

Northwest North Carolina Comprehensive Economic Development Strategy



Looking toward the future

Northwest North Carolina CEDS

Benchmarking Analysis

**Alleghany
Ashe
Davie
Forsyth
Rockingham
Stokes
Surry
Yadkin**

Benchmarking Report

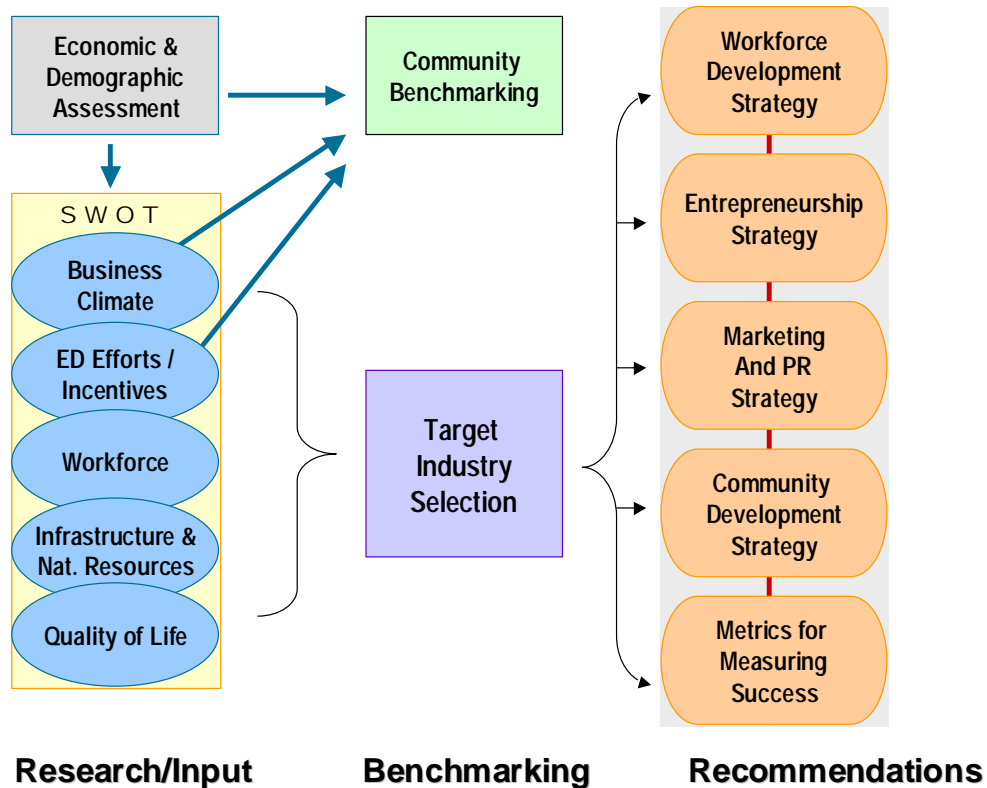
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Part One: Introduction

Review of Project

In December of 2002, AngelouEconomics began to develop a Comprehensive Economic Development Strategy (CEDS) for Northwest North Carolina (NUNC), an area consisting of eight counties – Alleghany, Ashe, Davie, Forsyth, Rockingham, Stokes, Surry, and Yadkin. To date, two reports have been delivered for each county, a Community Assessment and SWOT.

Project Process Diagram



Based on the findings of the Community Assessment and SWOT reports, the first section to the third report, the *Target Industry Analysis*, identifies between four and six target industries for each county in the study area. Target industries are those industries that fit well with the region's existing workforce and resources, as well as those that are predicted to experience healthy growth in the future.

This second section to the third report, the *Benchmarking Analysis*, builds on information gathered from a wide variety of sources, from news publications, to Web sites, to material produced by economic development organizations. The benchmark

communities profiled here have many characteristics in common with Northwest North Carolina. Some have similar industry composition and are experiencing similar economic trends. Others provide good examples of how successful communities have positioned themselves through marketing, upgraded their workforce skills, or utilized innovative business incentives to attract new companies.

Purpose of Report

The process of benchmarking compares one community's attributes to another. These attributes include any element that impacts a community's economy – from its business climate and industrial composition to its workforce demographics to its quality of life.

For many economic developers, benchmarking is the tool of choice for evaluating the performance of their own efforts. Staying informed about competitors' activities not only helps them understand how well their own system is functioning, but also provides examples of innovative approaches.

We have selected thirteen communities as benchmarks for Northwest North Carolina. For the purpose of this report, we have chosen to emphasize the story behind each community, rather than compare statistics to each county in NWNC. As such, we present each community as a case study from which NWNC can learn.

Benchmarking is most effective when communities identify a select number of competitors and track their activities over years. The purpose of this report is to kick-start that process for NWNC counties. It provides an overview of the communities and current data about their economic situation. Every six months to one year, we recommend that NWNC counties update the profiles that are included in this report. It is particularly important that NWNC ensure that information on their benchmarks' economic performance (business costs, employment, costs of living), expanding and relocating companies, and economic development organization / activities are kept up-to-date.

Methodology

Earlier this year, AE led the CEDS advisory committee members through a process to identify optimal benchmark communities for the NWNC region. Each county was provided with a list of 15-20 possible benchmark communities and was asked to select up to six that they wanted to include in this report.

AE provided the eight CEDS counties with a range of communities to select from. Each fell within one of three categories:

1. Neighboring communities – Expanding or relocating companies often select large regions (e.g. 200-mile radius) prior to a site selection decision, and then make their choice within the region based on specific demographic, economic, and business cost criteria. By examining the economic performance and initiatives of nearby communities, NWNC counties are better able to assess their own competitive strengths within the larger region.

2. National peers – Communities can be drawn together by much more than geography. Often good benchmarks are those that share similar industrial composition, history, or even topography. We identified communities across the U.S. that share common backgrounds with NWNC counties to learn from their successes and failures, and to identify economic development tools that can be used by NWNC. We focused our initial “background check” on several areas:

- Resource-based or traditional manufacturing economies
- Regional distribution centers or rapid delivery hubs (e.g. FedEx, UPS)
- Mountainous regions with tourism economies
- Young high tech regions strong in bio/medical
- Regions that have successfully transitioned their industry base

Benchmarking to national peers also provide corporate prospects for NWNC as target industries are more clearly defined for each county.

3. Large Target Markets – These regions are the economic powerhouses of multi-state regions that greatly affect their surrounding satellite communities. Large markets may ultimately provide NWNC with its best customers – new markets for local businesses and relocation prospects for economic development officials. Companies that are considering relocation from a large market will use their own city as a point of reference. Understanding how NWNC compares to large markets will help in future marketing efforts.

After each county provided us with a list of the communities they wanted to have included in the benchmarking study, we compiled a master chart of all benchmarks and all NWNC counties. This table is shown below.

This report is designed to serve as a “best practices” reference for NWNC economic developers. It contains a profile of each benchmark community, containing an overview of the community, discussion of the local economy and employers, and description of their current economic development efforts.

Benchmark Communities		Ashe	Alleghany	Surry	Yadkin	Davie	Forsyth	Stokes	Rockingham	Common background
Regional Neighbors	<i>Charlotte, NC</i>		●	●	●	●	●	●	●	Major competitor for all (Mecklenberg County)
	<i>Raleigh-Durham, NC</i>						●			High skill / professional; biotech target
	<i>Asheville, NC</i>	●	●	●						Foot of mountains, tourism (Buncombe County)
	<i>Greensboro, NC</i>						●	●	●	Neighbor, future hub for Fedex (Guildford County)
	<i>Danville, VA</i>							●	●	Neighbor; Tobacco, textiles based industries (Pittsylvania County)
	<i>Greenville, SC</i>	●			●	●	●			Southern neighbor, textiles based (Greenville County)
National Peers	<i>Chattanooga, TN</i>	●	●	●	●					Mftg base, Successful transition (Sequatchie / Bradley / Hamilton Counties)
	<i>Boise, ID</i>	●	●							Mountain city with growing tech base (Elmore and Owyhee Counties)
	<i>Ft. Collins, CO</i>	●	●	●		●		●	●	Foot of Rocky Mountains, growing economy (Larimer County)
	<i>Memphis, TN</i>					●	●		●	Major distribution hub (Shelby County)
	<i>Tupelo, MS</i>			●						Tourism and successful ED; Furniture (Lee County)
	<i>Trenton, NJ</i>						●			Small, ex-mftg economy, now biotech/med center (Mercer County)
Large Target Markets	<i>Atlanta MSA</i>	●	●	●	●	●	●	●	●	4+million people; target for NWNC marketing; logistics hub

Part Two: Benchmark Community Profiles

Asheville, North Carolina

Asheville, population 69,000, is a mountain city in Buncombe County, North Carolina, located between the Blue Ridge and Great Smoky Mountains and crossed by the French Broad River. It is the largest city in Western North Carolina, contributing to the Asheville MSA's population of 226,000. The Asheville metro area boasts one of the lowest unemployment rates in the state, 3.9 percent in June 2003. Data also indicates that total non-farm employment rose by 630 jobs between January and June 2003, giving Asheville one of the fastest job growth rates and lowest unemployment rates in the state.

Asheville has been rated among the best places to live, work, and retire by a number of publications. The city also came in at number 29 on Expansion Management magazine's January 2002 list of top U.S. cities for manufacturing expansion and relocation, and is becoming an increasingly popular tourist draw. Asheville's scenic views, wide array of recreational opportunities, bustling downtown, and low unemployment all contribute collectively to the city's position in the top rankings.

Asheville's health care sector is strong, with roughly 8,000 employees, \$700 million in annual revenues. The city also has a history of manufacturing, which employs approximately 21 percent of Asheville's population and produces fabricated metal products, machinery, electrical components, precision instruments, plastics and textiles. However, the manufacturing industry has suffered large declines in the past few years, and the general consensus is that "no one is expecting those lost manufacturing jobs to return."¹ On the other

Economic Indicators, Buncombe County

- **Wage & Salary Jobs:** Up 24.4% (1990-2000)
- **Manufacturing Jobs:** Down 31.6% (1990-2000)
- **Unemployment Rate:** Down from 4.5% in January 2003 to 3.9% in June 2003

Buncombe County at a Glance

Population, 2002	211,201
Net New Population, 90-00	31,953
% Change, 90-00	18.3%
% of Adults with a Bachelor's Degree or higher	25.3%
% of Private Sector Workforce in Manufacturing	18.5%
Median Household Income	\$36,666
Median Home Value	\$119,600
Private Sector Jobs	91,300
Total Private Sector Payroll	\$2.5 bil
Avg. Private Sector Salary	\$26,839
Avg. Manufacturing Salary	\$32,604

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

¹ <http://cgi.citizen-times.com/cgi-bin/story/35443>

hand, the retail industry, which is aided by the frequent influx of tourists, is doing well. Asheville's retail sales in fiscal year 2001-02 made up 74 percent of Buncombe County's total \$3.43 billion in retail sales. In addition, Asheville's retail sales per resident for the same year were higher than the ten largest cities in the state².

Economic Outlook

In 2000, the City of Asheville completed a Sustainable Economic Development Plan emphasizing four priorities to focus on in the coming years: real estate, the development process (making the area business-friendly), workforce education and training, and rejuvenating the riverfront to improve quality of life and attract new businesses in the process. A list of target industries was compiled, comprised of health care, corporate back offices/call centers, filmmaking, internet-related activity, environmental technology, and software development. In addition, professional services, tourism, arts & crafts, and manufacturing (electronic equipment, industrial machinery and equipment, fabricated metal, automotive parts, and printing and publishing) were identified as sectors with high potential. Some limitations to these industries include an absence of a quality research university in the area, high water and sewer service costs, low availability to commercial sites, and a dearth of quality sites capable of supporting manufacturing industries³.

Major Non-Manufacturing Employers	
<i>Buncombe County, 2000-01</i>	
Company	Emp Size
<i>Mission/St. Joseph's Health System</i>	5,125
<i>Buncombe County Board of Education</i>	3,650
<i>Buncombe County Government</i>	1,425
<i>City of Asheville Government</i>	1,237
<i>Community CarePartners</i>	1,200
<i>VA Hospital</i>	991
<i>Ingles Markets, Inc.</i>	900
<i>Biltmore Company</i>	900
<i>Grove Park Inn Resort</i>	891
<i>Asheville City Schools</i>	722

This shortage of sites has forced Asheville to turn to alternative sources for economic growth. Arts and culture has become one of Asheville's economic engines. Their efforts have transformed the arts into an industry in its own right – non-profit arts groups and their patrons add \$61 million annually to the city's economy, generating \$5.6 million in tax revenue and employing approximately 2,100 jobs⁴. This \$61 million is almost twice the average amount of \$35 million generated by nonprofit arts groups in other communities with populations between 50,000 and 100,000. The improved quality of life that the arts bring attract young and old, prompting one local sponsor of the arts to proclaim that while Asheville may not get the next BMW plant, the city has a "rare opportunity...[to] be an arts mecca that draws intellectual business." Tourism will also play a large role in Asheville's economic future.

Major Manufacturing Employers	
<i>Buncombe County, 2000-01</i>	
Company	Emp Size
<i>Sonopress, Inc.</i>	830
<i>Eaton Cutler-Hammer</i>	700
<i>Square D Electric Company</i>	585
<i>Charles D. Owen Manufacturing Co.</i>	580
<i>Cooper Bussmann</i>	575

² City of Asheville, Community Profile

³ <http://www.ci.asheville.nc.us/business/ecoplan.htm>

⁴ http://www.usatoday.com/money/economy/2003-06-27-n.c.-arts_x.htm

Technology is increasingly becoming a focus for business recruitment efforts, with the Buncombe County Economic Development Commission launching a new website, www.ashevilletechnology.com, geared towards attracting high-tech companies. Asheville is doing its best to position itself for technology growth, creating new high speed internet access to Washington D.C. and gaining funding through Congressman Taylor to bring high performance computing capabilities to the city.

In a briefing held in April 2003, Chamber officials revealed that a consultant would be coming in May with a proposal for a multimedia center in Asheville. Other developments included plans to develop engineering programs at WCU and UNCA, to allow students to pursue the field within the confines of the community⁵.

Recently New & Expanded Companies		
Source: Asheville Chamber of Commerce, Advantage West		
Company	Industry	Description
America DataMed	Customer Service	100 jobs within 2 years; workforce availability/quality and proactive ED efforts were key factors behind their location choice
Baron Advanced Meteorological Systems	Meteorology/ Tech.	relocating here, serves as positive sign for increasing Asheville's appeal to emerging technologies
Eaton Cutler-Hammer	Industrial Mfg.	further expansion expected to create 85 jobs; this expansion comes 1 year after a previous expansion/relocation out of Houston
Kendo Laboratory Products Inc.	Biotech Mfg.	consolidate operations, create worldwide headquarters here; 20 new jobs in manufacturing, 90 in office and professional
Phenix Research Products	Biotech Mfg.	new corporate HQ and East Coast distribution center, 45 new jobs within two years; Asheville-Buncombe Tech Enka Campus was key factor, as was proactive ED effort

Economic Development Efforts

The Asheville Chamber of Commerce operates in conjunction with the Buncombe County Economic Development Commission and the City of Asheville. The combined efforts bring the organization's 2002-03 budget to approximately \$530,500 -- \$325,000 from Buncombe County, \$40,000 from the City of Asheville, and \$165,000 from the Asheville Chamber. The county's portion funded six employees, while the city's contribution paid the salary for a seventh employee, a small business consultant. The City of Asheville's portion went entirely towards recruiting high-tech companies and marketing to selected tech firms⁶. For 2003-04, a budget of \$516,583 was approved, a decline of about 3 percent. Budget cuts forced the department to cut its staff by one employee⁷. Buncombe County's public-private partnership approach, in which the chamber is the leading ED organization for the city, is a common strategy mirrored by many other cities.

