



**STATE
OF
SOUTH CAROLINA**

DEPARTMENT OF COMMERCE

ACCOUNTABILITY REPORT

FISCAL YEAR 2004-2005

Agency: South Carolina Department of Commerce

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Agency Director: Secretary of Commerce Robert Faith

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I. EXECUTIVE SUMMARY

I.1 Mission & Values

The South Carolina Department of Commerce is the economic development and business recruiting arm of the state. The staff and leadership of DOC are totally committed to the mission of the agency and believe in striving to enhance the quality of life for all South Carolinians.

Agency mission statement:

To improve the per capita income of all South Carolinians in a manner that supports and enhances a high quality of life.

It is our vision that South Carolina's economy will become more competitive in a global economy, providing South Carolinians of all ages and skill levels an opportunity to maximize their talents and abilities.

Agency value statement:

DOC is a professional, team-focused, and innovative organization committed to achieving its mission while being a good steward of the taxpayer's dollar.

I.2 Strategic Goals

The following strategic goals for our core functions – the attraction of capital investment and new jobs - were developed.

- 1) Develop a strategy that recognizes the strengths of the state's existing, small and emerging industries and builds on the opportunities those strengths present.
- 2) Implement a targeted marketing strategy for high-growth industries built around industry clusters identified in our strategic plan.
- 3) Increase investment and job creation in rural South Carolina.
- 4) Increase the quality of the "economic product" in South Carolina through workforce development, community development and general aviation development.
- 5) Increase the value of exports from South Carolina businesses.
- 6) Increase investment and job creation for film cluster with use of new investment incentives.

In addition to these six strategic goals central to our core function, the Division of Grants and Incentives and the Division of Administration also has measurable goals that reflect the effectiveness of their support functions.

I.3 Opportunities and Barriers

National Economy – The slowdown in the nation’s economy, particularly in the manufacturing sector, continues to impact the Department’s ability to provide new opportunities for South Carolinians. Hundreds of thousands of manufacturing jobs were lost nationwide in 2004 and 2005. While economists forecast better times in the second half of 2005, a tremendous amount of capacity remains on the production floors of the country’s manufacturers.

As the economy begins to revitalize, new opportunities will present themselves. Plant closures have made skilled labor available and provide an inventory of useable industrial buildings and sites.

Strategic Plan – The South Carolina Competitiveness Initiative has been implemented as a comprehensive strategic plan for economic development. This initiative was formed as a partnership with key economic development groups from around the state to conduct a strategic plan for economic development. Staff at Commerce is involved with the work groups of the Competitiveness Council to create implementation schedules and to share valuable information about commerce and economic development opportunities in South Carolina.

State Economy – The state's economy reflects national trends with overall gains in employment, especially in the service sector. Between May 2004 and May 2005, South Carolina's total non-farm employment increased by 29,200 jobs. However, South Carolina continues to lose manufacturing jobs. Between May 2004 and May 2005, South Carolina lost 3,500 in the manufacturing sector which is a decrease from same time period last year of 900 jobs.

Comprehensive Marketing Strategy – In conjunction with the strategic plan, the Department is preparing to implement a new marketing plan focusing on creating opportunity in South Carolina. This unique marketing strategy involves a comprehensive approach to marketing through public/private partnerships with local economic developers, regional economic development alliances, counties and businesses (existing, small, banks, colleges and universities and utilities). This new marketing plan will help us tell South Carolina's story and create opportunity for new and existing industry, small business and community development.

I.4 Major Achievements

Statewide Capital Investment and Job Creation – During 2004, the SC Department of Commerce assisted 105 firms with over \$2.76 billion announced investment and 13,491 announced new jobs statewide.

International Investment - During 2004, the SC Department of Commerce assisted 24 international firms with over \$813 million announced investment and 1,892 announced new jobs. Firms from Italy and Germany were the largest job creators. German and Chinese firms accounted for the majority of international capital investment for 2004.

International Trade - South Carolina exports were up 14% in 2004 as compared to 2003, led by exports to Canada, Germany and the United Kingdom. The state sold a record \$13.4 billion worth of goods to the rest of the world last year, compared with \$11.8 billion in 2003, setting a new record for South Carolina exports. The state's export growth rate was higher than the export growth rate for the U.S. as a whole, which came in at a gain of 13% over 2003. In 2004, South Carolina maintained its position among the 50 states as the 18th largest exporter in total export value. The state also surpassed Puerto Rico, considered a U.S. state in statistics, in total export value for the first time since 1998.

Small Business Ombudsman – The Department designated a Small Business Ombudsman in 2003-2004. This is a single point of contact at the Department of Commerce for entrepreneurs who are looking for assistance or support from business experts. The Ombudsman matches small business owners with appropriate resources, within or outside the Department of Commerce. For fiscal year 2004-2005 the Ombudsman's Office has responded to over 500 small business inquiries with direct resource assistance.

Recycling Marketing Development – Recycling Development promoted increased awareness of sustainable development by working with Sustainable Universities Initiative, DHEC and the Environmental Excellence Program. The first Recycling Business Forum was held with over 60 participants representing recycling companies and interested industries. Recycling investment in South Carolina for 2004 was \$3.625 million and 72 new jobs created.

Private Finance and Equity – South Carolina passed the technical amended Venture Capital Investment Act during the 2004-2005. This legislation provides up to \$50 million in available equity investments into venture funds. The Department also participated in an equity investment survey with the USC Moore School of Business regarding equity activity within a three-state region. Outside of investing, staff has provided consultation to small and medium size businesses on available sources of financing.

Product Development - Staff assisted 17 entities in new or updated strategic plans during the year. This included 10 countywide updates, 4 new plans and 3 local economic development plans. In the Assets Development category, 2 speculative buildings were completed, 1 is still under construction. Four industrial parks were completed and another 5 are in process. We've completed 7 of an anticipated 45 certified sites in rural South Carolina while leveraging \$10 million to raise an additional \$40mm for asset development.

Rural Development - In 2004, the state's rural areas accounted for 3,321 new jobs created and \$301 million in capital investments. This represents 24% job creation and 11% of Commerce facilitates capital investments.

Film Commission – Additional incentives were added to the “The South Carolina Motion Picture Incentive Act of 2004” which passed this past legislative session. The Act has three components: (1) recruiting incentives for film and television projects, (2) incentives which support the growth of our indigenous industry and (3) grant funds for collaborative production efforts between SC institutes of higher education and professional media entities. A new component within the legislation was the availability of marketing funds to assist in the development and recruitment of the film industry in South Carolina. Incentive components 1 and 2 require a substantial financial commitment from industry in order to receive the incentives.

I.5. Improvements

Cost Savings - Space Utilization – The Department again this year consolidated office space. In May of 2005, the Department along with the B&C Board and Parkway completed an amendment to the department's office space lease. This new lease allowed the Department to relinquish the 12th floor space. This will save the Department approximately \$6,200 per month or \$74,400 annually. These funds will be redirected to support the agency's primary goals.

