

GREAT DAY

From 1A

front Chris*Craft over \$900,000 and Indian over \$1 million to help with the acquisition of the buildings. The money would be repaid in taxes over their first five years here and the county will hold a lien on their buildings to protect the county's investment.

Both plants have Kings Mountain addresses and will be gas, water and sewer customers of the City of Kings Mountain.

The move by Chris*Craft has been rumored for months but it wasn't until Thursday that the companies and state were in position to make the official announcement. Stephen F. Heese, President, said the deal on the plant will close in early September and the company will be making boats during the first quarter of 2007.

Indian's move to Kings Mountain had been rumored the past several weeks. The company is under the same ownership umbrella as Chris*Craft. According to President David P. Wright, it will begin operation next year.

According to Heese, the average salary at Chris*Craft will be in the "low thirties" and Wright said the average salary at Indian will be "almost \$50,000" a year.

The high salaries should attract an abundance of applications for the 807 jobs the two companies will create. Within five to 10 years, Indian expects to employ 167 and Chris*Craft 640.

Incentives from the State, Cleveland County and the City of Kings Mountain, as well as lower real estate costs and a skilled work force helped lure the companies here, their spokesmen said.

Combined, the companies will receive millions of dollars in incentives and grants. Perhaps the most impressive is a Job Development Incentive Grant from the State which will refund part of the state withholding taxes on employees back to the businesses.

According to Governor Easley, the State will return 75 percent of withholding taxes to Chris*Craft and 65 percent to Indian over a 10-year period. The companies must operate here for more than 10 years to fully receive those incentives.

Easley hailed the cooperation of state, county, city and Chamber officials in the recruitment of the companies.

"This is a great example of state and local representatives working together on behalf of the people," Easley said. "These two companies are icons in their respective industries."

Easley said the state has given less than 40 Job Development Grants, which enable companies to pay larger wages. But he also said that worker education programs put in place early in his administration are just as important, if not more so, than grants.

"We can put all the incentives we want on the table,

but jobs won't come unless we have the work force," he said. "We've made a tremendous investment in education. Our strategy is to keep costs down and education up. Low skill jobs are going overseas and are not coming back."

Easley said two leading magazines have ranked North Carolina "tied for first" in the lowest tax burden on businesses. "That really helps matters when you're trying to compete overseas. We're able to bring in top quality businesses."

Heese said when Chris*Craft first began considering expansion of its Sarasota, FL-based operation, it was obvious they had to go out-of-state because of high real estate prices and low unemployment there.

"When we started looking we were bulging at the seams in Sarasota," he said. "Building in Florida is an expensive task." Heese noted that building a new plant in Florida would cost about \$70 per square foot but an "almost new" existing plant in Cleveland County can be purchased for about \$24 per square foot.

"We looked at 40 buildings in five states," he noted. "But all along we knew we were going to have a great home in Cleveland County. We were touched by their heart and soul and the hand skills of the people."

Heese said Chris*Craft will probably hire workers through the Employment Security Commission. He said he was impressed that approximately 2,500 area people applied through earlier advertisements. He said an abundance of furniture workers in the area will be an asset for his company.

"We think they will make terrific boat builders," he said.

Chris*Craft will begin working soon on the Axle Alliance Building. A large pool will be used there to test the boats for leaks, and through a grant that Kings Mountain received through the Gold Leaf Foundation a boat lift will be installed at Moss Lake to test the larger boats. According to Heese, one of the smaller yachts to be built here costs \$300,000.

Wright said Indian Motorcycle will put a motorcycle museum in downtown Kings Mountain as part of its partnership with the local community.

He said the company has made a tremendous comeback in recent years and expects it to grow even stronger in Kings Mountain.

"We're thrilled to be here," he said. "We looked at many states and I got personal calls from each of the 50 states. We have only one meaningful competitor - Harley-Davidson. Five to 10 years down the road we will give them a serious threat. They're our nemesis but I want them to know that our new address is on Battleground Road."

