



Moving Toward the Goals

Northwest N.C. has paid attention to what \$280,000 study said on economic growth

By Richard Craver
JOURNAL REPORTER
Sunday, December 19, 2004

A highly touted assessment of Northwest North Carolina's economy has generated little public fanfare since consultant AngelouEconomics released the study in November 2003.

But economic officials said that doesn't mean that the \$280,000 study is on a shelf collecting dust with previous reports on the region.

Instead, the officials said that even in the shadow of Dell Inc.'s proposed plant in the Triad, the study has encouraged promising initiatives in communities that have run with some of the recommendations.

The study focused on Alleghany, Ashe, Davie, Forsyth, Rockingham, Stokes, Surry and Yadkin counties and targeted eight industry clusters that the region should pursue for economic growth - biotechnology, design, food processing, hospitality and tourism, logistics and distribution, customized materials production, value-added services and viticulture.

"The fingerprints of the study are on several projects in the region," said Matthew Dolge, the executive director of the Northwest Piedmont Council of Governments. The council was a co-sponsor of the study along with the Mount Airy Chamber of Commerce.

"That includes Dell because it's right in line with recommendations that emphasize recruiting customized materials production and value-added services," Dolge said. Dell plans to build a \$115 million computer-assembly plant in the Triad that would eventually employ about 1,500 workers.

The study recommendations already have helped secure grant money from the U.S. Economic Development Administration, including \$706,000 dedicated to the Workforce Development Center planned in Surry County. Idealliance, which operates the Piedmont Triad Research Park in downtown Winston-Salem, expects to hear next month on a \$1 million agency grant that targets infrastructure expenses.

"A lot of work has been done behind the scenes, and we are thrilled with how several communities have included the study in their economic-development plans," Dolge said.

The study has had its share of detractors.

Some officials said that a major reason the study has yielded few public announcements is because it was flawed from the beginning.

The study was based on congressional districts, which left out the economic contributions of Davidson and Guilford counties to the Triad and made Winston-Salem the only urban hub in the study.

But Angelos Angelou, the founder of the consulting firm that did the study, said that most of the recommendations are not limited by geographic boundaries.

For example, he said that Guilford plays a vital role in any logistics and distribution initiative because Piedmont Triad International Airport, the proposed FedEx Corp. cargo hub and Interstate 85 are in the county.

"Our studies are designed to help regions recognize their best economic possibilities and redirect their resources for the maximum benefit," Angelou said.

Other officials have expressed disappointment that there has been little follow-through on forming committees to address regional issues and foster more collaboration.

"It's been hard for some communities to implement the recommendations without regional cooperation," said Bob Bamberg, the executive director of the Alleghany County Chamber of Commerce. "Most communities already have full plates for their limited resources."

Angelou said that the region must work hard, and work together, to market the region and secure local, state and federal resources. He said that without those resources, the recommendations wouldn't bear fruit in terms of job creation or capital investment.

"You can't have quality of life without quality jobs," Angelou said.

Many of the study's recommendations serve as endorsements on projects that already were proposed or under way in the region, said Bill Dean, the president of Idealliance. The firm did suggest developing a youth research and technology center at the research park to attract students to a career in technology.

Angelou's top recommendation was to emphasize design as the "region's most distinguishing characteristic." He also touted the research park as being a major economic engine for the region.

Richard Dean, the president and chief executive of Wake Forest University Health Sciences, said that the research park has the potential for 30,000 direct or indirect jobs and a \$3 billion annual economic effect once it matures over the next 20 years.

"We hadn't focused on the economic possibilities of design until the study," said Allen Joines, the mayor of Winston-Salem and the president of Winston-Salem Alliance, an economic-development group.

"In that sense, AngelouEconomics served as a catalyst for our efforts and played a role in our ability to attract state funding for design projects."

The General Assembly dedicated \$14 million this summer to a proposed Center for Design Innovation in the research park, including \$2 million for Winston-Salem State University to buy land.

The N.C. School of the Arts, Forsyth Technical Community College and Winston-Salem State would operate the center and provide specialized training in using computers to design products.

"The study gave us a great roadmap on what were the economic possibilities for design in Winston-Salem," Sen. Linda Garrou, D-Forsyth, said. Garrou's role in lobbying for the design center played a pivotal role in the money being allocated.

