

Economic Development, Transportation, and Natural Resources Subcommittee Meeting
Wednesday, May 12, 2021

Table of Contents

Contents

Agenda.....	2
Meeting Minutes	4
Study Timeline	8
Figure 1. Key dates in the study process.....	8
Agency Snapshot	9
Agency Presentation – Marketing the State and Project Management.....	10
Committee Contact Information and Upcoming Meetings.....	39
End Notes	41

AGENDA

South Carolina
House of Representatives



Legislative Oversight Committee

*ECONOMIC DEVELOPMENT, TRANSPORTATION,
AND NATURAL RESOURCES SUBCOMMITTEE*

The Honorable William M. "Bill" Hixon, Chair

The Honorable Adam M. Morgan

The Honorable Russell L. Ott

The Honorable Marvin R. Pendarvis

Wednesday, May 12, 2021

8:30 a.m.

321 - Blatt Building

*Pursuant to Committee Rule 6.8, S.C. ETV shall be allowed access for internet streaming whenever
technologically feasible.*

AGENDA

- I. Approval of Minutes**
- II. Discussion of the study of the Department of Commerce**
- III. Adjournment**

MEETING MINUTES

Chair Wm. Weston J. Newton

*First Vice-Chair:
Joseph H. Jefferson, Jr.*

Legislative Oversight Committee

*Kambrell H. Garvin
Roselyn D. Henderson-
Myers
Jeffrey E. "Jeff" Johnson
John R. McCravy, III
Adam M. Morgan
Melissa Lackey Oremus
Marvin R. Pendarvis
Tommy M. Stringer
Chris Wooten*



South Carolina House of Representatives

*Gil Gatch
William M. "Bill" Hixon
Kimberly O. Johnson
Josiah Magnuson
Timothy A. "Tim" McGinnis
Travis A. Moore
Russell L. Ott
Michael F. Rivers, Sr.
John Taliaferro (Jay) West, IV*

*Jennifer L. Dobson
Research Director*

*Cathy A. Greer
Administration
Coordinator*

**Post Office Box 11867
Columbia, South Carolina 29211
Telephone: (803) 212-6810 • Fax: (803) 212-
6811**

Room 228 Blatt Building

*Charles L. Appleby, IV
Legal Counsel*

*Lewis Carter
Research Analyst/Auditor*

*Riley E. McCullough
Research Analyst*

Economic Development, Transportation, and Natural Resources Subcommittee

Thursday, March 11, 2021
1 hour after adjournment
Blatt Room 110

Archived Video Available

- I. Pursuant to House Legislative Oversight Committee Rule 6.8, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly's website (<http://www.scstatehouse.gov>) and clicking on *Committee Postings and Reports*, then under *House Standing Committees* click on *Legislative Oversight*. Then, click on *Video Archives* for a listing of archived videos for the Committee.

Attendance

- I. The Economic Development, Transportation, and Natural Resources Subcommittee meeting was called to order by Chairman William M. (Bill) Hixon, on Thursday, March 11, 2021, in Room 110 of the Blatt Building. The following members of the Subcommittee were present for either all or a portion of the meeting: Chairman Hixon, Representative Adam M. Morgan; Representative Russell L. Ott; and Representative Marvin R. Pendarvis.

Minutes

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings. It is the practice of the Legislative Oversight Committee to provide minutes for its subcommittee meetings.
- II. Representative Ott makes a motion to approve the meeting minutes from the prior Subcommittee meeting.

Rep. Ott' motion to approve the minutes from the March 4, 2021 meeting:	Yea	Nay	Not Voting
Rep. Hixon	✓		
Rep. Morgan	✓		
Rep. Ott	✓		
Rep. Pendarvis	✓		

Discussion of the S.C. Department of Commerce

- I. Chair Hixon swears in Ms. Jennifer N. Fletcher, Deputy Secretary for the Department of Commerce. Also, he reminds Mr. Robert M. (Bobby) Hitt III, Secretary of Commerce and Mr. Christopher Huffman, Chief Financial Officer of the Department of Commerce that they remain under oath.
- II. Secretary Hitt provides brief comments related to “Setting the Table” for business by mitigating risk. Secretary Hitt makes remarks about a team approach and applied research grant programs.

Deputy Secretary Fletcher provides comments on other grants programs; rural development; and partnerships.

- III. Subcommittee members ask questions relating to the following:
 - a. Partnerships:
 - i. SC Economic Developers Association
 - ii. Army Corp of Engineers
 - iii. Regional community development organizations
 - b. Economic development efforts: coordination and prioritization
 - c. Fraunhofer (applied research organization) project: company partners, and digital onboarding tools
 - d. Locate SC Grants:
 - i. distribution strategy
 - ii. eligibility
 - iii. source of funding
 - iv. performance measures

- v. site enhancement grants
- vi. grant administration
- vii. carryforward
- viii. definition of publicly owned asset
- ix. location and identification of potential sites
- x. Palmetto sites
- xi. publicizing these grant opportunities
- xii. payment process for grantees
- xiii. geographical distribution of these grants
- xiv. agency's discretion for matching funds requirements for grant applicants
- e. Community Development Block Grants
 - i. administration concerns;
 - ii. communication with applicants about other grant options
- f. Appalachian Regional Commission
- g. Rural development

Secretary Hitt, Deputy Secretary Fletcher, and Mr. Huffman respond to those questions.

Conclusion

- I. There being no further business, the meeting is adjourned.

STUDY TIMELINE

The House Legislative Oversight Committee's (Committee) process for studying the Department of Commerce (agency) includes actions by the full Committee; Economic Development, Transportation, and Natural Resources Subcommittee (Subcommittee); the agency; and the public. Key dates and actions are listed below in Figure 1.

Legislative Oversight Committee Actions

- December 9, 2019 – Holds **Meeting #1** and prioritizes the agency for study
- January 15, 2020 - Provides the agency notice about the oversight process
- February 28 – April 1, 2020 - Solicits input about the agency in the form of an online public survey

Economic Development, Transportation, and Natural Resources Subcommittee

- March 4, 2021 - Holds **Meeting #2** to discuss the agency's vision; mission; director responsibilities; organizational structure; history; and general information about finances and employees
- March 11, 2021 - Holds **Meeting #3** to discuss agency deliverables related to TEAMSC, LocateSC, Community Development Block Grant, Appalachian Regional Commission, Applied Research Grant Program, Rural Development, and Regional Economic Development organizations
- May 12, 2021 - Holds **Meeting #4 (TODAY)** to discuss agency deliverables related to marketing the state and project management

Department of Commerce

- March 31, 2015 - Submits its **Annual Restructuring and Seven-Year Plan Report**
- January 12, 2016 - Submits its **2016 Annual Restructuring Report**
- September 2016 - Submits its **2015-16 Accountability Report**
- September 2017 - Submits its **2016-17 Accountability Report**
- September 2018 - Submits its **2017-18 Accountability Report**
- September 2019 - Submits its **2018-19 Accountability Report**
- March 13, 2020 - Submits its **Program Evaluation Report**
- September 2020 - Submits its **2019-20 Accountability Report**
- December, 2019 - Present - Responds to Subcommittee's inquiries

Public's Actions

- February 28 – April 1, 2020 - Provides input about the agency via an **online public survey**
- Ongoing - Submits written comments on the Committee's webpage on the General Assembly's website (www.scstatehouse.gov)

Figure 1. Key dates in the study process.

