

WBD LEGACY INVESTORS



CARDINAL FOODS EXPANSION HIGHLIGHTS REGION'S POTENT AGRIBUSINESS SECTOR

North Carolina has been a national leader in sweet potato production for the past half century. The state harvested about 61 percent of total U.S. production in 2019, according to the USDA. Sadly, most of that product is bound for out-of-state manufacturing facilities. But the expansion by Burgaw's Cardinal Foods will keep North Carolina sweet potato processing in the state, along with more lucrative points on the value chain for popular products like sweet potato French fries.

With guidance from WBD and support from state and local government partners, Cardinal Foods unveiled plans in February to double its 50-person workforce in Pender County in a \$25 million expansion. The company was founded in Burgaw in 2017 and processes blueberries, sweet potatoes and butternut squash harvested primarily by North Carolina farmers. The company also provides product development, marketing and distribution services. Its foods are sold to both national consumer brands and leading grocery retailers.

Cardinal Foods CEO Corey Barnhill says his company has experienced record global demand for blueberries and sweet potatoes, interest drawn potentially from the pandemic's stay-at-home orders and consumer interest in healthier "super food" diets. "Hopefully these trends will maintain," Barnhill says.



The company expects to break ground on its new building by August. "Full production will begin March/April 2022," according to Barnhill. Cardinal's expansion has grown in scale and scope with the addition of Canadian food processor Russet House as an equity partner. "Over the last 15 years, sweet potatoes have traveled from North Carolina to Russet House's Canadian plant to be processed," explains Barnhill.

The fries will be packaged in many different sizes for shipment to retail customers, restaurants and food service operations around the world. "The reduction of the European Union tariffs on sweet potato products has increased our export projections from 17% to 45%," Barnhill continues. "We will hopefully take full advantage of the Port of Wilmington as well as ports in Charleston and Norfolk."

Pender County Commission Chairman George Brown says fertile soils, a legacy of innovative food industries and multi-modal transportation systems make local agribusiness an export ready industry. "Burgaw offers a logistical advantage with its proximity to both major interstates I-40 & I-95 as well as the Port of Wilmington," Brown said.

Burgaw Mayor Pete Cowan says Cardinal Foods' expansion highlights the community's appeal for entrepreneurs. "Given the challenges related to the pandemic, to have a project of this magnitude

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coming to fruition in Burgaw says all the right things about establishing and growing business here," Cowan said.

State support for the company's expansion includes a \$50,000 performance-based grant from the One North Carolina program as well as a \$350,000 building reuse grant from the Rural Infrastructure Authority. The mid-February announcement was the first by newly appointed NC Commerce Secretary Machel Sanders. "Cardinal Foods is a home-grown company connecting North Carolina farmers to quality-minded consumers around the world," Sanders said. "The company's success demonstrates how our state's productive soils and productive people create a global competitive edge for value-added agribusiness operations."

PACON EXPANDS INTO NEW HANOVER COUNTY

In April 2019, when Governor Roy Cooper announced that New Jersey-based Pacon Manufacturing Corporation would be opening a 300-job production site in Navassa, the news was greeted as a win for the region. WBD had worked closely with officials of the medical supplies manufacturer prior to their decision to transform the town's U.S. Marine Building on Quality Drive into a manufacturing hub for wipes, pads, towels, drapes, liquids and related products for the healthcare market.



Since then, Greater Wilmington has been a winning backdrop for the family-owned company, which is now establishing a second presence in the region with a 100,000-sq.-ft. warehousing space on Landmark Drive near the Port of Wilmington. "We're now out of space," says Mike Shannon, President of Pacon. "We're proud to be in New Hanover

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CEO NOTES/OPINION THANK YOU PPD, AND WELCOME THERMO FISCHER!

Change is life's only constant. And in the fast-moving world of technology-based industries, it's not just evidence of survival but a mark of distinction.

The mid-April news of Thermo Fischer Scientific's acquisition of PPD is a reminder of how quickly 21st century business can move. The Boston-based company's \$17.4 billion purchase of one of Greater Wilmington's largest private employers provides ample evidence of our region's fertile entrepreneurial soils and global reputation in biopharma discovery.

