

Davie County Target Industries & Benchmarks



Outline

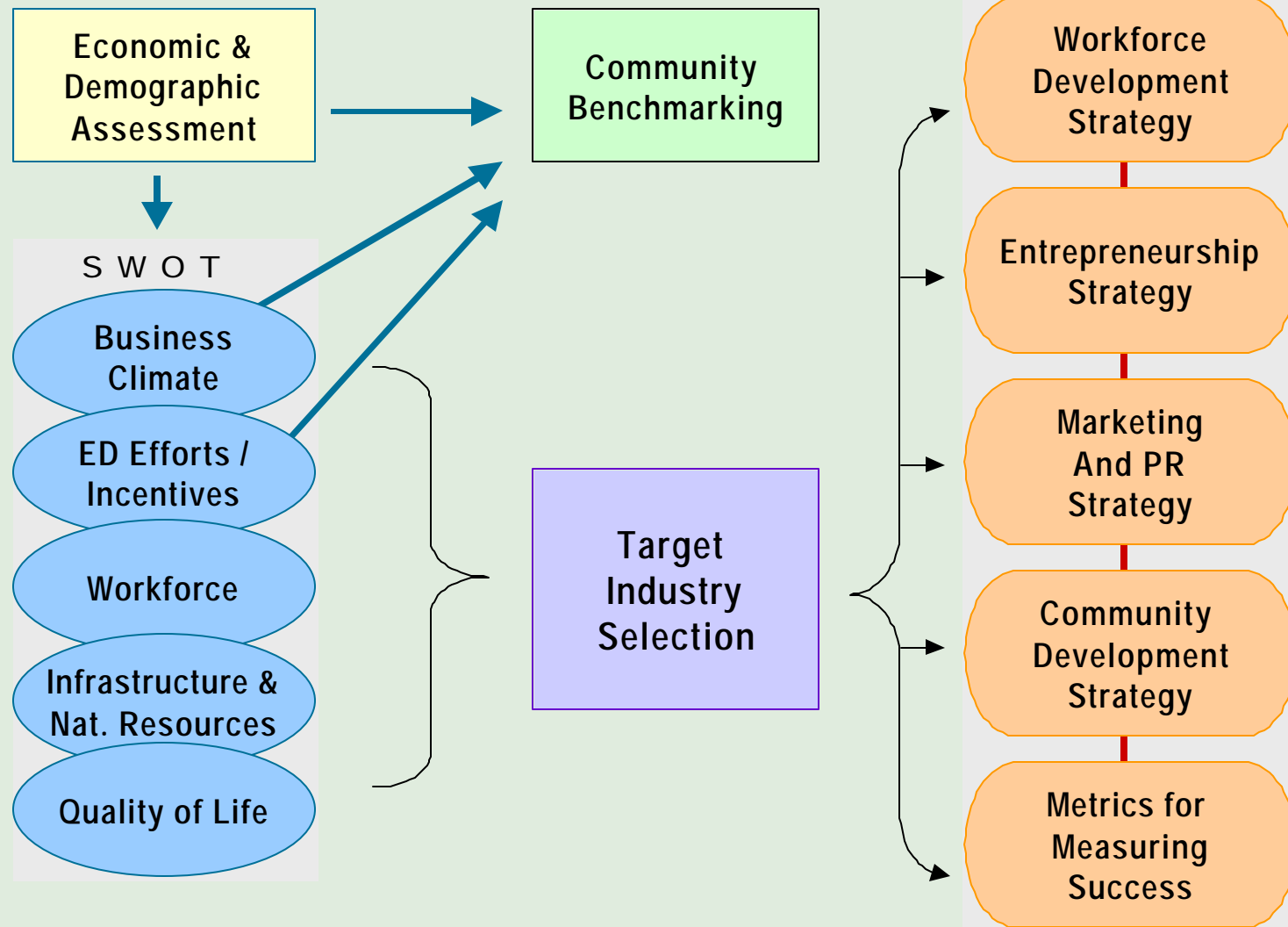
Our Process

Target Industry Recommendations

Benchmark Comparisons

Next Steps

Project Overview



Research/Input

Benchmarking

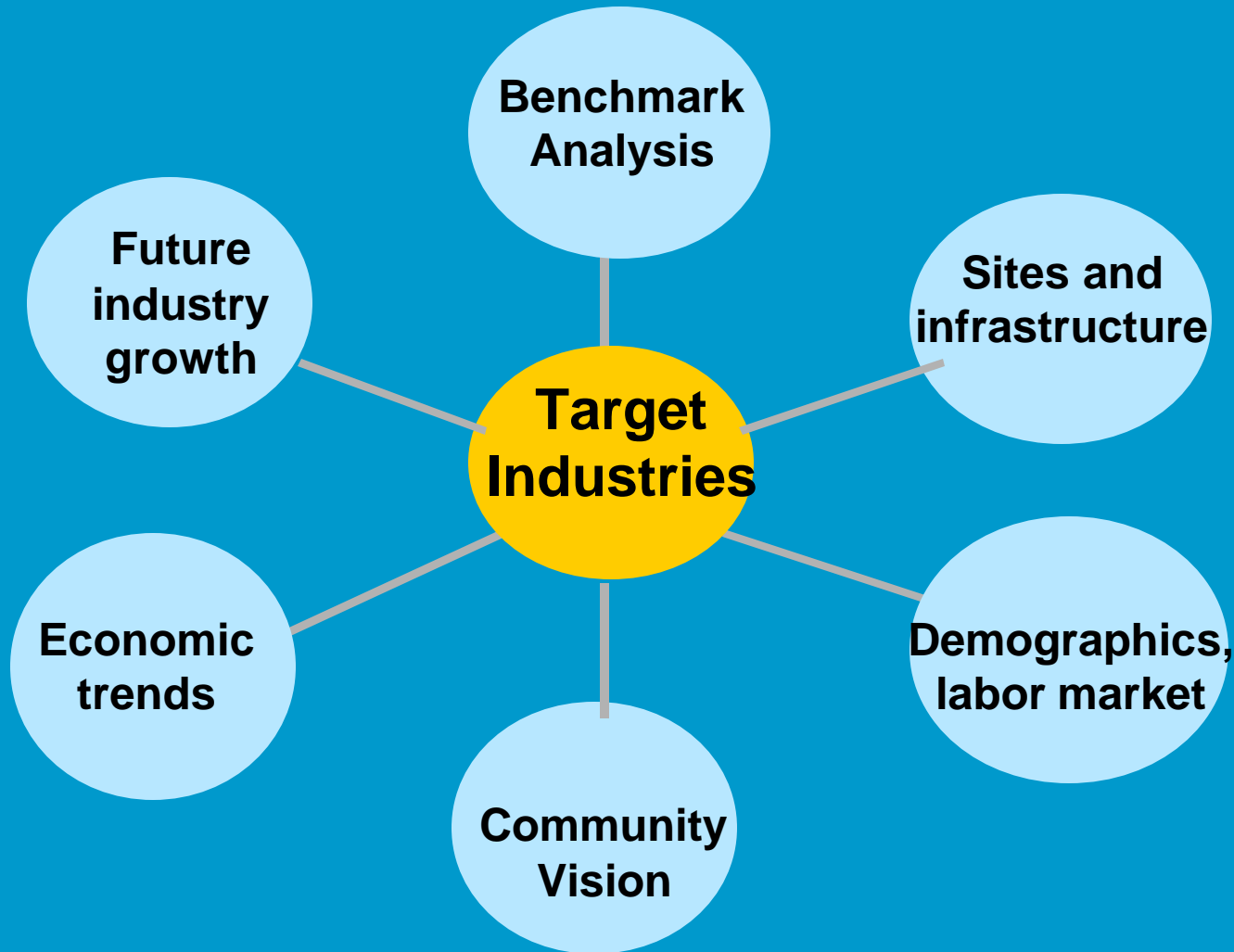
Recommendations

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

Davie County

Davie County

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

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 Logistics & Distribution

Target #1:

Logistics and Distribution

Transportation Equipment

Hospitality / Tourism

Design

Value-Added Agriculture

Biotechnology

Target Industries

Logistics & Distribution

What is it?

The process of planning, implementing, and controlling the efficient flow of goods and services through the supply chain from producer to consumer.



