

SVNCTM Weekly highlights from the North Carolina Department of Commerce



(Left-right) N.C. Senator Ronald Rabin, Dunn Mayor Oscar Harris, N.C. Commerce Secretary Sharon Decker, Rooms To Go President & COO Steve Buckley, and Harnett County Commissioners Chairman Jim Burgin

Furniture Company to Create 220 Jobs in Harnett County

Governor Pat McCrory and N.C. Commerce Secretary Sharon Decker announced on June 27 that <u>Rooms To Go</u> will build a new warehouse, distribution center and retail showroom in Harnett County. The company plans to create 220 new jobs and invest \$40 million over the next three years in Dunn. The N.C. Department of Commerce's <u>David Spratley</u> was the developer on this project.

"Rooms to Go knows our state's support for the furniture industry is second to none," said Governor McCrory. "It's always great news when existing companies choose to reinvest and grow their business right here in North Carolina."

Rooms To Go is a furniture retailer with approximately 150 stores located in 10 states in the U.S. The company sells residential furniture to consumers in its stores and through its online websites. The company currently employs more than 180 people in North Carolina.

Rooms To Go plans to build a 1.1 million-square-foot facility, which will serve as a warehouse, distribution center and retail showroom. This newest Rooms To Go facility will be the primary distribution and processing center for online deliveries to Rooms To Go customers throughout the eastern U.S. The facility will have a state-of-the-art showroom and outlet center that the company believes will become a convenient stopping point for travelers on I-95. The company expects to engage approximately 100 people as independent contractors



(Left-right) NCEDA President-Elect Mark Clasby of Haywood County Economic Development Commission, N.C. Commerce Secretary Sharon Decker, and the Honorable Pat Gottschalk, partner with Williams Mullen and former secretary of commerce and trade for Virginia

Changes for N.C. Commerce Top NCEDA Conference Agenda

N.C. Commerce Secretary Sharon Decker outlined the new vision for organizing economic development functions in North Carolina at the annual conference of the North Carolina Economic Developers Association, held June 25-27 in Wrightsville Beach. The three day meeting, titled *New Model for Economic Development*, included a briefing from N.C. Transportation Secretary Tony Tata on the state's new transportation funding formula. Attendees also heard about new opportunities for offshore drilling and shale gas exploration and learned more about the Work Ready Communities initiative in North Carolina's Eastern Region.

In one of the conference's highlights, Secretary Decker was joined on a panel by Pat Gottschalk, Virginia's former secretary of commerce, who spoke about his experiences with the public/private partnership model for economic development in his state. Gottschalk discussed the pros and cons of the model, and praised the advantages the model can bring, such as streamlining government personnel and procurement policies, injecting a private-sector, market-driven culture and affording an opportunity to more easily engage private sector partners.

"Our current system of economic development is not working," said Secretary Decker in remarks prepared for delivery at the associated with home delivery of merchandise from the warehouse to customers' homes.

The project was made possible in part by a performancebased grant from the <u>One North Carolina Fund</u> of up to \$200,000. The One NC Fund provides financial assistance, through local governments, to attract business projects that will stimulate economic activity and create new jobs in the state. Companies receive no money up front and must meet job creation and investment performance standards to qualify for grant funds. These grants also require and are contingent upon local matches.

The N.C. Department of Transportation also worked on the project to ensure Rooms To Go had efficient access to the state's transportation network. Other partners that helped with this project include: N.C. Community Colleges, Harnett County, City of Dunn and the N.C. Rural Economic Development Center. <u>Read more</u>.

Rooms to Go plans new Harnett County warehouse, creating 220 jobs (The Fayetteville Observer, June 27)



Governor McCrory at the bill-signing of the Strategic Mobility Formula

Governor McCrory Signs New Strategic Mobility Formula into Law

The N.C. Department of Transportation has a new, more efficient way of funding infrastructure investments that will better connect citizens to opportunities, increase jobs and enhance economic development after Governor Pat McCrory signed into law on June 26 the <u>Strategic Mobility Formula</u>, House Bill 817.

"Everything we do is focused on strengthening our economy and making government operate more efficiently. This landmark legislation helps us do both," said Governor McCrory. "A tremendous amount of work has gone into this initiative, and I thank everyone from the statewide to the local level who has been involved with making it a reality. It is critical in changing the way we invest in transportation and do business in North Carolina. We will continue to work collaboratively as we move forward with implementing this new mobility formula and create more opportunities for communities throughout our state."

