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BUSINESS REPORT: Regional Utilities Are Busy Powering Growth In The Carolinas

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Associated Hardwoods is putting its new saw mill in Cherokee County, an investment of more than \$9.8 million. (Credit: Associated Hardwoods.)

By Ed Feldman

From the September/October 2013 issue

Major utilities are stepping up to facilitate growth in the Carolinas. Duke Energy Progress and Santee Cooper, two regional power giants, both have active site-readiness programs designed to bring new job-creating projects to fruition quickly.

Meanwhile, in North Carolina, lawmakers are mulling a major revamp of state economic development programs, including the conversion of the NC Department of Commerce into a public-private partnership.

A new NC Economic Development Board, headed by former Charlotte City Council member John Lassiter, is working on a strategic plan, according to a report in the *Charlotte Business Journal*. Funds to reorganize the Department of Commerce into a public-private partnership were included in the new budget. The department can use up to \$1 million in savings from changes during the 2013-14 budget year to establish its new structure including the private entity.

Pending budget legislation also created a rural economic development division, which will be led by an assistant commerce secretary. Lassiter, president of Charlotte-based Carolina Legal Staffing, told the *Business Journal* that the proposed changes are needed to “get everybody to the table” and have the state’s economic development team speak in a “clear, consistent voice” when bidding for big-ticket projects.

The new 39-member NC Economic Development Board met in Raleigh and was addressed by Gov. Pat McCrory and NC Commerce Secretary Sharon Decker. The department has until April 1, 2014 to report its progress to two legislative committees and a state office: the House Appropriations Subcommittee on Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources and the state’s fiscal research division. Regional economic development agencies will either be disbanded or continue to function “on a case-by-case review,” Lassiter told the *Business Journal*.

According to reports, the Piedmont Triad Partnership is expected to continue operating, but without state funding.

DUKE TARGETS GROWTH IN NAVASSA

Duke Energy Progress has chosen a 220-acre tract along the Cape Fear River in Navassa, NC, to participate in the utility’s 2013 Site Readiness Program to prepare the location for potential industrial development. Duke Energy’s Site Readiness Program is designed to help communities served by the utility compete for new investments and jobs.

“The Navassa site is a clear standout. Unlike most undeveloped sites we typically see, location is its strength. Not only does it have rail and water barge access on site, the Port of Wilmington is just 10 miles away,” said John Nelms, Duke Energy’s

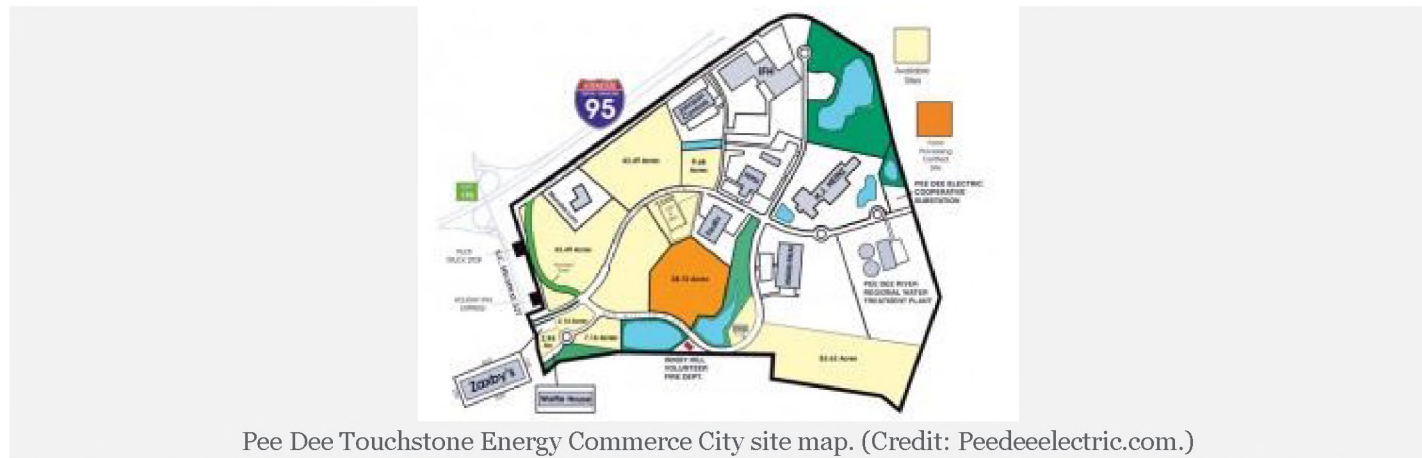
As part of the four-month assessment, Duke Energy has hired McCallum Sweeney, a nationally known consulting firm, to conduct a site study. McCallum Sweeney has been instrumental in many high-profile industrial locations and expansions. Duke Energy will work with professional land-use planners to develop conceptual plans for the site. Duke, McCallum Sweeney and the planners will present all recommendations to community leaders in November.

