

# South Carolina: Among the Best for Overall Business Climate

By Rick Farmer

Many of the world's leading companies have a presence in South Carolina. For example, Michelin's growth in the state has been steady and extensive for 30 years. During that time, the company has invested more than \$2 billion and amassed a work force of nearly 8,000 in the Palmetto State.

Just about every state in the nation claims to be pro-business in one respect or another. By the time businesses decide where to invest their capital and create new jobs, they've separated the myth from the reality.

The truth – at least as Dr. Ronald Pollina sees it – is that not many states can compare with South Carolina when it comes to overall business climate.

It makes sense that if you want to understand why businesses decide to relocate, and why they choose to go where they do, you should probably ask the guys who take them there. Pollina Corporate Real Estate specializes in site location services and has helped thousands of companies expand and relocate. Each year the Chicago-based firm ranks the 50 states based on their pro-business policies. Its latest rankings – titled “Keeping Jobs in America: Pollina Corporate Top 10 Pro-Business States in 2007” – lead with the Commonwealth of Virginia, with South Carolina a close second. The study evaluates and ranks states based on 28 criteria, including taxes, right-to-work legislation, work force, energy costs, workers' compensation legislation, and jobs lost or gained.

“From A to Z, South Carolina understands economic development and is clearly making the effort to continue its attractiveness to business. When it comes to economic development, it's a state that other states should emulate,” writes Pollina.

The Pollina study has ranked South Carolina in the Top 10 for four years in a row and of those years, the Palmetto State ranked



Michelin Plant

first for two years running.

Not surprisingly, improving economic development is a major policy goal of South Carolina Gov. Mark Sanford.

“As we compete in a global economy, our ability to maintain and improve economic soil conditions for business growth is key,” Sanford says. Particularly in the past couple of years, Sanford has had success with tort reform, amending workers compensation laws and reducing taxes.



## South Carolina

### WORKERS COMPENSATION REFORM

Just six short years ago South Carolina had some of the lowest workers compensation premium rates in the nation. Then it slipped, and slipped again. In 2000, South Carolina businesses paid the second-lowest premiums in the nation. Today, it rides in the middle of the pack at 25th, but South Carolina was not content to remain there. So in 2007, the state legislature passed sweeping reform that dissolves the much criticized "Second Injury Fund" and promises to stem ballooning costs.

### TAX RELIEF

South Carolina already had the lowest corporate state income tax rate in the Southeast at 5 percent. In 2005, the state extended the low corporate income tax rates to small businesses as well as larger companies.

### TORT REFORM

Momentum began to build in South Carolina for genuine tort reform, but the issue was complex, and the players on both sides powerful. In March 2005, South Carolina passed a package of reforms designed to shrink legal liability. While that reform ignored medical malpractice lawsuits, just a month later additional legislation was passed and signed to cap non-economic damages at \$350,000.

### ACCOLADES

According to the South Carolina Department of Commerce – and not surprisingly so – South Carolina is one of the most business-friendly states in the nation.

In addition to the Pollina study's conclusion that South Carolina has one of the best business climates around, the state has been called one of the most dynamic states for entrepreneurs by *Entrepreneur Magazine*, and the state's Port of Charleston was ranked number one in customer satisfaction by *World Trade Magazine*.

Additionally, South Carolina is among the top states in the nation for its percentage of work force employed by foreign-owned companies such as BMW, Haier, Michelin, FUJIFILM, and Roche. Additionally, the state's exports continue to grow, reaching more destinations than ever before.



**In April 2006, Kimberly-Clark broke ground on a major expansion in Aiken County, S.C., that represents a multi-million-dollar investment. Gov. Mark Sanford joined Aiken officials and Kimberly-Clark executives for the ground-breaking ceremony that marked continued growth for the nearly 40-year-old plant.**



**State and local leaders participate in ribbon cuttings at Vought Aircraft Industries (top) and Global Aeronautica (bottom) in 2006 in North Charleston. Vought produces fuselage parts for the Boeing 787 Dreamliner in South Carolina and Global Aeronautica, a joint venture between Alenia North America and Vought, assembles more than 60 percent of the 787's fuselage.**

Pollina credits the state for doing a number of things right: being aggressive with both prospects and incentives; creating a world-class training program that's the envy of many other states; and electing pro-business leaders.

"South Carolina has a reputation for being very aggressive," Pollina says. "It's got a good marketing program, some excellent economic development programs and the (Department of Commerce) is always a major reason the state ranks near the top." The study also credits the state's work force development program, readySC, as one of the best work force training programs in the country.

The state of South Carolina continues to welcome business growth with open arms. Sure, just about every state claims to do that, but the difference between marketing bluster and functional reality is easily defined by those who take the time to look.

## Tax Advantages and Incentives in South Carolina

South Carolina has long been the envy of many other states in terms of the economic development incentives available. While many states have emulated South Carolina's pro-business incentives, the Palmetto State continues to have one of the most comprehensive and generous incentive programs anywhere.

### South Carolina features:

- No state property tax;
- No local income tax;
- No inventory tax;
- No sales tax on manufacturing machinery, industrial power or materials for finished products;
- No wholesale tax; and
- No unitary tax on worldwide profits.

### South Carolina offers:

#### JOB DEVELOPMENT CREDIT

The Job Development Credit is a cash-back type program that rewards companies for investing in the people of South Carolina. An extremely valuable incentive, the JDC is discretionary in nature.

- Quarterly cash refund of employee with holding tax;
- Generally available for 10 years;
- Rebates are applied to eligible costs;
- Requires application and discretionary approval; and
- Starts once company meets job and investment goals.

#### JOBS TAX CREDIT

Available to manufacturing, warehousing, distribution, processing, research and development and tourism businesses, the JTC is a tiered program with the best benefits going to companies that locate in more rural communities.

- Company must create at least 10 new full-time jobs;
- Available for five years if the new jobs are maintained;
- Can offset as much as 50 percent of the company's state income tax liability;

#### FEE IN LIEU OF TAX

A discretionary incentive offered by local governments, the Fee-in-lieu-of-tax allows companies to build in tax liability predictability, as well as reduce overall local taxation substantially, sometimes by as much as 45 percent.

