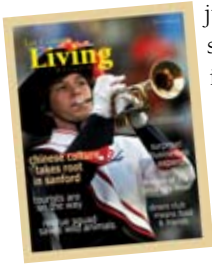


First Things First

▶ LEE COUNTY LIVING HITS THE NEWS STANDS. Sanford's own cultural bridge to China, Lee's steady stream of tourists and a largely-unknown wildlife rescue squad are just some of the stories featured in this year's Lee County Living magazine.



Published by The Sanford Herald in partnership with the Sanford

Area Chamber of Commerce, the 11th annual magazine takes a look at local life throughout Lee County. Copies were distributed in The Sanford Herald on Apr. 29 and are now available at the chamber of commerce and several other area locations.

▶ POTTERY FESTIVAL '10 EXCEEDS ALL EXPECTATIONS. Thanks to spectacular weather, stunning pottery and a wildly popular wine exhibition, attendance at this year's Sanford Pottery Festival was up at least 20 percent, according to early estimates by festival founder Don Hudson. Look for more details in the next "Economic Indicators" and an even-larger festival for next year's 10th anniversary.

Inside this issue

2 THE RECESSION IS OVER, says economist Mike Walden, though full recovery could be a long way off.

3 UNEMPLOYMENT DROPS in Lee County for two months in a row after years of escalating rates.

No. 34 ■ WINTER 2010

100 Economic Indicators

expansion

Despite the worldwide recession and steady flow of bad economic news, seemingly from every direction, the fact is that not all of the news about local industry has been bad.

Several local firms are expanding, deciding to remain in Sanford or even returning to town after leaving altogether. In many cases, the key was providing financial assistance that made it possible for companies to bear the risk of expansion and keep local people working.

spinning hope

Two of the high-profile expansions took place at Parkdale America and Frontier Spinning Mills, companies using high-tech equipment to produce yarn.

Parkdale reopened a facility it closed last spring when local officials approved an incentive package that helped the company purchase \$2.5 million of capital equipment to be installed here.

As with all local incentives, no public money is paid up front or placed at risk. The arrangement returns a portion of the additional taxes paid by the company as a result of the expansion and only after those additional taxes are paid.

Parkdale has already started hiring and

expects to employ 60 to 70 people as a result of reopening here.

With several locations in North Carolina and beyond, Frontier Spinning Mills had plenty of options, but chose to expand in Sanford. Again, incentives played a role, allowing the company to add \$15.5 million of high-tech spinning equipment, remain competitive and hire 45 more employees.

other good news

Two small businesses also got a boost with help from Lee County Economic Development.

Cameron Testing, which provides environmental testing services, and American EPOD, creators of a new environmentally-sensitive generator, received loans from the Lee County Revolving Loan fund administered

by the economic development office.

Other ongoing local expansions include Static Control, which hired 85 people last year and expects to hire a total of about 500 in the next one to two years; Red Wolf, which is working with two new clients; and Score Energy, which is constructing a facility addition.



photo courtesy of The Sanford Herald



on page two. where to locate involves more than a pleasant locale. many different pieces must all be in place.



JOHN MANESS Growing in Sanford

Recent news about our struggling economy has focused plenty of attention on what it takes to keep and attract the kind of major companies that generate opportunity and strengthen our community.

Frontier Spinning Mills is now involved in an expansion that, we expect, will initially add a total of 45 high-tech, cutting-edge jobs and about \$15.5 million to the local tax base. It began when we made the decision to adopt a new technology that spins cotton into yarn at higher speeds with better quality. This addition to our ongoing operation allows us to enter new markets and expand future sales.

Given the significant risk and cost, the decision to expand was not a "given" and it could have taken place at any of our facilities in North Carolina, Georgia or Alabama. But a combination of factors led Frontier to expand in Sanford.

Having our headquarters and knowledge base here certainly helped, but that's just one consideration. Sanford also offered the skilled workforce we needed, a building that could be adapted relatively quickly and easily for the new technology and an incentives package that made it possible to expand here.

Business has changed dramatically over the years. No single factor is enough any more; all of the pieces need to be in place. Without one, a project like this could not go forward. But since we have been able to expand — and business is looking up after a difficult year — we feel like we have a bright future here in Sanford.

John Maness is executive vice president of manufacturing for Frontier Spinning Mills in Sanford.

"Growth, but slow growth" Mike Walden gives his forecast to C100

"We think the economy has passed the bottom." If there was one message everyone hoped to hear from economist Mike Walden, that was it, and he broke the good news at the very top of his forecast delivered at the Committee of 100 quarterly meeting in March.