The new formula was sponsored by Reps. William Brawley,

conference. "Governor McCrory has tasked me with developing a bold, new approach to kick start North Carolina's stalled economy. It's time, folks. We can't continue to spend hundreds of millions of dollars on economic development and not see any movement in job creation. It's time to consolidate our efforts, and re-think how we conduct economic development in North Carolina."

Secretary Decker's PowerPoint presentation from the conference can be <u>viewed online</u>.

Tearing Down Silos with UNC-Wide Cooperation Making Universities More Energy Efficient and Cost Effective

Governor Pat McCrory applauded action by the UNC Board of Governors on June 14. The board approved groundbreaking energysaving efforts that avoid \$25 million in costs through a unique guaranteed energy savings contract involving 13 UNC campuses, the UNC General Administration and several affiliated organizations. Over the seven-year length of the agreement, the energy-efficiency improvements will result in the installation of more than 100,000 lighting fixtures in classrooms, dormitories and other university facilities.

"This system-wide effort represents the kind of cooperation among different state agencies that means savings for taxpayers, business for North Carolina companies and allows these UNC institutions to focus public dollars on the core mission of educating students and continuing groundbreaking research," said Governor McCrory. "This action by President Tom Ross and the Board of Governors shows just how beneficial it is to tear down institutional silos and cooperate for more effective and efficient results."

These lighting projects will provide more efficient, effective lighting and thus create better and safer work, research, study and living environments. This project will allow reductions in campus utility costs to pay for the project over seven years. At the same time they will save money for taxpayers along with parents and students - about \$25 million during seven years. Johnson Controls Inc. will oversee the program; one of the major subcontractors is CREE - a North Carolina company and one of the nation's leaders in cost-saving, energy efficient LED lighting.

In implementing the Board of Governors' sustainability action plans, Ross has encouraged system-wide approaches for facility energy efficiency. In addition to 13 UNC campuses and the UNC General Administration, this alliance includes UNC TV, the N.C. Arboretum and the N.C. Department of Commerce's Energy Office. The four UNC campuses not participating already have John Torbett, Frank Iler, Phil Shepard, and Sens. Kathy Harrington and Bill Rabon. It is the first step in helping to address a decline in revenue and increase in the state's population by allowing NCDOT to more efficiently use its existing funds, which will result in more transportation projects and more jobs for North Carolina. The next steps, already underway, are to develop the 25-year plan and determine how to generate the revenue for infrastructure investment.

NCDOT will work closely with the N.C. Department of Commerce, local municipalities, and metro and regional planning organizations to identify projects that spur economic growth throughout the state through a new data-driven process.

"Our goal is to better connect people to jobs, health care, education, and recreation centers, as well as to maintain and attract new business," said Transportation Secretary Tony Tata. "The Strategic Mobility Formula allows us to make a stronger investment in our people and our state sooner by focusing on reducing congestion and travel time, while increasing economic competitiveness, freight and multimodal connectivity."

Watch Here: Strategic Mobility Formula

NCDOT's current 10-year plan includes 175 projects and creates 174,000 jobs. The new formula will fund at least 260 projects and create more than 240,000 jobs over the next 10 years.

The Strategic Mobility Formula replaces the state's outdated Equity Formula, which was implemented in 1989 and did not provide sufficient flexibility to meet North Carolina's current needs. The new formula takes a tiered approach to funding transportation improvements, with the statewide level receiving 40 percent of available funding (\$6 billion), the regional level receiving 30 percent of available funding (\$4.5 billion) and the division level also receiving 30 percent of available funding (\$4.5 billion) over the next 10 years.

The new formula is scheduled to be fully implemented by July 1, 2015. Projects funded for construction before then will proceed as scheduled; projects slated after that time will be ranked and programmed according to the new formula.



(Left - right) State of North Carolina Foreign Trade Representative William Chu, ERD Ltd. President Glenn Flaherty and Vice President Tom Robinson, N.C. Commerce Director of Technology Business Development Kuldip Wasson, and Advanced Building Technologies Sales Manager David White

similar programs in place.

N.C. Commerce Secretary Sharon Decker recognized the role her department, through the N.C. Energy Office, played in bringing the various state agencies and education institutions together. "The Energy Office's efforts, particularly through the Utility Saving Initiative, are helping bring state agencies, our universities, community colleges and public schools, together to make our facilities more energy efficient and save taxpayer dollars," Decker said. "This is also helping grow jobs and expand North Carolina's economy particularly our growing clean energy economy and efficient lighting makers such as CREE."

