

BEAUFORT COUNTY

SOUTH CAROLINA

2020 Investment Prospectus



DEAL FLOW: PAGE 18



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**MEET YOUR
REGIONAL
PARTNERS**

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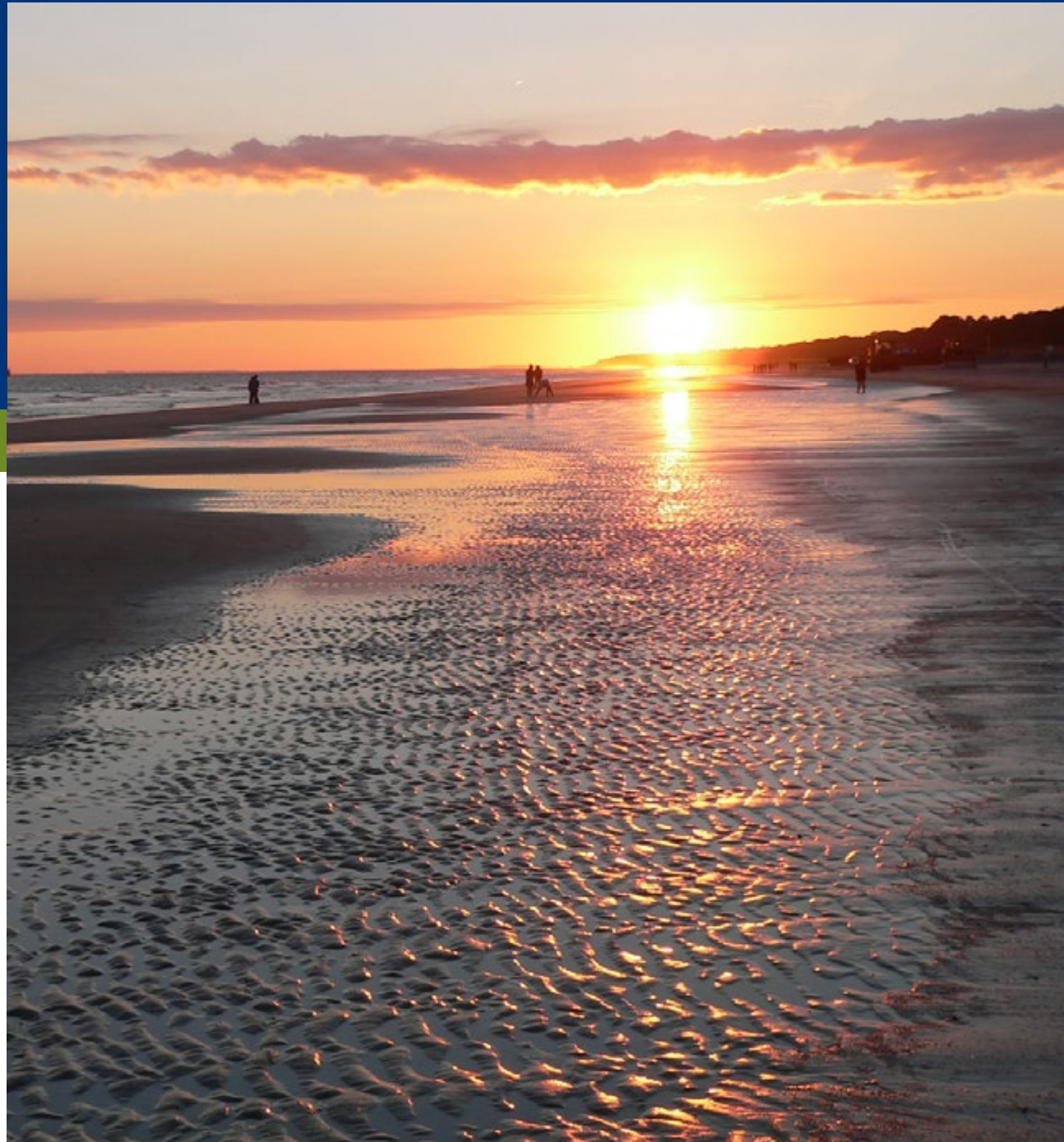


DISCOVERING BEAUFORT COUNTY

With awards such as America's Best Island, 30 best places for business travelers, Smithsonian's best towns to visit, and Forbes magazine top places to retire, Beaufort County is a premier destination to live, work, and play. The County's assets include Hilton Head Island, Marine Corps Air Station Beaufort, Marine Corps Recruit Depot Parris Island, the University of South Carolina Beaufort, three airports, and three opportunity zones.