AGENCY SNAPSHOT

Department of Commerce

Agency Mission

Working together to create opportunities by promoting job creation, economic growth and improved living standards for all South Carolinians.

History

The Department of Research, Planning and Development, created in 1945, changed to the State Development Board in 1954, and, during reorganization of state government in 1993, was replaced by the Department of Commerce, which also assumed duties of other entities including the Coordinating Council for Economic Development.

Organizational Units

Administration
Global Business Development
International Strategy and Trade
Small Business and Existing Industry
Community and Rural Development
Marketing and Communications
Research
Grants
Workforce
Innovation
Palmetto Railways
Military Base Task Force

Resources (FY 19-20)

Employees

98
filled FTE positions
at the end of the year

Funding

\$256,919,111
Cash and available funds

Successes

Identified by the agency

Jan. 2011-2020

- 151,800+ new jobs recruited
- \$41.3 billion+ capital investment
- 1,429 projects (i.e., new or expanding company, recruited and managed by agency to facilitate the creation of new jobs and taxable investment in South Carolina)

Challenges

Identified by the agency

Current:

- COVID-19
- Succession planning
- Economic development in rural South Carolina
- Infrastructure

Emerging:

- Diversification of economy
- Trade environment
- Adaptability to a changing economy

Figure 2. Snapshot of the agency's major organizational units, fiscal year 2019-20 resources (employees and funding), successes, and challenges.¹

AGENCY PRESENTATION – MARKETING THE STATE AND PROJECT MANAGEMENT

House Legislative Oversight Committee

May 11, 2021



South Carolina
Department of Commerce

Just right for business.

Marketing the State



South Carolina
Department of Commerce

Just right for business.

Marketing the State Outline

- **WHY DO WE HAVE TO MARKET?**
- **MARKETING TOOLS**
 - The SC Story
 - Website
 - Social Media/Collaterals/Announcements
 - Tradeshows/Mission Trips/Events
- **INTERNATIONAL REPRESENTATION**



Why do we
have to
market?



Why do we have to market?

- To keep South Carolina top of mind for a company's decision-making process
- To promote our pro-business environment
- To build brand awareness
- To overcome geographical stereotypes



Marketing Tools



WHY NORTH CAROLINA

If you're looking for somewhere to grow and ready to embrace what's next, you should be looking at North Carolina.

WORKFORCE &
EDUCATION

BUSINESS CLIMATE

INFRASTRUCTURE

QUALITY OF LIFE

Discover Virginia's Advantages
Over Other States

Sumitomo Drive Technologies, Chesapeake

MADE IN
ALABAMA

GULFSTREAM AEROSPACE

Global Headquarters and Georgia Made

Play Video



WATCH THE TENNESSEE HYPE VIDEO ▶

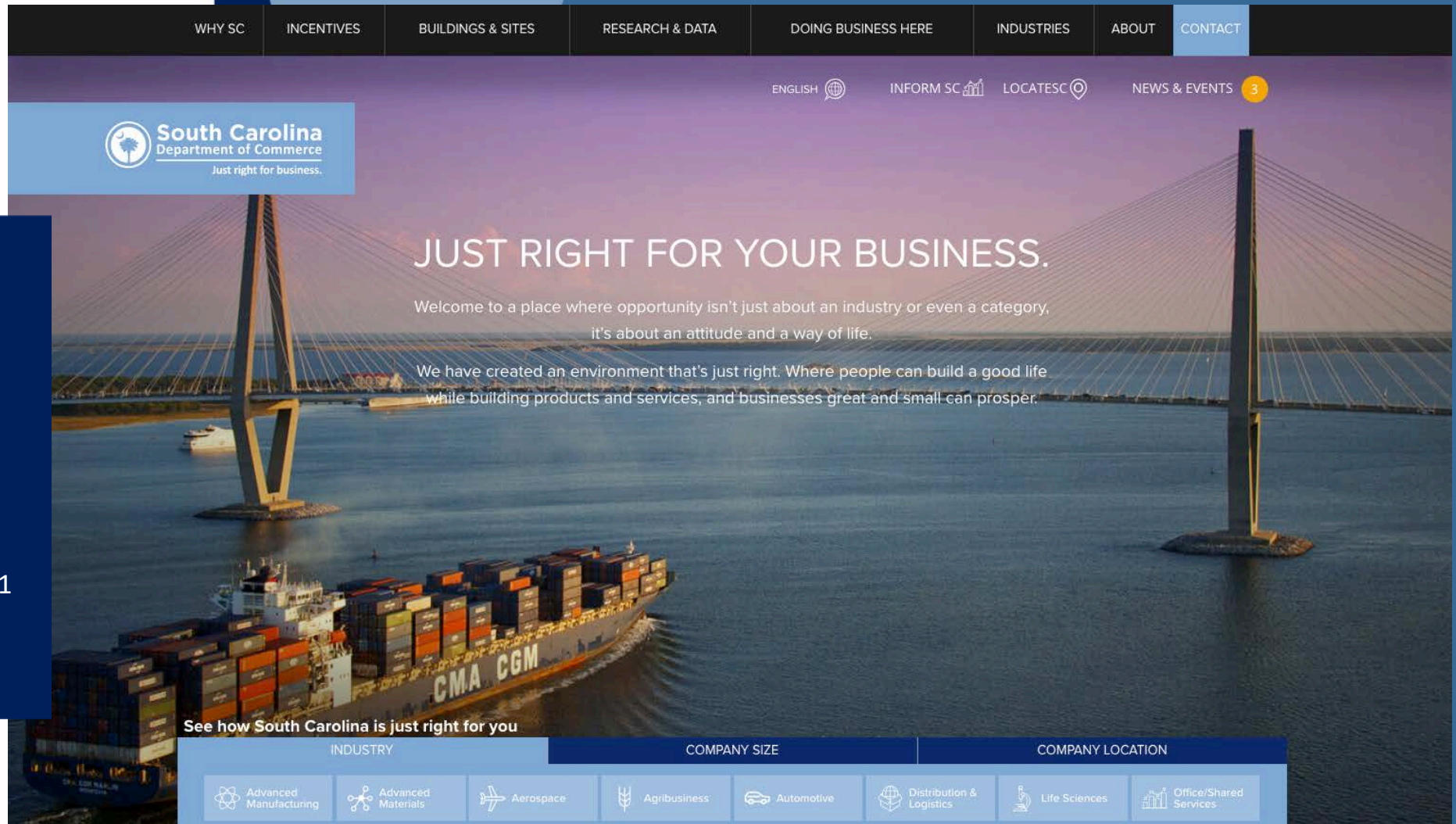
GM ANNOUNCES A MAJOR
INVESTMENT IN
TENNESSEE

Automaker will invest nearly \$2 billion in its Spring Hill manufacturing facility to build EVs.

