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North Carolina's clean energy sector continues to grow

STAFF WRITER

- The North Carolina Construction News

Despite on-going jobs and revenue growth, clean energy business leaders cite uncertainty and other barriers that are limiting further growth.

North Carolina's economy continues to recover from the recession with our unemployment rate above the national rate. However, the good news is that several sectors, including clean energy, are hiring employees, expanding their businesses, and pumping millions into local economies in every region of our state.

These and other important economic findings are detailed in the 2012 North Carolina Clean Energy Industries Census, which was released October 12 as part of the NC Sustainable Energy Association's annual Making Energy Work Conference at the Charlotte Convention Center. Retaining and creating jobs and fostering new economic development opportunities must continue to be a top priority for all North Carolinians, especially businesses and policymakers – and the clean energy sector holds great promise and opportunities if we maintain a balance of pro-business policies and regulations.

Click on http://energync.org/assets/files/



2012Census.pdf to download the 2012 NC Clean Energy Industries Census.

Since the passage of the Southeast's first renewable energy and energy efficiency law in 2007 (and 25th in the nation), North Carolina's clean energy sectors – broadly categorized as renewable energy and energy efficiency – have burst onto the scene with companies, jobs and projects from the mountains to the coast.

The annual Census, which surveyed over 1,100 North Carolina clean energy companies mid-summer through early September, finds the clean energy sector is a growing economic force in North Carolina that conservatively contributes over \$3.7 billion in revenue and more than 15,200 full-time equivalent jobs directly from activities in clean energy. For infrastructure, the state is home to over 38,000 Energy Star homes, 2,100 energy efficient commercial buildings, and more than 3,000 planned or installed renewable energy systems.

Yet, despite the clean energy industries' recent growth in North Carolina, including more than 200 companies serving national and international markets, Census participants feel that the industry in North Carolina is now at a crossroads. According to business leaders, political polarization, policy and market uncertainty, and limited access to finance all pose substantial threats

to the continued growth of North Carolina's clean energy economy.

Now in its fifth year of continuous improvements and deepening methodology, the North Carolina Clean Energy Industries Census looks at businesses directly involved in the clean energy sector, with the intent of documenting on-going employment trends and industry dynamics across key business activities and focuses. (Note: The clean energy sectors included in the Census are renewable energy, energy efficiency, high performance building, smart grid, and electric vehicles.) The Census, which is conducted by the NC Sustainable Energy Association (NCSEA), and the resulting annual publication have become a model for states looking to evaluate their own clean energy industries. Furthermore, over the years, the Census has evolved with North Carolina's clean energy industry to include new sectors like our state's internationally recognized smart grid industry and the rapidly expanding electric vehicles industry.

The 2012 Census shows that employment in the North Carolina clean energy sector grew for the fifth consecutive year, although at a slower pace than in past years that saw double-digit growth. There are

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BEA QUIRK

An old adage speaks of the wisdom of building on solid rock. But in the real world, you need to get rid of the rocks so you can build your foundation on solid ground.

That was exactly the case facing the Charlotte-based construction manager Rodgers Builders, Inc.; its joint-venture partners, PCL Construction Services, Inc. with U.S. headquarters in Denver; Atlantabased H.J. Russell & Company; and the 45 subcontractors that constructed the UNC Charlotte football stadium in an intense 14month period.

The rock didn't surprise the crews, as Rodgers has been constructing buildings on campus for over thirty years, including the Dale Halton Arena, track and field facilities, dorms and parking decks.

"UNC Charlotte is notorious for underground rock," says Jeff Whitten, senior vice president of Starr Electric, the project's electrical contractor. "There's always a lot of underground site work to be done."

The official groundbreaking ceremony was held on April 28, 2011, but actual work didn't begin until June. The field house and practice fields were handed over to the University in August 2012, about a year before the 49ers gridiron team plays its first game. The team's 85 players (30 on scholarship) held their first practice on August 27. The rest of the complex was completed in Oc-

Funding for the \$45 million facility came from student fees, seat licensing and private donations.

The first construction challenge was blasting away the rock - including big boulders at the 50-yard line of McColl-Richardson Field. Rodgers PCL Russell had to give people on campus a 48-hour notification about the blasting, and then another reminder 30 minutes beforehand.

Careful due diligence was required to make sure the vibrations would not pose problems for the projects and experiments underway at nearby research buildings. Pathways to the area were closed during the entire construction period.

"Even though the geotechnical engineering firm drilled along a consistent grid pattern, we still managed to uncover large masses of rock," says John Neilson, UNC Charlotte's associate director for capital construction who acted as owner's rep for the project. "On a 24 acre site, it's just not feasible to test drill every square foot."