The projects will address lighting needs in various facilities on the campuses including classrooms, research labs, residence halls, parking facilities, and other outdoor lighting using LED technology.

Campuses and other UNC institutions involved include:

- Appalachian State University
- East Carolina University
- Fayetteville State University
- N.C. A&T State University
- N.C. Central University
- N.C. School of Science and Mathematics
- UNC Asheville
- UNC Charlotte
- UNC Greensboro
- UNC Pembroke
- UNC School of the Arts
- Western Carolina University
- Winston-Salem State University
- UNC General Administration
- UNC Center for Public Television
- N.C. Arboretum



College world series generates tourism revenue

The 2013 NCAA Baseball Division II World Series was a resounding success by any measure. Not only was it marked with splendid weather and exciting action on the field, highlighted by Tampa's national championship victory over Minnesota State, but it also had a major economic impact on Wake County. The 2013 World Series generated 2,150 hotel room-nights, according

Water Technology Companies Showcase N.C. Products in Thailand

Southeast Asia's largest water technology trade show was held in Bangkok, Thailand, June 5-8. The <u>Thai-Water Expo</u> <u>2013</u> drew 19,300 participants from 12 countries with six national pavilions from Singapore, Germany, Israel, Taiwan, Korea, and China. This show covered a wide range of new products and latest technologies, and brought together hundreds of buyers and sellers to discuss various business opportunities in the field of water and used water technology.

With support from the N.C. Department of Commerce International Trade Division, three North Carolina companies exhibited at the show and reported strong lead generation and results. These included Thermaco of Asheboro, ERD Ltd. of Kernersville and Advanced Building Technologies of Troutman. Thanks to their participation, these companies were able to better understand the business environment and the huge sales opportunities in the international markets.

Thailand is a large export market for North Carolina companies. In 2012, the state exported \$172 million worth of products and services to Thailand. N.C. Commerce Technology Business Development Director Kuldip Wasson and Trade Representative William Chu participated in the event to facilitate exports and assist the companies in forming alliances and partnerships with foreign buyers.

LEAD releases June N.C. Today

The N.C. Department of Commerce's Labor and Economic Analysis Division has released its <u>June issue of *N.C. Today*</u>.

The North Carolina economy showed signs of improvement in May, but overall results are mixed. The smoothed seasonally adjusted unemployment rate decreased in May to 8.8 percent from 8.9 percent. Total nonfarm employment fell by 5,900 jobs over the month, but rose by 56,300 jobs, or 1.4 percent, over the year. The data appear less positive for manufacturing in the state as goods producing employment fell by 2,600 over the month and 4,800 over the year. May's average manufacturing work week also declined slightly over the month and year.

In 2012, North Carolina's real GDP rose 2.7 percent to \$393 billion, which was faster than the national growth rate of 2.5 percent and that of 39 other states, according to recently published data from the U.S. Bureau of Economic Analysis. The manufacturing sector grew at the same rate as the overall state economy last year. While North Carolina grew at the slowest rate of any of the top 10 manufacturing states, the state had the fourth largest manufacturing sector (in terms of real GDP) in the nation.

Online job openings in the state decreased by 6,200 in May, according to the Conference Board. Other leading indices were more positive regarding the direction of North Carolina's economy. May's edition of the NCSU Index of Leading Indicators rose by 1.3 percent for the month, and was driven in large part by a jump in residential building permits, according to Dr. Michael Walden, developer of the index. The index reached its highest level in five years. Nationwide, the Conference Board Consumer Confidence Index also reached its five-year high point in May. The index, which had improved in April, rose again from 69.0 to 76.2. These back-to-back monthly gains suggest that consumer confidence may be recovering from a period of political and budgetary uncertainty to information gathered by Greater Raleigh Sports Authority. Total attendance for the eight-day, 14-game event was 8,824, and visiting fans spent \$872,000 in hotels, restaurants and retail stores. This marked the fifth consecutive year that the NCAA Baseball Division II World Series was held at the USA Baseball National Training Complex in Cary. Mount Olive College and Town of Cary were the official hosts, with support from USA Baseball and GRSA. The NCAA Baseball Division II World Series is set to return to Cary again in 2014 and 2015, and local partners are already bidding to add additional years to the agreement with the intent of making Cary "the Omaha" of Division II baseball.



