

# Surry County Target Industries & Benchmarks



# Outline

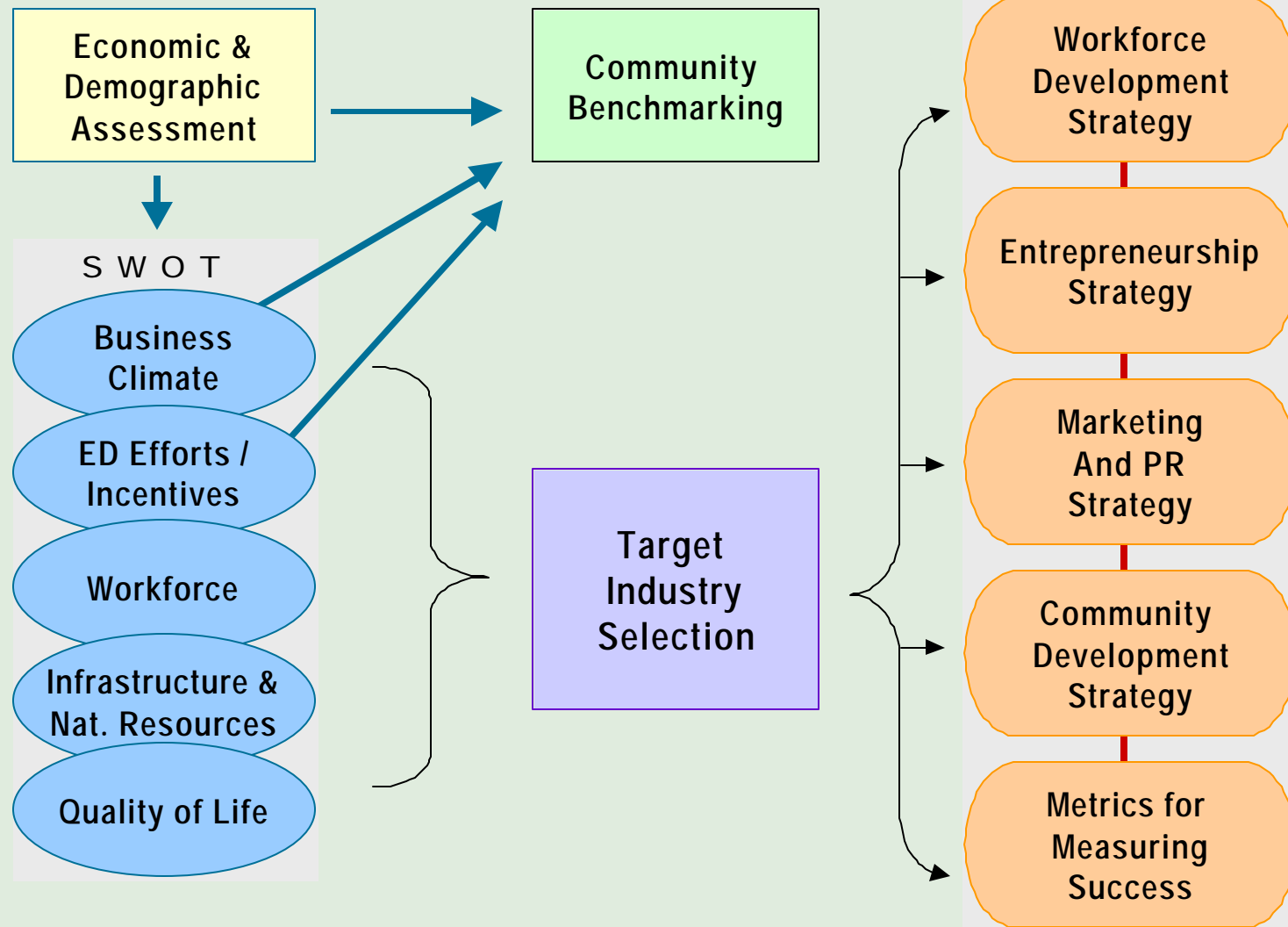
**Our Process**

**Target Industry Recommendations**

**Benchmark Comparisons**

**Next Steps**

# Project Overview



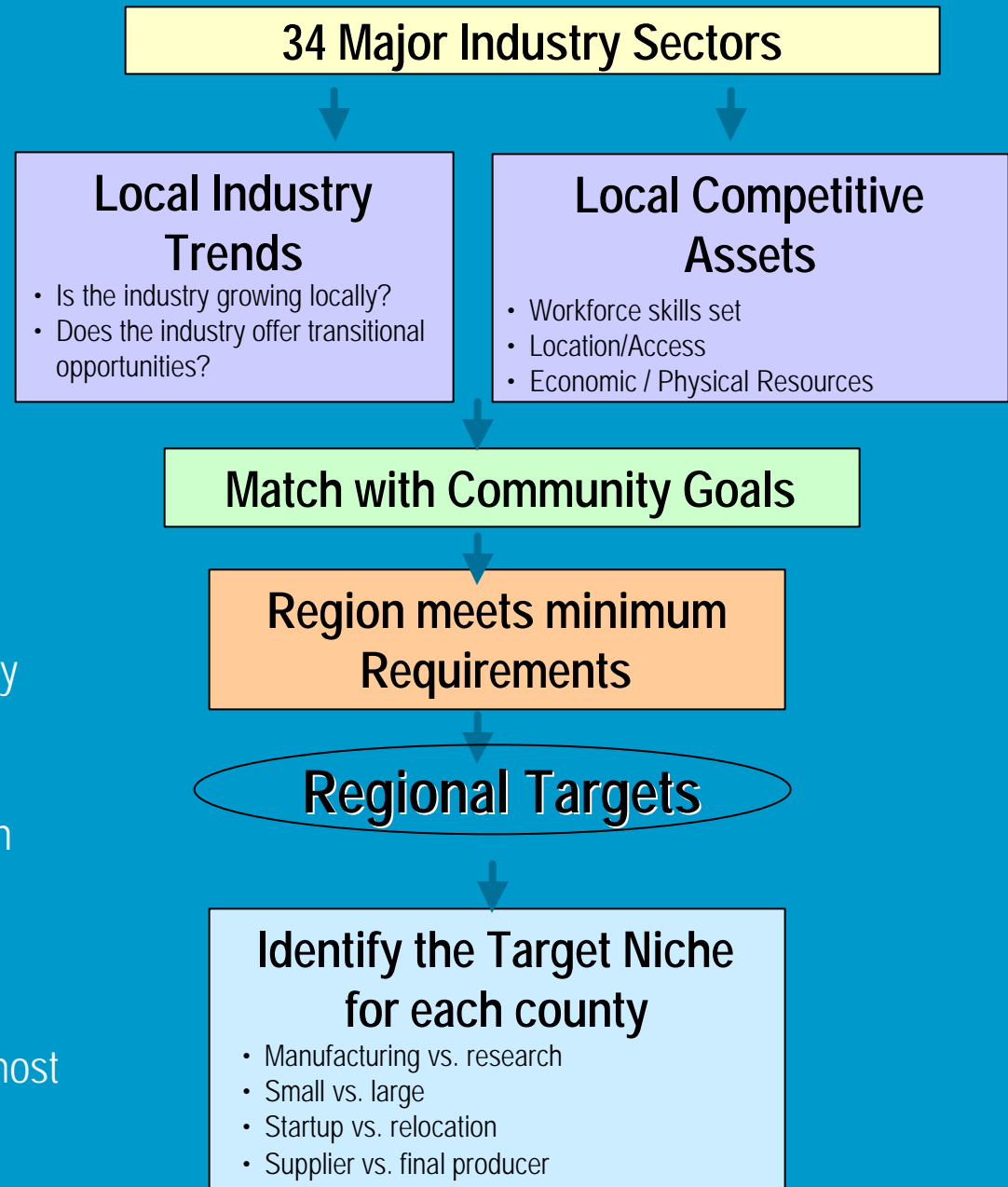
**Research/Input**

**Benchmarking**

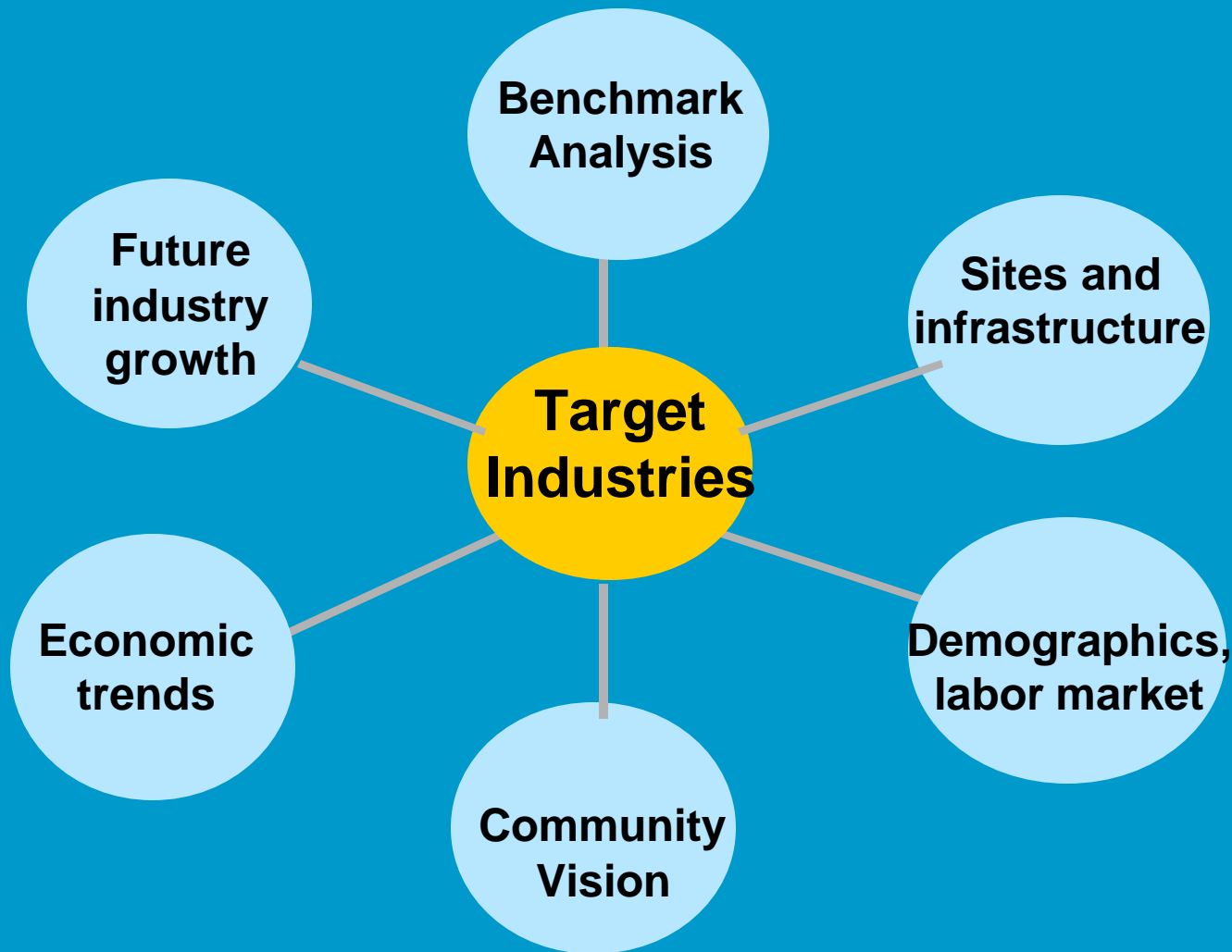
**Recommendations**

# Target Industry Selection Process

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



# Target Industry Selection



# Outline

Our Process

**Target Industry Recommendations**

Benchmark Comparisons

Next Steps

# Target Industry Recommendations

## *For Entire 8 Counties*

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



# Target Industry Recommendations

## *Surry County*

### Surry County

- Transportation Equipment
- Hospitality / Tourism
- Design
- Value-Added Agriculture
- Biotechnology

# Target Industry Recommendations

## *Regional Comparison*

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

# Target Industries Materials

## Target #1:

### Transportation Equipment

Hospitality / Tourism

