

# **“Gaston 2012”**

## **Comprehensive Economic Development Strategy**

- *Presented by Lawrimore Communications Inc.,  
the Corporation For Enterprise Development,  
HDR Engineering, Warren Associates,  
and Barker Corvus*
- *June 18, 2003*

### **What Is A Comprehensive Economic Development Strategy?**

- It is more than the strategy of the Economic Development Commission, Division or Corporation
- It is a strategy for the *entire community* to work together to strengthen the local economy in a substantial and enduring manner
- The ultimate benefit is *improved quality of life* for the citizens of the county - as many as possible - short term and long term

## **A Quick Recap Of The CEDS Project**

- **Received input from over 200 people in groups and individually**
- **Created 5 teams: Economic Development, Entrepreneurship, Workforce Development, Infrastructure, Marketing/Communications**
- **Assisted teams in organizing and developing priorities - continuing on for implementation**
- **Plus special research studies of:**
  - Existing economies
  - Infrastructure
  - Real estate
  - Target industries
  - Other transforming communities

## **The Challenges We Face**

- **Over 12,000 jobs and many businesses - mostly textile-related - have been lost and will not come back**
- **Global competition will only get worse**
- **A long “tradition” of dropping out of school to work in mills means lack of preparedness for jobs in the New Economy**
- **Budget squeezing for so many years means infrastructure has been neglected and is inadequate for potential growth**
- **Communities are not united with shared visions and action agendas**

## **Executive Summary: Our Top 10 Strategies**

- **Unite the leadership of the county with a shared vision and action plan**
- **Develop a better educated and skilled workforce**
- **Strengthen the regional and local economy through the pursuit and expansion of value-adding manufacturing and professional services**
- **Foster the return of the entrepreneurial spirit**
- **Bring back economic activity and life to the downtown districts**

## **Executive Summary: Our Top 10 Strategies, Continued**

- **Reserve additional land for future industrial development**
- **Provide municipal water-sewer service to identified growth areas**
- **Facilitate Garden Parkway (Gaston) and 74 Bypass (Cleveland) construction**
- **Implement the plan through action teams which are on-going**
- **Market the county's vision, plans and strengths within and outside the area**

## **Our Presentation Today**

- **Your vision statement for 2012**
- **Breaking the plan down into the 5 priority areas and action teams, including initiatives and research:**
  1. **Economic development**
  2. **Entrepreneurial Development**
  3. **Workforce Development**
  4. **Infrastructure Development**
  5. **Marketing and Communications**
- **Plus additional recommendations by the consulting team**

## **Gaston County Vision 2012**

- ***Gaston County is the most favored area in the Charlotte Region for locating a new or expanding business, especially in targeted current and emerging industry sectors.***
- **As the second largest county, Gaston is an increasingly prominent partner in making the Charlotte Region one of the most successful economic centers in the country, based on sustainable economic development compatible with a healthy natural environment.**
- **The new Garden Parkway, I-485 and attractive housing developments have brought in many new residents, in turn driving increased commercial and office growth. . . .**

## **Gaston County Vision 2012, continued**

- Every person who wants to work and is willing to take the necessary training has a job, and all residents have the opportunity for increased income and success.
- Coordinated water-sewer extensions support balanced new business and residential growth countywide, and allow higher intensities of land use, preserving more open space and avoiding low-density sprawl. . .
- Downtown areas continue to strengthen as business, government, arts and entertainment centers, including a civic center in Gastonia and residences in all larger municipalities.
- Business, government, education and nonprofit organization leaders are united in an on-going process of continuous improvement, involving hundreds of interested citizens.

## **Gaston County Vision 2012, continued**

- Gaston County enjoys a growing reputation as a great place to visit, based on Daniel Stowe Botanical Garden, the Schiele Museum and many other attractions.
- Gaston County Schools continue to excel among the best in the region and state. Gaston College will continue to provide excellence in student-centered programs and services, and proactive leadership in workforce and economic development.
- Each community or area of the county develops its own unique identity, strengths and attractions for desired businesses and residents.
- Natural resources and recreational facilities are preserved, provided and enhanced among the best in the state.

