

Monday, June 27, 2005

County gets new industry



PARAGON PLANS – Alexander County Economic Development Director David Icenhour (right) discusses plans for the new Paragon Films, Inc. plant in the Alexander Industrial Park with Paragon CEO Michael Baab (left) and Vice President Brian Stock (center). Grading is currently underway on the property.

Oklahoma-based business to open first facility in Industrial Park

By GARY HERMAN

"What a great day it is in Alexander County." That was the sentiment of Ron Leitch with the N.C. Department of Commerce at a ceremony held Monday night to recognize Paragon Films, Inc., an Oklahoma-based business which is scheduled to open a new 40,000 square foot manufacturing facility in Alexander County this fall.

"It certainly is an exciting time for this county," Leitch continued. "I know they're bringing a quality company here to Taylorsville and Alexander County."

The stretch-film company will occupy an existing spec building in the Alexander Industrial Park, off Hwy. 90 East, making Paragon the first business to purchase property in the park. The concrete floor has already been poured in the building, and grading is currently underway on the remainder of the 4.5 acres purchased. The industrial park was created in 1997.



At the Monday night, June 20, meeting of the Alexander County Board of Commissioners, Paragon CEO and President Michael Baab and Executive Vice President Brian Stock were on hand to discuss their business venture in the county during the special ceremony. In addition to Leitch, members of Alexander Railroad Company, G.L. Wilson Building Company, and EnergyUnited were in attendance, which all played a role in the development of the industrial park. Local dignitaries offered a variety of comments throughout the ceremony regarding the company's new location.

"Alexander County has long sought a company of Paragon's stature to boost our efforts at diversifying our industrial base and providing quality jobs for citizens," said Commission Chairman William Hammer. "We are extremely excited about Paragon locating in Alexander County, and we look forward to a long and prosperous working relationship that will benefit the entire Paragon family of employees in Oklahoma and North Carolina."

Hammer presented Baab with a "Key to the County" at the meeting.



KEY TO THE COUNTY – Mike Baab (right) accepts a "Key to the County" on behalf of Paragon Films, Inc.'s recent announcement of expansion in Alexander County. A special ceremony was held at the June 20 meeting of the Board of Commissioners. Commission Chairman William Hammer is pictured presenting the award.

Paragon, the sixth-largest stretch film manufacturer in North America, produces high-elongation plastic film that is used to unitize and protect products during storage or shipment. Stretch film is primarily used to wrap products on shipping pallets. Baab said he is happy to become a part of the local community as his company continues to grow.

"We narrowed it down to this geographical area. Alexander County had the right location, and a good package was put together for us," Baab said. "We love the building, the construction company (G.L. Wilson), and the people we have worked with here. You're not going to find a nicer group of people than in North Carolina. Our favorite customers are in North Carolina. We did all we could to make sure North Carolina beat South Carolina because we love the people."

Baab said company officials inspected various sites along the east coast, but narrowed it down to the Carolinas. Although several locations in North Carolina were considered, he said Alexander County had everything he was looking for in terms of company expansion, including land, building, railroad, water, and sewer – not to mention a good workforce. The recently approved Industrial Development Incentive program was also a key in the company's local expansion.

"We wanted a small community, because it seems people have a better work ethic, and the people need jobs here. However, until the county passed the recent incentive package, South Carolina was winning," Baab related.

David Icenhour, Alexander County Economic Development Director, said that Paragon has not yet officially been awarded an incentive grant, but he believes the company will qualify as a Level IV industry. At that level, Paragon will receive a grant returning all property taxes for the first six years in the county, with an additional year added for each additional \$10 million over the \$20 million benchmark up to a total of eight years.

"Landing deals like this is more than luck," Baab concluded. "You've got everybody set up so when calls come in, you're ready."

Stock agreed that Alexander County is the perfect place for Paragon's new location.

"We are very excited to be part of Alexander County, Taylorsville, and surrounding area communities," Stock said. "North Carolina provides a strategic location for Paragon's long-term business plan. In addition, the new facility will bring in an additional 25 new jobs to the Alexander County region in the near future and the expectation of more new jobs with future planned expansions."

The business will begin with one production line, utilizing about 14 employees, but is expected to begin a second production line within 12 to 15 months, utilizing approximately 25 employees, Baab related.



