

# NAVY YARD

Industrial Campus

Maritime • Manufacturing • Logistics

The Economic Impact of the  
CMMC Navy Yard Industrial Campus



# Executive Summary



**South Carolina's advanced manufacturing and logistics industry clusters have been among the state's fastest growing over the previous decade.** From 2010 until 2022, total employment in advanced manufacturing and logistics expanded by +94.8 percent and +83.8 percent, respectively, compared to +28.8 percent for South Carolina as a whole.



The Charleston Marine Manufacturing Corporation's (CMMC) Navy Yard Industrial Campus is a privately owned and managed historic waterfront facility located in North Charleston that is used for a variety of maritime, manufacturing, and logistics operations. **This places CMMC and its tenants at the center of South Carolina's economic growth trends.**



**The total current economic impact of the CMMC Navy Yard Industrial Campus is approximately \$960.1 million annually.** This dollar value is reflective of all final goods and services that are produced in Charleston County that can be attributed (directly or indirectly) to CMMC. This level of economic activity is associated with 3,694 jobs and approximately \$275.3 million in labor income for Charleston County residents.



For the broader Charleston tri-county region and for South Carolina as a whole, the impact of CMMC expands significantly – by approximately 8 percent and 10 percent, respectively. **The annual economic impact of CMMC is estimated to total \$1.0 billion on the surrounding tri-county region and \$1.1 billion on the state of South Carolina.** The tri-county region includes the counties of Berkeley, Charleston, and Dorchester.



**The ongoing operations of CMMC's tenants generate a statewide employment multiplier of 2.4.** For every 10 jobs created directly by CMMC tenants, another 14 jobs, on average, are created elsewhere in South Carolina. This multiplier effect is significantly higher than that of the average industry in South Carolina, which is 1.7. This difference represents the extent to which future growth of the CMMC Navy Yard Industrial Campus has the potential to generate higher secondary employment gains in the local economy relative to similar expansions in other industry sectors.



The U.S. Census Bureau currently projects that the Southeastern U.S. will experience faster population growth than any other U.S. region through the year 2040. This means that **there will likely be an increasing demand for consumer goods across this region in the coming years, which will increase demand for logistics-related industries – especially those related to transportation & distribution.**



**In anticipation of this increased demand, the CMMC tenants are planning significant expansions in the coming decade.** In sum, the CMMC tenants are projecting a total increase in business operations of more than 20 percent by the year 2030.



**These potential expansions would be expected to increase the annual economic impact of CMMC to approximately \$1.1 billion in Charleston County, which would support a total of 4,467 total jobs each year.** This impact would increase to more than \$1.2 billion in the Charleston tri-county region and nearly \$1.3 billion for South Carolina as a whole, supporting a total of 5,063 and 5,218 jobs, respectively.





# Overview

The Charleston Marine Manufacturing Corporation's (CMMC) Navy Yard Industrial Campus is a privately owned and managed historic waterfront facility located in North Charleston that is used for a variety of maritime, manufacturing, and logistics operations. With over 100 acres of land and 2 million square feet of industrial real estate, CMMC services both small and large businesses through leasing this industrial real estate that includes access to 3 graving docks, 9 deep water piers, as well as multiple rail lines. CMMC is centrally located within the Port of Charleston and currently supports more than 35 onsite companies, each of which generates significant economic activity throughout the Charleston tri-county region and for the state of South Carolina. This economic activity is generated through direct labor and non-labor expenditures that each of these companies make throughout the local region that creates new demand that would not exist otherwise.

Nevertheless, these direct effects do not represent a full accounting of CMMC's total economic impact on the Charleston tri-county region or the state of South Carolina. New business activity taking place at the CMMC industrial sites also leads to secondary economic impacts (also known as economic multiplier effects) – including additional job and income creation across a variety of industry sectors in the region. Moreover, because manufacturing and warehousing & distribution are likely to be the primary industry drivers for South Carolina for the foreseeable future, CMMC will be at the very center of South Carolina's growing economy in the coming years.

The purpose of this analysis is to specifically estimate the current and projected future economic impacts of CMMC. These impacts will be estimated for Charleston County, the surrounding Charleston tri-county region, and the state of South Carolina as a whole.

