

# Yadkin County Target Industries & Benchmarks



# Outline

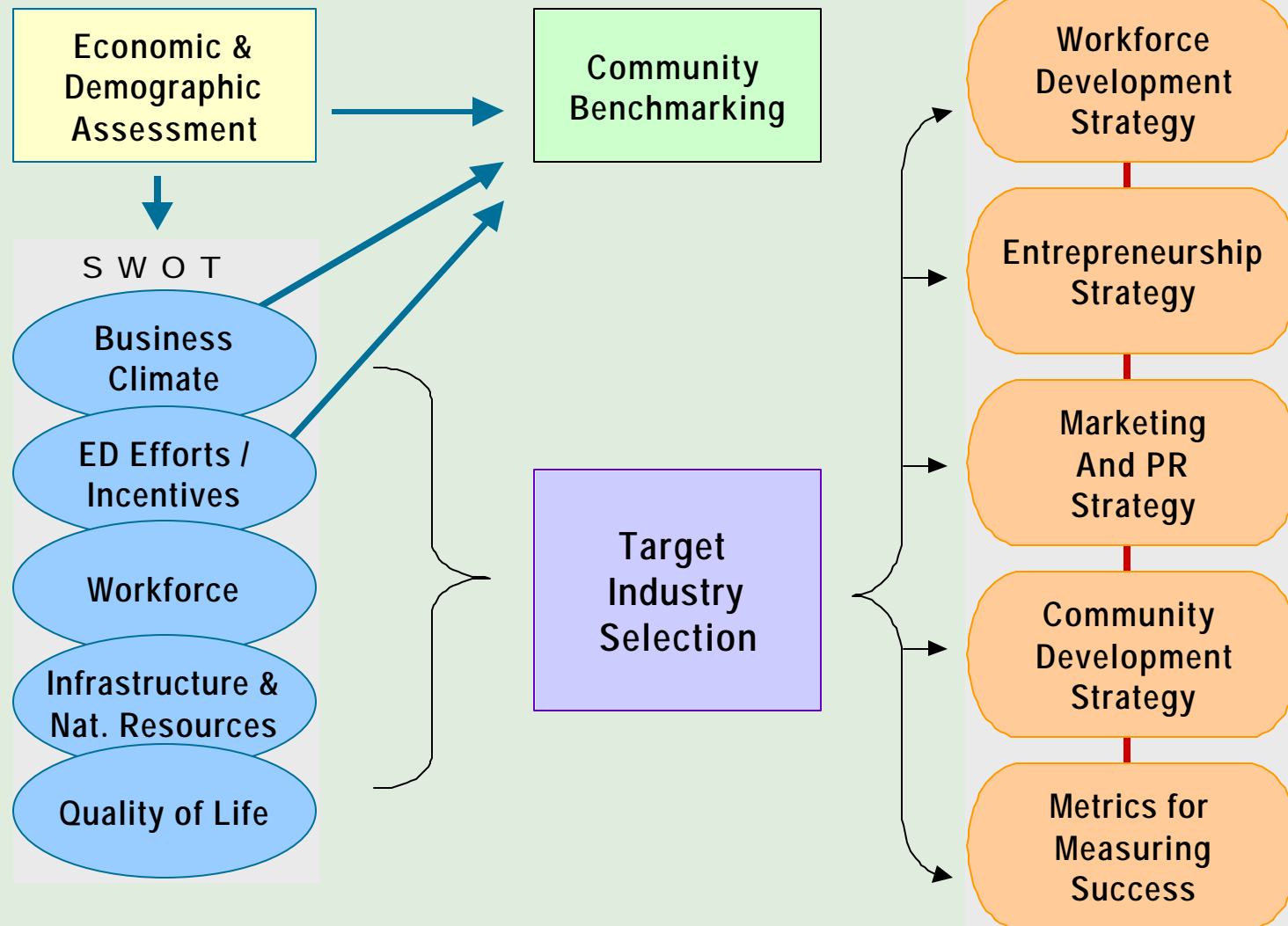
## **Our Process**

Target Industry Recommendations

Benchmark Comparisons

Next Steps

# Project Overview



**Research/Input**

**Benchmarking**

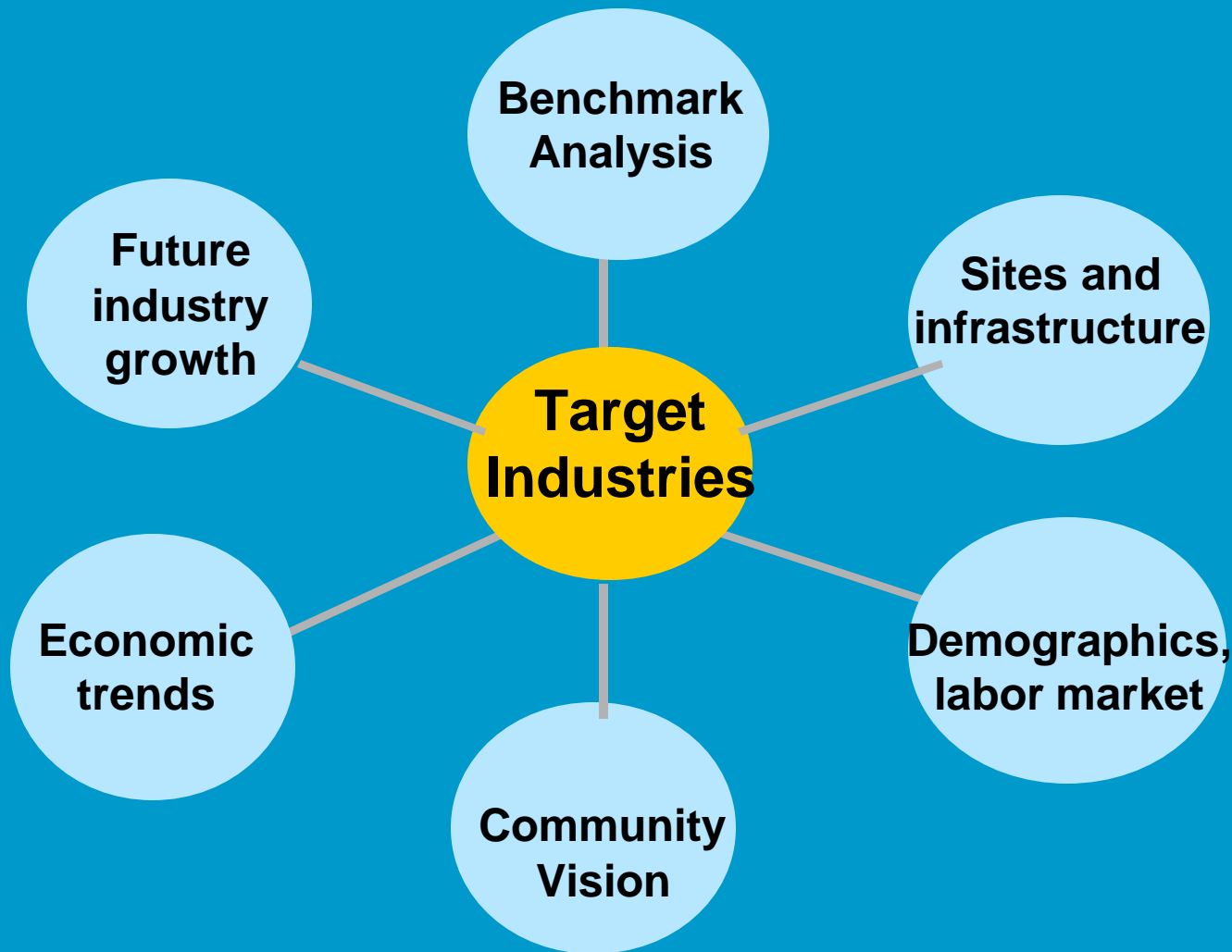
**Recommendations**

# 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

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# 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

## *Yadkin County*

### Yadkin County

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

# 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

### Yadkin County's Niche Target

Warehousing, Trucking

# 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 Yadkin County?

- ✍ Available and inexpensive land
- ✍ Existing truck driver programs at Community College
- ✍ Low labor costs
- ✍ Access to major highways
- ✍ No inventory tax

# 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

## Yadkin County's Niche Target

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
- 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

## Why Yadkin County?

- ✍ Large tracts of land
- ✍ Competitive 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 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
- ✍ 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 Yadkin 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

### Yadkin County's Niche Target

Beef, specialty and frozen foods

# Target Industries

## Food Processing

### Market Summary:

- \$3 trillion in revenues – 1/6<sup>th</sup> 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
- ✍ New markets growing for “slow” foods from small-scale farms
- ✍ Tie in to growing tourism
- ✍ Internet offers new direct marketing channel

# Target Industries

## Food Processing

### Why Yadkin County?

- ✍ Available water
- ✍ Available land
- ✍ Existing workforce skills fit well with industry
- ✍ Will provide ST economic results
- ✍ Proximity 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 Yadkin County?

