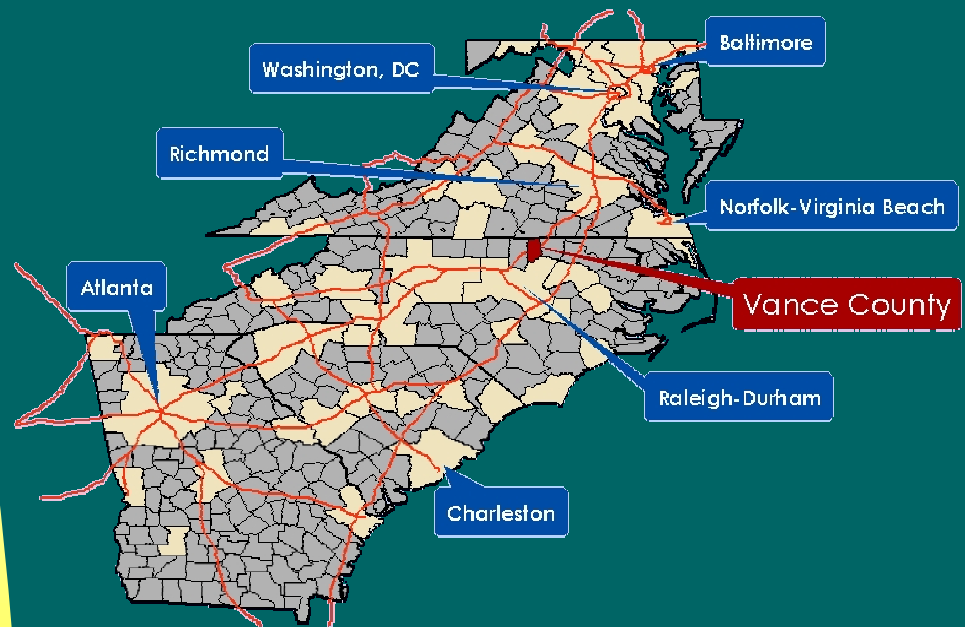


Economic Development Strategy

Vance County, North Carolina



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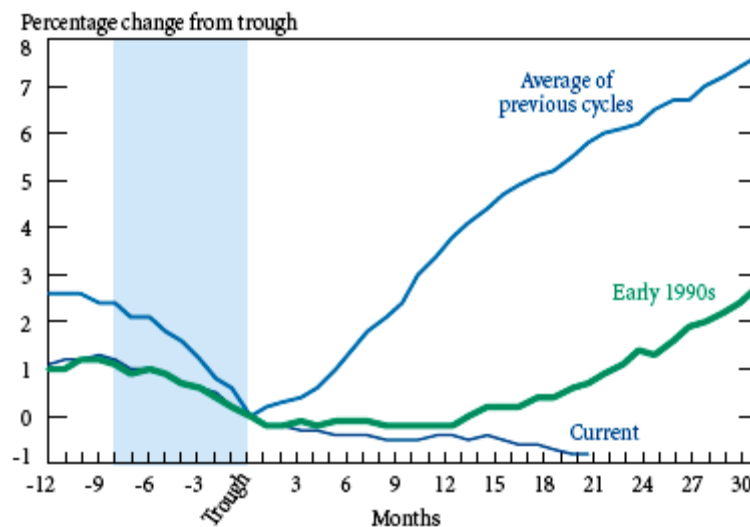
Overview

OVERVIEW

While the U.S. economy continues to grow, national jobless claims rise and fall week by week and unemployment hovers stubbornly above 6.0 percent nationally. Economic experts and national pundits are increasingly calling the structural changes occurring in America a permanent shift from a manufacturing-based economy to one dominated by information and services. In other words, most factory jobs lost during the current downturn will not be coming back. Strikingly, in addition to the so-called “blue” collar positions that have been outsourced to overseas nations in the past few years, various “white” collar occupations like computer programmers, architectural draftsmen, and others, are being moved to countries like Ireland, India and the Philippines, which almost universally feature lower wage rates and more favorable government regulations. Meanwhile, worker productivity gains and increased business automation further reduce hiring pressures for U.S. firms.

A recent article from the New York Federal Reserve Bank noted: “A look at layoff trends and industry job gains and losses in 2001-03 suggests that structural change – the permanent relocation of workers from some industries to others – may help explain the stalled growth in jobs.”¹ The following graph is from the New York Fed’s report:

Payroll Job Growth during Recoveries



Sources: U.S. Bureau of Labor Statistics; authors' calculations.

Note: The shaded area indicates the length of the 2001 recession.

These changes likely come as no surprise to residents and leaders of Vance County, North Carolina, who have seen thousands of jobs shed since the year 2000, with no equivalent positions created in the County to replace them. The *Daily Dispatch* in

¹ Groshen, Erica L. and Simon Potter. “Has Structural Change Contributed to a Jobless Recovery?” *Current Issues In Economics and Finance*, August 2003, Volume 9, Number 8, p. 1.

Henderson reported on August 3, 2003 that Vance County had one of the state's highest unemployment rates since the middle of last year and has led the state in joblessness the past four months. The County's unemployment rate rose 21 percent in June to 15.5 percent, before dropping back to 14.1 percent for the month of July. The rate was 13.3 percent in September, the last month on record.

