

January 2011

THE GROWING EDGE

Economic Development News from Greater Statesville



Photo by George Robeson

Positioning Greater Statesville for Increased Energy Prices



I filled my tank last week at the least expensive gas station in Statesville; \$2.98 per gallon. If the prognosticators and pundits are correct, that may be the last time I pay

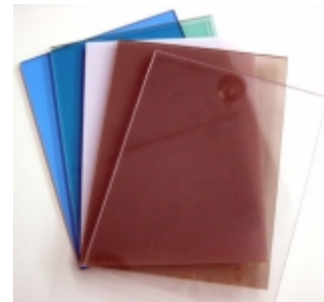
less than three dollars for a gallon of gas for a very long time.

Although the memory is somewhat obscured now by the subsequent financial meltdown, bank bailouts and mortgage crisis, you might recall the big economic story

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Optiglass PC Moves Headquarters to Statesville

The Greater Statesville Development Corporation (GSDC) officially announced on January 6th that

during the summer months of 2008 was the escalating price of oil and the resulting jump in prices at the pump. At one point in late August of that year, gas topped out in this area at around \$4.20 per gallon. Some economists were predicting five dollars per gallon by the end of the year, and almost no one thought the price would drop back below four dollars anytime soon. Thousands of SUV owners traded their Sequoias, Expeditions and Suburbans in for Corollas, Escorts and Cobalts. But then, in the wake of a worldwide financial crisis and recession, demand for oil plummeted, and within a few months so did prices. By the spring of 2009 gas had fallen back under three dollars per gallon and was closer to two dollars for much of the rest of that year and the first part of 2010.

It feels a bit unsettling to suggest that consumers were “saved” from high fuel prices by the economic downturn, but that is almost certainly what happened. There is a theory – philosophy really – called Peak Oil, which supposes that there is a finite amount of oil on earth, that most of this oil has already been found, that there is a rapidly diminishing return on future oil exploration, and that the impending shortage of oil and eventual exhaustion of the oil supply will cause global chaos. While I have some very serious issues with the last of these suppositions – we are a remarkably ingenious and adaptable species – it is hard to argue with the first three. Rather than Peak Oil, I prefer to think of this as “Hard Oil”; as global demand for oil continues to escalate, sources of oil will become increasingly difficult and expensive to tap. As any economist will tell you, increased demand + stable or decreasing supply + high extraction costs = high prices.

As the global economy recovers from its two-plus year funk, the demand for oil, especially in the rapidly

Optiglass PC, a distributor of plastic sheet and film, has moved its corporate headquarters and primary distribution center to Statesville (NC). Offices and warehousing have relocated to an existing 21,000 square foot building at 1404 Old Salisbury Road. The move was completed December 31st. Previously, the company headquarters were located in Blue Ash, Ohio, near Cincinnati. [Read More](#)



Statesville Barn Company Moves to Larger Facility, Adds Employees

Statesville Barn Company (SBC) president Craig Turner has announced that the company moved into a 50,000 square foot building on Morehead Road in Statesville. SBC was previously located in a 20,000 square foot building on Wooten Street. In addition to a capital investment of approximately \$300,000, the move has generated five new jobs, increasing the number of full-time employees with the company from 20 to 25. [Read More](#)

developing economies of China, India and Brazil, is certain to rise. Many economists predict that if the recovery continues at its present pace, gas prices will reach four dollars per gallon once again and perhaps approach five dollars by the end of 2011. What effects will this have on local economic development? How well is the Greater Statesville region positioned to mitigate or even benefit from the effects of rising fuel costs?

Increased Emphasis on Location: Location has always been a major selling point for Greater Statesville, but in an era of escalating fuel prices, there will be an even greater emphasis on location and what it really means to a prospect's bottom line. This may exhibit itself as greater attention to details such as the proximity and easy access of industrial parks to major highways or the exact location of a site or building relative to suppliers, customers and distribution facilities. Communities which have previously positioned themselves as having a "good location" because of their general proximity to a major city or resource area may find that argument more difficult if they do not have excellent highway connectivity. Greater Statesville is extraordinarily well-positioned in terms of both location and connectivity. Not only are we located at the intersection of two major Interstates equidistant from two major cities; most of our existing industrial properties are within 5 miles of I-40 or I-77.

Alternative Energy Sources: As the price of fossil fuels rise, the value of a region's alternative energy sources will rise proportionately. Communities that derive a significant percentage of their energy from nuclear, solar, wind, biomass or hydro will have an important perceived advantage. While many communities are proposing a shift toward renewable energy, those communities which have an actual alternative energy infrastructure in place – in other words those who invested proactively ten years ago



Providencia USA to Inaugurate Statesville Facility January 27th, Meet and Greet February 10th

Providencia USA has announced that it will be celebrating the grand opening of its new Statesville facility on Thursday, January 27th. The plant is the first in North America for the Brazilian nonwovens manufacturer and was completed late in 2010 after more than 10 months of construction. [Read More](#)



MailChimp

GSDC Announces Changes to The Growing Edge Newsletter

It is not your imagination. This issue of The Growing Edge looks very different from previous issues. The

– are the ones which will reap the most benefit. The City of Statesville is part-owner of a nuclear power plant and derives a significant portion of its electrical capacity from this facility.

CleanTech Clusters: Whether you call them cleantech, green tech, next gen or some other term, businesses that produce products, services and technologies which replace, supplement or improve the efficiency of fossil fuels are sure to be a winning sector in a world of high oil prices and rising energy demand. Communities which have the necessary supply base and workforce to support these companies – think glass for solar, gears and turbine blades for wind, agribusiness for biomass – will have a distinct advantage in recruiting them. Greater Statesville is well-positioned with large-scale precision gear manufacturing companies and a strong agribusiness presence.

The Rise of the Rural Knowledge Workforce: This may at first seem counter-intuitive, as rural areas are generally perceived to be more dependent on fossil fuels; no public transportation, greater distances to travel, etc. But, as fuel prices rise, the personal and business costs associated with commuting could eventually drive a push for telecommuting and decentralized work “pods” which can be located in relatively rural areas. Industries which require a physical presence in order to get the job done, such as manufacturing and distribution, will be increasingly driven by location, but knowledge workers may increasingly be able to work from home or from satellite offices, making micropolitans such as Statesville an attractive option for this untethered workforce.

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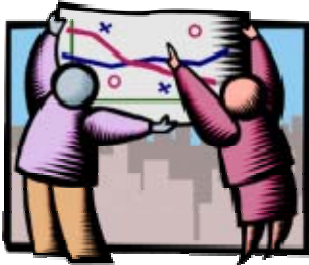
GSDC changed bulk email service providers from Constant Contact to MailChimp, starting January 1st. [Read More](#)



Committee of 100 Annual Meeting Scheduled for January 19th

The Committee of 100 Annual Meeting will be held on Wednesday, January 19th from noon until 1:15 PM at the Statesville Civic Center. Special Guest Speaker for the event will be Mark Vitner. Also speaking as part of the program will be GSDC Executive Director Michael Smith and Director of BRE and Marketing John Marek. All Committee of 100 members and Opportunity 2015 supporters are invited to attend. The general public may also attend at a cost of \$15 per person payable in cash on the day of the event. Please RSVP to [Lisa Taylor](#) by January 17th.

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



Monthly Metrics

Click [here](#) to view GSDC performance metrics for the previous month.

About the GSDC

Click [here](#) to learn more about the GSDC, our mission and how you can help.

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