

**SOUTH CAROLINA'S CITIES:  
HUBS OF PROGRESS**  
Keynote Speech of David Rusk  
to the 64<sup>th</sup> Annual Meeting of the  
Municipal Association of South Carolina  
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I had the pleasure of addressing the MASC winter meeting in 1994 and your annual meeting in 2003. Little did I imagine last year that I would be returning just a year later to keynote your 64<sup>th</sup> annual meeting. However, MASC asked me to study why South Carolina's municipalities are vitally important to the entire state. I am here today to share my preliminary findings. The report's title is "South Carolina's Cities: Hubs of Progress," yet the real title ought to be "Why the Legislature Should Start Lovin' Us."

Flying over South Carolina, you see mile upon mile of farmland, scrub forest, and lowlands. Your eyes confirm what Census Bureau declares: less than four percent of its 32,008 square miles is "urbanized."

That's the bird's eye view, but your eyes deceive you. An economist would look at South Carolina and would see that South Carolina's eight metropolitan areas<sup>1</sup> contain

- 70 percent of its population;
- 71 percent of its property value;
- 73 percent of its income generated; and
- 75 percent of its jobs.

Most strikingly, over the past half century metropolitan growth has been driving the entire state's growth. As South Carolina's population doubled and its job market tripled, five out of six added residents and new jobs located within its metropolitan areas.

In terms of where people work, where people live, where people play, South Carolina is no longer a rural state. South Carolina is an urban state.

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<sup>1</sup> For Census 2000 the central cities of the eight metropolitan areas (and their surrounding counties) were Charleston-North Charleston (Berkeley, Charleston, and Dorchester), Columbia (Lexington and Richland), Florence (Florence), Greenville-Spartanburg-Anderson (Anderson, Cherokee, Greenville, Pickens, and Spartanburg), Myrtle Beach (Horry), Sumter (Sumter), and the Aiken (Aiken and Edgefield) and Rock Hill (York) portions of the bi-state Charlotte and Augusta metropolitan areas.

Thus far, I have talked about entire metropolitan areas – central cities and their suburbs. What is the importance of the cities themselves?

If South Carolina were North Carolina, with its large, dominant central cities – Raleigh, Durham, Greensboro, Winston-Salem, Charlotte – or if South Carolina were Texas, with its giant central cities – Austin, El Paso, and Fort Worth fast approaching a million residents, Dallas and San Antonio over 1 million, and Houston over two million – we could say that South Carolina’s cities are “big wheels.”

But, in contrast with Texas or North Carolina, South Carolina has the most unworkable, *unreasonable* annexation laws in the USA. Of the 40 states where annexation is even possible,<sup>2</sup> South Carolina’s annexation laws make it harder to bring new sub-divisions, shopping centers and regional malls, office and industrial parks into the city limits than in any other state.

As a consequence, in the Age of Urban Sprawl, as a percentage of their metropolitan areas’ populations, South Carolina has the USA’s fifth smallest central cities, following only Rhode Island, Massachusetts, Connecticut, and Michigan.

If South Carolina’s cities are not “big wheels,” they are still essential – the “hubs” of the metropolitan wheels. If unincorporated suburbs are considered the “spokes,” a wheel’s spokes must be connected to something solid around which they pivot. You cannot be a suburb of nowhere. And if smaller outlying towns form the metropolitan rim, the economic and cultural forces of attraction of the central cities keeps them from flying off – typically, flying off into oblivion that has happened to so many small towns that have vanished in rural mid-west and mountain states.

My study analyzes all 16 South Carolina’s cities of more than 20,000 residents. These include Charleston, North Charleston, and their three major suburban towns (Goose Creek, Summerville, and Mount Pleasant); Columbia; Greenville, Spartanburg, and Anderson; Florence; Sumter; Myrtle Beach; Rock Hill; Aiken; Hilton Head Island; and Greenwood (a non-metropolitan city). To this group is added Orangeburg as representative of smaller municipalities. Though focused on larger cities, many of my findings apply to many smaller municipalities, particularly county seats.

What are the cities’ important roles as metropolitan “hubs?”

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<sup>2</sup> The six New England states, New Jersey, New York, and Pennsylvania are totally divided up into fixed-boundary municipalities where annexation is impossible. Annexation is a moot issue in Hawaii with its system of island-wide county government.

\* **Cities as jobs hubs:** South Carolina's cities are much more important employment centers than their population size would suggest. Let's take Greenville as an example. At least 78,000 people work in Greenville by day even though only 56,000 people live there by night. That is 135 jobs located in the city per 100 residents. The average for 541 central cities nationally is only 59 jobs per 100 residents. The average of South Carolina's central cities is 88 jobs per 100 residents. As jobs hubs, our cities are valuable and must be valued.

\* **Cities as business hubs:** A region's banks, utilities, newspapers, insurance companies, and many other businesses typically locate their headquarters in central cities. Of nationally-cited corporations, for example, SCANA is located in Columbia, South Financial Group in Greenville, and Intertech Group in North Charleston. Supporting corporate headquarters are concentrations of accounting, advertising, and other business services firms. As business hubs, our cities are valuable and must be valued.