## **Part 1: Economic Development**

**This section will include 4 parts:**

- **Lessons from communities which have transformed their economies successfully**
- **An overview of the current economic situation**
- **An analysis and recommendations of target industry clusters**
- **A review of economic development initiatives by the action teams**

## **Lessons From Transforming Communities**

- **Review of Tupelo, MS and Lowell, MA shows that economic development must:**
  - **Combine attraction, retention, entrepreneurship, and downtown strategies**
  - **Be integrated with education, community development, workforce development, transportation, infrastructure**

## **New Economic Realities**

- **Rapid technological change**
- **More global competition**
- **Quality and cost**
- **Human capital**
- **Homegrown jobs**
- **Structural change**
- **Regionalism**
- **Community change**

## **Textile Industry**

- **7,000 jobs (41%) lost 1995-2000 in Gaston and 3,800 (38%) in Cleveland, mainly in yarn, broadwoven fabric and apparel.**
- **Experts differ as to whether worst is over. Optimists point to new high-tech uses of textiles; pessimists to end of import quota protections – more commodity textile work expected to go overseas.**

## **State of the Economy**

- **Counties lagging state and US in unemployment, per capita income. Wages falling, transfer payments and poverty rising.**
- **Main challenge is weakness of human capital – fewer adult workers with college degrees, lower high school attainment than state and US**

## **Human Capital Trap**

- **Too many companies demand little in way of skills from workforce; too many workers have little in way of higher education and skills.**
- **New and existing companies need to expect and demand more; communities need to place higher value on education.**
- **Education/skills and economic success never more interdependent.**

## **Regional Analysis**

- **Cleveland and Gaston part of 16 county Charlotte region of 2.2 million people, but have yet to reap full benefits – the Catawba River divide.**
- **Gaston is second largest county but has lowest growth rate over past decade.**
- **Cleveland is one of smallest counties and has highest unemployment.**
- **Across several measures, Cleveland ranks 9<sup>th</sup> and Gaston 7<sup>th</sup> among the 16 counties.**

## **Economic Development**

- **Business attraction and business retention/expansion**
- **Counties have had success with recruitment and must continue, but it is increasingly competitive, expensive in terms of incentives, and risky**
- **Counties have active retention programs but scale of closures overwhelming**
- **Context provided by State policies and programs – counties in Tier 3 for incentives, an advantage**
- **The Economic Development Administration encourages targeting industries by clusters, which is the next part of our presentation**

## **Economic Development: Target Industry Clusters**

- **Following are highlights of a detailed target industry cluster analysis by Dr. John Connaughton of UNC-Charlotte and our team**
- **Although Gaston and Cleveland are part of the Charlotte Region, they were studied separately to avoid their data being obscured by all the financial clustering in Charlotte**
- **This study used year 2000 data, the latest available, so keep in mind the changes that have occurred since then, such as more textile plant closings**

## **Cluster Theory – Understanding The Local Economy**

- **Individual firms are not isolated. They are integrated in an economy through linkages with other firms and form industrial cluster**
- **Cluster Analysis is the “Big Picture” of an economy, it is the roadmap to understanding the dynamics of supplier and buyer relationships within a local economy**
- **This knowledge is very relevant in identifying appropriate target industries**

