

WBD LEGACY INVESTORS



**CORNING**



## VERTEX RAIL'S WILMINGTON OPERATIONS WILL EMPLOY 1,342

Mass. Company Will Tap CFCC Training, N.C. Transportation Aide and Hometown Hires Employee Placement

Governor Pat McCrory, N.C. Transportation Secretary Tony Tata and local dignitaries joined officials of Vertex Rail Technologies, LLC, in November to announce the company's plans to manufacture specialty railroad cars at a site near the Port of Wilmington.

Headquartered in Massachusetts, Vertex Rail builds tank cars designed for buyers in the energy transportation sector. The company's founders have more than a century of combined experience in manufacturing -- pulling together industry, fabrication, design and manufacturing. Behind Vertex's plan is a surging U.S. energy industry: the nation will be the world's top petroleum producer by 2020 -- ahead of both Russia and Saudi Arabia, according to the Washington, DC-based Brookings Institution.



Vertex will invest nearly \$60 million in upfitting and equipping the site, where it will directly employ about 1,342 workers across two shifts. Salaries will average \$39,721 annually. In the weeks following the announcement, a series of job fairs have attracted a large pool of applicants. The company is working with Cape Fear Community College and other partners on its sizable staffing needs. The company's direct hires will include assemblers, fitters, welders and painters. CFCC's vocational curricula will provide graduates for many of those positions, with its customized workforce development program tailoring company-specific training around Vertex's other needs. "We will take on whatever role is needed," says Amanda Lee, vice president for instructional services at Cape Fear Community College.

Vertex also plans to tap an innovative new program called Hometown Hires, which provides economically disadvantaged residents from three counties surrounding Wilmington with job opportunities and career development support. "We have a good balance of applicants," says Jamir Jumoke, program manager at Hometown Hires, which operates under the umbrella of the United Way of the Cape Fear Area. The program screens and assesses potential hires, conducts background checks, assigns mentors and can even provide transportation support. "We really take a 360 degree approach to empowering our applicants," Jumoke explains. "It starts with a job,

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## VERTEX RAIL WILL EMPLOY 1,342

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but that's only half the equation. The long-term plan is to help them achieve a higher quality of life." Hometown Hires was launched with support from New Hanover County District Attorney Ben David and Chip Mahan, CEO of Live Oak Bank.

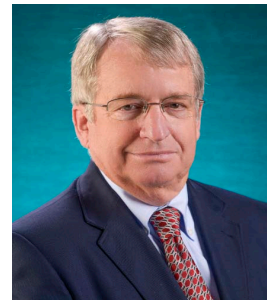
The project reflects a central element of Greater Wilmington's economic development strategy that strives to maximize diversification across industries and business sectors. "Wilmington is a diverse community and our economy needs to reflect that," says Scott Satterfield, Wilmington's Business Development's CEO. "With its broad array of skilled, semi-skilled and professional-class jobs, Vertex Rail embodies our economic strategy of providing job opportunities for everyone."

Vertex founder Don Croteau commended state and local economic

development officials for their support in facilitating the company's move. "We've already made some really good friends in Wilmington," he says. Also working with Vertex are the North Carolina Department of Commerce, the North Carolina Department of Transportation and the Economic Development Partnership of North Carolina. "We are truly looking forward to a long, lasting, growing relationship with Wilmington and the state of North Carolina," Croteau says.

## MOVING THE NEEDLE: ECONOMIC IMPACT DATA AFFIRMS WBD RESULTS

"If you can measure it, you can manage it."  
- Peter Drucker



Greater Wilmington's recent run of company expansions and relocations has real meaning in terms of job opportunities, business activity and funding streams for vital local government services. From March 2013 through September 2014, WBD's project management efforts resulted in the announced creation of 835 new jobs

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### CEO NOTES/OPINION NET NEUTRALITY BAD FOR BUSINESS, RURAL N.C.

The Internet is perhaps the "killer app" of our lifetimes. Think about all that it has enabled: online education, e-commerce, instantaneous global communications, distance medicine, just-in-time logistics and so much more. But the Internet's cost, quality and availability will be thrown into jeopardy if the federal government implements a new regulatory doctrine known as "net neutrality."

