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Industry Alexander

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Industrial Revenue Bonds: A Manufacturing Funding Opportunity

Industrial Revenue Bonds (also called industrial development bonds, IDBs, IRBs and qualified small issue bonds) offer qualified manufacturing facilities and certain solid waste disposal facilities convenient, long-term, flexible financing. They assist new and expanding industry in all 100 counties, while also providing workers with high-quality jobs.

IRBs can be either tax-exempt or taxable and can be used to finance the entire project, including the cost of land, construction of new or expanded facilities, acquisition and installation of depreciable property such as equipment, and construction period interest.

The Industrial Facilities and Pollution Control Financing Authority of each county issues the bonds in the county where the project is located.

Some of the significant requirements of these bonds in-

clude: 1) Manufacturing – Must be at least 75% manufacturing. 2) Letter of Credit – Since all bond issues must be supported by a letter of credit, it is important to secure an early commitment from a bank which is rated investment grade or better. Most often, the bank that issues the letter of credit will place the bonds and may purchase them.

3) Environmental Approval – No IRB project may be approved without environmental certification by the North Carolina Department of Environment and Natural Resources (DENR). If the company must obtain required permits, the process could take 60 to 90 days. DENR representatives will guide the company through the process. 4) Abandonment – Company must certify that in building the facility, it is not abandoning another facility or, if it is, that it is impossible for the company to remain at its present location because of limi-

tation on land use, etc. 5) Jobs Test – Must create or retain number of jobs with the size of financing (currently one job for every \$250,000 in financing). 6) IRB Proceeds - May be used only for land, building and equipment (fixed assets).

Due to the complexity and documentation associated with revenue bonds, a business should consult early in the process with an attorney who specializes in revenue bonds (bond

counsel). Most county industrial facilities and pollution control financing authorities permit companies to designate bond counsel, although some have their own designated bond counsel.

If you have further questions regarding Industrial Revenue Bonds please contact the North Carolina Department of Commerce at 919-733-4151 or contact the Economic Development Corporation at 828-632-1161.

Building Reuse Grant Award

The Alexander County Economic Development Corporation was recently awarded a Building Reuse Grant by the NC Rural Center on behalf of Piedmont Fiberglass, Inc. Piedmont Fiberglass will use these funds to renovate an existing vacant building to accommodate their office and sales staff.

Building Reuse grants are available to businesses that wish to renovate an existing building that has been vacant for at least three months. The grant is a one-to-one monetary match and is based on job creation.

Contact the EDC if your company is interested in applying for these funds.

Craftmaster Furniture Featured in Wall Street Journal Article

Craftmaster Furniture was featured in a front page article in the April 8th edition of the Wall Street Journal. The Article entitled, "As Manufacturers Buckle, Winners Emerge from Havoc" noted Craftmaster as an example of the survival-of-the-fittest manufacturers taking place in the current economy.

"When businesses flame out, there are often others on the sidelines, like Craftmaster, ready to pick up the pieces. Most companies don't like to openly discuss the demise



of competitors. But in hard times, the grim reality is that grabbing business from fallen players is one of the few avenues to growth -

- or at least a way to minimize a company's own sales slide" the article stated. "The company, owned by Dongguan, China-based Samson Holding Ltd., has managed to pull ahead due to some built-in benefits -- as well as a few prescient strategies."

Craftmaster Furniture, along with other Alexander County industries, has continued to be a strong and stable employer in these uncertain economic times. Craftmaster was an essential partner in the Hiddenite Water and Sewer project which resulted in the installation of 20,646 feet of sewer line from the former Broyhill facility to the Hidden-

ite Community. Along with local industries, the newly installed sewer lines will serve Hiddenite Elementary School and will be available to citizens and businesses adjacent to the gravity portion of the line. The project also included the installation of a new waterline on Craftmaster Road and a water booster pump which will serve Craftmaster's sprinkler system. Craftmaster created 77 new jobs making the project eligible for grant funding from the NC Department of Commerce, Appalachian Regional Commission, and the NC Rural Center.

Please join us in congratulating Craftmaster Furniture on this recognition.

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Links of Interest

NCSU Industrial Extension Service
www.ies.ncsu.edu

NC Small Business & Technology
 Development Center
www.sbtcd.org

NC Office of Economic
 Recovery & Investment
www.ncrecover.gov

US Small Business Administration
www.sba.gov

NC Small Business Center
www.sbcn.nc.gov

NC Department of Commerce
www.nccommerce.com

Alexander County Government
www.alexandercountync.gov

Kincaid Achieves Sustainable by Design Designation

Kincaid Furniture is the first casegoods manufacturer to achieve Sustainable by Design registration from the American Home Furnishings Alliance (AHFA).