Budgeting and Financial Processes – The Department continued with a more formalized budgeting process in 2004-2005. This process has allowed us to prioritize our needs and work strategically on ensuring dollars are applied to the needs. Each division developed Key Bets (short term goals) and Strategic Initiatives (long term goals). The Key Bets and Strategic Initiatives were then tied to the budget. Each month the Division Directors met with the Chief of Staff and the Director of Administration in order to provide updates to Key Bets and Strategic Initiatives and to review the division's budget. Each fiscal year the Key Bets and Strategic Initiatives will be reviewed and updated. This provides accountability not only for the department but also for the businesses and communities that we work with on a day-to-day basis.

Grant Fund Financial Statements - The Department has developed monthly financial statements for all of the grant funds within the Department. These monthly statements give us a snap shot of all funds available, all commitments and potential commitments for each funding source. They are balanced monthly with the Comptroller General's Office and reviewed quarterly by the Coordinating Council for Economic Development.

Wide Area Network - Aeronautics – The Department has centralized the Division of Aeronautics under the Commerce information technology network. This allows for all accounts to have the same domain and makes for a more efficient network. This replaces some aged equipment by combining Aeronautics with central Commerce. Customer support to Aeronautics is much easier and less time consuming.

Agency Web Site Consolidations – The Department established an agency-wide task force to accomplish the project of combining two websites into one. This consolidated and reorganized the information to come from one voice and makes locating information via the web much more customer friendly. The Department was able to enhance the searchable databases to include additional information. There was also a \$5,000 cost savings by consolidating the sites by writing the code in a free development language software call Microsoft ASP.NET instead of continuing to pay a yearly fee for the software that we were using prior to the consolidation.

Customer Relationship Management Software Implementation – The Department implemented a Customer Relationship Management Software in 2004-2005 to assist all divisions with the management of projects. The Department procured an off the shelf software product called Maximizer. Maximizer allows the ability to track all projects at different stages and allows all divisions to share the same data. This creates a more dynamic sharing of information between divisions. This software also helps Marketing track and follow up on all leads from trade shows.

Grants Management Information System - The Department wrote a new Grants Management System in house. This new system allows for all information to be maintained in one place. This allows for better quality data and more information to be able to be available on a moments notice. This project has made Commerce's Grants and Incentives Division more efficient and has streamlined the amount of work. Full implementation will begin in 2005-2006.

Digital Film Library – The Department procured a software product to assist with the implementation of the Digital Film Library. This project will take all our paper and manual pictures, drawings, and photographs and create a digital file with location. This will make preparing proposals for potential film projects less timely and will create better efficiencies. Full implementation will begin in 2005-2006.

SECTION II BUSINESS OVERVIEW

II.1 Average Employment

FTE (Permanent) Employees	114
Temporary Employees	14
European Office	2 (contract)
Tokyo Office	1 (contract)
China Office	1 (contract)
<u>Division of Public Railways</u>	<u>37 (20 non union)</u>
Total	169

II.2 Operations Locations

Main Office	1201 Main St., Suite 1600, Columbia, SC
Aeronautics Division	Columbia Metropolitan Airport
SC Public Railways Division	540 East Bay St., Charleston, SC
China Office	Shanghai, China
Far East Office	Tokyo, Japan
European Office	Munich, Germany

II.3 Expenditures/Appropriations Chart

Base Budget Expenditures and Appropriations

Major Budget Categories	03-04 Actual Expenditures		04-05 Actual Expenditures		05-06 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$6,462,551	\$5,148,034	\$5,681,399	\$4,005,560	\$5,758,250	\$4,272,024
Other Operating	\$3,569,080	\$2,506,012	\$9,691,222	\$3,735,935	\$3,996,732	\$3,083,298
Special Items	\$2,220,932	\$1,662,754	\$915,316	\$915,316	\$1,747,688	\$1,747,688
Permanent Improvements	\$0	\$0	\$3,487,914	\$0	\$0	\$0
Case Services	\$0	\$0	\$0	\$0	\$0	\$0
Allocations	\$81,044,904	\$175,000	\$72,014,786	\$400,000	\$60,592,317	\$0
Fringe Benefits	\$2,296,706	\$1,613,662	\$1,453,126	\$1,042,963	\$1,500,000	\$1,073,066
Non-recurring	\$750,000	\$750,000	\$0	\$0	\$0	\$0
Total	\$96,344,173	\$11,855,462	\$93,243,763	\$10,099,774	\$73,594,987	\$10,176,076

Other Expenditures

Sources of Funds	03-04 Actual Expenditures	04-05 Actual Expenditures
Supplemental Bills	\$	\$
Capital Reserve Funds	\$12,757	\$0
Bonds	\$500,271	\$9,483

Interim Budget Reductions

Total 03-04 Interim Budget Reduction	Total 04-05 Interim Budget Reduction
\$110,682	\$0

II. 4. Major Program Areas Chart

Major Program Areas

Program Number and Title	Major Program Area Purpose (Brief)	FY 03-04 Budget Expenditures	FY 04-05 Budget Expenditures	Key Cross References for Financial Results*
Business Development	To recruit new and existing expansions and locations; to increase the capital investment and number of jobs in South Carolina.	State: 2,534,811.03 Federal: Other: 148,684.98 Total: 2,683,496.01 % of Total Budget: 3%	State: 3,921,743.00 Federal: Other: Total: 3,921,743.00 % of Total Budget: 4%	7.1
Business Solutions	To help South Carolina companies achieve peak performance. By bringing together professionals who offer a wealth of experience in key areas to offer a dynamic approach that helps businesses and communities prosper.	State: 1,584,212.35 Federal: 4,212.77 Other: 157,265.01 Total: 1,745,690.13 % of Total Budget: 2%	State: 1,133,713.00 Federal: 15,567.72 Other: 200,149.01 Total: 1,349,429.73 % of Total 1% Budget:	7.3, 7.4
Community and Rural Development	To assist local leaders in achieving success for their communities through strategic planning, asset development and leadership and community investment.	State: 687,562.80 Federal: Other: Total: 687,562.80 % of Total Budget: 1%	State: 249,626.37 Federal: Other: 613,664.77 Total: 863,291.14 % of Total Budget: 1%	7.2
Aeronautics	To assist general-purpose airports with development and grants and to support the state airplanes with maintenance and flight operations.	State: 1,608,049.89 Federal: 596.36 Other: 575,369.77 Total: 2,184,016.02 % of Total Budget: 2%	State: 1,418,732.67 Federal: 252,131.84 Other: 1,084,061.50 Total: 2,754,926.01 % of Total Budget: 3%	
Grants and Incentives	To assist communities with grants for infrastructure, housing, economic development and planning.	State: 796,248.95 Federal: 25,257,980.38 Other: 55,050,992.78 Total: 81,105,222.11 % of Total Budget: 87%	State: 263,736.00 Federal: 26,190,150.29 Other: 54,787,845.57 Total: 81,241,731.86 % of Total Budget: 87%	7.5
Administration	To support the agency with finance, information technology and human resources services.	State: 3,648,577.00 Federal: Other: 160,443.04 Total: 3,809,020.04 % of Total Budget: 4%	State: 2,866,222.96 Federal: Other: 418.25 Total: 2,866,641.21 % of Total Budget: 3%	

Below: List any programs not included above and show the remainder of expenditures by source of funds.

