



Distribution Excellence

South Carolina

SOUTH CAROLINA DEPARTMENT OF COMMERCE

2004

South Carolina — The Best Choice for Distribution Companies

South Carolina offers many strategic business advantages that provide distribution companies with substantial opportunities for growth and profitability, including:

- A nationally recognized workforce-training program, the Center for Accelerated Technology Training (CATT), which is a comprehensive and customized program that includes recruiting, screening, and training. To date, CATT has trained over 218,000 workers for 1,700 companies.
- A probusiness environment with performance-based incentives aimed at reducing distribution companies' cost of doing business. Qualifying companies can receive cash reimbursement for eligible capital expenditures, corporate income tax credits, and property tax incentives.
- A lifestyle that is not only affordable but also full of recreational and cultural opportunities that make recruiting and retaining top-level executives an easy task.
- The core competencies that stand out for distribution companies —
 - a strategic location,
 - extensive transportation infrastructure, and
 - proximity to markets that puts distribution centers at the gateway to the world.

The combination of these advantages makes it easy to see that South Carolina has set the standard for other states to follow in providing the greatest opportunity for success to distribution companies. The state's history with successful distribution operations speaks for itself. Below are just some of the success stories of distribution operations in South Carolina.

- **Wal-Mart** chose 2 sites in South Carolina for its super-regional distribution centers because of the strategic location central to its southeastern operations, with easy access to several interstates. The 2 centers add up to more than 1.6 million square feet of Wal-Mart distribution space in the state.
- **Target** chose a site in Kershaw County for a regional distribution center in the fall of 2001 because of a very favorable labor climate, quality of life in the area, and transportation costs. The facility's 1.35 million square feet of warehouse space makes it one of the largest facilities in South Carolina.
- **Ross Stores** decided on York County for its 1.26 million square foot state-of-the-art Southeastern distribution facility. The company created 1,000 new jobs in South Carolina in the first five years of operation.
- **Dollar General** plans a 1.1 million square-foot facility on a 177-acre site approximately 15 miles south of Spartanburg. The facility is expected to employ

more than 600 people when it reaches full capacity. The company anticipates the facility will be fully operational in the second quarter of fiscal 2005.

- **Walgreen's** has begun its new distribution center in Anderson County. About 450 employees are expected to be hired initially for the center, and employment will grow as the facility serves more stores. The center will serve approximately 200 to 250 stores in eight states throughout the South and Mid-Atlantic areas. The facility is expected to open in 2007.
- **Harbor Freight**, a tool and equipment retailer, has announced plans to expand its distribution facility in Dillon County. The expansion will include capital investment of \$15-17 million and the creation of 250-300 new jobs as the company adds to its distribution and warehouse space, expands a call center at the location, and adds a customer service department. The company plans to more than double its space in Dillon by building a new 531,000 square-foot facility next to its existing 476,000 square-foot distribution center and retail store.

Proximity to Markets — A Central Location in the Southeast

With convenient access to all of the Southeast's major metropolitan areas, South Carolina offers distribution centers a strategic location from which to meet customers' demands for timely delivery. In fact, a location in South Carolina means proximity to key population centers, including rapidly growing metro areas like Atlanta, GA; Charlotte-Rock Hill, NC-SC; Raleigh-Durham, NC; and Jacksonville, FL.

A distribution company's reach within 500 miles from South Carolina extends as far north as New York, as far west as Arkansas, and all the way to the southernmost tip of Florida. And when that reach is extended to 1,000 miles, distribution companies have access to 35 states and roughly 75% of the total U.S. population (over 280 million people).

In addition, South Carolina's strategic location and 5 interstates make it easy for trucking companies to move goods efficiently and cost-effectively, both from suppliers to the distribution center and from the center to its customer base. In fact, all terminals at the Port of Charleston are within 2 miles of interstate highway access, where approximately 130 truck lines and 150 motor freight lines offer a wide variety of local, long haul, and specialty motor freight services. In South Carolina, we understand that truck transportation is essential to every goods-moving industry in the state.

Extensive Transportation Infrastructure

Complementing South Carolina's strategic location is a reliable and extensive transportation infrastructure that is ready to take goods and supplies wherever needed. Whether distribution companies are looking to expand into new markets, access current markets more efficiently, or increase global competitiveness, South Carolina provides the strategic transportation logistics necessary to meet these goals.