PLANT SUPERVISORS - The plant supervisors at Paragon's new Taylorsville facility are pictured above from left to right: Mike Whitten - Plant Manager, Jimmy Simpson - Production Foreman, Kelly Wright - Production Foreman, Jimmy Hewitt - Senior Production Operator, and Gary Greenfield - Engineer Manager.

"This is what we're already committed to doing," Baab, who serves as chairman of the Broken Arrow Chamber of Commerce in Oklahoma, said. "When we outgrow the two lines in the existing building, then we must expand."

Icenhour spearheaded the industry's recruitment, and was praised numerous times by local and state dignitaries for his efforts in helping the county land Paragon's new facility. He expressed his excitement about the new industry.

"These are quality jobs. The company offers excellent benefits packages for its employees, and the pay scale is 10 to 20 percent higher than the average county wage," Icenhour said. "I just

can't express what an important project this is for Alexander County. This project is an important step for us in the diversification of our industrial base."



OKLAHOMA PLANT – This photo shows Paragon's plant in Broken Arrow, Oklahoma (near Tulsa). This plant has become landlocked, and the company is expanding in Alexander County. The new business is expected to begin operations in September or October 2005.

Stock said the railroad was essential in determining the company's new location. Two spur lines will be connected to the Alexander Railroad. He said the company will use 10-13 cars per month, but "you could see as many as 30 to 40 cars on the tracks at one time."

Icenhour said the spurs will be funded through a variety of grants, including the N.C. Department of Transportation, N.C. Department of Commerce, Norfolk Southern Railroad, the Golden Leaf Foundation, and others. Icenhour said the railroad spurs should be a minimal cost to the county.

Ben Zachary, President and General Manager of the Alexander Railroad Company, said this new company is a big step for the county, the railroad, and the industrial park.

"This is one of the most important economic development announcements in the 60-year history of Alexander Railroad Company," Zachary said. "We could not have scripted a better project to anchor Alexander Industrial Park."

Initially, the new facility will include a 20,000 square foot warehouse area and a state-of-the-art production area, which should produce about 15 million pounds of machine-wrap stretch film in the first year beginning in October 2005. Additional production lines are expected after the first production line is in place and running. Baab said the company currently produces 55 percent hand-wrap plastic and 45 percent machine-wrap, but those numbers should reverse when the Taylorsville plant comes online.

Baab said the Tulsa facility is landlocked; therefore, he and company officials ensured that the new location would have plenty of room for expansion, which is expected.

"This plant will be bigger than our Tulsa plant because of the land," Baab said. "As the company grows, it will be in Alexander County. The day the plant opens, that first production line is sold out."

Stock estimates that the company will expand the Taylorsville location within two to three years after the initial opening.

After approximately eight to 10 years, Baab estimates that the Alexander County location will produce about \$100 million in revenues each year, employing about 150 people.

Baab also discussed a possible joint venture in which Paragon may enter.

"It's an opportunity for a joint venture with a very large supplier," Baab said. "We're very excited about that."

Paragon Films was founded in Broken Arrow, Oklahoma (just outside Tulsa) in 1988 under the leadership of company president Mike Baab.

Baab said that since the first days of production, Paragon's innovative culture has led to a steady stream of products, which relates directly to the company's, and its employees', success. The new Alexander County facility marks the seventh plant that he and his father, William E. Baab, have started. In honor of William Baab, the county renamed the road in the Industrial Park to W.E. Baab Industrial Drive. Icenhour presented the road sign to Michael Baab at the ceremony Monday night.



IN HONOR – The name of the road leading into the Alexander Industrial Park was changed to W.E. Baab Industrial Drive, in honor of William E. Baab, father of Paragon’s President and CEO Michael Baab. David Icenhour, Economic Development Director, is pictured applauding after the presentation.

“Thank you from the bottom of my heart,” Baab said. “My dad is my best friend.”

Upon opening, the Taylorsville location will operate 24 hours a day, seven days a week, 365 days a year.

Baab said the company will establish a “Paragon for Christ” trust fund shortly after opening to help reach to people in the community who are in need.

“We take care of our people. If your whole focus is on the almighty dollar, then you lose sight of people,” Baab said. “Our people are an extended family.”

At the meeting, Baab was also presented an Alexander County flag by Commissioner Darrell Robertson, a North Carolina flag from Sandy Jordan with the N.C. Department of Commerce, and a “Junebug” clock from Mayor Guy Barriger.

Paragon is headquartered in Broken Arrow, Oklahoma. For more information, visit www.paragonfilms.com.