READ THE RELEASE

Marketing Tools: The South Carolina Story





Site Interactions	
2019	
Sessions:	359,155
Pageviews:	721,017
Users:	266,996
LocateSC property searches:	17,000
2020	
Sessions:	587,415
Pageviews:	1,167,811
Users:	443,055
LocateSC property searches:	22,000

Marketing Tools: Website



Sessions : number of unique visits
Pageviews : number of times individual site pages are loaded
Users : number of people visiting the site



@sccommerce



@sccommerce



@sccommerce



@South Carolina
Department of Commerce

Marketing Tools: Social Media & Collaterals



ZEUS INDUSTRIAL PRODUCTS, INC. EXPANDING ITS CALHOUN COUNTY OPERATIONS

Friday, February 2, 2018

Polymer extrusion manufacturer creating more than 350 new jobs

COLUMBIA, S.C. — Zeus Industrial Products, Inc. (Zeus), a leading polymer extrusion manufacturer and material science

million investment is expected to create an average of 350 new jobs in a variety of industries, including the medical, flu

ops to design, engineer and produce fluoropolymer pipes and hoses with chemical resistance and high-tensile strength demands.

ston, S.C. facility, located off of I-26 near Exit 111, is currently under construction. Manufacturing space. Hiring for the initial phase of the project is ongoing. For more information, please visit the company's [careers page online](#) for more information.



NEWS RELEASE

For Immediate Release
February 10, 2021

Generac Power Systems, Inc. establishing operations in Edgefield County

Company's investment will create 450 new jobs

Power Systems, Inc. (Generac), a leading global power and energy solutions provider serving the residential, commercial and industrial markets, today announced it is establishing manufacturing operations in Edgefield County. The company's investment will

lead the industry with a broad range of power and energy solutions including power generator systems, engine-powered and battery-powered power storage systems.

located on Highway 101 in Trenton, Generac's new manufacturing operations will produce standby generators and associated energy storage systems. The facility will also serve as a distribution center to customers throughout the

facility is expected to be operational by the third quarter of 2021. Individuals interested in working for Generac should visit the company's [careers webpage](#).



South Carolina Department of Commerce

Just right for business.

NEWS RELEASE

For Immediate Release
March 20, 2020

South Carolina to receive disaster recovery assistance from Small Business Administration

Applications for small business emergency loans now open

COLUMBIA, S.C. - In response to a request from Governor Henry McMaster for a disaster declaration, the U.S. Small Business Administration (SBA) is offering low-interest federal disaster loans for South Carolina small businesses suffering substantial economic injury resulting from the Coronavirus (COVID-19). The disaster declaration makes SBA assistance available in the entire state of S.C.

"These low-interest loans are of monumental importance to our business community," said Gov. Henry McMaster. "There's no doubt that our state's small businesses have suffered losses throughout this incredibly difficult time, but help is on the way."

Small businesses and non-profit organizations that have been financially impacted as a direct result of COVID-19 may qualify for Economic Injury Disaster Loans up to \$2 million to help meet financial obligations and operating expenses.

Just Announced

United Community Bank

is expanding operations in Greenville County and naming the location its new corporate headquarters. The \$24.8 million investment will create 227 new jobs.

[Read more](#)

Ray-Mont Logistics

is establishing operations in Charleston County, investing more than \$16 million and creating 85 new jobs.

[Read more](#)

3D Systems

is expanding operations in York County, investing \$13 million and creating 50 new jobs.

[Read more](#)

Marketing Tools: Economic Development Announcements



Marketing Tools: Tradeshows, Mission Trips & Events



Marketing Tools: Tradeshows, Mission Trips & Events



International Representation





International Representation



Project Management



South Carolina
Department of Commerce

Just right for business.

Project Management Outline

- **LEAD SOURCES**
- **SITE LOCATION DECISIONS**
 - Factors Companies are Evaluating
 - Site Selection Process

