

Allegheny County Target Industries & Benchmarks



Outline

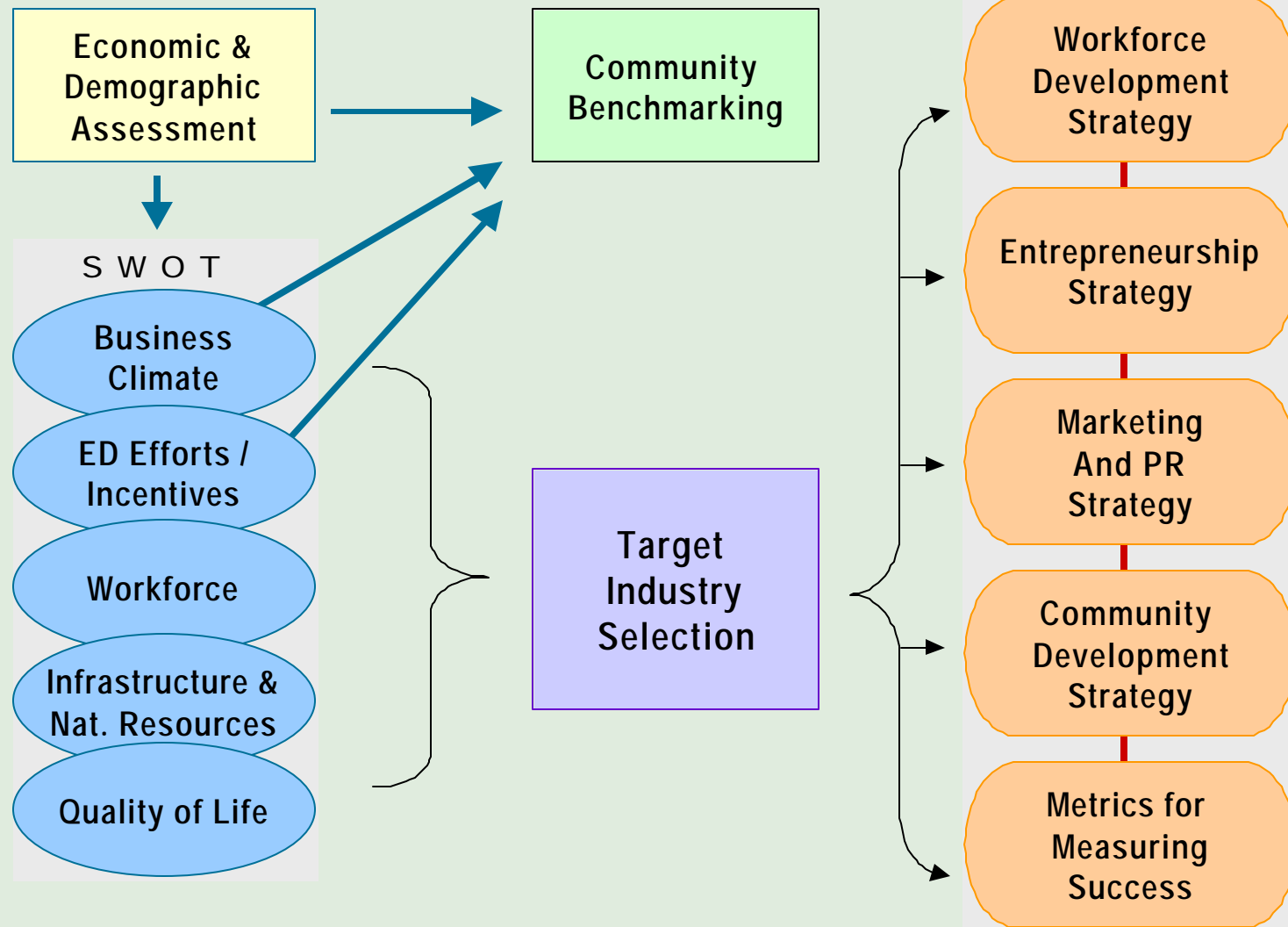
Our Process

Target Industry Recommendations

Benchmark Comparisons

Next Steps

Project Overview



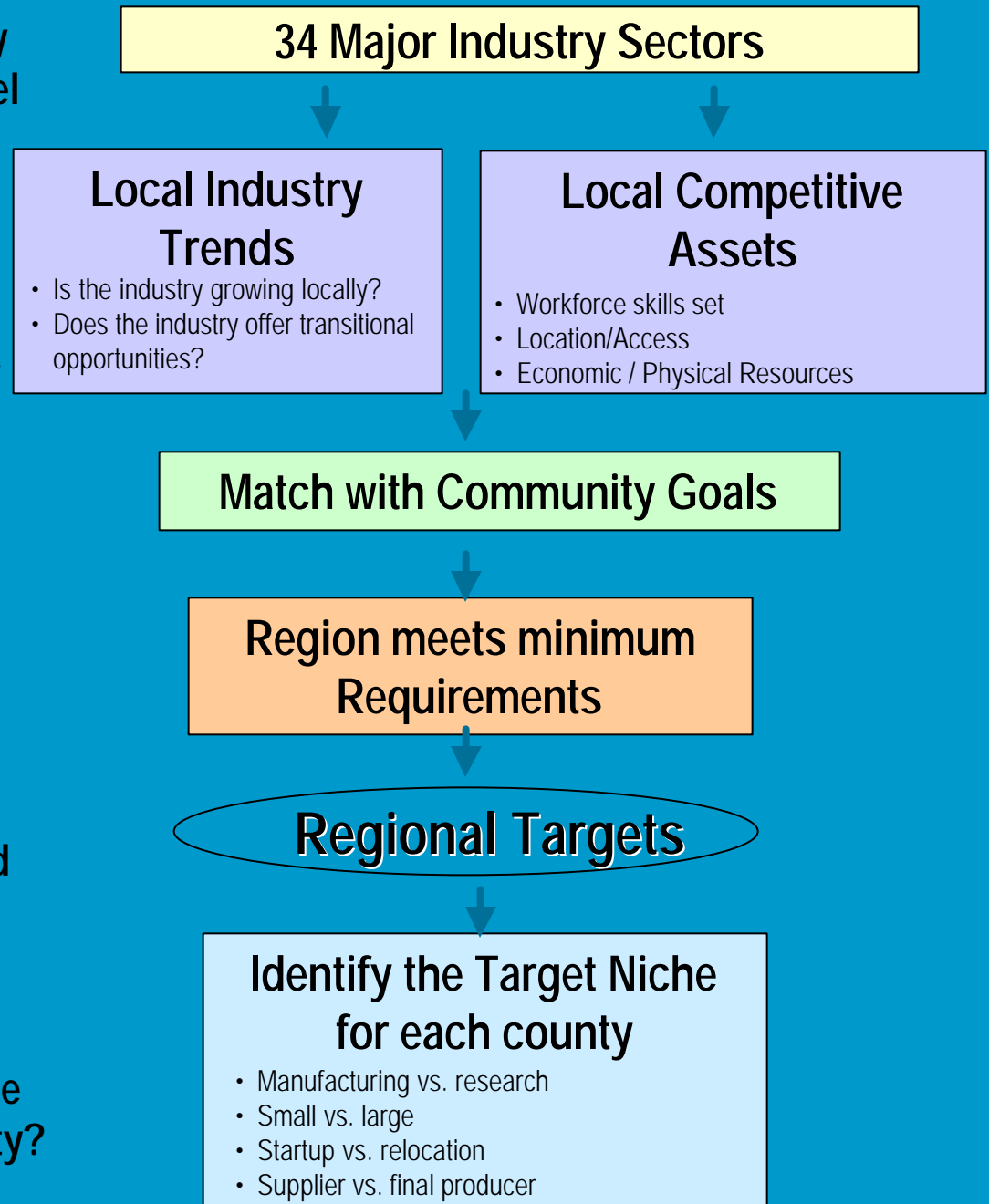
Research/Input

Benchmarking

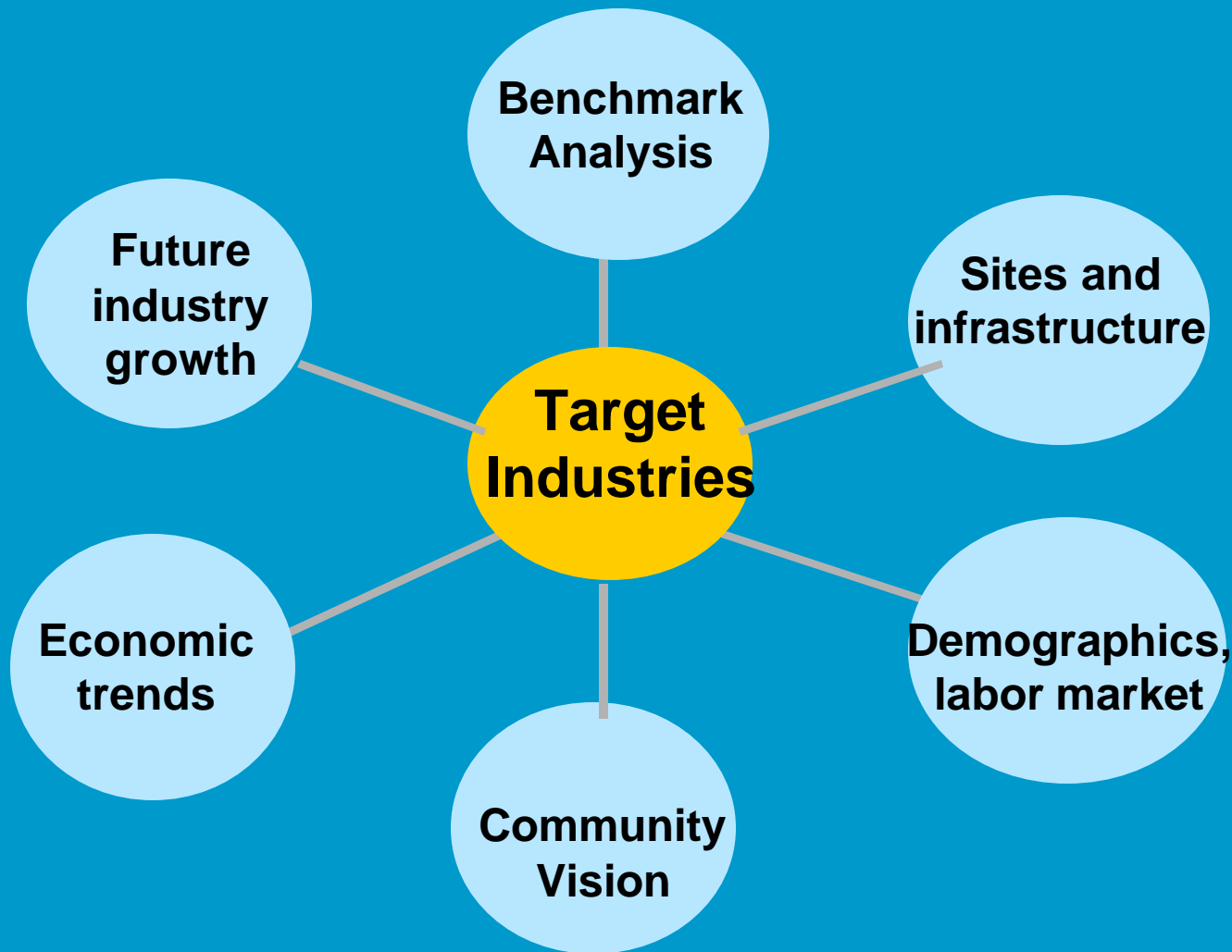
Recommendations

Target Industry Selection Process

1. Start with a complete range of industry targets at the U.S. macroeconomic level
2. Evaluate local industry trends for growth opportunities
3. Identify local competitive assets that would uniquely “motivate” an industry to expand or relocate in the region.
4. Consider the stated economic development goals of the community
5. Confirm that the region meets the industry requirements of the potential targets
6. Select regional target industries based on satisfying all of above criteria
7. What specific activities for types of businesses within each target would be most likely and suitable for each county?