International Trade Client to be Featured on QVC Tonight

DryCASE, a Wilmington-based company that produces waterproof cases for electronic devices will be featured during a live, nationally televised segment tonight (July 2) on the home shopping network QVC. DryCASE is a long time client and partner with the N.C. Department of Commerce's International Trade Division (ITD).

Dr. Roy Archambault, CEO and inventor of DryCASE, will be demonstrating the product during a "Now That's Cool With Jane" segment airing at 5:00pm EDT tonight. The DryCASE is a flexible, crystal clear waterproof case that allows for complete use of a phone or music player while keeping it dry and clean. The protective cover allows for full touchscreen functionality because it vacuum-seals to electronics.

Chief Operating Officer Corey Heim works directly with the ITD team, a partnership that has connected the company with more than 40 international distributors worldwide. DryCASE has joined the state's exhibits at international trade shows like Medica, CEBIT and the Rio Boat Show and later this month, the ExpoHospital trade show in Santiago, Chile.

DryCASE products are currently being sold in over 50 countries worldwide.

Year-to-date Metrics



eMerging Entrepreneurs Inc. Chairman T.J. Breeden (left) with Lynn Douthett, district director of the U.S. Small Business Administration's N.C. District Office

SBA Names 2013 N. C. Veteran's Business Advocate of the Year

T.J. Breeden, chairman of eMerging Entrepreneurs Inc. in Durham, has been named the Small Business Administration's 2013 N.C. Veteran's Business Advocate of the Year.

The award recognizes Breeden for his active support to help small businesses, his efforts to increase business and financial opportunities for veterans, his volunteer efforts to strengthen the role of veteran business owners within the community and other accomplishments demonstrating effectiveness in improving the environment for veterans in business.

"I'm honored to receive this recognition and to continue our efforts to support the career interests of our service-members and military families." said Breeden.

In May 2012, Breeden was recognized as a Champion of Change by the White House for his dedication to service and his continued support for efforts to end homelessness, boost employment and treat mental health disparities for fellow veterans. The Champions of Change project is part of President Obama's Winning the Future initiative.

Breeden has launched a series of Internet-based tutorials through eMerging Entrepreneurs to assist veterans on a variety of entrepreneurial and life-focused topics, and provide a central online location for active military, veterans and their families to access resources to support small business development and employment efforts. <u>Read more</u>. Below are year-to-date metrics tracked by the N.C. Department of Commerce's Division of Business and Industry Development that illustrate some of the recent activities of the Division. The metrics include the number of new economic development projects assigned to B&I development staff; the number of economic development project announcements; the number of announced jobs created and capital invested; the number of interactions existing industry staff had with businesses throughout the state; and the number of contacts received by the Business Link North Carolina/Business ServiCenter.

Jan. 1 - July 1, 2013

New projects assigned:	193
Projects announced:	58
Jobs announced:	8,952
Capital investment announced:	\$704M
Industry visits by existing industry staff:	692
Calls to Business Link N.C.:	10,414

N.C. in the News

This Week's Highlights

- Lessons from North Carolina (Long Island Business News, June 27)
- Honda Aircraft president: We have several years of orders for jet (The Business Journal of the Greater Triad, June 27)
- Forbes lists Charlotte among fastestgrowing U.S. cities (Charlotte Business Journal, June 27)
- Mayodan tired of being the forgotten child (News & Record - Greensboro, June 27)
- <u>SportsMedia to provide Wimbledon stats</u> (*Triangle Business Journal*, June 27)
- N.C. beaches rank third in nation in report (StarNews - Wilmington, June 27)
- <u>Charlotte leaders on Houston trip seeking</u> <u>tips on growing energy industry</u> (*The Charlotte Observer*, June 27)
- N.C. 16th in country in manufacturing job creation (*Winston-Salem Journal*, June 26)
- Paris Air Show yields aviation prospects for Triad (The Business Journal of the Greater Triad, June 26)
- N.C. commerce secretary makes case for recruiting revamp (Charlotte Business Journal, June 26)
- <u>German non-profit works with</u> <u>manufacturing companies to bridge skills</u> <u>gap</u> (News 14 Carolina, June 25)
- More than 60 percent of tickets for 2014
 U.S. Open, U.S. Women's Open in

Pinehurst have been sold (The Fayetteville Observer, June 25)

- <u>Red Hat workers bring energy to new</u> <u>downtown Raleigh headquarters</u> (*News & Observer* - Raleigh, June 24)
- <u>Worldly things</u> (*Business North Carolina*, June 2013)

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