These assets make it more than just a world-class tourist destination; its growth and prosperity make it a promising place for business investment as well. Beaufort provides both a skilled workforce and premier quality of life offerings.

County leadership is supportive of growth, with programs in place to train highly-skilled military personnel, expand housing options, and increase the number of sites available for development. Thus, Beaufort County is a prime location for opportunity zone investment.



ABOUT THE REGION

Beaufort 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, and interstates such as I-20, I-26, and I-95. The region's existing industry assets include aerospace, automotive, advanced composites,

distribution, forest products, and alternative energy. Furthermore, with natural and cultural assets such as Hilton Head Island, the Savannah River, and Edisto Beach, there are amenities to build upon in the SouthernCarolina region. The region and its leaders 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 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 governmental 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

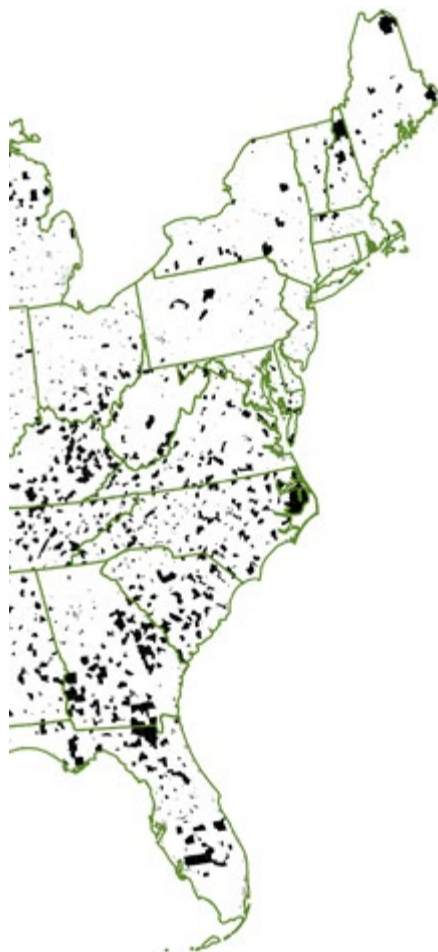
"The typical profile of an OZ real estate investor is someone who is interested in tax savings, wealth-building, and preservation with a medium- to long-term hold period." -Meg Epstein, Forbes Councils

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 defer and reduce 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.



Beaufort County has three Opportunity Zones, Census Tracts 2, 6, and 108.

Tract 6 is within the City of Beaufort and encompasses a wide variety of community assets in education and leisure, such as the University of South Carolina Beaufort and waterfront access.

Tract 108 is within the Town of Hilton-Head, and includes the Hilton Head Airport, several large employers, and a close location to the town's tourist hubs.

Tract 2 is northwest of the City of Beaufort and includes the Beaufort Commerce Park, which is close to the Marine Corps Air Station and includes a large amount of vacant, developable land.



"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)

OPPORTUNITY FUNDS

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. Beaufort County stands out because of its quality of life amenities, infrastructure amenities, and world-class tourism reputation. Beaufort 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. Beaufort 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 Beaufort 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



Beaufort County features three Opportunity Zones, each with their own attractive investment features. Tract 2 and 6 are in the City of Beaufort, while Tract 108 is in the town of Hilton Head. The county's zones include significant assets that foster quality of life for residents, talent for employers, and features existing infrastructure ready to be paired with Opportunity Zone investment.

COMMUNITY ASSETS

Education

Beaufort is home to a University of South Carolina campus, which offers undergraduate programs to 2,000+ students. Students can earn a Bachelor of Arts or a Bachelor of Science in 18 disciplines.



Beaufort is also home to the Technical College of the Lowcountry, which is the region's primary provider of post-secondary education and workforce training offerings for today's high-skill jobs. The public multi-campus community college serves approximately 5,000 students annually.

In addition, Embry – Riddle Aeronautical University has a campus at Marine Corps Air Station Beaufort, and serves as a hub for aviation and aerospace education. The Campus has been working with U.S. military service members since 1970, helping them to earn a degree while on active duty or as veterans.