By the end of the project, 160,000 cubic yards of dirt were moved.

Actually, the challenges began even before the actual construction - it was not a small or simple project.

It's not just a playing field. The complex encompasses a 24-acres site with a 15,306seat under-grade level horseshoe-style stadium and 12 buildings, the largest the 46,000-square-foot Judy W. Rose Football Center (a field house named after the school's long-time athletic director). There's also two practice fields, a press box, TV and radio booth, coaches' offices, meeting rooms and a multi-use area that can be used for academic purposes, post-game interviews and as a hospitality deck. The field itself has been named in honor of Hugh McColl, the former head of Bank of America, and Jerry Richardson, owner of the Carolina Panthers.

The concrete contractor, Wayne Brothers, Inc. of Kannapolis, poured 10,000 cubic yards of concrete for the project. Hellas Sports Construction from Austin, TX installed Matrix Artificial turf for the stadium's 97,712-square-foot surface.

Because the football players had to being practicing in August, there was no wiggle room for the completion date. "We had a very tight window in which to complete the work and the finish date could not move," Neilson says. "We couldn't miss a beat. To make up any lost time, the contractor worked longer hours-and worked smarter."

For example, says Isaiah Wayne, project



Football Stadium

Continued from page 3

executive with Wayne Brothers, there were a lot of wet conditions during the winter of 2012, and the site had groundwater that required extensive dewatering. "So we worked overtime later on."

Wayne Brothers also saved time by using ganged forms for the seating bowl part of the stadium. Using a crane, they were able to pour 10 rows at a time. "It helped speed things up," Wayne observes. The company had about 50 workers on site.

The need for that agility came right at the start with the redrawing of the site plan.

"We had several buildings to fit into a tight site," says Dan Van Dyke, senior associate and project manager for Jenkins-Peer Architects, the project's architects who worked in conjunction with Seattlebased DLR Group. "Our first challenge was where to put the field. The master plan called for the stadium to be in the woods with the fields in the front. But the stadium is the front door of the project, not the fields. So we thought it would be cooler to bring the stadium up in front. It is surrounded by academic buildings and feels bigger than it is."

The stadium and the surrounding athletic buildings all feature the same "Morrocroft Special" brick used on the adjacent Charlotte Research Institute campus.

In addition, there was the issue of wetlands mitigation. By placing the practice fields in the back near the wetlands, no mit-



igation was required, saving UNC Charlotte both time and money. A 70-foot-long bridge connecting the practice fields spans the wetlands.

"It was easier to rearrange the site than build on the wetlands," Neilson says. ""It's a long and uncertain process, and if there were appeals, it would have taken too much

Staying on budget was another ongoing challenge that was successfully met. But it meant delaying plans to build field lights, which are necessary for night games and dark days. With an eye to the future, the infrastructure is in place for them when the school has sufficient funds. The stadium has also been designed and built so it can be expanded to 40,000 seats.

Not only did we have a tight construction window, we also had a tight budget," Neilson comments. "We wanted to add field lighting - which was a little over \$1 million - but we just couldn't afford it."

Head Coach Brad Lambert made a few changes in the layout of the field house. "He put his stamp on the weight room," Van Dyke says, "and we worked together to lay it out."

As a construction-management-at-risk project, the architectural team was involved with construction on a daily basis. All the major players met every Thursday at 11 am. Rodgers and Jenkins-Peer and many of the subs had worked together before on and off campus, which made for smooth working relationships.

"We all worked well together and got along - we still do," Neilson observes. "It was a good experience, and we were fortunate in that regard."

Whitten agrees. "Rodgers is our largest customer, and the relationship goes back 40 years. It's not a typical contractual relationship - it's like working with friends. It's an open and honest relationship, and we appreciate that. When there are challenges, you all lay your cards on the table, arrive at a solution and move on."

The complex also used subs from all over the country. Comments Rodgers COO Eric Reichard, "Some had not been on campus before or were new to the North Carolina system. There was an educational process to assimilate them."

Many of the local contractors were not only Charlotteans, but UNC Charlotte alumni. So the project was special for them, and they were happy to provide tours for the board of trustees, donors, candidates for coaching slots and recruits.

"It was a once-in-a lifetime opportunity to build something for our alma mater," says Reichard. This will be a big part of the community for a long time.