- Can reduce real property assessment ratio from 10.5 percent to 6 percent;
- Can be awarded for up to 20 years, and then extended; Can "lock in" a favorable tax rate;
- Allows machinery and equipment depreciate at 11 percent per year; and
- Threshold for eligibility is \$2.5 million investment in most cases.

**A TERRITORY IDEAL FOR GROWTH.  
AN ECONOMIC DEVELOPMENT TEAM  
READY TO NURTURE IT.**



Our service area in the Carolinas and Florida is one of the most vibrant areas of the country. One of thriving communities, diverse industries and a skilled, motivated workforce. It's no surprise that so many companies locate here. And why they increasingly turn to Progress Energy's award-winning economic development team to assist them. We offer full-service support, from site selection to government contacts to energy expertise. The relentless pursuit of excellence. It's what we're all about.

©2006 Progress Energy Carolinas, Inc. and Progress Energy Florida, Inc.

 **Progress Energy**  
People. Performance. Excellence.

**To grow your business in the Carolinas and Florida,  
call our Economic Development Team at 1.800.622.7562  
or visit us at [progress-energy.com/economic](http://progress-energy.com/economic).**



# South Carolina's Automotive Industry Revs On

*The state has been a key driver in the growth and prosperity of auto manufacturers and the companies that support them.*

By Daniel Christopher



**BMW Manufacturing Co.'s only U.S. factory is in South Carolina.**

As the center of the automotive universe has shifted southward, South Carolina has become one of the Southern Automotive Corridor's great success stories.

The state is now home to major players – BMW's only North American assembly plant, Michelin's North American headquarters, DaimlerChrysler's Sprinter van assembly operation, and a Honda assembly plant for ATVs and recreational watercraft. Supporting these companies are nearly 200 suppliers in South Carolina, including Bosch, Magna International, Bridgestone Firestone and many others.

With its remarkable growth, the automotive sector in South Carolina — which now employs about 31,000 — has found supportive allies in communities large and small and a partner in what may seem like an unlikely place: government.

"Here in South Carolina, we recognize that the automotive industry is vital to maintaining a thriving economy, and we are committed to doing everything possible to help companies succeed," says South Carolina's Commerce Secretary Joe Taylor.

"When automotive companies come to South Carolina, they can be confident that the state will respond with policies that encourage and support quality manufacturing and long-term profitability."

South Carolina's supportive state and local government played a role in Bridgestone Firestone's decision to invest an additional \$50 million over five years at its Aiken County plant, which the company announced in 2006.

"We have consistently found government leaders in South Carolina to be cooperative. They value and respect businesses and what we do," explains Bridgestone Firestone Aiken County plant manager Mike Rose. "They are always forthcoming with information and partner with us to quickly resolve any issues."

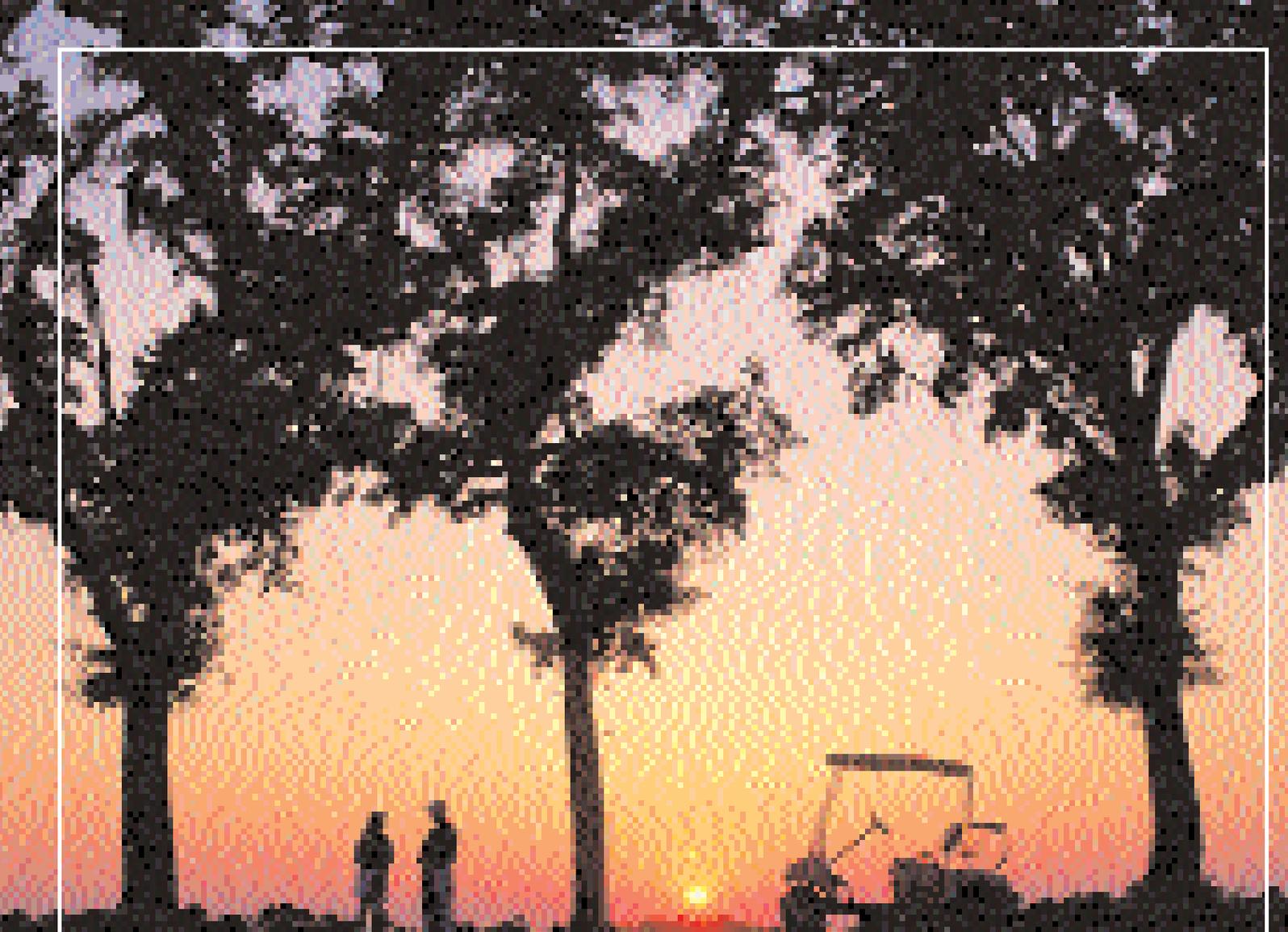
"Automotive companies that come to South Carolina can't believe the support here," says Mark Simmons, executive vice president of the Central South Carolina Alliance. "They're often coming out of more hostile 'Rust Belt' environments. When they get to South Carolina, it's truly a breath of fresh air."