## What is a Cluster?

**Firms that share these characteristics form a cluster:**

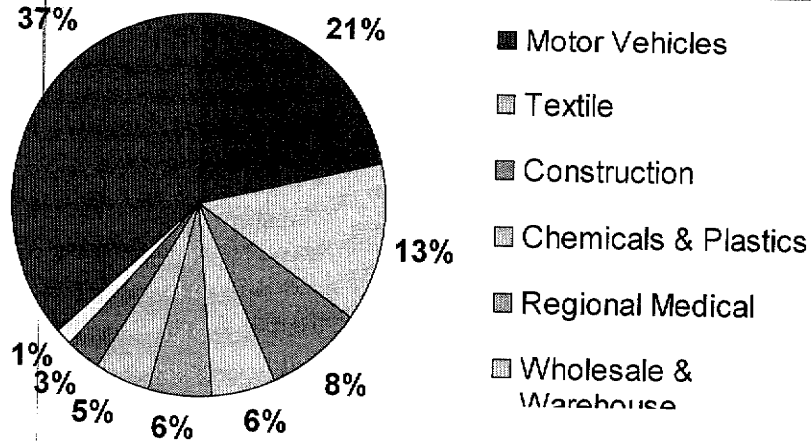
- **A formal Buyer-Seller Relationship**
- **Geographic concentration of firms that produce similar products or have a buyer-seller relationship**
- **Shared specialized factor markets**
- **Shared specialized technologies**
- **A non-formal competitive relationship**

## Gaston County Clusters

| Cluster               | Industry Output in Millions of \$ | As Percent of Total Output | Industry Employment | As Percent of Total Employ. |
|-----------------------|-----------------------------------|----------------------------|---------------------|-----------------------------|
| Motor Vehicles        | \$2,259.266                       | 21.3%                      | 6,093               | 6.1%                        |
| Textile               | \$1,432.880                       | 13.5%                      | 10,232              | 10.3%                       |
| Construction          | \$865.388                         | 8.2%                       | 7,521               | 7.5%                        |
| Chemicals & Plastics  | \$604.830                         | 5.7%                       | 2,631               | 2.6%                        |
| Regional Medical      | \$590.461                         | 5.6%                       | 7,822               | 7.8%                        |
| Wholesale & Warehouse | \$498.077                         | 4.7%                       | 5,265               | 5.3%                        |
| Machinery & Tools     | \$318.110                         | 3.0%                       | 2,076               | 2.1%                        |
| Basic Metals          | \$160.117                         | 1.5%                       | 1,196               | 1.2%                        |
| <b>Total</b>          | <b>\$6,729.128</b>                | <b>63.4%</b>               | <b>42,836</b>       | <b>42.9%</b>                |

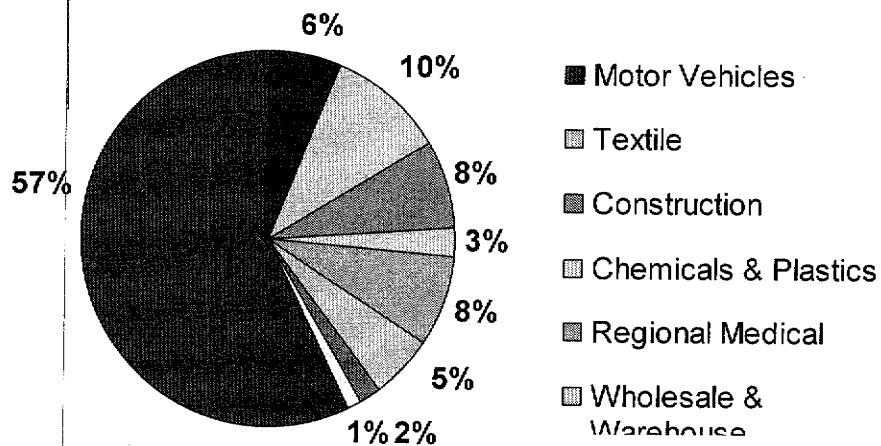
# Gaston County Clusters

## Total County Output Distribution



# Gaston County Clusters

## Total County Employment Distribution



## **Cluster Supplier Chain**

- Each industry cluster has an existing supplier chain, i.e. industries that provide needed goods or services. These direct suppliers also have suppliers etc. These are the links of the supplier chain
- Suppliers can be divided into *General* and *Specialized Suppliers*, depending on the degree of specialization of the good or service that is provided to the industrial cluster

## **Gaston County Supplier Chain Target Industries**

- Concrete Products N.E.C
- Ready-Mixed Concrete
- Engineering & Architectural Services
- Computer & Data Processing Services
- Engine Electrical Equipment
- Miscellaneous Plastics Products
- Cyclic Crudes – Intermediate & Industrial Organic Chemicals
- Plastics Materials & Resins
- Synthetic Rubber
- Communications Except Radio & TV