Founded by Fred Eshelman in 1985 as a one-person consulting firm, PPD grew to become a go-to name in the \$50 billion clinical research services industry. Prior to its acquisition, the company had a workforce of 27,000 across 50 countries and generated revenues of \$4.7 billion.

PPD is now set to become part of Thermo Fisher's Laboratory Products and Services Segment. For its part, Thermo Fischer brings diversification across the life sciences, industry-leading pharma brands and cachet as a Fortune 500 company. Its interest in PPD is part of a strategic commitment Thermo Fischer is now making in North Carolina. The company has locations in Asheville, Durham, Greenville, High Point and Research Triangle Park, employing a total of 3,000 North Carolina workers prior to its PPD acquisition.

Wilmington's reputation as a drug discovery hub is very closely aligned with PPD. Now, as part of a larger enterprise, the door is open for additional contract research operations, as well as biomanufacturing, packaging, logistics, sales and management opportunities. Yes, the stakes have risen because of this success, but so too has the potential for lucrative rewards and an exciting chance to grow our regional status in biotechnology.

Beyond life sciences, the PPD deal adds credibility to Wilmington's reputation as a conducive setting for start-up firms in innovation-driven industries. PPD blazed a path for names like nCino, Live Oak Bank and Castle Branch, and its success here helped us attract headquarters operations like GE Nuclear.

For WBD, PPD's longtime business leadership has made an impactful difference. The company and its executives were never reluctant to lend their technical expertise, sponsorship support and strategic savvy to the cause of our mission. We anticipate this close and creative relationship will continue to blossom under the company's new leadership.

Change happens – in life or business. And the arrival of Thermo Fischer to our region is a unique chance to celebrate how far our region has come and to consider the possibilities of where we're going.

Best Wishes,
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County as well as Brunswick.”

Pacon was founded in 1949 as a paper broker and converter. The company co-developed the first sterilizable paper used for wound care dressings and began concentrating on “flexo-graphic” printing for the medical products marketplace. In the late 1990s, Pacon commercialized the first water-activated cleansing formula, establishing a foothold in the fast-growing wipes market. Today, the company’s goods are part of some of the world’s most recognizable consumer brands, with most in high demand during the COVID-19 public health crisis.

Pacon’s new facility will handle incoming raw materials and the shipping of finished goods, according to Shannon. The firm moved into the space in early May and plans to ramp up a 10-person staff there. Shannon credits WBD along with real estate partners Cress Group and Edgewater Ventures for helping identify and assume occupancy of the property. “The space will probably take care of us for the next two years,” he says. “We’ll see what post-pandemic life brings us.”



PARTNERSHIPS LEAD TO MORE PRODUCT

The recruitment side of the economic development process has long relied on a dynamic matrix of partnerships. Product planning and development, which rarely gathers the same public attention, similarly requires a network of public and private entities pursuing common objectives.

In both cases, the partnership ethos is vibrant in Greater Wilmington. The latest example is a venture WBD is participating in with Edgewater Ventures and McKinley Building Corporation to add 425,000-sq.-ft. of Class A industrial space to the region’s inventory of ready-to-go business properties. The two companies are collaborating on the Wilmington Trade Center, a first-of-its-kind speculative product venture for New Hanover County. The property is strategically located on US Highway 421 just half a mile from I-140.

“Because of what it is and where it is, the Wilmington Trade Center is going to create new connections within our regional economy

and links to other high-growth markets like Charlotte, Raleigh and Myrtle Beach,” says Scott Satterfield, chief executive officer at WBD. Internally, the property is convenient to multi-modal transportation assets like Wilmington International Airport and the Port of Wilmington, “which will link seamlessly to business centers around the U.S. and the Western Hemisphere,” he says.