The ongoing weakness of Vance County's economy led it to be one of seven rural communities in North and South Carolina selected in June 2002 to participate in an ambitious, five-year effort called the Program for the Rural Carolinas, funded by The Duke Endowment, and facilitated by MDC, Inc. of Chapel Hill. The Program's purpose is to engage community leaders, challenge them to adopt a shared community vision, and assist them in developing an action plan for economic development and implementing it effectively. To that end, *Market Street Services*, a national community, economic and workforce development consulting firm headquartered in Atlanta, Georgia, was retained to facilitate the strategic process in Vance County.

The development of an economic development strategy for Vance County involves five components:

Economic and Demographic Profile – A detailed economic, demographic and labor force analysis that provides benchmarks on the capacity of the current economic and workforce elements to accommodate quality future economic development, and establishes the current realities influencing economic development in the County.

Business Climate Analysis – An examination of the four key factors influencing the County's business climate, including Education and Workforce, Infrastructure, Business Costs and Quality of Life.

Target Business Analysis – A supplemental analysis of existing business clusters found in the region and opportunities for additional or companion clusters based on the area's existing community assets.

Economic Development Strategy – Builds on all the prior work to address critical issues for the community, including ways to enhance and develop existing strengths, and provides benchmarks and performance measures to monitor progress.

Implementation Plan – An assessment of the existing economic development delivery system to implement the proposed strategy, and recommendations on how to most effectively implement and sustain the strategy into the future.

This report comprises the fourth component of the planning process and details the *Economic Development Strategy* for Vance County. It is a comprehensive document for near-term economic gain and long-term economic and social stability in the area. Every possible attempt was made to unify Vance County's Strategy with the five goals of the Duke Endowment's Program for the Rural Carolinas.

The Duke Program goals are:

1. Leadership
2. Skills Training
3. Economic Growth
4. Housing
5. Workforce Development

Many of the linkages between the Duke Program goals and Strategy goals are very clear, but whenever possible, extra effort was made to correlate the goals into a single unified vision.

The final stage of the process is the development of the strategy's *Implementation Plan*. This document will focus on the agencies, actors and efforts needed to successfully implement the Action Steps recommended in the *Economic Development Strategy*. The *Implementation Plan* will present a timetable for action, jointly developed by *Market Street* and the Steering Committee, to separate the first year's activities from longer-term implementation steps.

The plan will also include a brief review of current economic development programs and agencies at the city, county and regional levels, and will assess current inter-agency cooperation, and the optimal linkages needed to effectively implement the strategy.



Introduction

INTRODUCTION

The process of creating meaningful change is rarely a short-term endeavor. Redefining community visions and working to fulfill them requires patience, persistence and hard work. Most importantly, realizing community goals will result from effective leadership, regional consensus building and the steadfast belief that positive change is possible - and preferable - to the status quo.

Vance County community leaders and residents interviewed by *Market Street* for this strategy process were unified in the belief that the current economic and social trends in the County are unfortunate, unsustainable, and detrimental to the prosperous community that Vance County can once again become. Throughout the course of the work to date on Vance County's economic development strategy, community leaders and the Vance County steering committee ("Vance County"), operating under a diverse partnership called Team Vance, have grown familiar with data that paint a troubling picture of Vance County's development in the latter stages of 2003. Specifically:

- Vance County's population growth significantly trailed North Carolina, the Southern region and the United States over the past two decades. Current in-migration rates, while strong, show that the vast majority of people moving into Vance County have lower incomes than the County median.
- Vance County has an extremely high poverty rate compared to North Carolina, the Southern Region, the United States, and even other rural North Carolina counties. Most troubling, poverty rates are even higher for Vance County children under age 17, and single female heads of households.
- Vance County's rate of transfer payments (Social Security, Medicare, welfare, etc.), eligibility for free and reduced school lunches, and teen pregnancy rates are all notably higher than the state average.
- A lack of recreational opportunities for Vance County youth and the area's high unemployment rate have combined to foster an exceptionally high crime rate in the County.
- The percentage of working age Vance County residents participating in the local workforce has plummeted from ten years ago, possibly due to the County's dramatically high unemployment rates and disgruntled job-seekers dropping out of the labor force.
- Vance County residents over 25 years old have very low levels of educational attainment; 82.4 percent of this group in the year 2000 did not have a college degree. Also troubling is the 31.9 percent of over-25 year olds without a high school diploma or GED.

- Vance County's largest employment sector is manufacturing, which has experienced continuing declines in total employment, and is expected to further shed jobs as companies move production to other countries.

Despite these data, however, Vance County has a number of compelling strengths, including Maria Parham Hospital, Vance-Granville Community College, Kerr Lake, Interstate 85, and a potentially lucrative proximity to the Raleigh-Durham-Chapel Hill metropolitan area. The *Target Business Analysis* undertaken for Vance County determined that the following six areas comprise promising economic sectors for the County to target:

1. Health Care
2. Nonmetallic Mineral Manufacturing and Certain Food Manufacturing Sub-Sectors
3. Tourism
4. Entrepreneurship and Small Business/Management of Companies and Enterprises
5. Wholesale Trade
6. Transportation and Warehousing

Nurturing these sectors will involve the development of successful relationships between Vance County officials and companies in these clusters to determine their competitive needs. In addition, officials will need to aggressively pursue outside funding to support these efforts, and fully leverage their most influential state and national leaders.

