



## Reliable Automatic Sprinkler Showering 350 Jobs on South Carolina

by JACK LYNE, Site Selection Executive Editor of Interactive Publishing

**PICKENS, S.C.** – New York-based **Reliable Automatic Sprinkler Co.** is shifting its center of gravity southward. The company has announced that it's relocating 350 jobs, some 70 percent of its entire staff, to **Pickens County, S.C.** .

"We considered a number of locations in the eastern U.S.," Reliable President Frank J. Fee III explained in announcing the project. "Pickens County, however, affords us access to a qualified labor force, tremendous training resources in Clemson University and Tri-County Technical College, and a favorable economic climate that will help us continue to grow and prosper."

The Pickens County site pick means that all of Reliable's manufacturing and product development positions and part of its distribution network will relocate from Mt. Vernon and Elmsford, N.Y. Founded in New York City in 1920, the company's organizational core has been based in Mt. Vernon since 1937.



Just desserts: South Carolina Gov. Mark Sanford's (pictured above while unveiling his 2004-05 budget) involvement in wooing Reliable included inviting the company's top executives for dinner at the Governor's Mansion.



Park pioneer: Reliable's 300,000-sq.-ft. (27,000-sq.-m.) facility in Pickens County Commerce Park (shown in an aerial view) will be the first building inside the 310-acre (124-hectare) development.

Reliable's current Mt. Vernon headquarters is also relocating, but not very far. It's remaining in southern New York, moving only 12 miles (19 kilometers) north, into office space that the company already occupies in Elmsford.

### Cost Concerns Steered Search

Reliable initially began looking for a new facility in 2000 because of the cost- and work-process-efficiencies of consolidation, explained Fee, whose grandfather founded the family-owned company. Reliable looked for suitable sites near its New York locations, but couldn't find

one large enough for its project, he said.

Lower costs apparently played the largest role in Reliable's logic vis-à-vis which site was most suitable. The company is feeling strong cost pressures from both larger U.S.-based competitors and Chinese firms now entering the American market, Fee commented at the announcement in Pickens, the county seat. Reliable has about 500 employees, with some US\$125 million in sales last year.

Looking to shave costs, Reliable was searching for a site with lower taxes, utilities and support services, explained Fee. Those factors steered the three-year site search to the U.S. Southeast. At one point, Reliable gave considerable attention to sites in Virginia and North Carolina, Fee said.

Then in 2002, the company began investigating South Carolina. One thing it found there was a cost-cutting state and local incentive offer.

State officials didn't release specifics on subsidies, describing them only as totaling "several million dollars." Reliable's incentives include tax breaks, grants and training, said South Carolina Department of Commerce officials.

The company didn't estimate its anticipated annual savings from the move. Fee, however, did say, "We wouldn't go through a transition process that's this difficult unless the savings that we were going to realize in relocating were significant."

### **Governor Invited Reliable's Top**

#### **Execs to Dinner at the Mansion**

The project recruiting team (which included the state Commerce Department, Alliance Pickens, the Pickens County Council and area business leaders) turned to two Pickens County schools for Reliable's training. Clemson University and Tri-County Technical College custom-tailored a program to aid not only in training skilled workers, but in recruiting them as well.

"Clemson's research capabilities and our track record of developing talented people, especially in the engineering fields, will be a major asset to Reliable," university President James F. Barker commented after the location decision.

South Carolina Gov. Mark Sanford (R) also got personally involved in the courtship of Reliable. His recruiting efforts included having the company's top executives over for dinner last year at the Governor's Mansion. (That May 28th dinner coincided with the governor's 44th birthday.)

"We're continuing our push to bring jobs to upstate. Obviously, Reliable Sprinkler's announcement is a significant step forward on that front," said Sanford. "The bottom line for this administration is jobs."

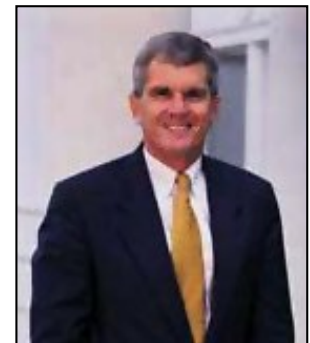
### **Clemson Helped Develop Pickens Business Park**

Clemson's involvement went beyond training. The university also played a significant role in creating the northwest South Carolina site where Reliable will build its 300,000-sq.-ft. (27,000-sq.-m.) facility.

"Clemson has had an ongoing involvement with Alliance Pickens in planning and developing the Pickens County Commerce Park," Barker said.

Reliable will consolidate its operations on 56 acres (22 hectares) of Commerce Park, which sits between the cities of Easley and Liberty. The company will be the first occupant in the 310-acre (124-hectare) development, located some 13 miles (21 kilometers) from I-85.

The jobs coming to Commerce Park include product design and production engineers, as well as administrators in human resources, management information



Town and gown: "Clemson has had an ongoing involvement with Alliance Pickens in planning and developing the Pickens County Commerce Park," said university President James Barker (pictured). Clemson also partnered with Tri-County Technical College to custom-tailor an employee recruiting and training program.

systems and purchasing, said Fee. Reliable's manufacturing positions will include assemblers, machinists, maintenance technicians and administrative support personnel.

About 50 current New York employees will probably transfer to South Carolina, Fee said. Laid-off workers will be offered severance pay, continued health-care coverage, and job placement and counseling services.

The relocation will take 18 to 24 months. That process will begin by the end of this year, Fee explained.

Site work is beginning immediately, said Reliable's president. The company anticipates that the \$12-million construction process for its Pickens County plant will finish in time for the facility to be operational by the end of 2005 or in early 2006. The project will involve some \$18 million more in capital expenditures, most of it for new equipment.

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