



CHARLOTTE COUNTY
Economic Development

WEEKEND WAVE



Friday Economic Roundup

AREA NEWS

Investor gets Punta Gorda shopping center for a fraction of its boomtime price

By Michael Braga , Herald-Tribune

Diamond T LLC, a Punta Gorda company managed by Rick Treworgy, bought Seminole Lakes shopping plaza out of foreclosure from USBank for \$2.887 million.

Diamond T financed the purchase with a \$2.062 million loan from Synovus Bank.

The 65,141-square-foot shopping plaza at 10175 Tamiami Trail in Punta Gorda previously belonged to Semlak LLC, a Rochelle Park, N.J. company, which paid just over \$9 million in April 2005.

In June, one of Treworgy's companies sold 2.5 acres of vacant industrial land at 28370 Challenger Blvd. to Wings to Rails LLC for \$330,000.

Treworgy paid \$130,000 for the land in November 2013.

Publix buys Englewood shopping center

By KENNETH P. ANDRESEN SUN CORRESPONDENT

Last week, Lakeland, Fla.-based Publix Super Markets, Inc. purchased the Merchants Crossing shopping center on the corner of Placida Road and McCall Road in Englewood.

Charlotte County Clerk of Court's office documents show the 225,000 square-foot center, anchored by a Publix and a Bealls department store, was sold for \$17.9 million. An Office Depot, a restaurant and a number of other tenants are also in the plaza.

Brian West, media and community relations manager for Publix, said that the company generally has a clause in its stores' leases that provides Publix the option to purchase a shopping center when the owner wishes to sell.

"That happens quite frequently," he said, "However, Publix is not in the real estate business. The company looks at each situation and conducts an evaluation as to whether a purchase makes sense for our grocery business."

In this case the company decided that it did.

"All existing leases will now be up for review," West said. "We look for solid tenants who appeal to the local market. That way we can help drive business to the shopping center and, of course, to our stores." Merchants Crossing has a significant amount of unoccupied space. Although Publix will seek new tenants to fill those spots, West said it is far too early to speculate about who those tenants might be.

Inland America Englewood Merchants, LLC, based in Oak Brook, Ill., purchased the property for \$14 million in 2002.

Construction jobs up in region

Staff Report Herald-Tribune

Southwest Florida registered a sizable gain in construction workers, according to an analysis of U.S. Census data by a national trade group.

The North Port-Bradenton-Sarasota metropolitan area had 18,200 workers engaged in construction during June, up 9 percent from 16,700 a year ago, the Associated General Contractors of America trade group reported.

The June count also was up about 700 jobs from May.

Charlotte County had 2,900 construction workers, the same figure as during May, but up from 2,700 in June 2013, the group said.

The home construction market has been steadily improving in Southwest Florida since that time, with a new wave of baby boomers feeling the confidence to again make purchases in the state. With thin supplies of existing homes for sale, builders have been racing to provide enough product to satisfy these buyers.

Statewide, there were 408,600 construction jobs last month, up 44,500, or 12 percent.

Other Florida markets with big gains included Naples-Marco Island (1,600 jobs, 16 percent), Crestview-Fort Walton Beach-Destin (600 jobs, 16 percent), Fort Lauderdale-Pompano Beach-Deefield Beach (4,200 jobs, 13 percent) and West Palm Beach-Boca Raton-Boynton Beach (2,700 jobs, 10 percent).

In all, construction employment expanded in 215 metro areas across the nation, declined in 80 and was stagnant in 44.

"Contractors have been expanding their work force in about two-thirds of the country for several months in a row," said Ken Simonson, the association's chief economist. "Some metro areas are adding workers at a strong clip, but the gains remain modest and sporadic in many localities."

The largest gains were in Dallas (11,700 jobs, 10 percent), Los Angeles (10,000 jobs, 9 percent), Chicago (8,200 jobs, 7 percent) and Baton Rouge, Louisiana (5,900 jobs, 13 percent).

The largest percentage gains were in Monroe, Michigan (29 percent, 600 jobs), Lake Charles, Louisiana (25 percent, 2,700 jobs), Pascagoula, Mississippi (25 percent, 1,500 jobs) and El Centro, California (23 percent, 500 jobs).

The largest job losses were in Bethesda-Rockville-Frederick, Maryland (-4,200 jobs, -13 percent), Phoenix-Mesa-Glendale, Arizona (-2,900 jobs, -3 percent), Gary, Indiana (-2,300 jobs, -12 percent) and Putnam-Rockland-Westchester, New York (-1,800 jobs, -6 percent).

PGT buys rival window maker for \$111 million

By John Hielscher, Herald-Tribune

VENICE - Swinging one of the largest business deals by a Southwest Florida company since the Great Recession, impact-resistant window and door maker PGT Inc. is buying an industry rival for \$111 million.

