

RANDOLPH COUNTY DEVELOPMENTS

A publication of the **Randolph County Economic Development Corporation**

Volume 20, Number 5

North Carolina's Industrial Center

November 2008

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Economic Development...More Important Than Ever

The following is a reprint of a message from Jeff Finkle, President & CEO, International Economic Development Council published in Economic Development Now, a monthly newsletter of IEDC.

There is no doubt that we are experiencing an economic and financial crisis unprecedented in our lifetimes. Unfortunately, the pain that many people, communities, businesses and financial institutions began to experience earlier this year is just the early pangs of a period of prolonged difficulty.

Many constants that shaped our thinking and actions have shifted or simply gone out the window. With world economies more integrated than ever, we are facing a truly global recession. We may see the failure of a major U.S. automaker, and with it the loss of thousands of jobs and possibly the restructuring of an industry and region. We continue to face illiquidity in our financial system, which affects all sectors of our economy in multiple ways.

All this occurs when the U.S. budget deficit has reached a record high of nearly \$240 billion, in the face of pressing environmental concerns, and in the midst of a dramatic change of presidential administration, party and corresponding outlook to federal governance.

Many economic developers and community leaders feel tremendous frustration at the inability to counteract global forces that are out of our control but that affect our communities so directly and drastically. While it's true that what happens to GM, Circuit City or Sun Microsystems is largely out of our hands, there are actions that economic developers and communities can and should be taking to soften the blow.

But at least as important as immediate relief is the need to position our small towns, medium-sized cities and megaregions to emerge stronger and more competitive when light finally begins to glow on the horizon. Continued investment in economic development is critical because:

- **Cutting economic development programs is akin to killing the goose of golden-egg fame.** The blows brought by the economic downturn would hit regions even harder if it weren't for existing economic development programs and the work done to date. Investing in economic development helps communities recover faster and come out stronger.

Some jobs and investment certainly stay in or come to a community through little or no effort, but as Harvard Business School's Michael Porter [wrote in a recent BusinessWeek](#), "strategy embodies clear priorities, based on understanding the strengths we need to preserve and the weaknesses that threaten our prosperity the most. ...In dealing with a crisis, experience teaches us that steps to address the immediate problem must support a long-term strategy."

- **The time to invest is at the bottom of the cycle.** Communities that don't stay invested lock in their losses and miss out on the rebound. [Warren Buffett makes this case in a recently published column in the New York Times](#): "Be fearful when others are greedy, and be greedy when others are fearful....bad news is an investor's best friend." This applies to economic development in multiple ways.

Now is the time to help that strong company increase its market share, to help laid-off workers hatch business ideas they've incubated for years, to ensure you're creating the supply of workers and buildings that will put you in the strongest possible position for recovery.

- **Investing now is an opportunity to differentiate your community**, as others cut back on marketing and promotion. As budgets inevitably are cut, EDC's that stay in the game have less competition and more opportunities, for business attraction or building international trade relationships, for example. While business won't go on as usual, there still will be companies looking to move and expand – and your EDC is more likely to stand out as one of fewer in marketplace. As marketing guru John Quelch writes: "It is well documented that brands that increase advertising during a recession, when competitors are cutting back, can improve market share and return on investment at lower cost than during good economic times." ("[How to Market in a Recession](#)," Sept. 24)

Indeed, there are logical arguments for investing in nearly every area of economic development right now. Business retention and expansion programs are needed to gauge the health of local businesses and boost weak ones to save jobs. Conversely, other businesses may have hoarded cash and be ready to expand or buy other companies. Not knowing which is which – and being able to act appropriately – is a huge misstep.

We also know that a skilled workforce is a top location criterion, and that during economic downturns, many workers go back to school. We must educate ourselves on the demand industries of the future and nurture the workforce that will be ready for these jobs – creating internships, career programs in high schools, community college courses/certificates and more.

This is also a good time to focus on homegrown businesses; entrepreneurship programs can turn downsized workers into a source of new enterprise. That strategy paid off in Kalamazoo, Mich., after Pfizer was bought, and in Newton, Iowa, after Maytag, to name just a couple of communities that were determined not to let their talent languish. As always, it's also critical to continue helping existing small businesses, with revolving loan funds, incubator support, marketing, training, economic gardening and more.