\* **Cities as government hubs:** Most federal, state, and county agencies are located in central cities. For example, federal district courts are located in Aiken, Anderson, Beaufort, Charleston, Columbia, Florence, Greenville, and Spartanburg. State courts are located in all county seats. Law firms are concentrated in cities within easy proximity to the courts. As government hubs, our cities are valuable and must be valued.

\* **Cities as medical hubs:** Hospitals located within Charleston, North Charleston, and Mount Pleasant account for 91 percent of all hospital beds in their three-county region; within Columbia, 78 percent of its two-county region; and within Greenville, Spartanburg, and Anderson, 89 percent of their five-county region. Overall, hospitals located within central cities accounted for 92 percent of all hospital beds in the eight metro areas. Hospitals depend on municipal services—above all, on the level of fire protection that only a highly trained, professional, municipal fire department can provide. With hospitals come concentrations of doctors' offices that are clustered nearby, often in office annexes that the hospitals themselves have built. As medical hubs, our cities are valuable and must be valued.

\* **Cities as college hubs:** Universities, four-year colleges, and two-year technical schools located within Charleston and North Charleston enroll 99 percent of all students in the three-county region and within Columbia, 78 percent in its two-county region. Clemson is the only major university not located in a metropolitan city, lowering Greenville, Spartanburg, and Anderson's share to only 38 percent of their region's students. Overall,

however, higher education institutions located within cities account for 78 percent of all students in metropolitan areas. As college hubs, our cities are important and must be valued.

\* **Cities as cultural hubs:** Most museums, theaters, historical sites, sports stadiums, and sports arenas are located in cities. Some are owned and operated by cities; others depend on city services. To take children to a zoo, one must go to Columbia and Greenville; to an aquarium, Charleston and Myrtle Beach; to a botanical garden, Columbia and Spartanburg; or to a planetarium, Greenville and Rock Hill. Cities support many civic festivals. As cultural hubs, our cities are important and must be valued.

\* **Cities as tourist hubs:** The hospitality industry is South Carolina's #1 industry. Cities are the sites of convention centers (most municipally-owned) and of many of the sights and sounds that attract tourists and convention goers. Despite the proliferation of motels at any interstate exit, over half of all hotel and motel rooms in our metro areas are located in cities. As tourist hubs, our cities are important and must be valued.

Finally, another important role of cities is not as the region's "hub" but as the region's "heart." Most cities are home to a disproportionate share of the region's poor – poor families, poor elderly, poor children. Often residents of unincorporated neighborhoods disparage – even blame – cities for their concentrations of poor people. That is certainly ironic since such suburbs have been purposefully designed to exclude poor people. The cities are providing a service to their regions by meeting the many needs of poor residents. As regional "hearts," our cities are valuable and must be valued.

To sum up both "hub" and "heart" roles, South Carolina's cities and the services they offer are essential for creating more jobs, greater prosperity, and a better quality of life for all South Carolinians. In the New Economy, just offering cheap land by a state highway with access to a low-wage, non-union labor force no longer works. National and international corporations increasingly favor regions with a highly-educated labor force and a high quality of life. Does anyone believe that BMW would have put a major auto plant in South Carolina without the educational institutions and quality of life facilities and programs that Greenville and Spartanburg offer?

South Carolina's cities are valuable, but are we truly valued? Often not by many residents of unincorporated areas even though they may work in cities; may regularly go to city museums, theaters, and sports facilities; may take their children to city zoos, aquariums, and planetariums; and surely head for a city hospital for major medical treatment. They are happy to

benefit from all the city has to offer but refuse to pay their fair share of taxes for the services they receive by rejecting annexation.

South Carolina's cities are valuable but are we valued? Often not by some state legislators and state bureaucrats even though cities and the services they offer are essential for creating more jobs, greater prosperity, and a better quality of life for all South Carolinians. The state places *unreasonable* constraints on our cities and our citizens.

Let's be realistic. Local "home rule" is a basic American value, but two centuries of constitutional law make clear that cities are "creatures" of state government. In our democracy, the people are sovereign, but that sovereignty is exercised through our federal government (regarding certain enumerated national responsibilities) and our state governments. State government must set the rules for when and how local governments may be organized and what they are empowered to do. However, if our legislators would listen more carefully, they would hear the sovereign voice of the people saying that rules set for local cities must be fair and reasonable. State laws place unreasonable constraints on our cities and our citizens.

\* Current state law gives those who own as little as 26 percent of the value of property affected – perhaps just one landowner – the power to veto the desires of the other 74 percent. That's unreasonable.

\* Current state law forces municipal judges to double fines levied for breaking municipal laws so that state government can collect more than half the revenues as a "hidden" state tax. That's unreasonable.

\* Current state law denies municipal residents the opportunity to vote for additional municipal taxes (such as a one cent sales tax for capital projects) to pay for municipal facilities they need. That's unreasonable.

The state legislature needs to act to remove unreasonable constraints on our cities and on our citizens. The legislature needs to follow more the leadership of Speaker of the House David Wilkins (whom MASC has honored today). The state legislature must treat South Carolina's cities not as unwanted stepchildren but as partners – vigorous, healthy, energetic and energizing partners – working together to raise all of South Carolina to the top rank among American states.

Our cities are valuable, and we must be valued.