

THE SCANA LETTER

A Fresh Look at Economic Development
from SCANA Corporation

Power for the Way You Work

March 2009 Unemployment	N. Carolina 10.8%	S. Carolina 11.4%	National 8.5%
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First Quarter 2009

Dear Allies:

One economic development organization is taking a unique and positive approach on the current economic situation. Comparing riding out the downturn to riding on a child's swing, their advice is to "lean back a little farther, pump a little harder and hold on a little tighter. It's the only way you can ride it back to the top." Here's more on others who are "still swinging":

Around South Carolina

South Carolina made the top 10 in *Chief Executive* magazine's CEO survey of best U.S. states for jobs and business growth. Six other Southern states, North Carolina, Texas, Florida, Georgia, Tennessee and Virginia, also made the list.

Orangeburg, S.C. made *Area Development* magazine's "Top 10 Emerging Logistics Locations" list. The Port of Charleston, along with the Port of Savannah, made the magazine's "Top 10 Port-Related Intermodal Sites" list.

For the fifth year in a row, South Carolina made the top 10 in Pollina Corporate Real Estate Inc.'s "Top 10 Pro-Business States" study. South Carolina was ranked fourth. Neighboring states North Carolina and Georgia also ranked in the study as first and seventh, respectively. The study examines 29 state controlled factors relative to states' efforts to be pro-business.

Pollina stated that the clear winners in this year's "Top 10 Pro-Business States" study are North Carolina and South Carolina, which "ranked consistently high in both sets of factors" and that the states "in particular should be commended for creating an extremely balanced environment in which their businesses can thrive." **Pollina also said that South and North Carolina have managed to develop some of the best programs in the country and are "prime examples of how economic development should be done."**

According to the "2009 Break Away South Carolina" report, **South Carolina improved rankings in four out of six benchmarks, affirming long-term growth trends. South Carolina's long term growth rate is 10th fastest in the nation.** The report finds the state also places fifth in the nation in research and innovation, including university

spinoffs, up from twenty-sixth place last year. **Business costs and labor costs are getting lower and South Carolina is also doing well in other areas**, such as energy costs, business taxes and tax structure, low healthcare premiums, malpractice costs and cost of living according to the South Carolina Department of Commerce report.

The South Carolina Department of Commerce also reports that **foreign direct investment accounts for 26 percent of jobs and 44 percent of capital investment recruited to South Carolina in 2008.**

In March, the **Crane Co.** announced it **is consolidating its North American vending operations into its Dixie-Narco facility in Williston** (Barnwell County), S.C. The deal has the potential to **increase employment at the facility by 1,000 jobs** over the next five years. **The company will invest \$20 million in the project.**

South Carolina made the Carbon Motors Corp. Carbon E7 patrol vehicle project short list. Carbon Motors estimates **the project will create 10,000 jobs** and short-listed both Greenville and Spartanburg, S.C. and cities in two other Southern states - Georgia (cities of Braselton and Pooler) and North Carolina (Charlotte).

North Carolina Perspectives

North Carolina scored second in Site Selection's "Top States with Most Top Micros" list. The state had 14 top-performing micros, including **Statesville-Mooresville, which placed first in the Top Micro list with 17 projects.** (Micros are cities with populations under 10,000.) **South Carolina also made the "Top States with Most Top Micros" list, having five top-performing micros.**

North Carolina placed fifth in Site Selection's 2008 Governor's Cup, which recognizes the states with the most new or expanded capital projects based on Conway Data Inc.'s New Plant Database. North Carolina had 245 projects in 2008. **The Charlotte-Gastonia-Concord area tied for 10th place by number of projects** in the "Top Metros with Population Over 1 Million" survey.

Market Watch, a subsidiary of Dow Jones and Co., named Charlotte, N.C. as sixth best metro in the U.S. for business.