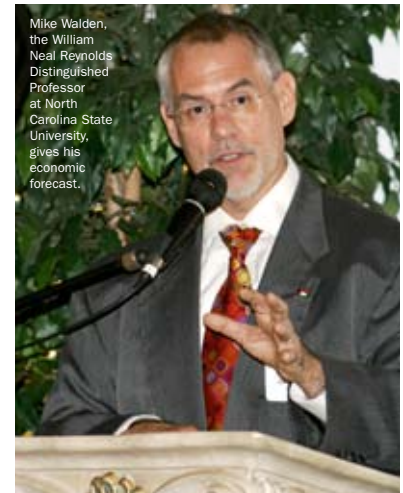
Business cycles are a fact of life. The American economy has run through 14 since World War II, Walden said, though the last two years have marked the worst economic downturn since the 1930s.

Not only has there been a significant rise in unemployment and a marked drop in production, but American households combined to lose \$13 trillion in wealth, largely due to the sharp decrease in housing and stock values. That plunge, Walden said, was the biggest drop in household wealth since numbers have been tallied.

"The good news," said Walden, "is that we think the worst of the recession is over."

Still, it may take a while for good times to return. With people having lost wealth and now paying down debt, spending probably won't be all that robust.

If that is true, full recovery could be years away. "The good news is we think this



recession has bottomed out; we think we're beginning to move up," Walden explained. "But we're not going to gain back everything we lost very quickly.

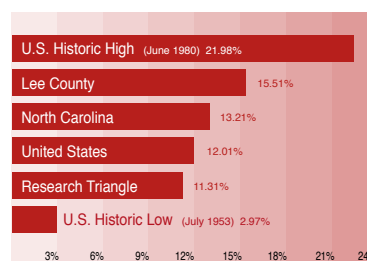
"What this all means is household budgets are going to continue to be tight; business budgets are going to continue to be tight; public budgets — county, state budgets — are going to continue to be tight, even at the national level So, yes, growth, but slow growth."

▶ *A detailed overview of Walden's presentation is available at LeeC100.com.*

CURRENT MISERY INDEX

MEASURING ECONOMIC "PAIN"

Created as a gauge of general economic discomfort, the "Misery Index" — now 12.01 percent nationally and 12.7 percent in Lee County — combines the unemployment and inflation rates (2.31 percent). The high was 21.98 percent in June 1980. Sources: U.S. Department of Labor, N.C. Employment Security Commission and InflationData.com.



Economic Indicators

Economic Indicators is a quarterly newsletter of the Lee County Committee of 100, an organization of business leaders committing their time, energy and resources to enhance the economic well-being of Lee County and its citizens.

For information about membership, contact the Lee County Committee of 100 Inc., P.O. Box 4846, Sanford, N.C., 27331-4846. 919.774.8439 (phone). 919.775.5410 (fax). info@lcedc.com (e-mail). News and letters for *Economic Indicators* may be sent to the editor at news@lcedc.com.

Copyright © 2010 by the Lee County Committee of 100. All rights reserved.

Lee's unemployment rate drops

After reaching a peak of 14.6 percent in January, Lee County's unemployment rate has dropped for two months in a row, even though more people are returning to the workforce.

Lee's rate stood at 13.2 percent in the March report, the lowest it has been since November, with an estimated labor force of 26,166 — 194 people more than in January.

Unemployment began to rise in May 2008, when the rate jumped one point to 6.7 percent. From then, it began a steady march higher.

Unemployment has been a frustration nationwide, with 16 states posting double-digit figures. In Michigan, for example, the nation's highest statewide unemployment rate is currently 14.1 percent.

Companies receive loans from Lee Revolving Fund

Cameron Testing Inc. and American EPOD have each received a \$75,000, low-interest loan for business expansion from a fund administered by the Lee County Economic Development Corp.

Cameron Testing plans to use its loan to purchase capital equipment needed to start the new business, which will provide environmental testing services not currently available in the area.

American EPOD's loan has helped the company market itself internationally and expand its product portfolio, which includes environmentally-friendly power generators that operate without gas, oil or other fossil fuels.

COMPASSION '10



Grace Aiken (center), Rosemary Imbermon and others debate how to enhance local human services. February's COMPASSION '10 roundtable, sponsored by the United Way, drew about 90 participants and featured a presentation on "Understanding Poverty," explaining how families mired in generational poverty have a different mindset from neighbors trying to provide help.

Hospital accredited for chest pain center

Central Carolina Hospital received accreditation in February from the Society of Chest Pain Centers, an international nonprofit working to improve cardiac care.

The facility also earned a Gold Award from the American Heart Association for its "Get With the Guidelines" program to improve the care of heart failure and coronary artery disease.

Wastewater plant expansion coming

With some final hurdles almost cleared, bidding for Sanford's wastewater treatment plant expansion project could begin by the end of this year.

