

# THE SCANA LETTER

A Fresh Look at Economic Development  
from SCANA Corporation

*Power for the Way You Work*

July 2007 Unemployment	N. Carolina 5.0%	S. Carolina 5.9%	National 4.6%
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Third Quarter 2007

Dear Allies:

The Carolinas continue to enhance their progressive, pro-business environment and gain recognition as an increasingly attractive destination for big business. This quarter:

## Around South Carolina

**South Carolina Cities Deemed a Business Magnet:** In a research study by the National Policy Research Council and *Expansion Management* magazine, **Columbia, Charleston/North Charleston, Myrtle Beach and Greenville/ Spartanburg were ranked among the top metros and South Carolina was the number four ranked state for business recruitment and attraction.** The study looked at the facility relocation activity of 19 million companies during the past eight years to determine the most popular destinations for relocating businesses.

In its 2007 annual rankings report, *Business Facilities* magazine rated **South Carolina as one of the top 10 states for automotive manufacturing growth and for low labor costs.** BMW and Daimler-Chrysler have production facilities in the state, as well as major auto suppliers Bridgestone-Firestone and Michelin.

**Vehicles were one of South Carolina's top 10 export industries.** Other exports that brought South Carolina's 2006 export total to over \$13.6 billion included machinery, plastics, rubber, organic chemicals, paper, wood pulp, cotton yard and fabrics. The fastest growing export product sectors were aluminum, iron, steel, optics and medical instruments and paper/paperboard. **South Carolina exports to more than 150 countries around the world.** In a recent visit to the Port of Charleston, U. S. Commerce Secretary Carlos Gutierrez stated that **international trade generated \$23 billion for South Carolina's economy in 2006.**

South Carolina Governor Mark Sanford joined business leaders from around the state in June to sign into law a **comprehensive workers' compensation reform package that is expected to increase the state's global competitiveness and improve the business climate.** Initial projections are that costs savings will be in the 1-2 percent range. South Carolina also designated **\$3 million in matching funds to the state's six regional economic development alliances** and the South Carolina member counties of the Charlotte alliance.

Charleston has been named the "Best Big City" on the East Coast by *Outside* magazine, in a ranking of best places to live. In "The New American Dream Towns," *Outside* commended Charleston on its "sizzling" economy, its culture and its "sense of place and charm."

Charleston again has been honored as one of the "Top Cities in the United States & Canada," according to *Travel & Leisure* magazine's 10th annual World's Best poll. Charleston joins New York, San Francisco, Santa Fe, Seattle and other popular cities on the magazine's list of 2007's 10 best destinations in the United States and Canada.

*Bizjournals*, an online publisher of national business news, ranked **income growth in the Charleston region as 5th best in the nation**. The study analyzed 25 years of federal income data for the nation's 100 major metropolitan areas. The **income growth may be attributed to the influx of companies** in the Automotive, Advanced Security, Aerospace, Bioscience and Creative clusters **attracted by Charleston's talented workforce**. Brian Keighley, Plant Manager, Cummins Turbo Technologies, says "the quality of the workforce has been outstanding" in Charleston. Andrew Roskill, managing director of BookSurge, an Amazon.com affiliate, says that BookSurge has been "able to hire some of the best and brightest people in the world right here in the Charleston area."

#### North Carolina Perspectives

North Carolina passed a new law, Article 3J Tax Credits for Growing Businesses, **streamlining regulations and expanding the types of businesses that are eligible for tax credits for job creation** and certain types of investments.

North Carolina's biotechnology sector is thriving. Ernst & Young rated North Carolina third in the nation in the number of **biotech and life sciences companies for the third consecutive year**. In its 2007 annual rankings report, *Business Facilities* magazine rated **North Carolina as one of the top 10 states for overall biotechnology strength**. Research Triangle Park is the leading biotech employer, but over 350 bioscience companies employ 48,000 people across the state.

The Charlotte/Douglas International Airport is the **fastest-growing airport in the U.S.**, growing 13 percent in the six months ending February 2007 over the same period last year, and beating out New York's Kennedy airport for the top position.

Charlotte was named a **City of the Future** by The Financial Times group's *fDi* magazine. The magazine evaluated 108 major, large, small and micro cities. **Charlotte finished first in the U.S. in economic potential**, third in best development and investment promotion and fifth in human resources. **Charlotte was also named as the number one city for most educated workforce** in *Business Facilities* magazine's 2007 annual rankings report.

