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Distribution Industry Replaces Jobs in Southeastern N.C.

It's true that nothing succeeds like success. But leaders in Southeastern North Carolina can attest to the fact that in today's economy exciting opportunities can rise from painful headlines.

In July 2006, officials of textile manufacturer WestPoint Stevens notified leaders in Scotland County, N.C., that it would close its 1.6 million-sq.-ft. manufacturing site in the town of Wagram, idling about 370 workers there. Two years later, many of those employees remain employed at the site, handling bedding and bath products similar to the ones they used to manufacture. They are now employed by Hellmann Worldwide Logistics, one of the world's largest third-party logistics providers. Pursuant to an agreement with Hellman, the facility now serves as WestPoint's national distribution center.

"This is something we've been working on for well over a year," said Kevin Patterson, Scotland County manager. "The global distribution site now employs a workforce of 120 drawn from the ranks of former production workers, and that headcount is set to grow to 200 by the end of the year." WestPoint, whose manufacturing now takes place in Asia, will utilize about half the facility.

Other tenants will be sought to fill the remaining space, which is now being retrofitted with high-tech conveyor systems.

The project developed after WestPoint executives and leaders of the North Carolina Port Authority discussed benefits the company could gain by converting the Wagram building, which sits about 100 miles from the Port of Wilmington, into a distribution center. "Within a couple of years they expect to import 20,000 containers per year into that facility," said Jimmy Yokeley, director of distribution services and economic development for the North Carolina Ports Authority. Yokeley cites the value of North Carolina's import tax credits, as well as

Scotland County's affordability and ready labor, in WestPoint Home's decision to consolidate distribution operations at this location.

The WestPoint-Hellmann project is the latest evidence that firms are finding Southeastern North Carolina an appealing environment for distribution operations. "Our region's Mid-Atlantic location, affordability, web of Interstates and deepwater port make it an ideal fit for projects like this," said Steve Yost, marketing manager for North Carolina's Southeast Commission, a public-private regional partnership in Elizabethtown, N.C. The commission's strategy for attracting distribution jobs includes collaboration with private real estate developers to erect speculative global distribution space in the 11-county region. Philadelphia-based BPG Properties Ltd. recently announced its intention to build 960,000 sq.-ft. of Class A distribution space in Leland, N.C., just 10 miles from the Port of Wilmington.



Port Industrial Facility, Leland, N.C.

RECENT ANNOUNCEMENTS

Ahlstrom

Kershaw County, S.C.
Nonwoven textile facility expansion
\$11 million capital investment
144 jobs

Carolinas AAC

Marion County, S.C.
Manufacturer of lightweight
masonry building material
\$17 million capital investment
40 jobs

Cellynne Corp.

Polk County, Fla.
Paper manufacturing facility expansion
\$35 million capital investment
22 jobs

Full Complement of Utility Experts Supports Aldi Plans in Florida

The rapid growth of discount grocer Aldi has been driven by a creative approach to overcoming hurdles. But the 30-year-old firm never needed to make a request like the one economic development officials in Central Florida heard when Aldi unveiled plans to build a 450,000-sq.-ft distribution facility in Polk County.



Aldi Foods, Haines City, Fla.

A 73-acre site in Haines City had everything the company wanted, including centrality to large consumer markets in Metro Orlando and the Tampa Bay regions. The property also possessed a transmission line that rendered it unbuildable – unless the line could be relocated. “For a project like this you really need to be able to resolve issues,” said Dave Behm, vice president of the Haines City, Fla., division of Illinois-based Aldi. In order to make the site workable under the project’s aggressive construction schedule, Behm approached Progress Energy Florida to explore moving its transmission line. “We felt it wouldn’t hurt to ask, and

were pleasantly surprised when Progress Energy was willing to work with us on this – and, more importantly, in the timeframe that could keep the project on track,” Behm explained.