The cooperative efforts among Asheville's economic developers can be seen in the efforts that brought American DataMed to the city. The Chamber's vice president of economic development Dave Porter visited the company on-site in California; Asheville

⁵ <http://cgi.citizen-times.com/cgi-bin/story/33613>

⁶ http://www.themountaineer.com/archives/2003/01/29/topstories_millionsspentonareas.html

⁷ <http://cgi.citizen-times.com/cgi-bin/story/37386>

City Council member Joe Dunn expedited a **building permit, cutting the turnaround time from 2-3 weeks to 48 hours**; lastly, Asheville-Buncombe Technical Community College offered to set up a class for the company to train workers for free⁸.

To improve the efficiency of job search efforts, the Chamber has been working on several initiatives, one of which was just launched this past January. The **Asheville Area Talent Bank**⁹, which was designed based on recommendations from employment recruiters, educators, manufacturers, service companies, and job seekers, matches employers with job seekers based on criteria submitted by both parties.

The Chamber's efforts also recently resulted in another achievement, the addition of Haywood and Henderson counties to the Asheville MSA. Efforts by the Chamber pushing for this change, which will increase the MSA's population from 225,000 to over 370,000, date back to 1995. The expansion is expected to make the area more attractive to site consultants and companies looking to relocate, due to minimum size standards set by some site selectors.

Along with its successes, the Chamber has also experienced recent setbacks. In May, major manufacturing employer Continental Teves announced the shutdown of its Asheville plant, which the Chamber's vice president of economic development Dave Porter admits he knew nothing about prior to the announcement. The company's shutdown mirrors the trend of a decline in manufacturing that has left economic developers scrambling, often with limited ammunition to fight back with. According to David Young, county commissioner and chairman of the Buncombe County Economic Development Commission, North Carolina does not have what it takes to compete in an incentives battle, and that other states have a large advantage¹⁰.

In an effort to help slow the job losses in the manufacturing industry, Fred Reese of WCI Inc., an Asheville-based association of large employers, is pushing for a national policy that would improve companies' global competitive abilities but better protect American workers.

⁸ <http://cgi.citizen-times.com/cgi-bin/story/31700>

⁹ <http://www.asheville.com/news/talent.html>

¹⁰ <http://cgi.citizen-times.com/cgi-bin/story/35443>

Atlanta, Georgia

Atlanta, with a population of 4.3 million in the metro area, spans 20 counties. It is one of the leading economic centers in the southeast, serving as the home to 13 Fortune 500 and 24 Fortune 1000 headquarters.¹¹ The Atlanta MSA has been chosen as a benchmark city due to its great potential to serve as a large market base for companies in North Carolina.

Economic Indicators, Atlanta MSA

- **Wage & Salary Jobs:** Up 42.7% (1990-2000)
- **Manufacturing Jobs:** Up 11.1% (1990-2000)
- **Unemployment Rate:** Down slightly from 5.9% in June 2002 to 5.5% in June 2003

Over the past decade, Atlanta has been one of the most rapidly growing regions in the nation, generating almost 700,000 new jobs and earning its title as the top job creator in the nation.¹² Today, numbers still indicate that companies are heading towards Atlanta, particularly headquarters. In 2002, 43 headquarters relocated or expanded there, creating over 1,000 jobs and \$29 million in investments in the process.¹³ Furthermore, Atlanta ranked third on *Expansion Magazine's* January 2003 listing of Hottest Cities for Business Expansion and Relocation.¹⁴

Atlanta MSA at a Glance

Population, 2002	4,386,330
Net New Population, 90-00	1,152,698
% Change, 90-00	38.9%
% of Adults with a Bachelor's Degree or higher	32.0%
% of Private Sector Workforce in Manufacturing	8.9%
Median Household Income	\$51,948
Median Home Value	\$135,300
Private Sector Jobs	1,916,800
Avg. Manufacturing Salary	\$37,752

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

The Atlanta region, however, has not managed to entirely avoid nationwide downward trends in the economy. In 2002, metro Atlanta registered a loss in jobs for the first time in 11 years. With 52,600 jobs lost, Atlanta ranked behind only New York and Chicago as the metro area with the highest number of jobs lost.¹⁵ The manufacturing industry in particular has suffered, experiencing the greatest job losses in the Atlanta metro area. The industry makes up about 7.8 percent of the metro's employment base. Meanwhile, trade, transportation, services, and utilities make up about 23.2 percent of Atlanta's employment.

¹¹ <http://www.metroatlantachamber.com/macoc/business/econdev.shtml>

¹² <http://www.atlantasmartcity.com/html/work/economy.html>

¹³ <http://www.metroatlantachamber.com/macoc/business/img/macoceconews.pdf>

¹⁴ <http://www.metroatlantachamber.com/macoc/business/img/macoceconews.pdf>

¹⁵ <http://atlanta.bizjournals.com/atlanta/stories/2003/02/10/editorial4.html>

Atlanta's Top High-Tech Employers		
Source: Atlanta Smart City		
Company	Emp Size	Description
BellSouth Corporation	18,000	Telephone, wireless and telecommunications services
AT&T Corporation	10,200	Local, long-distance, wireless, Internet, network services
IBM Corporation	8,400	Hardware, software, IT services, e-business services, sales and support
Lucent Technologies Inc.	7,400	Designs, builds and delivers a range of public and private networks, communications systems and software
Hewlett-Packard Co.	3,300	Customer response, information technology, financial services, technical support
Scientific-Atlanta, Inc.	3,000	Broadband communication systems, satellite-based video and data communications
Equifax Inc.	2,636	Transaction processing, knowledge engineering and information consulting
Electronic Data Systems Corporation	2,000	Global information services
Worldspan L.P.	1,800	Hardware, software, information processing services and products, e-commerce for the global travel industry
McKessonHBOC Inc.	1,750	Pharmaceutical supply management and information technologies for the healthcare industry, services for payers and outsourcing

Further examining Atlanta's industry mix, high tech claims an important presence, with more than 11,000 high-tech firms employing over 8 percent of the workforce. A *Newsweek* study calls Atlanta one of the top five fastest growing high-tech metros nationwide.¹⁶ Telecommunications thrives here, with BellSouth, the largest communications holding company in the U.S., calling the metro home. Several top R&D facilities, including the Georgia Research Alliance, the Georgia Biomedical Partnership, Centers for Disease Control, and several university-affiliated facilities, support the state's hopes of drawing bioscience companies.

In terms of transportation, the Hartsfield Atlanta International Airport is one of the busiest in the world, serving over 75 million passengers annually. The metro is also the hub of four railroads and has a bus and rail service capable of serving almost a million passengers each day.

¹⁶ <http://www.atlantasmartcity.com/html/work/overview.html#top25>

Economic Development Efforts

Forward Atlanta, the **Chamber of Commerce's** marketing and economic development fundraising program, has set a number of goals for 2003-2007: generate 200,000 new jobs, draw 700 new businesses to the metro, increase average annual pay by 14 percent, and increase retail sales by \$7 billion.¹⁷ To achieve these economic gains, the Chamber is focusing on the following industries: corporate headquarters, biosciences, logistics, telecommunications, and computer software.

A **Bioscience Council** was also created with the intent of doubling the number of bioscience companies in the metro over the next decade. One promising sign of the sector's potential for growth is the 150 percent growth experienced over the past ten years and the presence of headquarters of several major pharmaceutical and biotech companies such as Solvay, UCB Pharma, Meril, and Serologicals.¹⁸

The Chamber is also working with the **Georgia Research Alliance** to lobby for a sales tax exemption for research equipment purchases and a special fund for biotech facilities. Other states such as North Carolina, however, still hold an advantage over Georgia. While the **North Carolina Biotechnology Center's Economic Development Investment Fund** has managed to loan a total of over \$9 million to over 60 early-stage biotech companies, Georgia has no comparable centralized organization providing such assistance.¹⁹ The North Carolina Biotech Center also has a \$26 million early-stage venture capital fund.²⁰

Another industry task force established by the Chamber is the Logistics Council. The Council was created in response to the strong logistics and distribution assets that the metro already has. Atlanta has the Hartsfield Atlanta International Airport, the globally acclaimed Georgia Institute of Technology's Logistics Institute, and prominent international logistics companies such as UPS, Delta Air Lines, and Manugistics. Solid highway infrastructure is another advantage, with three major highways (I-75, I-85, I-20) joining near the central business district and another highway (I-285) encircling the city. The Council hopes to build on these strengths to further develop the city into a logistics and transportation hub.

Tourism is another area the city hopes to focus on. According to the commissioner of the Georgia Department of Industry, Trade and Tourism (GDITT), tourism has been the "stepchild" of economic development, a trend that needs to be reversed. One recent example of tourism taking a back seat to other priorities is recent budget cuts that left the GDITT's tourism wing with \$640,000 less in funds, compared with a total budget cut of \$981,000.²¹ With a tourism promotion budget of \$10 million, Georgia spends the least amount of money on tourism of all southeastern states. Nevertheless, tourism is Georgia's second largest industry, contributing \$16.5 billion dollars to the state's economy annually.²²

¹⁷ http://www.metroatlantachamber.com/macoc/home/forward_atlanta.shtml

¹⁸ http://www.metroatlantachamber.com/macoc/business/biosciences_new.shtml

¹⁹ <http://atlanta.bizjournals.com/atlanta/stories/2003/04/28/story3.html>

²⁰ <http://atlanta.bizjournals.com/atlanta/stories/2003/01/20/focus6.html>

²¹ <http://atlanta.bizjournals.com/atlanta/stories/2003/05/19/newscolumn2.html>

²² <http://www.gachamber.com/story-30723F76920938A75.html>

Recently New & Expanded Companies		
<i>Source: Metro Atlanta Chamber of Commerce</i>		
Company	Description	Comments
<i>Newell Rubbermaid</i>	<i>global marketer of consumer products</i>	<i>relocation of worldwide headquarters, beating out Chicago, Dallas, Baltimore, and Charlotte; expected to create 800 jobs, relocate approximately 100 top executives, occupy 300,000 sq ft.</i>
<i>Camp Creek Marketplace</i>	<i>retail center</i>	<i>1.1 million-square-foot power center, expected to create 1,500 jobs; \$125 million investment</i>
<i>Datawire Communication Networks Inc.</i>	<i>Internet-based transaction company</i>	<i>located its national headquarters here in late 2002, expected to employ 100</i>
<i>Collgard Biopharmaceutical</i>	<i>tissue-therapeutics company</i>	<i>relocated national headquarters from Boston in 2003</i>
<i>RWD Technologies-Performance Solutions Group</i>	<i>mfg. consulting unit</i>	<i>relocated to be close to the Daimler Chrysler plant opening in Savannah; projected to employ 100</i>
<i>A&E Products</i>	<i>mfg. plant recycling plastics for retail industry</i>	<i>occupies 75,600 sq ft, employs 150</i>
<i>Decoma International</i>	<i>manufacture fascia for Mercedes sports utility vehicle</i>	<i>\$85 million plant, will employ 350 with expansion plans to double employment and square footage</i>
<i>Hagemeyer</i>	<i>regional distribution center</i>	<i>occupies 300,000 sq ft, employs 110</i>
<i>HH Gregg</i>	<i>regional distribution center for electronic retailer</i>	<i>occupies 250,000 sq ft, employs 150</i>
<i>Adesa Corp.</i>	<i>operator of wholesale vehicle auctions</i>	<i>expanded, adding a \$40 million new facility and 108 new employees</i>

Another factor that could have a significant effect on Atlanta's economic future is a collaborative effort between 34 countries in the Western Hemisphere to form the world's largest free trade zone by 2005.²³ Atlanta is in the running to be the headquarters, or "secretariat," of this **Free Trade Area of the Americas**, an economic bounty whose impact is being compared to that of the Olympics and would bring in an estimated 11,000 jobs and an annual economic impact of \$500 million.²⁴

Atlanta, however, faces stiff competition from other cities that are raising millions of dollars for the campaign. So far, the metro has raised about \$2 million. Funding issues aside, Atlanta has other barriers to contend with. Most recently, disagreements over eliminating tariffs and ceasing subsidies to farmers have raised concern that the FTAA might either be delayed or not signed at

²³ <http://atlanta.bizjournals.com/atlanta/stories/2003/02/10/editorial4.html>

²⁴ <http://www.bizjournals.com/atlanta/stories/2003/05/26/story1.html>

all.²⁵ Officials in Atlanta remain optimistic that the issues will be resolved, but problems with Brazil, the U.S.'s co-chair for the FTAA project, do not appear to be a quick fix.

Economic Development Funding

- Annually, the **Metro Atlanta Chamber of Commerce** receives \$23 million in funding from the business community. This is equivalent to \$5.50 per person. The Chamber utilizes industry-focused Councils, a Web resource for prospective companies (www.atlantasmartcity.com), among other tactics, to encourage economic growth. Target industries cited by the Chamber include corporate headquarters, biosciences, logistics, telecommunications, and computer software.
- The **Georgia Department of Industry, Trade and Tourism (GDITT)** has suffered budget cuts recently, particularly in its tourism department. For 2004, the \$30 million budget was cut by \$981,000.²⁶ To fend off further cuts in the future, the GDITT plans to seek help from the Georgia Chamber of Commerce and GDITT board members in going to lawmakers to make their case. The organization is eager to take action now instead of waiting until the session meets again next year.²⁷ The GDITT plays an active role in economic development, often coordinating with Georgia Power's economic development program.
- **Georgia Power** runs an economic development program that recruits more new business than any other organization in the state. Georgia Power's efforts benefit both the state as well as the company, since the influx of companies into the state provides them with a larger customer base to draw upon. Last year, their \$5.3 million investment resulted in a profit of \$5 for every dollar spent on economic development. In the same year, they were linked to 10,221 new jobs and over \$761 million in investments for the state.²⁸
- Looking at a longer timeframe, Georgia Power's efforts have brought in over 100,000 jobs and \$5 billion in new investments over the past decade. The company relies on support from state and local entities, such as the GDITT, to identify companies considering relocation. Georgia Power also has the cooperation of other electric companies statewide in recruiting new business. The understanding is that they may compete with each other for customers after a company has agreed to locate in Georgia, but until then, joint efforts are necessary. Approximately 10 percent of the companies that Georgia Power and the GDITT manage to persuade to visit the state end up relocating here.
- Budget cuts have negatively affected a number of economic development programs, **including Quick Start, the Intellectual Capital Partnership Program (ICAPP), and the Regional Economic Business Assistance Program**

²⁵ <http://www.bizjournals.com/atlanta/stories/2003/05/26/story1.html>

²⁶ <http://atlanta.bizjournals.com/atlanta/stories/2003/05/19/newscolumn2.html>

²⁷ <http://atlanta.bizjournals.com/atlanta/stories/2003/05/19/newscolumn2.html>

²⁸ <http://atlanta.bizjournals.com/atlanta/stories/2002/09/30/story3.html>

(REBA). The first two are workforce-training programs, while the third provides assistance to communities working on deals with companies for new facilities.²⁹ Quick Start is expected to see funds drop by \$407,000, ICAPP by \$412,000, and REBA by about \$1.12 million. One official said that both Quick Start and REBA were instrumental in bringing a poultry plant to Mitchell County – this suggests that reducing these funds may prevent or hinder other business developments. Others, however, such as the executive vice president for the Georgia Public Policy Foundation, say the cuts are not as harmful as they appear, and that programs such as REBA may be unnecessary to begin with.