Target Industry Selection



Outline

Our Process

Target Industry Recommendations

Benchmark Comparisons

Next Steps

Target Industry Recommendations

For Entire 8 Counties

- Logistics and Distribution
- Materials
- Transportation Equipment
- Food Processing
- Hospitality / Tourism
- Design
- Value-Added Agriculture
- Biotechnology



Target Industry Recommendations

Alleghany County

Alleghany County

- Materials
- Hospitality / Tourism
- Design & Arts
- Value-Added Agriculture

Target Industry Recommendations

Regional Comparison

	Logistics, Distribution	Biotech	Design	Materials	Transportation Equipment	Food Processing	Value-Added Agriculture	Hospitality
Alleghany			☞	☞	☞		☞	☞
Ashe			☞		☞	☞	☞	☞
Davie	☞	☞	☞		☞		☞	☞
Forsyth	☞	☞	☞					☞
Rockingham	☞		☞	☞	☞	☞	☞	☞
Stokes			☞	☞			☞	☞
Surry		☞	☞		☞		☞	☞
Yadkin	☞		☞	☞	☞	☞	☞	☞

Target Industries Materials

Target #2:

Materials

Logistics and Distribution

Transportation Equipment

Food Processing

Hospitality / Tourism

Design

Value-Added Agriculture

Biotechnology

Target Industries Materials

What is it?

Producing and working with materials such as plastics and metals. End product is specialized input or tool for other production processes.



Regional Targets

Plastics, high-tech composites, fabricated metals

Alleghany County's Niche Target

Composites, fabricated metals

Target Industries

Materials

Market Summary:

- 3.6 million jobs in U.S. -- about 300,000 in NC
- Provides inputs for nearly every other manufacturing sector
- Advanced automation and specialty niches have kept US producers competitive
- State average wages are high - \$45k compared to an all-industry average of \$33k
- High demand for skilled production workers
- High user of industrial electricity

Target Industries Materials

Regional Assets

- ✍ Strong manufacturing base – close proximity to customers
- ✍ Ties well with other targets – trans equip, biotech
- ✍ Successful local firms
- ✍ Workforce training programs already in place
- ✍ Abundance of skilled production workers

Target Industries Materials

Why Alleghany County?

- ✍ Existing businesses in Industry
- ✍ Workforce programs to support Industry
- ✍ Low electric rates

Target Industries Hospitality

Target #5:

Hospitality / Tourism

Logistics and Distribution

Materials

Transportation Equipment

Food Processing

Design

Value-Added Agriculture

Biotechnology

Target Industries Hospitality

What is it?

Hotels, bed & breakfasts, restaurants,
and entertainment venues

Regional Targets

Balance between the business
traveler and tourist



Target Industries Hospitality

Market Summary:

- \$630 billion in revenues
- 9.5 million employed US – about 23,000 in NWNC
- NWNC received \$3.5 million in occupancy taxes FY 2001-2002
- Most jobs are part-time at \$7/hr
- Tourism is finally picking up after 9/11
- High impact industry – through revenues, taxes, showcasing region to visitors



Target Industries Hospitality

Regional Assets

- ✍ Occupancy taxes make especially beneficial
- ✍ Natural beauty
- ✍ State marketing programs
- ✍ Links to agriculture
- ✍ Hotels/Motels
- ✍ Diverse amenities

Target Industries Hospitality

Why Alleghany County?

