulations clarify that investors can buy and sell different assets over a ten-year period to trigger the permanent exclusion of future gains provided funds are re-invested in a new qualified Opportunity Zone investment within 12 months. This makes real-estate development more feasible as investors and developers may not want to hold the same real-estate investment for 10 years. This may apply for investments in the Allendale Community Center/ multi-family workforce housing development.

Sources & Uses	
USES	
Real Estate Acquisition	\$114,784
Construction	\$5,146,998
A/E/C Design	\$424,109
Legal/Finance	\$424,109
Misc. Development	\$390,000
<b>Total</b>	<b>\$6,500,000</b>
SOURCES	
Developer Equity	\$1,625,000
Conventional Debt	\$3,575,000
OZ / Opp Fund Equity	\$1,300,000
<b>Total</b>	<b>\$6,500,000</b>

*\* A public-private partnership is possible with this project. Potential public investment and terms subject to project details and quantifiable community benefit.*



# ARCHROMA INDUSTRIAL SITE

## OPPORTUNITY DESCRIPTION

Located at Chert Quarry Road and U.S. Highway 125 in Martin, South Carolina, the 628-acre industrial site is in an ideal position for investment. The site's land is currently used as industrial and forested land. Some of the site's attractive features include CSX Rail on site and access to three interstates, I-95, I-26, and I-20 all within an hour's drive. CSX rail surrounds the entire developable industrial parcel. Additionally, the site has superior access to air and water transportation. The Ports of Savannah and Charleston are both within a 90-minute

drive, and the Savannah, Columbia, and Charleston international airports are all within a 90-minute drive. Further, there are three civil airports that increase the accessibility of the site. The Allendale, Hampton, and Barnwell County airports are all within a 20-minute drive. Alternatively, the site has reliable utility service at competitive rates and has a wastewater system on site. There are two on site wells and full utilities are on site. Electricity and natural gas are provided by Dominion Energy.



## POTENTIAL PROJECT

Potential projects include major industrial or logistic developments. An estimated \$6.5 million development would encompass 11 total land acres and of the site's 628 total acres. This would lead to the development of a 100,000 SF building, which would fit well with existing stock of regional manufacturing buildings and address demand for this type of development. This opportunity is likely best suited for an industrial broker to develop, with the goal of ultimately attracting a large-scale manufacturing project.

The bulk of the total estimated cost would come from construction expenses at around 79% of the total. The funding would seek to leverage 10% developer's equity, 50% conventional debt financing methods, and 40% Opportunity Zone funding. This development could ultimately create 75 to 100 new jobs, each with an hourly rate of \$15 to \$25 depending on the end-user that purchases or leases this building from the developer. The SCA region has a large advanced manufacturing industry base, and it is anticipated this project could ultimately support an advanced manufacturing operation. The gross income per job created by an advanced manufacturer would likely be \$30,000 to \$50,000 annually.



## Sources & Uses

USES	
Misc. Development	\$390,000
Real Estate Acquisition	\$114,784
Construction	\$5,146,998
A/E/C Design	\$424,109
Legal/Finance	\$424,109
<b>Total</b>	<b>\$6,500,000</b>
SOURCES	
Developer Equity	\$1,625,000
Conventional Debt	\$3,575,000
OZ/Opp Fund Equity	\$1,300,000
<b>Total</b>	<b>\$6,500,000</b>

*\* A public-private partnership is possible with this project. Potential public investment and terms subject to project details and quantifiable community benefit.*