- The **Georgia Chamber of Commerce** held their first Tourism Committee meeting this July. In addressing tourism-related issues, the Chamber has been feeding off of an agenda drawn up by the GDITT. Other economic development efforts by the Chamber include the Red Carpet Tour and the Fall Feather Hunt, two events that are held for corporate leaders once a year to highlight the benefits that the Georgia business environment has to offer. Over the past 15 years, guests of the Red Carpet Tour have brought over 23,000 jobs to Georgia and \$3 billion in investments. Meanwhile, Fall Feather Hunt guests have been responsible for 12,500 jobs and \$2 billion in investments.

²⁹ <http://www.bizjournals.com/atlanta/stories/2003/02/03/story3.html>

Boise, Idaho

Boise, the capital of Idaho, is the largest city in the state with a population of approximately 198,000. The Boise MSA is ranked as the 7th fastest growing MSA in the U.S. Boise is the center of business and government activity within the State of Idaho. Serving as the economic hub, the City provides financial, medical and commercial services for southern Idaho and portions of eastern Oregon. Corporate headquarters of several major firms contribute to the strong Boise economy with a healthy mix of business, technology, education, healthcare, retail, manufacturing, government and military and professional communities. The Boise area's "Treasure Valley" includes some of the states most productive agricultural land. Boise has also experienced strong job growth from the establishment of Call Centers in the area.

Boise Economic Indicators

- **Nonagricultural employment** is projected to grow at an avg. annual rate of 2.8% through 2006.
- **Manufacturing Jobs:** Down 3.6% in 2003
- **Unemployment Rate:** Increase from 3.0% in 2000 to 5.9.% in 2003.

The Boise MSA was recently recognized with a #2 rating among small cyber-cities in a report released by the American Electronics Association and the NASDAQ stock Market. Because of a 52 percent growth rate in high tech jobs between 1993 and 1998 Boise became the second fastest growing cyber-city in the nation, with 112 of every 1,000 private sector employees working in high tech jobs. The Boise Metro Area is also nationally recognized as a great place to start and grow a business. Per capita, Idaho ranks #1 in U.S. patents, #5 in new companies and 11th in technology jobs.³⁰

The state's high-technology sector, virtually nonexistent in the 1970's, has achieved critical mass in the 1990s to become the state's largest manufacturing employer. However, traditional resource industries still play a major role in Idaho's economy. The state's mining, agriculture, and timber sectors, while all experiencing lulls in the late

Boise City MSA at a Glance

Population, 2002	464,670
Net New Population, 90-00	136,494
% Change, 90-00	46.1%
% of Adults with a Bachelor's Degree or higher	26.5%
% of Private Sector Workforce in Manufacturing	15.5%
Median Household Income	\$47,021
Median Home Value	\$117,800
Private Sector Jobs	225,800
Avg. Manufacturing Salary	\$49,712

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

³⁰ http://www.boisechamber.org/ec_dev/ventures.htm

1990s, have displayed more resilience to this current downturn than in the past. Since the city has become increasingly dependent on the hi-tech sector, the recent severe downturn in the broader technology industry and subsequent reduction in technology expenditures by corporate America has lead Boise to experience a sharper than average decline. Layoffs by firms have cost this sector approximately 4,000 jobs during the current downturn.

Economic Outlook

The state has made a conscious commitment to attracting and growing its software development sector along with other science and technology sectors by attracting more venture capital funding to the area. The city has also committed to investing in public infrastructure projects for business expansion, attraction and job creation purposes. The City recently completed a \$108.5 Million expansion of its airport facilities.

Despite the fact that the outlook for Boise has been scaled back to reflect the combination of several factors including the national economy's slower growth, Idaho with its diverse business interests, abundant hi-tech infrastructure, and high quality labor force is in a healthy position to capitalize on the imminent economic recovery.

Major Boise Employers		
<i>Source: Bureau of Economic Analysis</i>		
Company	Emp Size	Business
<i>Micron Technology, Inc</i>	<i>12,000</i>	<i>Electronics/Technology</i>
<i>Albertson's Inc</i>	<i>4,137</i>	<i>Supermarket Chain</i>
<i>Hewlett-Packard Company</i>	<i>3,800</i>	<i>Electronics/Technology</i>
<i>J.R. Simplot Company</i>	<i>3,800</i>	<i>Agribusiness Corporation</i>
<i>St. Luke's Regional Medical Center</i>	<i>3,300</i>	<i>Hospital</i>
<i>Boise State University</i>	<i>3,327</i>	<i>Higher Education</i>
<i>Boise School District</i>	<i>3,000</i>	<i>Education</i>
<i>Idaho Dept. of Health & Welfare</i>	<i>2,005</i>	<i>Government</i>
<i>St. Alphonsus Regional Med. Cntr</i>	<i>2,209</i>	<i>Hospital</i>
<i>Idaho National Guard</i>	<i>1,257</i>	<i>Military</i>

Key Assets

A number of colleges and universities are available to residents within the Boise MSA: Boise State University, the Selland College of Applied Technology at Boise State University, George Fox University, Idaho State University, ITT Technical Institute.

The community reflects considerable "Quality of Life" attributes as reflected in its extensive urban forest, large park system, a unique Greenbelt along the Boise River and a downtown river, whose high water quality supports multiple recreational uses. The city has 9 acres of parks for every 1,000 residents, which is almost twice the national average.

Boise Airport provides exceptional accessibility to the recreational and business activities of the region. Out of state visitors fly to Boise to reach well known recreation areas such as Sun Valley and Bogus Basin Ski Resort.

Economic Development

- The Idaho Department of Commerce (IDC) is the state’s lead agency for economic, community, tourism, and international business development missions and works to promote increased economic opportunity for Idaho citizens. The IDC has international offices in Korea, Mexico, Taiwan, China, Washington DC, United Kingdom, Germany, Italy, France and Belgium to connect Idaho companies with international trade and tourism opportunities.³¹
- The BMEDC is the regional economic development organization for the Boise metro area. The BMEDC is the separately funded economic development division of the Boise Metro Chamber of Commerce. Driven by a partnership of communities, educational institutions, chamber organizations and businesses, the BMEDC is executing a long-term mission to create jobs, encourage investment in the community, and maintain a high quality of life. The BMEDC provides customized, confidential and free services to businesses that are relocating, expanding or starting-up in the Boise metro area. New ventures and venture capital are also a major focus of the BMEDC, which is committed to fulfilling the unique needs of business start-ups.
- Capital City Development Corporation—CCDC—is the urban renewal agency for Boise, Idaho. CCDC facilitates the ongoing redevelopment of downtown Boise and its neighborhoods, ensuring high quality physical environments and a versatile, modern infrastructure, while supporting social well-being and long-term economic vitality. This unique role is accomplished both independently and through collaborative partnerships with public agencies and private entities focusing on professional master planning, historic preservation, infrastructure and facility development, financial tools, public property management and community-wide advocacy and education.
- The Governor’s Science and Technology Council helps entrepreneurs create new businesses and job opportunities across industry sectors; bolster industry related research and development activities; and bring together the state’s government, education, private sector, and research resources to foster long-term growth in science and technology.
- Other key attributes that Boise boasts of in their efforts to attract employers is that the state of Idaho has the second lowest Manufacturing Labor costs, the lowest per capita state and local taxes, second lowest natural gas costs and lowest Industrial electricity costs in the Western United States.

³¹ <http://www.idahoworks.com/index2.htm>

Charlotte, North Carolina

Charlotte, which had a population of 552,000 in 2001 and 2,000,000 in the metro region, is located in Mecklenburg County, North Carolina. The city has been included as a benchmark city due to its proximity to the eight counties, and its role as an economic driver for the region.

Charlotte's economic success is evident from its top-ten national ranking in a number of categories – best city for business development, most Fortune 500 companies, most new and expanded business activity, best city for entrepreneurship, and largest trading area.³² These accolades stem from consistent upward trends in new business developments and excellent industry diversification. From 1993 to 2002, roughly 9,000 new businesses generated 76,000 jobs and \$8.6 billion in total investment. This includes record total investments of \$2.2 billion in 1998 and \$2.1 billion in 2002.³³ One of the largest projects of 2002 was Johnson & Wales University's announcement of a new campus in Charlotte. The \$82 million campus has the potential to enroll 2,800 students and employ 250 workers, while bolstering other economic developments in the area as well. Another large project was Time Warner's doubling of its local operations, including a lease on a 127,000 sq ft building and tentative plans to increase local employment from 650 to 740.

In terms of industry makeup, Charlotte's reputation as a financial hub is the first thing that comes to many minds. With the second largest banking center in the nation, the headquarters of two of the largest banks, and frequent comparisons to New York City, this reputation is entirely valid. Charlotte's top employer, the headquarters of Wachovia Corp., moved to

Charlotte Economic Indicators

- Wage & Salary Jobs: Up 34.8% (1990-2000)
- Manufacturing Jobs: Down 11.8% (1990-2000)
- Unemployment Rate: Nearly doubled from 2000-2002, to stand at 6.3%

Charlotte MSA at a Glance

Population, 2002	1,584,898
Net New Population, 90-00	337,747
% Change, 90-00	29.1%
% of Adults with a Bachelor's Degree or higher	26.5%
% of Private Sector Workforce in Manufacturing	15.5%
Median Household Income	\$46,119
Median Home Value	\$123,300
Private Sector Jobs	744,300
Avg. Manufacturing Salary	\$36,031

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

³² http://www.charlottechamber.com/content.cfm?category_level_id=133&content_id=1159

³³ http://www.charlottechamber.com/content.cfm?category_level_id=133&content_id=190

Charlotte after being bought by First Union Corp. in 2001.

However, Charlotte's strength and stability is not solely dependent on the finance industry. On the contrary, the manufacturing and distribution and transportation sectors are going strong, with the wholesale sector also on the rise. Manufacturing has expanded from primarily producing textiles in the early century to producing an array of goods, such as nonelectrical and electrical machinery, electronics, metalworking, and plastics. Meanwhile, distribution and transportation have fared well due to top-notch transportation access, including one of the nation's largest and one of the world's busiest airports, close proximity to I-

77 and I-85, and a wide offering of services including air cargo, ground transport, rail system, and trucking.

Largest Charlotte Employers (2002)		
<i>Source: Charlotte Chamber of Commerce</i>		
Company	Emp Size	Industry
<i>Wachovia Corporation*</i>	<i>17,000</i>	<i>Finance</i>
<i>Charlotte-Mecklenburg Schools*</i>	<i>13,683</i>	<i>Education</i>
<i>Bank of America*</i>	<i>12,770</i>	<i>Banking & Finance</i>
<i>Carolinas HealthCare System*</i>	<i>11,100</i>	<i>Health Care</i>
<i>Duke Energy Corporation*</i>	<i>7,042</i>	<i>Energy</i>
<i>US Airways</i>	<i>7,000</i>	<i>Transportation</i>
<i>State of North Carolina</i>	<i>6,418</i>	<i>Government Services</i>
<i>City of Charlotte*</i>	<i>5,855</i>	<i>Government Services</i>
<i>U.S. Government</i>	<i>5,038</i>	<i>Government Services</i>
<i>Mecklenburg County*</i>	<i>4,825</i>	<i>Government Services</i>

** Indicates the company is headquartered in Mecklenburg County*

International businesses have also had a strong role in Charlotte's economic prosperity, with the number of foreign firms in Mecklenburg County growing by 635 percent from 1970 to 2002. Currently, Charlotte has over 400 foreign-owned companies, making up half of the state's total number of foreign firms and earning the city a ranking by Site Selection magazine as top U.S. city for foreign investment.

Economic Outlook

In addition to continued success in the banking, insurance, high-tech manufacturing, distribution and transportation sectors, the Charlotte-Mecklenburg area expects to expand into "focus industries," which include precision metrology/optoelectronics, biological sciences, and security technology. Economic developers also expect more headquarters to locate here and industries related to information and financial services to further develop. The goal is to create a "sustainable advantage" that will prepare Charlotte for the economic challenges of the 21st century.³⁴

Related to this goal is a push to turn Charlotte into a top "global knowledge center" composed of highly skilled, technically trained workers. Promising signs of progress towards this goal are a growing information technology sector and growing venture capital availability. By mid-2000, over 20,000 people in Charlotte were employed in IT-related fields, while approximately 35,000 were employed in this field in the Charlotte MSA. As efforts to attract IT companies have been launched, Charlotte has continued to tout its educated and skilled workforce, ready capital, and business-friendly environment as motivating factors for potential

³⁴ http://www.charlottechamber.com/content.cfm?category_level_id=133&content_id=190

businesses. Recent IT developments in Charlotte include a products support center for Microsoft and e-commerce centers for GE Power Systems, Lowe's Corp., and Unifi Technology Group. In addition, the creation of the Charlotte Research Institute for Technology Innovation bodes well for future advancements in knowledge-based industries.

Key Assets

Charlotte has the fifth-highest number of headquartered Fortune 500 companies in the U.S., providing it with a vast network of business resources to draw upon for future growth. The city is a prime spot for investors to look to, with an established financial center that is capable of facilitating business transactions and providing a source of capital and money management. Charlotte also offers a cost of living below the national average and a thriving sports scene that hosts the NFL's Carolina Panthers, the new NBA expansion team the Charlotte Bobcats, the WNBA's Charlotte Sting, and the top three NASCAR Winston Cup events. Lowe's Motor Speedway is also cited as one of the nation's finest NASCAR facility.

Being in North Carolina, Charlotte can also boast the nation's lowest unionization rate. Other incentives for potential businesses include one of the nation's lowest unemployment, insurance, tax rates, and worker's compensation rates.

Geographically, Charlotte is located within a 100-mile radius of 6.7 million people. This figure compares favorably with Miami's 5.6 million and Memphis' 2.6 million. Combined with the fact that Charlotte is within a day's drive of 55 percent of the U.S.'s population, there is ample support for Charlotte's status as a major distribution center.

Economic Development

- The **Charlotte Chamber of Commerce** aims to be the one-stop shop for anything economic or business-related. According to Ed Weisiger Jr., the Chamber chair for 2003, **close collaboration with legislators** is vital to the Chamber's success, serving as a safeguard that policies passed are pro-business. Financing for their initiatives is also important. In June 2003, the Chamber announced that their annual campaign netted a national chamber fundraising record of \$4.2 million, topping the organization's goal of \$3.5 million.³⁵ 300 volunteers participated in the 13-week fundraiser.
- Economic developers have accused the **Charlotte Regional Partnership** of not doing their job in providing business recruitment leads, and say this has been a problem since 1999 or 2000. One critic points to lack of staffing as the problem. Another developer said that aside from state commerce officials and Charlotte real estate brokers, the partnership used to provide his most frequent source of leads. He used to get a lead at least once a month from them, whereas last year, he only got one lead for the whole year. In defense, Michael Almond, partnership president and chief executive says there are fewer projects available due to a worldwide recession.³⁶ In response to negative

³⁵ <http://charlotte.bizjournals.com/charlotte/stories/2003/06/23/daily3.html>

³⁶ <http://triangle.bizjournals.com/triangle/stories/2003/03/03/focus5.html>

feedback that the partnership has been focusing too much on marketing, the organization pledges to refocus its efforts on recruiting jobs and investments.

- Another problem plaguing the Charlotte partnership, as well as North Carolina's six other regional ED partnerships, is the erratic funding they receive from the state. Approximately 25 percent of the Charlotte partnership's \$2.3 million annual budget comes from the state, but these contributions have ranged from a high of \$596,000 in 2000-02 to a low of \$384,000 in 1998-99. This variability, Almond says, makes it difficult to devise a long-term ED program.³⁷

³⁷ <http://charlotte.bizjournals.com/charlotte/stories/2003/03/31/editorial1.html>

Chattanooga, Tennessee

Chattanooga is a mid-sized city located in Hamilton County, Tennessee. The county's population is 312,000.