Wright said he had just recently been notified by the U.S. Postal Service that an Indian Motorcycle stamp will be released soon.

Minimum wage hike good news for workers in area

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Hard workers throughout the state will no longer have to slave for a minimum wage of \$5.15 per hour. The new session law 2006-114 was ratified and signed by Governor Mike Easley on July 13. It requires that the new minimum wage be set at \$6.15 per hour, beginning January 1, 2007, providing somewhat of a relief to hundreds of employees.

The raise in minimum wage comes after nearly a decade of poverty-level labor throughout the nation. Although a dollar more an hour may help soften financial blows, the minimum wage salary level is still within the poverty range. A full-time employee at the new minimum wage will earn a yearly salary of \$12,054. Federal standards classify poverty as a sustained income of \$12,675 or less a year for a family of four.

For teenagers wanting to save money over the summer, the increase will add about an extra \$440 (working full-time) into their pockets, before taxes.

"I am proud that I voted for the minimum wage increase this year. High gas prices and other inflationary events have made it difficult for people trying to live off of minimum wage and they need help," said Cleveland County Rep. Tim Moore. "Also, we passed tax cuts for businesses who employ folks at minimum wage that will more than offset any increased labor costs. Unlike

proposals in past years, the minimum wage increase this year was structured in a business friendly manner. It is a win/win for North Carolina workers and employers."

Moore introduced House Bill No. 2518 to the NC General Assembly on May 24, 2006, entitled "Up Minimum Wage/Automatic Adjustment." If passed, the bill states that it would require that the minimum wage be automatically raised when "three of the four states adjoining this state increase their minimum wage amounts." It presents itself as a continuation of hope in times of inflation and tighter purse strings, for all of the hard working men and women struggling to make ends meet. But the bill still sits in the House without a vote.

Across the state, regular unleaded fuel prices have jumped from an average of \$2.257 (last year) to \$2.930 (at present), an increase of \$0.673. At the current rate average, it costs North Carolinians almost \$30 to fill up a car. For minimum wage employees that work full time, an extra \$40 a week might help pay for gas to get to and from work. Tax cuts, if implemented correctly, might also lessen financial angst.

Sherika Lockhart, General Manager for McDonald's on York Road, said that raising the minimum wage was a good idea. "When you're an adult with a family it's very hard to earn a decent living and \$5.15 (an hour) is not a lot of help," she said. Lockhart admitted that the raise may slightly affect her busi-

ness, though she is not sure to what extent. "Most of our employees are making that much anyway so maybe that won't make too much of a difference. But with rising gas prices and other inflations, you never know," she said.

General Manager Shawn Clark of Subway, 105 York Road, said that the wage increase will affect his business probably in a negative way. "But I won't be able to tell for sure until it happens," he said.

According to the federal government's Fair Labor Standards Act (FLSA), the set level of minimum wage applies to companies that earn at least \$500,000 annually and generally to all domestic workers in the United States.

The FLSA, set forth the first law on minimum wage in 1938, establishing it at \$0.25 per hour with standards on overtime pay and child labor. Creators of the FLSA wanted to form a commission that would review costs of living and inflation to continuously update the minimum wage. But that idea was dismissed. The minimum wage is not designed to keep up with inflation and, therefore, continues to lose value. It is based solely on the political climate and agreements among the federal or local government that a raise in the wage is necessary.

The Economic Policy Institute (EPI) says that the current federal minimum wage, when adjusted for inflation, is worth 26 percent less today than it was in 1979.

BEGINNING

From 1A

have announced where they are going, the vendors are talking about locating in the area so they will be closer to the manufacturers. It's a win-win situation for everybody."

Murphrey noted that both companies are among the leaders of their respective trades, turning out top of the line products that are among the best in the world.

"These are two great brand names," he said. "That's so important today. So many brand names are going away to China and other places. We have an opportunity to have two excellent brand names right here in our own community."