Remainder of Expenditures: Spoleto, Spartanburg Renaissance	State:	996,000.00	State:	246,000.00
	Federal:		Federal:	
	Other:		Other:	
	Total:	996,000.00	Total:	246,000.00
	% of Total Budget:	1%	% of Total Budget:	1%

* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.

II.5 Key Customers

The Department of Commerce’s mission is to create wealth for all South Carolinians. We do that through a wide range of activities that serve a wide range of customers, including:

- a) The people of South Carolina;
- b) Existing and emerging industries within the state;
- c) National and international businesses making a location decision;
- d) Site selection consultants;
- e) Financial Community;
- f) Communities seeking jobs and investment;
- g) Government leaders of the state;
- h) Research universities and technical colleges;
- i) Communities seeking funding for economic development and/or infrastructure needs;
- j) General Aviation Airports
- k) Aeronautics Community

Other customers and their Department suppliers include:

Rail carriers	Division of Public Railways
State Ports Authority and its users	Division of Public Railways
General Aviation Airports and its users	Division of Aeronautics
Film, television, and print producers	State Film Office

Users of State and Federal grants	Division of Grants and Incentives
The citizens, leaders, and economic development allies of Abbeville County	Savannah Valley Development
Citizens of Savannah Lakes Region	Savannah Valley Development

II.6 Key Suppliers

As is the case with customers, the Department of Commerce has a wide array of suppliers. The suppliers for our core business functions are:

- 1) Local economic development offices;
- 2) City, County, and State government bodies;
- 3) State agencies such as DHEC, the Department of Revenue, the Center for Advanced Technology Training, the State Ports Authority, etc.;
- 4) Utilities, contractors, financial institutions, and other economic development allies.
- 5) Property owners; and,
- 6) National and international businesses and site location consultants.

Other suppliers and their Department of Commerce customers include:

FAA	State Aeronautics Division
Airport contractors and consultants	State Aeronautics Division
South Carolina Film Crews	State Film Office
Production Studios	State Film Office
Railroad vendors	Public Railways Division
General Assembly	Coordinating Council for Economic Development & CDBG, Recycling Market Development Advisory Council
Federal Government	Coordinating Council for Economic Development & CDBG

II.7 Major Products and Services

Products

- Customized publications outlining South Carolina’s advantages for businesses and consultants making a site location decision

- Business research publications
- Directories that list companies by product and location, including contact information, product descriptions and employment
- Strategic plans for communities
- Job Development Credits
- Funds for retraining
- State and federal grants for housing, infrastructure, community facilities, airport development and improvements and economic development
- Rail service
- South Carolina Aeronautics Directory and Pilots Guide
- SC Aeronautical Charts

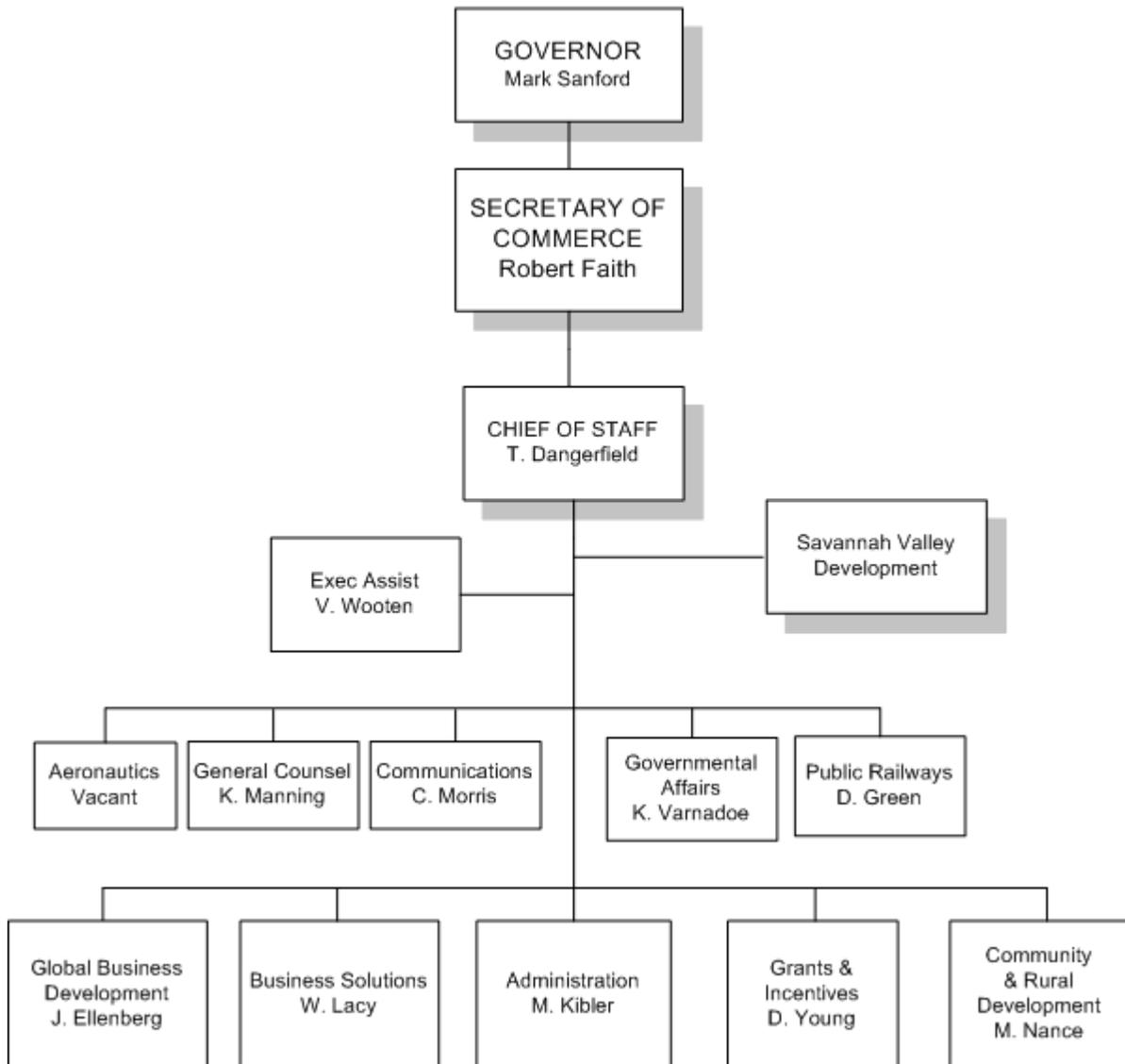
Services

- Marketing and sales representation
- Existing industry, emerging and small business information and issue resolution
- Assistance to employees separated from employment due to economic downturn.
- Industry research
- Site location assistance
- Strategic planning facilitation
- Local product development assistance for both traditional and film industries
- Trade research and development of trade opportunities
- Financial consultation for businesses and entrepreneurs
- Film industry development, promotion and education
- Film location scouting assistance
- Recycling markets information

- Training and technical assistance to grant customers on project development, implementation and compliance
- Technical assistance for applications for grants and incentives
- Airport development funding and technical assistance
- Rail service
- Coordination of financial and contract issues for Lake Russell Project

II.8 Organizational Chart

SOUTH CAROLINA DEPARTMENT OF COMMERCE



III. MALCOLM BALDRIGE PERFORMANCE EXCELLENCE STANDARDS

Category 1 - Leadership

Under the direction of Governor Sanford and Secretary Faith, the agency and its new leaders have embarked on a new era of “servitude” that emphasizes professionalism and teamwork.