- ✍ Can develop occupancy tax revenue
- ✍ Natural and cultural assets
- ✍ 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

## Yadkin 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
- 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 Yadkin County?

- ✍ Cultural and lifestyle amenities
- ✍ Technical Design training programs
- ✍ Available office space

# Target Industries

## Value-Added Agriculture

### Target #7:

Logistics and Distribution

Materials

Transportation Equipment

Food Processing

Hospitality / Tourism

Design

Value-Added Agriculture

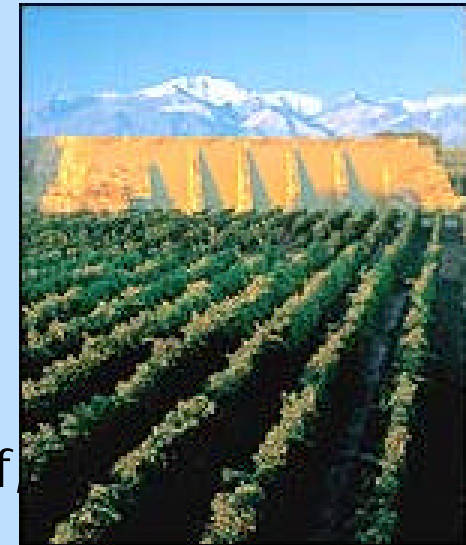
Biotechnology

# 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

### Yadkin 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

### Why Yadkin County?

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

# Secondary Industries

 Health Care

 Retail

# 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 Yadkin County

- Neighboring Community Comparison
  - *Charlotte, NC , Greenville, SC*
- National Peer
  - *Chattanooga, TN*
- Large Target Markets
  - *Atlanta, GA*

# Benchmark Communities Greenville, SC

- Economic Outlook
  - *From Textile to Manufacturing*
  - *Highest number of engineers/capita*
  - *Largest number of headquarters in SC*
  - *More int'l investment per capita in US*
  - *BMW nearby in Greer*
- Key Assets
  - *Market Access (Atlanta, Charlotte)*
  - *Greenville-Spartanburg Int'l Airport*
  - *Bi-Lo Center – largest arena in state*



# Benchmark Communities

## Greenville, SC

- Economic Development Efforts
  - *Greenville Area Development Corp*
  - *Upstate Alliance*
  - *Greenville Chamber of Commerce*
    - *Pharmaceutical Task Force*
    - *Promoting Entrepreneurial Spirit*
  - *"Team South Carolina" – South's top 10 ED groups of decade*
    - *Biotech on SC Homepage*

# Benchmark Communities

## Chattanooga, TN

- Economic Outlook
  - *Most polluted city in country*
  - *RiverCity Company led revitalization (1986)*
  - *\$120mill Riverfront Project*
  - *Traditional Textile and Manufacturing City*
  - *Focus on Plastics and Insurance*

# Benchmark Communities

## Chattanooga, TN

- Key Assets
  - *River/Riverfront*
  - *Intersection of 3 major highways*
  - *2 hr drive from Atlanta, Birmingham, Nashville*
  - *Major Rail Corridor*
  - *Tennessee Aquarium*
  - *MetroNet & other Technology Links*
  - *Renewal Community*
  - *SE Community Capital - Venture Capital*
  - *Angel Financing*



# Benchmark Communities Chattanooga, TN

- Economic Development Efforts
  - *Chamber of Commerce*
  - *TVA*
  - *County instrumental in Site Development*
  - *Tell the World Campaign*

# Benchmark Communities

## Atlanta MSA

- Economic Outlook
  - *3<sup>rd</sup> highest job loss (behind NY/Chicago), 2002*
  - *Top 5 fastest growing HT cities*
  - *3<sup>rd</sup> Hottest City for Business Expansion and Relocation*
  - *Focus on: corporate headquarters, bioscience, logistics, telecommunications, computer software*
  - *11,000 high tech employees (8% of workforce)*
  - *"Free Trade Area of Americas"*

# Benchmark Communities

## Atlanta MSA

- Key Assets
  - *Hartsfield Atlanta International Airport*
  - *Hub for 4 railroads*
  - *Highway Infrastructure*
  - *Market Access*
- Economic Development Efforts
  - *Form Councils (Logistics Council, Bioscience Council)*
  - *Lobbying for Sales Tax Exemption for research equipment purchases and special fund for biotech facilities*
  - *[www.atlantasmartcity.com](http://www.atlantasmartcity.com)*

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# Next Steps

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

# Yadkin County Target Industries & Benchmarks



***Thank you***