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For more, visit Matt 's blog, "N.C. Construction Law, Policy & News," at www.nc-construction-law.com



Measurement Mixed-Use Building Gets an A-plus

Photos courtesy of Clear Sky

GABRIELLA JACOBS
The North Carolina Construction Now

The new five-story building for Measurement Inc.'s headquarters in downtown Durham is: (a) a fresh take on local historical structures; (b) on a sloping, urban site that had old underground infrastructure and inconveniently placed overhead power lines; (c) filling up with tenants and heralding growth in the neighborhood; or (d) all of the above. If you picked (d) to describe the educational testing company's \$12 million, 74,000-square-foot facility you are correct.

Dr. Henry Scherich founded the Durham-based company in 1980. It has about 400 fulltime employees and a dozen offices in nine states. When management needed to centralize its local personnel in a

new, efficient place, they wanted to acknowledge the hometown's traditional look while presenting a forward-thinking image and encouraging economic development.

Tim Hoke of Hoke/New Vision Architects says the building was designed "to continue the fabric of the old streets of Durham" even though it's the only new commercial structure in this area of the city. The building site is on Morris Street, near the Durham Athletic Park and Durham Farmer's Market. Groundbreaking was in July, 2011. The ribbon-cutting event was held in August, 2012.

Hoke says the building is meant to look like three different ones – as evidenced by changes in the street-level bricks and windows — because the ground level space will be used for retailers while the upper levels are for Measurement's personnel and other

tenants

There are 14 different sizes, shapes and colors of brick integrated with 3,100 linear feet of architectural cast stone placed throughout the veneer, including sills, bands, water tables, and other various accents, says Gary Joyner of Joyner Masonry Works Inc, Greenville. Although weather and site conditions were challenging, the problems were resolved because "communication with the design team, owner, and general contractor was as good as it gets from a subcontractor point of view."

Hoke also describes this project as "quite challenging" because of the street's slope, and the fact the building has multiple entrances to accommodate multiple tenants. Project Manager Jeff Emerson of Choate Construction, the general contractor, agrees. He said the overall project was successful,

although "working around the existing environment" required extra attention.

Bill Pruden, president of Steel Technology in Rocky Mount, says it was tricky to unload, stage and swing into place the structural steel. Pruden's company is certified by the American Institute of Steel Construction, as is its partner, Goldsboro-based Harris Steel Erectors. Everything was carefully sequenced and coordinated" for efficiency and safety, Pruden said.

Pat Bolton, the vice president of Steel Technology who was his company's project manager for the Measurement building, says 484 tons of structural steel were used for the 95,000-square-foot project. "We had to wait until the concrete retaining walls were done. Everything went pretty rapidly

Measurement Building

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after that," he says. "Because it was a small site and very congested, we brought the steel in one floor at a time, and then split it up to do one end of a floor at a time."

Emerson says during construction, a city water line had to be replaced and the overhead power lines had to be moved. Choate worked closely with a Duke Energy team to "fit the power line with the structure". It helped to have the power company's personnel nearby to provide "an extra set of eyes," too, he said.

(Note: Duke Energy has numerous relevant resources accessible on the "public safety" link of their home page – www.duke-energy.com. Duke also provides extensive materials for architects, engineers and contractors online. "The company is committed to helping developers and contractors work in a smart and safe way," says spokesman Jason Walls.)

Alan Williams of Durham's Comfort Engineers, says from his perspective as the HVAC contractor, the building is "very functional and very flexible" so it can accommodate current and future tenants' needs. He says the energy recovery units – which exhaust air to the rooftop units using a heat wheel system – are going to be especially energy efficient

The Raleigh branch of Baker Roofing Company, a NC-based full service building envelope contractor, installed the energy-efficient thermoplastic polyolefin roofing membranes on the Measurement building.

Senior project manager Victor Mendoza says the reflective TPO membranes reduce energy use and cooling costs for building projects, particularly ones in warm, southern climates.

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The most challenging aspects of the project for Baker were "weather and location," Mendoza says. Freezing temperatures in January required the firm to adjust its work schedules until the ice melted. "Safety and health concern for our people is the first priority," adds Pete Rigney, Baker division vice president.

Baker Roofing Company personnel cooperated with the general contractor and other subcontractors on making material deliveries to the tight downtown building site. Traffic congestion was avoided through weekly scheduled meetings with the general contractor. "Choate did a great job at eliminating roadblocks," Rigney says. "The Measurement building was a quality project. Choate gets an A+ in communicating with the trades."

Mike Newman, president of Allied Fire Protection, Raleigh, echoes the other contractors' sentiments. "Logistics of the project had its own issues in where the site is located. Because the building is located in downtown Durham, close coordination had to be scheduled for all materials deliveries as well as parking. We were careful to coordinate our deliveries due to the traffic issues as well as







noise ordinances. These constraints were well coordinated by communication and scheduling through Choate."