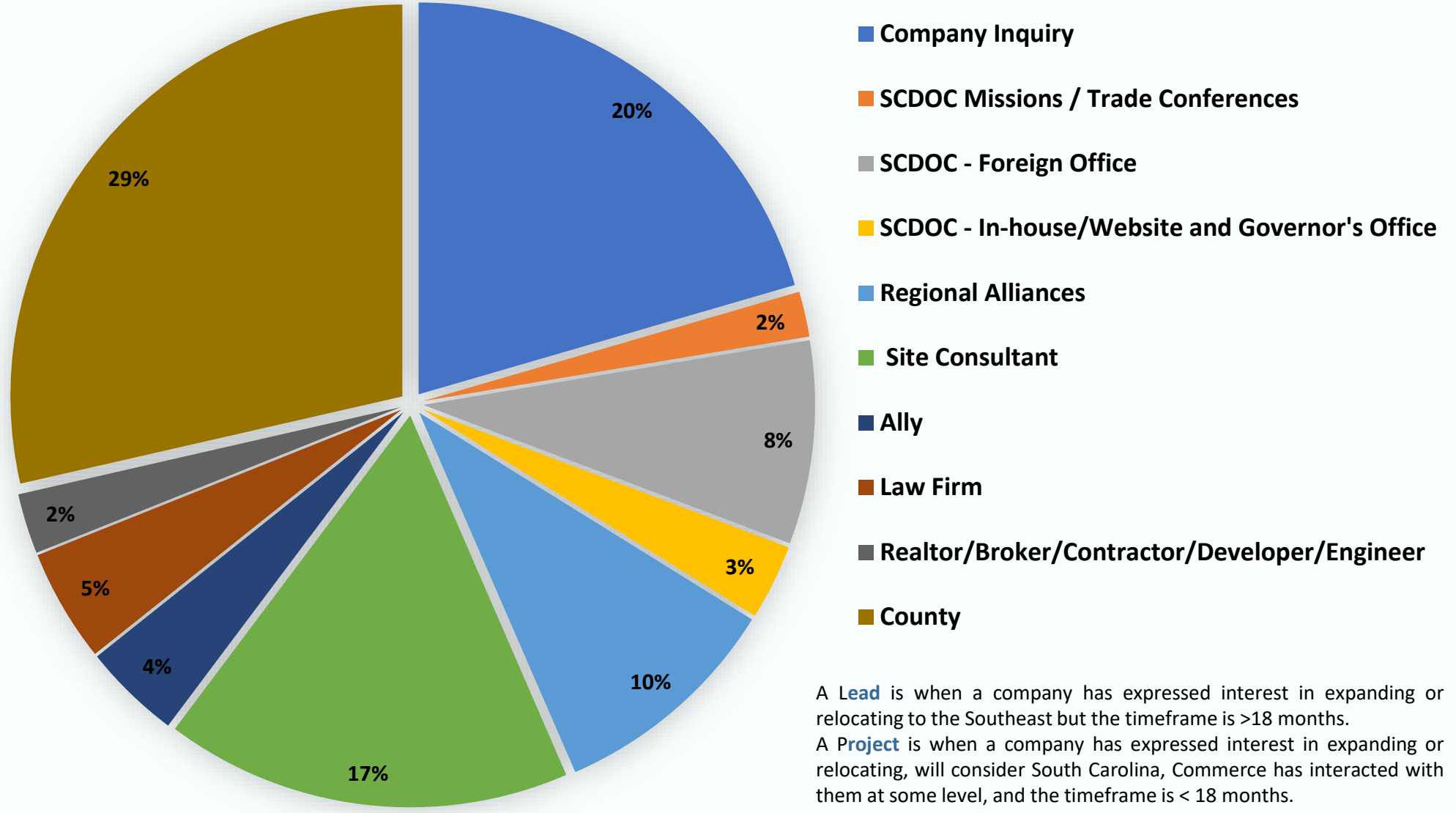


Lead Sources



Project Management: Sources of Projects

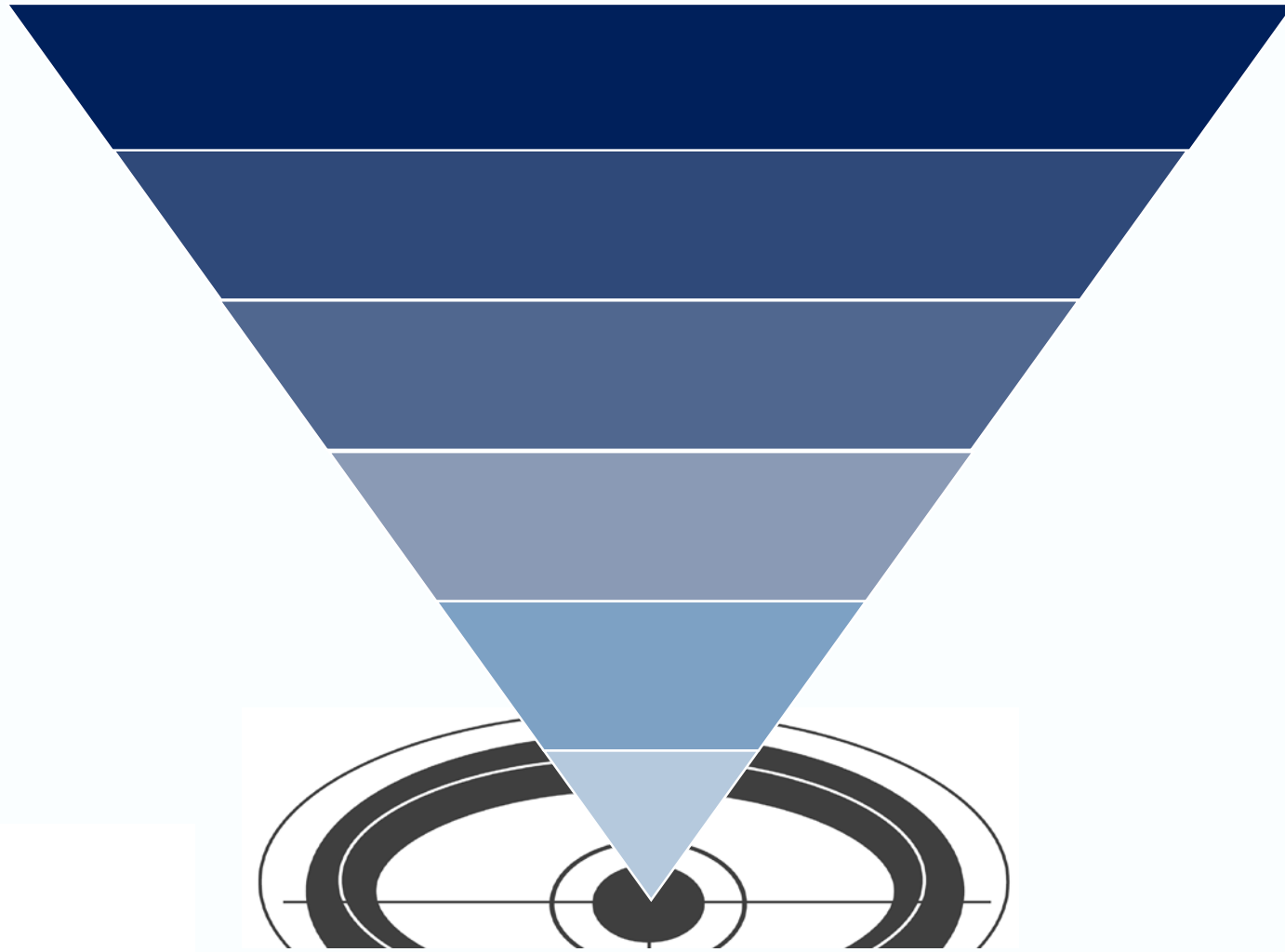
Active Projects
March 2021



Site Location Decisions



Project Management: Site Selection Process



Needs assessment by company.

Project Management: Factors Companies are Evaluating

Site Selection Factors	2020	2019
Ranking		
1. Availability of skilled labor	91.4	92.3 (2)**
2. Highway accessibility	88.7	92.4 (1)
3. Energy availability and costs	85.3	79.5 (7)
4. Quality-of-life	84.8	82.2 (4)
5. Labor costs	84.2	87.1 (3)
6. Occupancy or construction costs	80.6	80.3 (5)
7. Corporate tax rate	80.0	79.7 (6)
8. Tax exemptions	78.6	75.0 (8)
9. State and local incentives	77.2	70.2 (14)
10. Inbound/outbound shipping costs	76.8	69.8 (15)
11. Right-to-work state	71.8	72.0 (11)
12. Proximity to major markets	71.7	72.6 (10)
13. Environmental regulations	71.6	73.0 (9)
14. Available buildings	70.6	71.3 (12)

