

Fund to lure industry in doubt

County: Alliance's benefits too skimpy

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Politicians and business leaders in Horry County are considering pulling the plug on local funding for a regional economic development group they say is not doing enough to bring new businesses to the area.

Horry County has paid \$600,000 over the past three years to the North Eastern Strategic Alliance, which is supposed to lure industry by marketing a nine-county region that includes Horry County to businesses. The Myrtle Beach Area Chamber of Commerce has given \$100,000.

The county must decide whether to send an additional \$200,000 to the group this year now that a three-year agreement to NESAs has expired, said John Weaver, the county attorney. The decision could be made next month, he said.

"While Horry County government is one of the largest benefactors for its membership, NESAs is not totally dependent upon our check," Weaver said.

NESAs has a budget of about \$1.2 million, garnered from public and private sources, said Jeff McKay, the executive director of the group, which was formed in 2000 with the backing of state legislators.

In addition, the group received \$450,000 from the state, McKay said, although that money has been canceled for the coming budget year.

McKay said Horry County is a valuable member of NESAs, and he would be willing to make a presentation to the county outlining the benefits of the organization.

"We've got to work together as a nine-county region to be competitive with not only the rest of the state, but the U.S. and the world because we are part of a global economy," McKay said. "And there's definitely strength in numbers."

The chamber's contribution was also part of an agreement that is now over, said Nancy Gray, a spokeswoman for the chamber. The chamber could consider additional funding, but no formal request has been made, Gray said.

Brant Branham, the chamber's chairman, said he would need to see action to justify continued funding. Specifically, NESAs should start studying how to pay for Interstate 73, a planned highway that would link Myrtle Beach to Michigan, bringing tourists here faster.

"Our goal here is certainly not to throw NESAs to the wolves, but we want to hold their feet to the fire to make sure they're going to do what was said they were going to do," he said.

NESA conducted 13 marketing missions and worked on 100 development projects in 2007, according to its annual report. That year, about \$12 million was invested in Horry County by businesses, although the report was unclear about NESAs's role in attracting the investment.

In contrast, businesses invested more than \$100 million in Marlboro County and more than \$75 million in Florence County, according to the report. Marlboro County contributes nearly \$17,000 a year and Florence County contributes about \$84,000, officials in those counties said.

"There's a lot of counties that are benefiting from NESAs a lot more than Horry County, and they are contributing a whole lot less money," said Councilman Carl Schwartzkopf, who would support reducing Horry County's contribution. "If I pay that much money to ride on the bus, I want to ride up front."

Other council members said they would wait to hear a presentation from NESAs before making a decision, and County Council Chairwoman Liz Gilland warned last week there may be "political repercussions" if funding is cut.

But Councilman Harold Worley, who has taken issue with NESAs's research into building a regional airport in the area, said he would oppose funding the group.

"Why would Horry County Council fund an organization that is trying to steal our airports away from us?" Worley said.

In March, NESAs's airport committee released a study that said a fourth commercial airport would be needed in 20 years - in addition to the ones in Myrtle Beach, Florence and Wilmington, N.C. - if passenger growth continued at the highest projected rates.

Fred DuBard, the chairman of that committee, said NESAs is not trying to steal anything and wanted to do a study free of political influence. Officials said a regional airport would complement, rather than replace, the other airports.

"As far as NESAs sticking their nose in their business, that wasn't the plan at all," said DuBard, adding that the committee was waiting to meet with county officials to discuss the study's findings.

Hugh Owens, the president of the Myrtle Beach Regional Economic Development Corp., which markets the county's industrial parks, said NESAs is working closely with his group on attracting new businesses to the area.

Staff writer Lisa Fleisher contributed to this report.

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