In addition to state policies that encourage competitiveness and profitability, automotive companies also are finding a labor force that helps them be productive from day one and a strategic blend of programs that enable them to get up and running fast.

DaimlerChrysler, for example, points to South Carolina's work force as a major reason that the state won out in a highly competitive site selection process. In 2005, DaimlerChrysler selected Ladson (near Charleston) as the site for its new Dodge Sprinter van assembly plant. The company is investing \$35 million in the new facility and employs 180 people.

"An excellent work force is the most important asset of any successful company," President and CEO of DaimlerChrysler Manufacturing International LLC Andreas Maas explains. "At our plant in Ladson, S.C., we have an exceptional, highly motivated team."

To expedite startup, many automotive companies are taking advantage of South Carolina's work force training program — readySC. The program provided cus-



## **Mix business with pleasure.**

Low start-up costs. A skilled workforce. And more ways to entertain your clients than anywhere else on the planet. In the Carolinas, doing business really is a pleasure. And SCANA, an energy company that's been a part of the Carolina landscape for more than 150 years, is ready to help you join the mix.

For complete site selection services, including a database of the latest available locations, call 1-803-217-9005 or visit [www.scana.com/economic](http://www.scana.com/economic) today.



South Carolina



# Clemson University International Center for Automotive Research

South Carolina is working to build the premier global automotive and motorsports research and education center.

In an effort to put the state in the driver's seat of the automotive industry, Clemson University, the state of South Carolina, and a host of industry leaders have joined forces to create Clemson University International Center for Automotive Research, better known as CU-ICAR, a new model for economic development in South Carolina that combines Clemson's strengths in automotive engineering with the state's strong automotive economic cluster.

CU-ICAR is anchored by the Carroll A. Campbell Jr. Graduate Engineering Center, a 90,000-square-foot facility that houses the nation's only graduate program in automotive engineering, designed to prepare future industry leaders. A number of corporate research facilities also are located on the CU-ICAR campus or in close proximity.

The goal of CU-ICAR is to foster innovation and develop technologies to benefit manufacturers, suppliers and consumers. To date, several major companies such as BMW, Michelin, Timken Co., Sun Microsystems and others have signed on as corporate partners and are benefiting from the research at CU-ICAR.

"With fierce competition in today's automotive industry, the only way to stay competitive is through constant innovation," says CU-ICAR Executive Director Bob Geolas. "Companies across the region, and especially those in South Carolina, have the opportunity to form strategic alliances with CU-ICAR, leveraging our leading-edge research and world-class faculty members."

Geolas adds, "By working with CU-ICAR, companies can often share resources and facilities and build relationships that lead to problem solving and new knowledge. Access to Clemson University's existing expertise in intellectual property, technology transfer and research-based start-up processes through the Clemson University Research Foundation, companies may be able to improve products or get new products to market quickly and efficiently."



In March 2007, S.C. Gov. Mark Sanford and Commerce Secretary Joe Taylor joined Daimler-Chrysler officials in celebrating the official production launch of Daimler-Chrysler's Sprinter van at its Ladson, S.C. facility. DaimlerChrysler invested \$35 million in the new facility and employs 180 people.



The automotive sector in South Carolina accounts for about 31,000 total jobs. Of that total, BMW Manufacturing Co. employs 4,500 in the Palmetto State.



In 2005, BMW shipped its one millionth vehicle through the Port of Charleston. On an average day, BMW ships more than 400 vehicles through the port.

tomized training to almost 4,400 potential employees for automotive-related manufacturers from 2001 to 2005 alone.

To be sure, benefits like a ready-to-go labor force and pro-business state policies are vital, but many automotive leaders agree that a key to success is transportation infrastructure that can meet the demands of



CU-ICAR offers master's and doctoral programs in automotive engineering to prepare graduates that are highly marketable to both OEMs and suppliers. Pictured here is the 90,000-square-foot Carroll A. Campbell Jr. Graduate Engineering Center, which houses the program.



The master plan of Clemson University International Center for Automotive Research



The 250-acre CU-ICAR campus is located adjacent to Interstate 85 in Greenville, midway between Charlotte and Atlanta. The I-85 corridor is home to hundreds of automotive and motorsports manufacturers and suppliers and two-thirds of the nation's racing teams.

just-in-time delivery and a geographic location that enables them to serve every major market east of the Rockies. In these areas, South Carolina delivers. The state offers easily accessible transportation facilities

such as a deep-water port in Charleston, major airports, as well as rail and five interstate highways that cross the state.

Dr. Rolf Bartke, head of Daimler-Chrysler's Mercedes-Benz vans business



## Helping business turn potential into prosperity.

For more than 60 years, Nexsen Pruet has been working with regional, national, and international companies to turn their potential into prosperity. With more than 170 lawyers and 30 practice areas – including three that have been rated among the best for business – we have the skills and experience to help you capture all of the opportunities within your reach. And by doing that, we can keep you on the road to success for years to come.

**NEXSEN | PRUET**

[www.nexsenpruet.com](http://www.nexsenpruet.com)

*1230 Main Street, Suite 700, Columbia, SC, 29201 – Leighton Lord, Board Chair*

*CHARLESTON, SC | CHARLOTTE, NC | COLUMBIA, SC | GREENSBORO, NC | GREENVILLE, SC | HILTON HEAD, SC | MYRTLE BEACH, SC*



South Carolina



Michelin North America's South Carolina work force numbers about 7,850.