This *Economic Development Strategy* will be a holistic framework for quality development, encompassing not only economic target sectors and funding sources, but also community capacity, especially as it relates to local economic development infrastructure and efforts to improve workforce quality and various areas of demographic concern.

Team Vance, the diverse group of community leaders coordinating the strategic process and the eventual implementation of the strategy, is committed to "excellence goals," including: Leadership; Skills Training; Economic Growth; Housing; and Workforce Development. The group's Vision Statement reads:

Vance County in the year 2012 will be a county remarkable for its success in capitalizing on the strengths of its location, the infrastructure available for business and residential development, the competence and adaptability of its workforce, and the talents of its diverse citizenry. Vance County's quality of life will be considered the best of any community close to the Triangle.

Realizing this vision will require a new spirit of partnership and cooperation among Vance County public and private leaders, and a commitment from businesspersons,

community groups and residents alike to embrace meaningful change and fight for sustainable development in the County.

To facilitate quality economic development in Vance County, *Market Street* recommends pursuit of the following four goals and associated objectives:

Goal 1. Economic Renewal

- I. Support the development and expansion of the identified *Target Business Clusters*.
- II. Increase the assistance and resources supporting existing businesses.
- III. Promote entrepreneurial development and small business expansion.
- IV. Maximize financial and programmatic resource capacity.

Goal 2. Education & Workforce Development

- I. Develop an aggressive K-12 initiative focusing on student performance and teacher turnover.
- II. Maximize impact and reach of Vance-Granville Community College.
- III. Develop alternative programs for youth development.

Goal 3. Community Capacity

- I. Maximize effectiveness of local leadership.
- II. Streamline and integrate local organizations.
- III. Optimize community infrastructure.

Goal 4. Regional Integration

- I. Leverage regional proximity to Research Triangle for economic gain.
- II. Develop greater regional capacity with Kerr-Tar partners.

These goals, objectives and corresponding sub-components will be addressed in the bulk of this document.



Methodology

METHODOLOGY

This document develops four program goals and associated objectives derived from analysis of Vance County's *Economic and Demographic Profile*, *Business Climate Analysis*, and *Target Business Analysis*, and details action steps required to accomplish each objective. While the focus of the County's strategy will be short-term gains in employment and local wealth, sustainable community performance in the long-term is also a key criterion for any successful strategy.

Performance measures are also provided to monitor the progress of these efforts. Because Vance County's economic development strategy is a "living" document, it will change and adapt over time to shifting economic, political and community conditions. Monitoring the progress of each action step will enable local decision-makers to determine the effect of policies and programs on overall strategy goals and also if elements of the strategy have to be expanded, contracted or otherwise altered.

Performance Measures and Benchmarks

Each strategic category will have accompanying benchmarks to allow the monitoring of the broad program goals for this economic development plan. Then, following each strategic program component will be a list of suggested performance measures recommended to gauge the impact of the individual action steps. These monitoring criteria enable economic developers to keep tabs on the progress of strategy elements and determine if additional measures are needed to reach Vance County's strategic goals.

"Performance measurement," as defined by the Urban Institute, is *measurement on a regular basis of the results (outcomes) and efficiency of services or programs*.² In the case of Vance County's economic development strategy, these measurements will reflect progress made in implementing the action steps and targeted sector improvements selected by Team Vance. But, as the Urban Institute notes, performance measurements do have limitations, including that they cannot reveal the full extent to which a program *caused* the measured results; they cannot measure certain non-quantifiable outcomes like an area's "culture of entrepreneurship"; and they do not replace the need for basic expenditure data, political judgment, good management, creativity, etc., in the decision-making process. However, performance measurements can nevertheless identify trends, and trends can indicate progress, or the lack of it. "Benchmarks" are loosely defined by the Urban Institute as *measures of what can be expected*.³ They can be broad, as in "improved graduation rates for Minority students," or very specific: "Minority graduation rates will improve 10 percent by 2005." Performance measurements are the tools used to gauge the achievement of benchmarks. Taken together, the performance measures and benchmarks in this strategy document are intended to guide decision-makers along the path of sustainable economic development.

² Hatry, Harry P. *Performance Measurement: Getting Results*. Washington, D.C.: The Urban Institute, 1999, p. 3.

³ Ibid, p. 119.

While every attempt was made to ensure that the benchmarks and performance measures included in this document are as exhaustive as possible, Vance County is encouraged to monitor the progress of this strategy to the level of detail they see fit to best measure the implementation of these action steps.

For example, while “dropout rate” is included as a performance measure, this index can be broken down by individual grade to determine the exact point where the majority of local students are leaving the school system. In addition, analyzing the size and type of educational achievement gaps across race and income category can provide more specific and detailed tracking data than may be suggested in generalized performance measures for this strategy.



Goal 1:

**Economic
Renewal**

GOAL 1: ECONOMIC RENEWAL

Reinvigorate the Vance County economy by targeting growing, stable economic sectors for development, and ensuring that the County has the fiscal and staffing capacity to secure quality employment for its residents.