1.1 The Department of Commerce is a customer-focused organization and that focus starts with the Secretary of Commerce and the executive leadership team.

- a) The Secretary, Chief of Staff and executive leaders regularly adjusts their calendar to meet with business and industry clients in order to understand their concerns.
- b) The Secretary and Chief of Staff are personally involved in many projects. They are involved with weekly updates of each project and attend many of the business negotiations as well as public announcements.
- c) The Chief of Staff and executive leadership work with the state’s legislative leadership to discuss issues critical to building the state’s economy including legislation and key projects.
- d) The Chief of Staff and Division Directors meet quarterly with Regional Economic Development Alliances and COGs to discuss partnership and coordination for economic development in South Carolina.
- e) The Secretary and Chief of Staff formed an agency task force to assist with the Workforce Investment Act program’s transfer from Employment Security Commission to Commerce. Meetings were held with key stakeholders in the Workforce arena to understand the program and to assist Commerce in developing an investment strategy for the Workforce program.

1.2 Developing new measurements is a critical element of the new strategic plan. Until these are developed and implemented, the agency will continue to measure success through:

- Capital Investment;
- Job Creation;
- Investment by new businesses;
- Job creation by new businesses;
- Investment by existing businesses;

- Job creation by existing businesses;
- Percent of announced capital investment relative to southeastern competitors;
- Percent of announced new jobs relative to southeastern competitors;
- Investment in rural (non-MSA) counties;
- Job Creation in rural (non-MSA) counties;
- Total announced technology-based jobs;
- Product development; i.e., industrial park development, community technical assistance;
- Percentage growth in value of exports;
- Value of exports per manufacturing employee in the state;
- Compliance with federal guidelines for grant application and administration;
- Injury rates on public railways.

1.3 The Business Solutions Division sole purpose is to help South Carolina companies achieve peak performance. Bringing together professionals who offer a wealth of experience in key areas, the division offers a dynamic approach that helps businesses and communities prosper.

1.4 The Community and Rural Development Division staff members assist local leaders in achieving success for their communities through Strategic Planning, Asset Development, Leadership Development and Community Investment. As a part of our Leadership Development programs, some 340 local leaders attended the 2005 edition of the Governor's Rural Summit. The South Carolina Economic Development School continues to average approximately 40 students per session with the assistance of some 28 scholarships provided by the Department. This Division also continues to spend more time working with communities on downtown revitalization types of projects. Much of our time during the year was spent on preparing some 21 communities in streamlining their efforts to improve downtowns.

1.5 The SC Film Commission recruits and facilitates the film and television industries to S.C. as it grows our indigenous industry to better compete in these markets. The SC Film Commission provides one-stop film resources for production contacts and companies. They also provide permit and regulatory experience and work with a host of communities to foster successful film outcomes.

- 1.6 The Aeronautics Commission was formed through legislation in the 2004 session. The Commission consists of 6 commissioners from each legislative district and a chair appointed by the Governor. The Commission assists the Secretary of Commerce to set the strategic vision for the Aeronautics Division and general aviation in South Carolina.
- 1.7 The Department has several methods of successfully collecting feedback on products, programs and services. Certainly the most effective means is the number of companies that we work with to expand or locate in South Carolina. However, there are other channels where feedback is gathered.
- The Community and Rural Development Division maintain contact with local development organizations across the state.
 - Agency personnel are active in the South Carolina Economic Developers' Association and all committees.
 - The Coordinating Council staff and the grant staff conduct regular training seminars around the state to ensure compliance with programs. The face-to-face contact also allows staff members to better understand and resolve issues and problems.
 - The Community Development Block Grant program (CDBG) holds public hearings annually in conjunction with its Annual Action Plan and Performance Report prepared for the U.S. Dept of Housing and Urban Development. In addition, public hearings are held for each grant awarded.
- 1.8 The flatter organizational structure has eliminated layers of management, thus allowing senior leadership direct contact with employees.
- 1.9 Business Summary Plans, a new reporting system that provides a “dashboard”, have been implemented to quickly and efficiently assess the success of the various operating divisions on key bets and strategic initiatives.
- 1.10 The Department of Commerce is a high profile state agency, and, as such, is actively involved in the community. Each year Department personnel, including the Secretary and division directors, man the Salvation Army collection post at the corner of Lady and Main Streets in downtown Columbia for two hours a day for two weeks between Thanksgiving and Christmas. During the Christmas season each division “adopts” a family in need, collecting and distributing gifts and food. The Department also participates in American Red Cross Blood Drives, Juvenile Diabetes Walk A Thon, and Palmetto Health’s Walk out Breast Cancer.

Category 2 – Strategic Planning

- 2.1 The South Carolina Competitiveness Initiative has been implemented as a comprehensive strategic plan for economic development. The initiative's main component consists of eight action campaigns around which committees have been formed to address weaknesses and capitalize on strengths within the South Carolina economy, with the ultimate goal of boosting the state's standard of living. Strategies include adopting a cluster-based focus to business recruitment, fostering a better environment for start-ups and small businesses, and enhancing education and workforce training programs.
- 2.2 The “new” agency has recognized building the value of building the state’s economy around the interdependent industries and businesses that constitute economic clusters as its primary objective.
- 2.3 The flatter organization allows each division director to communicate their respective division’s and the agency’s strategic goals directly to their employees through personnel evaluations and direct, face to face, interactions.
- 2.4 Each division has to developed measurable “key bets” and long range strategic initiatives that enhance accountability and good stewardship of taxpayer’s dollars.
- 2.5 The Department is developing a unique marketing strategy involving a comprehensive approach to marketing through public/private partnerships with local economic developers, regional economic development alliances, counties and businesses (existing, small, banks, colleges and universities and utilities). This new marketing plan will help us tell South Carolina's story and create opportunity for new and existing industry, small business and community development.

Category 3 – Customer Focus

3.1 One of the key components of agency culture is the concept that our ultimate customers are the people of South Carolina. In previous administrations, industrial prospects were the ultimate customers. Industrial prospects and bringing new jobs to the people of the state remains the core function of the agency, but under the leadership of the Governor and the Secretary, there is a fundamental change in recognizing that the people of the state are our ultimate customers to whom we are accountable.

While the people of the state are the agency’s ultimate customers, the agency has a number of other customers. The diversity of the agency is reflected in the diversity of customers and stakeholders it serves.

- Businesses making location decisions including the film and television industries
- Existing, emerging and small businesses and industries
- Companies needing export, recycling and finance resource assistance
- State and local governments
- Communities
- State government employees seeking to use state aircraft
- South Carolina’s public airports and commercial airports
- State Ports Authority and its customers wishing to ship cargo by rail
- CSX and Norfolk Southern Railways

3.2 Under Secretary Faith, the Department of Commerce is much more accessible and the leadership much more available for comment from customers and stakeholders.

Information Services constantly monitors our Internet site to identify which areas of the site are “hit” most often and by whom.