Swiss electric utility components manufacturer **ABB announced it is relocating its North American headquarters from Connecticut to Cary, N.C.** Also expanding in Cary is SAS, a provider of business intelligence and analytic software and services. **SAS already employs more than 4,000 employees in the city and is planning to build a \$70 million, 38,000-square-foot "cloud computing center."**

The Southeast and Beyond

The South region led all U.S. regions with 14 percent of total new domestic projects in *Area Development* magazine's 23rd Annual Corporate Survey. Twenty-six percent of new domestic projects were located in the South and Southeast regions combined. Also, according to the magazine's 5th Annual Consultant's Survey, **34 percent of U.S. projects that consultants are working on are located in Southern regions (South, Mid-South and South Atlantic).**

Texas is a bright star in today's dark economic times, seeing a 14 percent increase in exports in 2008 and retaining its position as the nation's top exporter for another year. Texas also finished 2008 with the largest net job gain (20,000 jobs). The City of Houston captured Site Selection's No. 1 metropolitan ranking for 2008 corporate facility projects and was listed as the No. 1 metropolitan area for growth in private sector employment according to the U.S. Bureau of Labor Statistics.

Tennessee landed its third mega-project in eight months when Wacker Chemie AG, a German chemical giant, announced plans to build a **polysilicon plant that will supply materials for the solar industry.** The other two mega-projects were Volkswagen and Hemlock Semiconductor.

The South dominated Trade & Industry Development's fourth annual Corporate Investment and Community Impact (CiCi) Awards, winning 10 out of the 15 Corporate Investment projects and eight of 15 Community Impact projects. Two projects each in North and South Carolina and one in Georgia made the awards list.

Low taxes in the South. No Southern states made the top 10 ranking of states with the highest total tax burden according to the Bureau of Economic Analysis. The Northeast states of New Jersey, New York and Connecticut topped the list, while several Southern states landed places near the bottom.

According to a report from the Center for Budget and Policy Priorities, **strong support for economic development programs continues and incentive funds are available** in most places for viable projects in genuine need even though many state and local budgets are facing deficits.

Energy News

Next generation energy is projected to pull the South and the U.S. as a whole out of this recession in a huge way, according to Southern Business & Development. Twenty-five of the 50 largest capital investments made in the South during 2008 were energy related. They included new nuclear and coal-fired electric power plants, gasification plants, coal-to-liquid facilities, refineries and wind, biomass, biofuel and solar generation projects.

The Energy Information Administration projects an increase of nearly 12 gigawatts of nuclear capacity coming on line through 2030.

South Carolina Electric & Gas Company received approval from the South Carolina Public Service Commission on its plans to build two new 1,117 megawatt nuclear power units at the existing V.C. Summer nuclear plant site near Jenkinsville, South Carolina. SCE&G will own a 55 percent share of the plants; Santee Cooper will own the remaining 45 percent.

According to the United States Department of Energy, **wind energy is among the fastest growing energy technologies in the United States,** accounting for 42 percent of all new energy generation capacity. DOE recently announced plans to provide \$93 million from the American Recovery and Reinvestment Act to further support wind energy.

Sound Bites & Factoids

In a tough economy with rising unemployment, more people turn to entrepreneurship. That's where business incubators and "accelerators" heat things up for green tech, clean tech, medical devices, alternative energy, water resource technologies and other potential businesses.

"When I came here talking about incubators, they thought I was talking about the chicken-breeding program. Now it's the largest [business] incubator in the state. They know we start companies and create jobs," says Joel Stevenson, "serial entrepreneur" and director of the Columbia Technology Incubator in South Carolina.

Did you know?

- According to the National Business Incubation Association, as of October 2006, there were more than 1,400 business incubators in North America (1,115 in the U.S. alone), up from only 12 in 1980.
- About 90 percent of the business incubators in North America are non-profit organizations, including 25 percent sponsored by academic institutions, 16 percent sponsored by government entities and 15 percent by economic development organizations.
- Nearly half (47 percent) of North American incubators are "mixed-use," meaning they assist a variety of different types businesses; 37 percent focus on technology businesses.
- NBIA estimates that every 50 jobs created by an incubator client generate approximately 25 more jobs in the same community.
- According to NBIA research, 87 percent of all firms that have graduated from their incubators are still in business.
- NBIA members have reported that 84 percent of incubator graduates stay in their communities after they leave their incubators.
- Publicly-supported incubators create jobs at a cost of about \$1,100 each, whereas other publicly-supported job creation programs cost more than \$10,000 per job created.

Best to you,



Sharon K. Dovell, Editor



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, local communities 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 South Carolina, North Carolina and Georgia and electricity to approximately 650,000 customers in South Carolina. Please visit us on the Web at www.scana.com or call us at 803-217-9005. Send address changes and subscription requests to sdovell@scana.com.