Program for the Rural Carolinas goal supported:

Economic Growth: Analyze County potential and recruit growth industry sectors.

Objectives

- I. Support the development and expansion of identified *Target Business Clusters*.^{4,5}
 - A. Health Care.
 - B. Select Manufacturing Sub-Sectors.
 - C. Tourism.
 - D. Wholesale Trade, Transportation and Warehousing.
- II. Increase the assistance and resources supporting existing businesses.
 - A. Business Calling Program.
- III. Promote entrepreneurial development and small business expansion.
 - A. Existing resources and new programs.
- IV. Maximize financial and programmatic resource capacity.
 - A. Leverage available cash dollars for economic development.
 - B. Develop dynamic local public/private partnerships.

⁴ Note: For this Objective, the Entrepreneurship and Small Business/Management of Companies and Enterprises target sector has been made its own objective, and Wholesale Trade and Transportation and Warehousing have been combined, as they are effectively interrelated sectors.

⁵ The Research Triangle Region Partnership (RTRP) has developed a set of regional target sectors, which are discussed in the section on Goal 4: Regional Integration.

Benchmarks

- ✓ Reduction of unemployment rate to 7.0% by 2008.
- ✓ Increase labor force participation rate to 75.0% by 2008.
- ✓ Diversification of local economy such that no sector contains over 15% of Vance County's total employment by 2008.
- ✓ Annual total employment growth rate of 1.5% by 2006.
- ✓ Increase median real per capita income to \$22,000 by 2008.
- ✓ Average annual population growth rate of 1.5% between 2004 and 2008, with average incomes of in-migrants above Vance County median.
- ✓ Development of existing business retention strategy and program.
- ✓ Acquisition of over \$10 million in state and federal grants from 2004 to 2008.
- ✓ Reduction of water level fluctuation on Kerr Lake to between 3 and 5 feet by 2008.



GOAL 1: ECONOMIC RENEWAL

Objective I: Support the development and expansion of the identified Target Business Clusters.

A. Health Care

As was noted in Vance County's Target Business Analysis, *Market Street* is recommending the County target the Health Care Services portion of the overall Health Care and Social Assistance Sector.

Health care as an industry is predicted to be one of the leading national growth sectors in the coming decades. Data show⁶:

- Health care consumption doubled from 7 percent of U.S. Gross Domestic Product (GDP) in 1970, to more than 14 percent in 2002.
- By 2001, health care consumption expenditures are projected to reach 17 percent of GDP.
- Senior citizens, who will comprise 30 percent of the U.S. population in 10 years, purchase one-third of all prescription medications dispensed in the United States.

An August 2003 study from the non-profit Milken Institute titled *America's Health Care Economy* developed sophisticated indicators to measure health-care-related employment and growth concentrations in the U.S. While Sun Belt metropolitan areas fared poorly in the study compared to regions in the Northeast and Midwest in terms of overall concentration of health care sectors, Southern states did show notable growth in many health care industry components. Specifically, the study found that employment growth in North Carolina ranked:

- 6th in the country for the Medical Services and Health Insurance sector
- 2nd in the country for the Offices of Osteopathic Physicians category
- 4th in Offices of Other Health Care Practitioners
- 2nd in Hospitals
- 10th in Home Health Care Services
- 5th in Health and Allied Services
- 5th in Health Care – All Related Industries

Health care sector growth in the Raleigh-Durham-Chapel Hill metro area is a prime factor behind North Carolina's high rankings in numerous sector criteria. Vance's proximity to the Triangle region is a definite plus for health care related employment growth in the County.

⁶ DeVol, Ross C. and Rob Koepp. *America's Health Care Economy*. Milken Institute report, October 2003, p. 2-3.

Already one of the largest employers in the County, Maria Parham Hospital (MPH) is a tremendous local asset, and is successfully supported by existing Vance-Granville Community College training programs. Currently, MPH is undergoing a \$52.8 million, 130,000 square foot expansion that will include construction of a five-story tower in front of the current hospital facility. The construction project - the largest expansion in Maria Parham's 78-year history - will double the hospital's square footage and modernize existing space while reserving other parts of the current structure for future expansion.⁷

Sure to bolster Maria Parham's standing as the top regional hospital in the area, the expansion will also create quality local jobs for Vance County residents. Data show that average annual wages for Vance County's health care sector in 2001 were \$30,123, significantly higher than the countywide annual average wage of \$22,116.

Increasingly, local school districts are also tailoring curricula and school-to-work programs for students interested in pursuing a more focused program of study in their high-school years. For example, Pitt County in eastern North Carolina took advantage of the excellent medical school and health sciences program at East Carolina University in Greenville to develop a custom-tailored curriculum for Pitt County students in grades 9 to 12.

The initiative – called Health Sciences Academy – is a high school curriculum program open to all students that provides four-year courses of study for young people who plan to pursue health-related careers. After graduation, they can either enter the healthcare profession directly, or pursue higher degrees in their chosen fields. The Academy allows students to pick a four-year study track based on a particular health career. Students choose one of the following four “pathways:” Therapeutic; Diagnostic; Healthcare Information Systems; and, Healthcare Environment & Support Services.

