

Stokes County Target Industries & Benchmarks



Outline

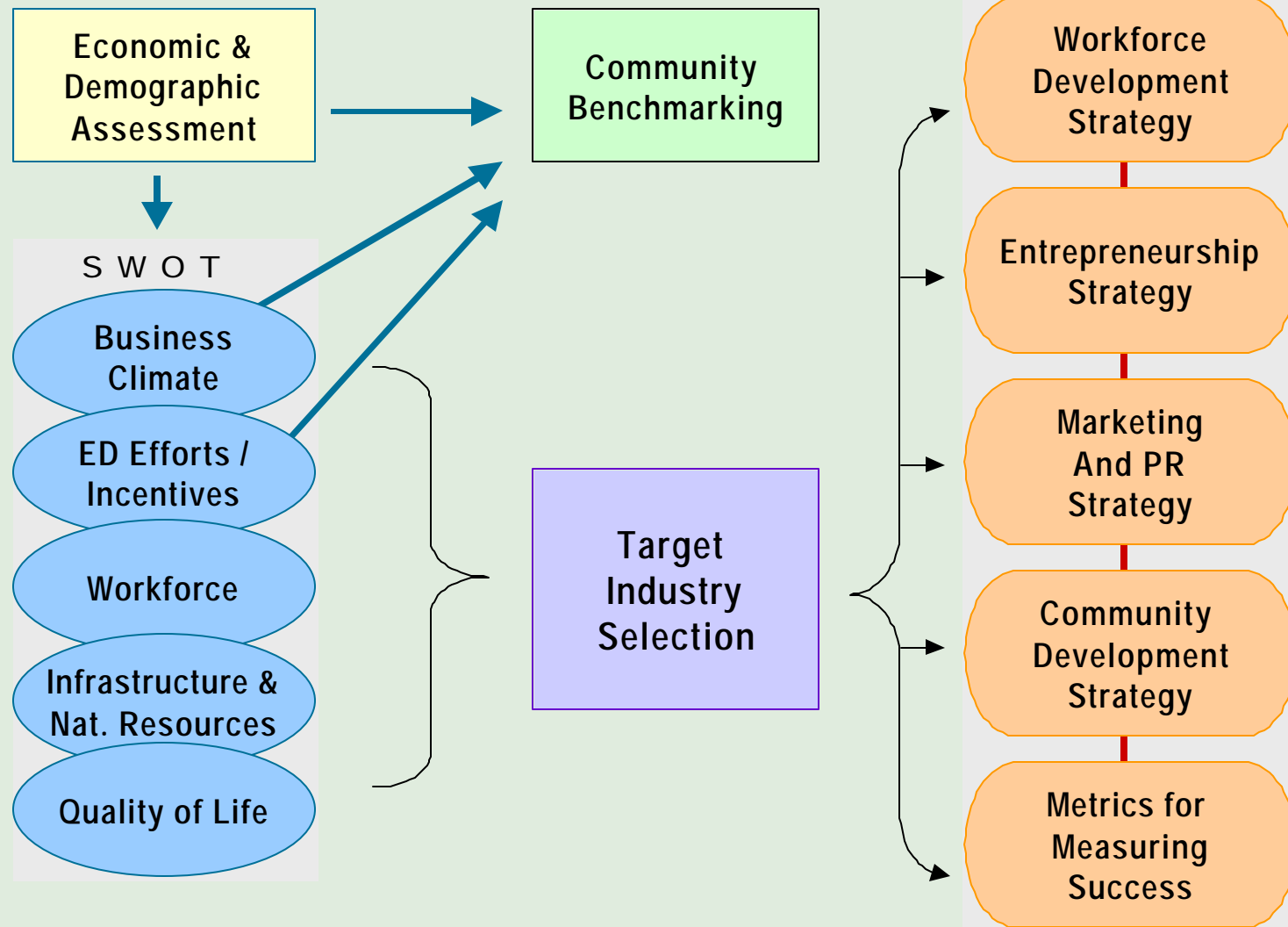
Our Process

Target Industry Recommendations

Benchmark Comparisons

Conclusions / Next Steps

Project Overview



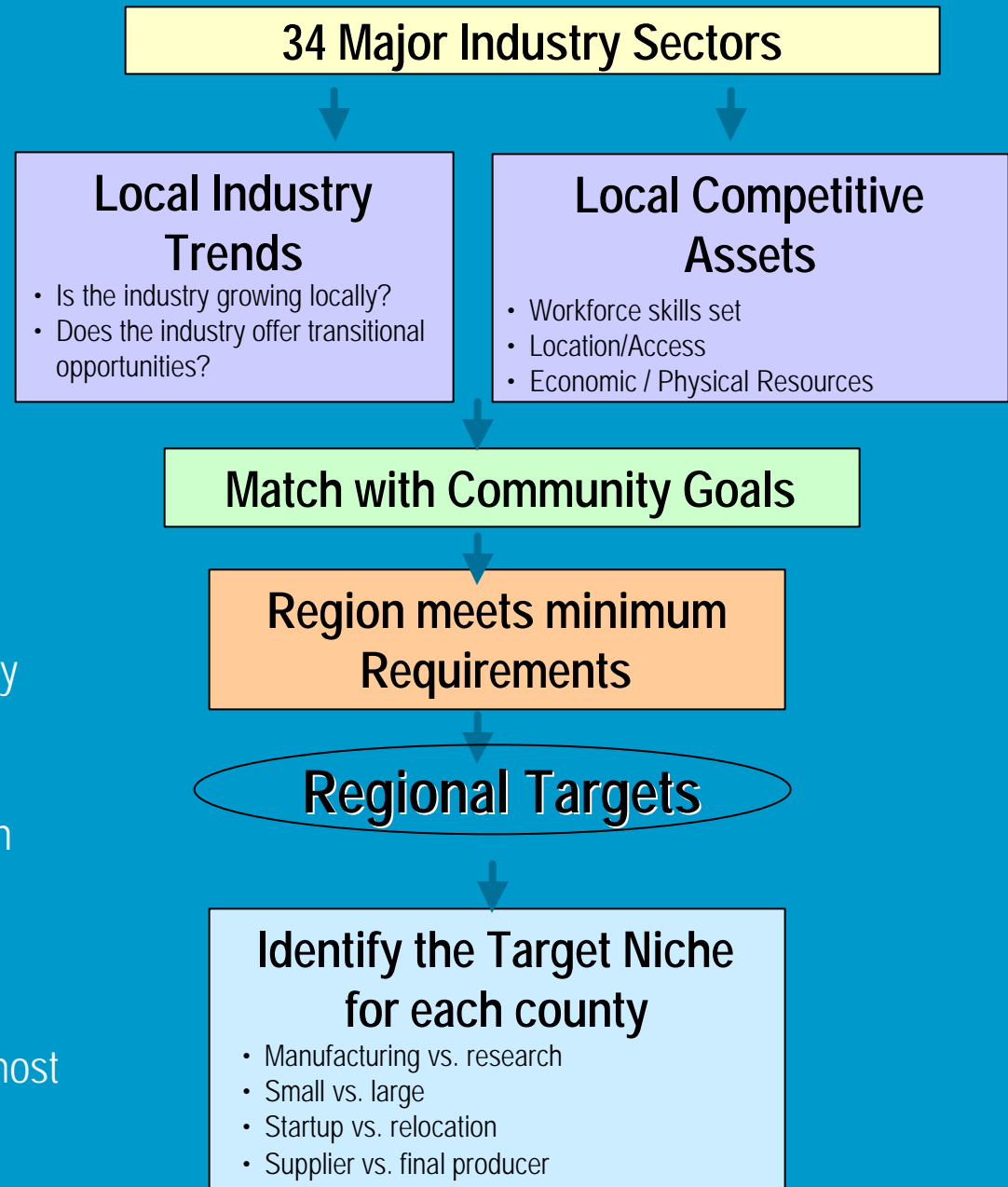
Research/Input

Benchmarking

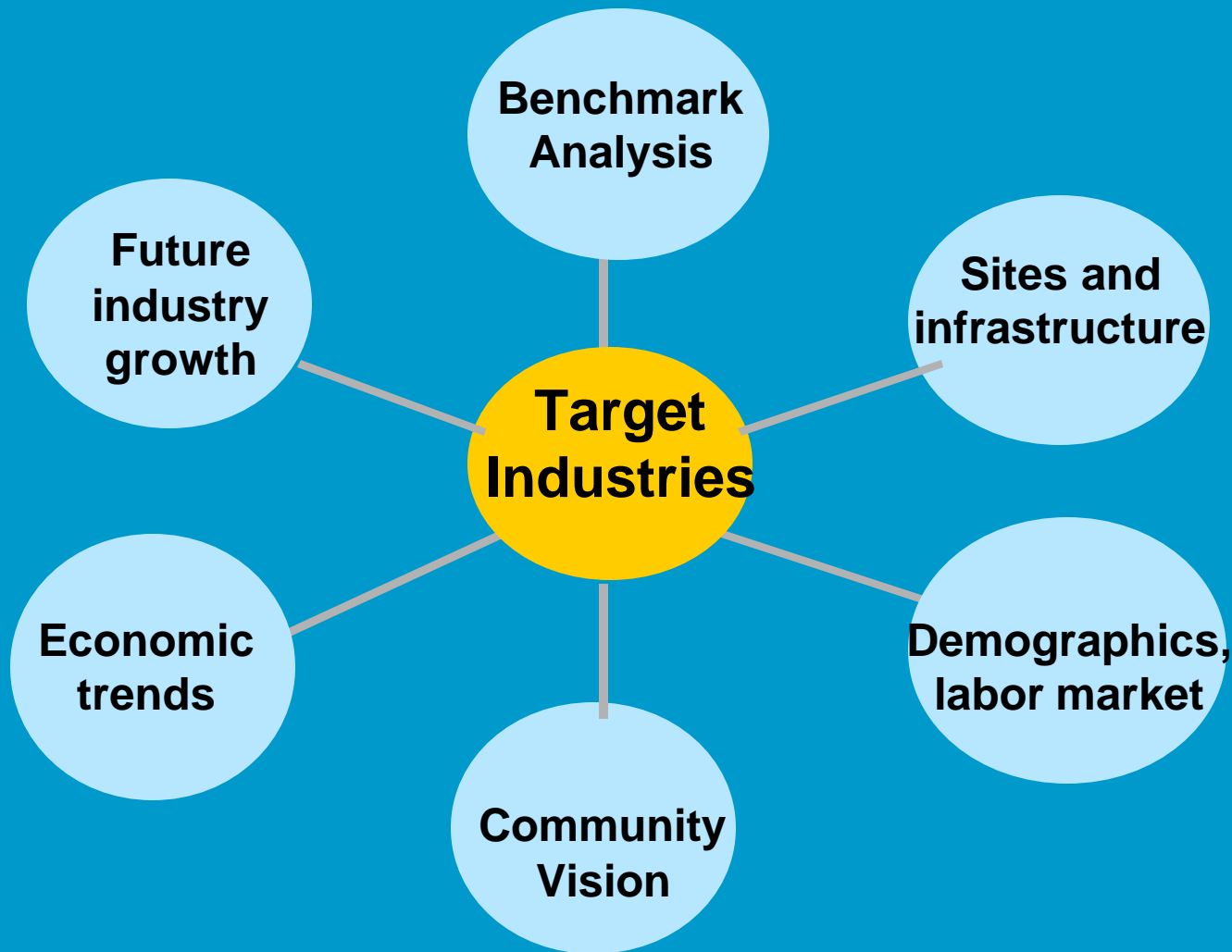
Recommendations

Target Industry Selection Process

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



Target Industry Selection



Outline

Our Process

Target Industry Recommendations

Benchmark Comparisons

Conclusions / 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

Stokes County

Stokes County

- Materials
- Hospitality / Tourism
- Design
- Value-Added Agriculture
- Health services

Target Industry Recommendations

Regional Comparison

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

Target Industries Materials

Target #1:

Materials

Hospitality / Tourism
Design
Value-Added Agriculture
Health Services

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

Stokes County's Niche Target

Light manufacturing, outdoor oriented products, machining

Target Industries

Materials

Market Summary:

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

Target Industries Materials

Regional Assets

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

Target Industries Materials

Stokes County's Focus:

- ✍ Manufacturing has its place in Stokes
- ✍ 600 acres available for Light Industrial, but infrastructure investments will be required
- ✍ New-comer Parks & Woolson is good example of manufacturing in Stokes
- ✍ Tradition of production
- ✍ Manufacturing could even extend to final products such as machinery and outdoor equipment
- ✍ FedEx hub will support manufacturing

Target Industries Hospitality

Target #2:

Hospitality / Tourism

Materials

Design

Value-Added Agriculture

Health services

Target Industries Hospitality

What is it?