3.3 Creation of the Small Business Ombudsman as a designated single point for entrepreneurs who are looking for assistance or support from business experts shows Commerce’s commitment to customer service.

3.4 The Recycling Market Development Team works with businesses, industry, government and other organizations to provide technical and economic development assistance to foster a thriving recycling economy and sustainable business development in South Carolina.

- 3.5 When customers indicate a shortcoming in product and/or infrastructure, staff is responsible for relaying that information to communities so they may improve their ability to capitalize on future opportunities.
- 3.6 The Department of Commerce is a sales, marketing, and product development organization and, as such, the building of strong relationships with customers and stakeholders is essential to our success. Project managers deal one on one with their clients in order to insure continuity throughout the sales process. This enables them to develop in-depth knowledge of the client's needs, which translates into pertinent information in a timely manner from the Marketing and Research Section.
- The agency works with individual communities in much the same manner. A single point of contact is appointed for each community to continually assess their needs and to inform them of important changes. They are also well positioned to act as a catalyst for changes that need to take place. Finally, a new mandate for the project managers to visit communities on their own in order to improve relationships and build the consensus essential to moving the state's economy successfully into the knowledge age.
- 3.7 Every quarter, the Department of Commerce prepares an electronic newsletter for distribution to local economic developers and other allies. The newsletter contains updates from the Commerce divisions of Business Solutions, Business Development, Community and Rural Development, Grants and Incentives, Railways, Administration and Aeronautics. The goal of the newsletter is to keep Commerce's allies better informed of agency happenings that may be of interest or have relevance to their own economic development activities.
- 3.8 The Department of Commerce works hard to collaborate with other state entities. The CDBG program works with the State Housing Authority to assist non-profit customers to understand the unique needs of their separate customers. The Coordinating Council staff meets monthly with the Technical College presidents to make sure retraining needs of industry are met.
- 3.9 The Aeronautics Division fosters air commerce by overseeing the safety, security, maintenance and development of South Carolina's publicly owned airports. Airport Development provides technical assistance and financial resources to six (6) commercial service and fifty-four (54) publicly owned general aviation airports. Airport sponsors rely on federal and state assistance for providing technical and financial aid in developing their airports in accordance with federal, state and local regulations, codes, ordinances and guidelines.

Category 4 – Information and Analysis

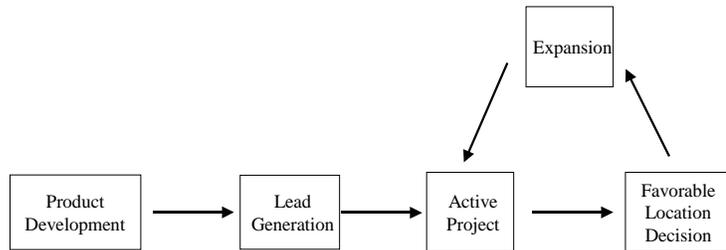
- 4.1 Each fall the Department annually asks companies across the state to complete its Capital Investment Survey. Findings from this survey are crosschecked with newspaper articles and follow-up phone calls.
- 4.2 Research is constantly analyzing business trends. This group assists Project Managers with proposals from prospective companies. These proposals are complex and require census, educational, workforce, quality of life and local supplier's information and can be presented in GIS formats.
- 4.3 Business Plan Summaries for each Division were developed. These summaries include budget numbers, key bets and updates and strategic initiatives. The Key Bets and Strategic Initiatives are tied to the budget. Each month the Division Directors met with the Chief of Staff and the Finance Director in order to provide updates to Key Bets and Strategic Initiatives and to review the division's budget. Each fiscal year the Key Bets and Strategic Initiatives will be reviewed and updated. This provides accountability not only for the department but also for the businesses and communities that we work with on a day-to-day basis. These summaries are used as a "dashboard for the Secretary and Chief of Staff to determine the efficiencies and effectiveness of each division.
- 4.4 Monthly Financial Reports are completed for each of our grant funds. Quarterly reports are issued on these grant funds at the Coordinating Council for Economic Development. Senior Leadership and staff use these financial reports to determine commitment of funds, balance and pending commitments.
- 4.5 The Coordinating Council staff is constantly working on cost estimates for the Enterprise Zone incentive. These numbers are used to check those done by the Budget & Control Board to advise legislators on budget estimates.
- 4.6 A Web Site Task Force completed its task of consolidating the agency web sites. This Task Force is reviewed all the web site content and determining the needs of our customers so that www.sccommerce.com will display the information that our customers desire. The web site also has information on the agency and its comings and goings.
- 4.7 The South Carolina Comprehensive Aviation Information Reporting System (SC-CAIRS) plan encompasses an array of documentation such as airport layout plans, master plans, digital orthophotography and obstruction mapping, airport and airspace technical bulletins and a host of electronic GIS data. These tools allow airport sponsors/owners to manage their airports in accordance with Federal and State laws and regulations. This information provides the basis for the annual production of the Aeronautical Charts and the South Carolina Airport Directory and Pilot's Guide.

Category 5 – Human Resources

- 5.1 The Department continues to promote training and development opportunities for employees. Funds have once again been allocated and utilized for employee training. Annual Training Objectives are identified in each employee's performance planning stage document. As new processes and business evolves, additional training is coordinated.
- 5.2 The Department implemented two new incentive pay programs for agency employees. The Sales Incentive Plan (SIP) for project managers in the Global Business Development Division and the Agency Performance Incentive Plan (APIP) for all other covered employees in full time equivalent positions who are not eligible for the SIP. Both programs are managed in conjunction with the agency Employee Performance Management System (EPMS) process. Financial incentives are based on exceptional performance levels as they relate to quantitative and qualitative measures assigned to employees on an individual basis.
- 5.3 The Department conducted an employee satisfaction survey in November of 2004. The survey was completed to take the temperature of employee's satisfaction with management, Commerce, outside influences to name a few. The survey results were very positive with 85% of employees content with their job and feel they have good management leading them. They also feel they are informed and understand the direction of the agency.
- 5.4 A number of measures have been implemented by Human Resources to ensure a safe, positive workplace.
- Employees were provided with a policy manual in October 2004 which contained all of our updated agency policies including affirmative action, harassment, discipline and performance. Policies are also posted on the Department's intra-net.
 - The Division of Public Railways and the Aeronautics Division have written safety procedures and guidelines and regularly perform inspections on equipment.
- 5.5 Staff in the Human Resources coordinate activities in a wide range of community oriented fund-raising activities such as the Salvation Army, United Way, Community Health Charities, and Central SC Habitat for Humanities and Juvenile Diabetes.
- 5.6 A staff newsletter was developed in spring 2004 for the employees. Titled, "*What's up, DOC?*" this newsletter is the voice of the employees. The newsletter spotlights employees and their families, gives employees up to date information on each of our Divisions and tells us about the comings and goings at DOC. It has been very well received by the employees.

Category 6 – Process Management

6.1 As with any organization based on sales and marketing, the building of relationships is an integral part of our success. Our process makes the Department's front-line sales team the single point of contact with the client company or the company's representatives as soon as an inquiry is identified as a viable project. This allows the project manager to begin amassing information on the company, the project, and the project's requirements and facilitates the building of personal relationships with decision makers. During the reorganization process a key decision was made to consolidate the international, national and existing industry sales teams in one division.