Throughout most of the 1970 and 1980s, Chattanooga was a faded industrial town on the Tennessee River burdened with empty factories, a deteriorating downtown, sprawling suburbs, and poor air quality. In 1969, air pollution in Chattanooga was so bad that a federal air quality report labeled the city as the most polluted in the country. With leadership from civic and industrial sectors, the city rallied and began to make the difficult changes necessary to effectively clean the air. By 1975, Chattanooga had met or exceeded all air quality standards.

Although local leaders had successfully tackled air quality concerns, outdated factories and the siphoning of manufacturing jobs to other countries or locations left the city in a recession. Highways and industrial zones separated residents from the Tennessee River and the foothills of the Great Smokey Mountains into which the city is nestled. With leadership from the private, nonprofit, and public sectors, a plan was adopted to rebuild the downtown, reconnect the city to its historic riverfront, and in doing so, bring economic stimulation and tourism to the city.

A nonprofit corporation was created to coordinate redevelopment projects along the riverfront and downtown. Thus, the **RiverCity Company**, later renamed **RiverValley Partners**, was formed to raise funds for and participate in the development of the renewal project. Formally organized in 1986 as a private, not-for-profit corporation, RiverValley Partners was tasked with a master planning process and fueling a public / private collaboration dedicated to redevelopment. Initially, they were given \$12 million, contributed by eight local foundations and seven financial institutions, to start the transformation. The

Chattanooga Economic Indicators

- **Nonagricultural employment:** fell at a rate of 6.4% in 2002.
- **Manufacturing Jobs:** total 43,000 in 2003 and generated \$6 billion in annual sales.
- **Unemployment Rate:** 4.0% in June 2003, up from 3.3% in May 2003

Hamilton County at a Glance

Population, 2002	309,321
Net New Population, 90-00	22,360
% Change, 90-00	7.8%
% of Adults with a Bachelor's Degree or higher	23.9%
% of Private Sector Workforce in Manufacturing	19.9%
Median Household Income	\$38,930
Median Home Value	\$94,700
Private Sector Jobs	164,200
Total Private Sector Payroll	\$4.9 bil
Avg. Private Sector Salary	\$29,561
Avg. Manufacturing Salary	\$36,405

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

money was used as a revolving fund for beginning and completing development projects. RiverValley Partners has played a unique role in Chattanooga, leveraging land purchases to stimulate development for the public good. One of RiverValley Partners' first projects was to acquire, for \$4.5 million, several riverfront properties adjacent to downtown.

Presently, Chattanooga is implementing a \$120 million 21st Century Waterfront Project. This project continues to revitalize Chattanooga's downtown area, where the bustle of tourists and local residents sharing sidewalks and free electric shuttles is a common sight.

Currently, there are a variety of manufacturing operations located in Chattanooga with textiles manufacturing, food processing, and insurance being the dominant industries. While relatively small, two industries—rubber and plastics products, and auto parts and related durables have been expanding rapidly during the '90s. Denso Manufacturing Tennessee Inc., the Japanese-owned automobile parts manufacturer based in Blount County, Tennessee, recently opened a plant in nearby Athens to manufacture automobile oxygen sensors and fuel injection systems.

Outside of manufacturing, the tourism industry continues to add new jobs. The city of Chattanooga has experienced great success with the Tennessee Aquarium and a riverside commercial center with parks, shops, and restaurants. The evolution of northern Georgia as a leisure destination also fuels the area's expanding tourism industry. Spin-offs from the 1996 Olympics in Atlanta, including the whitewater events on the Ocoee River, further fueled the area's tourism activities.

Major Chattanooga Employers		
<i>Source: Bureau of Economic Analysis</i>		
Company	Emp Size	Business
<i>Tennessee Valley Authority</i>	<i>6,974</i>	<i>Electricity</i>
<i>Hamilton County Dept. of Ed</i>	<i>5,537</i>	<i>Education</i>
<i>BlueCross BlueShield of Tenn.</i>	<i>3,754</i>	<i>Insurance</i>
<i>McKee Foods Corp</i>	<i>3,500</i>	<i>Food Processing</i>
<i>UnumProvident Corp.</i>	<i>3,147</i>	<i>Insurance</i>
<i>S. I Corporation</i>	<i>2,358</i>	<i>Manufacturing</i>
<i>Memorial Health Care System</i>	<i>2,582</i>	<i>Insurance</i>
<i>City of Chattanooga</i>	<i>2,487</i>	<i>Government</i>
<i>CIGNA Healthcare</i>	<i>2,400</i>	<i>Insurance</i>
<i>Roper Corporation</i>	<i>1,700</i>	<i>Appliances</i>
<i>ConAgra Poultry Company</i>	<i>1,500</i>	<i>Food Processing</i>
<i>Astec Inc.</i>	<i>1,091</i>	<i>Manufacturing</i>
<i>Shaw Industries</i>	<i>1,000</i>	<i>Carpet Manufacturer</i>

In addition to tourism, the region is well diversified in service-sector areas such as banking, insurance, and health care. This has also led to the development of related industries. C.J. Enterprises Inc., for example, began in the field of medical records management and has since branched out into records management in insurance, real estate, and government, as well as health-care staffing.

Even though the county was hard-hit by the displacement of nearly 1,800 workers during 2002, new job creation helped to compensate for some of the loss. Plant closings that hurt the area included Wheland Foundaries, Culp, Inc., Ahlstrom Filtration, and reductions in force at DuPont, Komatsu, and Bell South. According to data provided by the Chattanooga Area Chamber of Commerce, over 1,500 new jobs will be created by new businesses locating in the county or through existing industry expansion

during 2003. Approximately 225 new jobs are projected as a result of new businesses, primarily in manufacturing and warehousing. Over 1,300 new jobs are projected to be available as a result of expansion of existing businesses, with an estimated 24 percent of those in the manufacturing sector and 68 percent in the services industry, primarily insurance³⁸.

Economic Outlook

The City has made a push to continue targeting and expanding both the plastics and insurance industries. The global chemicals and energy titan DuPont is carrying out a major expansion of its 50-year-old Chattanooga nylon-manufacturing facility. TVA's competitive power rates were a major consideration in DuPont's decision. On top of that, DuPont's new International Nylon Technology Center, which will provide the company's nylon-production research and development services, will also be located in Chattanooga.

The potential for development of Hamilton County's Enterprise South where 1,200 acres have been converted for industrial development, coupled with the Chattanooga Chamber's nine million dollar *Tell the World* Campaign should reap big dividends for the entire region. Chamber officials have announced that their *Tell the World* Campaign has set an ambitious goal of creating 20,000 new jobs within four years.

The City of Chattanooga is also spearheading economic advancement on a number of fronts. The Mayor recently announced plans to create a new Enterprise Center to handle technology links, venture capital and business assistance programs begun at City Hall.³⁹ According to the Mayor's office, those assets include:

- **MetroNet:** A city-backed initiative to provide high speed, low-cost broadband connections currently available only in larger cities
- **Renewal Community:** A federal program offering businesses tax breaks to build or hire workers in targeted inner-city districts
- **Venture Capital:** Southeast Community Capital, a venture capital fund with more than \$50 million
- **Technology Links:** Broadband connections to some of the world's fastest computers at the Oak Ridge National Laboratory
- **Angel Financing:** Local investors and businesses interested in putting money into startup technology companies, "Angel financiers"

³⁸ Chattanooga Area Chamber of Commerce

³⁹ (*Chattanooga Times-Free Press*, February 11, 2003)

Key Assets

Chattanooga is situated on a bend of the Tennessee River between Lookout Mountain and Signal Mountain. It is near a river-port that accesses 16,000 miles of navigable waterways, at the intersection of three major interstate highways, and about a two-hour drive from three of the Southeast's major commercial centers: Atlanta, Birmingham, and Nashville. The city is also located in a major rail corridor that has dual rail access. The accessibility to a wide range of transport lines makes the city a good location for a variety of businesses including mobile entrepreneurs, distribution, and transportation companies. Enterprise South, the city's newly-built 1,200 acre industrial park designed to accommodate a wide array of manufacturing concerns.

Economic Development

There are a few organizations that work in a concerted effort to drive economic development efforts in Chattanooga. The main organization spearheading economic development efforts for the city is the Chattanooga Chamber of Commerce. Working with an annual budget of approximately \$800,000, funded equally in part by both the City and Hamilton county, the Chamber helps to spur job growth by recruiting new companies to locate to Chattanooga through its marketing efforts as well as to assist local entrepreneurs and companies in growing their businesses. The Chamber also works to attract private funding to help maintain and build the infrastructure necessary to ensure a healthy and vibrant economic climate. Both City Hall and the State of Tennessee also maintain an office of Economic Development that, to a limited extent, helps the Chamber in its economic development efforts.

The Tennessee Valley Authority (TVA) is a federal corporation and the **nation's largest public power company**. As a regional development agency, TVA supplies low-cost, reliable power, supports a river system, and works with local economic developers. Its entire budget comes from power sales of nearly \$7 billion a year. TVA's most important contribution is keeping power rates competitive. This helps attract industries that bring good jobs to the region. TVA also supports economic development, primarily by helping communities help themselves. That help includes stimulating capital investment, creating jobs, improving business and workforce productivity, bringing communities into the Information Age, supporting small-business incubators, and promoting sustainable development throughout the region. For example, working with local utilities and governments, TVA manages a **multimillion-dollar revolving loan fund** to leverage money for capital investments and attract business to the Valley. Capital for the loan fund comes from power revenues.

Hamilton County Government has been instrumental in advancing site development to ensure adequate space for development. The county has focused on initiatives such as the opening of the Ooltewah Industrial Park, Centre South Riverport, Bonny Oaks Industrial Park and the Business Development Center. The County has also worked diligently to ensure a successful redevelopment of Enterprise South Industrial Park. In addition, the County Executive has advocated for the establishment of a new high-tech incubator that will provide assistance to entrepreneurs in the development of technology-based businesses.⁴⁰

⁴⁰ (www.hamiltontn.gov/Development)

Danville, Virginia

The City of Danville is within Pittsylvania County. Considering its status as Virginia's largest tobacco market, it is no surprise that Danville remains a tobacco- and textile-based city. The city's reliance on the two industries serves as a primary reason for Danville's inclusion among the benchmark cities. The tobacco and textile industries, which were the main factors behind Danville's early growth, look to have a continued impact in both the immediate as well as distant future. This is true despite substantial reduction in employment in both industries, due to a growing reliance on automation in the textile industry and falling output in the tobacco industry. Recent projects providing evidence of this continued dominance include Universal Leaf Tobacco's \$28 million, 38-job expansion and Dan River's \$4 million, 50-job expansion.

However, there have been a number of developments occurring in other industries as well. In 2002, Essel Propack America, LLC, a tubing manufacturer, announced plans to place its first U.S. manufacturing facility in Airside Industrial Park. This site represents a \$21 million, 81-job investment. Virginia won out over North Carolina for the project.

In 2003, Intertape Polymer Group Inc. (IPG), manufacturer of plastic- and paper-based packing products, announced plans to invest \$5 million and create 50 jobs in a new facility in Pittsylvania County. IPG cited Virginia's competent workforce and relatively low-cost access to major markets as their deciding factors.⁴¹

Economic Indicators, Pittsylvania County

- Wage & Salary Jobs: Up 16.5% (1990-2000)
- Manufacturing Jobs: Down 4.6% (1990-2000)
- Unemployment Rate: Doubled from 2000-2002, to stand at 7.9%

Pittsylvania County at a Glance

Population, 2002	61,745
Net New Population, 90-00	6,073
% Change, 90-00	10.9%
% of Adults with a Bachelor's Degree or higher	9.3%
% of Private Sector Workforce in Manufacturing	56.1%
Median Household Income	\$35,153
Median Home Value	\$80,300
Private Sector Jobs	14,800
Total Private Sector Payroll	\$435 mil
Avg. Private Sector Salary	\$29,460
Avg. Manufacturing Salary	\$37,284

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

⁴¹ <http://www.yesvirginia.org/newsitem.asp?ID=525>

Virginia's top job creator for 2002 also occurred in Pittsylvania, where Unique Industries, Inc., a wholesale provider of party goods, committed to a \$19.6 million, 420-job distribution center. Virginia won the site over Georgia, North Carolina, and Florida. Workforce considerations, as well as the county's aggressive campaign efforts, were what won the company over.⁴²

Economic Outlook

In acknowledgment of the dangers that over reliance on textile and tobacco industries poses to the city's economic stability, Danville has made a long-term concerted effort to attract other industries to the area. Such efforts have resulted in success by manufacturers of truck and airplane tires, food, electronics, pressure-sensitive tape, packaging materials, glass, automated teller machine parts, and coaxial cables. In fact, over the last 20 years, new industries and businesses have generated about 7,500 new jobs to the area.

Major Danville Employers		
<i>Source: Virginia Economic Development Partnership</i>		
Company Name	Industry	Emp Size
<i>Dan River, Inc.</i>	<i>Textiles</i>	<i>2,500-4,999</i>
<i>Dimon, Inc.</i>	<i>Tobacco & fresh cut flowers</i>	<i>100-299</i>
<i>Nestle USA Food Group Inc.</i>	<i>Refrigerated pasta & sauces</i>	<i>300-599</i>
<i>VF Playwear Inc.</i>	<i>Children's apparel</i>	<i>300-599</i>
<i>Danville Community College</i>	<i>Higher education</i>	<i>300-599</i>
<i>Danville Regional Medical Center</i>	<i>Health care</i>	<i>1,500-2,499</i>

Clearly, the manufacturing sector plays a heavy role in the city's economy – over half of Pittsylvania's job base in 2001. Other industries that play a prominent role in Danville's economic mix include services, trade, and government. In terms of future economic developments, Danville officials are pushing for continued industry diversification and greater utilization of emerging technology. The city soon hopes to implement a new system, referred to locally as eDan, which will allow them access to technology that is only available on a limited basis nationwide.

Key Assets

In terms of transportation infrastructure, Danville is well connected. U.S. Highway 29 provides a major four-lane connector to Washington, D.C. and Atlanta, GA, as well as a link to I-40 and I-85 in Greensboro, NC. In addition, U.S. Highway 58 connects them to the ports of Hampton Roads. As for rail service, Norfolk Southern Railway and AMTRAK are the main providers. Piedmont Triad International Airport and Raleigh/Durham Airport serve as the closest major regional airports.

⁴² http://www.yesvirginia.org/pdf/2002_Report.pdf

Low-cost utilities are another positive attribute Danville offers, with one of the lowest rates in the Commonwealth of Virginia. Wages are also comparatively low to statewide wages, providing cost incentive for potential employers. The Danville MSA had lower mean wage rates than the Commonwealth in about half of 25 selected job categories.

Danville's efforts to foster a business-friendly environment have also resulted in the creation of two industrial parks. The first park, Airside Industrial Park, was built in 1985 and is outfitted with street lighting, fiber optic cable accessibility, in-park recreational areas, and all utilities. Meanwhile, Cyber Park, built in 1989, offers lower costs, fewer developmental restrictions and is geared towards attracting warehouses, office buildings, and light industrial facilities.