Greenville, S.C., is home to Michelin's North American headquarters.

unit, points to the easy access to PortCharleston as a time- and cost-saving benefit to his company. DaimlerChrysler's South Carolina location reduces in-process time for Sprinter vans since the kits from which the vehicles are built land directly at the Port of Charleston after shipping from Europe. A comprehensive logistics study, conducted by DaimlerChrysler's Commercial Vehicles division found the Charleston area to have a clear strategic manufacturing advantage. ■



## The Ultimate Driving Machine: Built in South Carolina

In its site search, BMW Manufacturing Co. investigated 250 locations worldwide during a three-and-a-half-year period. The extensive search ended in Spartanburg County, S.C. In 1992, BMW chose South Carolina for its only U.S. factory. Since that time 15 years ago, BMW has continued to grow and invest in South Carolina.

"The pro-business attitude displayed by the state of South Carolina, its willingness to work positively to help new companies choosing to place operations in the state and existing companies to grow were among the reasons BMW chose to place its only United States factory in Upstate South Carolina in 1992 and have been the basis for BMW's continued growth and investment in its Spartanburg County operations," says Robert M. Hitt, BMW Manufacturing Co.'s Department Manager for Public Affairs.

BMW largely credits local and state government in South Carolina with helping it achieve a record-breaking startup. Just 23 months after breaking ground, the first BMW rolled off the assembly line. Today, BMW Manufacturing Co. in South Carolina is the birthplace of every X5 Sports Activity Vehicle, Z4 Roadster, Z4 Coupe and M Coupe.

Like all automotive OEMs, BMW relies on a huge supplier network to provide its components. Helping the company save costs, many of the suppliers have moved to South Carolina to be closer to the factory. The state is home to 51 BMW suppliers and 39 have chosen to place new operations there to partner with BMW.

As Carter Smith, CEO of Spartanburg County Economic Development Corporation explains, "BMW and its supplier network have brought substantial investment and job opportunities to Spartanburg County and have diversified our manufacturing base. As BMW has expanded here, we continue to add suppliers as companies understand the opportunities in this marketplace. BMW has been like the 'gift that keeps on giving.'"

No doubt, the economic impact of BMW is tremendous in South Carolina. In total, the company has invested \$3.3 billion and continues to grow in the Palmetto State. Supplier investment is estimated at \$2.1 billion.

## It's South Carolina for Google

By Daniel Christopher

Google wanted it all. The search-engine giant was looking for a site that offered a supportive business climate, an abundance of power and water to cool computers, and a sophisticated work force including engineers, electricians and programmers. Most importantly, it wanted room to grow as the demand for its ever-expanding line of services increases.

When Google came to South Carolina, company leaders found a site that met all of their requirements and then some. In April 2007, the company made it official that it would locate a data center in Mount

Holly Commerce Park in the Berkeley County community of Goose Creek. Located in the metro Charleston area, the facility includes two buildings on a large campus and will employ 200.

In a nearly two-year site selection process, Google officials visited the state about a dozen times to look at the 520-acre site in Goose Creek. As one company official summed it up, Google "studied this site to death" to ensure it was making the best possible decision.

In addition to providing proximity to a growing user base, Google credits the fact that South Carolina's leaders "got it" as a

key decision factor. In fact, Lloyd Taylor, director of global operations for Google Inc., describes South Carolina officials as "wonderfully helpful during the company's evaluation." Specifically, the company was impressed that the South Carolina state legislature had updated the state tax code to exempt the electricity and the capital investment in equipment needed by internet-related companies from sales tax. It was something that South Carolina had done for a long time for manufacturers, but extending it to technology companies showed Google that the state is modernizing its tax and economic development plans to fit the new economy.



Welcome Home.  
*South Carolina Style*

In South Carolina, our amazing recreation and low cost of living make us an attractive choice for business relocation and expansion. Whether people are looking for biotechnology resources in particular or general business capital, our highly trainable workforce and appreciation for local culture make transitions easy for those who'd like to either expand their business or move here.

Reasonable land costs, modest property tax rates and low power rates from Santee Cooper, the second largest public electric utility in the country, all allow newcomers to enjoy a lower than average cost of living.

South Carolina has quickly become the place for business relocations and expansions, so be sure to give a warm welcome to all the new arrivals. For more information, visit [www.scprimesite.com](http://www.scprimesite.com).





South Carolina's dreams have taken flight – quite literally.



# South Carolina's Wish for Wings Comes True

In January 2007, Boeing delivered the first major assemblies for the new 787 Dreamliner to its partner Global Aeronautica in Charleston, S.C., completing the first-ever delivery cycle using the Dreamlifter (pictured here), a specially modified 747.

By Laura Hendrix Corbin

The state proudly took a share of the spotlight in July 2007 as Boeing unveiled its first 787 Dreamliner, the fastest-selling airplane in commercial aviation history. The rollout of the 787 was broadcast in nine languages to approximately 100 million viewers. Some 1,000 employees, executives, state leaders and others joined the worldwide celebration from North Charleston, S.C., one of several Boeing 787 partner locations from around the world to participate interactively during the one-hour worldwide live telecast event from Everett, Wash. – broadcast to 80 remote sites in Asia, Europe and the United States.

In South Carolina, Vought produces the Dreamliner's aft fuselage section. Global Aeronautica, a joint venture of Alenia North America and Vought, assembles and integrates more than 60 percent of the 787's fuselage.

Company officials declared that they, and South Carolina, are now part of a "revolution that will change the way the world travels."

"Although South Carolina appears to be just emerging as a globally recognized player in the aviation and aerospace arena, we actually have a long history in the area," says Jack Ellenberg, deputy secretary for new investments at the South Carolina Department of Commerce. "Our strength in this area has grown out of the defense side, and our participation in this arena is not new at all."

