

# THE SCANA LETTER

A Fresh Look at Economic Development  
from SCANA Corporation

*Power for the Way You Work*

December 2009 Unemployment	N. Carolina 10.9%	S. Carolina 12.4%	National 10.0%
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Fourth Quarter 2009

Dear Allies:

The year 2010 is expected to be favorable for the driving force of economic development - the manufacturing industry - and the South continues to land new business:

## Around South Carolina

The South Carolina Department of Commerce is the winner of *Business Facilities* magazine's **2009 Deal of the Year Gold Award** for landing **Boeing's second 787 final assembly site**. The Boeing announcement topped the list as the **largest manufacturing job announcement in the South** in the fourth quarter of 2009, according to *Southern Business & Development* magazine. Boeing is expected to eventually **bring nearly \$7 billion dollars in economic activity to the state and create more than 12,000 direct and indirect jobs**.

**South Carolina is home to more than 100 aerospace-related companies, including giants Lockheed-Martin, Honeywell, General Electric and Michelin Aircraft Tires.**

*Business Facilities* magazine ranked **South Carolina the third strongest state in the U.S. for automotive manufacturing growth** [from *Trade & Industry Development*]. **South Carolina is home to over 200 automotive related assemblers and suppliers**, including major manufacturers such as BMW, Michelin, Milliken (automotive textiles), Daimler, Freightliner and Bridgestone Firestone.

The **Sumter Development Board** and its private-sector arm, the **Sumter Smarter Growth Initiative**, received **five communication awards**, including the Special Judge's Award, from the Southern Economic Development Council. SSGI Chairman Jay Cox said the awards show **Sumter's development efforts are cutting edge**. SEDC members include economic development professionals from a broad spectrum of private and public organizations in 17 Southern states.

The Brookings Institution MetroMonitor ranked **Columbia as the fourth strongest metropolitan area in economic recovery during the third quarter of 2009**. Charleston ranked 45th and Greenville ranked 28th. Brookings considered performance across four areas in

developing its rankings - **employment, real housing price, unemployment rate and gross metropolitan output.**

The **City of Columbia made the top 10** in a recent ranking published by MSN Real Estate of Bert "Sperling's Best Places." Sperling picked the **10 most livable areas** out of the 100-largest metros. **Unemployment rates, housing affordability, commuting time and cultural amenities** were some of the factors considered by Sperling.

#### North Carolina Perspectives

**North Carolina made the Forbes.com top 10 in the "Best State for Business" list.** Forbes took in consideration **quality of life, labor and regulatory environments, the cost of doing business and workforce,** and other factors. Virginia topped the Forbes list for the fourth consecutive year.

**Recent new and expanding business announcements in North Carolina** includes manufacturers Electrolux, Talon Systems, SANS Technical Fibers LLC, ACW Technology, Celgard LLC, Solaris Industries Inc. and Reser's Fine Foods. Combined, these are expected **to bring over 1800 jobs** to the state. **North Carolina is the seventh largest state for manufacturing** as measured by percent of total state GDP, according to a N.C. Chamber report.

**Durham and Raleigh-Cary made the top 10 list of "Best Performing Cities"** in the 2009 Milken-Greenstreet Real Estate Partners' study, which ranked U.S. metros by how well they create and sustain jobs and economic growth.

#### The Southeast and Beyond

**Manufacturing production growth in 2010 is forecasted to be a favorable 2.5 percent,** according to *Manufacturing Industry Trends*, Butler International [from *Trade & Industry Development*].

**Eight of the top 10 states with the best business climates are Southern states,** according to *Site Selection's* annual state business climate ranking, which is based on a survey of corporate real estate executives. **North Carolina was No. 1; South Carolina, Georgia, Texas, Virginia, Tennessee, Alabama and Kentucky also made the list.**

**Atlanta was one of the hottest markets in the South in 2009,** scoring NCR and First Data headquarters relocations; however, the **city is now facing a 24 million square foot glut of empty office space** that could take 10 to 15 years to fill, according to *Southern Business & Development*.

**Owning corporate real estate will become more advantageous than leasing,** forecasts Thomas Jirovsky and Ross Selvidge of CBRE Global Research & Consulting. Possible changes to Financial Accounting Standard 13 (capitalizing operating leases and affecting income statements), high office cap rates, as well as falling building values and rising rents, will contribute to this changing dynamic.

## Energy News

The government's **multi-billion dollar "energy push" is reinvigorating 17 giant U.S.-funded research facilities**, according to *Wall Street Journal*. **Labs are ramping up** to develop new electricity sources and build more efficient cars. DOE Office of Science funding has increased 18 percent, to \$4.76 billion, and it is slated to receive \$1.6 billion in stimulus money, much of which it will channel to the labs.

Beginning March 31, a total of **\$3.9 million in rebates will be available to South Carolina residents who purchase Energy Star appliances**. Rebates are offered through the S.C. Energy Office. **Georgia consumers also can earn rebates** from \$25 to \$199 under the Georgia's Energy Efficient Appliance Program for Energy Star and other qualified energy saving household appliances, refrigeration, space heating and cooling and water heating units, reports the *Atlanta Journal-Constitution*. Buyers may be able to save beyond the appliance rebates with federal tax credits. The **rebate programs help consumers save on the purchase price and lower their utility bills** each month - and **may spur both energy efficiency and appliance sales**.

The **first recipient** in the \$18.5 billion **nuclear loan guarantee program** authorized by Congress in 2005 was announced. **Southern Company** was offered an \$8.3 billion loan guarantee for two new reactors at the company's Vogtle nuclear power plant in Georgia. **Similar loan deals for other nuclear power plant projects are expected to be announced in the future**. **SCANA's V.C. Summer project, Constellation Energy Group's Calvert Cliffs project in Maryland and NRG Energy's project in South Texas are the other top applicants**. The administration also asked Congress to triple funding for the loan guarantee program to \$54 billion.

**SCANA's V.C. Summer Nuclear Station received an evaluation of "excellent" from the Institute of Nuclear Power Operations**. INPO conducts comprehensive evaluations of all nuclear plants in the nation, comparing plant performance to **standards of excellence that emphasize nuclear safety and plant reliability**. Serving as the watchdog for the nuclear industry, the INPO evaluation team examines every aspect of nuclear operations. **"I am proud of this accomplishment because it speaks volumes about how well the V.C. Summer team works together** with a common goal of running our plant safely and reliably," said Jeff Archie, senior vice president of SCANA's nuclear operations.

**On manufacturing in the United States:**

*"We have let manufacturing decline to a level that is simply unacceptable and we have to roughly double it from here..."* - Leo Hindery, Jr., businessman, author and Managing Partner of InterMedia Partners.

**Did you know?**

- Manufacturing outperforms other industries in compensation, with salaries averaging more than \$65,000 per year.
- There are close to 790,000 manufacturing employees in North and South Carolina (2008).
- The U.S. is still the world's largest manufacturing economy, producing \$1.6 trillion in goods annually.
- The U.S. is the world's second-largest exporter; manufacturing accounts for more than 60 percent of American exports.
- Productivity in U.S. manufacturing increased by over 90 percent in the last two decades.
- Prior to WWII, manufacturing was about 35 percent of the U.S. economy; now it is less than 12 percent of GDP and less than 9 percent of employment.
- A survey of 800 manufacturers by the National Association of Manufacturers showed that 90 percent are experiencing a shortage of skilled production workers.
- Every job in manufacturing creates approximately three more jobs in related areas like retail and distribution.

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, 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 655,000 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. Send address changes and subscription requests to [sdovell@scana.com](mailto:sdovell@scana.com).

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