## **Economic Development Initiatives**

### **1. Land for Industrial Development**

- **Gaston has 13 years' supply, Cleveland 5 years', but need to safeguard land for future needs in face of expected strong residential pressure -- mix of zoning, incentives, land assembly required**
- **Combine county, municipality and private funding to buy sites for future industry**
- **Identification of land for new industrial park in Cleveland County**
- **Improve site access within Gastonia Technology Park**

## **Economic Development Initiatives**

### **2. Industrial Buildings**

- **Highest vacancy rates in region; Gaston supply through 2006, Cleveland 2009**
- **Main opportunity is providing efficient Class A industrial buildings for today's users**
- **Empty Class C buildings (mostly old textile mills) have very little potential**
- **Challenges of market demand, high costs**

## **Economic Development Initiatives**

### **3. Downtown Revitalization**

- **Main Street program – Uptown Shelby an early designation, Belmont in recent years. Possible model for other communities in both counties**
- **Gastonia – a priority initiative: Civic Center, eminent domain, tax increment financing, entrepreneurship incubator**

## **Part 2: Entrepreneurship**

- **A vital “third leg” of economic development, along with business attraction and retention**
- **Opportunity for community to return to its entrepreneurial roots, but spirit has to be rekindled**
- **Four components of strategy:**
  - **Entrepreneurship education**
  - **Training and technical assistance**
  - **Access to financing**
  - **Entrepreneurial culture**
- **Many elements in place but need for expansion and coordination**

## **Entrepreneurship**

- **Strategy through 2006 includes:**
  - **Integration of services to support entrepreneurs**
  - **Development of incubator**
  - **Incorporation of entrepreneurship into school curricula**
  - **Increased opportunities for minority business development**
  - **Connect to university technology transfer opportunities**
  - **Ensure availability of venture capital**
  - **Promote entrepreneurship-friendly regulatory environment**
  - **Increase public awareness**

## **Part 3: Workforce Development**

- **Current workforce system not keeping up with increasing demands – Gaston lost more jobs than any other NC county in recent years, Cleveland has high unemployment**
- **Large part of population struggling in face of fewer job opportunities and falling wages; prospects particularly bleak for those without necessary education/skills**
- **Local collaborative initiatives already underway but these will need to evolve to match scale of challenge**

## **Workforce Development**

- **Prerequisites for success:**
  - **Strong business leadership**
  - **Integrated array of services for dislocated workers**
- **Local efforts will need to focus on:**
  - **Convening all workforce development parties – partnerships, initiatives, coordination**
  - **Campaigning to encourage public (many hard to reach) to pursue lifelong learning**
  - **Monitoring progress against key indicators**
  - **Convening workforce development summits**
  - **Working closely with federal and state agencies**

## **Workforce Development**

- **More systemic approaches may be necessary:**
  - **Shifting focus from supply to demand – give individual purchasing power – learning accounts**
  - **Alternative learning paths for adults and those not college-bound – new techniques**
  - **Improved information on options, tools, aid**
  - **Regional integration of multiple public programs to better serve local needs**

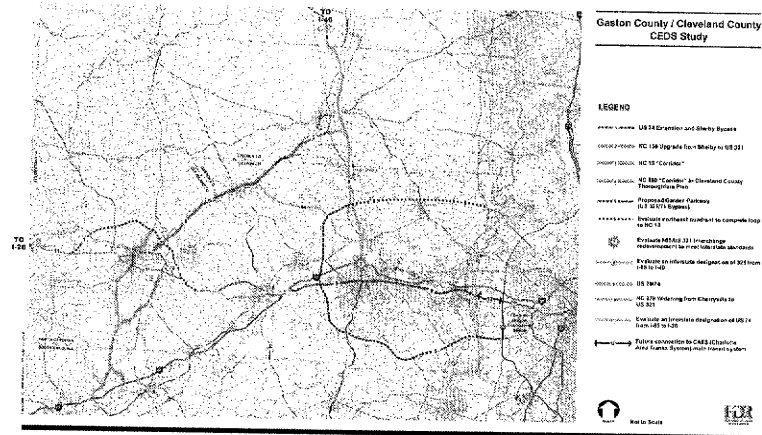
## **Part 4: Infrastructure Development**