The chart at above outlines the “life cycle” of a project:

- 1) A lead is received from a company, consulting firm, or one of our economic development allies.*
- 2) The project is screened by the Global Business Development Division Director to determine its viability. Once it is determined to be a viable project, a project manager is assigned that will act as the constant point of contact for the client company. It is the project manager's responsibility to establish personal contact with the client.
- 3) The project manager determines the parameters of the project and the information needs. These are then relayed to the Research Section of the Global Business Development Division and/or local development allies. Once the data is gathered, it is then funneled to the customer. As the project matures, communities and states are eliminated, and additional information is required from both the state and community until a favorable location decision is made.

* Please note that as the chart shows, even before the inquiry is received, the process of product development is underway through the work of the Community and Rural Development Division, Business Solutions, Division of Public Railways and the Aeronautics Division.

- 4) After the decision is made and a facility becomes operational, the Business Solutions Division establishes contact to monitor the progress of the facility and offer advice and help should problems arise.
- 5) Assuming the plant operates successfully and profitably it will expand within the first five years of operation at which time a project manager from Global Business Development Division will be assigned to facilitate the process.

The process has remained virtually unchanged for the last ten years with major exception – the time it takes for the process to run its course has become compressed. What used to take years in the early 1990’s now frequently only takes months and sometimes even weeks. In order to meet the increased time demands of clients the Department utilizes technology whenever possible to reduce turn-around time. For example:

- a) SiteScope (an application of GIS – geographic information systems) allows consultants to scan our entire database of industrial sites from their offices via the Internet.
- b) Proposals for companies are frequently sent to clients by electronic mail and CD. This allows company representatives to distribute information to their team members quickly and efficiently.
- c) Customers can meet face-to-face with state and local decision leaders through the Department’s teleconferencing facilities.
- d) With the reduction in staff, the project managers have been trained to a provide clients with a basic calculation of incentives.

6.2 Project managers maintain contact with customers regularly in order to stay abreast of new developments and to ensure information needs are met. As the project “matures” and moves toward final a decision, contacts intensify and the Department’s senior leadership may be briefed daily.

With the agency’s realignment, the agency’s sales team will begin to function more like a private sector sales team. They will begin participating in marketing efforts in order to develop relationships with potential clients earlier.

6.3 Each of the other divisions is tasked with supporting the front-line sales team. Each uses the latest technology available to maximize their outcomes. (See 6.1 above for examples of technological innovations used to support the sales function.)

6.4 The Department of Commerce builds alliances with key economic developers in each county. These alliances consist of those members of the state’s economic development community that are crucial to the success of the state’s economic development efforts. They also consist of the local development offices, state and

local government entities, and private companies that have a stake in the economic success of the state. These relationships with our partners are nurtured in a number of ways.

- The leadership of the agency is active in the South Carolina Economic Developers' Association, maintaining two seats on the associations Board of Directors.
- The Community and Rural Development Division is tasked with maintaining constant contact with more than half of the state's 46 counties. These counties are provided with technical support and strategic planning expertise in order to improve product development. The Division further supports product development with grants from the Rural Infrastructure Fund.
- The South Carolina Coordinating Council further supports product development with grants for infrastructure.
- Interaction with state agencies such as DHEC, the Department of Revenue, and the Center for Advanced Technology Training, and the State Ports Authority is encouraged early in the process so they can gain a better understanding of the customer's operation and minimize impact of potential problems on the final location decision.
- Consultants that represent companies making location decisions are contacted to make sure the Department is meeting their needs.

6.5 Since CDBG grants are awarded to units of local government, the CDBG Program maintains close contact with community developers and officials in customer communities. The CDBG Program is represented on the Board of the South Carolina Community Development Association, which coordinates community development professionals and promotes cooperative exchange of techniques and ideas. The CDBG Program also works closely with the ten regional councils of governments to ensure effective project implementation on the state's local and regional levels.

6.6 The Department's effort to provide grant funds to the most effective community development projects is enhanced by the objective project selection process used by the CDBG Program. The CDBG Program administered two competitive grant programs, Community Investment and Local Planning. Projects submitted in these programs were evaluated against objective scoring criteria that were established by staff with customer input and approved by HUD. The criteria set forth the standards by which projects will be judged, providing applicants a clear view of how the selections will be made. 80 to 100 grant requests are received annually from around the state. The CDBG staff applies an extensive scoring methodology to determine those grants that are most likely to achieve the desired results.

- 6.7 Requests for grants associated with economic development projects are handled in much the same way as banks handle loans. Project managers bring requests to a Screening Committee that looks at the worthiness of the project and then appropriate amount of funds as well as the most appropriate source of funds.
- 6.8 The Enterprise Zone staff works closely with the staff of the Department of Revenue to monitor the Enterprise Zone program to insure that only those companies meeting their job creation commitments receive incentives. Quarterly and annual reports are submitted and checked for compliance.

Category 7 – Results

In spite of a lackluster national economy and globalization threats to manufacturing in the United States performed solidly in 2004, posting outstanding numbers in both job creation and capital investment. Thanks to the hard work of the Commerce staff last year, the agency is positioned to reap big results for the state in 2005. The returns so far look spectacular: investment numbers for 2005, as compared to the same time last year, are up more than 85%, to \$1.47 billion.

The following are some of the results in 2004.

Please note: Beginning with calendar year 2003, the Department of Commerce implemented a new standard regarding the reporting of capital investment activity. In this annual report, the investment dollar and job creation numbers given represent the sum of only those projects in which the Department played a major role. Unlike figures from previous years, these figures DO NOT represent all capital investment activity in the state.

7.1 GLOBAL BUSINESS DEVELOPMENT

- In 2004, Commerce assisted with the expansion or location of 105 firms creating 13,491 jobs and investing \$2.76 billion in South Carolina.
- The state's rural areas accounted for 3,321 new jobs created and \$301 million in capital investments. This represents 24% job creation and 11% of capital investments statewide.
- Thirty-five new firms announced the creation of 6,821 new jobs and capital investment totaling \$1.102 billion. New firms represented roughly 51% of announced new jobs and 40% of announced investment.
- Manufacturing continues to be the leading sector for investment (94%) and job creation (61%). However, the service sector accounted for a significant percentage of job creation (22%) in 2004.
- The leading manufacturing sector was metals and equipment for both capital investment (\$2.349 billion) and job creation (8,203).
- The leading source nations for international investment were Italy (69%) and France (11.1%). The leading international job creators were firms from Italy (34%) and Germany (23%).

New and Existing Firms

In 2004, Commerce assisted with 70 existing industry expansions, which created 6,670 new jobs (49% of total job creation) and \$1.66 billion (60% of total investment). New industries accounted for 33% of total projects, 51% of total new jobs and 40% of total investment.

