



TRIAD
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PROPERTIES

R E L A T E D N E W S A R T I C L E

YET ANOTHER FIRM EYES UNION CROSS

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WINSTON-SALEM -- Driven by companywide growth, including a recent acquisition, The Encore Group is close to a deal to build a 250,000-square-foot facility in Union Cross Business Park in southeastern Winston-Salem.

Redge Hanes, chairman of The Encore Group, which has dual headquarters in Winston-Salem and San Diego, said his company was in discussions with Duke Realty, a commercial development company that has a large office in Raleigh, to build the facility.

Although Hanes did not have an estimate, using average construction-cost figures for the Triad, the facility could run about \$7.75 million to build, not including land-acquisition costs.

The Encore Group, which makes gifts for companies as diverse as Harley Davidson and NBC and high-profile events including the Super Bowl, now has about 150 employees in Winston-Salem, along with facilities in Providence, R.I., Oklahoma, San Diego and Asia. The company is in a growth phase, Hanes said, and wants a facility that will accommodate future employment increases. Hanes isn't sure how many workers he might hire over the next year.

Sources who asked not to be identified said Indianapolis-based Duke Realty also is looking into building an additional, speculative warehouse facility at Union Cross that would be separate from The Encore Group deal. Officials at Duke Realty did not return phone calls seeking comment.

Bob Leak, president of Winston-Salem Business Inc., said he has been in discussions with Duke Realty related to the development of a building for The Encore Group. Leak said he had shown Duke both larger sites in the business park, where it could build The Encore Group's facility along with a speculative warehouse, as well as smaller sites of 12 acres to 15 acres that would be used only for The Encore Group.

Leak said Duke and Encore are working with Triad Commercial Properties and have the option of looking at other sites in Forsyth County as well as Davie County. But he said the search seemed to be centered on Union Cross, which has about 170 acres available for sale.

Bobby Finch, a broker at Triad Commercial, confirmed that his company was representing The Encore Group, but declined to comment further.

Leak said he thought the deal would happen "sooner, rather than later," though there was no definitive timeline.

Big-name clients

The Encore Group was formed about 10 years ago by the merger of Winston-Salem-based XPress Corp., which Hanes led, and Living Stone, of California. The combined company now screen-prints items like coffee mugs, and has divisions that make animal collectibles and home decor items.

The company's clients include large firms like Harley Davidson. Encore Group is also one of 40 nationwide licensees to make products for the upcoming Star Wars movie, and has made items for the Super Bowl and the NCAA men's basketball tournament.

One recent success story was the work that Encore Group did for television station NBC and its hit show, "The Apprentice."

Hanes said he was contacted to screen-print mugs for the show when it premiered, using Donald Trump's catch phrase, "You're fired." His company made 500, which NBC sold in 20 minutes. Another order soon was placed for an additional 1,000 mugs, which were off the shelves within an hour.

Growth at The Encore Group is also the result of the firm's recent purchase of United Design Corp., based in Noble, Okla. United Design makes stone figures for gardens and home decoration. Hanes said several key employees from the company have already been moved to Winston-Salem.

The news marks the second big announcement of the week for Union Cross. Johnson Development Associates, a Spartanburg, S.C.-based firm, said Feb. 22 that it would build two speculative warehouses totaling 415,000 square feet at the park.

One source said Johnson Development's announcement could derail Duke Realty's plans for a speculative warehouse.

"Union Cross has gotten a lot of attention in the last 30 to 45 days," Leak said, citing the proximity to Dell's future manufacturing facility as one of the reasons. "We're really excited."

Winston-Salem Business, which owns Union Cross, had been trying to sell the remainder of the park to a single developer rather than putting individual deals together for pieces of the park. But Leak said that with the increased attention the park has received, he's changed his mind.

"It's a more valuable asset for us," he said. "It makes sense for us now to work with specific projects on individual sites."

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