Our focus must remain on laying a firm foundation for job creation, which will enable people to pay their bills and support retail and service businesses in their communities. It's going to be a tough several years or longer, but continued investment is required for long-term payoff.

Business Announcements & Congratulations

First Bancorp, parent company of First Bank was recently recognized by investment banking firm Sandler, O'Neill & Partners, as one of the top performing small cap banks in the nation. First Bancorp was one of 33 institutions in the nation selected to the "Sm-All Star" list by Sandler O'Neill based on growth, profitability, credit quality, and capital strength.

Two Randolph County firms were recognized among the "Fast 50", by **Triad Business Journal** in an annual ranking of the fastest growing private companies in the region. **Pyramid Services Inc.** is Number 12 with revenues of \$51.5 million and 900 employees. Headquartered in Asheboro, Pyramid Services is a government services contractor that operates and maintains facilities for the departments of Defense and Homeland Security. **G & J Styles Inc.** is Number 25 for 2007. G & J Styles is a furniture importer and wholesaler based in Archdale with revenues of \$10.1 million. EDC member **Samet Corporation** is Number 4 in growth for 2007. Samet is a construction and real property development firm based in Greensboro.

Triad Design Group has merged with Warren Architecture and will remain headquartered in Greensboro. TDG provides architecture, planning, interior design, structural and civil engineering services. The firm focuses on senior living communities, healthcare, industrial, commercial and aviation projects.

CR Currin has reinvented their company with a new name, new product line, and new niche in the competitive furniture industry. Archdale based CR Currin operated as Jalco for 20 years. Last year the company introduced their own product line of high-end case goods. They are adding staff and seeing strong growth for the product they call "jewelry for the home."

Randolph Community College continues to meet the needs of our community. Industries in Randolph County have expressed a need for an Industrial Engineering Program at the college. Presently RCC is preparing a plan to offer company associates and high school graduates a two-year associates degree that will be transferable to a 4-year University.

Utility Cost Savings

The North Carolina General Assembly enacted legislation that could reduce your excise tax on natural gas. This legislation, effective October 1, 2007, phases out the excise tax for manufacturers and farmers over the next four years. This reduced tax is available for natural gas received by a manufacturer for use in connection with the operation of a manufacturing facility or by a farmer for use with any farming purpose other than preparing food, heating dwellings, and other household purposes.

To be eligible for the reduced tax rate, you must have a manufacturer's certificate or a farmer's certificate issued under G.S. 105164.28A. To find out if you qualify, contact the Department of Revenue at (919) 733-8510 or visit www.dor.state.nc.us.

If you qualify, you must send a completed E595E NC Exemption Form with a listing of your eligible natural gas account numbers to:

Piedmont Natural Gas
Attention: Central Business Office - Excise Tax Exemption
PO Box 33068
Charlotte, NC 28233

Or, you may e-mail a scanned copy of the completed E595E NC Exemption Form with a listing of your eligible natural gas account numbers to: AccountMaintGroup@piedmontng.com
Please include Excise Tax Exemption in the subject line of the e-mail.


Piedmont Natural Gas must have a properly completed E595E form on file before you may benefit from the excise tax reduction. The form is available at www.dor.state.nc.us.



Partnership News

The Randolph County Partnership is the member organization of the EDC. Partner members are listed on the EDC website, included in existing business & industry directories, and receive services and referrals from the EDC. Please visit the website, www.rcedc.com for member information.

Thanks to the following new member of the Randolph County Partnership:

 **Branco Enterprises Inc./Clothes Warehouse**

Thanks to the following members who have renewed their membership:

Gold

Asheboro Elastic Corporation

Silver

Carolina Bank
The Timken Company

Bronze

Allen Tate Relocation
Best Cartage/Reich Logistics
Ferree Trailer
Liberty Advisors
Teleflex, Inc.
The Courier Tribune

Check out the EDC website at www.rcedc.com for member information.