



THE GROWING EDGE

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Dear John,

It is hard to believe another summer has come and gone, but here we are on September 1st; the Halloween candy is in the stores, the mums are on display at the garden centers, and we've even had a couple of cool fall evenings. With a handful of exceptions (see the Snider Tire and Kewaunee articles below) this has been the most difficult summer many of our local manufacturing businesses have ever faced. The good news is that nearly every sign and indicator points to better times just ahead. The bad news is that with the coming recovery, expectations are likely to leap ahead of the reality of the situation. The most obvious of these expectations is for a rapid decrease in unemployment.



Back in June, I suggested that the worst of the manufacturing job losses were behind us, but that the unemployment number was likely to "bounce along the ceiling" for several months before finally beginning a sustained decrease in the 4th quarter. This scenario appears to be playing out as expected. Make no mistake, our unemployment rate is far higher than anyone wants or accepts, and everyone at the GSDC -- along with our partners in city and county government and the private sector -- are doing everything possible to create new jobs in the area. Unfortunately, job creation tends to trail economic recovery by several months, and we do not expect to see a significant decline in the unemployment numbers until December of January. One reason for this -- and a positive one from a business standpoint -- is a marked increase in manufacturing productivity. The U.S. Bureau of Labor Statistics reports that for the period April - June manufacturing productivity increased by 5.3 percent overall, with a 3.9 percent increase in durable goods manufacturing, and a 2.0 percent increase in nondurable goods manufacturing.

The majority of businesses I have visited over the past six weeks are cautiously optimistic about the near-term future. Many have reported a significant increase in order activity over the last month or two, and a couple are recalling laid-off employees or looking to add new hires.

Here at the GSDC, client activity is up significantly. Since June, on the existing industry side, we have participated in 7 projects which have

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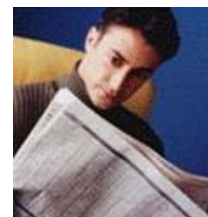
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NEW



In The News

The Statesville

created or retained more than 100 jobs, with the potential for a like number of jobs to be created within the next 2-3 months. On the industrial recruitment side, we are seeing renewed interest in Greater Statesville from a number of companies who are looking to relocate from more economically distressed areas of the country or to expand their presence in the southeast. As the economy begins to recover, some states find themselves in a battle for their economic lives. Cash starved states like California, Illinois, Michigan and New York are struggling to find creative ways to reduce expenses and develop new sources of revenue. Raising taxes, often a quick fix for budget deficits, puts economic developers in a precarious fight to retain existing jobs and attract new ones, and that's where a low-tax county like Iredell can be a very attractive alternative.

One thing is for certain, as the nation climbs out of recession, the competition for jobs will become increasingly intense and we will need to put on the "full court press" if we are to meet the challenge of putting our workforce back to work and creating the kinds of jobs that support a strong and vibrant community.

John

As always, feel free to email me with news about your company's events, awards, new products, honors, etc. and I will include them in an upcoming issue of *The Growing Edge*.

jmarek@greaterstatesville.org

Record & Landmark recently ran this [article](#) about Mitchell Community College's free computer classes for job seekers..



Big Tires Mean Big Business for Statesville Manufacturer

Snider Tire truck retread facility going strong in down economy

If you were to hazard a guess which Greater Statesville business has nearly doubled its staff in the last four months, it is unlikely you would come up with a company in the truck tire retread business. After all, with the transportation sector struggling, shouldn't the demand for truck tires be depressed, as well?



Not necessarily, according to Snider Tire Senior VP Russ Hunt. "Demand has been very strong. We have increased our workforce in Statesville by 30 employees (from 36 to 66) since May and are on track to produce 300,000 retreads this year."

Snider Tire, which was formerly known as TCI, is located on Commerce Blvd northeast of downtown. Since switching to the Michelin retread process earlier in the year, they have quickly become Michelin's largest authorized retread operation in the United States. And they are looking to add to that success as the benefits of their proprietary retread process become more widely known. The company is currently working with the state of North Carolina to get its tires preferred for use on North Carolina school busses. According to Michelin engineering calculations, switching

to the Snider retreads would save NC schools more than \$5 million in fuel costs per year, due to the improved performance offered by the Michelin process.

A \$5 million cost savings seems like a fairly easy sell, especially in these difficult budgetary times, but Hunt acknowledges that there are many challenges. The current preferred provider, a Wilson-based firm, is thoroughly entrenched and has developed many contacts at the state and local levels over the years. Further, the purchasing specs were developed 20 years ago, before many recent advances in rubber and tire technology. According to Hunt, that would be like buying a computer for your office based on a spec written in 1990. You'd be looking for a system with an 80 MB hard drive and a 5.25" floppy disk, when the current standard is a 250 GB hard drive and a DVD burner.

Despite these obstacles, Snider Tire has been successful in placing its tires with several school systems. "The local systems do not have to buy from the state's preferred supplier, but many do out of habit and comfort level. Those who have broken away from the pack -- Cabarrus, Davidson, Bertie, Pitt and others -- are taking advantage of both improved fuel efficiency and longer tire life for a significantly lower cost per mile."

Iredell County Unemployment Increases Slightly in July

Despite losses jobless rate remains among lowest in region

The unemployment rate in Iredell County rose to 13.0 percent in July from 12.8 percent in June.