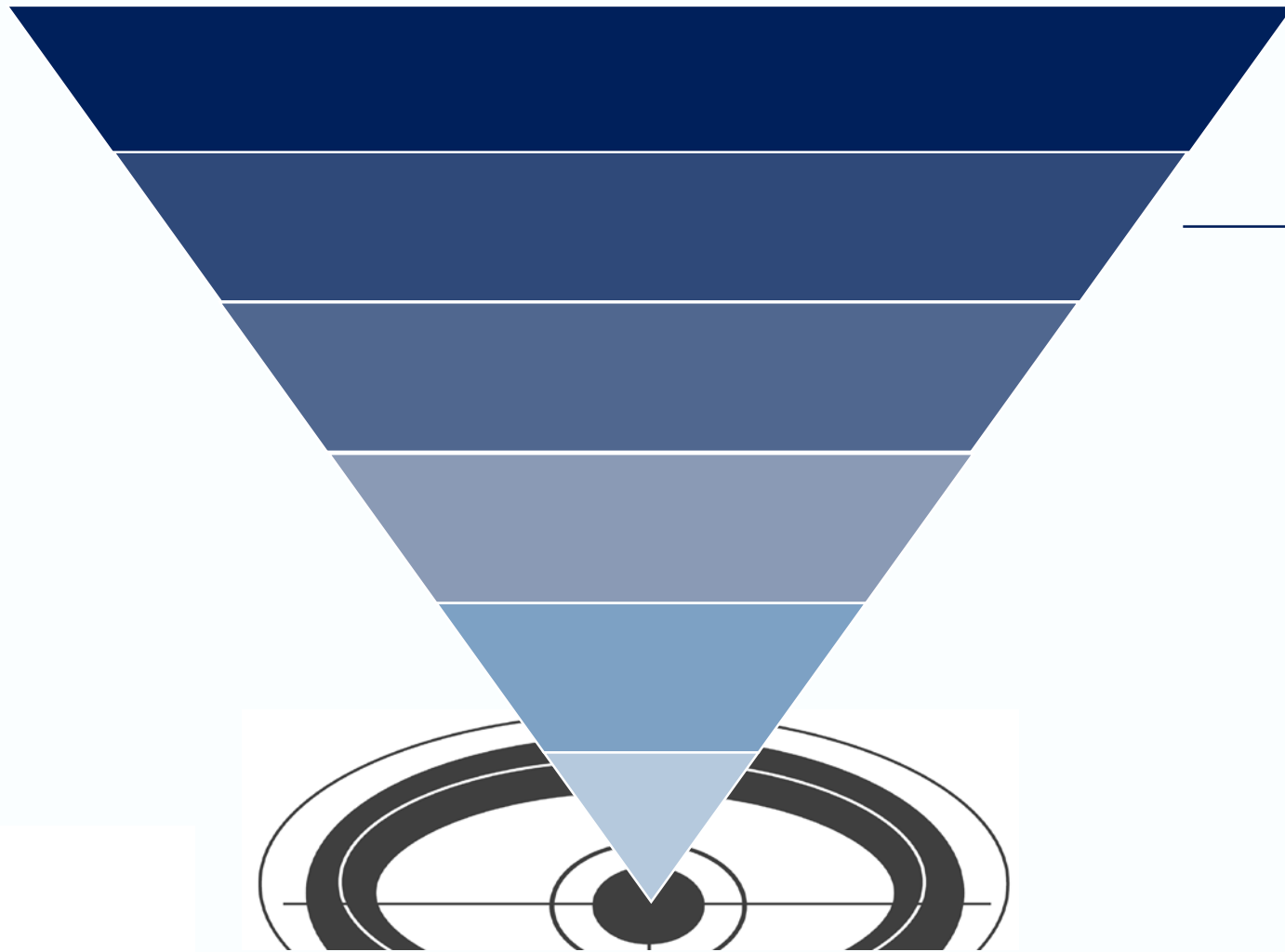
Site Selection Factors	2020	2019
Ranking		
15. Low union profile	70.0	62.7 (18)
16. Available land	65.2	64.4 (17)
17. Proximity to suppliers	64.2	68.1 (16)
18. Training programs/technical schools	63.3	60.3 (19)
19. Expedited or "fast-track" permitting	61.8	70.7 (13)
20. Availability of long-term financing	59.4	59.5 (20)
21. Raw materials availability	59.1	56.1 (22)
22. Availability of unskilled labor	53.0	59.0 (21)
23. Water availability	50.1	45.2 (24)
24. Accessibility to major airport	47.8	50.6 (23)
25. Availability of advanced ICT services	36.9	26.7 (26)
26. Proximity to innovation commercialization/R&D centers	29.9	35.7 (25)
27T. Railroad service	24.6	25.3 (27)
27T. Waterway or oceanport accessibility	24.6	20.3 (28)



* All figures are percentages and are the total of the "very important" and "important" ratings of the Area Development Corporate Survey (2020) and are rounded to the nearest tenth of a percent.

** 2019 ranking

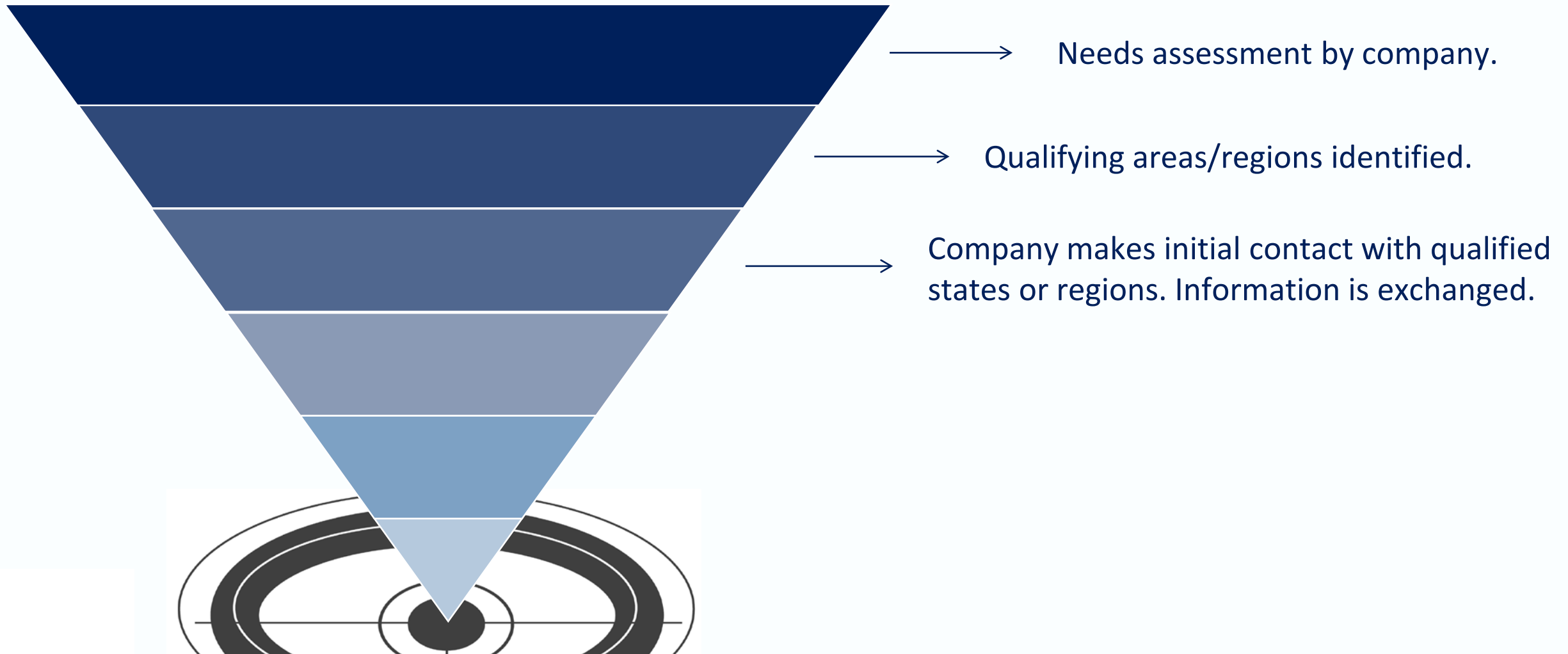
Project Management: Site Selection Process