- *Coordinated water-sewer system extensions into growth areas*
- *Improved transportation corridors such as the Garden Parkway and US 74 Extension*
- *Natural resource preservation and additional recreational amenities*
- *Mass or rapid transit connection to Charlotte*

## **HDR CEDS Activities**

- **Transportation, water, and wastewater infrastructure system review and analysis**
- **Participation in public and consultant team meetings**
- **Technical memorandum and executive summary development**
- **Stakeholder feedback incorporation into final recommendations**

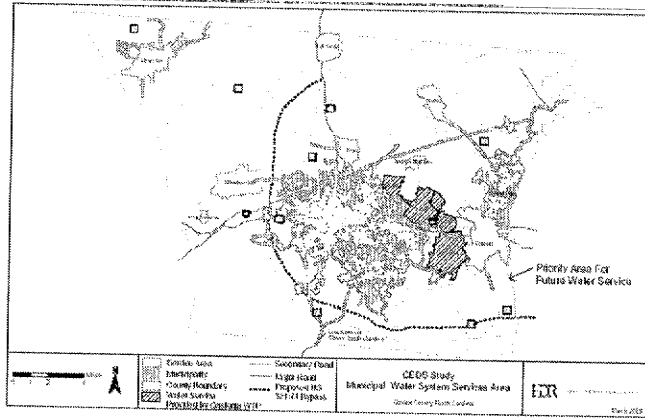
# Gaston-Cleveland Transportation Analysis



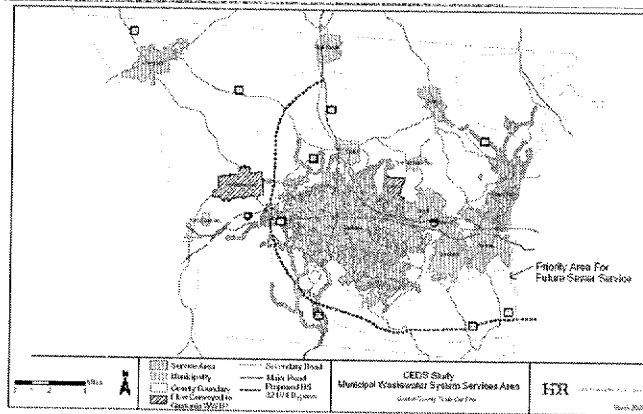
## Gaston County - Transportation Recommendations

- Perform a land use study for each proposed Garden Parkway interchange.
- Pursue an interstate designation for the Garden Parkway and US 321 from I-85 to I-40.
- Consider a northern extension of the Garden Parkway to NC 16.
- Request that NCDOT redevelop the US 321/I-85 interchange.
- Perform a feasibility study for US 29/74 enhancements.
- Work with Gaston MPO on Mass Transit options.

# Gaston County Water System



# Gaston County Wastewater System



## **Gaston County – Water/Wastewater System Recommendations**

- **Develop a plan for extending water and wastewater service outside of the municipal boundaries.**
- **Utilize excess treatment plant capacity to attract new businesses.**
- **Pursue funding restoration to the Gaston County Water & Sewer District.**
- **Develop and implement a coordinated infrastructure master plan.**

## **Infrastructure Development Team Initiatives -Gaston County-**

- **Pursue a unified planning coordination group and a unified development plan including the county, CEDS, municipal plans, MPO and others**
- **Preserve the 485/Parkway corridor with professional planning and development**
- **Create interconnections among all systems for countywide water and wastewater**
- **Explore best ways to handle wastewater in the growing southern portion of the county**
- **Look at all water/sewer financing options in addition to just rates and charges**
- **Research regional water-sewer authority models**