Why Biotechnology Is Not a Target Sector

Even though the field is related to healthcare, biotechnology was not selected as a target business cluster for Vance County due to the highly competitive nature of the industry, and the hundreds of millions of dollars in infrastructure needed to become a viable player in this cluster. With dizzying projections for profitability and job growth in biotech, countries, states, metro areas and localities have been investing billions of dollars in customized wet labs and other research facilities, specialized degrees and programs at the college and university level, and sophisticated public-private relationships between government, higher education and local hospitals in order to establish beachheads in the biotechnology field.

Vance County simply does not have a critical local mass of biotech-related infrastructure, employment or firms – nor a major research university – to target the industry as a cluster. In addition, biotechnology firms tend to locate in areas with existing

⁷ Vollmer, Sabine. “New \$52.8M hospital part of Vance County development game plan.” *Triangle Business Journal*, June 9, 2003, accessed 9/16/03 from <http://www.bizjournals.com/triangle/>

concentrations of related research and development infrastructure, and a strong presence of local biotech firms.

That is not to say that the County should not position its workforce to work in biotechnology companies in the Research Triangle, or try to recruit biotech-affiliated firms such as testing laboratories and medical device and pharmaceutical manufacturers to Vance, but the area would be better served spending its precious economic development dollars elsewhere. With so many current workforce development needs and economic sectors where Vance would be much more competitive, the County should invest its resources in the clusters where it already has a viable local presence.

ACTION STEPS

- ✓ Support efforts of health care service providers to secure state approval and funding for future facility expansions.
 - Lobby in concert with local health care providers and suppliers on issues critical to facility operations.
- ✓ Assist with workforce retention efforts, and partner with Vance-Granville Community College to maximize worker-training capacity.
 - Work with social service organizations to target high school graduates who have dropped out of the labor force for retraining.
 - Match available jobs in the health care sector and currently unemployed yet trainable residents with skills.
 - Actively promote new and future health care job openings, and work with community leaders to educate at-risk youth about the benefits of securing a high school diploma or GED.
- ✓ Form a regional health care forum or coalition to unify development of health care related cluster activity near Maria Parham Hospital.
 - The forum should attempt to reduce some of the regional competitive strife as cited by local news sources.
 - Pursue affiliated development in growing statewide sectors as identified by the Milken Institute report.
- ✓ Encourage the expansion of medical supply, medical wholesale, and medical equipment manufacturing sectors in Vance County by actively targeting companies for recruitment and relocation.
 - Develop a health-care-specific recruitment brochure advertising Maria Parham's strengths, available local land and industrial/commercial facilities, VGCC's health care training curricula, and potential state and local relocation incentives.



GOAL 1: ECONOMIC RENEWAL

Objective I: Support the development and expansion of the identified Target Business Clusters.

B. Select Manufacturing Sub-Sectors

While many manufacturing sub-sectors are shedding jobs and domestic facilities in favor of the cheaper environs of Europe and the Far East, there are still a number of manufacturing companies that either benefit from maintaining a U.S. presence, remain in the country for ideological reasons, or feel that American worker productivity negates any cost benefit gained from overseas outsourcing. *Market Street* recommends that Vance County target the two manufacturing sub-sectors detailed below.

Nonmetallic Mineral Product Manufacturing

This sub-sector, which includes glass and glass products, and cement and concrete products, is an existing traded (exporting) sector in Vance County, and offers above average wage and salary benefits. In addition to the County's existing base in this sub-sector, the presence of Interstate 85, freight rail access, and proximity to Raleigh-Durham International Airport make Vance an attractive location for manufacturers looking to get their products to market quickly.

Animal Food Manufacturing

On the whole, food manufacturing is not a high-wage sector, has increasingly automated its operations and reduced its need for employees, and has high incidences of injuries and illnesses in meatpacking and processing plants. However, animal food manufacturing does not present the same set of issues for a community or a workforce. These facilities are generally "community friendly," and offer comparatively higher wages than other manufacturing sub-sectors. Nearly 82 percent of Vance County workers currently employed in the food manufacturing sector are in animal food manufacturing, and earn an average annual wage of \$31,367, significantly higher than the County median wage. Iams Company has proven itself to be a good corporate citizen in the County, and Vance would no doubt benefit from either an expanded Iams presence, or the addition of another quality animal food manufacturing company.

ACTION STEPS

- ✓ Develop a retention program to maintain the presence of existing firms in these manufacturing sub-sectors at current or expanded staffing levels.
 - Work with company officials on an ongoing basis to assess their needs and proactively address problems before they become critical.

- ✓ Develop a marketing effort to effectively target and recruit new Nonmetallic Mineral Product and Animal Food manufacturing companies to Vance County.
 - Work to obtain testimonials from Iams, Saint-Gobain, and other existing firms praising Vance County's ability to support manufacturing of this type.
 - Promote Vance County through industry-specific channels including all relevant media outlets.
 - Communicate regularly with state-level economic development officials to coordinate recruitment strategies and structure appropriate incentive packages.
- ✓ Effectively communicate ambitions to state-level economic development agencies and officials.
 - Ensure that North Carolina economic development decision-makers and support staff are aware of Vance County's program to target these manufacturing sub-sectors.
- ✓ Monitor continuing federal initiatives to support U.S. manufacturing.
 - Work with local congressional delegates to keep informed of new assistance programs, and help manufacturers with grant applications and requests for funding.
 - Take advantage of any new support programs or federal monies to encourage development of targeted manufacturing in Vance County.