In addition to its obvious costs, relocating a key transmission line would require the coordinated efforts of numerous units within Progress Energy, including company real estate, legal, transmission line engineering, construction, maintenance and economic development representatives. “We had to make sure the move would be cost-effective for them in order to keep the deal from falling apart,” said Peany Schwahl, an encroachment agent in Progress Energy’s Lake Buena Vista office who helped manage easements and other local issues.

Progress Energy officials worked with Aldi planners and local economic developers for an entire year in order to pave the way for the project, which is bringing \$35 million in investment and 150 jobs to Polk County. The distribution complex, an initial portion of which is set for completion by September, will serve 80-100 new Aldi stores across Central Florida.



GE-Hitachi Nuclear Energy

New Hanover County, N.C.
Nuclear operations headquarters expansion
\$678 million capital investment
900 jobs

hhgregg

Polk County, Fla.
Electronics retailer distribution hub
\$10 million capital investment
60 jobs

I-Con Systems Inc.

Seminole County, Fla.
Manufacturer of plumbing control systems
\$3.5 million capital investment
35 jobs

Community Focus: Sumter County, South Carolina A Rich Legacy of Talent and Industrial Success

Chuck Fienning remembers when economic development officials from Sumter County ventured to Illinois in the early 1980s to recruit his family's company, now known as Sumter Packaging Corp. "We were impressed that a community in South Carolina would take an interest in us," said Fienning. Today, after growing Sumter Packaging's local workforce from 10 to 120, Fienning is active as a member of the Sumter Development Board, helping take the county's message to other firms seeking a supportive community in which to do business. "We still try to display that same spirit to industrial clients: 'our community will support you and do whatever it can to make you successful'," Fienning explained.

Encircled by three interstates, Sumter County is an ideal environment for manufacturing and distribution operations, and the firms such as Sumter Packaging that support them. The county is home to corporate legends such as BD (Becton Dickinson), International Paper, Caterpillar and Cooper Tools, as well as scores of smaller manufacturing names. "This has been an industrial community since the 1900s," said Jay Schwedler, president and CEO of the Sumter Development Board.

In more recent times, the county has flourished under the presence of Shaw Air Force Base, whose payroll, purchasing and regular visitors churn a billion dollars a year through the local economy. "It has an impact that is indescribable," said Schwedler. The base is home to the military's largest F-16 combat wing, as well as headquarters to the 9th Air Force and the U.S. Central Command Air Force (USCENTAF). In addition to its obvious national security importance, Shaw serves as a unique asset to the community's workforce in the form of well-educated trailing spouses and experienced personnel exiting military service. "The base produces a tremendous amount of skill and talent on an ongoing basis," Schwedler said.

Sumter County leaders are also intent on leveraging the presence of Shaw Air Force Base in reaching out to aviation manufacturers and service providers. "The base enables us to build relationships with industry officials," explained Schwedler. Agribusiness, advanced manufacturing and alternative fuels are other industry targets he is hopeful about. County officials have invested heavily in quality industrial sites in order to accommodate arriving firms. Boasting 320 acres and nonstop four-lane access to I-95, Pocatoligo Industrial Park is ideal for distribution operations, many of which are drawn to the county because of its proximity to the Port of Charleston, just 90 minutes away. "It's something we hear more and more about from our industrial prospects," said Schwedler.

Since arriving in Sumter County in 1983, Chuck Fienning has watched the local economy become more internationally linked. He credits the presence of Shaw Air Force Base personnel who have lived and worked around the world.



Shaw Air Force Base augments Sumter County workforce with well-trained, diverse talent.

