

## Retail Openings

September 24, 2010

In downtown Raleigh, **Sushi O** will open next week in the 222 building on Glenwood South in the spot that was a short-lived Dunkin' Donuts. It is owned by John Tang, proprietor of Mt. Fuji in Durham. In addition to sushi, the restaurant will serve Thai, Chinese, Vietnamese and Japanese food.

Restaurateur Sam Yehia is adding a location for his **Shish Kabob** restaurant chain. The new Shish Kabob will be in Pinecrest Pointe at 9101 Leesville Road and will open in October. There is also a Shish Kabob restaurant in downtown Raleigh's CityPlaza.

In Durham, **The Down Under Gallery** will open Saturday, selling furniture, antiques, collectibles and local art at 2617 Durham-Chapel Hill Blvd

In Raleigh's North Hills, frozen yogurt company **Yogen Fruz** will open its first area store on Saturday near the old Harris Teeter.

In November, **Noodles & Co.** will open its third area site in Brier Creek.

## Retail News

September 23, 2010

A new study from the National Retail Federation predicts that **Halloween spending** will jump to \$5.8 billion, with the typical adult spending \$66.28 - up \$10 from last year. Four of 10 adults - **the most in the survey's history** -- plan to dress in costume, up from 33% last year. And 11.5% of those in the survey will get their pets into the spirit of the holiday. In all, the survey predicts that 148 million - or 64% of us - will celebrate somehow, with 72% planning to pass out candy to trick-or-treaters, 50% decorating their home or yard, and 46% carving a pumpkin. They'll spend the most on costumes (\$23.37), followed by candy (\$20.29), decorations (\$18.66) and greeting cards (\$3.95).

**Blockbuster**, the world's biggest movie-rental chain, filed for bankruptcy protection this morning. The long-anticipated move was prearranged with bondholders and will allow the Dallas-based company to reorganize and reduce its massive debt. Blockbuster, which has 20 locations in the Triangle, said its 3,000 stores in the U.S., DVD vending kiosks, by-mail and digital businesses will all continue to operate normally. In this region, Blockbuster Express is installing its kiosks in retailers such as Kerr Drug, Sheetz and Rite Aid.

September 24, 2010

The Triangle's K&S Cafeteria is no more. But that doesn't mean that the restaurant in Cary's South Hills Mall has closed. K&S sold the restaurant this week to longtime employees Sylvester and Diane Smith. The couple, who have worked together at K&S since 1998, plan to rename the restaurant D&S Cafeteria. The Smiths say that nothing besides the name - which they created from their first initials - will change.

In Chapel Hill, **The Children's Store** is planning to move after 33 years in University Mall. Becky Filene Broun, who owns the kids' clothing and toy store with her mother, said their lease was up. The store will remain at University Mall through the holidays, and in January, it will move to 243 S. Elliot Road in the spot that was formerly the Branches bookstore in Village Plaza.

In North Raleigh, **Stevens Gallery & Framing** moved from Old Wake Forest Road to 6921 Capital Blvd., next to Gresham Lake Antiques. The store offers custom framing, original artwork, prints and used books.

## Accolades

#1 Housing Market for Investors (Raleigh, NC) - Forbes, September 2010

## Jobs/Economy/House Sales

September 18, 2010

**N.C. State University** has its own stimulus plan for the lackluster state economy: a new initiative to double the number of private companies it spins off every year, and to boost by 50 percent annually the amount of grants and contracts its faculty and staff win to fund research. NCSU will open an "**innovation hub**," where companies can come to gain access to expertise and technology that university researchers are developing, and where faculty and staff can get support to market their technologies or create new companies based on their work, Chancellor Randy Woodson told the Board of Trustees on Friday. Also, Woodson said that he planned to create a \$2.5 million fund for grants to university researchers to use after they have made discoveries with practical applications. These grants would help to pay for things such as prototypes and market research to bridge the gap between lab and marketplace. According to a university tally, NCSU owns and manages about 700 U.S. patents, and about 70 companies have been started on the basis of discoveries by faculty, staff and students. Now, the university aims to double by 2012 the pace of creating new companies, from the typical four or five a year, said Terri Lomax, vice chancellor of research and innovation.

**Georgia-Pacific Wood Products** has notified state regulators that it laid off an additional 118 employees at its Roxboro plant. Georgia-Pacific said the affected employees could eventually be brought back, though it gave no time frame. "Although the reduction is temporary, it is unclear when market conditions will improve," the company said in its letter to the state.

September 20, 2010

**Cree**, the Durham LED maker whose rapid growth has made it a darling of politicians, is expanding for the second time in a year. Cree executives said Monday that the company plans a \$135 million expansion that would create an estimated 244 local jobs over the next two years. Cree has added more than 600 workers in Durham since early 2009 and has done so by ramping up manufacturing of a high-tech product that is energy efficient. Cree has also received \$39 million in federal tax credits under a stimulus program for green energy manufacturers, making it the only North Carolina company out of 183 nationwide to receive some of the \$2.3 billion allotted. Making Cree's story even more attractive is the

fact that the company's technology was developed by researchers at N.C. State University. The 244 jobs announced Monday will pay average annual salaries of \$42,726.