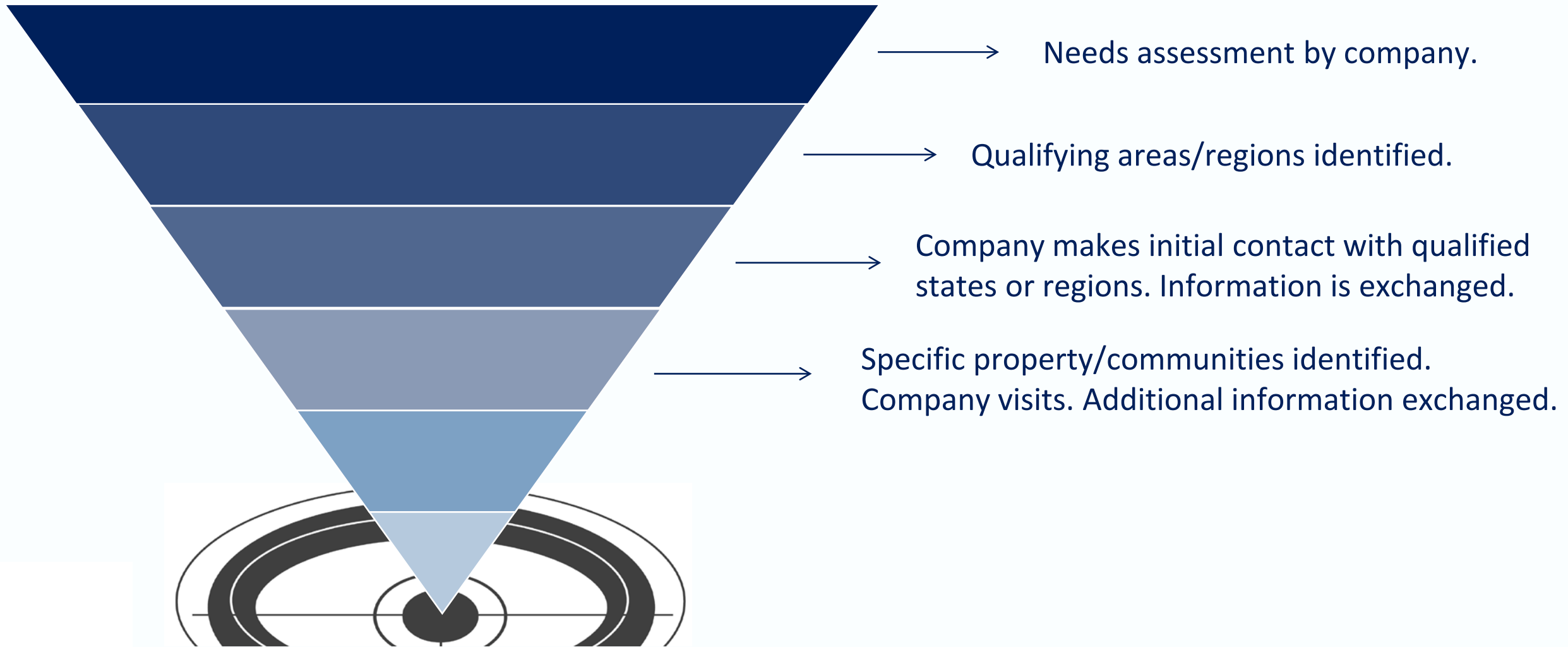
—————> Needs assessment by company.

—————> Qualifying areas/regions identified.

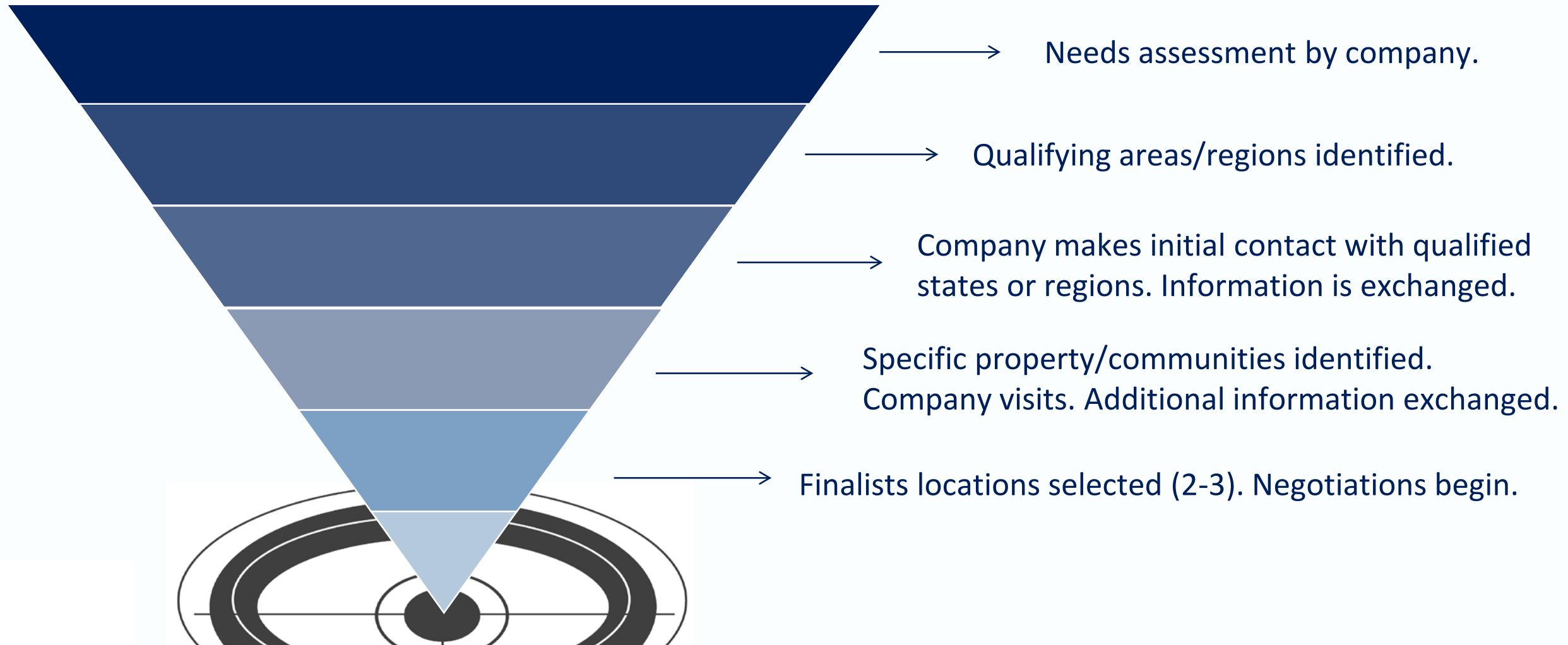
Project Management: Site Selection Process