2004 CAPITAL INVESTMENT ACTIVITY BY NEW AND EXISTING FIRMS						
	PROJECTS	%	JOBS	%	INVESTMENT	%
NEW	35	33%	6,821	51%	\$1,102,800,000	40%
EXISTING	70	67%	6,670	49%	\$1,656,540,000	60%
TOTALS	105	100.0%	13,491	100.0%	\$2,759,340,000	100%

Industry Sectors

Commerce made great strides in its strategies of diversifying the state's economy while building on the strength of existing South Carolina industries. 2004 saw the emergence of a new aerospace cluster with the announcement of Global Aeronautica, a major Boeing supplier. In addition, industries key to South Carolina's economy, such as the automotive, chemicals and financial services sector continued to grow.

Manufacturing, a mainstay of South Carolina's economy, accounted for the majority of capital investment and job creation. Manufacturing represented 94% of total investment and 61% of total job creation. However, significant job creation continues to occur in other sectors. Companies from the financial services sector are among the largest non-manufacturing job creators.

2004 CAPITAL INVESTMENT AND JOB CREATION BY INDUSTRY SECTOR									
Sectors	Projects			Jobs			Investments		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Manufacturing	58	25	83	4,827	3,376	8,203	\$1,561,290,000	\$788,400,000	\$2,349,690,000
Transportation & Utilities*	0	0	0	0	0	0	0	0	0
Distribution	5	6	11	563	1,755	2,318	\$31,000,000	\$286,100,000	\$317,100,000
Services**	7	4	11	1,280	1,690	2,970	\$64,250,000	\$28,300,000	\$92,550,000
Totals for All Sectors	70	35	105	6,670	6,821	13,491	\$1,656,540,000	\$1,102,800,000	\$2,759,340,000
* <i>Transportation and Utilities</i> include privately owned for-profit electric power generation, telecommunications, and freight handling & transportation facilities.									
** <i>Services</i> includes some, but not all, facilities classified with an SIC of 6XXX, 7XXX, or 8XXX. This category includes computer related services, business services, research and development firms, financial services, privately owned for-profit health services, and corporate offices.									

International Investment

Commerce assisted 24 international firms with nearly \$813 million in announced investment and 1,892 announced new jobs. Italian-owned firms accounted for the vast majority of capital investment and job creation, largely due to the Global Aeronautica announcement, a joint venture between Italian owned Alenia SpA and Vought Aerospace. The second and third largest international job creators were Germany and China, respectively, with German and French owned firms in the top three for capital investment.

2004 INTERNATIONAL CAPITAL INVESTMENT BY COUNTRY						
Country	Firms	%	Investment	%	Jobs	%
AUSTRALIA	1	4.2%	\$5,000,000	0.6%	15	0.8%
BERMUDA	1	4.2%	\$20,000,000	2.5%	2150	7.9%
CANADA	2	8.3%	\$7,000,000	0.9%	8125	6.6%
CHINA	2	8.3%	\$500,000	0.1%	1165	8.7%
FRANCE	2	8.3%	\$90,000,000	11.1%	4100	5.3%
GERMANY	9	37.5%	\$74,600,000	9.2%	1440	23.3%
ITALY	1	4.2%	\$566,000,000	69.6%	1645	34.1%
JAPAN	2	8.3%	\$12,000,000	1.5%	1125	6.6%
SWEDEN	1	4.2%	\$6,500,000	0.8%	275	4.0%
SWITZERLAND	2	8.3%	\$9,500,000	1.2%	22	1.2%
UNITED KINGDOM	1	4.2%	\$22,000,000	2.7%	30	1.6%
TOTAL INTERNATIONAL	24	100%	\$813,100,000	100%	1,892	100%

County Capital Investment Data

During 2004, Commerce facilitated \$301 million in capital investment and 3,321 jobs from 30 firms in South Carolina's Non-MSA counties. Non-MSA areas accounted for roughly 10% of capital investment and 25% of job creation.

2004 CAPITAL INVESTMENT ACTIVITY BY SOUTH CAROLINA'S MSA V. NON-MSA COUNTIES						
	Investment	%	Jobs	%	Firms	%
Non-MSA Counties	\$301,008,000	10.91%	3,321	24.62%	30	28.57%
MSA Counties	\$2,458,332,000	89.09%	10,170	75.38%	75	71.43%
South Carolina	\$2,759,340,000	100.0%	13,491	100.0%	105	100.0%

7.2 COMMUNITY AND RURAL DEVELOPMENT

The Division of Community and Rural Development (C&RD) continues its mission to improve the quality and competitiveness of South Carolina communities. Through programming focused on community product, leadership development, and strategic planning, C&RD works closely with local leaders to create opportunities for greater investment, job creation, and leadership potential.

Division staff members work with local leaders to develop product, such as speculative buildings, to ensure that communities have available properties for investors and job creators considering a business location. Product development progress for the fiscal year is listed below.

Product Development

Product Type	Number completed	Number in Progress
Speculative Buildings	2	1
Industrial Parks	4	5
Certified Sites	5	37

Redeveloping rural South Carolina's downtown business districts also enhances the competitiveness of any community. Twenty three communities competed for the newly developed \$ 3 million Opportunity Grant that is funded through the Rural Infrastructure Fund. Three communities were awarded grant funds that are being used to initiate projects such as streetscapes, building façade improvements, small business and tourism development. Communities awarded the Opportunity Grant are listed below.

Community Revitalization

Community	Rural Infrastructure Fund Investment	Total Project Cost
Bennettsville	\$726,048	\$2,250,000
Bishopville	\$1,299,597	\$2,179,501
Union	\$974,355	\$1,897,000

Another key component of the C&RD program focuses on continued economic development education for local leadership. Through partnerships with South Carolina economic development allies, C&RD develops programming that conveys timely and necessary information to local leaders that strengthens their decision making for the future of South Carolina communities. Participants in C&RD programs are varied in leadership capacities and dispersed amongst rural and urban areas of the state.

Leadership Development

Program Type	Number of Attendees	Number of Graduates	Program Rating
Governor's Rural Summit	324	N/A	4.47 (5 pt. scale)
South Carolina Economic Developers' School	162	42	2.74 (3 pt. Scale)
South Carolina Economic Developers' Advanced Symposium	11	11	3.9 (4 pt. Scale)

Strategic planning continues to be the basis for community improvements throughout South Carolina. Whether through a county, development board, or downtown revitalization strategic plan, South Carolina communities are planning for their future and developing projects important to the local community. Often a multiple meeting process, most staff facilitation has occurred in the twenty-two “least” and “distressed” counties of the state.

Strategic Planning

Plan Type	Number updated or created
Countywide Strategic Plans	10
Development Board Plans	4

7.3 INTERNATIONAL TRADE

The destination of South Carolina’s exports continues to generate attention. After being overtaken by Germany last year for the first time since the U.S. started tracking exports by state in 1987, Canada regained its status in 2004 as the #1 foreign destination for South Carolina goods. Canada received 21% of the state’s exports, with Germany at an extremely close second. In fact, South Carolina was the second largest U.S. state exporter to Germany in 2004, behind only California. Mexico jumped one ranking to #3, surpassing the U.K., which fell to #4. Strong export growth to the Netherlands allowed that country to place ahead of Japan this year at #5.