- ✍ Capture traffic from high outdoors routes – every year thousands of people travel Blue Ridge Parkway by car and Appalachian Trail by foot.
- ✍ High dollar resorts for city-dwellers
- ✍ Expand on Tea Pot Opportunity
- ✍ Build a sense of place - Encourage any development to take place “downtown”
- ✍ Agri-tourism – how to get “pick your own tree” people to stay overnight – need to involve farmers

Target Industries Design

Target #4:

Design

Logistics and Distribution

Materials

Transportation Equipment

Food Processing

Hospitality / Tourism

Value-Added Agriculture

Biotechnology

Target Industries Design

What is it?

The art world meets computers. Traditional creative skills now transitioning to digital age, from computer-aided design (CAD) for auto parts to effects processing for motion pictures



Regional Targets

Computer-aided animation and art, graphic design, industrial design

Alleghany County's Niche Target

Artists, art schools, music

Target Industries Design

Market Summary:

- 2.7 million employed US – about 80,000 in NC
- High-skilled workforce
- Highly dependent on entrepreneurial network
- Increasingly becoming a part of American life
- Applications range from motion pictures to industrial
- Strong long term growth – 27% over last 10 years

Target Industries Design

Regional Assets

- ✍ Strong support of local arts
- ✍ Downtown revitalization will attract the “creatives”
- ✍ Technical design training programs at community colleges???
- ✍ NC School of the Arts
- ✍ Growing trend toward domestic movie production will benefit NC
- ✍ Complementary Industries (materials/metals, transportation equipment, tourism)

Target Industries Design

Why Alleghany County?

- ✍ Leverage artistic strengths and metal working crafts
- ✍ Build entrepreneurial network. Idea is that artists would want to live in mountains, but drive to city for a day of meetings Cultural and lifestyle amenities
- ✍ Business Resource and Training Center
- ✍ Available space for office

Target Industries

Value-Added Agriculture

Target #7:

Logistics and Distribution

Materials

Transportation Equipment

Food Processing

Hospitality / Tourism

Design

Value-Added Agriculture

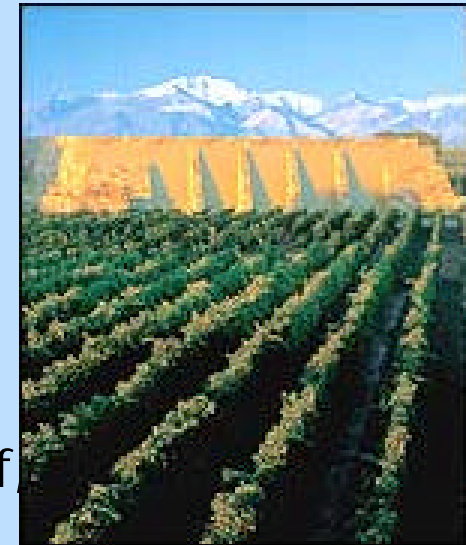
Biotechnology

Target Industries

Value-Added Agriculture

What is it?

Specialty agriculture that grows small scale, high dollar products for niche markets



Regional Targets

Viticulture, organic vegetables, grass-fed beef, ornamentals

Alleghany County's Niche Target

Ornamentals, grass-fed beef

Target Industries

Value-Added Agriculture

Market Summary:

- No longer just for yuppies – 2000 sales of organic in conventional grocers surpassed specialty stores (now mainstream)
- Organic – fastest growing ag sector in country
- Over 20% percent *annual* growth since 1990
- 2002 US wine consumption – 595 million gallons, \$21.1 billion in sales
- 1995-2002: 28% increase in consumption, 73% increase in sales

Target Industries

Value-Added Agriculture

Regional Assets

- ✍ Excellent natural resources
- ✍ Agricultural traditions
- ✍ Yadkin Valley – American Viticulture Area
- ✍ Strong support of renewed ag efforts and protecting landscape
- ✍ Strong cooperative-extension services from the state
- ✍ Funding opportunities exists for transitioning ag
- ✍ Would benefit tourism

Target Industries

Value-Added Agriculture

Why Alleghany County?

