

# RANDOLPH COUNTY DEVELOPMENTS

A publication of the Randolph County Economic Development Corporation

The Heart of North Carolina's Economic Future

September 2011

## State of the Economy – Our Perspective

**Despite the drumbeat of economic news** of high unemployment, uptick in foreclosures, stressed consumers and a general slowdown in the economy at every level, there are many positive signs in our local economic base. Randolph County and the Triad are impacted by all of those issues but they don't tell the whole story of our economy.

Manufacturing is leading the recovery across our country and many local firms are part of that story. For the last two years, we've heard positive reports of sales growth and increased productivity from our existing businesses. That's translated into new hiring and longer work weeks resulting in more income across the county. Many companies say they have right sized during the recession and are now ready to hire and train to meet demand.

We see continued investment in Randolph County from foreign investors as well as domestic and local investors. Our global footprint has expanded with local operations ownership that includes Brazil, France, Germany, Italy, Japan, Netherlands, New Zealand, South Korea, and Thailand. Many local operations have sister plants located across the globe and exports of Randolph County made products are trending upward.

The EDC reported a record year of new investment in 2010 over \$206 million and the first six months of 2011 continued strong. We welcomed new companies such as Americhem, FPE, Future Foam, Paul Brayton Designs and Stylecrest and we announced major expansions at Malt-O-Meal, PEMMCO, Hughes Furniture, and Teleflex Medical. More than 720 new jobs are associated with this growth. The economic outlook is very positive and our county is home to some outstanding companies and employees, many of them family owned and home grown.

Long-term infrastructure investments are underway in our community in transportation with new interstate highway construction and upgrades of existing highways to interstate standards. Our community has developed water capacity that will meet our future needs for the next 40-50 years and public water access has been extended to unserved areas.

We're investing in our people and our future workforce with two new schools and reinvestment in our existing schools. Innovative programs to deploy technology and create small learning environments such as the Early College High School and Zoo School are paying dividends. Additional innovative programs are being developed across the k-12 systems. Randolph Community College has launched programs and initiatives that make a 4 year degree available in Randolph County and they continue to deliver state of the art workforce training in skilled trades, health care, and office systems.

Numerous buildings have been reoccupied and redeveloped for productive use. Our cities and towns are reinvesting in their downtown business districts. We have expanded capacity and local access to high quality health care services at Randolph Hospital and the clinics and specialty services located throughout our community. Local governments, agencies and non-profits collaborate and cooperate to deliver effective services to our people.

There are some concerns that we can work together to address. We must continue to set high expectations for our students and ensure that they are prepared for career and job success when they complete their education. Drug use is a growing problem in the workplace, schools and among the unemployed that must be addressed. Public policy changes to improve the business climate must be approved at the state and federal level.

Randolph County is a progressive community that works together to solve problems and to create new opportunities. We have many competitive advantages and a solid foundation for economic growth and job creation.

## Business Announcements

Asheboro's **Goodyear** plant has been purchased by **Hyosung USA**, a South Korean firm with global tire reinforcement operations in South Korea, Brazil, China, Luxembourg, and Vietnam. Hyosung signed a multi-year supply agreement with Goodyear at closing. The Seoul based firm has been in the tire reinforcement business since 1968.

**Braxton Culler** will debut the Libby Langdon collection at this October's High Point Furniture Market. Braxton Culler specializes in wicker and rattan furnishings but also includes upholstered furniture and accessories in the new licensed Libby Langdon line. The company plants are located in Sophia and this is their first licensing partnership.

**Sentry Fire Protection** has expanded to a new facility in south Asheboro to meet growing demand for fire protection and suppression systems. The company designs, installs, and services sprinkler systems and fire protection systems in new and renovated buildings. They relocated to a renovated industrial facility in August on 220 Business South.

**Klaussner Furniture Industries** has launched a Made in America campaign touting the benefits and value of upholstered furniture made in the US. The company will feature the marketing campaign at the upcoming Fall Furniture Market.

**Allen's Hatchery**, located in Liberty, has been acquired by **Harim Holdings Co., Ltd**, a South Korean firm that specializes in poultry and poultry products. The Allen Family Foods company was based in Delaware and filed for bankruptcy earlier this year.

Owners of the former **Ramtex facility** will demolish two-thirds of the textile building in Ramseur over the next nine months. Ninety percent of the razed building will be recycled. The facility will have 280,000 square feet remaining with higher ceilings and a flat building pad when the project is completed. Building owners believe this will improve the building marketability with transmission level electrical service and industrial sized water and sewer infrastructure.

**Randolph Community College** unveiled a new state of the art welding center at its Archdale campus. The center offers enhanced training for welding, a skilled trade in high demand by local companies. The new welding center was made possible by a grant from **Duke Energy** and features both a simulator as well as robotic welding process.

Carlos Cardoso, Chairman, CEO and President of **Kennametal** wrote an editorial in *Industry Week*, with a strong case for manufacturing in the US. In the article, he called on manufacturers to work with policymakers and elected officials to educate them about the manufacturing sector and to promote policies that advance innovation, promote exports, address tax codes, and evaluate a burdensome and redundant regulation. He also challenged manufacturers to work to educate the next generation about the career and income opportunities in manufacturing. The article was published on August 19, titled "Manufacturing at the Crossroads." Kennametal has a manufacturing operation in Asheboro.

