

DEVELOPMENTS

ECONOMIC DEVELOPMENT NEWS FROM NC PUBLIC POWER

North Carolina Becomes Second Home to German Plastics Company



Roechling Industrial's U.S. headquarters is in Gastonia Technology Park in the public power town of Dallas, North Carolina.

More than 160 years after its beginning as a coal and steel company, Germany-based specialty plastics manufacturer Roechling ventured into North Carolina in 1987, purchasing a small thermoplastics company in Gastonia.

“At the time, Gaston County was one of the top areas for textile manufacturing in the world—certainly in the U.S.,” said Tim Brown, President of Roechling’s Industrial Division in North America. That made the area perfect for the type of plastic the company made then.

Roechling’s Industrial Division has diversified and expanded since its early textile-focused days. The division still has a manufacturing facility in Gastonia, and now its U.S. headquarters is in Gastonia Technology Park in Dallas, North Carolina.

In North Carolina alone, Roechling’s Industrial Division manufactures more than 28 types of plastics. It serves diverse industries, including material handling, food processing, transportation, electrical, health care, and chemical engineering.

Product and industry diversity “is a huge part of our success and the fact that we can continue to grow,” Brown said.

Over the next two to three years, Brown and team will expand again in North Carolina. They’ve purchased more land in Gastonia Technology Park and plan to build an estimated 125,000-square-foot facility and add about 25 employees.

But all that success isn’t without challenges.

Securing qualified workers is a big one, Brown said. And Roechling Industrial isn’t alone in that. Brown participates in the Gaston County Association of Manufacturers, a monthly meeting of local manufacturers hosted by the Gaston County Economic Development Commission. “We all have similar labor challenges,” he said.

Specifically, it’s finding employees who are mechanically and electrically inclined and who are willing to support Roechling Industrial’s 24/7 schedule. To help find those employees, Brown and his team work with local high schools and nearby Gaston College.

A NOTE from Carl

North Carolina ranked #3 in U-Haul’s latest U.S. annual growth index tracking one-way moves. Those of us who live in the state see evidence of growth every day, as new homes and businesses seemingly sprout overnight. But who are these people and where are they coming from? Data from the most recent American Community Survey bodes well for North Carolina, as the median age of our newest residents is 28—prime working age. Our new neighbors are also well educated with 56% bringing a high school diploma, while 30% packed at least one college degree. As for previous postal codes, Florida, New York, Virginia, and California rank highest as former homes to the more than 1,000 people who choose our state each day.



Carl Rees, CECD
Manager, Economic and Community Development

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OUR MEMBERS



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One workforce advantage Brown sees in his North Carolina locations compared to plants in other states is a steady influx of people—about 1,000 a day, according to [the latest American Community Survey data](#).

Other challenges include the political and economic uncertainty common in an election year and what’s happening geopolitically. “About 98% of the products we produce in North America are sold in North America,” but since Roechling is a global company, “those issues affect our business,” he said.

The City of Gastonia is a public power community, which means it owns and operates its electric system. That system powers Roechling Industrial’s Dallas location, providing affordable and reliable electricity when the company needs it.

Brown said, while energy cost is a major issue for Roechling’s European locations where costs have increased significantly in the last few years, “It’s somewhat of a non-issue for us, which is a positive thing.” The same goes for availability—even as Roechling Industrial looks to add equipment and machinery.



Left: Roechling Industrial supplies thermoplastics and composites in the form of semi-finished products, such as sheets, rods, and tubes, serving a diverse range of industries. Right: Roechling Industrial's second North Carolina location is located in Gastonia, about a mile from its headquarters.

That doesn’t surprise Kathy Moyer, Chief Operating Officer at ElectriCities. ElectriCities operates the Power Agency that supplies wholesale power to the City of Gastonia.

“The Power Agency in western North Carolina has been lowering wholesale rates over the past 10 years, which has enabled Gastonia to maintain competitive retail rates,” Moyer said. “It also supplies Gastonia with emissions-free nuclear energy.” That’s important to the company, with part of its Code of Conduct including: “Harm to the environment is to be avoided or minimized as far as possible.”

With 24/7 operation and manufacturing processes that require heat and pressure, reliable power is imperative at Roechling Industrial. Being served by public power comes in handy there, since public power providers in North Carolina keep the power on 99.98% of the time.