Economic Development

- State and local economic development (ED) efforts are balanced and well coordinated, with the collaboration between the Virginia Economic Development Partnership (VEDP) and the Danville Office of Economic Development (DDC) serving as a key factor in attracting business to the city. The VEDP, which is recognized as the Commonwealth's official economic development agency, was established by the Virginia General Assembly and is composed of 15 governor-appointed businesspersons in the Virginia area. Its strong ties to the governor and the General Assembly are key to the organization's structure. Favoring a personalized approach, the VEDP assigns a Business Development Project Manager to each prospective business. The Project Manager provides insight into the area's current economic situation, advises on site selection, environmental issues, and workforce, consults with utility companies to assess projected costs, and coordinates with other government agencies as necessary. The VEDP was named one of the top ten Southern ED groups of the decade⁴³ and will operate under a \$14 million budget for the 2004 fiscal year. Funding comes solely from the State General Fund. In terms of marketing, VEDP utilizes a combination of marketing missions, special events, and trade shows.
- The Danville Office of Economic Development (DDC) is the local organization responsible for attracting jobs and increasing the tax base. The DDC also holds exclusive marketing rights for the city's two industrial parks. One of these parks, Airside Industrial Park, is currently under ownership of the Industrial Development Authority of Danville, which was organized to provide long-term financing to attract and retain businesses to the Commonwealth area and the city. Tax-exempt bonds are often used for this purpose. In May 2003, *Site Selection* magazine selected the DDC as one of ten honorable mentions for economic development groups nationwide. Groups were selected based on four criteria: new jobs, new jobs per 10,000 residents, new investment amount, and new investment amount per 10,000 residents. Agencies were then further assessed based on their innovative programs, leadership, and customer service.⁴⁴ Manufacturing projects were the driving factor for Danville, with laminated tubing manufacturer Essel Propack, Goodyear Tire & Rubber, and Nestle USA among the most significant projects in the past year. Danville

⁴³ <http://www.sb-d.com/issues/winter2003/topdeals/top10edgroups.asp>

⁴⁴ *Site Selection* magazine, May 2003 issue

Office of Economic Development's director Ronald B. Bunch said the agency's Quick Start build-to-suit program, as well as a variety of technology enhancement and economic stimulus grants, contributed to their success.

- The Virginia Department of Business Assistance lends a hand in workforce development. Meanwhile, the finance division of this organization, Virginia's Small Business Financing Authority (VSBFA), seeks to increase business' access to capital and assist in any other finance-related needs.
- In terms of regional representation, the West Piedmont Regional Alliance serves the Counties of Franklin, Henry, Patrick, and Pittsylvania and the Cities of Danville and Martinsville. They receive some funding from the Regional Competitiveness Act, in the amount of about \$350,000 per year. The West Piedmont Planning District was chartered under the Regional Cooperation Act by local government. The district operated on a \$60,000 grant in 2001 from the U.S. Department of Commerce, Economic Development Administration (EDA), and matching funds from the Planning District Commission and member localities.

Statewide, Virginia's economic development efforts have earned it a number four ranking on Site Selection's list of economic development successes. Meanwhile, Price Waterhouse Coopers also lauded Virginia, calling it the most flexible state for incentive negotiation. However, ED efforts have faced their difficulties. Due to widening budget gaps, Virginia's ED programs suffered record budget cuts in 2002. The \$20 million Regional Competitiveness Act took the hardest hit, while the Governor's Opportunity Fund was cut by \$12.5 million. Workforce Services was cut by almost \$9 million. In the May 2003 session, cuts continued but not to the degree of severity as 2002's cuts. One encouraging development was the creation of the Workforce Retraining Fund.

Fort Collins, Colorado

Fort Collins is a community of 118,000 located in Larimer County, Colorado. It is home to more than 22,000 Colorado State University students and located in the foothills of the Rocky Mountains, 65 miles north of Denver.

The main industries driving the growth of Fort Collins are its high tech manufacturing sector, which include several major companies such as Hewlett Packard, Eastman Kodak, Agilent Technologies, as well as many local suppliers supporting the Anheuser Busch brewery. The city of Fort Collins is also well known for both its extensive publishing and artistic communities.

In 1989, the City Council decided to try to build on the city's natural appeal by adopting an economic development plan that formally put in place its "balanced growth" policies. In the city's attempt to grow its economy, it has refrained from offering costly financial incentives to lure new companies. Instead it has chosen to spend its money on schools, amenities that make the city an attractive place to live, and infrastructure that businesses needs to grow.

When companies and workers fled California during its deep recession of the early 1990s, the Rocky Mountain region emerged as an island of surprising prosperity and growth by offering its residents low costs, an emerging technology sector, and an alluring lifestyle. Since then, highly skilled and educated people have been flocking to emerging tech centers such as Boulder and Fort Collins.

Ft. Collins Economic Indicators

- **Median Income:** \$68,000
- **Manufacturing Jobs:** represent 14.6% of total employment.
- **Unemployment Rate:** 5.4% in June 2003 for the MSA versus 5.2% in June 2002

Fort Collins at a Glance

Population, 2002	264,605
Net New Population, 90-00	65,358
% Change, 90-00	35.1%
% of Adults with a Bachelor's Degree or higher	39.5%
% of Private Sector Workforce in Manufacturing	19.5%
Median Household Income	\$48,655
Median Home Value	\$172,000
Private Sector Jobs	98,700
Total Private Sector Payroll	\$3.1 bil
Avg. Private Sector Salary	\$31,844
Avg. Manufacturing Salary	\$59,332

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

Now, as the overall economy softens and companies are forced to trim their workforce, Fort Collins, unlike other communities that used lavish tax breaks to attract business, has a solid community foundation and stable city budget.

Overall, the Rocky Mountain region is seeing a slowdown. The region's projected job growth rate, at 2.3% this year, is significantly slower than last year's 3.6% growth. Telecommunications and technology companies have led the way in Ft. Collin's job losses.

Economic Outlook

Now that the heavy high tech job losses have started to subside, Fort Collins is looking forward to the next step of its economic development goals. While it still plans to make significant efforts to retain and expand its distribution, agricultural, and manufacturing sectors, it looks toward the research efforts and resulting spin-off entities of both Colorado State and the University of Colorado for new growth industries. Along these fronts, the engineering center at the University of Colorado at Boulder is making significant strides in the biotech, aerospace and environmental sciences field.

The Fort Collins Incubator was formed in May of 1998 with a central purpose in mind – to locally grow good paying jobs. The Fort Collins Economic Development Corporation, the City of Fort Collins, and Colorado State University cooperatively created this non profit program and continue to support its operations.

Major Ft. Collins Employers		
<small>Source: www.ncedc.com</small>		
Company	Emp Size	Business
<i>Colorado State University</i>	<i>7,945</i>	<i>Education</i>
<i>Poudre School District</i>	<i>3,014</i>	<i>Education</i>
<i>Hewlett Packard</i>	<i>3,182</i>	<i>Electronics</i>
<i>Agilent Technologies</i>	<i>2,454</i>	<i>Tech Equipment</i>
<i>Thompson School District</i>	<i>1,888</i>	<i>Education</i>
<i>City of Fort Collins</i>	<i>1,864</i>	<i>Government</i>
<i>Kodak Colorado</i>	<i>1,840</i>	<i>Photographic Goods</i>
<i>McKee Medical Center</i>	<i>950</i>	<i>Healthcare</i>
<i>Wal-Mart</i>	<i>909</i>	<i>Distribution Center</i>
<i>Advanced Energy</i>	<i>825</i>	<i>Semi-Conductor</i>
<i>Anheuser-Busch</i>	<i>760</i>	<i>Brewery</i>
<i>Celestica</i>	<i>650</i>	<i>Electronics Manufacturer</i>
<i>Waterpik Technologies</i>	<i>585</i>	<i>Dental Hygiene Appliances</i>

Key Strengths

- Because Fort Collins **devotes so few tax dollars to corporate tax breaks**, it is easier for city officials to approach voters for money for schools. Voters consistently approve more money for teachers, programs and facilities, including a \$175 million bond issue passed last fall. The city's school-tax rate is the ninth highest in Colorado. Fort Collins' schools are

among the best in the state, with students consistently scoring above state and national averages on the SATs. In 2000, the city's students averaged 1102 on their SAT scores, while Colorado students averaged 1071, and students nationwide averaged 1019.

- The federal government is building a \$65 million campus in Ft. Collins where it will consolidate eight environmental and agricultural research agencies.
- Denver International Airport provides worldwide airline connections within an hour's drive of Ft. Collins.
- The state-funded Colorado State University, founded as an agricultural college, recently got a makeover to give itself a high-tech twist, luring away from Purdue University three electrical and computer engineers to set up a research lab. The city's biggest employer is spinning off start-ups, while a locally based venture capital firm, Vista Ventures LLP, just put together a \$20 million fund to help them.
- The University of Colorado at Boulder, located only 45 minutes away, also maintains a leading edge engineering department that helps to drive the biotech, aerospace and environmental sciences industries in the entire northern Colorado region.
- The pure run-off from mountain snows has been a boon to a half-dozen breweries and microbreweries that employ about 1,000. They range from Anheuser-Busch to New Belgium Brewing Co., which makes Belgian-style beer, to Odell Brewing Co., maker of English-style ales.

Economic Development

Economic Development efforts for the city of Fort Collins are channeled through Northern Colorado Economic Development Center (NCEDC), a non-profit organization that is **funded 94% by private investors** and located in Larimer County. The NCEDC operates with an annual working budget of approximately \$400K - \$450K to help the Fort Collins / Loveland region attract and grow businesses. With its limited budget, the NCEDC has very little funding left over for advertising campaigns. The majority of its marketing efforts are channeled through its website www.ncedc.com.

The Office of Economic Development for the state of Colorado also engages in international promotions and conferences to attract businesses to the state of Colorado.

Greensboro, North Carolina

Greensboro, population 224,000, is located in Guilford County, North Carolina, and has been included as a benchmark city due to its proximity to the eight counties. The city population, which has grown by about 22 percent in the last decade, contributes to a regional population of about 1.4 million.

For the past few decades, Greensboro has enjoyed success in the textile and apparels industry, enabling the city to stimulate growth in other industries and build up its downtown area. Greensboro's textile success began nearly a century ago, following a failed bout with the steel industry. These days, however, old industries are showing signs of wear, as manufacturing companies shift their labor overseas to take advantage of lower operating costs. Previously high wages in manufacturing have been on the decline throughout the Triad region for years, and several business and economic experts advocate a more regional approach towards solving the economic slowdown.

The city's leading economic development agency, Forward Greensboro, calls Greensboro an ideal site for manufacturing, transportation logistics, and corporate facilities. Telecommunications and customer service centers have also helped shape Greensboro. In addition, the city's location midway between Washington, D.C. and Atlanta and midway between New York and Miami makes it a key site for the distribution industry. Five interstate highways, proximity to Piedmont Triad International Airport, and the presence of two nearby ports and railway systems contribute to the city's offerings.

Economic Indicators, Guilford County

- Wage & Salary Jobs: Up 22.7% (1990-2000)
- Manufacturing Jobs: Down 23.0% (1990-2000)
- Unemployment Rate: More than doubled from 2000-2002, to stand at 6.4%

Guilford County at a Glance

Population, 2002	430,937
Net New Population, 90-00	73,617
% Change, 90-00	21.2%
% of Adults with a Bachelor's Degree or higher	30.3%
% of Private Sector Workforce in Manufacturing	22.0%
Median Household Income	\$42,618
Median Home Value	\$116,900
Private Sector Jobs	250,600
Total Private Sector Payroll	\$8.1 bil
Avg. Private Sector Salary	\$32,138
Avg. Manufacturing Salary	\$41,080

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

Economic Outlook

One crucial factor driving the area's economic future will be the new FedEx hub, which is scheduled to begin operations in 2009 at the Piedmont Triad International Airport. The hub, which will be Fed-Ex's fifth national one, is expected to have effects that extend far beyond the distribution industry. One representative of the Piedmont Triad Partnership says that of the businesses that have expressed interest in relocating or expanding in the area due to the hub, half of them have been companies in industries such as medical technology, biotechnology, and pharmaceuticals. Other interested companies include electronics and distribution companies.

Major Private Greensboro Employers		
<i>Source: Forward Greensboro Economic Development Partnership</i>		
Company	Emp Size	Operation
<i>Moses Cone Health System</i>	<i>7,000</i>	<i>Hospital</i>
<i>Tyco Electronics</i>	<i>4,115</i>	<i>Electronic Mfr.</i>
<i>Sears Operations</i>	<i>1,400</i>	<i>Customer Svc.</i>
<i>Cone Mills Corporation</i>	<i>1,300</i>	<i>Textile Mfr./Office</i>
<i>American Express</i>	<i>2,800</i>	<i>Customer Svc.</i>
<i>U.S. Postal Service</i>	<i>2,180</i>	<i>Postal Service</i>
<i>High Point Regional Hospital</i>	<i>1,975</i>	<i>Hospital</i>
<i>United Parcel Service (UPS)</i>	<i>1,900</i>	<i>Postal Operations</i>
<i>Bank of America</i>	<i>1,800</i>	<i>Customer Svc.</i>
<i>Thomas Built Buses/Freightliner</i>	<i>1,650</i>	<i>Bus Mfr.</i>

According to a study by Forward Greensboro and the Sloan School of Management at the Massachusetts Institute of Technology (MIT Sloan), the following industries should be closely watched in the coming years: pharmaceuticals, biotech and medical technologies; transportation, shipping and logistics, and aviation maintenance; information technology, software and communication services; motor vehicle and motor vehicle parts manufacturing; chemicals and plastics.⁴⁵ Technology will also likely play a role in Greensboro's future, with North Carolina ranking 4th in the U.S. in high-tech growth.⁴⁶ The biotech sector in particular is poised for growth.

⁴⁵ Forward Greensboro, 2002 Annual Report

⁴⁶ <http://www.forwardgreensboro.com/>

Recently New & Expanded Companies		
<i>Source: Forward Greensboro, Piedmont Triad Partnership</i>		
Company	Industry	Description
<i>Alberdingk Boley, Inc.</i>	<i>Chemical Manuf</i>	<i>160,000 sq ft; attracted by workforce, transportation infrastructure, strong relationship with German government</i>
<i>Corsicana Bedding</i>	<i>Manuf (mattresses, box springs)</i>	<i>60,000 sq ft facility set to open in Oct, initial employment of 25, expected to increase to 100 in next 3-4 years</i>
<i>LinPac Paper</i>	<i>Manuf/Distribution</i>	<i>\$16 million, 45,000 sq ft expansion, increasing production volume threefold</i>
<i>Powell Company</i>	<i>Furniture Import and Distribution</i>	<i>new to Greensboro, 400,000 sq ft</i>
<i>Procter & Gamble Co.</i>	<i>Distribution</i>	<i>\$10 million, 357,000 sq ft expansion, more than doubling the center's size and making it one of the region's largest warehouses</i>
<i>RF Micro Devices</i>	<i>HT Manuf</i>	<i>opened its 3rd wafer-fabrication plant, \$200 million facility</i>
<i>Syngenta</i>	<i>Biotech</i>	<i>consolidate headquarters and R&D, create 110 jobs in Greensboro</i>

Key Assets

As mentioned earlier, Greensboro's prime location puts it within easy access of major markets on the East Coast. In addition, with Research Triangle Park being only an hour away, Greensboro has the advantage of having several high-tech companies within close proximity. Greensboro hopes to utilize such advantages to help expand its technology base. In addition, the city has made key technological investments including the Internet Backbone. This system, which is not offered by many cities, gives Greensboro the unique advantage of enabling businesses to keep information on the backbone connecting the U.S. to Europe, potentially improving cost efficiency in the process. Greensboro also expects to be one of the first cities in North Carolina to offer real-time Internet services.