RECENT ANNOUNCEMENTS

Moore Machining

Lee County, N.C.
Machining operation expansion
\$12 million capital investment
30 Jobs

Peak 10

Wake County, N.C.
Data center operation
\$12 million capital investment
5 jobs

Southern States Chemical

New Hanover, N.C.
Chemical operation expansion
\$10 million capital investment
10 jobs

Sumter County Highlights

At a Glance

- Location: In the heart of central South Carolina, 40 miles east of Columbia and 90 miles north of Charleston.
- Land Area: 682 square miles
- Population: 105,899 (2007, est.)
- Workforce: 44,211 (April 2008)
- Unemployment rate: 7.0 percent (April 2008)
- Average household income: \$48,160 (2007)

Transportation

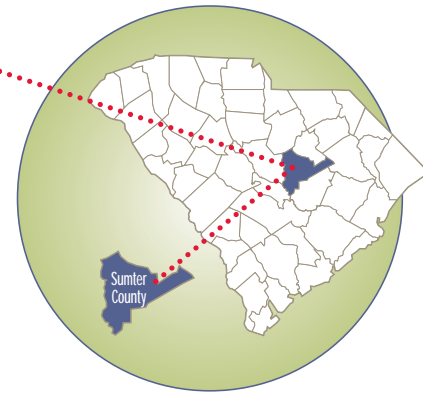
- Highways: I-95 runs north-south through the county's eastern edge; U.S. Highways 15, 76, 378, 401 and 521 line the county. Also close by are I-26, I-77 and I-20.
- Seaport: Port of Charleston is 90 miles south.
- Air: Sumter Municipal Airport serves corporate and general aviation. Columbia Metropolitan Airport (CAE) provides commercial air service 45 miles away.
- Rail: County served by CSX Corporation.

Education

- Public education system maintains 26 elementary and secondary school sites, enrolling a total of nearly 18,000 students.
- Central Carolina Technical College (CCTC) enrolls 3,000 students from Sumter and three neighboring counties. ReadySC's long-renowned workforce training program works through CCTC to provide customized training for new and expanding industry.
- The University of South Carolina Sumter, a two-year branch campus of the state's public university system, enrolls about 1,700 students. Sumter is also home to Morris College, a private, historically African-American institution.

Taxes & Incentives

- Fee in Lieu of Tax
- Job Development Credit; Jobs Tax Credit
- Special Source Revenue Credit
- Multi-County Industrial Park
- Sumter County Aid to Industry Program



Quality of Life

- Numerous recreational amenities include the Palmetto Tennis Center, South Carolina's largest tennis facility, and the City of Sumter Aquatics Center. The \$4 million Sumter County Youth Park is now under construction.
- Sumter's Swan Lake-Iris Gardens is the only U.S. park to feature every species of swan and one of the nation's most intensive plantings of Japanese iris.
- The city of Sumter's 100-year-old Opera House, continues to host live entertainment and attract thousands of tourists each year.

Top Sumter County Industrial Residents

- BD Vacutainer Systems
- Caterpillar Precision Pins
- Color-Fi
- Cooper Tools
- Eaton Electrical
- Glasscock Company
- Interlake Material Handling
- Kaydon Corp.
- Pilgrim's Pride
- Santee Print Works



Sources: Sumter Development Board; Central South Carolina Alliance; S.C. Employment Security Commission; Greater Sumter Chamber of Commerce. U.S. Department of Labor, Bureau of Labor Statistics; Decision Data Resources

RECENT ANNOUNCEMENTS

Saint Gobain

Vance County, N.C.
Glass container manufacturer
\$12 million capital investment
272 retained jobs

Stock Building Supply

Lee County, N.C.
Truss and building panel operation
\$3 million capital investment
40 jobs

Titan America LLC

New Hanover County, N.C.
Major cement manufacturer
\$469 million capital investment
161 jobs

Progress Energy Partners with Wal-Mart for Energy Efficiency

Progress Energy Florida has awarded nearly \$88,000 in rebates to Wal-Mart for installing energy-efficiency upgrades at the retailer's facilities in Orlando, St. Petersburg, Sebring and Mount Dora.

"Our partnership with Wal-Mart comes at a time when rising energy costs are making headlines all over the country," said Nancy Loehr, manager of Commercial-Industrial-Government Accounts for Progress Energy Florida. "We are committed to doing everything possible to manage these rising costs by encouraging our customers to use electricity wisely. It's all part of our balanced approach to meeting our future energy needs."