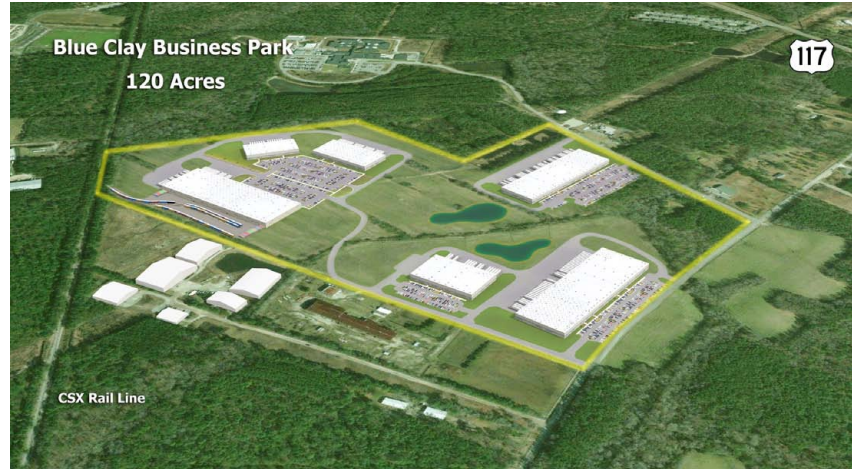
Work is now underway on Building 1, which will be able to provide tenant space ranging from 22,000 sq.-ft. to 157,600 sq.-ft. “Tenants could be anyone from light manufacturing to e-commerce or logistics,” said Chris Norvell, principal at Edgewater Ventures. “We’re trying to keep ourselves open to various kinds of uses. We don’t want to pigeonhole who the tenant might be.”

Edgewater Ventures is a commercial real estate firm founded in early 2020 with a focus on developing and acquiring industrial, office, multi-unit residential and mixed-use properties in the Carolinas. Wilmington Trade Center is Edgewater Ventures first ground-up development in the Wilmington market and will add to the company’s industrial portfolio in the area which currently totals 1,140,000 square feet. Norvell anticipates delivery of the building in September of this year. Two other buildings will soon round out the new industrial park, which had previously been vacant land. The success of Pender Commerce Park, which is about five miles away, is expected to bring additional focus on Wilmington Trade Center. “The more activity we see along Highway 421 the better,” Norvell says.

Construction of the property is being led by McKinley Building Corporation, which has served the Greater Wilmington commercial real estate market since 1992. Ken Dull, president of the McKinley Building, believes the new complex will “raise the bar for all of southeastern North Carolina in attracting logistics and trade-related companies. This facility will enable businesses to find their success here in our great region,” Dull said.

ARP FUNDS TO SUPPORT WATER AND WASTEWATER SERVICE AT BLUE CLAY BUSINESS PARK

The nation's American Rescue Plan (ARP), which distributes \$1.9 trillion in pandemic economic relief across the country, is set to fund important infrastructure at an emerging industrial property in New Hanover County. The 120-acre Blue Clay Business Park will obtain \$3.6 million in water and sewer infrastructure funding. The sum is part of a \$45.4 million tranche of ARP money New Hanover County, which owns the site, is expected to receive from the federal government.



The rail-served site has the capacity to accommodate 875,000 sq.-ft. under roof, according to an assessment by Duke Energy's Site Readiness Program in 2019. The program provides consultant-quality studies of available industrial properties in advance of their promotion. Then known as the Blue Clay Road Site, it was one of five North Carolina properties chosen by Charlotte-based Duke Energy for assessment that year. This property sits less than five miles from I-40, along a CSX railroad, and is convenient to Wilmington International Airport and Port of Wilmington.

WBD INVITATIONAL SET TO BREAK NEW RECORDS

The WBD Membership Invitational -- the region's foremost business golfing event -- is set for October 13th of this year. The tournament will be bigger than ever, taking place on both the River Course and the Landing Course at River Landing Country Club in Wallace. Coming off a year of COVID-related social distancing, participation at the 2021 Invitational has been full for weeks, with a record 72 teams confirmed to compete.

First National Bank [NYSE: FNB], a diversified financial services company operating in seven states and the District of Columbia, is this year's Corporate Sponsor for the Invitational. Civil Works Contracting is the 19th Hole Sponsor, with Milam Plumbing Inc. participating as Range Target Sponsor. Beverage Sponsor for the 2021 WBD Membership Invitational is Coastal Beverage Company.

"The WBD Membership Invitational has always been a unique opportunity for business networking and valuable relationship-building," says WBD's CEO Scott Satterfield. "Through the years the event has evolved into a visible showcase for allies and partnerships who share a common vision for making Greater Wilmington's economy everything it can possibly be."



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