Unemployment in the Charlotte/Gastonia/Concord area overall dipped to 12.4 percent from 12.5 percent in June.

In the Hickory/Lenoir/Morganton region, unemployment decreased to 15.1 percent from 15.4 percent.

Here are county unemployment rates in July compared with June:

- Anson: 14.9 percent, down from 15.2 percent
- Cabarrus: 11.6 percent, down from 11.7 percent
- Catawba: 14.9 percent, down from 15.5 percent
- Cleveland: 15.3 percent, down from 15.4 percent
- Gaston: 14.4 percent, down from 15 percent
- Lincoln: 14.5 percent, down from 14.6 percent
- Mecklenburg: 11.7 percent, up from 11.5 percent
- Rowan: 13.8 percent, up from 13 percent
- Stanly: 12.6 percent, up from 12.4 percent
- Union: 10.8 percent, down from 11.2 percent.

Currituck and Hyde counties had the lowest unemployment rates in North Carolina in July at 5.5 percent. Scotland County had the highest at 17.1 percent.

Kewaunee Scientific Earnings Up 9%

Statesville company finds extraordinary success in difficult market

Statesville-based Kewaunee Scientific Corp. reports a 9 percent increase in its net earnings for the fiscal first quarter ended July 31. The company earned more than \$1 million, of 42 cents per diluted share, in the latest quarter, up from \$981,000, or 38 cents per diluted share, a year earlier. Sales increased 3 percent to \$26.25 million. And Kewaunee says its backlog of orders totals \$60.7 million.



"Our excellent first-quarter sales, earnings and order backlog are reflective of our continuing emphasis on improvements in every aspect of our business," says William Shumaker, president and chief executive. "Continuing strategies to strengthen and expand our sales organizations, increase sales volumes, and reduce product and operational costs continue to make us a stronger and more efficient company."

Kewaunee designs, manufactures and installs scientific and technical furniture. The company has subsidiaries in Singapore and Bangalore, India, that serve the Asian and Middle East markets.

North Carolina Aerospace Business Takes Off

\$4.7 billion awarded in last 14 months

North Carolina vendors, including Statesville-based Southern Prestige Industries, have won more than 425 defense contracts worth more than \$4.7 million since June 2008, according to a joint statement by the N.C. Military Business Center (NCMBC), the N.C. Aerospace Alliance (NC-AA) and the GoldenLEAF Foundation.



While many industries are experiencing economic hardship, the aerospace industry is keeping pace in North Carolina, due to the shift from manufacturing for new aircraft to maintenance, repair and overhead for existing platforms. NCMBC, NC-AA, and GoldenLEAF are combining resources and connections to assist the state in building the aerospace industry in North Carolina. Part of this network connects the U.S. Dept. of Defense (DOD) aerospace industry needs with parts suppliers in North Carolina registered through the NC-AA's www.SourceNC.com Website.

John Marek Named Chairman of Iredell Museums Board of Directors

GSDC Director of BRE & Marketing chosen as leader of nonprofit arts and science organization

On August 27th, the Iredell Museums Board of Directors named John Marek President and



Chairman of the Board for the 2010 fiscal year. Marek replaces Julia Wilson, who decided to step down from the position she had held since 2006.

Marek is currently Director of BRE & Marketing for the Greater Statesville Development Corporation and has been a member of the Iredell Museums Board since 2007. Previously, he served a 3 -year term on the Huntersville Parks & Recreation Commission and was instrumental in developing the Discovery Place Kids children's museum.

Iredell Museums is a non-profit organization whose mission is to preserve, promote and provide learning experiences in culture, heritage, science and the arts. The organization is the product of the 2004 merger of the Iredell Museum of Arts and Heritage and the Children's Museum of Iredell County.

Program Helps Farmers Add Value

State funding to assist agricultural development

N.C. State University is partnering with the N.C. Tobacco Trust Fund Commission to launch the N.C. Value-Added Cost Share (NCVACS) program, which is designed to help farmers add economic value to their products. The program, funded with \$1.2 million from the commission, provides funding for feasibility assessment, business plan development and assistance with applications for the Value-Added Producer Grant (VAPG) awarded by the U.S. Dept. of Agriculture (USDA). This grant helps farmers pay for professional services and equipment that will ultimately increase the value of their products.



The development of value-added agricultural operations is an emerging sector of North Carolina agriculture. The NCVACS program works hand-in-hand with the VAPG by reducing the costs associated with professional services and equipment purchases that are not funded by the USDA grant.

Just for Fun

Panthers open season September 13th

When last we saw the men in black and blue they were looking... well, black and blue after that unexpected beatdown by the Arizona Cardinals in the playoffs. It looks like the Panthers will be feilding another very competitive team this year behind running duo Jonathan Stewart and DeAngelo Williams and wide receiver Steve Smith.



The Greater Statesville Development Corporation (GSDC) is a public-private partnership of local governments and business leaders. Our purpose is to promote the industrial and commercial development of the City of Statesville, the Town of Troutman and the surrounding area of upper Iredell County, North Carolina. We provide a variety of services and assistance to help locate, maintain and expand new and existing businesses and industries in our area.



View available [sites and buildings](#).

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