“We have tremendous workforce training assets in this area, which is a major advantage for companies looking for highly qualified workers. That makes the Navassa site particularly valuable. However, until it was chosen for the Duke Energy Site Readiness Program, we did not have the resources to complete the due diligence required to market the site,” said Jim Bradshaw, director of the Brunswick County Economic Development Commission.

“Economic development in North Carolina is a team sport. We work in collaboration with state and local communities to recruit new industries to the counties we serve,” said Stu Heishman, Duke Energy’s vice president of economic and business development.

SANTEE COOPER: NEW PROJECTS FLOURISH IN FLORENCE COUNTY

The loans bring to \$20.6 million Santee Cooper's investment in new projects since 2012 through a program designed to help local economic development agencies close deals and land new jobs in SC.



Union County is constructing a 60,000-square-foot spec building and an adjacent 60,000-square-foot expansion pad in

Union Commerce Park, which also has several industries in place. Local investment in the project comes from the county and the city of Union. Santee Cooper has approved a \$2.5 million loan to finish funding this project.

“Site selectors repeatedly tell us the difference between landing a deal and losing it is having available industrial space,” said Lonnie Carter, Santee Cooper president and CEO. “Santee Cooper is helping meet that need, which in turn will build local economies and create jobs for South Carolina.”

Santee Cooper is South Carolina’s largest power producer, the largest Green Power generator and the ultimate source of electricity for 2 million people across the state. Through its low-cost, reliable and environmentally responsible electricity and water services, and through innovative partnerships and initiatives that attract and retain industry and jobs, Santee Cooper powers growth in South Carolina.

Meanwhile, a solar energy farm described as the largest in SC will be located in Colleton County near Walterboro. The project, on about 20 acres, will produce up to 3 megawatts of electricity on property located in the service area of Coastal Electric Cooperative.

Santee Cooper said the effort will provide an opportunity to learn the costs and potential benefits of large-scale solar power. Central Electric Cooperative is a partner in the effort.

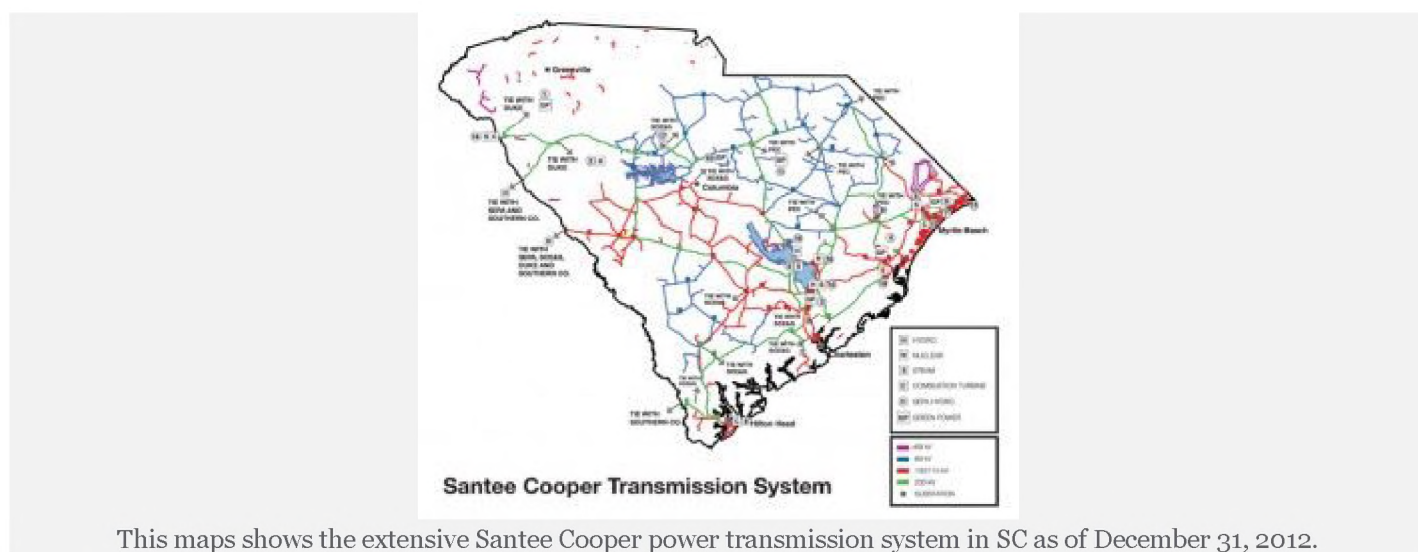
“Santee Cooper is pleased to partner with Central and the state’s electric cooperatives in planning this project, which will set a new bar for solar power in South Carolina,” said Lonnie Carter, Santee Cooper president and CEO.

