

# THE SCANA LETTER

A Fresh Look at Economic Development  
from SCANA Corporation

*Power for the Way You Work*

June 2009 Unemployment	N. Carolina 11.0%	S. Carolina 12.1%	National 9.5%
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Second Quarter 2009

Dear Allies:

Economists are cautiously predicting a turnaround in the national economy as soon as the last quarter of 2009. In the Southeast, some areas are definitely struggling in this recession, but others are thriving:

## Around South Carolina

**South Carolina is named as one of the top places for economic development and innovative job creation for 2009.** *Area Development* magazine honored the state with a **Silver Shovel Award**, recognizing South Carolina's continued support of its "long-established core industries as it builds its high-tech industries such as biotech, alternative energy, IT and telecommunications." **The ten projects cited in the award, including the Shaw Industries expansion and the new Monster project, are expected to create over 5,700 jobs for the state.**

**South Carolina is ranked 2<sup>nd</sup> in *Southern Business & Development* magazine's 2009 "SB&D 100."** The SB&D 100 includes the top 100 job announcements and the top 100 investment projects in the South the previous calendar year. PPM points (points per million residents) are assigned to projects of 200 jobs or more and/or \$30 million or more in investment. South Carolina earned 245 points for 2008, up from 165 in 2007, a **"serious increase in new deals from one year to another,"** according to SB&D's Michael C. Randle. **South Carolina is one of the states with "out of the ordinary, uncommon, even incredible performances in job and investment generation"** based on its efforts to pull in new jobs to replace those lost.

**Exports from South Carolina totaled more than \$19.8 billion in 2008, increasing 19.65 percent from 2007.** South Carolina is **ranked third in the Southeast** and 18 out of 54 of all U.S. states and territories for export activity, according to *SCBiz* magazine, citing recent reports from the S.C. Department of Commerce and the S.C. State Ports Authority. Aircraft and spacecraft led the export growth, followed by the iron and inorganic chemicals sectors. Germany remains South Carolina's top export market.

**SCSPA and Mediterranean Shipping Company, the world's second-largest container carrier, signed a five-year extension to MSC's contract, extending port service to the carrier through 2017.**

**South Carolina ports generate 260,800 jobs and make a \$44.8 billion impact on the state economy**, according to a recent report sanctioned by the SCSPA.

**Food Lion broke ground on South Carolina's first "green" grocery store. The chain is seeking a silver LEED certification** from the U.S. Green Building Council for the new supermarket, which is **slated to open later this year in Columbia**. Kyle Mitchell, vice president of store development, said the new store "will reduce energy costs by more than 20 percent compared to a typical supermarket as well as conserve 44 percent more water than other Food Lion stores" [as quoted in *The Business Journal*]. The new Food Lion will feature an on-site recycling center, skylights for natural lighting and preferred parking for hybrid vehicles.

#### North Carolina Perspectives

**Charlotte and Fayetteville are defense industry magnets. Charlotte is home to a "growing concentration" of defense related companies**, including four of the nation's top ten defense contractors, according to *Expansion Solutions* magazine. Defense companies, such as General Dynamics, Northrop Grumman, Curtiss-Wright Controls, Michelin Aircraft and Goodrich Corporation, are helping to make **Charlotte the center of the nation's fourth largest manufacturing concentration**.

Fayetteville is home to Pope Air Force Base and Fort Bragg. **Two major Army commands, the U.S. Army Reserve Command and U.S. Army Forces Command, are relocating to Fort Bragg** by September 2011 as a result of Base Realignment Commission decisions, according to *Trade & Industry Development*. **Fort Bragg** will then have approximately 100,000 permanently stationed troops, will have all the Army procurement decision-makers, and **will likely become the largest Army post in the nation. An additional 40,000 military, civilian and contractor jobs are expected to be added in the area.**

**The Greater Statesville Development Corp. and the Mooresville-South Iredell Economic Development Corp. were cited as two of the best economic development groups in the U.S.** by *Site Selection* magazine. Due to the development groups' efforts, **Statesville-Mooresville has been ranked by the magazine as the first or second micropolitan in the nation for corporate project activity 10 years out of the last 11.** *Site Selection* selects the top groups based on factors such as total and per capita capital investment and jobs created as well as the contributions of the organizations in attaining those numbers.