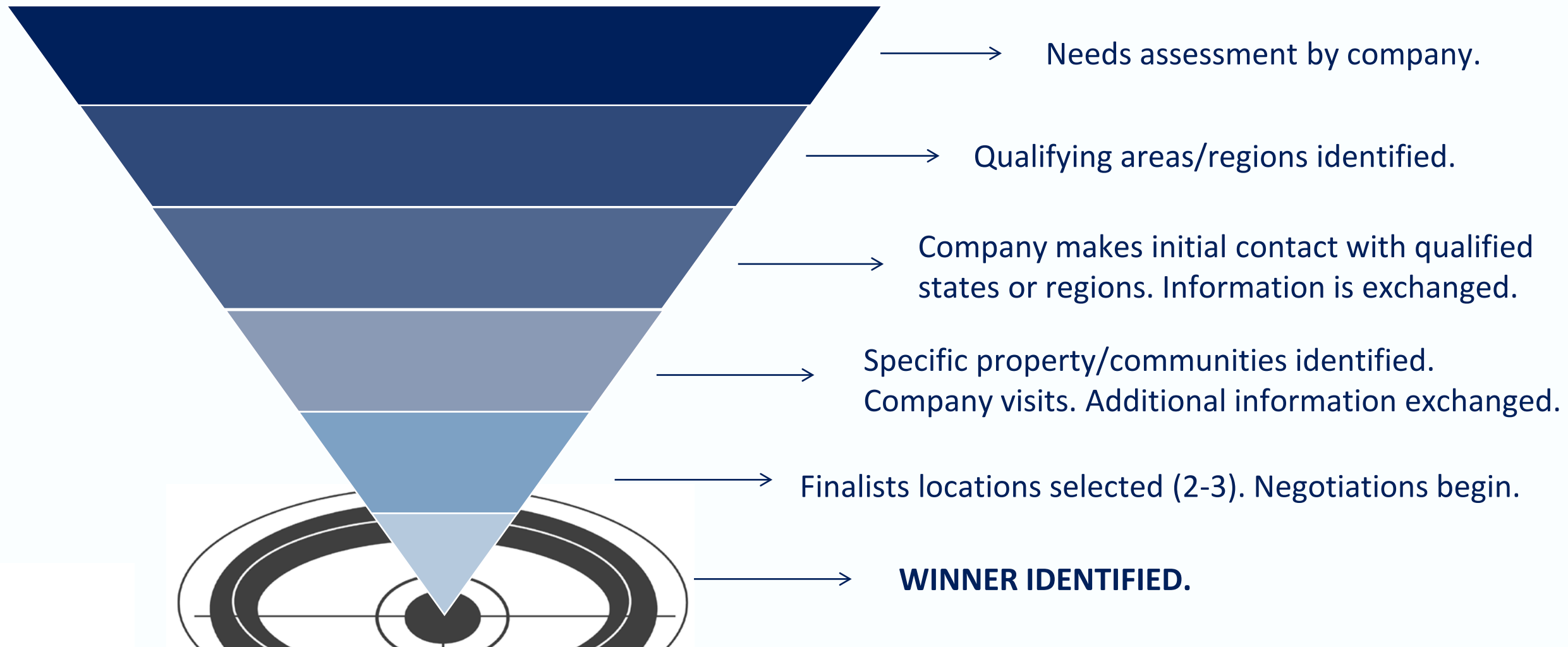
Project Management: Site Selection Process



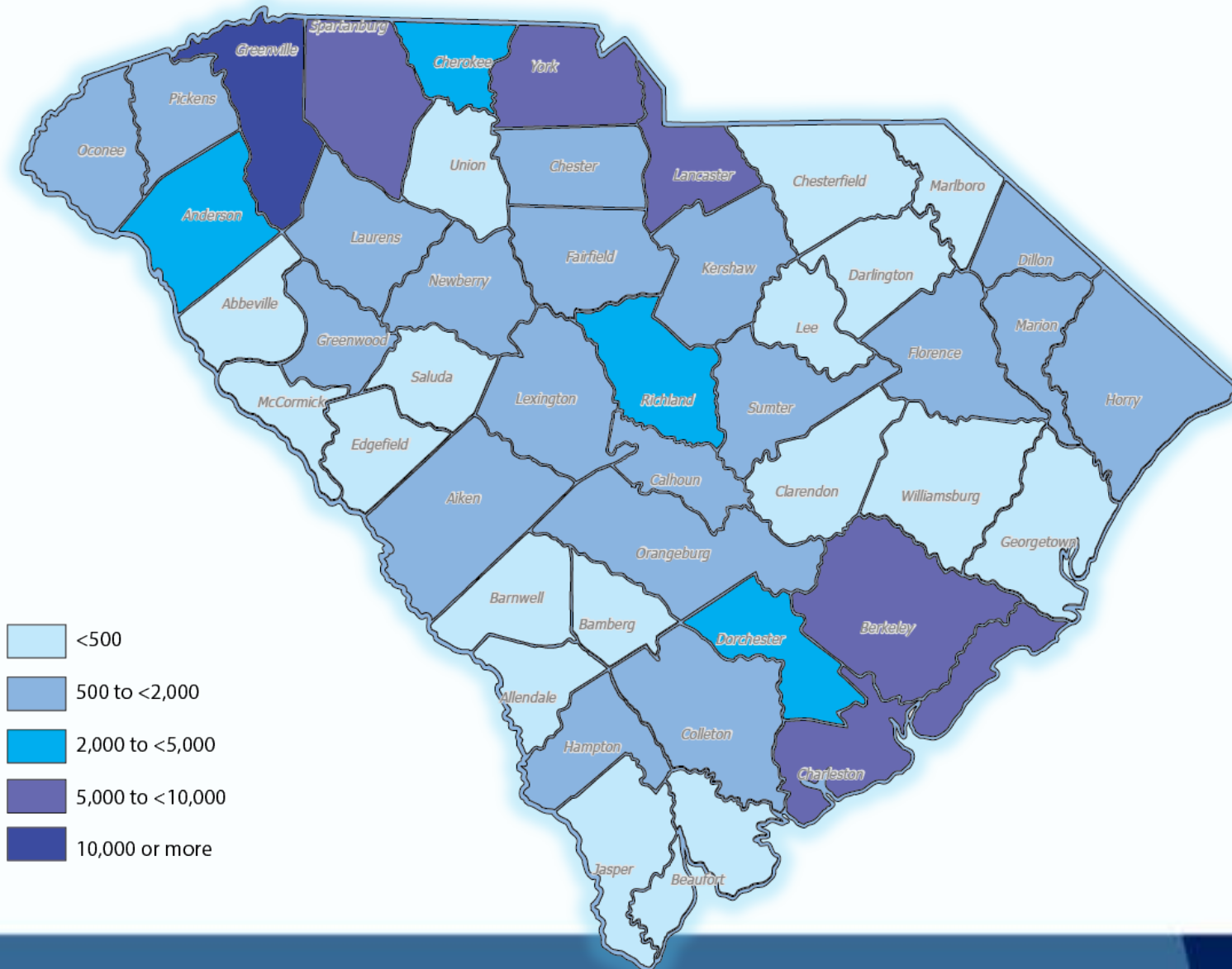
Project Management: Site Selection Process