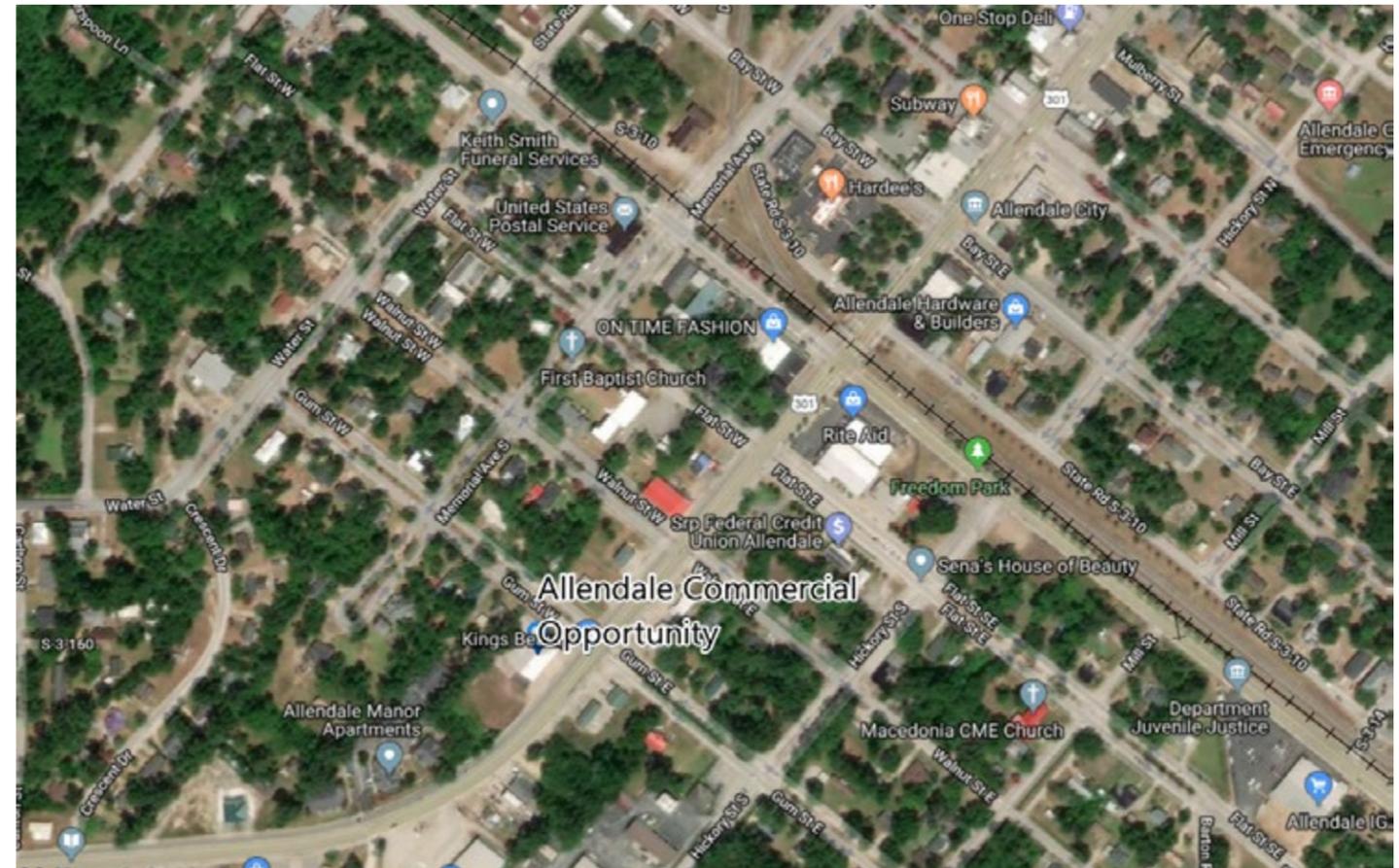


# ALLENDALE COMMERCIAL REDEVELOPMENT OPPORTUNITY

## OPPORTUNITY DESCRIPTION

The former H&W Hardware store presents a commercial redevelopment opportunity in downtown Allendale. The property is located on the west side of Main Street (US Highway 301). The entire site includes 1-acre of land and a commercial building that is 18,260 SF. The original building is 1960s-era with drywall and panel interior walls, concrete floors, fluorescent lights, and minimal plumbing and electrical.

The building's condition is rated as fair to poor, making it an attractive Opportunity Zone investment, as it aligns well with the substantial improvement requirement for existing structures.



## POTENTIAL PROJECT:

Based on the building's location and design, it is highly suited for its present use which is a multi-purpose commercial facility. This project would likely be a good fit for a mission-driven Opportunity Fund that is focused on social impact investment as it may not offer a high rate of return. However, improving this building could anchor and reinforce additional development in downtown Allendale and serve as a catalyst to redevelop other surrounding properties on the same block.

As a mission driven project, this development could be partially funded through federal, state, or philanthropic grant dollars. It is estimated that these grant dollars could make up approximately 33% of the total capital stack for this project. A local developer could lead the redevelopment efforts, under guidance from SCA, in order to hone their skill set. In addition to grant funding, the project could incorporate developer equity, debt, and Opportunity Fund equity.

## Sources & Uses

USES	
Project Development	\$54,000
Construction	\$1,494,000
A/E/C Design	\$126,000
Legal/Finance	\$216,000
<b>Total</b>	<b>\$1,800,000</b>
SOURCES	
Developer Equity	\$270,000
Conventional Debt	\$900,000
OZ/Opp Fund Equity	\$630,000
<b>Total</b>	<b>\$1,800,000</b>

*\* A public-private partnership is possible with this project. Potential public investment and terms subject to project details and quantifiable community benefit.*





*Top: Carolina Thunder 2014 at SRS  
in Allendale*

*Bottom: Nature at SRS - Photo Credit  
Savannah River Site*



[www.allendalecounty.com](http://www.allendalecounty.com)

[www.southerncarolina.org](http://www.southerncarolina.org)