In November, President Obama asked the Federal Communications Commission (FCC) to reclassify Internet service under Title II of the Telecommunications Act, thus regulating Internet Service Providers (ISPs) operating in a competitive marketplace just as the government has done for generations with monopolized utilities. The outcome will be more risk and uncertainty for companies such as AT&T and Verizon as they build out new telecommunications infrastructure.

Hurt worst of all will likely be businesses and residents in rural areas that

are currently underserved. Additional regulation will raise, not lower, the obstacles ISPs face when investing in rural broadband service. The law of unintended consequences would kick in as higher costs passed along to all of us would serve to reduce access.

Stratecast, a global consulting firm that studies the impact of telecommunications on economic development, issued a recent report cautioning that net neutrality will complicate instead of simplifying the existing market for broadband Internet. "Policy which seeks to manage competition by influencing the investment decisions of operators could have a significantly negative impact on consumers, job growth and the economy generally," the report said. [Read it in its entirety at [http://internetinnovation.org/files/special-reports/Impact\\_of\\_Net\\_Neutrality\\_on\\_Consumer\\_and\\_Economic\\_Growth.pdf](http://internetinnovation.org/files/special-reports/Impact_of_Net_Neutrality_on_Consumer_and_Economic_Growth.pdf)]

Industries that rely on high-speed information networks – practically all modern businesses – will feel the impact as competitive 21st Century technologies are regulated like mid-20th Century monopolies.

It's an issue I plan to follow closely in 2015. So should you!

Sincerely,  
R. Scott Satterfield

## MOVING THE NEEDLE: ECONOMIC IMPACT DATA AFFIRMS WBD RESULTS

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and more than \$200 million in annual payroll, according to an analysis by Dr. William “Woody” Hall, senior economist at UNC Wilmington’s Swain Center for Economic and Business Services. Hall assessed the aggregate impact of investments over that period by Castle Branch, GE Aviation, Fortron Industries, Verizon Wireless, Acme Smoked Fish and Live Oak Bank/nCino on the region’s economy. Those wins alone are bringing nearly \$12 million in new property-tax revenues annually to the City of Wilmington and New Hanover and Pender counties, according to Hall’s calculations. Hall also analyzed the cumulative economic value of Verizon Wireless’s move to Wilmington a decade ago, finding the company’s presence here had generated almost \$5 billion in total impact on the region’s economy in that time. The figure vastly exceeds the most optimistic calculations made in 2004.

More recently, the decision by Vertex Rail Technologies to create 1,342 manufacturing jobs in the City of Wilmington will yield \$1.1 billion in annual economic impact, Hall found, with benefits reaching into Brunswick and Columbus counties, as well as New Hanover and Pender.

Hall’s 41-year tenure at UNC Wilmington will come to a close at the end of the current academic term. In September, he announced his intention to retire. “The value of the technical assistance we have gotten from Woody over the years has been enormous,” says Scott Satterfield Wilmington Business Development’s CEO. “His ability to quantify how economic development efforts move the needle on the real-world economy is among the reasons our program continues to enjoy the strong support of business leaders and local government officials. We thank Woody for his service and wish him the best at this special time in his life and career.”

## ANNUAL MEETING HIGHLIGHTS NEW INFRASTRUCTURE,

Over 200 WBD members and guests attended the organization’s annual meeting on October 9th at UNC Wilmington’s Burney Center. The gathering included valuable networking among attendees, as well as an engaging line-up of speakers addressing a variety of important subjects.

After watching a video that featured key business leaders, participants were welcomed by Dickson McLean, chairman of WBD. “The past year has been a very successful one,” he said, reviewing economic impact data from recent announcements. “Both private-sector and local government investors alike achieve a measurable, meaningful and reliable rate-of-return on their financial commitment to WBD and its work,” McLean told the gathering.