## **Infrastructure Development Team Initiatives -Gaston County, Continued-**

- **Get Highway 29/74 Catawba Bridge widened to six lanes to help traffic flow**
- **Explore light rail on existing lines plus bus rapid transit**
- **Evaluate multiple connections to Charlotte Airport; maximize its benefits to Gaston**
- **Develop an Infrastructure Council composed of several teams, including QNRC and other natural/conservation groups**

## **Infrastructure Development Real Estate Analysis**

- **Warren Associates and Barker Corvus studied industrial and office real estate, housing, and ports (air and coastal) for this project**
- **Existing structures, tax data and property listings were analyzed**
- **Buildings were divided by type (office, industrial), class (A, B, C) and occupancy (single tenant, multi-tenant)**
- **Sites were divided into developed parks and freestanding parcels**

## Gaston County Industrial Buildings

| INDUSTRIAL BUILDINGS - GASTON CO. |            |                   |             |
|-----------------------------------|------------|-------------------|-------------|
| Class                             | Buildings  | Total Square Feet | % of Total  |
| A                                 | 63         | 2,760,735         | 10%         |
| B                                 | 96         | 3,800,010         | 14%         |
| C                                 | 373        | 20,882,625        | 76%         |
| <b>Total</b>                      | <b>532</b> | <b>27,443,370</b> | <b>100%</b> |

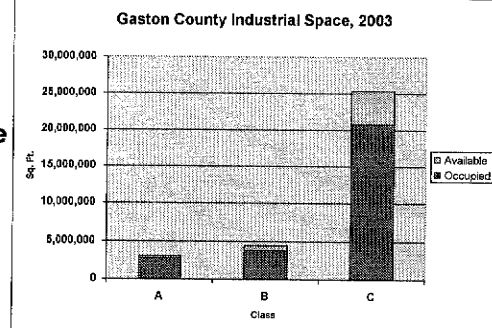
Note: Includes buildings > 5,000 sq. ft.

Sources: Gaston Co. Tax Assessor, Barker Corvus, Carolinas Real Data and Warren Associates

- **532 warehouse and manufacturing buildings containing 27.4 million square feet**
- **76% is Class C (mostly older textile plants that are functionally obsolete for modern industrial uses)**

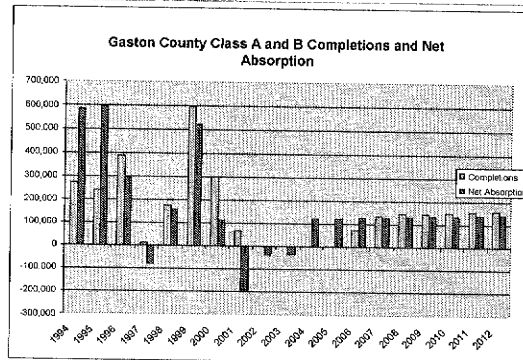
## Gaston County Industrial Space Available Buildings

- **62 industrial buildings are available for lease or purchase, totaling 5.4 million square feet**
- **About 83% of available space is Class C, 48 buildings constructed before 1983**
- **Gaston's 20% total availability rate is double Mecklenburg's 10%. Gaston's Class C rate of 22% is well above 10% for Class A.**



## Gaston County Industrial Building Forecast

- Industrial demand, minus textiles, is forecasted to turn positive in 2004, although new and expanded operations will likely be absorbed within the current vacant supply until 2006
- Based on this forecast, 1 million square feet or more of new space may be required to accommodate industrial growth, or 138,000 square feet annually between 2006 and 2012



## Gaston County Industrial Land And Parks *Observations And Recommendations*

- Gaston County is marketing 16 industrial parks, with 2,677 acres available, divided equally between Class A and B acreage
- All parcels are located within improved parks, which is very advantageous from an industrial recruiting perspective
- Gaston County should secure and allocate funding for the road extension into Tech Park to allow for sales 10 acres or less
- A high-density, warehouse-only distribution park is needed on the east side of Gaston County to compete with Mecklenburg
- Although existing industrial land appears adequate for next 8 years, identify potential new industrial park locations, mainly along 321 North, I-85 West and the Garden Parkway; set forth a zoning strategy to facilitate private sector purchase and development
- Concentrate on basic industries, not megasites like automotive - too much labor competition from BMW and Freightliner