Cree's shares, which are up 39 percent in the past year, fell 60 cents Monday to \$50.60.

The **recession** ended in June 2009, a group that dates the beginning and end of recessions declared Monday. The National Bureau of Economic Research, a panel of academic economists based in Cambridge, Mass., said the recession lasted 18 months. It started in December 2007 and ended in June 2009. The decision makes official what many economists have believed for some time, that the recession ended in the summer of 2009. The economy started growing again in the July-to-September quarter of 2009, after a record four straight quarters of declines. Thus, the April-to-June quarter of 2009, marked the last quarter when the economy was shrinking. At that time, it contracted just 0.7 percent, after suffering through much deeper declines. That factored into the NBER's decision to pinpoint the end of the recession in June.

### **Business News**

September 23, 2010

**Red Hat** reported another solid quarter, as the Raleigh software company continues to win new customers and increase sales worldwide. Demand for Red Hat's Linux products is surging as corporations and government agencies seek cheaper and more flexible software to run computers and networks. Revenue rose to \$219.8 million, up 20 percent from a year earlier. Some of the increase is coming from customers that are using Red Hat's software to run so-called cloud computing systems on virtual networks. Company officials also raised their revenue expectations for the full year, to \$877 million to \$885 million, up from \$835 million to \$850 million.

Red Hat is sitting on \$1.05 billion in cash, and the company continues to invest "very heavily for the future," CEO Jim Whitehurst said. That includes adding more engineers and salespeople. Red Hat has hired about 100 people every quarter for the past six years. It now employs 3,400 worldwide, including more than 600 in Raleigh.

The Cary-based technology company, *SciQuest*, held an initial public offering of stock late Thursday, raising \$57 million before expenses. The shares, which sold for \$9.50 each, are set to begin trading this morning on the Nasdaq under the symbol "SQL." The deal is the first IPO for a Triangle tech firm in years. Its success could draw more attention to this region and to other private technology firms interested in selling their stories to Wall Street.

SciQuest sold 6 million shares at \$9.50 each. The company sells software that allows universities, pharmaceutical companies and other customers to buy supplies and services cheaper online. Revenue rose to \$20.7 million during the first six months of this year, up 19 percent from a year earlier. And SciQuest is making money: Net income nearly doubled to \$3.2 million.

### **Commercial Real Estate**

September 23, 2010

One of the Triangle's largest office buildings is back on the market. **One Bank of America Plaza**, the 17-story tower at 421 Fayetteville St. in downtown Raleigh, has been listed by The Simpson Organization, the Atlanta investment group that paid \$47.1 million for the building in July 2005. One Bank of America's 367,000 square feet was about 80 percent leased when Simpson bought the building. It is about 95 percent leased, according to a Grubb & Ellis Thomas Linderman Graham survey of Triangle office space. In addition to Bank of America, tenants include the law firm Hunton & Williams and Absolute Collection Service. The building is in a submarket - downtown Raleigh - that had the lowest vacancy rate of any in the Triangle at the end of the second quarter. Downtown's vacancy rate was 7.7 percent, compared with 18.9 percent for the entire Triangle.

### **Education**

September 22, 2010

One of France's leading business schools moved closer to opening a Triangle campus with the announcement of a real-estate lease Tuesday. The **Skema business school** will lease 18,000 square feet for classrooms and offices at N.C. State University's Centennial Campus in anticipation of the first 250 students starting classes in January. Skema plans to develop a business program in the Triangle to accommodate as many as 600 foreign students. The classes will be taught in English; Skema will use its own faculty and administrative staff. The French institute has campuses in China and Morocco, as well as three sites in France. The lease was signed between Skema and Craig Davis Properties, the Raleigh developer that built the two vacant buildings Skema will occupy. Skema will arrange for off-campus housing for its faculty, staff and students.

September 24, 2010

**N.C. State University has been picked as the home of a federal hub for climate change research** in the Southeast, the U.S. Department of Interior announced Thursday. The Climate Science Center, which will be on Centennial Campus, will be just the second of eight planned across the nation. They're part of a broad effort by the Department of Interior to deal with the effects of climate change on U.S. land, water, ocean, fish, wildlife and cultural resources. NCSU won the center because of the wide range of knowledge and skills it offers, an Interior Department spokeswoman said. "N.C. State University brings major expertise in biology, climate change and applied conservation and management to deal with the threat of rising sea levels and increased stress on freshwater resources in the Southeast," Joan Moody said. "The university has connections to farmers, resource managers, business people and citizens across the Southeast." The center comes with \$1.5 million in initial funding. Also, as many as a dozen federal employees will move to the area to staff the center, most of them scientists with doctorates. They are expected to begin arriving within weeks. NCSU Chancellor Randy Woodson said that being picked for the center was a coup, particularly because it will give the university's scientists access to as much as \$7.5 million a year in research funding that will flow through the center. Six of the university's 10 colleges will be involved with the center, Shea said. NCSU has researchers, for example, who are among the best in the world at the elaborate computer modeling required for climate study. The research funded through the center is expected to create jobs for more researchers and support staff and provide terrific opportunities for NCSU students, including a new climate-change curriculum.