“Exceptional reliability and affordable rates are two hallmarks of public power,” Moyer said. “We’re proud that the work we do helps Roechling Industrial compete and grow in North Carolina.” ♦

SOCIAL MEDIA

Highlights

Follow our social media channels to keep up with all the ways ElectriCities’ Economic Development team promotes our member communities and the value of public power across the state and the country and around the world.



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ElectriCities Power Players represent member communities at ICSC@CAROLINAS in Charlotte.



Business Facilities names ElectriCities a top utility—again!

GOOD TO KNOW

Barbara S. Fiedor

**Director of Economic Development
Franklin County, North Carolina**

My favorite movies are: Agatha Christie movies, especially "Murder on the Orient Express."

The three things I can't live without are:
My children, horseback riding, and coffee.

**When I welcome a visitor to Louisburg,
I always take them to:** 210 Nash for lunch.

The most memorable place I've visited is:
China in 1982, walking on the Great Wall of China.

Finish the sentence: North Carolina is: Home! ♦



FEATURED SMART SITES

To learn more, visit: <https://www.electricities.com/services/economic-development/smart-sites/>



CHERRYVILLE SMART SITE

CSX Rail-Served Industrial Site in Gaston County
W. Academy St. & Lester St., Cherryville, N.C.
Available Acreage: 42 acres
Sale Price: \$60,000/acre



SELMA SMART SITE

Prime Industrial Site in Johnston County
1580 West Noble St., Selma, N.C.
Available Acreage: 51 acres
Sale Price: \$40,000/acre

Retail Real Estate Trends

The retail real estate market is constantly in flux. We checked with our friends at Retail Strategies for some insight into what economists and retailers are thinking about the market now.

What's on Economists' Minds

- On average, a healthy economy is inflation at 2%, GDP at 3%, and retail sales at 4%.
- Although the most predicted recession of all time was avoided with a soft landing in 2023, uncertainty still exists in the market. Labor markets and wages are outpacing inflation rates.
- Economists predict the Federal Reserve will drop interest rates in May 2024. Inflation has dropped from a 40-year high of 9.1% in 2022 to 3% in 2023. The economy cooled without causing spikes in unemployment. Economists are calling this immaculate disinflation.

What's on Retailers' Minds

- Profit margins are under pressure due to rising rents, labor costs, and product costs.
- Lack of real estate supply is pushing retailers to secondary and tertiary markets with less sophisticated owners, which is more time-consuming and difficult.
- Retailers are re-evaluating store prototypes to reduce construction costs. For quick-service restaurants, expect to see reduced in-store dining and increased drive-thru lanes.
- Target, CVS, Walgreens, Ulta, Dick's Sporting Goods, Five Below, Big Lots, and others have experienced increases in "shrink" anywhere from 20-50% because of organized retail crime.

What's on Owner/Developers' Minds

- Construction costs have increased by 30-50% over the past 24 months. An estimated plain vanilla shell buildout was around \$150/sf a year ago and is now bidding at \$200/sf. Skilled construction labor has a limited supply.
- Costly delays caused by slow permitting and entitlement approvals are jeopardizing deals.
- Office market foot traffic is down about 50% in Tier 1 markets, hurting retail sales and threatening real estate valuations.

What Should Be on Community Leaders' Minds

- Can you help local real estate owners partner with experienced professionals and use the resources you have through ElectriCities of North Carolina?
- Do you understand the retail incentive tools that are available to you?
- What can you do to streamline permitting and approvals?
- Do you have any second-generation vacant retail real estate space that could be marketed to brokers and retailers?



Experts predict more drive-thru traffic for quick-serve restaurants, like this Zaxby's in Smithfield, North Carolina.



Development on this Royal Farms site in Greenville, North Carolina, is underway. Experts recommend that communities ensure their permitting processes are clear and consistent.

If your ElectriCities member community would like help with retail real estate, contact Jennings Gray, Lead Commercial Developer at ElectriCities, at 800-768-7697, ext. 6303, or jgray@electricities.org.

Developments is a publication of ElectriCities' Corporate Communications team in coordination with ElectriCities' Economic Development team.

For information on ElectriCities and economic development, contact Carl Rees at 800-768-7697, ext. 6315, or crees@electricities.org. Was this forwarded to you? [Sign up to receive your own copy of Developments.](#)