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## SPRING FORECAST BREAKFAST HIGHLIGHTS BUSINESS SENTIMENT

### PNC Bank Selects Wilmington for Semi-Annual Economic Review

When economist Mekael Teshome delivered PNC Bank's regional economic outlook on April 2nd, he offered valuable insight into the direction of Greater Wilmington's economy. His analysis, based on survey data from across North Carolina and the nation, included actionable economic intelligence regarding sales, profitability and hiring plans of small and mid-sized businesses.



The event, held at Cape Fear Community College's Union Station, also provided evidence of PNC's strong commitment to the Greater Wilmington region. The Pittsburgh-based bank operates across 19 U.S. states and the District of Columbia. It chose Wilmington among all its major markets as the location of the spring 2014 edition of its twice-yearly forecasting event.



"Wilmington is a priority market for PNC, and we plan to continue to grow here," says Paula Fryland, PNC's Raleigh-based regional president. Since its acquisition of RBC Bank two years ago, PNC has given over \$250,000 to community organizations in the area. It has also partnered closely with Wilmington Business Development (WBD), which was a co-sponsor of the breakfast forecast. "We support WBD's mission to strengthen the regional economy," Ms. Fryland says, "and we appreciate the work of all its members in forging a path of strong business growth in this region."

Ms. Fryland and Mr. Teshome joined Gray Barbour, PNC Business Banking market manager, and Scott Satterfield, CEO of WBD, in addressing the gathering of about 75 business leaders and media organizations.

Mr. Teshome shared the advanced results of PNC's spring business survey, a nationwide poll of businesses with annual revenues between \$100,000 and \$250 million. About 150 North Carolina business executives took part in the survey, which was conducted from late January through early March. North Carolina business owners expressed more optimism about the economy than at any time since the onset of the 2008 recession, Mr. Teshome told the group. Sixty-four percent of respondents were encouraged about the economy's direction compared to just 56 percent who expressed such hopes only six months ago.

As for anticipated hiring, Mr. Teshome said the Wilmington region was on track to grow jobs at

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WBD LEGACY INVESTORS

CORNING

CAMERON  
MANAGEMENT

DUKE  
ENERGY

Four County Electric  
Membership Corporation

Piedmont  
Natural Gas

PNC

verizon

## SPRING FORECAST BREAKFAST HIGHLIGHTS BUSINESS SENTIMENT

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a two percent annual clip, higher than the 1.6 percent increase he expects nationally. Projections on wage growth were more constrained. PNC's spring survey found that 19 percent of North Carolina survey participants expected to increase employee compensation over the coming six months. That figures compares to 32 percent nationally.

Small-business sentiment provides an especially valuable read on the overall economy, Paula Fryland explains. "After all, small businesses employ half our workforce and generate half of our national economic output," she says. "We believe it's critical to keep our finger on the pulse of the business community."



### CEO NOTES

## A VIEW OF GREATER WILMINGTON FROM THE OUTSIDE IN

There is much to be encouraged about when it comes to the future of Wilmington's regional economy. Low business costs, high-quality labor assets and the presence of an ocean-going port align with the needs of many, if not most, companies.

Add to that a business community that is increasingly optimistic about future sales and hiring.

These are not just idle observations; they are the findings of PNC Bank's spring economic outlook survey. In April, I joined PNC executives in unveiling their bi-annual survey results at a breakfast event in downtown Wilmington. PNC economist Mekael Teshome discussed his projections about the regional, state and national economies.

Mr. Teshome's perspective on the region's per capita income levels, which lag both state and national measures, spoke strongly to the need for aggressive efforts to diversify and grow our industrial base. Knowledge-intensive jobs -- including those in precision manufacturing -- offer a clear path toward sustainable wage growth. Facilitating the continued success of existing businesses here is vital to that. But moving the needle on our wage base also will require economic investment from the outside.

These themes are key to WBD's vision for regional economic development, and our programming reflects that. Why? Because it is what our region's business leaders ask of us. It also happens to be the right thing to do.

However, our efforts to diversify and grow the region's economy are hampered by a Special-Use Permit in New Hanover that inadvertently

repels a long list of 21st Century companies and jobs, including many that are already here. The SUP's broad wording creates the perception of Wilmington as "anti-business," according to Garner Economics, LLC, an Atlanta-based consulting firm that recently completed an exhaustive study of the region's economic development strategy.

While we all know Wilmington has long been among the nation's most business-friendly regions, in economic development perception can equal reality. That's why it is critical to heed the results of Garner Economics' survey of national site consultants, which found none willing to recommend Wilmington to manufacturing clients because of the SUP. Revisiting the adverse economic impact of the SUP -- if not eliminating it altogether -- must now be among our highest regional priorities.