## Economic Development Breaking News

A CEO ranking of the best states for business once again named **North Carolina** as Second Best Business Climate in the nation. Development Counsellors International released the findings of the sixth corporate executive survey that began in 1996. Why North Carolina? **Low cost, pro-business climate, and strong workforce/talent** were the reasons cited.

**The Piedmont Triad metro** including **Randolph County** has a rosy hiring picture in the next 3-6 months with 20% of employers stating they plan to add workers versus 7% that expect to decrease employment. It's the third highest total in the nation, driven by manufacturing with 70% of those expecting to hire in manufacturing. The numbers are from Manpower, one of the nation's largest staffing firms.

The **International Economic Development Council** held its annual conference in Charlotte this week. More than 900 economic development practitioners gathered to listen, learn and network. There were several common themes that dominated the conference including the importance of taking care of your existing companies, the impact of community investment in downtown, the value of talent and need for workforce development, and the global connectedness of our economy. Some interesting snippets:

- Cost consideration and cost control reign supreme
- 56% of jobs are from new enterprises, 42% from expansions
- 18% of today's Fortune 500 are immigrant founded
- Most emerging firms are being started by baby boomers
- Next wave – Emerging technologies at the intersections of sectors such as biotech, materials, energy, media, software, space, robotics, and artificial intelligence
- Foreign Direct Investment is up – joint venture and acquisition are the most common entry points to US
- CEO Survey results – 46% expect to expand within 24 months and 70% of expected projects in manufacturing
- The new killer app is collaboration
- 1 in 3 manufacturing companies faces a shortage of skilled workers
- 56 - Average age of a welder in the US
- 76% of community college students in NC require remediation
- 28% of high school students do not complete in 4 years
- Streamlined permitting is vital to successful business location
- Business retention is key, key, key
- 90% of expanding firms looking for existing buildings
- Sites must be shovel ready to be usable
- Water is and will be the most precious commodity
- Successful communities embrace who they are in revitalization projects
- To foster development, offer consistent, predictable regulations and a shortened timeframe
- Create a digital ambassador program to share your good news
- Get used to the new normal and accept the reality of a globally competitive economy

### EDC Committees active and engaged

**Membership Committee** chaired by **Dave Whitaker** met and set a goal of 30 new members for 2011-2012. Five new partners have already joined. Committee members are planning a networking / informational event in response to feedback from the member survey with plans to offer more opportunities for partners to network.

**Marketing Committee** will meet on October 11 at the EDC office. The focus of the marketing committee for 2011-2012 is a sales sheet touting Randolph County's competitive advantages for professional service firms. The committee also plans an electronic survey of local businesses to identify market gaps and opportunities. A key goal is a partnership with our county chambers in this assessment, marketing and outreach. A special event is planned in 2012. **Neal Griffin** will once again lead this committee.

**Product Development Committee** will be led by **Dr. Bob Shackelford**. The action plan is establishment of a property development commission of local government and developers to identify regulatory barriers and look for ways to streamline the process as well as identify creative strategies to increase the curb appeal of existing properties and put vacant buildings into reuse.

Please contact the EDC office if you are interested in serving on one of these committees. We need your voice and perspective at the table.

## Partnership News...

Thank you for responding to our EDC Membership Survey. We had a 27% response rate. Key takeaways are 1) request for more events and networking opportunities, 2) business referrals, 3) value in business recruitment and existing industry services, and 4) newsletter. We heard you and our committees are planning events and networking this year.

Randolph County Partnership is the member organization of the EDC. Through their dues, our members invest in economic development in Randolph County in marketing, recruitment, existing business and industry services, and industrial product development. 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](http://www.rcedc.com) for member information and click on Development Team.

### Thanks to the following new members of the Randolph County Partnership:

- ✓ **Office Warehouse** – Offers a complete line of office supplies and furniture.
- ✓ **PIP Printing of Asheboro** - Graphic design and printing to mailing services, promotional products and direct marketing.
- ✓ **Sentry Fire Protection Co., Inc.** - The company designs, installs, and services sprinkler systems and fire protection systems in new and renovated buildings.
- ✓ **Thermaco, Inc.** – Environmental products manufacturer serving domestic and international markets

Thanks to the following companies for renewing their membership with the Randolph County Partnership.

### Platinum

Randolph Electric Membership Corporation

### Silver

Carolina Bank  
Chandler Concrete  
CommunityOne Bank  
Klaussner Furniture  
Randolph Hospital  
Randolph Telephone  
RE/MAX Central Realty  
Teleflex Medical

### Bronze

Advisors Financial Center, LLP  
Automatic Vending Service  
AVS Catering, Inc.  
Brubaker & Associates, Inc.  
Commonwealth Hosiery Mills, Inc.  
Deep River Fabricators, Inc.  
Express Employment Professionals  
Ferree Trailer  
Heart of North Carolina Visitors Bureau  
Meredith Transport, Inc. & Meredith  
Warehouse & Distribution, Inc.  
North State Communications  
Randolph Community College  
Randolph County Schools  
Ridge Funeral Home & Cremation Service  
Shaw Enterprises, LLC  
Shelco, Inc.  
The Wooten Company  
Trinity Furniture, Inc.  
United Brass Works, Inc.  
Wachovia Bank  
Wayne Thomas Chevrolet-Cadillac

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