Transportation

Beaufort County offers a multitude of viable transportation networks that can connect businesses to markets via interstate, air, and water. The county is proximate to aerospace hubs that surround the Boeing Dreamliner facility in Charleston and the Gulfstream facility in Savannah, which attract aerospace suppliers and advanced manufacturing companies from around the world.

With optimal access to I-95, as well as other major transportation routes, such as US 17, Beaufort County is in the middle of one of the fastest growing manufacturing and distribution areas in the nation. While the Beaufort County Airport offers easy access to private users, the Hilton Head International Airport recently expanded and offers direct flights to Philadelphia, Washington, DC., New York City, Charlotte, Chicago, and Atlanta via major commercial airlines, such as American Airlines, United Airlines, and Delta. In addition, the Savannah-Hilton Head International Airport is within 30 minutes of Beaufort County and the Charleston International Airport is approximately an hour's drive.



The ports of Savannah and Charleston, both within an hour and a half drive of Beaufort, offer access to water and rail for transportation. Each year, more than 30 different shipping lines serving 150 countries use South Carolina's ports. The Charleston Port, the largest single container terminal in North America, is also near industrial sites and two railroads. Norfolk Southern and CSX are both on terminal at the Port of Charleston.



COMMUNITY ASSETS

Entrepreneurial Climate

There are also several major entrepreneurial assets within the county. The Beaufort Digital Corridor is a creative effort to attract, nurture, and promote Beaufort's knowledge economy. The Don Ryan Center for Innovation is an important asset as a business incubation site that supports technology firms. Additionally, the University of South Carolina Beaufort has a Small Business Development Center that supports small business through operations analysis, strategy development, marketing information, and economic information at no costs.

Quality of Life

One of the most significant assets for Beaufort County is the quality of life amenities it offers to residents and employers. From Hilton Head Island to the City of Beaufort, there is no shortage of activities. Hilton Head Island features twelve miles of beachfront with public access and over ten separate island parks. The county also includes many golf courses, offering a range of terrains and difficulty levels. Likewise, the City of Beaufort offers a unique mix of history, charm, and downtown businesses. Overall, visitors and residents in the City have access to:

- Arts & entertainment,
- College-level sports,
- Downtown shopping, and
- Historic tours.



Above: Blue Sky Ribbon Cutting

Below: State Senator Tom Davis (R, SC-46) gives a speech at Blue Sky Ribbon Cutting