"The study also was a wonderful reminder of the value of creativity in our community for small businesses and entrepreneurial efforts," Garrou said.

Joines said that Winston-Salem Alliance has AngelouEconomics on a retainer for project consultation. The company has served as a consultant for Dell in the past, although Angelou said that it did not play a role in Dell's decision to choose a Triad plant site.

David Sampson, the assistant secretary for the U.S. Commerce Department, said that the Economic Development Administration gives "high priority to those grant applications that reflect strong regional support and are designed to advance regional economies and create regional economic competitiveness."

Macon Sammons Jr., the manager of Surry County, said that "the study gave us immediately credibility with the EDA" for funding of the Workforce Development Center. Sammons said that construction is expected to begin on the \$1.5 million center in January.

"We're confident that the study made a difference in our grant being more competitive, along with the support from the business community expressing the value they saw in the center," Sammons said.

Sammons said that the Surry County Economic Development Partnership plans to pursue other study recommendations in 2005, as well as annually update the status of projects.

Most of the study's recommendations for Forsyth directly or indirectly involve projects at the research park. The estimated cost for all of the projects could reach \$31 million, including \$20 million dedicated toward a 45,000-square-foot biomedical office/laboratory building.

The research park has received \$2.5 million in funding from the U.S. Transportation Department geared toward road improvements, said Joanne Ruhland, an associate vice president for government relations at Wake Forest University Baptist Medical Center.

Besides the potential \$1 million grant from the Economic Development Administration for infrastructure expenses, Idealliance already is planning to apply for more federal grant money in 2005.

"We attached the study's recommendations to the applications to provide more evidence that the research park is a worthwhile endeavor for downtown revitalization and job creation," Ruhland said. "We also emphasized that the research conducted in the park will benefit the nation as a whole."

Other examples of where the study's recommendations have provided momentum are:

- Yadkin County has filed for a federal grant for water and sewer improvements at the intersection of Interstate 77 and U.S. 421. The upgrade is expected to spur commercial development in the area.
- The Piedmont Triad Entrepreneurial Network was formed recently to combine regional efforts to assist entrepreneurs and small-business owners.
- Forsyth Tech's decision to build an education building in King in 2006 will give Stokes residents their first access to a large number of community-college courses without leaving the county.
- The Yadkin Valley Fine Crafts Center is being established to assist craftspeople in the region and market their products. The center would be based in Surry County.
- The Forsyth County Tourism Development Authority has joined with five other Northwest N.C. counties to apply for a grant from the Golden LEAF Foundation that could be worth up to \$1.5 million over three years. The grant targets marketing efforts for the Yadkin Valley wine industry, as well as crafts and outdoor activities in the counties.

"We're aware that some projects create more of a buzz than others, but there have been plenty of positive developments coming out of the study," said Amy Holloway, a vice president of economic development with AngelouEconomics.

"We also believe that the region will benefit from more funding from the Economic Development Administration as other initiatives move forward."

Phil Hanes, the arts commissioner for the city of Winston-Salem, said that the study has been "90 percent right on the money." Hanes had expressed early concerns about the direction of the study and a potential small role for the arts community.

"I think you can check off that there has been significant progress made on at least seven of the targeted industry clusters," Hanes said.

Hanes said that more collaboration is needed to put priorities on the projects that hold the most potential. He suggests that the Northwest Piedmont Council of Governments be the clearinghouse for such efforts.

"Some of the regional suggestions may die on the vine without a concerted marketing effort," Hanes said. "I know that the Piedmont Triad Partnership plays a role in marketing the region, but it's not focused on the counties included in the survey."

Hanes said he wishes that AngelouEconomics' study could have been the foundation for a new plan, mandated by the General Assembly last month, that targets economic-development initiatives in this region through 2009. The company was in the running to land the contract, but it went to Market Street Services of Atlanta. The Piedmont Triad Partnership will oversee the new study.

"The study that the General Assembly wants could have been done at less expense, and without having to go over much of the same territory, if it had the AngelouEconomics study included," Hanes said.

"Whatever comes of the AngelouEconomics study, as well as the partnership study, we as a region still need to pick up those goals and run with them. We can't count on any more Dells dropping out of the sky unless we give those companies compelling reasons to do so."

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