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<sup>1</sup> The Charleston tri-county region includes the counties of Berkeley, Charleston, and Dorchester.

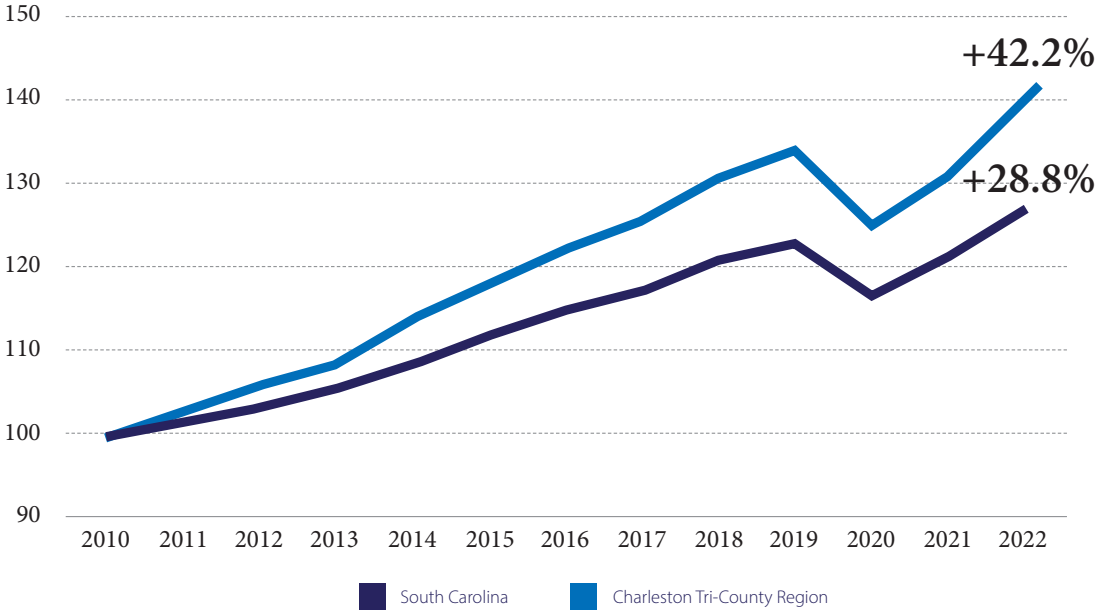


# CMMC and Charleston's Economic Growth

Over the past 30 years, South Carolina has experienced a significant transition period in which the state has proactively established a globally competitive, export-oriented manufacturing base that is now one of the leading drivers of the state's economic growth. More recently, the state has also seen a significant increase in its transportation & distribution sector, which has been the result of both the growth in manufacturing as well as the rising demand for consumer goods. This demand for consumer goods, in turn, has resulted from a sizable increase in the rate of population growth in South Carolina and the broader Southeastern United States in recent years. Many of CMMC's tenants play a direct role in supporting both industries and have helped Charleston to lead South Carolina's economic growth over the previous decade.

Since 2010, the Charleston tri-county region has far outpaced South Carolina's rate of economic growth. For example, employment in the tri-county region grew by approximately +42.2 percent between 2010 and 2022, compared to just +28.8 percent for South Carolina over the same time period. **Figure 1** illustrates these growth patterns.

**Figure 1 –South Carolina Cumulative Employment Growth: 2010-2022**  
*Source: U.S. Bureau of Labor Statistics, Private Employment, QCEW*







CMMC supports a variety of manufacturing, maritime, and logistics-related business operations that has helped to facilitate these broader growth patterns. For example, the CMMC STU Area specifically includes lay berthing of six U.S. Department of Transportation MARAD Ready Reserve Force ships, the home port to Moran Towing Charleston and the corporate headquarters of Threat Management Group. In addition to creating well-paying jobs, these activities at the STU Area produce critical and unique support to both the Charleston region as well as to the nation. The MARAD RRF provides mission critical logistics support to the U.S. Navy combatant fleet. Moran Towing is a primary vendor/partner of the SC State Ports Authority and other large commercial shippers. Threat Management Group supports counter terrorist operations for various US government agencies across the globe, including many that have operations adjacent to the STU Area.

