

Rockingham County Target Industries & Benchmarks



Outline

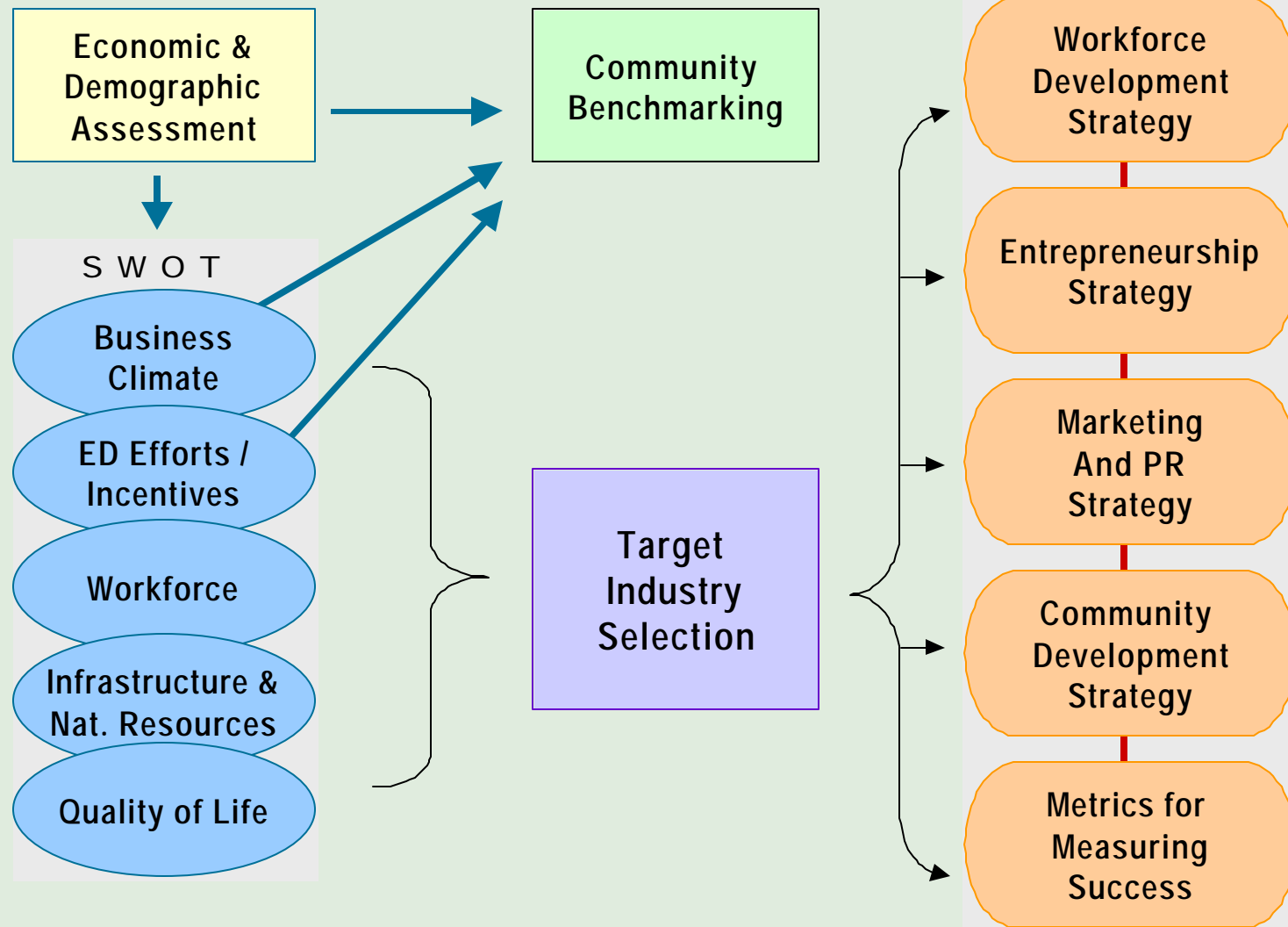
Our Process

Target Industry Recommendations

Benchmark Comparisons

Next Steps

Project Overview



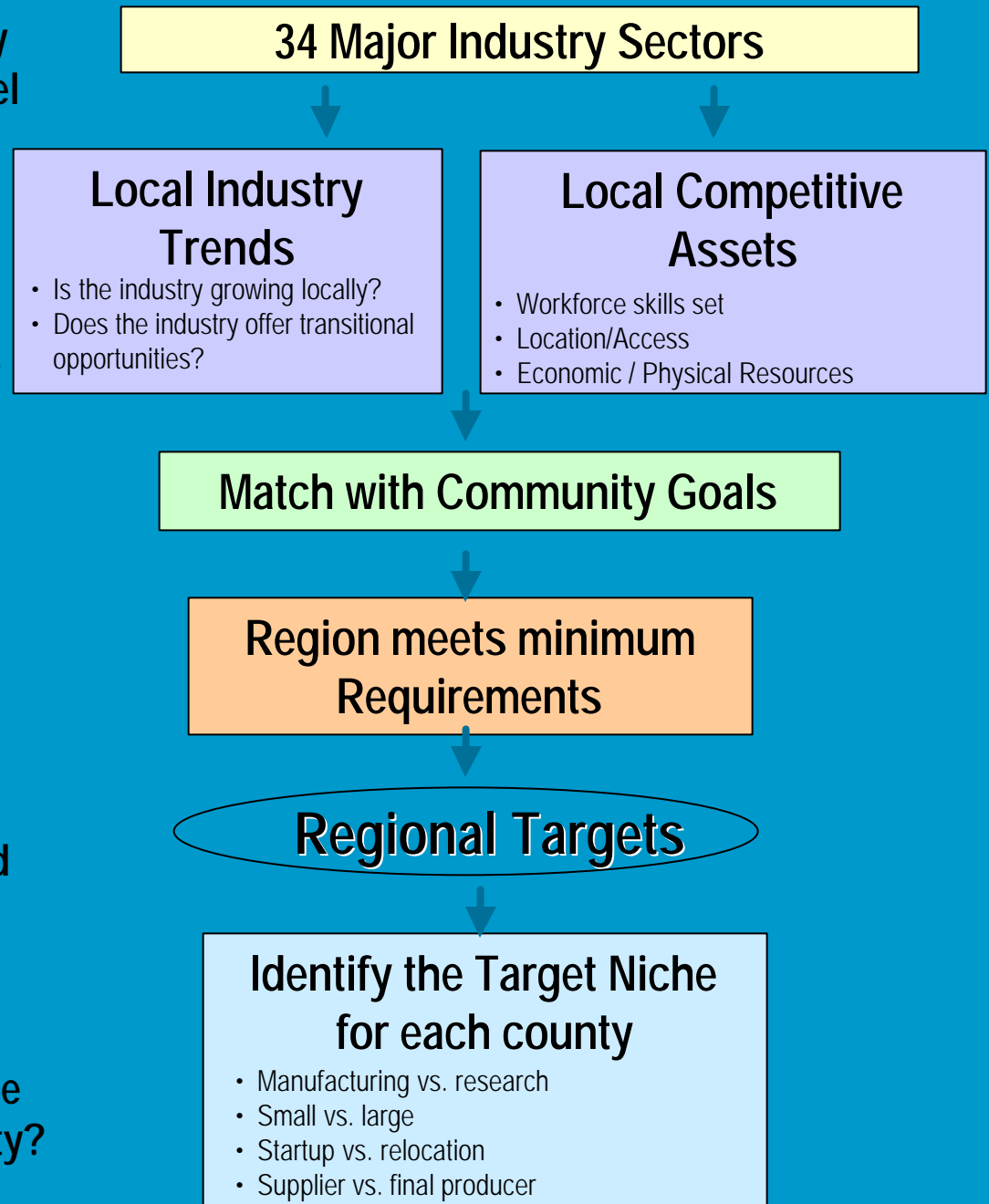
Research/Input

Benchmarking

Recommendations

Target Industry Selection Process

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



Outline

Our Process

Target Industry Recommendations

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Next Steps

Target Industry Recommendations

For Entire 8 Counties

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



Target Industry Recommendations

Rockingham County

Rockingham County

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

Target Industry Recommendations

Regional Comparison

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

Target Industries Logistics & Distribution

Target #1:

Logistics and Distribution

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

Target Industries

Logistics & Distribution

What is it?

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



Regional Targets

Warehousing, Trucking, Air Freight, Logistics

Rockingham County's Niche Target

Air freight, warehousing

Target Industries

Logistics & Distribution

Market Summary:

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

Target Industries

Logistics & Distribution

Regional Assets

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

Target Industries

Logistics & Distribution

Why Rockingham County?

- ✍ Available land and business park sites
- ✍ Low cost labor
- ✍ Proximity to major highways
- ✍ Proximity to Airport

Target Industries Materials

Target #2:

Materials

Logistics and Distribution

Transportation Equipment

Food Processing

Hospitality / Tourism

Design

Value-Added Agriculture

Biotechnology

Target Industries Materials

What is it?

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



Regional Targets

Plastics, high-tech composites, fabricated metals

Rockingham County's Niche Target

Plastics, fabricated metals

Target Industries Materials

Market Summary:

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

Target Industries Materials

Regional Assets

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

Target Industries Materials

Rockingham County's Focus:

- ✍ Large tracts of land and large building inventory
- ✍ Low electric rates
- ✍ Highway transportation linkages
- ✍ Proximity to manufacturers

Target Industries

Transportation Equipment

Target #3:

Transportation Equipment

Logistics and Distribution

Materials

Food Processing

Hospitality / Tourism

Design

Value-Added Agriculture

Biotechnology

Target Industries

Transportation Equipment

What is it?

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



Regional Targets

Automotive suppliers, metal stamping, electrical equip.

Target Industries

Transportation Equipment

Market Summary:

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

Target Industries

Transportation Equipment

Regional Assets

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

Target Industries

Transportation Equipment

Why Rockingham County?