Murphrey is excited about the motorcycle museum that Indian plans to locate in downtown Kings Mountain. The museum will probably go into one of the vacant buildings on Railroad Avenue. He sees that as an attraction that will not only bring tourists into downtown but will also be an incentive for other businesses, such as restaurants and stores, to locate downtown.

"We've been working on downtown revitalization for many years but this will kick it off and be a cornerstone to revitalization," Murphrey said. "I can vision restaurants and stores related to this museum. We're looking forward to all the visitors and activities that will be coming to our downtown area."

Hawkins said he is appreciative of the companies

choosing Cleveland County and Kings Mountain and looks forward to a positive, long relationship.

"I really appreciate what they (Presidents Stephen Heese of Chris*Craft and David Wright of Indian Motorcycle) said about our work force in Cleveland County," Hawkins said. "That says a lot about the citizens of Cleveland County, that they bring a good work ethic to these industries. They, themselves, are bringing good companies and a good product. I think it's going to help us here in Cleveland County to get out of this downturn we've had since we lost all of the jobs from the textile industry."

Combined, the county is "fronting" the businesses approximately \$2 million out of their reserve funds (an amount equal to five years of taxes on the two properties) to help them with the acquisition of property. The money will be recouped over the next five years in property taxes paid.

Hawkins said recruiting these two major industries forced the county to take another look at how they recruit industry. Businesses such as these are recruited heavily throughout the United States, he said.

"The way we've always done business as far as attracting industry was not working," he said, "so we had to find a new way so businesses would be more inclined to come. At the same time we had to make sure we did something that would insure that the public's money was safe, so this is an

effort that the county came up with to make sure we could be competitive, and apparently it succeeded. The main thing is making sure we can attract industry and protect the public's money. They're still paying taxes, just in a different way."

Hawkins, too, believes there will be more major industries coming to Cleveland County in the future.

"We've got several projects in the works," he said. We met with one company the day after we made the announcement (about Chris*Craft and Indian). But it takes time. This project has been ongoing for a number of months. Even up until the last week we were still negotiating different parts of the agreement for them to come. I would say even up to a couple of days before the announcement was made, we were still working with the companies to get them to come here.

"You can work with industries - 20/20, Stuart Gilbert of the Chamber and especially County Manager David Dear have worked with companies for years. It's a long drawn out process that can be derailed even in 24 hours before an announcement. We

had one project that we thought we had. It took just one phone call days before the announcement, and they got a better deal somewhere else. Economic development is not an easy process. One part, it has to be secret because companies don't want their competitors to know where they might be locating. You have to do exactly what companies ask you to do. One of their requests is 'keep it quiet.' Another thing, you don't know what they're dealing with in another state or another county. The agreements change from day to day. It's a long process that you have to go through, but when one comes to fruition it's great."

Getting back to Chris*Craft and Indian Motorcycle, Hawkins said he believes their announcement is the "start of something great" for Cleveland County.

"I am really happy," he said. "I think them choosing us because of our work force was great and I think they're going to be good corporate citizens and there's going to be good things coming for Cleveland County and Kings Mountain. I'm glad to see us diversifying."

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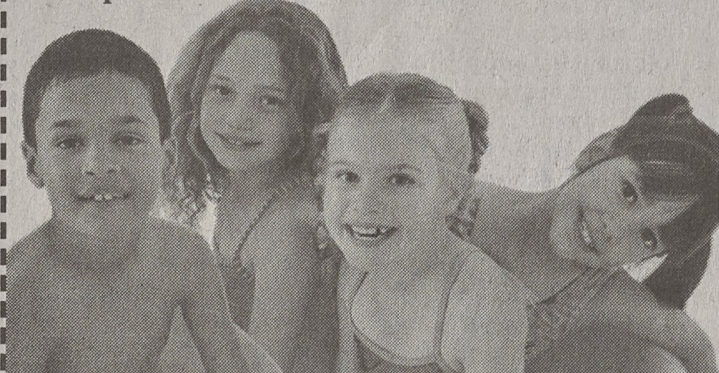
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