As previously noted, one of the primary reasons for the strong economic growth in the Charleston region that CMMC has helped to support has been the shift in migration patterns within the United States. In recent years – and especially following the onset of the COVID-19 pandemic – the U.S. population has begun to migrate towards the Southeast at a faster rate. This means that there will likely be an increased demand for consumer goods in the region over time, which will attract retail and distribution-based businesses. Because retailers and distributors want to locate near consumers, a fast-growing population base puts the Southeast in a strong position to compete for these companies. As **Figure 2** reveals, the Southern United States is projected to see more population gains than any other U.S. region through the year 2040, with these gains especially concentrated in the South Atlantic Region.

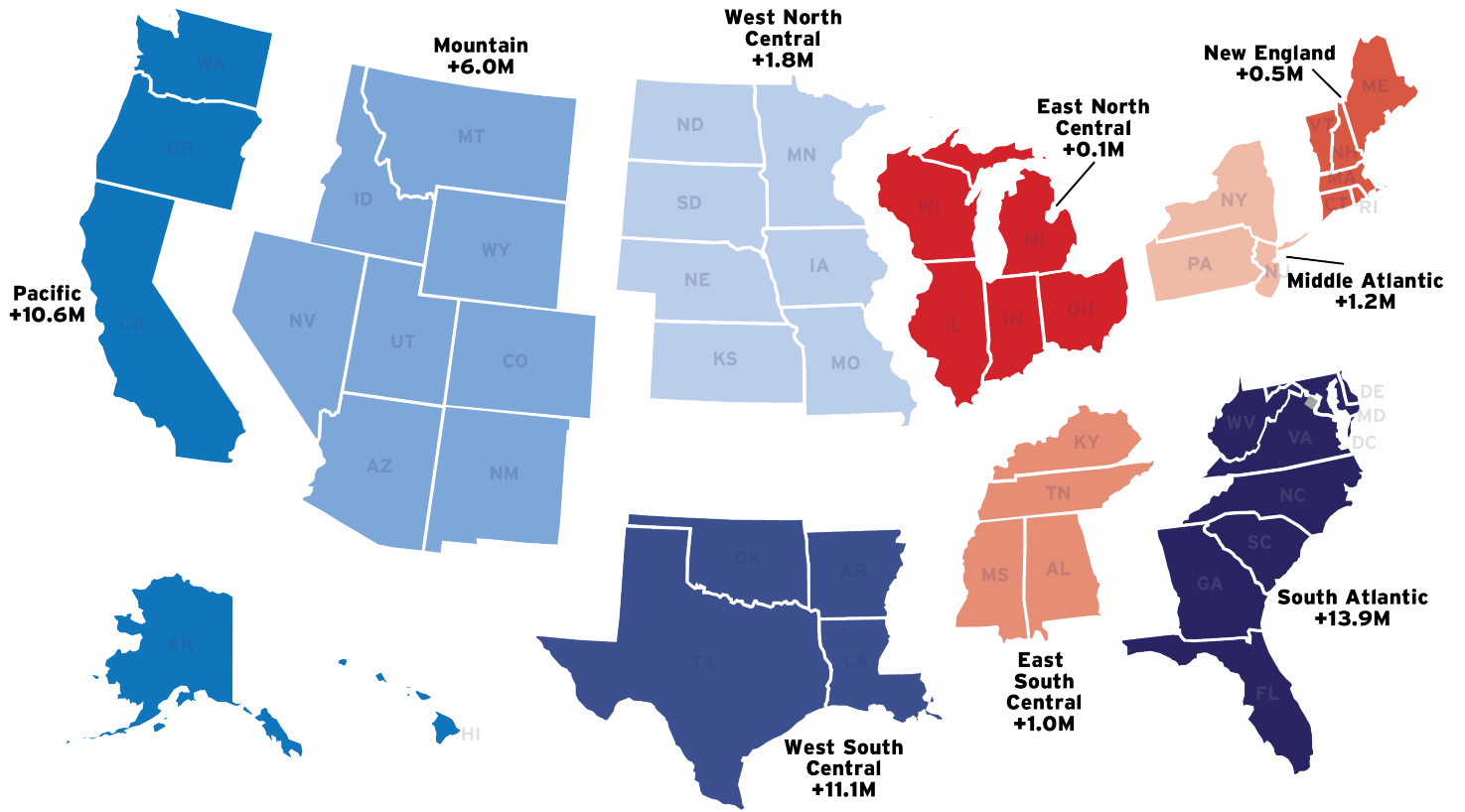
Thus, transportation, distribution, warehousing, and logistics operations are all expected to see even higher demand over the next two decades. This will be especially true in the Charleston tri-county region and the CMMC Navy Yard Industrial Campus, which is located by the Port of Charleston – the eighth largest container port in the United States and the port with the deepest harbor on the U.S. east coast.