- ✍ Available land and buildings
- ✍ Existing workforce skills
- ✍ Highway infrastructure

Target Industries

Food Processing

Target #4:

Food Processing

Logistics and Distribution

Materials

Transportation Equipment

Hospitality / Tourism

Design

Value-Added Agriculture

Biotechnology

Target Industries

Food Processing

What is it?

Plants that process raw fruits, vegetables, grains, meats, and dairy products into the goods we buy at the grocer, including pre-packaged foods.



Regional Targets

Organic food products; frozen foods; meat processing; wineries

Rockingham County's Niche Target

Snack and frozen foods, beverages

Target Industries

Food Processing

Market Summary:

- \$3 trillion in revenues – 1/6th of US industrial output
- 1.7 million employed US – about 71,000 in NC
- Strong growth despite current recession
- Industry growth has followed population to the South
- Poultry and specialty foods especially strong
- New plants more automated but still dependent on low-skill labor

Target Industries

Food Processing

Regional Assets

- ✍ Strong agricultural presence
- ✍ Opportunity to expand value chain of beef
- ✍ Proximity to major markets
- ✍ Growth in packaged foods makes time-to-market less of a constraint
- ✍ Tie in to growing tourism
- ✍ Internet offers new direct marketing channel

Target Industries

Food Processing

Why Rockingham County?

- ✍ Available water
- ✍ Available land
- ✍ Existing workforce skills fit well with industry
- ✍ Will provide ST economic results
- ✍ Proximity to & access to markets
- ✍ Transportation network

Target Industries Hospitality

Target #5:

Hospitality / Tourism

Logistics and Distribution

Materials

Transportation Equipment

Food Processing

Design

Value-Added Agriculture

Biotechnology

Target Industries Hospitality

What is it?

Hotels, bed & breakfasts, restaurants,
and entertainment venues

Regional Targets

Balance between the business
traveler and tourist



Target Industries Hospitality

Market Summary:

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

Target Industries Hospitality

Regional Assets

- ✍ Occupancy taxes make especially beneficial
- ✍ Natural beauty
- ✍ State marketing programs
- ✍ Links to agriculture

Target Industries Hospitality

Why Rockingham County?

- ✍ Natural and cultural assets – diverse amenities
- ✍ Current Marketing Efforts
- ✍ Proximity to urban markets

Target Industries Design

Target #4:

Design

Logistics and Distribution

Materials

Transportation Equipment

Food Processing

Hospitality / Tourism

Value-Added Agriculture

Biotechnology

Target Industries Design

What is it?

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



Regional Targets

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

Rockingham County's Niche Target

Creative entrepreneurs

Target Industries Design

Market Summary:

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

Target Industries Design

Regional Assets

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

Target Industries Design

Why Rockingham County?

- ✍ Cultural and lifestyle amenities
- ✍ Available space for office
- ✍ Downtown Revitalization efforts
- ✍ Quality Housing Stock
- ✍ Technical Design training programs (CAD)

Target Industries

Value-Added Agriculture

Target #7:

Logistics and Distribution
Materials
Transportation Equipment
Food Processing
Hospitality / Tourism
Design

Value-Added Agriculture

Biotechnology

Target Industries

Value-Added Agriculture

What is it?

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



Regional Targets

Viticulture, organic vegetables, grass-fed beef, ornamentals

Rockingham County's Niche Target

Organics

Target Industries

Value-Added Agriculture

Market Summary:

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

Target Industries

Value-Added Agriculture

Regional Assets

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

Target Industries

Value-Added Agriculture

Why Rockingham County?

- ✍ Agricultural land
- ✍ Strong Agricultural tradition
- ✍ Local Agricultural crops
- ✍ Farmers Market ???

Outline

Our Process

Target Industry Recommendations

Benchmark Comparisons

Next Steps

Benchmarking Purpose

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

Benchmark Communities For Rockingham County

- Charlotte, NC
- Danville, VA
- Ft. Collins, CO
- Memphis, TN
- Atlanta, GA

Benchmark Communities

Danville, VA

- Economic Outlook
 - *Textile/Tobacco -> Transitioning with diverse manufacturing industries*
- Key Assets
 - *Transportation Infrastructure, Utilities, Low Wages, Industrial Parks, VA Incentives*
- Economic Development Efforts
 - *Utilize emerging technology, diverse industries*

Benchmark Communities

Ft. Collins, CO

- Economic Outlook
 - *Expanding distribution, agriculture & manufacturing; High Tech*
- Key Assets
 - *Schools, \$65 mill Federal Envir/Ag Research*
- Economic Development Efforts
 - *Spends money on Schools, QOL amenities, Infrastructure (NOT Incentives)*

Benchmark Communities

Atlanta MSA

- Economic Outlook
 - *3rd highest job loss (behind NY/Chicago)*
 - *Top 5 fastest growing HT cities*
 - *Focus on: corporate headquarters, bioscience, logistics, telecommunications, computer software*
- Key Assets
 - *Infrastructure, Market Access*
- Economic Development Efforts
 - *Form Councils (Logistics Council, Bioscience Council)*
 - *"Free Trade Area of Americas"*
 - *www.atlantasmartcity.com*



Outline

Our Process

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Next Steps

Next Steps

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

Rockingham County Target Industries & Benchmarks



Thank you