

For Immediate Release

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\$300,000 Interest Free Loan from Energy United Helping Bring Jobs to Davie County

By Jeanna Baxter White

Energy United has awarded the Davie County Economic Development Commission a \$300,000 interest-free revolving loan to help build a 324,000 SF industrial space which will enable Davie County to attract larger manufacturing companies and enhance its ability to continue growing its industrial base.

“We are so fortunate in Davie County to have Energy United,” said Terry Bralley, president of DCEDC, during a check presentation ceremony Tuesday. “They’ve been a great economic development partner for us. We’ve built water tanks, been able to pay for incentives up front, and put in water and sewers lines with their assistance and access to zero-interest money. Those loans have helped us develop infrastructure, bring jobs to our neighborhoods, and grow our community. In fact, the loans helped bring Avgol and Gildan, now two of Energy United’s largest customers, to Davie County.”

DCEDC then loaned the money to the Davie Industrial Group to support the construction of the Davie Industrial Center at Interstate Drive and Gildan Drive in Mocksville. When completed, the center will offer 920,678 SF of manufacturing/warehouse space. The first of three precast concrete industrial buildings is currently under construction and will be available as early as May.

“This \$300,000, zero-interest loan is for five years or until the building is sold or leased. The idea is to do it again and again. We hope it truly is a revolving loan fund. What a great asset for us! And had we not had a successful private capital campaign we would not be in a position to leverage these dollars.”

“I say all the time that economic development is a team sport and it takes everybody at the table working hard. Since we are a small community we have to work even harder.”

Recognizing the struggles faced by small rural communities, the U.S. Department of Agriculture developed the Rural Economic Development Loan & Grant (REDLG) program to promote rural economic development and

job creation projects. The USDA partners with nonprofit utility organizations to distribute the funds. The funds provided by the REDLG program must be used to help finance projects such as business start-up costs, business expansion, community development, and business incubator projects. This program contains two subprograms that administer funding opportunities. They are the REDLoan program and the REDGrant program.

Under the REDGrant program, the USDA provides grant funds to local nonprofit utility organizations which are used to establish a revolving loan fund. Loans are made from the revolving loan fund to finance projects that will create or retain rural jobs. The utility applies to USDA for funding support on behalf of specified local projects.

These funds are made available for projects in rural areas or towns with a population of 50,000 or less and up to \$300,000 in grants may be requested to establish the RLF. The funds can then remain in the community as part of a revolving loan program where the repaid money is loaned out again.

Under the REDLoan program, the USDA provides zero-interest loans to awardees which they, in turn, pass through to local businesses (ultimate recipients) at zero percent interest for projects that will create and retain employment in rural areas. The ultimate recipients repay the lending utility directly and the utility repays the Agency.

“Energy United is one of the co-ops in the state that has access to USDA funds. The USDA uses the co-ops as a conduit to provide funds to projects like this,” said Keith Wingler, manager for business development for Energy United, the largest energy co-op in North Carolina which serves more than 125,000 customers in 19 counties. “Davie County is one of our strongest partners with economic development projects. Terry has the unique ability to pull private investors, the community and the county together to make things happen. He has been very aggressive at tapping into those funds and we are glad to be able to offer them. We stay very busy in the Davie County area and appreciate everyone who worked together to make this project happen.”

“This is the first of two checks we plan to do on this project. This check for \$300,000 is from Energy United’s revolving loan fund which was created with money from the Rural Economic Development Loan and Grant program. There is also a REDLG loan of \$1 million in process for this project.”

Bralley explained the significance to the community of a project of this magnitude. “About 18 months ago I had the opportunity to meet with the Davie Industrial Group to look at doing some more industrial projects. In today’s world, things move pretty rapidly. Within 90 days from when I get the phone call, that company needs to be up and operational. Companies have contracts to meet and business moves at an extraordinary speed. If you don’t have a building up or at least a graded site with water, sewer, electricity, natural gas, and fiber in the ground you are playing way behind. We are blessed in this county to have the opportunity to partner with the Davie Industrial Group.”

He shared an example of how important the project is. “Yesterday, I got a phone call from a broker in South Carolina who was meeting with a client who needed 400,000-600,000 SF and I was able to tell him I could help

him with that. I was able to send the information to the broker. We are able to play for bigger projects now. You are going to see different clients looking at these type of buildings. We are excited about that.”

Davie Industrial Group partners, John Reece of Commercial Realty Advisors, Buddy Seymour, president-manager of Windsor Commercial, and Bill Junker, owner of Trailers of the East Coast, who supplied the land also shared their thoughts on the project.

“We feel very fortunate to be here in Davie County with this project,” said Reece. “I’d like to thank Terry and the economic development staff. Without these types of loans, I’m not sure we could pull off these types of projects. The effort that has gone into this on behalf of Terry and his staff is unbelievable. We’ve found that Davie County is just an awesome place to do business.”

Seymour added, “We are excited about Energy United’s participation because not only are we constructing a 324,000 SF spec building which allows us to meet the speed our clients require, this loan also help us to prepare the other sites. By the time we finish the first stage of our project, we will have a 324,000 SF spec building a 425,000 SF pad and another 175,000 SF pad ready and these funds were very important for us to be able to do that. We are very thankful for this opportunity.”

Junker praised the teamwork involved to make the project happen, saying “I’m so proud of how this partnership has come together. Every partner brings a lot of value to this deal.”

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