Figure 2 – Population Growth Trends in the U.S.: 2022-2040

Source: U.S. Census Bureau and Weldon Cooper Center for Public Service





# The Current Economic Impact of the CMMC

As previously described, the current business activity at CMMC includes the ongoing operations of more than 35 on site companies. The complete tenant base of CMMC collectively employ approximately 1,811 workers, a majority of whom live in Charleston County and the surrounding tri-county region. All expenditures made towards wages and salaries to support this total employment volume, combined with all associated non-labor expenditures of each organization (e.g., capital equipment, professional services, ongoing maintenance, etc. . .) generate all direct economic impacts of the CMMC.

These direct impacts also lead to significant multiplier effects that make the total economic impact of CMMC far larger. The structural input-output models used in this analysis estimate impacts in terms of three specific measures: economic output, employment, and labor income.<sup>2</sup> Economic output reflects the dollar value of all final goods and services that can be attributed (directly or indirectly) to the tenants of CMMC. It can also be thought of as an aggregate measure of total spending activity that results from all of the CMMC tenants’ direct expenditures within the local economy. Because it includes all spending by consumers and businesses on both goods and services, it is an all-inclusive measure of the impact on total economic activity. Employment measures the total number of jobs associated with total economic output. Labor income reflects all employee compensation associated with total employment estimates, including wages, salaries, and benefits. **Table 1** below specifically highlights these estimates, revealing the current economic impact of CMMC on Charleston County.

**Table 1 – Annual Economic Impact of the CMMC Navy Yard Industrial Campus**  
*Charleston County*

	<b>ANNUAL EMPLOYMENT</b>	<b>ANNUAL LABOR INCOME</b>	<b>ANNUAL TOTAL IMPACT</b>
Direct Effect	1,811	\$150,565,952	\$629,703,117
Multiplier Effect	1,883	\$124,774,650	\$330,398,094
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<b>Total</b>	<b>3,694</b>	<b>\$275,340,602</b>	<b>\$960,101,211</b>

<sup>2</sup> All estimates are derived from customized proprietary economic models of the South Carolina economy as well as from the IMPLAN modeling software.







The 1,811 employees that work directly for CMMC tenants (along with all associated local non-labor expenditures) generate approximately \$629.7 million in annual economic output within Charleston County. This level of direct economic activity then subsequently leads to additional rounds of local spending activity – known as the multiplier effect – which totals approximately \$330.4 million in additional economic output for Charleston County along with 1,883 additional jobs. These multiplier effects reflect the increased demand for goods and services of local suppliers resulting from local expenditures on the part of the CMMC tenants as well as the additional local economic activity generated across all industries (e.g., retail, housing, healthcare, etc.) that results from employees spending their wages in the local economy. The combination of all direct effects and their subsequent multiplier effects leads to a total annual economic impact of approximately \$960.1 million, which supports a total of 3,694 total jobs in Charleston County each year. Looking more broadly, the economic impact of CMMC can also be examined for the tri-county region as well as for the state of South Carolina. These estimates are displayed in **Tables 2 and 3**.