WBD Chief Executive Office Scott Satterfield offered details on marketing and business retention programs. “We’re staying on track with our unmatched commitment to customer service and support for companies considering Greater Wilmington for expansions and relocations,” Satterfield said. The organization’s project portfolio included 31 clients encompassing the potential creation of nearly 5,000 jobs and the possible capital investment of more than \$1 billion, he said.

The arrival of Acme Smoked Fish to Pender County was rippling benefits in the form of new infrastructure that will boost the county’s long-range potential. Additional efforts were underway with CSX Corp. and the N.C. DOT’s Rail Division to improve the region’s rail connectivity, while collaboration with Duke Energy’s Site Readiness Program was enhancing the appeal of Pender Commerce Park and the BASF industrial property. “The leadership support of our government partners, the technical assistance we rely on from our allies, the critical financial participation of our Legacy Investors, and the business savvy we count on from all WBD members and supporters – all these things



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## ANNUAL MEETING HIGHLIGHTS NEW INFRASTRUCTURE,

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are the building blocks for sustaining regional economic vitality,” Satterfield said.

North Carolina business legends Mac Everett and Bobby Long shared their insights about what the region can expect in May 2017 when the Wells Fargo Championship is held at Wilmington’s Eagle Point Country Club. It will be the first time in 47 years that the city has been a part of the PGA tour. “Millions of eyes from all over the world will be focused on Wilmington,” said Long. WBD is working closely with tournament organizers and other local organizations to ensure the event showcases the region as a destination both for golfers and businesses.

Executives from Corning presented Michelle Hafey, a middle school science teacher in Pender County, with the Corning/WBD STEM Educator of the Year award for 2014. “Michelle’s excellence in STEM [science, technology, engineering and math] teaching will ensure our students are ready to succeed in strengthening America’s role as the world’s engine of scientific discovery and innovation,” said Bob Trapp, a senior Corning engineer involved in the selection (see related story nearby).

“As you can see, WBD has plenty of great things going on and even more excitement we can look forward to,” Chairman Dickson McLean told the gathering. Staying globally competitive requires strong, sustained leadership from a capable and committed economic development organization,” McLean said. “In our region, WBD is that organization.”



## WBD WELCOMES NEW MEMBERS

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## MEET MICHELLE HAFEY, CORNING/WBD STEM EDUCATOR OF THE YEAR

Michelle Hafey studied and worked in business before answering the call to teach science, a fact that helps explain why her work as an educator captured the imagination of officials from Corning and WBD. Ms. Hafey, who teaches 7th and 8th grade science at Penderlea School, is the 2014 recipient of the Corning/WBD STEM Educator of the Year Award.

"For me it was an honor to be recognized," says Hafey. "Science has always been a love of mine." Her methods tie scientific concepts with engineering, technology and math, she says. It's an approach that works well in a rural community like Penderlea, giving her a better chance to develop relationships with the parents and siblings of her students. "I wanted to spend more time working with children and families," she says. The practical nature of her teaching accounts for her success in capturing the imaginations of her young learners. "The fact it's hands-on and relevant explains why I get a high level of interest," Hafey says.

Holding teacher certifications in both math and science, Hafey joined the faculty of Penderlea in the 1995-96 school year. Over the past decade, she

has coached the Division B Science Olympiad at Penderlea. Each year, she takes two teams to the Wilmington Regional Science Olympiad Tournament at UNCW. Alissa Lee, STEM coordinator for Pender County Public Schools, nominated Hafey for the honor. "In order to create this interest for science programs within her school, Ms. Hafey started a program called Science Saturday four years ago," Lee says. "She brings students, parents and teachers together for a day of science and engineering activities."



Executives at Corning presented the award at WBD's annual membership meeting in October (see related story nearby). It was the second consecutive year Corning has co-sponsored the STEM Educator of the Year award with WBD, which recruited the New York-based company to Wilmington in 1967 to build the world's first and largest optical fiber plant. "Corning is an innovation company," says Bob Trapp, a Corning engineer who spoke at the meeting. "We are very much focused on using science, technology, engineering and math to create new products that solve real world problems, and to improve the products we have."

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