The Venice-based manufacturer said it has reached a definitive agreement to acquire CGI Windows & Doors Holdings Inc., a Miami company that also makes storm-resistant products.

CGI, with more than 200 employees and roughly \$45 million in annual sales, will remain a separate

brand and operate as a subsidiary of PGT.

The deal - PGT's first major acquisition in its 34-year history - is expected to close on Sept. 22 and comes as the company is reporting its highest quarterly sales since 2006.

Shares of publicly traded PGT jumped 27 percent Tuesday on the Nasdaq, closing at \$9.41, up \$2.02.

"The acquisition of CGI Windows & Doors is consistent with our stated growth plan to acquire revenue generating products that leverage our core capabilities," said Rod Hershberger, PGT's chairman and CEO. "This is an ideal acquisition for PGT, and it will provide important synergies while enhancing our leadership position within the industry."

In buying CGI, PGT is clearly betting on a sustained recovery of the Florida housing market. The deal also stands in sharp contrast to the not-too-distant days when the prolonged economic downturn forced it to shut down plants, lay off employees and retreat from a much-heralded expansion into North Carolina.

From 2006 to 2010, new housing starts plunged 90 percent in Florida, a slowdown Hershberger has likened to a car cruising at 60 miles per hour that suddenly has to brake to just 6 miles per hour.

PGT has since rebounded thanks to the surge in new home construction.

Its sales hit \$81.6 million in the second quarter of this year, its highest total since 2006. Florida accounts for 88 percent of its sales.

With the uptick, the 1,700-employee company is investing \$14 million into a new 96,000-square-foot plant that will be equipped for glass cutting, tempering and laminating. It is expected to open in the fourth quarter.

Steve Queior, president of Greater Sarasota Chamber of Commerce, called the CGI purchase a "milestone" both for the company and for the region's business reputation.

"It's very positive, both from PGT's perspective that they continue to grow, but also about putting us on the map as a business location," Queior said.

The purchase also is intended to be a defensive move to help PGT compete against bigger, national suppliers of storm protection systems, said company president Jeff Jackson.

"Acquisitions of this nature are limited," he said. "You just don't see these come around very often."

CGI, founded in 1992, was put up for sale by its owner, Cortec Group Fund IV, a private equity fund in New York. PGT officials said the company generates \$40 million to \$45 million in yearly sales.

PGT said the deal also will broaden its product portfolio to include impact-resistant entry doors.

Deutsche Bank and Keybank NA have provided PGT with \$235 million in long-term capital that, along with cash on hand, will finance the CGI purchase, repay other debt and cover general corporate expenses.

PGT also on Tuesday announced second quarter profits of \$7.8 million, or 16 cents per share.

That compared with \$9.9 million, or 19 cents per share, one year earlier before adjusting for 2013 offering expenses, debt refinancing and a tax item.

Net income after those adjustments was \$7.7 million, or 14 cents per share.

In the most recent three-month period, sales increased 30 percent over last year, the seventh-straight quarter with at least a 25 percent year-over-year gain, Jackson said.

That sales increase was driven primarily by new construction, and by PGT's WinGuard products in the repair and remodel markets, he said.

The company acknowledges, however, that third quarter sales are not expected to maintain that streak. July sales, for instance, rose 17 percent.

For the first six months of 2014, PGT reported profits of \$11.1 million, or 22 cents per share, on sales of \$144.3 million.

That compared with unadjusted net income of \$15.1 million, or 28 cents per share, on sales of \$112.4 million during the same time last year.

FLORIDA ECONOMIC NEWS

- Florida's consumer confidence hits new post-recession high ([Gainesville Sun](#))
- Florida ranks No. 2 in tech job creation ([Tampa Bay Business Journal](#))
- More Florida visitors pay off with jobs ([Florida Tax Watch](#))
- Florida adds 8,740 private sector jobs in July ([Miami Herald](#))
- Red Lobster announces location of new headquarters ([Orlando Sentinel](#))
- Small firm exports to Africa, James Bond-style ([USA](#))
- Alta Resources hiring 700 in Fort Myers ([Florida Trend](#))
- State economists say Florida on pace for \$1 billion surplus ([Miami Herald](#))



US ECONOMIC NEWS

- Companies increasingly fish for growth overseas ([AP](#))
- Businesses add 218,000 jobs in July ([USA Today](#))
- A more vigorous US economy appears to be emerging ([AP](#))
- Jobless aid applications fell to 289,000 ([AP](#))



ENTREPRENEUR NEWS

- Retirement plan options for the small business and self-employed ([Gainesville Business Report](#))
- The value of an old-fashioned mentor ([New York Times](#))

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