In terms of quality of life, Greensboro is striving to bring key renovations that will improve the community's recreation. Two important upcoming additions are a baseball stadium and a downtown park.⁴⁷

⁴⁷ <http://triad.bizjournals.com/triad/stories/2003/06/02/daily23.html>

Economic Development

- Greensboro's main economic development force for business development is **Forward Greensboro Economic Development Partnership**. Forward Greensboro operates on a budget of approximately \$1 million per year, 80 percent of which are private funds and 20 percent public. In 2002, three new marketing brochures were distributed to over 100 site location consultants, national brokers, and corporate real estate executives. The International Economic Development Council awarded them with a national "Best of Class" distinction for their new marketing materials. Marketing efforts are geared towards site location consultants and corporate real estate executives, in the form of events, announcements, and emails. Forward Greensboro is the source of programs such as Advantage Greensboro, a program supporting new and existing businesses, and Forward Greensboro III, a five-year action plan and fundraising campaign. The goal of Forward Greensboro III is to create 6,000 jobs, \$760 million in capital investment, inject an additional \$491 million into the countywide payroll, and raise \$5.5 million. As of June 2003, funds had reached the \$4 million mark, including a \$200,000 donation from the City.
- Another organization, **Action Greensboro**, is a non-profit organization created in 2001 by six foundations in response to a report stating that in order to protect its economic well being, Greensboro must do the following – improve perception of its public schools and other community factors, assess and address changes in its private sector, and increase communication and coordination between economic development agencies. Action Greensboro has an annual budget of about \$210,000, which is provided by six local foundations. Not much time is spent on marketing the organization. According to Judy Morton at Action Greensboro, "We spend time keeping our Groundbreakers (volunteers and those who "just want to know") informed about the key issues facing our community and the strategies we can implement to bring more and better jobs to the community."
- Among criticisms that Greensboro's ED efforts are being duplicated and thus not achieving maximum results, leaders have put forth a plan to improve the coordination of future efforts. Under this short-term Action Plan the Greensboro Economic Council was created consisting of the mayor, chairman of the Guilford County commissioners, and Chairs from top local economic development agencies. This eight-member council will be responsible for supervising five newly created work groups spanning topics such as existing business and business recruitment; entrepreneurship, small and minority business; downtown/center city; tourism, culture, arts and recreation; and marketing. Representatives from multiple agencies will be assigned to each work group, in the hopes that intermingling the agencies will help foster communication.
- The specific nature of each work group was intentional, in order to avoid having each agency working on the same tasks and duplicating their efforts as a result. In addition, in order to ensure that the work groups' progress can be easily monitored, measurable goals were laid out.

- Meanwhile, one representative from Action Greensboro said that though the council has “no formal power” over the groups, their supervisory powers lie in the fact that council members are substantial financial contributors to the various agencies. Thus, unsatisfactory progress in the work groups could lead to reduced funding for the agencies. Shortly after the plan’s announcements, opponents raised doubts as to how effective the plan would be and how integrated the coordination would be. Advocates of the plan, however, remained optimistic.

Greenville, South Carolina

Greenville is located in Greenville County, population 391,000. The county has experienced 19 percent population growth in the past decade.

Though the textile industry has a long history in Greenville, the area has branched out over the last three decades, diversifying its industries greatly. Warehousing, manufacturing (particularly high-tech manufacturing), and engineering are among the industries that have fared well. In fact, Greenville County boasts the highest number of engineers per capita of any county in the U.S. and the largest number of corporate headquarters in South Carolina. In addition, the metro area is the home of more international investment per capita than anywhere in the nation, according to the *Harvard Business Review*.

Greenville was selected as a benchmark community due to its connection to textiles, in the hopes that Northwest North Carolina can follow their example in industry diversification. In addition to manufacturing, which employed about one-fifth of the county's population in 2000, wholesale/retail and services are also major sectors. The services sector in particular has increased rapidly over the last decade, while the number of manufacturing jobs has declined substantially.

Economic Outlook

Greenville's economic outlook appears promising, with an array of opportunities available. With the BMW plant nearby in Greer, Greenville could very well capitalize on the growing automotive industry in South Carolina in the years to come, as more suppliers are needed to provide parts. Another option is the pharmaceutical industry, which officials are actively attempting to recruit. The Greenville Chamber of Commerce has assembled a pharmaceutical task force, while the Greenville Area Development Corporation and Upstate Alliance have been networking with pharmaceutical companies in an effort to attract companies to the area. Though officials are highly aware of the daunting competition they face – the Research Triangle, for example – they see their **recruitment efforts as a long-term** process and do not anticipate immediate success from their

Economic Indicators, Greenville County

- **Wage & Salary Jobs:** Up 25.8% (1990-2000)
- **Manufacturing Jobs:** Down 23.8% (1990-2000)
- **Unemployment Rate:** Up from 4.5% in June 2002 to 4.6% in June 2003

Greenville County at a Glance

Population, 2002	391,334
Net New Population, 90-00	59,509
% Change, 90-00	18.6%
% of Adults with a Bachelor's Degree or higher	26.2%
% of Private Sector Workforce in Manufacturing	23.4%
Median Household Income	\$41,149
Median Home Value	\$111,800
Private Sector Jobs	208,800
Total Private Sector Payroll	\$6.5 bil
Avg. Private Sector Salary	\$31,150
Avg. Manufacturing Salary	\$40,404

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

efforts.⁴⁸ Other task forces in place by the Chamber of Commerce include headquarters recruitment, international recruitment, and an existing industry task force.

Demonstrating their commitment to biotechnology, South Carolina Department of Commerce's Team SC makes

it a point to highlight the biotech industry on their homepage. They emphasize that South Carolina provides ready sites, few restrictions on permits, qualified workforce, intellectual property protection, efficient infrastructure and utilities, and vital research connections to three universities.

Local universities are also doing their part to prepare for biotech advancements. Clemson University is currently constructing a multi-million dollar facility to improve research efforts in agricultural biotechnology and molecular biology research. The Medical University of South Carolina continues to accumulate research awards, with the number of their awards increasing threefold in recent years. Lastly, the University of South Carolina recently opened a \$33 million Graduate Science Research Center. Already, a number of biotech companies have found success and profitability in South Carolina, including Biopure, UCB-Bioproducts, and Pilot Therapeutics.

The Chamber of Commerce's strategy to propel Greenville's economy focuses on developing knowledge-based and technology industries and start-ups, advanced manufacturing, scientific and engineering-related research, and small businesses. In the Chamber's view of the future, the entrepreneurial spirit will be highly encouraged and supported, incentives will be crucial to attracting new businesses, and workforce development must be honed to reflect the needs of emerging enterprises.

Community leaders and residents are even looking as far into the future as 2025. Through their ongoing project, dubbed "Vision 2025," the community seeks to focus on 15 areas of interest to work on in the next few years and have developed a schedule to help keep them on track. A sampling of the areas of interest includes Arts, Diversity, Education, Health Care, International, Planning & Infrastructure, and Transportation. David Shi, Furman University President, is chairing the project.

Major Greenville Manufacturing Employers		
Source: South Carolina Department of Commerce		
Company	Emp Size	Major Product
<i>General Electric Co</i>	2,600	<i>Gas turbines</i>
<i>BMW Manufacturing Corp</i>	2,100	<i>Automobiles</i>
<i>West Point Stevens Inc-Finishing</i>	2,000	<i>Finishing sheets & pillowcases</i>
<i>Michelin North America Inc</i>	1,900	<i>Radial tires</i>
<i>Springs Indus Inc-Lyman Complex</i>	1,784	<i>Finished apparel fabrics</i>
<i>Sealed Air Corp.-Cryovac Div</i>	1,650	<i>Plastic bags</i>
<i>Mayfair Mills Inc</i>	1,500	<i>Cotton</i>
<i>Michelin North America Inc</i>	1,450	<i>Radial truck tires</i>
<i>Robert Bosch Corp</i>	1,400	<i>Oxygen sensors</i>
<i>Lockheed Martin Aircraft Center</i>	1,257	<i>Commercial/military a/c maintenance</i>

⁴⁸ "Prescription for Growth," *The Greenville Journal*, Jan. 17-23, 2003

Key Assets

Greenville is South Carolina's most populous county and possesses a prime location, sandwiched between Atlanta, GA and Charlotte, NC on I-85 and midway between New York and Florida on the East Coast. This location gives them good access to several major U.S. markets. Furthermore, it places Greenville in "The I-85 Corridor," which is known as one of the fastest growing areas in the U.S. The presence of the Greenville-Spartanburg International Airport is also a plus for the city, as it was named one of the top ten airports in the U.S. by Condé Nast Traveler.

Another positive indicator for Greenville to build upon is the large amount of investment that they attract each year. In 2002, Greenville County trailed only Spartanburg County statewide in the amount of capital investment raised, boasting a total of \$487.5 million. The county also was top-ranked in terms of the number of new jobs for 2002.⁴⁹

Contributing to Greenville County's quality of life are the largest public school system in the state and the largest arena in the state, the Bi-Lo Center, which hosts a variety of music acts, sporting events, and other entertainment events.

Economic Development

The **Greenville Area Development Corporation (GADC)** strives to be the centralized contact point for economic development in the greater Greenville area, serving as the official entity to negotiate incentives with economic development prospects. With an annual budget of approximately \$570,000, the GADC aims to serve as a liaison between businesses and the community and provide site selection assistance. \$500,000 of the funding comes from Greenville County, with the remainder coming from the private sector to be used exclusively for marketing efforts. For marketing, GADC relies a great deal on Upstate Alliance, a regional economic development organization, to coordinate trade shows and marketing trips. The county pays \$50,000 for the GADC's right to participate in the alliance. In addition, GADC does their own trips to call on consultants and prospective companies. The remainder of their efforts focus on improving their Web site.

Another organization whose interests are rooted in the state's economic development is the **Palmetto Institute**, an independent, non-profit organization intent on increasing South Carolina's prosperity. This economic research team, which is funded by the founding members of the Board of Directors and by private donors, submitted a recommendation about a year ago that South Carolina restructure their economic development efforts. More specifically, the Institute called for the state to identify cluster industries and work to develop those clusters from there.

The **Greenville Chamber of Commerce**, which operates independently of state and local government, plays a strong role in the economic development of the community. They provide information about the current and future state of Greenville's demographics and economic picture, run task forces to examine **best practices** for industry recruitment and development, and seek to increase interdependence among businesses. With a membership numbering over 2,200, the Chamber represents both

⁴⁹ http://www.sces.org/lmi/data/trends/YearEnd_2002.htm

large and small businesses. Small businesses, however, make up the bulk of the membership – 85 percent of it, in fact. It is no wonder, then, that the Chamber cites attracting small businesses as a key priority for Greenville. Services offered include those related to public policy, workforce, education, leadership, finance, and administration.

The **South Carolina Department of Commerce**, often dubbed “Team South Carolina,” was named one of the South’s top ten ED groups of the decade.⁵⁰ Success stories contributing to the acclaim of the Governor’s cabinet agency include Michelin, Fujifilm, and BMW.

⁵⁰ <http://www.sb-d.com/issues/winter2003/topdeals/top10edgroups.asp>

Memphis, Tennessee

Economic Indicators, Shelby County

- Wage & Salary Jobs: Up 23.4% (1990-2000)
- Manufacturing Jobs: Down 6.2% (1990-2000)
- Unemployment Rate: Increased from 3.8% in 2000 to 5.2% in 2002

Memphis, located along the Mississippi River in Shelby County, TN, is a bustling metropolis, with an estimated population of 660,960 in 2002, and 1,100,000 in the Memphis MSA. As the nation's 18th largest city, Memphis has a diverse population and economy. Primarily, the city is known as being a major distribution hub, largely due to the FedEx hub located here.

Taking a closer look at FedEx's economic impact, the company was directly or indirectly responsible for \$462.8 million in capital

investment, 6,400 new jobs, and 8.3 million sq ft of commercial space, between 1995 and 1999 alone.⁵¹ As of 2002, FedEx employed about 30,000 people.⁵² Meanwhile, distribution and related industries collectively employ approximately 21 percent of Memphis' workforce. Complementing the strong distribution industry is a strong logistics industry.

With a \$4.5 billion health care industry⁵³, Memphis also houses a number of large medical facilities. The success of the health care industry as of late is especially significant in light of the slowdown in other industries in 2002. Two health care-related companies, Medegen Medical Products LLC and Delta Medical Center, experienced revenue growths that topped almost every other private company. Medegen Medical Products' revenues increased by almost 60 percent, while Delta Medical Center boosted services at their emergency facilities by 20 percent. These figures helped make the two companies the largest gainers on the Memphis Business Journal's list of Top 100 Private Companies. In addition, medical devices company Medtronic announced a \$50 million, 600-job expansion in winter quarter 2003.

Memphis MSA at a Glance

Population, 2002	1,160,065
Net New Population, 90-00	128,308
% Change, 90-00	12.7%
% of Adults with a Bachelor's Degree or higher	22.7%
% of Private Sector Workforce in Manufacturing	9.9%
Median Household Income	\$40,201
Median Home Value	\$92,800
Private Sector Jobs	513,200
Avg. Manufacturing Salary	\$35,121

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

⁵¹ <http://www.bizjournals.com/triad/stories/2000/08/07/story2.html>

⁵² <http://www.bizjournals.com/memphis/stories/2002/10/14/daily5.html>

⁵³ <http://www.utmem.edu/arc/vp/>

The services sector makes up the largest portion of Memphis' total wages and earnings, 27 percent. Government, manufacturing, and transportation account for about 13 percent each.

The city's diverse economy also lends support for its status as a headquarters center. Two Fortune 500 companies, FedEx and Auto Zone, are located here. In addition, Dunavant Enterprises, one of the world's largest cotton firms, International Paper, and Sparks, the largest commodity trading firm, can be found in Memphis.⁵⁴ Memphis is also Northwest Airline's "hub" city.

Largest Memphis Employers		
Source: Memphis Regional Chamber, based on 2001 figures		
Company	Emp Size	Business Function
*Federal Express Corporation	40,000	Air Courier Services
United States Government	14,860	General Government
Memphis City Schools	14,402	Elementary & Secondary Schools
*Methodist Healthcare	11,000	General Medical and Surgical Hospitals
Shelby County Government	6,700	Executive Offices
Memphis City Government	6,680	Executive Offices
Wal-Mart Stores, Inc.	6,500	Miscellaneous General Merchandise
Tennessee State Government	5,247	General Government, NEC
*Baptist Memorial Hospitals	5,100	General Medical and Surgical Hospitals
Shelby County Schools	5,014	Elementary & Secondary Schools

* Indicates national or divisional headquarters

Economic Outlook

Memphis seems intent on not just maintaining their current economic status but building upon it by drawing new businesses to the area. In 2002, 165 major projects (relocations and expansions) took place here, creating 8,300 jobs and over \$1 billion in investments. This marks the sixth straight year that investments have totaled over \$1 billion. These numbers earned them a number five ranking on Site Selection magazine's top metros for new and expanded facilities in 2002 and a number six ranking in investment. In addition, *Expansion Management* magazine ranked Memphis 14th on their "50 hottest cities" for relocating or expanding companies listing.

Several of the expansions in 2002 were distribution-related, with the largest in the Memphis metro area being Williams-Sonoma's \$50 million expansion in Olive Branch, Miss⁵⁵. Memphis' economy has long been geared towards the distribution and logistics industry, and this pattern will likely continue for some time. As infrastructure improves, officials hope to increase the standards even more, in an effort to better prepare the city for global market access. Continued success in these industries could also pave the way for the growth of other industries, including bio-med, sub-assembly and specialty manufacturing. Growth in logistics also lends itself to growth in information technology. As the distribution and logistics industries expand, there will be a growing need for expanded communications infrastructure as well. There is, therefore, a mounting drive to develop Memphis into a communications hub.