Santee Cooper currently has more than 130,00 kilowatts of renewable electricity online or under contract, he said. Central Electric President and CEO Ron Calcaterra, said that solar power costs more than conventional power, even after factoring in tax incentives.

“That’s why we’re doing this, to learn how we can minimize the cost to our members,” he said.

The pilot project will be a tool for learning how to integrate solar power into a complex power system while still providing reliability and affordability, the utilities said in a press release.

Santee Cooper has issued a request for proposals and is reviewing bids now for a third party to construct and operate the project, with Santee Cooper having the option to purchase the electricity and distribute it through Central to member cooperatives.



Most of the solar power now used in South Carolina comes from the Boeing rooftop system in North Charleston, which produces 2.6 megawatts of power. It covers 10 acres of the roof of the 14-acre Boeing 787 final assembly building. South

Carolina Electric & Gas and Boeing were partners in that project, which generates enough electricity to power 250 homes, according to SCE&G.

Santee Cooper, which is owned by the state, is South Carolina's largest electricity producer. It provides power for about 2 million people in all 46 counties. "Renewables" such as solar energy account for 1 percent of the state's power.

DAIMLER VANS EXPANDS IN CHARLESTON COUNTY

Daimler Vans Manufacturing announced that it will expand its existing facility in Charleston County. The investment, which totals more than \$4.6 million is expected to generate at least 60 new jobs.

"We're thrilled to grow our operations here in Charleston County. South Carolina has provided [us] with an excellent environment for doing business and a talented workforce. We appreciate all the support we've received from state and local officials," said Marco Wirtz, president/CEO of Daimler Vans Manufacturing.

Daimler Vans Manufacturing will expand its existing van assembly plant in Charleston County, located at 8501 Palmetto Commerce Parkway. Daimler distributes its vans from the facility to markets throughout North America. The company will make improvements to the building and changes to its current assembly line. The company expects to complete expansion by 2018.

"[This] announcement by Daimler Vans Manufacturing is another indication that South Carolina is on the right track with its economic development efforts. We celebrate the company's decision to invest more than \$4.6 million and create 60 new jobs in Charleston County," said Gov. Nikki Haley.

Gov. Haley met with the company in 2011 during a business development trip to Germany, and has plans to meet again with company officials in the immediate future. Since January 2011, South Carolina has recruited more than \$5.1 billion in capital investment and more than 8,500 jobs in the automotive-related sector.

"Daimler has had a presence in the Lowcountry for a number of years and it's great that they view the Palmetto State as just right for business. This announcement is a sign that our strength in the automotive club continues to grow," said Secretary of Commerce Bobby Hitt.

"Our long standing relationship with Daimler Vans Manufacturing, one of North Charleston's finest corporate citizens, is once again benefiting our community. Daimler Vans Manufacturing realized our vision for Palmetto Commerce Park many, many years ago and became one of the first major businesses to plant its roots. Today, the park stands as the Lowcountry's premier location for business development. We reaffirm our commitment to Daimler and look forward to future growth and success," said North Charleston Mayor Keith Summey.

The Coordinating Council for Economic Development approved job development credits for the project. Daimler Vans Manufacturing LLC (DVM) assembles Sprinters for the US market under the Mercedes-Benz and Freightliner brands. The company is a subsidiary of Daimler AG.

ASSOCIATED HARDWOOD PUTS ITS NEW SAW MILL SITED IN CHEROKEE

Associated Hardwoods, a lumber products company, announced plans to locate its new facility in Cherokee County. The more than \$9.8 million investment is expected to generate 28 new jobs.

"We are excited to bring our new facility online in Cherokee County. This new location is a big step for our company and will help us better serve our customers. South Carolina provides us with an excellent business environment and the abundant natural resources we need for our products. We appreciate all the support we've received from state and local officials," said Rick Jordan, president of Associated Hardwoods.

Associated Hardwoods will open a new saw mill operation in Cherokee County. This operation will process timber logs to be

shipped to the company's Granite Falls, NC location for further processing. The saw mill process and new technology makes it unique in the nation's saw mill industry. Operations will begin in March 2014.

"We work every day to recruit new business to our state, and it's always exciting to see a company set up new operations in one of South Carolina's rural areas. We celebrate Associated Hardwoods' decision to invest more than \$9.8 million and create 28 new jobs in Cherokee County," said Gov. Nikki Haley.

"South Carolina continues to see its agribusiness sector grow and create jobs. Associated Hardwoods found the location that was just right and we welcome them to the Palmetto State's business community. Every one of these new jobs will have an impact in Cherokee County," said Secretary of Commerce Bobby Hitt.

The Coordinating Council for Economic Development approved a rural infrastructure grant for \$100,000 to assist with the costs of building construction.

- See more at: <http://businessfacilities.com/business-report-regional-utilities-busy-powering-growth-carolinas/#sthash.mT2SNMPg.dpuf>

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