Among the first steps in Kincaid's registration process was to have its upholstery operation in Taylorsville and its casegoods operation in Lenoir complete AHFA's environmental management system, called EFEC for "Enhancing Furniture's Environmental Culture." Both locations completed EFEC in September 2008.

"The EFEC program is an excellent first step for Sustainable by Design, because it required us to analyze the environmental impact of our processes, raw materials and finished products on a facility-by-facility basis," says Steven Kincaid, president of Kincaid Furniture as well as president of La-Z-Boy's Casegoods Division.

Kincaid has been making measurable environmental

improvements for several years, which helped facilitate its completion of the EFEC and Sustainable by Design programs. Approximately 13,000 tons of wood dust are recycled annually for use as boiler fuel. Energy use has been reduced about 18 percent per year since 2005. From 2007 to 2008, natural gas consumption was reduced by 50 percent.

In addition, 87 percent of the company's domestic lumber is certified by the Forest Stewardship Council, and another 10 percent is from forests within the Appalachian Hardwood Verified Sustainable Program. Of the company's imported lumber for components, panels and dimension stock, 82 percent is FSC certified.

To pass its Sustainable by Design audit, Kincaid was required to look beyond its domestic operations and conduct a rigorous evaluation of its corporate environmental footprint, as well as its global climate impact. For each key

area on a checklist, Kincaid established numerical goals and a system for evaluating annual achievement and establishing new goals. These key areas include: supply chain management, including assisting suppliers worldwide in the development and implementation of sustainability programs; energy conservation, water conservation, recycling and solid/hazardous waste minimization; use of low VOC/low HAP coatings, certified lumber, low-emitting UF resins; greenhouse gas emissions and carbon footprint.

In March, Kincaid's documentation of all its systems and measures was audited by the Sustainable by Design Board of Examiners. The company will be subject to an annual maintenance audit in order to maintain its certification.

Kincaid Furniture operates an upholstery facility on Highway 90 East in Taylorsville. Please join us in congratulating Kincaid on this noble achievement!



State Agency Assists in Bringing Military Business to Your Business

The North Carolina Military Business Center (NCMBC) is a business development entity of the North Carolina Community College System, headquartered at Fayetteville Technical Community College (FTCC). The mission of the NCMBC is to leverage military and other federal business opportunities for economic development and quality of life in North Carolina.

The NCMBC's primary goal is to help existing businesses identify, bid on and win military and other federal contracts. The Department of Defense spends over \$270 billion in procurement each year, including \$2.97 billion in North Carolina in 2007. With six major military bases and the fourth highest number of military personnel in the country, North Carolina created the NCMBC to leverage more of this business for firms in the state.

The NCMBC connects North

Carolina firms to current government contracting opportunities two ways – with a team of business development specialists across the state, and electronically with www.MatchForce.org.

The NCMBC's Business Development Team includes 10 experienced business development and procurement specialists operating from 13 Community Colleges across the state. These specialists identify the most lucrative federal contract opportunities, notify NC firms of specific opportunities, and assist firms to understand government solicitations and to prepare winning proposals. Assisted firms won 436 contracts - worth between \$830 million and \$1.645 billion - from the NCMBC's opening in 2005 through mid-May 2008.



To connect North Carolina businesses with all possible opportunities, including local opportunities at bases in the state, the NCMBC administers the State's official, FREE web portal for federal contracting – www.MatchForce.org.

North Carolina businesses register on the portal, receive automatic matches to federal prime opportunities and to sub-contracting opportunities posted by other registered businesses, and post job opportunities for FREE that match job skills posted by registered individuals. Firms identifying contract opportunities through MatchForce then contact the NCMBC for one-on-one assistance.

In addition to business development and MatchForce, the

NCMBC conducts several strategic programs. These programs include: identifying emerging prime contract opportunities and pre-positioning North Carolina companies to compete, developing subcontracting opportunities with major defense prime contractors, and industry-specific programs in federal construction, machining of aerospace and other repair parts (North Carolina Defense Machining Program), defense-related textiles, military food opportunities and other industries. The goal of the NCMBC's federal construction program is to win a fair share of \$5-7 billion in construction prime and subcontracts at bases in North Carolina by 2012.

For more information on the North Carolina Military Business Center and how they can assist your company contact them at 800-245-5520 or online at www.ncmbc.org.