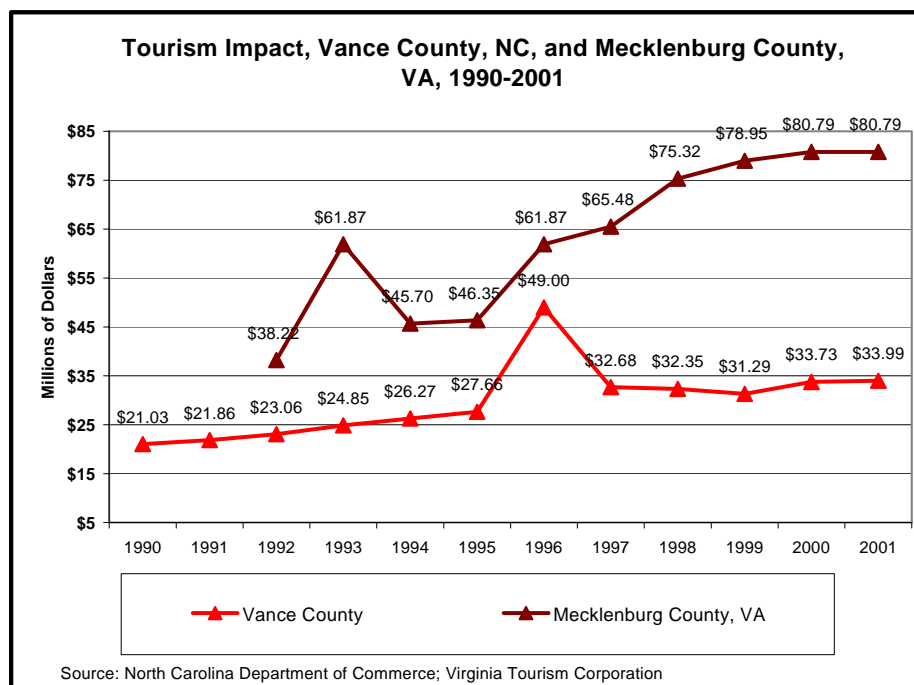
GOAL 1: ECONOMIC RENEWAL

Objective I: Support the development and expansion of the identified Target Business Clusters.

C. Tourism

Concentrating local efforts on the tourism sector offers the three-pronged benefit of bringing out-of-town money into the community, serving as a local marketing tool for interested visitors, and facilitating physical and aesthetic community upgrades that favor tourists and residents alike. Vance County is blessed by a natural amenity that most areas would surely covet: Kerr Lake. The entire southern end of the 48,900-acre U.S. Army Corps of Engineers reservoir is located in Vance County, including numerous parks, shoreline recreation areas, marinas and limited-development tracts.

Unfortunately, Kerr Lake's flood mitigation requirement has resulted in wide allowable lake-level fluctuations that severely limit the lake's potential for private shoreline development. While Kerr Lake serves as a true recreational amenity and tourist draw for Vance, the County is not able to reap the tax windfall of upscale residential and commercial development around the lake's perimeter. Despite similar constraints, however, Vance County's Kerr Lake neighbor to the north, Mecklenburg County in Virginia, manages to garner millions more dollars in annual tourism revenue than Vance, as the following graph attests.



One likely explanation for this tourist-impact disparity is Mecklenburg's Annual Virginia Lake Festival held every July in Clarksville. This year marked the 26th annual "Lakefest," as it is known locally, when an estimated 45,000 to 50,000 visitors descended on Mecklenburg County for the festivities. Lakefest has been recognized by the Southeast Tourism Society as one of the "Top Twenty Events in the Southeast."

Although local officials have done a great job programming almost weekly events at Kerr Lake such as competitive fishing tournaments, without a high profile tourist event such as Lakefest, Vance County does not have the same capacity to attract tens of thousands of additional visitors every year with their important tourist dollars.