"This was a good project. Choate did a lot of planning and picked a good team to minimize the challenges," says Robert Blitchington, founder /president of Triangle Electrical Services, Chapel Hill. Blitchington, points out the economic conditions of the time contributed to some necessary changes. Nevertheless, the key parties "were open to ideas" and incorporated state-of-the-art energy efficient features that met aesthetic and budget goals. He praises Duke, also. "They work well with contractors.

Of particular concern was maintaining access to the adjacent Durham Farmer's Market. Drew Medlyn, planning and development manager of Measurement Durham LLC, the testing company's real estate development spinoff, acknowledges the street closing and construction-related disruptions may have caused neighborhood concerns. To compensate for this, the company "ripped up and re-leveled" some of its land near the market, and added benches and landscaping to ensure shoppers felt comfortable with the new Measurement building.

Brian Swartz, senior operations manager of Davis Landscape, Ltd., Raleigh, said they transplanted rose bushes and other shrubbery in the adjacent park so they wouldn't be destroyed. The company installed plants, turf, brick paving for the project. "Because the job was scheduled for completion in the summer, plants had to be pre-dug in the spring and secured so they could thrive in hot weather." Swartz says, "Working side by side with the other trades to meet critical deadlines, Choate's weekly production meetings were a big part of why the job ran so efficiently for us."

"Measurement is pioneering redevelopment in the northwest corner of the city" says Dave Knudson vice president of Choate. Adds Medlyn, "There is nothing on this scale there...it's a bit of a trailblazer."

Medlyn, who is working on a larger, long-term mixeduse project there to be known as Morris Ridge is confident. Measurement's transition to the new Class A space has been "really smooth" and the company is happy to be based in something that looks like Durham of old but "feels like an urban building."

"It was pleasing to know that this new facility would be among all the historical properties in downtown Durham such as the original Durham Bulls Stadium only a block away, not to mention the Liggett and Meyers Tobacco historic properties," Newman says. "This project lends a hand to the continuing efforts of the City of Durham for revitalization of the downtown area."

Williams says the Measurement building "fits in very nicely" with others that have been rehabilitated and renovated locally. "Hopefully, it will spur additional development of Durham's downtown."

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RANDALL GRAHAM - The North Carolina Construction News

With the insurgence of more smartphones and tablets in today's marketplace, there is a new type of web design being introduced called responsive web design. Responsive web design refers to the development of sites in such a way as to alter the site's layout to be more easily read and navigated across multiple platforms and resolutions with very little resizing, panning, and scrolling necessary. To put it simply, your site will change its design and navigation to fit the screen size of the device being used whether that is a laptop, tablet, or smartphone.

With your website being the face of your business to the online world as well as the hub for which all marketing campaign center around, it's important to make sure your online image portrays the right message. A responsive website will answer that question for you.

What happens when a responsive web design is viewed on in iPhone or tablet?

- The layout of the site will change based on the screen size (widescreen monitors, iPods, etc.)
- Images will automatically re-size dependent upon the screen size

- Sliding headers will automatically reformat to be easily viewed on the screen
- Buttons will become larger on smaller screens with a responsive web design
- The information which is least important will be moved down the page on smaller screens and more important content will be pulled to the top

The best thing about a responsive website is they tend to be more scalable to future technology. As screen resolutions of desktop and laptops continue to get bigger, and hand held devices continue to get smaller, this type of site design should be able to adapt much better than your current site.

We still receive phone calls from companies wanting a mobile site to complement their existing website. What we suggest is that instead of building 3 sites, one for tablets, one for mobile, and one for desktops/laptops, go with a responsive web design instead. Having a responsive web design will not only save you time in development but also reduce the overall cost significantly.

Randall Graham is co-founder of Qudeso, a North Carolina-based full service marketing firm. For more information call 919-602-0190 or email rgraham@qudeso.com

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North Carolina's clean

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over 1,100 clean energy firms employing more than 15,200 (full-time equivalent) employees across 86 North Carolina counties. Additional highlights include:

North Carolina's clean energy industries reported growth for the fifth consecutive year – an estimated 3% growth in the past year.

In comparison to the projected economic forecast for North Carolina's economy, UNC-Charlotte economist John Connaughton expects an inflation-adjusted growth rate of 1.5 percent in the fourth quarter of 2012 and throughout 2013. This matches the growth rate for 2011, but lower than the 3.2 percent growth recorded in 2010.

North Carolina's clean energy industry conservatively generates over \$3.7 billion in revenue directly from clean energy activities.

Over 200 North Carolina clean energy companies are already serving the national and international markets.

Research and development as well as manufacturing positions within the clean energy industry also continue to be substantial – totaling 7,700 full-time equivalent jobs in this year's Census.