Regional Targets

Warehousing, Trucking, Air Freight, Logistics

Davie County's Niche Target

Warehousing, Trucking

Target Industries

Logistics & Distribution

Market Summary:

- \$95 billion and growing 5%/yr
- 640,000 jobs in U.S. -- about 15,000 in NWNC
- Growing nationally and regionally; tends to be in step with economic cycles
- Average wage in NWNC is high by U.S. standards: \$33k
- Most jobs involve drivers and handlers, but some management / admin
- Requires good highway connections, large and flat sites with separate and straight ingress/egress, rail helps

Target Industries

Logistics & Distribution

Regional Assets

- ✍ FedEx hub will allow region to serve a multi-state distribution economy
- ✍ Proximity to major U.S. markets along interstate highways makes NWNC a midway point
- ✍ New potential connections to Europe
- ✍ Workforce training programs already in place
- ✍ Region's traditional workforce could serve needs of distributors well

Target Industries

Logistics & Distribution

Davie County's Focus

- ✍ Existing industrial park provides excellent amenities and service to support distribution
- ✍ Be a direct supplier to FedEx by developing industrial assets near to airport offset lack of land in Guilford
- ✍ Recruit administrative functions of national distributors
- ✍ Find ways to minimize stress on highway infrastructure and residential impact by pushing warehousing to southern side of county

Target Industries

Transportation Equipment

Target #2:

Logistics and Distribution

Transportation Equipment

Hospitality / Tourism
Design
Value-Added Agriculture
Biotechnology

Target Industries

Transportation Equipment

What is it?

Manufacturers of autos, planes, and other vehicles and the suppliers that serve them.



Regional Targets

Automotive suppliers, metal stamping, electrical equip.

Target Industries

Transportation Equipment

Market Summary:

- 1.7 million jobs in U.S. -- about 33,500 in NC
- National leader in new and expanding facilities
- Most of new growth occurring in US Southeast
- High impact industry
- State average wages are high and growing - \$42k increasing 24% over last 5 years
- Diverse workforce – from engineers to team assemblers
- Locate near other transportation manufacturers

Target Industries

Transportation Equipment

Regional Assets

- ✍ Strong State effort committed to industry
- ✍ Regional industry already in place: Martin Marietta, BREW Bicycles, American Emergency Vehicles, Isometrics, Inc
- ✍ Southeastern U.S. will continue to be a heavy manufacturing base
- ✍ NWNC is centrally located
- ✍ 1300 acre megasite east of Greensboro

Target Industries Hospitality

Target #3:

Hospitality / Tourism

Logistics and Distribution
Transportation Equipment

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

Overnight accommodations; Eating and drinking establishments;
Hospitality education and training; Executive retreats;
Outdoor recreation



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 generate local revenue
- ✍ Natural beauty
- ✍ Blue Ridge Parkway
- ✍ Appalachian tourism
- ✍ Strong state marketing programs
- ✍ Links to agriculture and wine industry

Target Industries Hospitality

Davie County's Focus:

- ✍ Build on small town charm
- ✍ Develop historic areas and downtown
- ✍ Set aside green space
- ✍ Build on connections between towns and wineries
- ✍ Be creative with family image – little league tournaments bring in lots of people

Target Industries Design

Target #4:

Design

Logistics and Distribution
Transportation Equipment
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

Davie's Niche Targets

Video production/editing, commercial design, publishing, industrial art

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

Davie County's Focus:

- ✍ Develop entrepreneurial network and tie with workforce training – grow your own industry
- ✍ Focus on more commercial applications that would match needs of Winton-Salem firms, industrial design, printing, graphic design
- ✍ Leverage high-speed internet and computing programs in schools

Target Industries

Value-Added Agriculture

Target #5:

Logistics and Distribution
Transportation Equipment
Hospitality / Tourism
Design

Value-Added Agriculture

Biotechnology

Target Industries

Value-Added Agriculture

What is it?