**Table 2 – Annual Economic Impact of the CMMC Navy Yard Industrial Campus**

*Charleston Tri-County Region (Berkeley, Charleston, & Dorchester Counties)*

	<b>ANNUAL EMPLOYMENT</b>	<b>ANNUAL LABOR INCOME</b>	<b>ANNUAL TOTAL IMPACT</b>
Direct Effect	1,811	\$150,565,952	\$629,703,117
Multiplier Effect	2,376	\$143,364,717	\$408,322,899
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<b>Total</b>	<b>4,187</b>	<b>\$293,930,669</b>	<b>\$1,038,026,016</b>

**Table 3 – Annual Economic Impact of the CMMC Navy Yard Industrial Campus**

*South Carolina*

	<b>ANNUAL EMPLOYMENT</b>	<b>ANNUAL LABOR INCOME</b>	<b>ANNUAL TOTAL IMPACT</b>
Direct Effect	1,811	\$150,565,952	\$629,703,117
Multiplier Effect	2,504	\$151,092,507	\$430,332,733
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<b>Total</b>	<b>4,315</b>	<b>\$301,658,459</b>	<b>\$1,060,035,850</b>





Note that the total impact estimates of CMMC on the Charleston tri-county region and the state of South Carolina are larger than on Charleston County alone and that the increase in these impacts arise from higher multiplier effects. The total economic impact of CMMC increases by approximately eight percent to \$1.0 billion in the Charleston tri-county region, which supports approximately 4,187 jobs and \$293.9 million in labor income. This total economic impact increases by approximately 10 percent to \$1.1 billion for South Carolina as a whole, which supports approximately 4,315 jobs and \$301.7 million in labor income. Additionally, these results reveal that ***the ongoing business activity taking place at CMMC maintains an employment multiplier of 2.4 for the state of South Carolina. This means that for every 10 jobs that are created directly by the CMMC tenants, another 14 jobs, on average, are created elsewhere in the Palmetto State.*** This multiplier effect is significantly higher than that of the average industry in South Carolina, which is 1.7. This difference represents the extent to which future growth of the CMMC Navy Yard Industrial Campus has the potential to generate higher secondary employment gains in the local economy relative to similar expansions in other industry sectors.