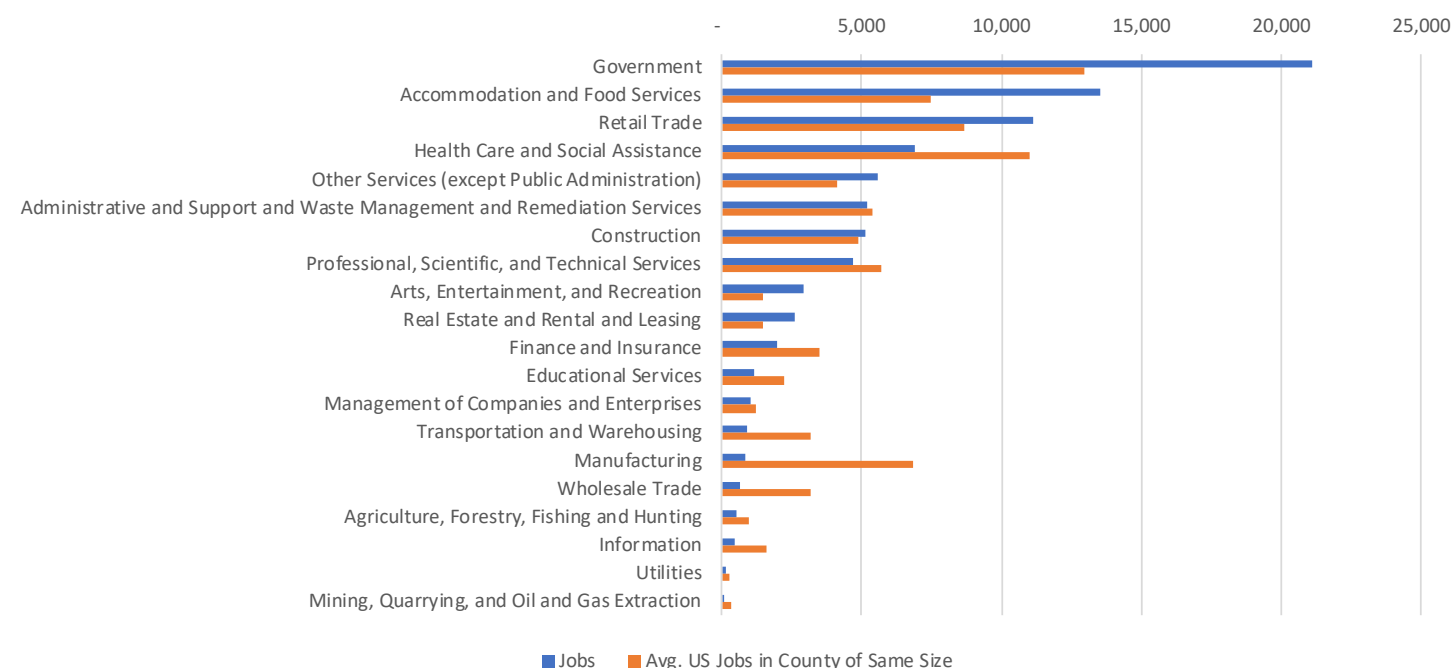


County Overview

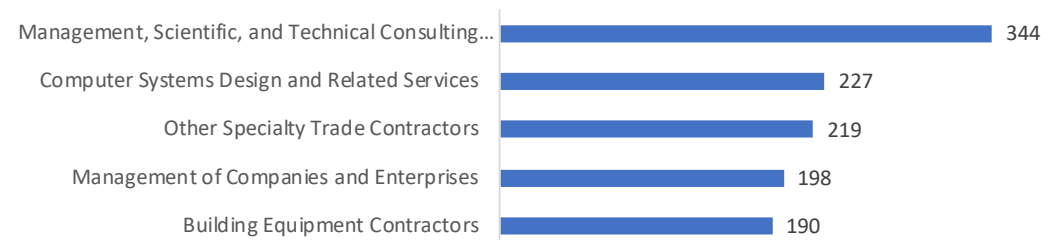
Market Demand Statistics

Average Daily Traffic on US 278 through Beaufort County	48,500 vehicles
Manufacturing Supply Chain Gap in Beaufort County	\$2,263.9M
Retail Trade Supply Chain Gap in Beaufort County	\$686.1M
Beaufort County Residents who Leave the County Daily for Work	19,697
Population within 1-hr of Beaufort	442,103