**North Carolina is one of the North American leaders in private-sector life sciences facility development**, according to the Conway Data New Plant Database. The state's four qualifying life sciences projects since the beginning of 2008 earned it a top ten position on Conway Data's list.

## The Southeast and Beyond

**Georgia, North Carolina, Arkansas, Alabama, Virginia and Indiana, as well as South Carolina, received 2009 Silver Shovel Awards, and Tennessee received the 2009 Gold Shovel Award** by *Area Development* magazine. The awards recognize states and regions for positive economic impact and success in job creation.

**Louisiana received its second "State of the Year" award in three years** from *Southern Business & Development*, based on the magazine's 2009 "SB&D 100" rankings of job announcements and project investments. Louisiana had 38 qualifying projects. **Tennessee, with 37 qualifying projects, including SB&D's "2008 Deal of the Year" (Volkswagen), shared this top honor.**

**CB Richard Ellis Group Inc. has enrolled 225 office buildings** in the U.S. Green Building Council's Leadership in Energy and Environmental Design - Existing Building program. According to *Earthtimes*, **CBRE now ranks as the biggest third-party manager of buildings in the LEED program.** The properties CBRE has enrolled in LEED-EB are owned by more than 55 corporations and investors in 21 states.

**Americans and jobs are moving from high-income tax states to low-tax states.** A new study completed by Arthur Laffer, Laffer Associates, and Stephen Moore, senior economics writer for *Wall Street Journal*, found that, between 1998 and 2007, **more than 1,100 people moved daily away from the nine highest income-tax states**, which include California, New Jersey, New York, Illinois and Ohio. The study also found **no-income tax states created 89 percent more jobs than their high-tax counterparts.**

## Energy News

The discovery of new, abundant and inexpensive natural gas deposits in the U.S., an inadequate transmission grid and difficulty in securing financing is **slowing investment in renewables such as wind farms and solar energy projects**, according Keith Johnson of the *Wall Street Journal*. Johnson noted that **utilities could run or build natural-gas-fired power plants for far less money** than the cost of building wind or solar facilities or buying their generation.

**Of the 50 largest capital investments made in the South during the recession year of 2008, exactly half were energy related.** Even more, the top 10 capital investment projects made in the South in calendar year 2008 were all energy related, according to *Southern Business & Development* magazine [correction].

**The U.S. Department of Energy approved North Carolina's \$75.9 million energy plan**, which will be funded through American Recovery and Reinvestment Act funds. The goal of the energy plan is **to improve energy efficiency, promote greater use of renewable energy resources and create more green jobs.** Mississippi's energy plan was also approved.

## Sound Bites & Factoids

**Sometimes it is hard to see the forest for the trees [falling]. Big picture: in the midst of a recession, it's important to keep in mind there will be a turnaround eventually - and that you need to be prepared for it. Infrastructure projects can provide jobs and prepare for a better future.**

*"America thinks infrastructure is pork barrel. But road, sewers, airports, ports ... all these things are necessary. They help the business community move their goods." - Richard M. Daley, Mayor, City of Chicago.*

### **Did you know?**

- Infrastructure includes gas and electric transmission, water, sewer, schools, transportation networks to include airports, ports, streets and railroads, as well as fiber networks to support information and communication technology.
- ARRA allocates \$150 billion investment towards new infrastructure funding, enacting the largest increase in funding for U.S. roads, bridges and mass transit systems since the creation of the national highway system in the 1950s.
- ARRA provides for \$4.5 billion to modernize the electric grid and \$6 billion for rapid deployment of renewable energy and electric transmission projects.
- Information and communication technology infrastructure is critical to attract tech-based businesses; state and federal funding is critical for ICT development in rural areas.
- The Departments of Commerce and Agriculture anticipate receiving up to 10,000 applications for their combined \$7.2 billion in ARRA broadband deployment funding.

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 652,000 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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