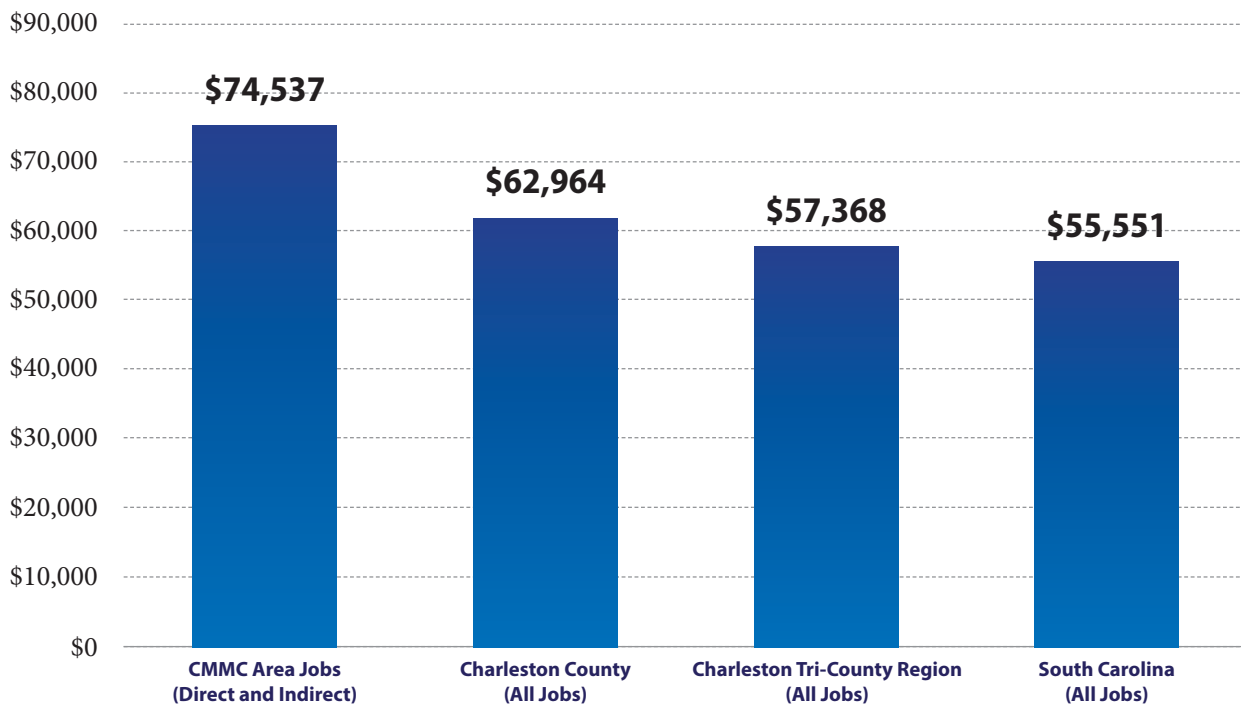




The estimates shown in **Tables 1-3** also reveal that CMMC supports the creation of high-wage, high-skilled positions that raise income levels within Charleston County. The average job supported (directly or indirectly) by all ongoing business operations within CMMC in Charleston County is estimated to pay an average annual wage of \$74,537. This represents a 18 percent wage premium over the average annual wage in Charleston County across all jobs, as **Figure 3** illustrates.

**Figure 3 – Average Wage Comparisons: CMMC Employment vs. South Carolina Regions**

*Note: Estimates Represent Average Wage Levels Across All Jobs*





# The Economic Impact of Future Expansions of CMMC

Between 2023 and 2030, many CMMC tenants are planning expansions in order to support the significant growth South Carolina is expected to experience across its manufacturing and logistics-related industry clusters in the coming decade as previously outlined. In sum, these tenants are projecting a total increase in business operations of more than 20 percent, which will – in turn – scale up direct employment from its current level of 1,811 to a total of 2,190. **Table 4** summarizes the projected annual economic impacts in Charleston County that would result following these expansions.

Table 4 – Projected Annual Economic Impact of the CMMC Navy Yard Industrial Campus in 2030  
*Charleston County*

	ANNUAL EMPLOYMENT	ANNUAL LABOR INCOME	ANNUAL TOTAL IMPACT
Direct Effect	2,190	\$182,075,889	\$761,485,271
Multiplier Effect	2,277	\$150,887,070	\$399,542,698
<b>Total</b>	<b>4,467</b>	<b>\$332,962,959</b>	<b>\$1,161,027,969</b>





Following the anticipated expansions, CMMC tenants are projected to directly employ 2,190 workers by the year 2030 that would generate approximately \$761.5 million in annual economic output within Charleston County. This level of direct economic activity would then subsequently lead to additional rounds of local spending activity totaling approximately \$399.5 million in additional economic output for Charleston County along with 2,277 additional jobs. The combination of all direct effects and their subsequent multiplier effects leads to a total annual economic impact of approximately \$1.1 billion, which supports a total of 4,467 total jobs in Charleston County each year. The economic impact of CMMC's expansion can also be estimated for the Charleston tri-county region and for the state of South Carolina, both of which are displayed in **Tables 5-6**.

**Table 5 – Projected Annual Economic Impact of the CMMC Navy Yard Industrial Campus in 2030**  
*Charleston Tri-County Region (Berkeley, Charleston, & Dorchester Counties)*

	<b>ANNUAL EMPLOYMENT</b>	<b>ANNUAL LABOR INCOME</b>	<b>ANNUAL TOTAL IMPACT</b>
Direct Effect	2,190	\$182,075,889	\$761,485,271
Multiplier Effect	2,873	\$173,367,604	\$493,775,344
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<b>Total</b>	<b>5,063</b>	<b>\$355,443,493</b>	<b>\$1,255,260,615</b>