Jobs in Beaufort County, vs U.S. Average



Fast-Growing Industries, Jobs Added Since 2014



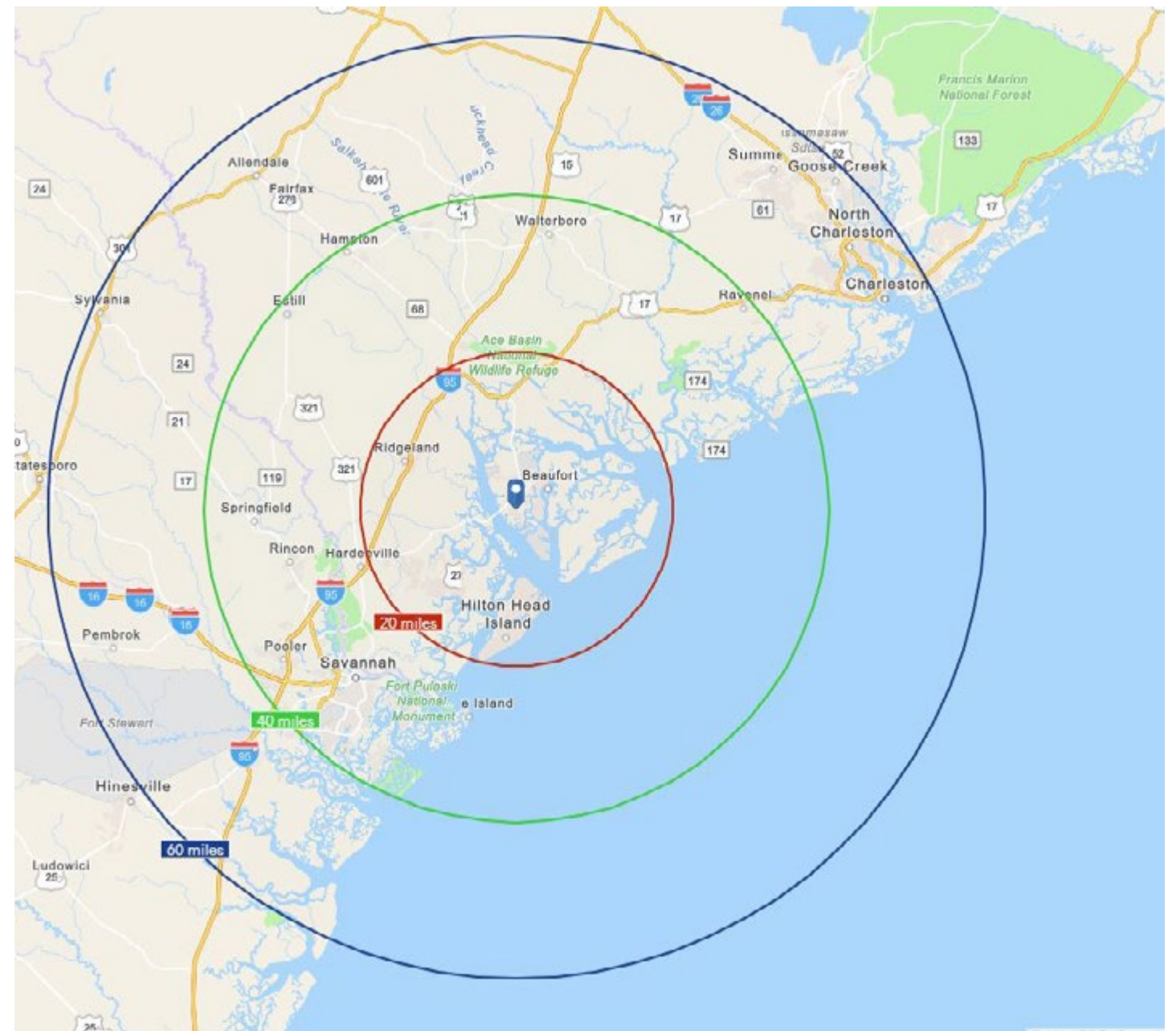
BEAUFORT OZ OVERVIEW

2019 Profile

	Tract 2	Tract 6
Population	5,524	2,370
Number of Jobs	898	2,151
Number of Workers Living in OZ	2,504	1,109
Median Household Income	\$38,779	\$38,906
% Bachelor's Degree Attainment	14.1%	37.7%

Labor Shed

Distance	Workers	Population
20 Miles	83,842	208,441
40 Miles	277,384	621,077
60 Miles	621,314	1,383,453



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



Beaufort Commerce Park

The Commerce Park is 196-acres and a state certified Palmetto site; this provides investors with assurance of site control, documentation, and due diligence. With proximity to local transportation assets and adjacency to a marine air station, the site provides prime real estate for industrial development.



Beaufort Town Center

The town center is a growing mixed-use development area just minutes from downtown Beaufort. It is already active with two hotels, restaurants, and retail, but provides opportunities for additional commercial and residential development.

Beaufort Commerce Park

Opportunity Description

Located off U.S. Highway 21 and South Carolina Highway 116 just outside of Beaufort, this site is shovel ready for development. The Commerce Park is 196-acres and a state certified Palmetto site. The site is currently being used for industrial purposes. The park provides transportation accessibility to:

- Interstates: I-95: 20 Minutes, I-26: 70 Minutes, I-16: 40 Minutes, Highway 21: Direct access
- Ports: Savannah: 40 Minutes, Charleston: 65 Minutes
- Commercial Airports: Hilton Head Airport: 37 Minutes, Savannah

International: 45 Minutes, Charleston International: 65 Minutes, Columbia Metropolitan: 120 Minutes

- Civil Airports: Beaufort County: 8 Minutes, Beaufort County: 30 Minutes

The park also boasts reliable utility service at competitive rates, which is provided by Beaufort-Jasper Water & Sewer Authority with three lines on site. Moreover, the site has wastewater and natural gas line on site. The park’s natural gas and electricity is provided by Dominion Energy.



