

VETO 16

\$300,000 for “AIR QUALITY IMPROVEMENTS”

VETO 16 – This proviso appropriates \$300,000 to DHEC for “air quality improvements”.



Background:

- For the FY16-17 budget, DHEC requested \$464,000 in recurring funds annually for at least 5 years to update air quality monitoring stations statewide.
- Last October, the *Greenville News* reported that Proterra – a manufacturer of battery-powered transit buses – is moving its headquarters from Greenville to California.
- Proterra will keep its east coast operations in Greenville and has publicly stated that it is adding a second assembly line in Greenville to the 165 current employees who would not be affected by the Headquarters move.

Argument to Sustain the Veto:

- **This proviso appropriates \$300,000 of state taxpayer dollars to DHEC for “air quality improvements,” however we know that it’s actually an earmark to buy one electric bus for Greenville from a company based in Greenville.**
- There is a company in Greenville that makes electronic buses, and recently, we’ve heard that the company is moving its headquarters from Greenville to California.
- **This taxpayer-funded purchase is an attempt to symbolize to the company that we want them to stay—of course we want them to stay, but buying one bus is not going to do that.**
- The company has even stated that it plans to keep its 165 current employees in Greenville and will even expand to add a second assembly line here.
- This business isn’t leaving SC—it’s making a strategic business decision to relocate its Headquarters to Silicon Valley while leaving its successful manufacturing operations here.
- One of the reasons why our state attracts business is because of our sound fiscal policy, but this proviso is the exact opposite.
- This proviso is pointless pandering at a cost of \$300,000 to the statewide taxpayer.
- **What’s even more upsetting is that DHEC actually asked for air monitoring stations in its budget – actual “air quality improvements” – which this proviso hijacks and replaces.**
- This is a clear, bold grab for a pet project for one legislator in one district.
- This is also a slap in the face to DHEC who actually wanted air quality equipment.
- For these reasons, we should sustain this veto.

Proterra moves HQ to California



Rudolph Bell, dbell@greenvillenews.com 5:16 p.m. EDT October 12, 2015

Proterra, the manufacturer of battery-powered transit buses, has moved its headquarters from Greenville to the San Francisco Bay area to be part of the technology cluster in Silicon Valley, its chief executive said.

Proterra CEO Ryan Popple said a majority of the company's executive team, as well as its sales and marketing and advanced technology development, are now based in Burlingame, California.

"With the presence of Tesla (another electric vehicle manufacturer), Apple, Google and the R&D labs of the major automotive manufacturers in Silicon Valley, it is an area we felt we had to have a serious presence in to remain at the cutting edge of (electric vehicle) development," Popple said.

Popple said Greenville will be the center of Proterra's East Coast operations and the base for its manufacturing, operations, vehicle engineering and other support roles.

West Coast manufacturing will be based in City of Industry, Los Angeles County, where Proterra is developing a new assembly line in the home county of Foothill Transit, one of its biggest customers.

A Proterra spokesperson added that the company doesn't have any current plans to relocate 165 employees at its Greenville factory and offices and has already begun operating a second assembly line in Greenville.

Proterra said its finance and human resources functions will also be housed in the 34,440-square-foot headquarters in California, which is expected to employ 40 people initially.

Five and a half years ago, Proterra moved in a different direction – from West to East.

It came to Greenville from Golden, Colorado, as a startup company in 2010.

Company founder Dale Hill said at the time that most of its business and vendors were in the East.

That was before Kleiner Perkins Caufield & Byers, a Silicon Valley venture capital firm, became Proterra's biggest investor and eventually installed Popple, one of its former partners, as CEO.

Today, Proterra is looking West not just for investors and cutting-edge technology but for much of its business.

In announcing the West Coast assembly line in April, Popple said Proterra expected half of its business to come out of California over the next five years.

The company said earlier this month that it had 123 firm bus orders and options for 317 more.

Fred Cartwright, executive director of Clemson University's International Center for Automotive Research, said Proterra's move was disappointing but not surprising "given the preponderance of market interest out West."

Richard Wilkerson, chairman of the Greenville Area Development Corp., Greenville County's economic development arm, said he was disappointed to hear of Proterra's decision but optimistic that Greenville will land other corporate headquarters.

GADC has been meeting regularly with other local, regional and state economic development organizations to talk about attracting and retaining corporate headquarters since it learned last year that Sealed Air Corp. passed over Greenville in favor of Charlotte for a new headquarters, Wilkerson said.

"We're all dedicated to improving our opportunity to draw headquarters," Wilkerson said Monday. "I'm very, very comfortable that we're going to have success in that."

John Lummus, president of the Upstate SC Alliance, the regional economic development organization, said he was glad Proterra is keeping major operations in Greenville.

"I think companies make internal decisions for a number of reasons, and I don't think it has anything to do with the Upstate or anything that we're doing here," Lummus said.

Greenville County Councilman Butch Kirven, chairman of the council committee that handles economic development matters, said he was disappointed with Proterra's move "because I thought Proterra had made a strong commitment to Greenville to remain and grow in Greenville and we were doing all that we could to help them do that."

Those efforts, Kirven noted, include applying for federal grants to buy Proterra buses for the Greenlink bus system.

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