He points to Lockheed Martin, Honeywell and General Electric, just a few of the more than 40 aviation-related firms located in the state. These firms, plus others, including SKF Bearings, ATI-Allvac and Michelin Aircraft Tires, have invested more than \$1 billion in the state and employ some 11,000 South Carolinians.

"Now, the aviation and aerospace industry is having a transformation in South Carolina," he adds, developing new products and processes to be able to participate with projects such as the Boeing 787. "We have the best of both sides – the foundation of the traditional aviation firms, like Lockheed Martin, and the front-end corpo-

rations of the future in Vought, Alenia and Global Aeronautica."

The international collaboration of Global Aeronautica joins operations by Eaton Corp.'s aerospace components business, SKF's aero bearing division, United Industrial Corp.'s engineering support division and a growing number of other companies drawn to the region by a combination of major port facilities, pro-business climate, skilled work force and highly desirable lifestyle.

Two years ago, the Charleston region specifically identified the aviation/aerospace industry as an economic development target based on recommendations by consulting firm AngelouEconomics, according to Karen Kuchenbecker, who is in charge of marketing, communications and strategic planning for CRDA. "Since the 2005 study was released, our local technical college – Trident Technical College – instituted an aeronautical studies division, designed to prepare students for two different career tracts within the aviation industry: aircraft maintenance and aircraft man-

# Power Play.

**S**OUTH CAROLINA is the perfect place to work and play, with a favorable climate and geography—the Blue Ridge Mountains and the Atlantic Ocean are both right here—making the state one of the nation's top leisure capitals. The SC Power Team will connect you with strategically located sites and buildings, state and local incentives, workforce training, and the largest electric power system in the state. Let us drive your next facility location!



Contact Fred Gassaway at [Fgassaway@SCpowerteam.com](mailto:Fgassaway@SCpowerteam.com)

Your Touchstone Energy® Partner 

1201 Main St., Suite 1710, Columbia, SC 29201 | (803) 254 9211

[www.SCpowerteam.com/sbd](http://www.SCpowerteam.com/sbd)

Representing the Electric Cooperatives & Santee Cooper



South Carolina



The Aeronautical Training Center at Charleston's Trident Technical College provides hands-on training in aeronautical-related manufacturing.



At the 2007 Paris Air Show, Nasmyth Group, a tier one aerospace supplier, announced that it would invest \$15 million in Newberry County, S.C. "South Carolina is a great fit for Nasmyth," said Peter Smith, chairman and chief executive for Nasmyth Group at the announcement. "The state is economically viable with a strong labor force, proximity and access to markets and a business-friendly environment. South Carolina suits our culture style and approach business and we look forward to growing Nasmyth's U.S. operations from our South Carolina location for many years to come."

ufacturing," she says. "The college also is collaborating with local companies to develop company-specific programs. They have a new training facility, which actually looks like an aircraft, that is considered among the best in the country."

Many collaborative efforts have helped grow and serve the aerospace segment in South Carolina. NASA has partners with the state's EPSCoR (Experimental Program to Stimulate Competitive Research) program to fund research at 10 colleges and universities across the state in support of the industry. Clemson University's Composites Manufacturing Technology Center, the Navy's Center of Excellence for composites manufacturing technology, also has



Trident Technical College's Aeronautical Training Center includes an autoclave to prepare students for working with composite materials.

Greenville, S.C., produces carbon fibers for reinforcement material in advanced composites used by aerospace and high-performance manufacturers. The company has recently announced a \$150 million expansion at its plant in Greenville.

In June 2007, United Kingdom-based Nasmyth Group, a tier one supplier of design, manufacturing assembly, and product support services to the aerospace industry, announced its decision to locate its North American headquarters and a major manufacturing operation in Newberry. The company serves such globally recognized corporations as Rolls Royce, Airbus, Raytheon and Boeing. It plans to invest \$15 million and create about 100 jobs.

"We expect growth in the aviation/aerospace cluster to mirror what we've seen in the automotive segment," Ellenberg says. "Automotive started with manufacturing, and has moved into research and development, and now the cutting-edge technology developed there may cross over to aerospace."

projects related to the aerospace industry. The National Science Foundation selected Clemson's Center for Advanced Engineering Fibers & Films as a national Engineering Research Center, the only one in the country to focus solely on film and fiber research.

South Carolina's recent high-profile successes in the aerospace/aviation arena are not by accident, Department of

## Just like cars, with wings

As it did with the automotive industry, South Carolina is using its natural abilities and successes to take aviation/aerospace to the next level.

"The number of companies we have in this segment tells a really good story, and now we've had growth to the point that we're able to attract bigger players, providing us with great opportunities for our state," says Jack Ellenberg, deputy secretary for new investments with the South Carolina Department of Commerce. "This is following the trend of the automotive industry, where there's a synergy bringing in shared suppliers and processes - there are parallels and crossovers in the two fields of automotive and aviation/aerospace."

Ellenberg looks at the composites field, for example. "Companies such as Cytec, which serves the aviation industry, are looking at components that could impact the automotive segment." Cytec, which has facilities in Rock Hill and Greenville, S.C., produces carbon fibers for reinforcement material in advanced composites used by aerospace and high-performance manufacturers. The company has recently announced a \$150 million expansion at its plant in Greenville.

Commerce's Ellenberg emphasizes. "This is part of our strategy to leverage all of our state's assets - education, quality of life, a great business environment. Gov. (Mark) Sanford's administration focus is to create better opportunities for South Carolinians, and it is active in the creation of an environment that brings high-quality companies and jobs here." ■

## Michelin Announces Plans to Expand Every Major Facility in South Carolina

In August 2007, Michelin North America announced plans to invest an additional \$350 million in South Carolina to improve and expand all of its facilities in the state including those in Anderson, Greenville, Lexington and Spartanburg counties.

"Over the last 30 years, Michelin has invested more than \$2 billion in South Carolina with excellent results," says Jim Micali, chairman and president, Michelin North America Inc. "This is our home and we have enjoyed a wonderful relationship with the state over these past three decades."