## **Gaston County Office Buildings**

- **Gaston has about 3.3 million square feet of office space, excluding buildings under 5,000 square feet or attached to manufacturing plants**
- **51% of it is Class C**
- **Most vacancy is concentrated in older Class B and C space**
- **Class A office is only 2% vacant, indicating a market opportunity, although weak demand limits current development potential**
- **Gaston County could begin to emerge as a viable multi-tenant office market by 2012, assuming I-485 and Garden Parkway are completed, higher-income residential growth occurs, and office rents remain measurably lower than Mecklenburg's**
- **Best locations are I-85 at 273 (regional), Gaston Memorial Hospital (medical), and Union Road South (small professional)**

## **Part 5: Marketing and Communications**

- ***Promoting a positive image (brand) for the County with external and internal audiences***
- ***Assisting in the attraction and retention of target industry clusters***
- ***Marketing support for downtowns and tourism***

## **Marketing/Communications Team Initiatives - Gaston County**

- **Develop a brand that sounds better than “CEDS” - call the plan “Gaston 2012”, build on “Take A Closer Look” theme used on billboards**
- **Create PowerPoint presentations adapted for internal and external clubs, realtor groups, other organizations**
- **Capitalize on current high ratings of schools, hospital etc.**
- **Create a “Living in Gaston County” website linked to all other county sites**
- **Take advantage of TW Cable offer of \$10,000 ad campaign and broadcast it in other counties**

## **Other Marketing/Communications Recommendations - Gaston**

- **The EDC has been continuously improving a top-quality marketing program for many years**
- **The strong support of the Chamber’s Economic Development Division will allow moving to a higher level such as a targeted industry direct mail program, a video or CD, and participation in more recruiting trips, events etc.**
- **Consider image-building direct-mail program to Charlotte Region VIPs, decision makers, leaders etc.**
- **Market low-cost buildings in Downtown Gastonia to Charlotte businesses through ads in Business Journal or Observer**
- **Restore funding for Tourism marketing as soon as possible**

## **Part 6: Other General Recommendations**

- **Continue the CEDS momentum by including more people in working out economic and “non-economic” issues, and a 21st Century leadership development program to strengthen capacity**
- **Establish a Strategic Coordinating Council to oversee all planning and improvement efforts, keep the CEDS program on track, update it annually, and redo it every five years**
- **SCC could include team leaders plus representatives of diverse elements of the local population and groups**
- **Set concrete goals to focus energies and provide ways to measure progress toward each goal**

## **Funding Strategy**

- **Six elements:**
  - **Continued contact and cooperation with the private sector**
  - **Adjustment of county and municipal investment and spending priorities to support the economic development strategy**
  - **A concerted collaborative effort with state agencies**
  - **Liaison with a variety of agencies funded by and having access to resources from Federal and state programs that can be directed to Cleveland and Gaston Counties.**

## Funding Strategy

- **A focus on three federal agencies for investment grants and tax incentives for major economic development projects**
  - **EDA's Public Works Program**
  - **EPA's Brownfields Program**
  - **HUD's Brownfields Economic Development Initiative/ Section 108 Loan Guarantee Program**
- **Seek grants from foundations such as Z. Smith Reynolds which specialize in community-building and improvement efforts**

## You've Got The Ball

- **With all the work that has gone into the CEDS process, we cannot let this gather dust on a shelf**
- **The key is to keep the teams alive and energized, with a process for bringing in fresh people when needed, as well as creating new teams to meet other needs and opportunities**
- **Adapt to constant change - don't be bound by a document written in June 2003**
- **Involve more and more people in the community so it becomes a way of life and a source of pride**
- **The future of your community is in your hands. You've got the ball.**
- **Don't drop it - run with it!**