⁵⁴ http://www.memphisregion.com/pdf/Mem11_EconDev.pdf

⁵⁵ <http://www.siteselection.com/issues/2003/mar/p168/>

The emergence of the “knowledge-based economy” is also of prime importance for future economic development plans. To prepare itself for this new economy, Memphis aims to improve its institutional and research facilities. The Memphis Regional Chamber recommends tighter coordination and collaboration between research facilities such as the University of Memphis, University of Tennessee, and St. Jude Children’s Research Hospital. In addition, the Chamber highlights workforce training as a key component to focus on. Whereas the current workforce is trained in industries where Memphis holds a key advantage, such as transportation and logistics, they are weaker in the technical, high-skill industries that will have great importance in the 21st century.⁵⁶

As the global economy becomes increasingly integrated, business leaders emphasize the importance of cooperating inter-regionally. A report from the Chamber proclaims, “in a global economy, it is regions - not cities - that compete against one another.”⁵⁷

Key Assets

The Memphis region offers countless benefits, including the largest air cargo airport in the world, the third largest rail center in the U.S., and the fourth largest inland port in the U.S.⁵⁸ The Airports Council International ranked Memphis International Airport the world’s number one cargo airport in 2001, for the ninth straight year. In 2002, the city also became the world’s largest mail processing center.

In terms of higher education and research opportunities, the region possesses three major state universities: Arkansas State University, University of Mississippi, and University of Memphis. Along with TriStar incubator, a private research facility created by the University of Tennessee Health Science Center (UTHSC), these institutions help ensure that Memphis will continue to produce a well-trained, qualified workforce.⁵⁹ Additionally, the population of 45,000 full-time and part-time college students provides a young, vibrant outlet from which to draw a talented workforce for the future.

Economic Development

- The **Memphis Regional Chamber** is the MSA’s leading economic development agency, with a \$5 million annual budget that comes from membership dues, capital investments, and public sector and program revenues. Memphis is unique in that it is the only major city in the South with three states in its MSA, Tennessee, Arkansas, and Mississippi. To meet this challenge, the Chamber emphasizes the importance **of regionalism**, with plans to create a seamless ED program serving a region of over 3 million people within a 100-mile radius. Last year, the Chamber created the

⁵⁶ http://www.memphisregion.com/pdf/Mem11_EconDev.pdf

⁵⁷ Memphis Regional Chamber, 2002 Annual Report

⁵⁸ <http://www.dobizinmemphis.com/whymemphis/index.cfm>

⁵⁹ http://www.memphisregion.com/pdf/Mem11_EconDev.pdf

Regional Economic Development Council of the Mid-South, which includes approximately 10 of the region's major ED organizations. However, Jim Apple, senior vice president of economic development, says it is important to remember that regionalism does not have to mean that other areas of the region utilize Memphis' assets while Memphis loses out on jobs and expansions as a result.⁶⁰ On the contrary, he says business and job shifting within the region have little benefit for the economy. Apple, who just started with the Chamber in January 2003, is known for his education funding efforts in Mobile, Ala. Economic developers expect him to bring this focus on education and community issues to the Memphis Chamber.⁶¹

The Memphis MSA received \$1 billion in investments and created over 8,300 new jobs in 2002⁶², but several warning signs offset the area's rosy success. Studies indicate that the city lost about \$90 million in wealth in the 90s due to a loss of higher income people and a gain of lower income people. Much of the lost population and income went to Atlanta and Nashville⁶³, which gained \$3.6 billion and \$851 million, respectively. Memphis also fared poorly in comparisons of net migration, registering a gain of 3.7 percent to Nashville's 18 percent. To combat these disturbing trends, the Chamber's goals are to appeal to younger workers, increase net migration by 10,000 annually in the next decade and boost net gain in wealth by \$50 million annually. To accomplish these feats, the Chamber plans to employ the following tactics: better utilization of Memphis' outdoor assets through collaborative efforts with national, state, and local allies; a Memphis news bureau to circulate positive vibes about the city worldwide; a Memphis Regional Lifestyle website; and a quality of life portal. Plans are also under way to create DVDs, CDs and VHS tapes detailing Memphis' quality of life. In addition, a project entitled the Talent Magnet Collaborative **aims to bring young, educated workers** to Memphis, with the help of a new talent strategist.

In late 2002, the Chamber also kicked off a five-year plan to raise \$35 million, which, if successful, would increase the organization's budget by \$2 million per year and rely on fewer public dollars for funding.⁶⁴ The additional funds will go towards initiatives for the Chamber's new "Think Memphis: A Partnership for Prosperity" plan, which is an extension of Memphis' 10-year economic development plan entitled Memphis 2005. Memphis 2005, a \$15 million program that aimed to generate jobs, boost capital investments, and enhance education, will continue as part of "Think Memphis." For marketing, the Chamber utilizes trade shows, publications, special events, direct mail, PR/communications and sales calls.

- In June 2002, the **Tennessee Department of Economic and Community Development**, along with its \$16 million incentive fund, was on the brink of being dissolved due to a state budget crisis. The no-new-taxes budget that could

⁶⁰ <http://memphis.bizjournals.com/memphis/stories/2003/06/16/focus2.html>

⁶¹ <http://www.bizjournals.com/memphis/stories/2003/01/06/story2.html>

⁶² <http://www.acce.org/info/news/articles/8127-memphis.asp>

⁶³ <http://www.nasvf.org/web/allpress.nsf/pages/6956>

⁶⁴ <http://www.nasvf.org/web/allpress.nsf/pages/5421>

have proved fatal for the department did not end up being passed, but according to the department's commissioner Tony Grande, budget problems are nothing new; he says funding difficulties have posed a hindrance to Tennessee's ability in the past to compete for large projects such as a Nissan plant that went to Mississippi in 2000. The department is in charge of two main incentive funds, a \$16 million Tennessee Infrastructure Improvement Program (TIIP) and a \$20 million fund for workforce training. Grande says in the past 15 years, the amount for the TIIP fund has not changed much, and that the state's cash incentives have not been competitive enough. The **Memphis/Shelby County Industrial Development Board's** chairman Frank Ryburn agrees, stating that while the TIIP fund meets the needs for small to mid-size facilities, it is inadequate for large operations. However, on the positive side, Tennessee is not overly concerned with landing large manufacturing projects. Their goal is instead to secure high tech projects, which generally do not involve as much capital. The state also realizes that apart from traditional infrastructure needs such as roads and water and sewer lines, they must also focus on **stimulating venture capital funds** and creating low interest loans and quality training programs. Despite its funding woes, the Tennessee Department of Economic and Community Development was named one of the top ten Southern ED groups of the last decade, along with the Memphis Regional Chamber.⁶⁵ Landing high-profile deals such as Dell and Nissan, as well as drawing in a record \$40 billion in private capital investment over the last eight years, helped secure the organization's place among the honored ten.

⁶⁵ <http://www.sb-d.com/issues/winter2003/topdeals/top10edgroups.asp>

Raleigh – Durham, North Carolina

The Raleigh-Durham-Chapel Hill MSA, population 1,260,000, is located approximately 100 miles east of Winston-Salem, N.C. The area is best known for hosting the Research Triangle Park (RTP), the nation's largest research park and internationally renowned cutting-edge research and development hub. Home to approximately 140 organizations and employer of over 50,000 people, the RTP is named for its three surrounding universities: Duke University at Durham, the University of North Carolina at Chapel Hill, and North Carolina State University in Raleigh. Due to a desire to keep the park research- and development-oriented, manufacturing is only permitted within the park as an extension of R&D efforts.

Clearly, Raleigh and Durham have evolved greatly from their respective farming and mining and tobacco and textiles roots. As the state capital, Raleigh provides many jobs in the government sector, as well as high-tech industries, service industries, research, and medicine. Education also plays a large role in Raleigh, due to the presence of North Carolina State and six other universities and colleges.

Economic Indicators, Raleigh-Durham-Chapel Hill MSA

- Wage & Salary Jobs: Up 44.6% (1990-2000)
- Manufacturing Jobs: Up 23.4% (1990-2000)
- Unemployment Rate: Almost tripled, from 1.8% in 2000 to 5.1% in 2002

Raleigh-Durham-Chapel Hill MSA at a Glance

Population, 2002	1,267,676
Net New Population, 90-00	329,425
% Change, 90-00	38.4%
% of Adults with a Bachelor's Degree or higher	38.9%
% of Private Sector Workforce in Manufacturing	12.4%
Median Household Income	\$48,845
Median Home Value	\$146,800
Private Sector Jobs	554,100
Avg. Manufacturing Salary	\$47,284

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

Meanwhile, Durham, nicknamed The City of Medicine USA, boasts a vast array of medical professionals, facilities, and services. Fueled by the Duke School of Medicine and other major medical centers, Durham County ranks among the top five nationwide in concentration of physicians per capita.⁶⁶ In addition to its medical prowess, Durham is poised to meet the challenges of the new knowledge-based, high-tech economy. This is evident when considering that almost 75 percent of the RTP's property and 95 percent of its corporate enterprises can be found in Durham County. The biotechnology/pharmaceuticals industry is especially important. Of the 137 biopharmaceutical companies located in the state, 45 percent of them are in Durham County. In addition,

⁶⁶ <http://www.durhamchamber.org/business/profile.html>

despite the fact that 2002 was a rough year regionally as well as nationally, Durham County fared better than its counterparts in North Carolina. In the first half of 2002, the county was the top job creator in North Carolina and received the second-highest dollar amount in investments.⁶⁷

Largest Research Triangle Park Employers		
<i>Source: Official Homepage of Research Triangle Park</i>		
Company	Emp Size	Specialty
<i>International Business Machines (IBM)</i>	<i>14,000</i>	<i>Information Technology/Telecommunications</i>
<i>Nortel Networks</i>	<i>7,500</i>	<i>Information Technology/Telecommunications</i>
<i>GlaxoSmithKline</i>	<i>5,000</i>	<i>Pharmaceuticals/Healthcare</i>
<i>Cisco Systems</i>	<i>2,600</i>	<i>Information Technology/Telecommunications</i>
<i>Research Triangle Institute</i>	<i>1,875</i>	<i>Other R&D</i>
<i>US EPA</i>	<i>1,734</i>	<i>Environmental Sciences</i>
<i>National Institute of Environmental Health Sciences</i>	<i>1,000</i>	<i>Environmental Sciences</i>
<i>Sony Ericsson Mobile Communications (USA) Inc.</i>	<i>750</i>	<i>Information Technology/Telecommunications</i>
<i>Lockheed Martin</i>	<i>668</i>	<i>Information Technology/Telecommunications</i>
<i>Diosynth Biotechnology</i>	<i>615</i>	<i>Biotechnology/Biopharmaceutical</i>

However, an alarming trend rippling through the South, particularly the Research Triangle, is the shutting down of facilities. Artec Science, Cogent Neuroscience, and Xanthon all closed their doors in the Triangle within the past few months, with many expected to follow in the coming year. Two separate studies showed that funds for over 60 biotech firms will run dry within the next few months, and biotech-related funding plummeted by 52 percent in the third quarter of 2002.

Economic Outlook

The Research Triangle’s population has nearly doubled over the past 30 years, ballooning to an approximate 1.5 million people. Projected figures for 2020 indicate that growth will continue, rising to over 2 million. To meet this rise in population over the next 15 years, employment is expected to grow by 67 percent, total wages and earnings by 48 percent, personal income by 46 percent, and total retail sales by 41 percent.⁶⁸ These positive indicators reflect a diversified economy with continued ventures into new fields of technology, as well as top-notch universities, medical centers, and workforce.

Target industries for Raleigh include information technology, life sciences, software development, and medical devices. Meanwhile, Durham plans to continue targeting high-tech industries such as biopharmaceutical, computer, telecommunications, and electronics. However, their dual aim is to avoid pigeonholing Durham as just a tech community. Thus, industries that are not necessarily high-tech but do benefit from Durham’s high quality of living and high intellectual capital will also be targeted.

⁶⁷ <http://www.marriott.com/dpp/fodors.asp?city=Raleigh-Durham+with+Chapel+Hill&EPCEC=InProcess&EPNAVCEC=InProcess>

⁶⁸ <http://www.researchtriangle.org/>

Developments at the RTP include the Centennial Campus of North Carolina State University in Raleigh, which is geared to reap tremendous gains in the future. Already, this 1,334-acre research park is one of the RTP's most rapidly growing developments, and it is expected to grow even larger. Once expanded to full capacity, Centennial Campus will include a town center, executive conference center and hotel, upscale housing and recreational facilities, and a central lake.⁶⁹

Key Assets

For the second consecutive year, *Employment Review* magazine ranked Raleigh-Durham-Chapel Hill first in their list of "Best Places to Live and Work in America." Editors cited the following deciding factors: high quality of life, low crime rate, low-cost housing, quality universities, superior healthcare facilities, diverse industry mix, and a high success rate in attracting new and expanded technology projects. The Triangle's prime location between the mountains and the beach also proved to be enticing.

Another ranking to consider is Raleigh's position as fastest-growing city in the nation in online population growth. This figure increased by 29 percent from 2002 to 2003, serving as a further indication of technology's infiltration into Raleigh.⁷⁰ The city's quality of life has improved rapidly, with the downtown area receiving an inflow of new housing, museums, shops, and restaurants in recent years. Raleigh now also hosts a National Hockey League team, the Carolina Hurricanes. Durham, meanwhile, boasts education levels, with Duke University, one of the nation's top schools, at the forefront of its claim. Duke is the largest employer in Durham, employing 17,000 people. In 2000, 18.3 percent in the city residents had graduate degrees, compared to a nationwide average of 8.9 percent.⁷¹

The city does not just offer educational benefits, however. It also has three art centers, AAA baseball team, the Durham Bulls, and 18 cultural festivals annually. The region as a whole has been working to boost its cultural facilities and recreational sports. Two museums opened in early 2000, one of the region's performing arts facilities is scheduled for expansion, and the U.S. Open for golf will be held here in 2005.

Economic Development

- The **Greater Raleigh Chamber of Commerce** has had another successful year in fundraising efforts, raising \$1.3 million in a span of 12 weeks. This figure represents a surplus of \$65,000 from their goal and \$52,000 more than last year's total. The funds, which are raised by volunteers from 44 companies, go towards financing the Chamber's programs and services. The Chamber utilizes several marketing strategies including mass emails to selected consultants and industry experts, conferences, trade shows, IEDC events, and an ad in *Business North Carolina Magazine*. The Chamber also sponsors Wake County Economic Development, which *Site Selection* magazine named one of the nation's top ten economic development organizations. One program contributing to Wake County Economic

⁶⁹ <http://www.raleigh-wake.org/properties.html>

⁷⁰ <http://triangle.bizjournals.com/triangle/stories/2003/03/03/tidbits.html>

⁷¹ City of Durham, 2002 Report

Development's appeal is their international marketing efforts, such as their email campaign in the Netherlands and Sweden promoting biopharmaceuticals. The agency plans to follow up with two scheduled visits to the countries.