"Despite our state's on-going high unemployment rate and tough economic times, North Carolina's clean energy industry continues to grow and add new jobs and investments in every region," said Ivan Urlaub, NCSEA's Executive Director. "North Carolina is distinctly positioned as a clean energy leader in the Southeast, but maintaining this leadership role – and becoming a national and global leader – will require additional policy and market advancements; otherwise, we'll be left behind as other US states step up and compete for the lead."

Energy Efficiency Sector Leads Clean Energy Industry

Jobs with a focus on energy efficiency, frequently described as the "least-cost" energy resource by groups like the American Council for an Energy Efficiency Economy, make up a majority of North Carolina's clean energy sector employment at over 7,200 full-time equivalent positions statewide. In addition to successful utility energy efficiency program like Duke Energy's Save-A-Watt initiative, North Carolina energy efficient homebuilders are successfully building the next generation of energy efficient homes using local labor and businesses.

"North Carolina is, as far as the rest of the country goes, a leader or progressive state from the standpoint of producing green and Energy Star homes," said one responding homebuilder in this year's Census. "There's a lot of acknowledgement of that in the national professional association for home builders." Complementing the strong energy efficiency sector (i.e. business focus) are the solar, smart grid and biomass sectors, which contribute over 1,000 full-time equivalent jobs each, with addi-

tional major employment from the wind, geothermal, and energy storage sectors.

Finally, like most American businesses, many clean energy companies, especially the smaller ones that make up the bulk of the industry, face difficulty accessing finance. For some businesses, in particular clean energy system installers, legal barriers inhibit traditional market mechanisms such as bilateral contracts for the direct sale

of electricity to a consumer. Recent legislative attempts to develop limited free market competition for electricity have been unsuccessful in North Carolina. In the absence of a true free market, companies verify that policy mechanisms will remain essential to ensure there is competition in the regulated energy market and to continue to grow the clean energy industries in North Carolina.

Partnerships: Is There Life After Death?

GUEST EDITORIAL BY GARY R. CLEMENTSON

- The North Carolina Construction News

Have you thought about what will happen to your business when your partner dies? If no other arrangements have been made, the partnership will no longer exist as a legal business organization except for the purpose of winding up its affairs.

When a partner dies, the survivors have only two alternatives: they must either liquidate or reorganize.

Liquidation usually is not a good solution. The business generally will have to be sold quickly and for only a fraction of the value it had as a "going concern." In most cases, good will is lost entirely. Physical assets may bring little more than one-fourth of their true value.

Reorganization scenarios

Reorganization generally is a better answer. The reorganization of a partnership usually follows

one of four scenarios:

- 1. Your partner's heir(s) become new partners. This plan may or may not work. One or more of the heirs might be a minor, and few of the heirs, if any, will have been regular employees of your business. They may not have the knowledge and experience needed to be a partner.
- Your partner's heir(s) sell their interest to someone else. This means you may not have a say in who your new partner will be.
- 3. Your partner's heir(s) buy your interest in the business. In most cases, the heirs simply can't afford to buy the business. Even if they can afford to buy, they may not be willing to pay a price adequately reflecting the value of the business.
- 4. Your partner's heir(s) sell their interest to you. This would be an ideal solution if the surviving partners can raise a sufficient amount of cash and if they can agree on the terms of the purchase with the heirs.

The best solution is to plan ahead for the sale of your business upon the death of a partner. This can be accomplished with a "buy-sell" agreement.

A properly structured buy-sell agreement can establish the business value and ensure the continuation of the business by the surviving owners. In addition, the agreement generally establishes a pre-determined price for the business, as well as

provides the money to actually buy the business from the heirs.

Validate your business

Many business owners have a difficult time determining a realistic fair market value for their business. Partners can use a number of valuation methods to estimate the value of their interest in the business. No one method will work in every case but one, or a combination of several, should serve the needs of most business owners.

No matter which method you use to value the partnership, there is one important factor you should keep in mind: The buy-sell agreement should make provisions for future valuations of the business – either through periodic updating or use of a formula. That is because a fair market value that is "just right" today may be too low next year and entirely inadequate in five years

When partners devote the bulk of their time, effort and ability to the operation of a business, its fair market value usually continues to increase. This constant appreciation should be taken into consideration when valuing the business.

Plan for the future

Planning today for the future of your business helps protects you, your partner and your families.

You know exactly what will happen if a partner dies...the purchase price, the funding arrangement, etc. It allows you to continue in business and provides the partner's heir(s) with immediate cash. There may be life after death for partnerships – when partners plan ahead.

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