Potential Project:

This site is ideally situated for a major industrial or logistics project. For example, the Beaufort Commerce Park would be a great location for a supplier to the Marine Corps Air Station Beaufort – which is located just across Highway 21 to the east. Developers on this site could utilize 6 total acres to create 50,000 SF of building space. At \$55 per SF, construction costs are estimated to be approximately \$2.8m. Such an investment could provide 25-30 jobs for the region.

The Beaufort County Economic Development Corporation (BCEDC) is currently seeking proposals for construction of such a shell building on the Commerce Park site. They are offering a variety of assistance options:

- The City of Beaufort would not expect payment on the parcel until the building is leased or sold.
- The BCEDC will provide \$250k to offset costs of site work.
- The County will set funds in escrow to cover up to five years of carrying cost - or until the building is leased or sold.

Beaufort Commerce Park - Phase 1 Project Sources and Uses Summary

Total Development Cost Est. \$3,500,000

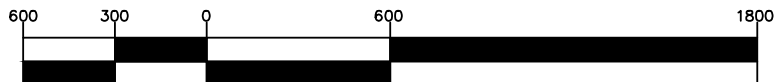
USES	
Real Estate Acquisition	\$114,784
Construction	\$2,825,216
A/E/C Design	\$175,000
Legal/Finance	\$175,000
Misc. Development Costs	\$210,000
TOTAL	\$3,500,000
SOURCES	
Developer Equity	\$590,000
Conventional Debt	\$2,100,000
BCEDC Public-Private Investment	\$250,000
OZ / Opp Fund Equity	\$560,000
TOTAL	\$3,500,000

PARCEL	TOTAL ACREAGE	DEVELOPABLE ACREAGE	BUILDING SIZE
①	± 7.6 ACRES	± 4.8 ACRES	± 50,000 SF
②	± 6.4 ACRES	± 5.2 ACRES	± 30,000 SF
③	± 8.7 ACRES	± 7.4 ACRES	± 30,000 SF
④	± 8.8 ACRES	± 4.6 ACRES	± 30,000 SF
⑤	± 8.7 ACRES	± 8.5 ACRES	± 50,000 SF
⑥	± 9.4 ACRES	± 9.4 ACRES	± 90,000 SF
⑦	± 9.5 ACRES	± 9.3 ACRES	± 90,000 SF
⑧	± 9.3 ACRES	± 4.6 ACRES	-
⑨	± 9.2 ACRES	± 8.7 ACRES	± 105,000 SF
⑩	± 9.4 ACRES	± 7.4 ACRES	± 50,000 SF
⑪	± 8.2 ACRES	± 8.2 ACRES	-
⑫	± 4.7 ACRES	± 4.5 ACRES	-
⑬	± 13.6 ACRES	± 11.6 ACRES	± 100,000 SF
⑭	± 9.3 ACRES	± 9.3 ACRES	-
⑮	± 3.0 ACRES	± 3.0 ACRES	-
⑯	± 8.2 ACRES	± 8.2 ACRES	-
⑰	± 9.4 ACRES	± 9.4 ACRES	± 90,000 SF
⑱	± 8.1 ACRES	± 8.1 ACRES	± 50,000 SF
⑲	± 3.6 ACRES	± 3.5 ACRES	-
⑳	± 12.3 ACRES	± 11.5 ACRES	± 60,000 SF
㉑	± 9.6 ACRES	± 6.7 ACRES	± 37,500 SF
UN-DEVELOPABLE AREA (EASEMENTS, RIGHT-OF-WAY)	± 31.7 ACRES	-	-
TOTAL	± 208.7 ACRES	± 153.9 ACRES	± 862,500 SF

REFERENCE:

- REFERENCE IS MADE TO JURISDICTIONAL WETLANDS DELINEATION REPORT AND SURVEY PROVIDED BY BEAUFORT SURVEYING, INC. DATED FEBRUARY 15, 1996.
- REFERENCE IS MADE TO 20-FOOT YARD BUFFER, 50-FOOT REAR YARD BUFFER AND 50-FOOT WETLANDS BUFFER

NOTE: OPEN SPACE TO BE UTILIZED TO MEET BUFFER, LANDSCAPE, AND/OR STORMWATER REQUIREMENTS PER ORDINANCES OF STATE AND LOCAL AGENCIES AT THE TIME OF DEVELOPMENT.