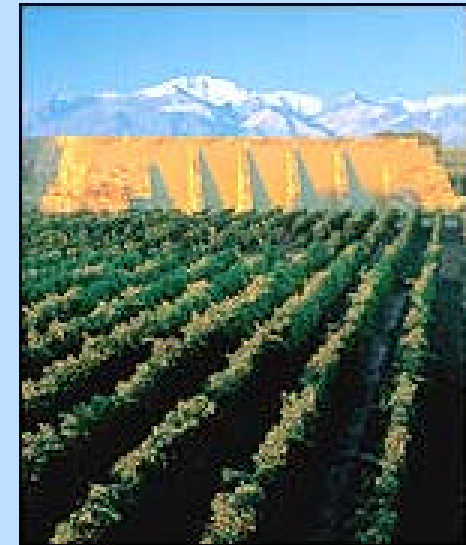
Specialty agriculture that grows small scale, high dollar products for niche markets

Regional Targets

Viticulture, organic vegetables, grass-fed beef, landscaping ornamentals

Davie County's Niche Target

Viticulture, organics



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

Davie County's Focus:

- ✍ Grapes
- ✍ High value organics
- ✍ Others?
- ✍ Farmers markets
- ✍ Tie agriculture to tourism
- ✍ Winery potential is big

Target Industries Biotechnology

Target #6:

Logistics and Distribution
Transportation Equipment
Hospitality / Tourism
Design
Value-Added Agriculture

Biotechnology

Target Industries Biotechnology

What is it?

Development of new medical processes and devices using advanced technologies



Regional Targets

Medical devices, biomaterials manufacturing, pharmaceutical research, bioinformatics

County's Niche

Manufacturing

Target Industries

Biotechnology

Market Summary:

- \$28.5 billion in revenues, 250% growth in last decade
- 190,000 employed directly in biotech, doubling over last 10 years
- 535,000 in related industries
- Number of new biotech drugs released on market increases year after year
- Most firms have few employees, require large amount of “patient” capital
- Highly dependent on university relationships

Target Industries

Biotechnology

Regional Assets

- ✍ Strong statewide and regional commitment to industry
- ✍ Piedmont Triad Research Park as regional focal point
- ✍ Ties with research at Wake Forest
- ✍ Established medical community
- ✍ Workforce training focuses on lab technicians

Target Industries Biotechnology

Davie County's Focus:

- ✍ Future is still not clear
- ✍ Davie's opportunities lie in the commercialization of new research
- ✍ Manufacturing will need to find a home !
- ✍ Global cost pressures will require a low cost location
- ✍ Need to stay close to designers

Target Industries

Additional Targets

Additional locally-serving targets:

✍ Health services:

- There is a need today
- Some businesses may require higher level of service for employees

✍ Home-based businesses

✍ Retail / restaurants

✍ Professional Services

✍ Retirement services / assisted living

Outline

Our Process

Target Industry Recommendations

Benchmark Comparisons

Next Steps

Benchmark Communities

Benchmarks were selected based on 3 groupings:

National peer, competitor, or neighboring market

Stokes County benchmarks are:

- Ft. Collins CO
- Asheville, NC
- Memphis, TN

Benchmark Communities

Ft. Collins, CO

- Located between two large cities (Boulder and Denver)
- 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

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

Memphis, TN

- Fedex Hub responsible for \$500 million in investment and 30,000 jobs
- Large healthcare/medical sector
- Memphis Chamber is largest ED organization, with \$5 mil annual budget (mix public/private)
- Emphasis on recruiting young professionals; regional "style" website
- Memphis regional effort to link R&D facilities at area universities and Children's hospital

Outline

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Target Industries

Major Recruitment Issues

Help for future recruitment:

- ✍ Preserve the high quality commitment
- ✍ Continue to invest in infrastructure
- ✍ Use new opportunities presented by state legislation
 - ✍ Support special taxing districts / TIFs in state legislature to enable infrastructure & improvements
 - ✍ Mixed use master planning will bring national developer
 - ✍ Intergovernmental agreements are now possible
 - ✍ Sewer capacity from Forsyth could support growth in Davie
 - ✍ Future Forsyth-Davie industrial park

Target Industries

Major Recruitment Issues

- ✍ Continue to support existing companies and entrepreneurs
- ✍ Capture businesses that use your commuter workforce
- ✍ Congestion into Forsyth may make suburban office a possibility in the future
- ✍ Expand your community college course offerings
- ✍ Use the demand for residential to capture speculative commercial development



Next Steps

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

Davie County Target Industries & Benchmarks



Thank you