In 1975, Michelin selected Greenville, S.C., for its first modern U.S. plant. Over the past 30-plus years, the company's presence in South Carolina has grown substantially to include the company's North American headquarters; its North American research & development headquarters; a 3,500-plus acre test track; the headquarters for Michelin Retread Technologies; TCI Tire Centers, LLC; the world's largest semi-finished rubber processing plant; and five tire building facilities. In total, the company employs nearly 8,000 South Carolinians.

**Now Available**

# COLLETON COUNTY SOUTH CAROLINA

PROGRESSING NATURALLY

## Colleton County Commerce Center



**Colleton County Commerce Center is a newly announced Class A business park designed for light manufacturing, distribution, commercial and professional office investments.**

**Tax Map #:** 097-00-00-050; 097-00-00-051

**Location:** I-95 / Exit 62 East

**Total Acres:** 260

Mfg/Distribution: 170 +/- acres  
Commercial/Prof.: 28 +/- acres  
Common Areas: 62 +/- acres

### Technical Assessments Completed:

- Restrictive Covenants
- Boundary Survey
- Topographic Survey
- Phase I Environmental
- Soil Borings
- Endangered Species Study
- Cultural Resource Study
- Wetlands Delineation/Mitigation
- Storm Drainage Plan/**under construction**
- Interior Roads, W/S Lines/Permitted
- Fill Dirt Available
- Seismic Testing Completed
- 250,000 SF Building Pad/**under construction**

**Present Land Use:** Developing mfg/dist. Site

**Fire Protection Rating:** ISO-4

**Zoning:** PDD

**FTZ:** Application Pending

**Interstate 95:** At Site

### Utilities:

**Water:** 1,050 GPM  
500,000 Gallon Elevated Tank  
12" Line

**Sewer:** Municipal  
12" Gravity  
10" Forced  
750 GPM Pump Station on Site

**Gas:** SCE&G; 8"

### Fiber optics:

Palmetto Telephone Cooperative

**Power:** Coastal Electric Cooperative  
SCE&G

**Ports / Airports:** Charleston, SC / Savannah, GA  
1 hour

**Price:** Industrial: \$30,000/acre  
Commercial: Ground Lease Only

For information contact Colleton County Economic Alliance  
520-A N. Jefferies Blvd. Walterboro, South Carolina 29488 e: [info@cceainc.com](mailto:info@cceainc.com)  
ph: 843.549.9597 fx: 843.549.6937



# South Carolina

# A Robust Transportation Infrastructure

South Carolina continues to reel in new business because of its strategic location and reliable transportation network.

By Don Hampton



In April 2007, Starbucks announced plans to build a 150,000-square-foot roasting facility in Calhoun County, S.C. From the location, where the company expects to be operational by 2009, Starbucks will roast, package and ship its products.

“The new facility will help us meet increasing demand for our premium coffees and allows us to support our growth in the Southeast,” says Peter Gibbons, senior vice president for manufacturing.

The announcement is just the latest in a recent string of companies taking advantage of South Carolina’s infrastructure and market proximity to open up the growing Southeast market.

### Making a connection and growing the economy

South Carolina has an outstanding transportation network that allows companies to maintain just-in-time manufacturing and distribution processes along with access to the entire eastern half of the country. Five interstate highways cross the state, including I-20 (connecting with Atlanta and Dallas), I-26 (Kingsport, Tenn., and Charleston, S.C.), I-77 (Cleveland, Ohio, and Charlotte), I-85 (Raleigh/Durham, Atlanta and Montgomery, Ala.) and I-95 (the entire Eastern Seaboard). In total, the state has 2,600 miles of rail and five major interstates that connect to more than 50 percent of the nation’s fastest-growing markets in a day’s drive or less.

In addition, six commercial airports are located in the state and three more just over the state line in Charlotte, and Augusta and Savannah (Georgia). This means that an airport is within an hour drive of nearly any part of the state. All major freight carriers serve South Carolina, including the United Parcel Service (UPS), which has a Southeastern Regional Hub at Columbia Metropolitan

Airport. FedEx also has expanded its South Carolina presence at Greenville-Spartanburg International Airport.

For rail service, CSX Transportation, Norfolk Southern and seven other lines combine to offer rail service seven days a week in all of South Carolina’s metro areas.

All of which led Starbucks leaders to the conclusion that South Carolina is an ideal location for their new facility.

“Once again, our state’s business friendly climate, access to markets, quality workforce, and excellent infrastructure are opening new doors and working to grow our economy,” says South Carolina Secretary of Commerce Joe Taylor.

### The world within reach

Another infrastructure advantage for companies in South Carolina is the state’s excellent ports. The Port of Charleston, the largest of three ports in the state, is a national leader, handling huge amounts of national and international cargo on an annual basis.

It was enough to attract QVC to build a distribution facility in South Carolina. The TV shopping network selected South Carolina for a number of reasons, but infrastructure was high on the list.

The 1.4 million-square-foot facility will employ 500 people and ship 10,000 packages per day. QVC has invested approximately \$75 million to construct its South Carolina facility.

Another company that has recognized the outstanding infrastructure benefits is adidas. In April 2007, the company announced plans to build a state-of-the-art distribution facilities in Spartanburg.

“This expansion demonstrates that Spartanburg’s location provides excellent access to U.S. markets via our location along I-85 and I-26 along with other key infrastructure,” says Jeff Horton, chairman of Spartanburg County Council.

The company is creating two separate facilities in Spartanburg. The footwear facility will be approximately 1.1 million square feet and the apparel facility will be an additional 800,000 square feet. Construction will cost an estimated \$150 million and will create 1,200 jobs – with the facilities opening in 2009.

Given the number of major companies choosing South Carolina recently, several of them for its infrastructure advantages, it’s likely that many more distributions and logistics announcements may be coming soon. Little wonder, Taylor says, “As businesses work smarter to develop operations in strategic locations, South Carolina continues to be an ideal choice.”