South Carolina’s top ten export industries in 2004 were vehicles, machinery, plastics, rubber, paper and paperboard, organic chemicals, optical and medical equipment, cotton and yarn, fabrics, and wood pulp. The product sector that led South Carolina’s export growth in 2004 was electrical machinery, which rose 70.2%. The other large industries (those posting \$75 million or more in export sales) rounding out the top ten fastest growing export product sectors included cotton and yarn (up 63.6%), knitted fabrics (up 53.8%), organic chemicals (up 43.7%), meat (up 26.1%), wood (up 22.1%), machinery (up 19.7%), paper and paperboard (up 17.9%), iron and steel (up 17.5%), and rubber (up 16.4%).

Of continuing interest was China, which jumped two spots to #6. Huge increases in Chinese demand for foreign goods and resources resulted in yet another year of surging exports from South Carolina to China, with an increase of nearly 68%. To put this trend in perspective, in the year 2000 China was the 14th largest foreign consumer of South Carolina goods; now, that country is one of the state’s largest and fastest growing markets for S.C. products.

Brazil, Argentina, Chile, Korea, Turkey, India, Vietnam and the Czech Republic were among other top countries seeing large increases in goods imported from South Carolina in 2004.

Commerce's trade development team provided much-needed export support to medium-sized and smaller companies wanting to expand and participate in overseas markets. The team provided assistance to over 350 South Carolina businesses, large and small, helping them better compete in the global economy by identifying new markets and sales opportunities through international trade events and one-on-one counseling. The international trade staff responded to more than 300 export inquiries, provided export consultation to 142 companies, introduced companies to 252 new markets, organized 4 overseas trade missions involving 24 South Carolina companies, made 52 presentations to groups on international trade and Commerce's trade program, and helped clients generate over \$52 million in new sales last year.

7.4 FILM

The Department's Film Commission attracted 87 productions to the state, creating 647 jobs and 345 production days culminating in a \$6.65 million economic impact.

7.5 GRANTS AND INCENTIVES

Community Development Block Grant (CDBG)

The Community Development Block Grant (CDBG) and Appalachian Regional Commission Programs contributed to Commerce's mission by together funding \$39,753,405 in 91 community and economic development projects in the 2004 program year. Grants are awarded to units of local government within non-metropolitan, rural areas for activities that primarily benefit low and moderate-income persons. CDBG and ARC funds accomplished the following results in 2004:

Provide economic opportunities by:

- ◆ Creating access to 1,268 jobs at 8 businesses, including 1,054 jobs (80%) for low and moderate income persons;
- ◆ Promoting small business and entrepreneurial success by training 280 persons in 3 communities;
- ◆ Developing plans and strategies for small business development in 2 communities, benefiting 9,116 persons;
- ◆ Improving 12 communities' economic competitiveness through public infrastructure or commercial revitalization benefiting 44,064 persons.

Providing safe and decent housing by:

- ◆ Providing 158 safe and decent housing units that meet local building codes for 333 low and moderate-income persons;
- ◆ Facilitating construction of 53 new affordable housing units in 3 communities where housing costs are rapidly increasing, to benefit for 150 low income persons.

Providing a suitable living environment by:

- ◆ Improving public health and safety through improvements to public water, sewer and drainage infrastructure serving 18,725 persons and 11,260 low and moderate income persons in 30 communities;
- ◆ Promoting community sustainability by planning in 11 communities;
- ◆ Improving access to workforce education in 3 communities for 4,401 persons.

Communities assisted: 68

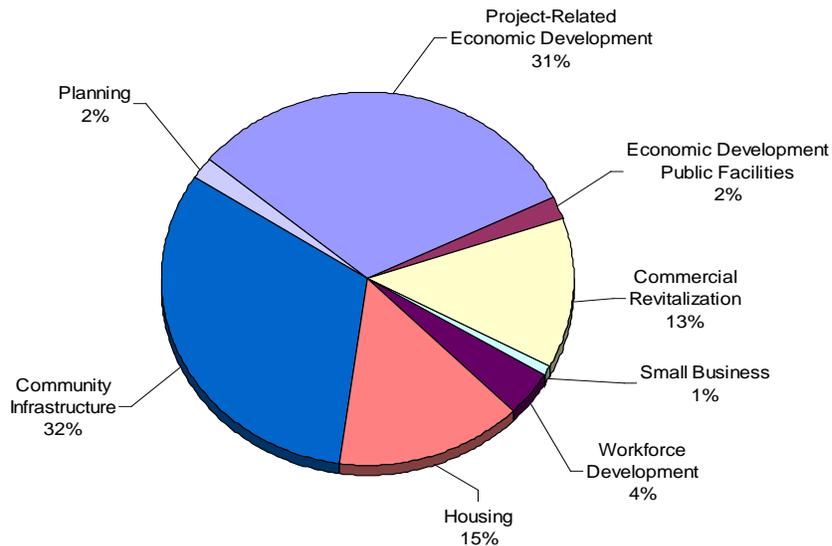
Businesses assisted: 8

Jobs created: 1,268

Persons helped: 84,379

Low and moderate-income persons helped: 41,356

2004 Uses of CDBG & ARC Funds



CDBG & ARC Amount Funded in 2004	
Project Category	Amount
Project-Related Economic Development Assistance	\$12,594,926
Economic Development Public Infrastructure	\$812,500
Commercial Revitalization	\$5,154,904
Small Business Assistance	\$315,500
Workforce Development Public Facilities	\$1,500,000
Housing	\$5,956,365
Community Infrastructure	\$12,700,710
Planning	\$718,500
TOTAL	\$39,753,405

Rural Infrastructure Fund

In an effort to maintain the state's commitment to the growth of rural South Carolina, 15 of our most challenged counties received \$12.04 million from the Department's Rural Infrastructure Fund ("RIF") in 2004, including \$3 million in Opportunity Grants. RIF projects approved in 2004 will provide infrastructure needed to support business development and job creation, vital community facilities, downtown revitalization, industrial parks, spec-buildings, and a variety of other capital investments designed to improve the business climate and quality of life of these counties.

2004 RURAL INFRASTRUCTURE FUND ACTIVITY	
Activity	RIF
Economic Development (Ind. parks, spec. bldg., site certification, infrastructure, eng., marketing, studies)	\$7,625,000
Education/Workforce (training, leadership development)	\$200,000
Quality of Life (tourism dev., downtowns, community facilities, eng., infrastructure, studies, CDCs)	\$4,212,000
Totals:	\$12,037,000

Coordinating Council

During calendar year 2004, the Coordinating Council approved \$14.36 million for 19 new Economic Development Set-Aside grants and five amendments to existing grants. The grant funds were issued to local governments to assist specific companies with infrastructure improvements. The companies that benefited from Set-Aside grant funds agreed to invest a total of \$1,430,689 and create 3,947 new jobs in South Carolina.

In addition the Council approved 67 projects for Job Development Credits. These projects will create 7,385 new jobs with a projected capital investment of \$1,475,578,229. If these jobs are not created, the companies will not receive this incentive.

7.6 ADMINISTRATION

One of the Division of Administration's primary focuses is on the support that is provided to the entire agency and a day to day basis. Beginning in 2004-2005, the Division of Administration completed a customer satisfaction survey to get feedback for improvements. The Division scored a 92.1% Above Average to Excellent. This means that overall 92.1% of the staff of Commerce believes that they receive above average to excellent customer service when they need help with anything from payroll to benefits to travel reimbursement to CALL IT requests.