- ✍ Agricultural land
- ✍ Strong Agricultural tradition
- ✍ Local Agricultural crops
- ✍ Farmers Market ??
- ✍ Emphasize sustainable farming practices – grass fed beef
- ✍ Ornamentals
- ✍ Tie high dollar ag with hospitality – specialty goods like cheeses, agri-tourism
- ✍ Farmers' markets downtown

Secondary Industries

 Health Care

 Retail

Outline

Our Process

Target Industry Recommendations

Benchmark Comparisons

Next Steps

Benchmarking Purpose

- Neighboring Community Comparison
 - *Competitors, Best Practices*
- National Peer
 - *Best Practices*
- Large Target Markets
 - *Best Practices, Relocation Comparisons*

Benchmark Communities For Alleghany County

- Neighboring Community Comparison
 - *Charlotte, NC , Asheville, NC*
- National Peer
 - *Boise, ID , Ft. Collins, CO*
- Large Target Markets
 - *Atlanta, GA*

Benchmark Communities

Asheville, NC

- Growing community in western NC
- Low unemployment rate due to successful restructuring out of mftg and textiles and into tourism, health care, enviro, film, software
- Investing in quality of life; clear commitment to this as differentiator
- Launched a tech-focused Internet mktg website: www.ashevilletechnology.com
- Improving Internet infrastructure
- Limited development options but still shortening the permit process to attract investment

Benchmark Communities

Ft. Collins, CO

- Located next to two large cities (Boulder and Denver)
- Expanding distribution, agriculture & manufacturing; High Tech
- In the foothills of the Rockies
- Large outdoors culture
- Emphasize high tech, design, light manufacturing and focus investments on lifestyle improvements/parks
- Large population inflows demand "quality"
- Also have growing artist and publishing community
- High school taxes, but high performers
- EDC is 95% funded from private sector
- Budget is low (\$500k) and focus marketing on Internet



Benchmark Communities

Atlanta MSA

- Economic Outlook
 - *3rd highest job loss (behind NY/Chicago), 2002*
 - *Top 5 fastest growing HT cities*
 - *3rd Hottest City for Business Expansion and Relocation*
 - *Focus on: corporate headquarters, bioscience, logistics, telecommunications, computer software*
 - *11,000 high tech employees (8% of workforce)*
 - *"Free Trade Area of Americas"*

Benchmark Communities

Atlanta MSA

- Key Assets
 - *Hartsfield Atlanta International Airport*
 - *Hub for 4 railroads*
 - *Highway Infrastructure*
 - *Market Access*
- Economic Development Efforts
 - *Form Councils (Logistics Council, Bioscience Council)*
 - *Lobbying for Sales Tax Exemption for research equipment purchases and special fund for biotech facilities*
 - *www.atlantasmartcity.com*



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Target Industries

Major Recruitment Issues

Help for future recruitment:

- ✍ Small/medium sized businesses are your future
- ✍ Preserve the high quality commitment
- ✍ Continue to support existing companies and entrepreneurs
- ✍ Capture businesses that use your commuter workforce
- ✍ Work to identify retiree skills and support those desiring to be entrepreneurial
- ✍ Tie tourism to corporate recruitment
- ✍ Need to identify next business park location and prepare



Target Industries

Major Recruitment Issues

- ✍ Use new opportunities presented by state legislation
 - ✍ Support special taxing districts / TIFs in state legislature to enable infrastructure & improvements
 - ✍ Intergovernmental agreements are now possible
- ✍ Invest in infrastructure, when feasible
 - ✍ Find creative financing tools, Pursue fed \$\$ (EDA)
 - ✍ Support special taxing districts in state legislature to enable infrastructure funding
 - ✍ Land use planning would provide predictability

Next Steps

- **Late September: Preliminary Recommendations**
- **Early November: Final Presentation / Roll-Out**

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Thank you