Hotels, bed & breakfasts, restaurants,
and entertainment venues

Regional Targets

Balance between the business
traveler and tourist

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



Target Industries Hospitality

Market Summary:

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

Target Industries

Hospitality

Regional Assets

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

Target Industries Hospitality

Stokes County's Focus:

- ✍ Build on nature image, "Wilderness Behind the Fence"
- ✍ Hanging Rock State Park and Dan River
- ✍ Ties with agriculture – Agri-tourism for things like organics or pick-your-own veggies, nearby wineries
- ✍ Potential for downtown redevelopment
- ✍ No occupancy tax (but minimal overnight stays)
- ✍ Outdoor adventure tourism (hiking/biking)
- ✍ Need for tourism marketing effort – look to the Internet !
- ✍ Support local artists - (music events, fairs) and active historical society – but need to market these to locals

Target Industries Design

Target #3:

Design

Materials
Hospitality / Tourism

Value-Added Agriculture
Health Services

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

County's Niche Target

Industrial product design and manufacture, 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
- 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

Stokes County's Focus:

- ✍ Develop entrepreneurial network – potential future tenants for downtown (small/medium size businesses)
- ✍ County has arts council and support for local artists
- ✍ Opportunities to piggy-back Forsyth design culture
- ✍ Community college would support this industry
- ✍ “Design” offers new way to change/re-brand local image
- ✍ Industrial design, printing businesses would rebuild local manufacturing base

Target Industries

Value-Added Agriculture

Target #4:

Value-Added Agriculture

Materials
Hospitality / Tourism
Design
Health Services

Target Industries

Value-Added Agriculture

What is it?

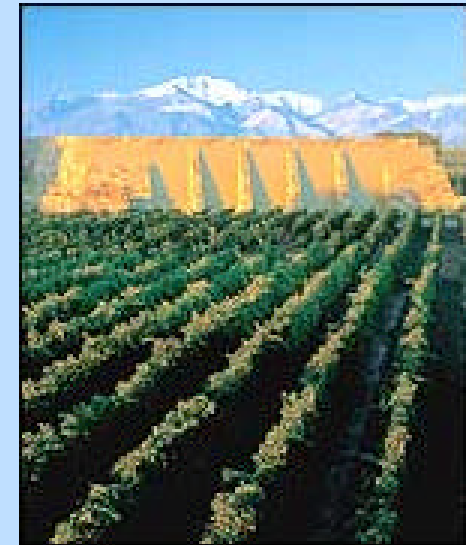
Specialty agriculture that grows small scale, high dollar products for niche markets

Regional Targets

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

Stokes County's Niche Target

Viticulture, organics



Target Industries

Value-Added Agriculture

Market Summary:

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

Target Industries

Value-Added Agriculture

Regional Assets

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

Target Industries

Value-Added Agriculture

Stokes County's Focus:

- ✍ Stokes' #1 agricultural product is still tobacco
- ✍ Organic agriculture is growing
- ✍ Active growers' co-op
- ✍ Farmers market is successful, but should tie to arts and music community
- ✍ Local growers need to find ways to benefit from 400,000 annual tourists to county

Target Industries

Additional Targets

Additional locally-serving targets:

✍ Community college

✍ Health services:

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

✍ Home-based businesses

✍ Retail / restaurants

✍ Professional Services

Outline

Our Process

Target Industry Recommendations

Benchmark Comparisons

Next Steps

Benchmark Communities

Benchmarks were selected based on 3 groupings:

National peer, competitor, or neighboring market

Stokes County benchmarks are:

- Danville, VA
- Ft. Collins CO
- Asheville, NC

Benchmark Communities

Danville

- Tobacco and textiles country
- Have 2 industrial parks that are winning projects
- Effort to diversify mftg base has shown success: truck and airplane tires, food, electronics, pressure-sensitive tape, packaging materials, glass, automated teller machine parts, and coaxial cables
- Use development authorities to bond for infrastructure improvements to parks
- State level incentives are a strength

Benchmark Communities

Ft. Collins

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



Benchmark Communities

Asheville, NC

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

Outline

Our Process

Target Industry Recommendations

Benchmark Comparisons

Conclusions / Next Steps

Target Industries

Major Recruitment Issues

Stokes must surmount its barriers to recruitment:

✍ Invest in education

✍ Secure Forsyth Tech community college through external funding sources if necessary

✍ School bonds

✍ Upgrade workforce skills

✍ Invest in infrastructure

✍ Find creative financing tools, Pursue fed \$\$ (EDA)

✍ Support special taxing districts in state legislature to enable infrastructure funding

✍ Land use planning would provide predictability

Target Industries

Major Recruitment Issues

Recruit one step at a time:

- ✍ Small/medium sized businesses are your future
- ✍ Capture businesses that use your resident workforce (do you know your local skill base?)
- ✍ Congestion into Forsyth may make suburban office a possibility in the future
- ✍ Need more developable land

Next Steps

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

Stokes County Target Industries & Benchmarks



Thank you !