Project No.: 18114-0007 (IN FEET)
April 13, 2018



Master Development Plan for the ± 209-Acre Beaufort Commerce Park in Beaufort County, South Carolina



Prepared by Alliance Consulting Engineers, Inc.



LEGEND	
EXISTING SCE&G OVERHEAD ELECTRIC	OHE
EXISTING SCE&G NATURAL GAS DISTRIBUTION LINE	GAS
EXISTING BEAUFORT JASPER WATER & SEWER AUTHORITY 10-INCH, 12-INCH AND 16-INCH WATER LINE	12W
EXISTING BEAUFORT JASPER WATER & SEWER AUTHORITY 8-INCH WASTEWATER GRAVITY LINE	8WW
EXISTING WETLANDS (± 11.8 ACRES)	



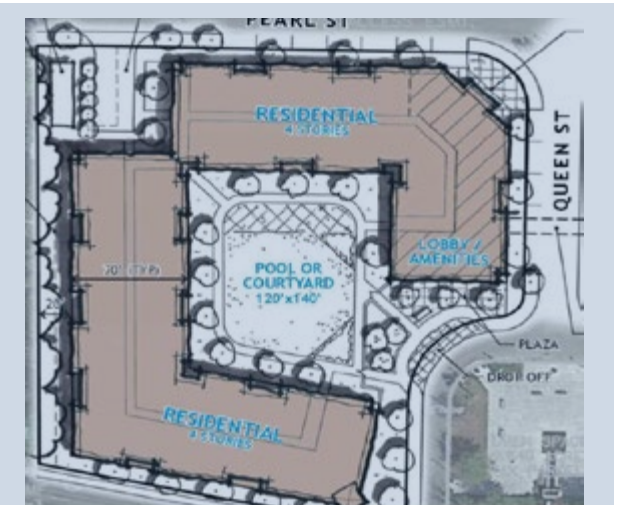
Beaufort Town Center

The Beaufort Town Center is conveniently located at the Gateway to the Beaufort Historic District. In addition, it neighbors the County's government offices, educational facilities, and the Beaufort Memorial Hospital. The site already offers amenities for live, work, and play, but provides opportunities for additional commercial and residential development.

All future developments in Beaufort Town Center are shovel ready with all utilities in place.

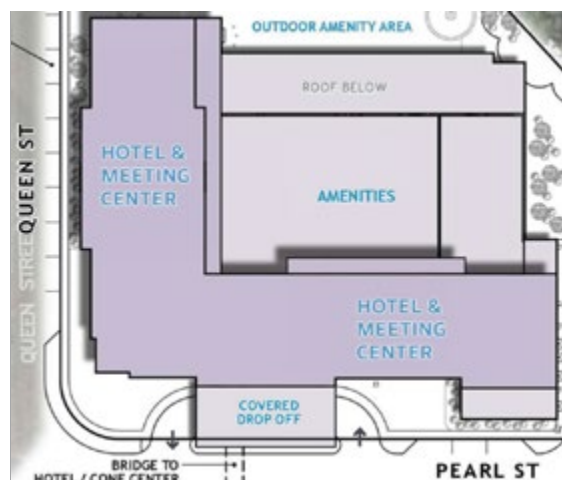


Potential Project: Town Center Townhouses



Potential Project: Town Center Apartments

Located at 2045 Boundary Street, there is opportunity for development of 114 apartment units. In addition, the space would accommodate a 120' x 140' interior pool or courtyard.



Potential Project: Town Center Hotel & Meeting Center

Adjacent to 1500 Queen Street, Beaufort, SC 29902

- 172 Rooms
- 16,000 SF Meeting Space
- Waterfront Property
- Nearby Existing Hotels: Hilton Garden Inn & Quality Inn
- Adjacent to City Hall and County Government Buildings

The Town Center provides potential for 91+ Townhouse Units.

These townhouses will benefit from recent improvements to Greenlawn Drive:

- Parallel Parking
- Sidewalks
- Streetlights
- Landscaping

For additional information, investors can contact 303 Associates at 843-521-9000, info@303associates.com, or by visiting 303Associates.com



www.beaufortscedc.org

www.southerncarolina.org