## The Port of Charleston

- As one of the most productive ports in North America, South Carolina’s Port of Charleston serves as a powerful magnet for manufacturing and distribution companies.
- Recently, the port has added nearly \$40 million in container handling equipment to reduce delays, processing time, and paperwork. In addition, it has streamlined processes and started new procedures that have cut trucker turn time at many gates by more than half.
- As information flow increasingly drives cargo flow, the Port of Charleston has implemented the Orion system to expedite the cargo clearance process and the Yard Management System to provide shippers up-to-date information on cargo.
- At the Port of Charleston, companies now have access to 13 of the top 15 container carriers in the U.S. Several new carriers have recently begun service there, increasing Charleston’s connections to Asia, North Europe, India, the Mediterranean, and South America.
- The S.C. State Ports Authority Board of Directors recently approved \$7.4 million in terminal improvement and investment projects.
- The state has received permits for and broken ground on a new 280-acre container terminal on the former Charleston Navy Base. The new Charleston facility will be able to handle roughly 1.4 million 20-foot equivalent units, boosting Charleston’s capacity by about 50 percent.
- New security measures are being put in place to make the Port of Charleston the safest seaport in the U.S. Since 2005, Charleston has served as the U.S. pilot location for Project Seahawk, an anti-terrorism task force of all local, state, and federal law enforcement bodies that are co-located to share intelligence.

# Aiken/Edgefield, SC

## THE FUTURE IS HERE TODAY

*Aiken & Edgefield Counties  
of South Carolina*



### The Center for Hydrogen Research located in Aiken County, SC

#### **A WORLD CENTER FOR HYDROGEN TECHNOLOGY COMMERCIALIZATION.**

Aiken-Edgefield, South Carolina is now home to National Center for Hydrogen Research, a 60,000 square-foot facility dedicated to hydrogen technology research, development and commercialization. The facility includes lab space for industry and direct access to more than 50 researchers from Savannah River National Lab.

The \$10 million Center, adjacent to the Savannah River National Laboratory, brings together scientists, industries and universities to develop hydrogen fuel technology to its full potential and to facilitate technology transfer.

Savannah River National Laboratory boasts a 50-year history in the production, handling and storage of hydrogen, uniquely qualifying it to lead the nation in the development of hydrogen storage for stationary and automotive uses. When combined with the University of South Carolina's National Science Foundation Fuel Center of Excellence and Clemson University's International Center for Automotive Research (ICAR), the technical expertise of the region is unsurpassed.

The Aiken-Augusta MSA offers a quality workforce 215,000 strong, a pro-business tradition, and an exceptional quality of life.

#### **DID YOU KNOW?**

The world's leading automotive manufacturers have partnered with Aiken County's Savannah River National Laboratory to develop a lighter-weight, cost-effective hydrogen storage system for future hydrogen-powered automobiles.



For more information:

**ECONOMIC  
DEVELOPMENT  
PARTNERSHIP**

The  
Hydrogen  
Economy  
Starts  
Here!

**803.641.3300 • Fax 803.641.3369**  
**info@edpsc.org**



In May 2006, Michelin North America celebrated a major milestone at its Donaldson, S.C., plant, the facility's 200-millionth tire.

For company executives, South Carolina has an important message — it is ready. “We want companies to know that in South Carolina we are ready to quickly and successfully start up your new facility,” says Kelly Steinhilper, business development director for readySC, the state’s work force training program. “We are ready to discover the skills, knowledge and abilities that your company needs in its workers, ready to design new and innovative training solutions, and ready to respond to time frames and deadlines no matter how tight.”

The readySC program, previously known as the Center for Accelerated Technology Training, recently has undergone an identity change. The program offers the same benefits that have long made the Palmetto State a leader in work force training, but the new name reflects what the program is all about — creating a “ready” work force.

Once a company decides to locate or expand in South Carolina, the readySC team goes to work developing a customized training program for that company. Every component is driven by a company’s unique needs. The program also offers recruiting and screening services to help a company identify the best possible job candidates. Perhaps best of all, the program is offered at no cost to qualified companies. As part of the South Carolina Technical College System, readySC works with the state’s 16 technical colleges to implement training.

“We work with a company’s subject matter experts to determine the skills,

knowledge and abilities needed in workers. Then we design training to meet a company’s specific needs,” says Barry Russell, president of the South Carolina Technical College System. “Our goal is to help a company start production with employees who are already immersed in the company’s culture and processes. We also develop the curriculum based on a company’s start-up timeline.”

Prospective employees attend class with no pay or promise of a job. As a result, the program attracts self-motivated and disciplined individuals who are capable of helping companies compete in a global marketplace.

“Our typical applicant is employed, has 13 years of school and is 32 years old,” Steinhilper says. “Many of our applicants are underemployed, but are already skilled and experienced. Often they are looking for a shift change, more money, work that is closer to home, or a different work environment.”

## readySC offers

- **Recruiting and screening of prospective employees**
- **A customized schedule to fit start-up timelines**
- **Analysis of work process to develop company-specific training**
- **Services at no cost to qualified companies**

## South Carolina's Work Force

“South Carolina’s work force is productive and cost effective,” says South Carolina Department of Commerce Deputy Secretary for Workforce Development Peggy Torrey. “Our state has some of the lowest unionization and payroll costs in the country to complement our world-class pre-employment training program.”

The Palmetto State has several indications of a strong work force:

- South Carolina’s work stoppage rate (percent of working time lost due to strikes in manufacturing and non-manufacturing industries combined) is .0002, which is significantly below the national average of .02.
- South Carolina is a right-to-work state and ties with its neighbor North Carolina for the lowest unionization rate in the 50 states.
- A high percentage of the state’s existing industries are choosing to expand in South Carolina, which, as Torrey explains, “speaks well of South Carolina’s work force and is a real statement about what companies are finding here.” In 2006, for example, existing industries invested \$3.53 billion in new capital.
- Especially in the past couple of years, the state has dramatically increased its investment to enhance incumbent worker programs and increase on-the-job training.
- South Carolina is investing to promote and increase the number of apprenticeships offered by companies in the state. Also, the S.C. General Assembly has passed a bill giving a \$1,000 tax credit to businesses for every registered apprenticeship they offer.
- Through the state’s Education and Economic Development Act (EEDA), South Carolina is building its future work force by aligning K-12 programs with business and industry. The legislation, passed by the S.C. General Assembly, sets up a system called Personal Pathways to Success. It maintains the established high school graduation requirements, but requires that all students declare a career major in one of a number of different clusters of study. These “career clusters” are courses of study organized around different sets of occupations. In addition, schools partner with businesses to provide students with the chance to get hands-on, real-world experience in the field of their choice.
- South Carolina, through the S.C. Department of Commerce Workforce Development Program, is implementing Work Keys statewide. This job skills assessment measures real-world skills in the state’s workers and identifies skill gaps, so that individualized training can be provided.