The current timetable calls for the expanded facility to be operating by February 2014, increasing the city's capacity from 6.8 to 12 million gallons per day and meeting the area's needs through 2030.

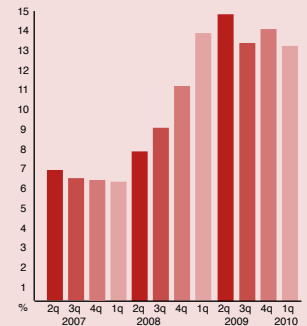
Re-InVolt featured on North Carolina Now

Realizing that hybrid car batteries wear out over time, David Taylor of Taylor Automotive developed a technology to remanufacture the expensive parts and a new machine to do the work.

Re-InVolt Technologies, his company, was featured in a February edition of North Carolina Now on UNC-TV. The segment is available on YouTube by searching "Re-InVolt."

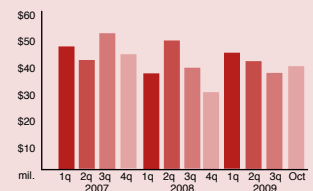
Economic Indicators

unemployment



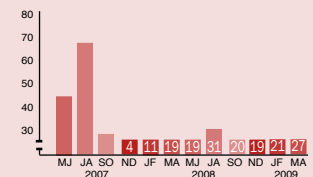
Lee unemployment for March, the more recent report, was 13.2 percent, down from the high of 14.6 in January. The labor force estimate rose to 26,166. The state's seasonally-unadjusted rate was 10.9 percent, with the regional figure at 9.0. Data from the last month of each quarter.

taxable sales



Taxable sales for Lee County were estimated at \$40.00 million in October, the latest report, down from \$46.64 million one year before. The N.C. Department of Revenue has not issued a report since October. Figures reported from last month of each quarter.

building permits



Lee County issued 27 building permits for new residential construction in March and April combined, more than all but one other period since September-October 2007. Changes in the way permits are reported may affect some estimates. Figures are for permits issued over a two-month period for new home construction.

area industrial closings

Moncure. Progress Energy-Cape Fear, January 2017, 55 affected.

May 2010

12 **22nd ANNUAL CENTRAL CAROLINA SMALL BUSINESS EXPO.** The annual showcase for about 100 area small businesses features free give-aways, free food samples and door prizes. Business-to-Business Show, 7:30 to 10 a.m. Business-to-Consumer Show, 10 a.m. to 4 p.m. Dennis A. Wicker Civic Center, 1801 Nash Street, Sanford. Contact 919.774.6442 or visit leesbc.com/expo/.

13 **Central Carolina Society for Human Resources Management.** Monthly meeting. 11:30 a.m. to 1 p.m. Chef Paul's Café, 610 E. Main Street, Sanford. Contact Jane Wesley, 919.774.8439.

18 **CAREER BLITZ 2010.** Career development seminar by the Central Carolina Society for Human Resource Management helps job applicants brush up on interviewing skills, learn what employers want in employees and ascend the career ladder. Free. 8:30 a.m. to noon. Dennis A. Wicker Civic Center, 1801 Nash Street, Sanford. Contact Jane Wesley, 919.774.8439 or info@lcedc.com.

19 **Lee County Economic Development Board.** 4 p.m. Lee County EDC Office, 226 Carthage Street, Sanford. Contact Jane Wesley, 919.774.8439 or info@lcedc.com.

20 **LUNCH & LEARN: Identity Theft Compliance.** Learn how to keep your customers' information safe. \$10. 11:30 a.m. to 1:30 p.m. Sanford Area Chamber of Commerce, 143 Charlotte Avenue, Sanford. Contact 919.775.7341.

June 2010

1 **Downtown Sanford Inc. Board.** 8 a.m. Lee County EDC Office, 226 Carthage Street, Sanford. Contact David Montgomery, 919.775.8332 or downtown@sanfordnc.net.

2 **RTRP Economic Developers Association.** 10 a.m. 1000 Trade Drive, RDU International Airport. Contact Jane Wesley, 919.774.8439 or info@lcedc.com.

10 **Central Carolina Society for Human Resources Management.** Monthly meeting. 11:30 a.m. to 1 p.m. Chef Paul's Café, 610 E. Main Street, Sanford. Contact Jane Wesley, 919.774.8439.

**FOCUS on Industrial Sites**

The recently-available Trans-Matic Building features 30,000 square feet with a 21-foot-clear ceiling on five acres. Space is expandable to 60,000 square feet and additional acreage is available. For other available sites in Lee County, visit www.lcedc.com, click on "Buildings & Sites," and select either buildings or sites.

Economic Indicators

Lee County Committee of 100 Inc.
P.O. Box 4846
Sanford, NC 27331-4846