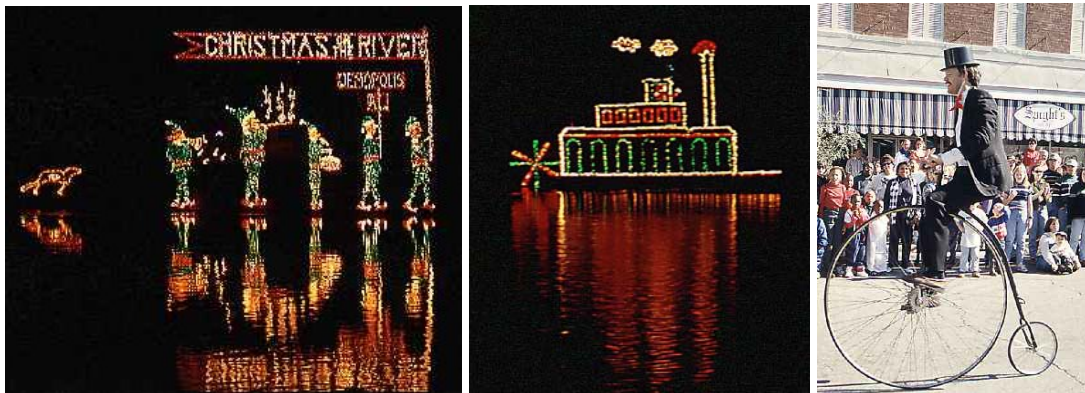
It should be noted that local officials have applied constant and comprehensive pressure on the U.S. Army Corps of Engineers over the years to redefine the operational mandate of Kerr Lake. The Corps are notoriously loath to alter any component of their properties, and it usually takes significant high-level pressure from an area's state and federal elected officials to trump the Corps' resistance to change. In addition, numerous existing binding contracts and agreements are in place to ensure that Kerr Lake's water flows, environmentally sensitive areas and facilities' use plans are maintained at current specifications. Lastly, the fact that Kerr Lake borders both Virginia and North Carolina redoubles the complexity of making any changes to the lake's operational program.

Currently, there is a review being undertaken of the John H. Kerr Dam and Reservoir, authorized under the provisions of Section 216 of the River and Harbor and Flood Control Act of 1970. The ongoing study will determine the federal government's interest in modifying the structures or operation of the John H. Kerr Dam and Reservoir for the purpose of improving the quality of the environment in the overall public interest. The Complete Final Feasibility Report and Environmental Impact Statement (EIS) is tentatively scheduled to be completed in April 2004. Vance County officials have a very limited window to influence the final outcome of the Section 216 report, and must work to unite their most powerful state and federal allies to their cause.

Even with current restrictions, however, Kerr Lake and other Vance County attractions like Historic Downtown Henderson provide a very stable base to grow the tourism sector in the area and create plentiful new jobs. Ultimately, the key to luring visitors to the area will be to effectively expand the event and marketing capacity of local economic and tourism development agencies to facilitate more and longer stays in the Vance County area. A full-time staff person currently runs the Vance County Tourism Department, but would be well served to have an augmented budget and staffing capacity to more effectively publicize the area in local and national markets.

ACTION STEPS

- ✓ Lobby aggressively for short- and long-term reductions in Kerr Lake water level variation to foster reasonable lakeside economic development.
 - Work to mobilize local, state and federal leadership to influence the U.S. Army Corps of Engineer's Section 216 report on Kerr Lake.
 - Determine how Kerr Lake water levels can be stabilized, even partially, to help encourage development in an environmentally friendly manner.
 - Develop alternative strategies to control flood levels other than collection in Kerr Lake. Pursue contracts with graduate programs at Virginia Tech or Triangle universities to conduct free or low-cost studies of the issue.
 - Develop an education campaign to inform the public and development community about Kerr Lake water level issues and how reasonable and sustainable developments like golf courses, hotels, condominiums, etc., can be facilitated even given current water fluctuation levels.
- ✓ Enhance tourist sector infrastructure in Vance County.
 - Consider augmenting the funding and staff capacity at the Vance County Tourism Department.
 - Continue efforts to revitalize Downtown Henderson.
- ✓ Organize a major annual Kerr Lake festival with the intent of drawing thousands of tourists to Vance County every year.
 - Study Mecklenburg County's "Lakefest" as an example of a successful annual program using Kerr Lake facilities.
 - Engage support and participation from diverse Vance County constituencies to foster greater community buy-in.
 - Consider an event like Demopolis, Alabama's *Christmas on the River* as a model. Last year, the event attracted over 40,000 visitors to the area.



*Christmas on the River, Demopolis, AL: Boat parade, and Children's Street Parade*⁸

⁸ Source: www.demopolischamber.com/COTR/christmas.htm, accessed 9/17/03



GOAL 1: ECONOMIC RENEWAL

Objective I: Support the development and expansion of the identified Target Business Clusters.

D. Wholesale Trade, Transportation & Warehousing

Vance County's prime highway accessibility and proximity to numerous prominent southern metropolitan areas make the County an extremely viable location for wholesale commerce and transportation. Though they are separate sectors under the North American Industry Classification System (NAICS), Wholesale Trade and Transportation and Warehousing both depend on similar components of a locality's business climate and can be targeted as an effective unit by local economic developers.

Along with access to I-85, Vance County has other attributes welcoming to wholesale trade, transportation and warehousing companies, including relatively inexpensive and available land for large warehouses, existing industrial and commercial building availability, and a fairly robust high-speed communications infrastructure.

According to *eNC*, North Carolina's Rural Internet Access Authority, Vance County has a household high-speed Internet accessibility of 63.4 percent as of December 2002. In comparison, Wake County, including Raleigh, Cary, and other highly urbanized areas, has high-speed Internet accessibility in 85.8 percent of its households. Nearby Granville County to the west of Vance only has a 44.7 percent high-speed Internet household accessibility. Vance's figure is nearly 20 percentage points higher.

This very capable high-speed connectivity allows firms to communicate with customers and suppliers, enables sophisticated logistics functionality and provides a useful recruitment tool for economic development officials selling Vance County to start-up or relocating companies. Expansive Broadband capacity is also a boon for entrepreneurs and small businesses, allowing them greater market access and the flexibility of working from home.