"We deeply appreciate Progress Energy's cooperation and support in making our stores more energy efficient," said Anita Gordon, regional energy manager for Wal-Mart. "Energy savings are eventually passed on to our customers through lower prices."

Progress Energy worked closely with Wal-Mart to help meet its energy-efficiency goals of reducing usage 20 percent in existing stores by 2012. For example, the Orlando Supercenter sports a new "Cool Roof" that reflects solar heat away from its surface to reduce the heat absorbed by the building. A Cool Roof can save up to 15 percent on air-conditioning costs. Wal-Mart also installed an upgraded air-conditioning system, which is expected to reduce cooling costs by up to 25 percent annually.

Progress Energy Florida continues to explore ways to improve energy efficiency at other Wal-Mart locations. For more information on Progress Energy's efficiency programs, visit savethewatts.com.



A new "Cool Roof" atop a Wal-Mart Supercenter in Orlando reflects solar heat away from the building, reducing cooling costs.



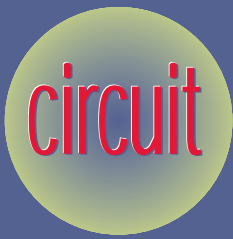
Progress Energy Florida's Michael Malley and Nancy Loehr present a rebate check to Wal-Mart managers Richard Jones, Anita Gordon, Rick Tomb and Steve Daniel at a Supercenter in Orlando.

Carolinas and Florida draw national pro-business accolade

2008 Top 10 Pro-Business Rankings

- | | |
|-------------------|-----------------|
| 1. North Carolina | 6. South Dakota |
| 2. Florida | 7. Georgia |
| 3. Virginia | 8. Alabama |
| 4. South Carolina | 9. Utah |
| 5. Wyoming | 10. Kansas |

Source: Pollina Corporate Real Estate, Inc. (www.pollina.com) This annual study examines the competitive profiles of U.S. states. The study is based on 29 factors relevant to states' leadership efforts to provide the right pro-business environment and economic incentives to keep and attract jobs in the U.S.



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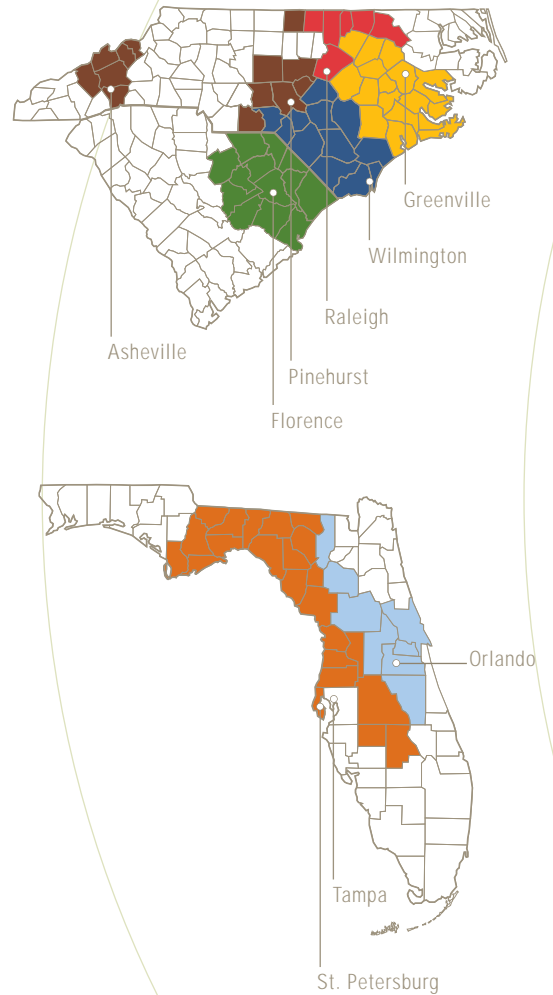
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