A distribution center in South Carolina has access to 5 interstates, 8 commercial airports, the Port of Charleston, and 2,600 miles (4,184 km) of rail support, which allow the center to reach the world quickly, efficiently, and cost-effectively.

- **Convenient Access to an Airport Within 1 Hour of Any Location:** Eight strategically placed airports provide distribution companies with access to a commercial airport within one hour of any location in South Carolina. Direct flights are available to most major domestic hubs throughout the United States, and international connections can easily be made via Atlanta, Charlotte, Chicago, and New York.

The 3 largest commercial airports in South Carolina:

✈ *The Columbia Metropolitan Airport (CAE)*

✈ *The Greenville-Spartanburg International Airport (GSP)*

✈ *Charleston International Airport (CHS)*

Other Nearby Airports:

✈ *Charlotte/Douglas International Airport (CLT)*

✈ *Hartsfield Atlanta International Airport (ATL)*

- **Air Cargo Services — Home of a UPS Southeastern Regional Hub:** Distributors gain a strategic advantage by locating in South Carolina. All major freight carriers serve the state, including the United Parcel Service (UPS), which has an \$80 million Southeastern Regional Hub at the Columbia Metropolitan Airport. The hub offers next day, second day, and third day air service and can process 42,000 packages an hour. The buildings encompass 352,000 square feet and the 44-acre ramp is large enough to hold 22 DC-8 aircraft.

Federal Express has also expanded its South Carolina presence at the Greenville-Spartanburg International Airport. With these multi-million dollar expansions, a location in South Carolina offers time-sensitive distributors considerable advantages.

- **Extensive Rail Service — 7 Days a Week:** CSX Transportation, Norfolk Southern, and seven affiliated and independent lines combine to offer rail service 7 days a week in all of South Carolina's metropolitan areas. Both CSX and Norfolk Southern also offer daily, double-stack train express services (inbound and outbound), providing customers efficient access to the market gateways in the Northeast, Midwest, Canada, and Mexico, while eliminating costly double handling of goods.
- **The Port of Charleston — Internationally Known as a Hub for “Just-In-Time” Distributors:** The Port of Charleston has helped more than 1,000 companies capture opportunities in domestic and international markets due to many strategic advantages:

- **Geography:** Charleston's terminals are closer to the open sea than any competing port by a significant margin. With deep channels wide enough for ships to easily pass, and such a short distance to travel, Charleston's facilities allow ships to spend a minimum amount of time in port.
- **Efficiency:** The Port's fully automated systems substantially reduce customs delays, processing time, inconvenience, and paperwork. Within the last year, the port has added nearly \$40 million in container handling equipment, streamlined processes, and implemented new procedures in the yards that have cut trucker turn time at many gates by more than half.
- **Flexibility:** Companies will find a strong portfolio of ocean carriers at the Port with more than 40 steamship lines offering services worldwide to over 150 developed and emerging countries. In fact, the Port of Charleston offers companies access to 13 of the top 15 carriers in the U.S. container trade. This variety provides significant flexibility and greater options in terms of transit times, rates, departure dates, ports of call, conference affiliations, and service.
- **Global Experience:** Northern Europe and Asia are the United States' top trading partners through Charleston with a combined 63% of the volume. Other trading partners include Latin America, the Mediterranean, the Middle East, and Africa.
- **Foreign Trade Zones:** Foreign trade zones (FTZs) are areas on U.S. soil where foreign and domestic merchandise are considered to be in international commerce, which means a possible reduction or elimination of customs duties, deferral of duty payments until time of delivery, elimination of delays through customs with direct delivery, and no requirement of country of origin labels on merchandise admitted to the FTZ. South Carolina offers companies many opportunities to take advantage of these zones with three strategically located Foreign Trade Zones in the state.

South Carolina offers an impressive array of strategic business advantages and incentives that reduce the cost of doing business in the state. In addition, South Carolina is positioned to help distribution companies gain the competitive advantage they need through a good strategic location, extensive transportation infrastructure and proximity to key markets, which allows substantial opportunities for growth and profitability.