# South Carolina Department of Commerce

## recent announcement highlights



- Announces data center in Berkeley County



- Announces new U.S. roasting plant in Calhoun County



- Announces new distribution center in Spartanburg County



- Celebrates the grand opening of a new distribution center in Florence County



that was easy.™

- Announces the opening of a corporate financial support functions office in Richland County



- Expansion of pharmaceutical products company in Florence County



- Announces expansion of carbon fiber facility in Greenville County



at&t

- Announces expansion of National Directory Assistance Center in Orangeburg County



- Announces location of manufacturing facility in Barnwell County



- Announces expansion of film manufacturing facility in Greenville County



MEDITERRANEAN SHIPPING COMPANY

- Announces expansion of South Atlantic corporate headquarters in Charleston County



- Announces North American headquarters in Newberry County



- Announces location of North American headquarters and manufacturing facility in Greenwood County



- Announces expansion of S.C. operations to a new defense products facility in Aiken County



- Announces customized commercial upfitting operation for Daimler-Chrysler's Sprinter vans in Charleston County



- Announces expansion of custom fabrics manufacturing facility in Anderson County

The South Carolina Department of Commerce is on a record-setting pace for investments and jobs in our state. What attracts businesses to grow and expand here? For starters, the recent workers' comp and tort reforms, as well as income tax reduction are strong additions to our business-friendly climate. Add to this our national recognitions which include being the number one for direct foreign investment per capita (*Organization for International Investment*) and among the top two most business friendly states (*Pollina Corporate Consulting*) and you see a small glimpse of why South Carolina is such a great place to do business.





South Carolina

# A Two-Way Street

By Jennifer LeClaire

There's no questioning South Carolina is a global magnet. Today, more than 450 international facilities representing 26 countries are located in the state. But what's the attraction for Chinese companies? It could be seeds the Palmetto State has sown in the Asian land over the years bringing a harvest of opportunities.

Gov. Mark Sanford has been to China three times, including a 2005 visit to open the new South Carolina China office in Shanghai. South Carolina also signed the first memorandum of understanding between any state and the Chinese government. That's a critical point because the Chinese government has to give a nod to any business deal inked between Chinese companies and American companies – inside or outside the nation.

Haier, one of the world's largest household appliance companies that is headquartered in China, opened its doors in Kershaw County, S.C., in 1999 – but the ties have grown stronger in recent years, evidenced by several new deals between South Carolina and Chinese entities. In March 2007, for example, Haier announced a \$6 million equipment investment at its Camden facility. The company also said it plans to hire 128 new workers in an expansion to accommodate production of the new Convertible Bottom Mount Refrigerator. The expansion represents the first phase of the \$100 million, 1,000 job long-range plans announced by Haier in 2006.



In May 2007, Gov. Sanford and dignitaries with China's Ministry of Commerce signed the first ever Memorandum of Understanding (MOU) between the Chinese government and the state of South Carolina. The MOU reaffirms the existing relationship between China and South Carolina, establishes and designates South Carolina as a preferred U.S. location for Chinese businesses, and identifies areas for further cooperation.

Meanwhile, West Columbia, S.C.-based Harsco Track Technologies is building its relationship with China on the export side. China surpassed Germany to become the world's second-largest import nation last year. Global economic indicators predict the Asian nation may leave the United States in its dust on the import front within a decade. China is South Carolina's fifth-largest export destination and Harsco is one of the largest beneficiaries.

Less than a week after its parent company, Camp Hill, Pa.-based Harsco Corp., received two orders from the Chinese Ministry of Railways that are expected to generate more than \$350 million in new revenues over the next four years, Harsco Track Technologies division received another rail grinder order from China.

"South Carolina clearly has been pro-export and has been able to assist us in making the contacts and providing the support necessary to put the contracts together," says Kenneth Julian, a spokesman for Harsco Track Technologies. "We'll be working closely with the Chinese as the country continues building infrastructure." ■

**ORANGEBURG COUNTY**

**SOUTH CAROLINA'S GLOBAL LOGISTICS TRIANGLE**

I-95 • US301 • I-26

- 10 International Companies
- Pro Business Climate
- 2 Interstate Highways (4 within 30 minutes)
- 8 US Highways
- 2 Ports within 1 hour
- 150,000 Sq. Ft. Spec. Buildings Available
- 5 Industrial Parks
- Certified Sites
- CSX & NS Rail
- Airports
  - Columbia 32 Miles
  - Charleston 70 Miles

Orangeburg County Development Commission  
1.888.761.OCDC (6232)

[www.ocdc.com](http://www.ocdc.com)

# MARION COUNTY

## South Carolina

### MARION COUNTY INDUSTRIAL PARK

**276-ACRE PARK  
ON 4-LANE US HWY 501  
15 MILES TO I-95. 26 MILES  
TO I-20. WATER, SEWER & NATURAL GAS.**



- ACCESS TO THE GLOBAL MARKETPLACE
- APPROXIMATELY 15 MINUTES TO I-95 & 20 MINUTES TO I-20
- APPROXIMATELY 50 MINUTES TO MYRTLE BEACH
- PROGRESSIVE BUSINESS CLIMATE WITH AN OUTSTANDING LIFESTYLE

**W. Frank Jones**  
Marion County Economic  
Dev. Commission  
P.O. Box 840  
Marion, SC 29571  
Phone: 843-423-8235  
Fax: 843-423-8233  
[wfrjones@marionsc.org](mailto:wfrjones@marionsc.org)



# PROGRESS IN ACTION

[WWW.MARIONCOUNTYSC.COM](http://WWW.MARIONCOUNTYSC.COM)