**Table 6 – Projected Annual Economic Impact of the CMMC Navy Yard Industrial Campus in 2030 Area**  
*South Carolina*

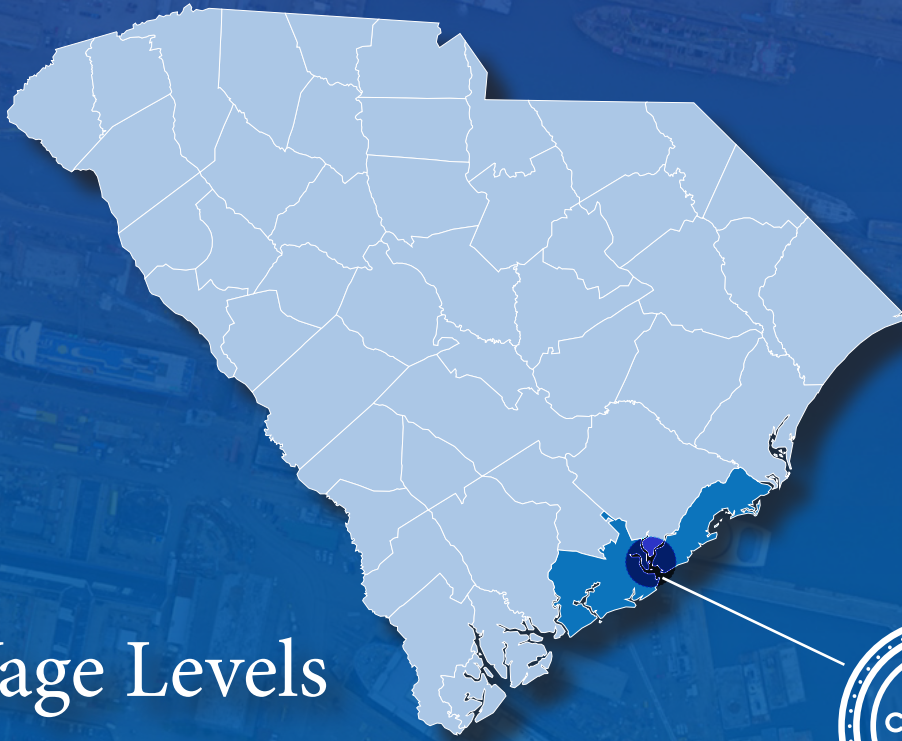
	<b>ANNUAL EMPLOYMENT</b>	<b>ANNUAL LABOR INCOME</b>	<b>ANNUAL TOTAL IMPACT</b>
Direct Effect	2,190	\$182,075,889	\$761,485,271
Multiplier Effect	3,028	\$182,712,639	\$520,391,322
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<b>Total</b>	<b>5,218</b>	<b>\$364,788,528</b>	<b>\$1,281,876,593</b>

As with the current impacts of CMMC previously displayed in **Tables 2-3**, the projected future economic impacts of CMMC on the Charleston tri-county region and the state of South Carolina are also larger than on Charleston County alone and this increase once again arises from higher multiplier effects. The total annual projected economic impact of CMMC increases to \$1.2 billion in the Charleston tri-county region, which is expected to support approximately 5,063 jobs and \$355.4 million in labor income. This total economic impact increases further to nearly \$1.3 billion for South Carolina as a whole, which would support approximately 5,218 jobs and \$364.8 million in labor income.

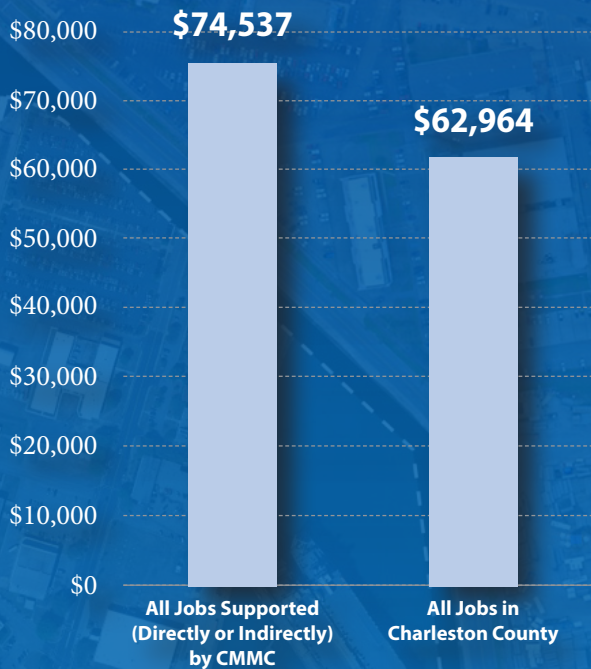


# Charleston County

## Annual Economic Impact



### Avg. Wage Levels



**\$960.1 Million**  
Total Annual Economic Impact



**3,694**  
Total Jobs Created



**\$275.3 Million**  
Total Labor Income



**NAVY YARD**  
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Commissioned by:



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Prepared by:

Joseph C. Von Nessen, Ph.D.

Research Economist

Darla Moore School of Business

University of South Carolina

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**South Carolina**

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