Forbes.com named the **Raleigh-Cary metropolitan area as the nation's number-one city for jobs**, up from number seven last year. **The City of Hickory was picked as All-America City for the third time by the National Civic League**, which also included the City of Clinton in its 2007 All-America City awards. The All-America City award is the oldest

and most prestigious civic recognition competition in the United States and is awarded to those communities that have demonstrated successful resolution of community issues. Only 10 cities are selected each year. The City of Hickory was awarded based on its establishment of a collaborative partnership among seven local universities and colleges to **"enhance the educational attainment of residents as well as the economic development of the Hickory region"** in a "quick and direct response by Hickory area leaders" to economic downturns in the early 2000s.

### The Southeast and Beyond

**According to GCX Global Corporate Xpansion magazine** in "Automotives' Southern Comfort," **experts attribute the surge in the automobile industry in the South** to factors such as the **beneficial economies of scale created by the cluster of auto assembly plants and thousands of auto parts suppliers**, persuasive incentive packages, low to non-existent unionization, favorable weather, lower taxes, reduced cost of living, cost-effective intermodal transportation network and the attractive quality of life **attributes in the region as well as the fact that ground-up construction of new facilities in the South is more efficient than reconfiguring older plants in the Midwest and Northeast.**

**The Southeast leads in work force training programs. Nearly all of the Top 10 States for Work Force Training Programs** in *Expansion Management's* poll of corporate site consultants, June 2007, **were located in the Southeast.** Leading the list was Georgia, which has been ranked No. 1 three times since 1999, but also included in the top ten: South Carolina, North Carolina, Alabama, Florida, Kentucky, Tennessee, Virginia, Maryland and Texas.

### Energy News

**SCANA Corporation was designated a 2006 Top Utility Company for outstanding economic development achievements** by *Site Selection* magazine, the official publication of the Industrial Asset Management Council. Four benchmarks were used to gauge U.S. utilities' ability to foster corporate investment in their territories: capital investment, job creation, capital investment per capita and jobs created per capita.

**Innovative strategies used by SCANA Corporation to compete for new industrial projects**, such as locating new industry in vacant facilities, as well as **successful competition for business expansions** thrust SCANA to the top of *Site Selection's* annual rankings. "This validates the hard work done by SCANA's economic development team and our economic development partners," said Harry Busbee, SCANA's manager of economic development and local government.

**South Carolina passed the Base Load Review Act**, a law allowing utilities to recover finance costs for new plants during construction. The new law will lower the cost of construction for new electric generation plants, **saving South Carolina power customers hundreds of millions of dollars.**

**Southeastern Power Punch:** The Southeast already leads the nation in providing low-cost, reliable energy and, according to *Site Selection* magazine (July 2007), **the Southeast is now leading the resurgence in clean, in-expensive nuclear energy.** Half of the 28 new nuclear reactor units expected to file for NRC construction permits through 2009 are in the Southeast. Duke Power is considering **a new reactor in Gaffney, S.C.** and **SCANA Corporation, with partner Santee-Cooper, is considering one or two new reactors in Jenkinsville, just north of Columbia, S.C.**

**Low-cost power won't be the only benefit for these projects. Nuclear work projects provide a huge economic development boost,** both during and after construction. They increase tax base and provide a large number of high-paying jobs. "These are some of the best paying jobs and highest intensity of work projects you could have," says Jack A. Bailey, VP, TVA Nuclear.

#### SC Announcement Highlights

- **Bridgestone-Firestone** announced new expansion plans for its Aiken County plant, doubling a previous expansion announcement last year, and upping its total investment to \$477 million.
- **BMW** celebrated its one millionth vehicle made in Spartanburg County.
- **Google** announced plans to build a \$600 million data center on a 520-acre site in Berkeley County, near Charleston.
- **Mediterranean Shipping**, 2<sup>nd</sup> largest container carrier in the world, announced it will double existing employees and square footage and locate corporate headquarters in Charleston County.
- **Michelin North America** is investing \$350 million to improve and expand its manufacturing plants in Anderson, Greenville, Lexington and Spartanburg counties over the next four years.
- **Otis Spunkmeyer** announced expansion plans for their Lexington manufacturing plant and extended their property lease 20 years.
- **Starbucks Coffee Company** announced its intention to build a new 150,000 square foot roasting plant in Calhoun County.
- **Vought Aircraft Industries, Inc.** opened its 787 Dreamliner fuselage manufacturing and assembly plants in Charleston County.

Best to you,



Sharon K. Dovell, Editor



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SCANA, headquartered in Columbia, South Carolina, is an energy-based holding company that works in partnership with the S.C. Department of Commerce, regional alliances and site selection consultants to assist with relocations and expansions in the Carolinas. We provide natural gas to more than 1.2 million customers in Georgia, South Carolina and North Carolina and electricity to approximately 633,000 customers in South Carolina. Please visit us on the Web at [www.scana.com](http://www.scana.com) or call us at 803-217-9005.

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