Design

Value-Added Agriculture

Biotechnology

# Target Industries

## Transportation Equipment

### What is it?

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



### Regional Targets

Automotive suppliers, metal stamping, electrical equip.

# Target Industries

## Transportation Equipment

### Market Summary:

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

# Target Industries

## Transportation Equipment

### Regional Assets

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

# Target Industries

## Transportation Equipment

### Surry County's Focus:

- ✍ Remember scope – encourage small specialized manufacturers

# Target Industries

## Food Processing

### Target #2:

Hospitality / Tourism

Transportation Equipment

Design

Value-Added Agriculture

Biotechnology

# Target Industries

## Hospitality / Tourism

### 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 / Tourism

### 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 / Tourism

### 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 / Tourism

### Surry County's Focus:

- ✍ Build on small town charm
- ✍ Play up other assets – Autumn Leaves festival
- ✍ Bluegrass and Heritage Trails
- ✍ Tie with agriculture – agr-tourism and farmer's market
- ✍ Continue with downtown revitalization efforts
- ✍ Set aside green space
- ✍ Build connections between town and winery

# Target Industries Design

## Target #3:

Design

Transportation Equipment  
Hospitality / Tourism

Value-Added Agriculture  
Biotechnology

# Target Industries Design

## What is it?

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



## Regional Targets

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

## Surry County's Niche Target

Artists, 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
- 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

## Surry County's Focus:

- ✍ Leverage artistic strengths and metal working crafts
- ✍ Build entrepreneurial network. Idea is that artists would want to live in mountains, but drive to city for a day of meetings
- ✍ Develop high-speed internet and computing programs in schools