The Garner Economics report also validates our strategic targeting of the aviation and aerospace clusters. Though there's work to be done in aligning local training curricula with the clusters' talent needs, we believe the development and certification of ILM Industrial Park launched through a farsighted partnership between WBD and the Wilmington Airport Authority a decade ago was a visionary first step.

There is great value in temporarily stepping outside our vantage point as residents and advocates for Greater Wilmington and considering just how our region is viewed from the outside. Recent analyses by PNC Bank and Garner Economics provide that perspective -- and both underscore WBD's importance as an organization doing the right things for the right reasons.

Sincerely,  
*R. Scott Satterfield*

## RECORD NUMBER OF TEAMS READY TO COMPETE AT VERIZON GOLF TOURNAMENT

River Landing will again be the scene of one of Southeastern North Carolina's biggest golf events: the 2014 Verizon Golf Tournament. Some 45 teams had already registered for the May 14th tournament as of late-April, surpassing last year's record.

"The Verizon Golf Tournament has become the go-to business golf event for the region," says Bill King, chairman of Wilmington Business Development (WBD). He credits the high quality of River Landing's championship links and calming, moss-draped surroundings for much of the event's success. The cause of supporting results-oriented economic development in the region also accounts for the tournament's popularity. "This event allows Greater Wilmington's business community to visibly show its support for the mission-critical marketing and client development programs at WBD," King says.

Verizon Wireless has a proud tradition as a growing and responsible corporate citizen in Wilmington and across North Carolina. Our growth is fueling a major statewide hiring push, and throughout the year, Verizon expects to hire several hundred employees in North Carolina. Wilmington – home to a large retail and call center operation – promises to benefit from many opportunities for area residents to join the Verizon team in 2014.

There's real value in a Verizon job. We employ more than 2,700 North Carolinians in career-based positions that offer competitive salaries, work/life balance initiatives and extensive benefits that include health insurance, retirement savings accounts and tuition reimbursement.

A large driver of our growth is the 4G LTE network. Verizon was proud to introduce the 4G LTE network to North Carolina in 2010, and we continue to invest heavily by expanding 4G LTE coverage to more than 99% of state residents. In fact, Verizon has invested more than \$1.7 billion in network improvements since the year 2000 to provide coverage across nearly 42,000 square miles in North Carolina. Our 4G LTE network is enabling new technologies that build business efficiencies by allowing computers to communicate at lightning fast speeds. This technology, referred to as machine-to-



machine (M2M), continues to be adopted by companies that benefit from equipping existing technologies with wireless connectivity. M2M also is enabling the development of new technologies that streamline operational effectiveness for companies in nearly every industry.

Verizon Wireless, one of the region's largest private employers, has provided name sponsorship for the tournament for the past eight years. This year they are joined by Luncheon Sponsor PNC Bank, 19th Hole Sponsor ILM Airport Authority, and Gift Certificate Sponsor Piedmont National Gas.

SBA Loan Effect  
Rate for April is: **5.192%**

## REGION GATHERS NEARLY \$200 MILLION IN ANNOUNCED INVESTMENT IN PAST YEAR & 835 JOBS

Momentum that begun in March 2013 remained noticeable in early 2014 with the approval of incentives in March for Fortron Industries with a minimum \$50 million expansion at its Wilmington facility. Fortron, which manufactures high-performance plastics, has operated in New Hanover County for more than two decades. Another long-term WBD client Verizon Wireless announced also in March that the Wilmington sales and service facility would be adding 160 jobs to its existing 1300 plus employee operation.

Since March 2013, four other companies have unveiled investment and job growth plans in the region. They include Castle Branch, a global HR services provider expanding its Wilmington headquarters; GE Aviation, which is launching production of a new line of aircraft engine components at its Castle Hayne plant; LiveOak Bank and nCino, a pioneer in financial-service industry software headquartered in Wilmington; and RC Creations, a Brooklyn -based seafood processor ramping up new operations at Pender Commerce Park.

In all, the six announcements collectively account for nearly \$200 million in capital investment in the region's economy and the creation of some 835 new jobs.



## WBD WELCOMES NEW MEMBERS

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910-256-8999  
www.alphamortgage.com  
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www.brookspierce.com  
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### CAROLINA WING S MANAGEMENT (BUFFALO WILD WINGS)

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Wilmington, NC 28403  
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Wilmington, NC 28403  
910-794-8699  
www.stevensfinehomes.com  
Dan Weldon

### MOJO MUSICAL SUPPLY/ NOTHING SHOCKING, LLC

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Michael McWhorter

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