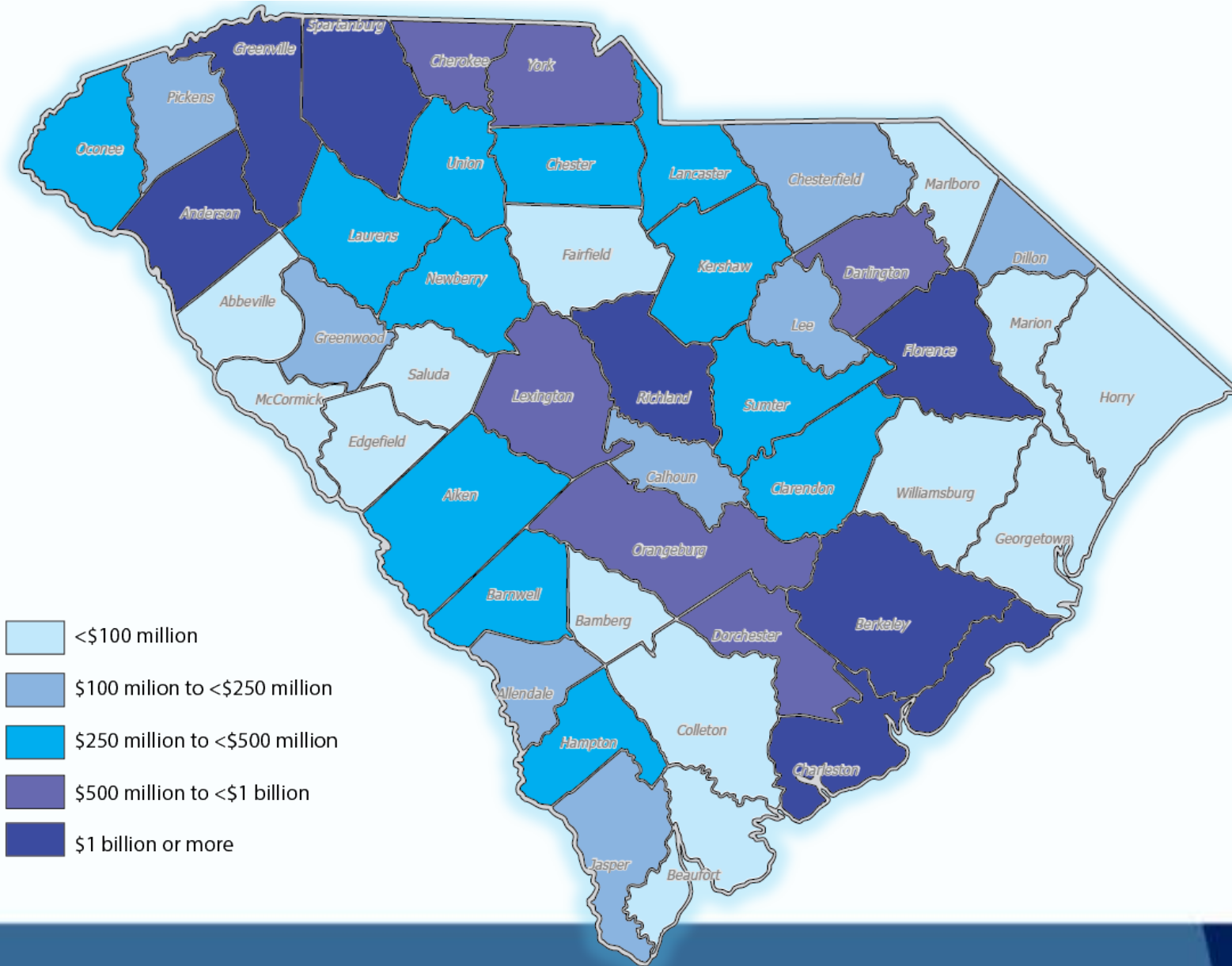
Project Management: Site Selection Process



Project Management: Recruited Jobs 2015 - 2020



Project Management: Recruited Capital Investment 2015 - 2020



COMMITTEE CONTACT INFORMATION AND UPCOMING MEETINGS

Legislative Oversight Committee



South Carolina House of Representatives

Committee Mission

Determine if agency laws and programs are being implemented and carried out in accordance with the intent of the General Assembly and whether they should be continued, curtailed or eliminated. Inform the public about state agencies.

Website: <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php>

Phone Number: 803-212-6810

Email Address: HCommLegOv@schouse.gov

Location: Blatt Building, Room 228

UPCOMING MEETINGS

Economic Development, Transportation, and Natural Resources Subcommittee

Thursday, May 27
Room 321
10:00 a.m.

Friday, June 4
Room 110
10:00 a.m.

Tuesday, June 29
Room 110
10:00 a.m.

END NOTES

¹ Visual Summary Figure 2 is compiled from information in the Department of Commerce study materials available online under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and then under “Commerce, Department of”

<http://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyPHPFiles/Commerce.php> (accessed February 25, 2021).