# Target Industries

## Value-Added Agriculture

### Target #4:

Transportation Equipment

Food Processing

Hospitality / Tourism

Design

Value-Added Agriculture

Biotechnology

# Target Industries

## Value-Added Agriculture

### What is it?

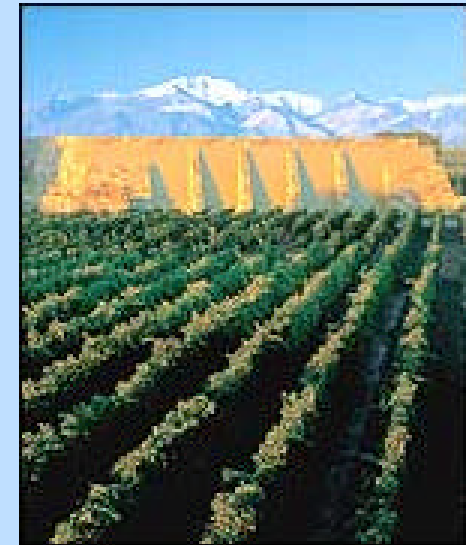
Specialty agriculture that grows small scale, high dollar products for niche markets

### Regional Targets

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

### Surry 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

### Ashe County's Focus:

- ✍ Emphasize sustainable farming practices – grass fed beef
- ✍ Ornamentals
- ✍ Tie high dollar ag with hospitality – specialty goods like cheeses, agri-tourism
- ✍ Farmers' markets downtown

# Target Industries

## Value-Added Agriculture

### Davie County's Focus:

- ✍ Grapes
- ✍ High value organics

# Target Industries

## Value-Added Agriculture

### Stokes County's Focus:

✍ Stokes' #1 ag is tobacco

# Target Industries

## Value-Added Agriculture

### Surry County's Focus:

- ✍ Tie high dollar ag with hospitality – specialty goods like cheeses, agri-tourism
- ✍ Farmers' markets downtown
- ✍ More...?

# Target Industries Biotechnology

## Target #5:

Transportation Equipment  
Hospitality / Tourism  
Design  
Value-Added Agriculture

Biotechnology

# Target Industries Biotechnology

## What is it?

Development of new medical processes and devices using advanced technologies



## Regional Targets

Medical devices, biomaterials manufacturing, pharmaceutical research, bioinformatics

## Surry County's Niche

Manufacturing

# Target Industries

## Biotechnology

### Market Summary:

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

# Target Industries

## Biotechnology

### Regional Assets

- ✍ Strong statewide and regional commitment to industry
- ✍ Piedmont Triad Research Park as regional focal point
- ✍ Ties with research at Wake Forest
- ✍ Established medical community
- ✍ Workforce training focuses on lab technicians
- ✍ But, the Future is Not Clear !

# Target Industries

## Biotechnology

### Surry County's Focus:

- ✍ Opportunities for rural areas lie in the commercialization of new research
- ✍ Manufacturing will need to find a home !
- ✍ Global cost pressures will require a low cost location
- ✍ But, will still need to stay close to designers (Forsyth)

# Target Industries

## Additional Targets

### Additional locally-serving targets:

#### Health services:

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

#### Home-based businesses

#### Retail / restaurants

#### Professional Services

# 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

10-12 benchmarks completed

Surry County benchmarks to discuss today:

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

# Benchmark Communities

## Ft. Collins, CO

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



# Benchmark Communities

## Asheville, NC

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

# Benchmark Communities

## Chattanooga, TN

- Faded industrial town on the Tennessee River
- Once most polluted city in country (1970)
- RiverCity Company led revitalization (1986) of downtown and riverfront
- Traditional Textile and Manufacturing city successfully diversified to other manufacturing (plastics, auto suppliers, food processing, materials) and service industries such as insurance
- Local government aggressive with site development, incubators, and revolving loan programs
- Created a “tell the world” campaign to change perceptions

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# Target Industries

## Major Recruitment Issues

### Help for future recruitment:

- ✍ Preserve the high quality commitment
- ✍ Continue to invest in infrastructure, but don't over invest in spec buildings
- ✍ Use new opportunities presented by state legislation
  - ✍ Support special taxing districts / TIFs in state legislature to enable infrastructure & improvements
    - ✍ Mixed use master planning will bring national developer
  - ✍ Intergovernmental agreements are now possible
    - ✍ Joint city industrial park?
    - ✍ Act big !

# Target Industries

## Major Recruitment Issues

- ✍ Continue to support existing companies and entrepreneurs
- ✍ Workforce development may be your strong offering to relocating companies
- ✍ Make your community college as strong as possible
- ✍ Consider large scale mixed use residential development



# Next Steps

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

# Surry County Target Industries & Benchmarks



***Thank you***