- The **Raleigh Economic Development Program**, headed by John Church of the Raleigh Chamber of Commerce, was initially formed to create jobs. Some Raleigh leaders, however, are questioning whether the goal is being fulfilled. Church has spent almost \$600,000 of taxpayers' money over the last four years, including four trips to Sweden, yet none of this has resulted in new jobs for Raleigh. In defense, Church says his program has consistently been within budget and that he has helped prevent job losses by persuading Harris Wholesale, Inc. not to relocate. Unconvinced, the council has requested that a committee investigate the program's spending.⁷²
- The **Greater Durham Chamber of Commerce** operates on \$1.2 million annually, funded by members' dues and revenues, with the exception of a \$128,000 grant by Durham County. For marketing efforts, Durham pools resources with the Research Triangle Regional Partnership and also employ trade shows, public relations, and visits to consultants; no advertising is done.
- The **Research Triangle Research Partnership (RTRP)**, composed of representatives from the Raleigh and Durham chambers of commerce, one convention of visitors' bureau, and the Research Triangle Foundation, combines the resources of 13 counties. With an annual budget of over \$1 million, the RTRP focuses its marketing efforts on five targets: life sciences and biotechnology, information technology, plastics manufacturing, warehousing and distribution, automotive components manufacturing.

⁷² <http://www.wral.com/news/2186622/detail.html>

Trenton, New Jersey

Trenton is located in Mercer County, N.J. (population 359,463). The city has suffered a population loss of over 3 percent over the past decade, to stand at an approximate 85,000.

Hurt by the manufacturing downturn, the city is looking to bring about a renaissance. The city's current unemployment rate is 10.5, and about one in five residents live in poverty.

In the early 20th century, ceramics, rubber, and steel products fueled Trenton's economy. Today, many of those industries have vanished, leaving abandoned buildings on nearly 70 brownfield sites in its wake. These abandoned buildings discourage developers, attract crime, and could pose health risks if they become contaminated.

Trenton played a prominent role during the Revolutionary War, serving as a strategic military location and the site of the Battle of Trenton, known mostly for George Washington's crossing of the Delaware River on December 26, 1776. The city is also New Jersey's capital. Both of these features are key assets in the city's tourist draw.

Economic Outlook

The city efforts are now focused on developing the medical sector, recruiting biotech, developing city districts, and expanding tourism.

Trenton's proximity to Princeton University puts it near much of the nation's biotech efforts. The city has a number of biotech research facilities and an established medical sector. Much like Winston-Salem, hospitals are one of the city's major employers. Building on this asset, the city has been working to bring in related businesses such as medical waste disposal companies, uniform supplies, nursing homes, and generic drug manufacturers

Economic Indicators, Mercer County

- Wage & Salary Jobs: Up 9.4% (1990-2000)
- Manufacturing Jobs: Down 45.5% (1990-2000)
- Unemployment Rate: Decreased from 5.3% in June 2002 to 5.0% in June 2003

Mercer County at a Glance

Population, 2002	359,463
Net New Population, 90-00	25,002
% Change, 90-00	7.7%
% of Adults with a Bachelor's Degree or higher	34.0%
% of Private Sector Workforce in Manufacturing	11.7%
Median Household Income	\$56,613
Median Home Value	\$147,400
Private Sector Jobs	145,600
Total Private Sector Payroll	\$6.3 bil
Avg. Private Sector Salary	\$43,491
Avg. Manufacturing Salary	\$59,280

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

and distributors.

City economic development efforts also emphasize the need for regional firms to utilize local suppliers. The area has a large base of medium skilled workers and small-scale manufacturing. By building the ties between these firms, the city hopes to promote the growth of existing businesses and keep dollars within the community.

Key Assets

- Roughly 50,000 workers head downtown everyday. Key attributes of downtown are the city’s two higher learning facilities, a high tech business incubator, and a premier conference and meeting facility.
- A number of private-public partnerships exist to build the technology infrastructure of the city, including creating wireless Internet “hotspots” in selected areas of the city.

Private Mercer County Employers		
Source: Dunn & Bradstreet		
Company	Emp Size	Product/Service
Princeton University	3,400	University
Capital Hlth Sysms-Fuld Cmpus	2,700	General Medical & Surgical Hosp
Ets	2,200	Testing Services
Armkel LLC	2,100	Barber & Beauty Shop Equip.
Dow Jones & Company Inc	2,000	Newspapers, publishing
Bristol-Myers Squibb	2,000	Commercial Physical Research
Princeton Cancer Center	1,500	General Medical & Surgical Hosp
New Jersey Mfrs Insur Co.	1,300	Fire, Marine, Casualty Insurance
Presbyterian Homes & Services	1,300	Residential Care

Economic Development

- Mercer County has a **Chamber of Commerce** to facilitate many of the needs of small businesses throughout the area, but Trenton relies more on city government and the recently formed **Economic Development Corporation of Trenton**. The EDC of Trenton is two years old and serves many of the recruitment needs of the city. The EDC has a close working relationship with banks and other financial institutions that provide funding for start-ups and locating businesses.
- The City has a **Division of Economic Development** that handles questions regarding land use, site selection, and financing. The energies of the Division are focused on developing three areas of the city – their downtown containing State offices, a historically industrial district, and an area along the riverfront.

- The **Trenton Downtown Association**, with major financial contributions from the Garfield Foundation, and in partnership with the Trenton Business and Technology Center and the Metropolitan Trenton African-American Chamber of Commerce, is working on an initiative to revitalize Trenton's business incubator. The organizations hope to attract more local and minority entrepreneurs and make available commercial office space more easily accessible to incubator graduates.⁷³

⁷³ http://www.trenton-downtown.com/about/tda_projects.asp

Tupelo, Mississippi

Located in the hills of Northeast Mississippi, Tupelo was named “All American City” in three different decades. The city, which has a population of 34,000, has repeatedly been cited as a lesson in economic revitalization for rural communities to emulate. For this reason, Tupelo has been selected as a benchmark city for Northwest North Carolina.

Economic Indicators, Lee County

- **Wage & Salary Jobs:** Up 29.9% (1990-2000)
- **Manufacturing Jobs:** Up 5.7% (1990-2000)
- **Unemployment Rate:** Increased from 5.7% in 2002 to 7.1% in June 2003

In 1940, Lee was one of the poorest counties in the union. Today, the county has redeemed itself to stand as the county with the second highest per capita income in the state. In addition, the county's income level has risen to nearly equal the national average. The state income, however, level still trails as one of the nation's lowest. Tupelo's transformation has also come in the form of great industry diversification:

- **Furniture Manufacturing** – The region has become the largest producer of upholstered furniture and the world's second largest furniture manufacturer. The industry employs over 4,400 residents in the county.⁷⁴ In addition, the Tupelo Furniture Market has developed over the last ten years into the nation's second largest furniture market.⁷⁵
- **Healthcare** – North Mississippi Medical Center is not only the state's largest hospital but also the largest non-metropolitan healthcare facility in the U.S.⁷⁶

Lee County at a Glance

Population, 2002	77,220
Net New Population, 90-00	10,176
% Change, 90-00	15.5%
% of Adults with a Bachelor's Degree or higher	18.1%
% of Private Sector Workforce in Manufacturing	38.4%
Median Household Income	\$36,165
Median Home Value	\$85,500
Private Sector Jobs	48,200
Total Private Sector Payroll	\$1.3 bil
Avg. Private Sector Salary	\$27,046
Avg. Manufacturing Salary	\$29,276

Sources: 2000 Census (Demographics), 2000 Bureau of Labor Statistics

⁷⁴ <http://www.ci.tupelo.ms.us/about.html>

⁷⁵ <http://www.stls.frb.org/publications/br/1999/d/br1999d3.html>

⁷⁶ <http://www.ci.tupelo.ms.us/about.html>

- **Tourism** – Tupelo is the birthplace of Elvis Presley, a claim to fame that attracts roughly 100,000 tourists annually. The city's \$46 million tourism and hospitality industry also relies on natural scenery such as the Natchez Trace Parkway, a national park that extends from Natchez, Mississippi, to Nashville, Tennessee.
- **Education** is credited by leaders as one of the driving factors behind Tupelo's success. Public support for education is ample, as evidenced by the cooperative efforts of a number of factions. One local businessman contributed a donation that helped establish a **learning institute for teachers**. The community college also did their part, introducing new technology programs to their curriculum in response to a study by local leaders. The study pinpointed five major employment areas in need of education and workforce training: electricity/electronics, industrial maintenance, tool and die/numerical controls, data processing, and office occupations.⁷⁷

Most recently, the Community Development Foundation expanded education efforts with the **Northeast Mississippi Advanced Education Center**. The center will operate under the joint efforts of schools and colleges in the area and the Tennessee Valley Authority (TVA). Itawamba Community College, the University of Mississippi, and Mississippi University for Women will be offering courses at the center, including some training on basic work skills and professional development. Another resource for businesses in terms of education and workforce development is the Skill/Tech One Stop Career Centers that offer workforce assessment, training, and counseling. Counties served include Lee, Chickasaw, Itawamba, Pontotoc, and Monroe.

Tupelo's industry diversification was no accident. On the contrary, it came as a result of strategic focusing on industries that the region showed potential for, ranging from dairy farming to furniture manufacturing. Early on, Tupelo realized that they could not rely on agriculture as the crutch to guide them through their recovery after a 1936 tornado demolished 48 city blocks and killed over 200 residents. The city's drive for innovation led to the birth of "The Tupelo Plan," led by local newspaper publisher George McLean. The plan, adopted in 1946, called for rural areas surrounding Tupelo to be developed, with the logic that Tupelo's development would follow in those communities' wake. The plan later led to the creation of the Community Development Foundation in 1948. CDF was one of the first economic development organizations of its kind when it was formed, and is a touchstone for organizations today.

Tupelo's pioneering spirit also led it to become the first Southern city powered by the TVA. According to CDF executive director David Rumbarger, the combination of the affordable power provided by the TVA, the presence of nine industrial parks in the area, almost 1.4 million square feet of building space, and worker training programs clinch Lee's role as Mississippi's top manufacturing county. While manufacturing employment has suffered severe declines elsewhere in the U.S., Tupelo has averaged 1,000 new manufacturing jobs annually for the past decade.

⁷⁷ http://www.sb-d.com/issues/winter2003/advertisers/tupelo_ms.asp

New options are continuously being pursued to advance Tupelo's economy. The \$16 million, 10,000-seat Tupelo Coliseum, for example, was built in 1993 to serve as a versatile facility capable of hosting concerts, conventions, exhibitions, trade shows, and other special events. Since its inception, the coliseum has brought in over 400,000 visitors and almost \$20 million.⁷⁸

Major Tupelo Employers		
Source: Community Development Foundation		
Company	Emp Size	Product/Service
Lane Industries	2,970	Upholstered Furniture
Cooper Tire & Rubber Co.	1,150	Radial Passenger Tires
Tecumseh Products	1,000	Refrigeration Compressors
Aircap Industries Inc.	900	Lawn Mowers
Super Sagless	750	Furniture Hardware Components
Daybrite/Capri/Omega	845	Lighting Fixtures
KI/Tupelo	500	Steel Folding Chairs
The Berkline Corporation	540	Upholstered Motion Furniture
H.M. Richard's	490	Upholstered Furniture
Bauhaus USA, Inc.	425	Upholstered Furniture

Recent Developments

A look at recent business announcements around Lee County:

- **Davis International, Inc.**'s new assembly facility for upholstered leather furniture, announced May 2003 - The facility 161,352 sq ft facility will be located in the Tupelo Lee Industrial Park South and create 50-100 new jobs for Lee County.⁷⁹
- **Foamade Industries'** new manufacturing plant for door water-shields – At the time of its announcement in August 2002, the plan was to be based out of based in Saltillo, MS while serving Nissan plants in Canton, MS and Smyrna, TN.⁸⁰
- **TKA Fabco** manufacturing plant providing automotive assemblies for the Nissan plant in Canton, MS – Announced in June 2002, the plant was Northeast Mississippi's first tier one automotive supplier. The plan was to start with 50 employees and \$6 million in investment, and later expand to 200 employees and a multimillion-dollar investment.⁸¹

Currently, one of the largest scale projects impacting Tupelo's economic future is the city's development of Fairpark District. The 50-acre site has already been put to use as the site for the new city hall. It will also be used for housing, retail, and office

⁷⁸ <http://www.ci.tupelo.ms.us/about.html>

⁷⁹ <http://www.cdfms.org/downloads/davis.pdf>

⁸⁰ <http://www.cdfms.org/downloads/foamade.pdf>

⁸¹ <http://www.cdfms.org/downloads/fabco.pdf>

purposes, likely doubling the size of the downtown business district in the process. The first phase of construction, which features six office buildings, is almost done.

Another addendum to the Fairpark District will be a small business incubator, which the CDF expects will have a great impact on local businesses. The foundation sees the incubator as a tool to aid start-up businesses, diversify the economy, and expand Tupelo's technology sector. Looking at business incubators nationwide, the general trend is for businesses to spend two to four years within an incubator before they establish themselves enough to "graduate" from the incubation program. A study by the National Business Incubation Association (NBIA) reveals some noteworthy statistics that bode well for incubators' influence. Of the incubator graduates, 87 percent of them stay in business. In stark contrast, 80 percent of start-ups that go it alone without incubators fail within the first four years of operation.⁸² Furthermore, local tax revenue generated by NBIA incubator graduates outweighs public expenditure on incubators 45:1.⁸³ Clearly, then, Tupelo's new business incubator looks to be a valuable asset for the city.

Economic Development

Tupelo's primary economic development organization for decades has been the **Community Development Foundation**. The CDF may not have resources or large staff of a major city, but its efforts have nonetheless drawn positive attention from across the country. Three times, the Industrial Development Research Council of Atlanta and *Site Selection* magazine named it one of the U.S.'s Top Ten Economic Development Agencies. Recently, *Southern Business & Development* magazine named it one of the top ten Southern ED groups of the last decade. *Wall Street Journal* has also lauded the city and organization as a model for rural America.⁸⁴

CDF functions as both Chamber of Commerce and economic development organization. It also plays a function in property management, owning and marketing 1,013 acres of industrial property in the county. Since its establishment, one of the foundation's largest achievements has been its work with the government in bringing nine industrial parks to the area. CDF also strives to create 1,000 new manufacturing jobs and 1,500 service jobs per year for the Tupelo/Northeast Mississippi region.⁸⁵ Harry Martin, president of CDF, has been with the organization since 1956. During his time, Martin has had a hand in creating over 75,000 industrial jobs in the region.

Regionalism lies at the root of CDF's philosophy. Tupelo's new business incubator, for example, is expected to serve not only Lee County but Itawamba and Pontotoc Counties as well. Also, several of the industrial parks operated by CDF are located not just in Tupelo but also in surrounding counties. CDF's regionalism, however, does not come at the expense of local interests. The organization stresses the importance of promoting local initiatives, such as the now-successful Tupelo Furniture Market. To

⁸² "A Business Incubator for the Tupelo Area," by Claudia Zimmerman of the Community Development Foundation

⁸³ http://www.cdfms.org/ed_businessdevelopment.cfm

⁸⁴ <http://www.ccom.ua.edu/Tombigbee/tupelo.html>

⁸⁵ http://www.sb-d.com/issues/winter2003/advertisers/tupelo_ms.asp

this end, the Tupelo Furniture Marketing Association, Inc. was established primarily to attract buyers to the bi-annual Furniture Market. The Association is headquartered at the CDF, with CDF offering operational, logistical and professional support. Operating on an annual budget of \$500,000, the Association is non-profit.

In terms of marketing efforts, the Mississippi Development Authority and Tupelo Convention and Visitors Bureau are its key allies. In 2001, CDF introduced a five-year program entitled "Future Focus." They have already exceeded their original fundraising goal of \$1.6 million, which will be used to fund initiatives for the project.⁸⁶

⁸⁶ http://www.cdfms.org/ac_futurefocus.cfm