While employment in wholesale trade occupations in Vance currently trails the U.S. concentration, the sector was one of the fastest growing in the County in the past few years, rising from 3.2 percent of Vance's jobs in 1998, to 3.6 percent of the total in 2001. Additionally, local wages in the wholesale trade sector exceed the County average by over \$5,000.

Though not as robust locally as it is nationally, the Transportation and Warehousing sector is growing in Vance County, and offers average salaries of \$31,653, nearly \$10,000 higher than the county average. With the recent arrival of Wal-Mart and its

distribution activities in Vance, this sector has been a very dynamic local employment category. The majority of the 471 employees in the Transportation and Warehousing category in 2001 work for one of the 32 existing truck transportation sub-sector companies currently in Vance. These trucking firms represent 89 percent of all Transportation and Warehousing firms in the County.

When combined, the Wholesale Trade and Transportation and Warehousing sectors employ more people locally than Vance County schools.

ACTION STEPS

- ✓ Work with state and local *eNC* representatives⁹ to assess the high-speed Internet capacity for commercial and industrial enterprises in Vance County.
 - Survey existing sector firms to assess their high-speed communication needs.
 - Leverage public and private monies to augment high-speed data infrastructure in the County.
- ✓ Work with Vance-Granville Community College to determine the feasibility of developing a Logistics or Systems Engineering degree program or certificate.
 - Collaborate with existing sector companies to determine workforce and training needs.
 - Assess the feasibility of additional workforce training programs for occupations in the Wholesale Trade and Transportation and Warehousing sectors.
- ✓ Actively recruit firms in these sub-sectors to Vance County.
 - Consider placement of industry-specific advertisements in “vertical” publications.
 - Continually update the County’s inventory of available commercial and industrial properties.
 - Work with state economic development officials to assist in targeting distribution, warehousing and logistics firms to Vance County.

⁹ The “e-champion” for Vance County is Richard A. Seekins, an Economic Development Planner with the Kerr-Tar Regional Council of Governments.



GOAL 1: ECONOMIC RENEWAL

Objective II: Increase the assistance and resources supporting existing businesses.

A. Business Calling Program

In the desire to increase local economic activity and successfully recruit new firms and employment to an area, the needs of existing businesses can often be overlooked. By taking existing businesses for granted, however, local officials run the risk of alienating these firms and losing them to another location.

During focus groups, local businesspersons expressed dismay that the level of attention paid to Wal-Mart during the process of recruiting the retail giant to Vance County was not provided to them as well. An effective business calling program ensures that the needs of existing businesses are communicated and heard, and that local economic development representatives take proactive steps to keep these companies in the community.

The structure, design and operational elements of a business calling program are, to a certain extent, dependent on the staffing capacity of local economic development organizations, the needs of local businesses, and the size and number of economic clusters present in a location. At the very least, Vance County's business calling program should be formalized so that both economic development staff and local businesses have a level of consistency in operation of the program that ensures it is transferable from business to business and does not suffer if staff turnover happens to occur in the agency coordinating the program.

Vance County would be well served to speak with other regional economic development agencies and chambers of commerce to determine existing best-practice business calling models operating in the area. There are also a number of websites that provide information or assistance germane to establishing effective programs. Some of these include:

- American Chamber of Commerce Researchers Association: <http://www.accra.org/>
- International Economic Development Council: <http://www.iedconline.org/>
- North Carolina Economic Developers Association: <http://www.nceda.org/default.htm>
- NC Economic Development Information Service: <http://cmedis.commerce.state.nc.us/>
- University of North Carolina at Chapel Hill's Office of Economic Development: <http://www.kenan-flagler.unc.edu/KI/econDevelopment/econDev.cfm>

Components of many successful business calling programs include:

- A survey “instrument” to collect both basic and specific company information.
- A call-sequencing schedule designed to service local businesses based on need and importance.
- A local business and industry information database maintained with the most current contact and operational information.
- A formalized process for interview set-up with new or relocated businesses.

By helping to facilitate growth and expansion of existing businesses, local economic developers are able to add another weapon in their job-creation arsenal.

ACTION STEPS

- ✓ Develop a comprehensive, fully staffed and consistent business calling program.
 - Program will be an ongoing effort to visit individual businesses, assess their needs and determine their potential for expansion.
 - Coordinate information gathered in a database that includes existing employers’ location, size, company background, worker profiles and needs, and up-to-date contact information.
- ✓ Partner with state and local officials to ensure that the stated needs of local businesses are met whenever possible.
 - Follow up with officials to determine the ongoing feasibility of successfully fulfilling the businesses’ requests.
 - Keep businesses continually apprised on the progress of their assistance requests.



GOAL 1: ECONOMIC RENEWAL

Objective III: Promote entrepreneurial development and small business expansion.

A. Existing resources and new programs.

The Federal Reserve Bank of Kansas City's Center for the Study of Rural America has said that the continuing slump in rural manufacturing raises fundamental questions about the viability of industrial recruitment, for years the lynchpin of most rural economic development strategies.

To echo that, disturbing data from a recent study by the Corporation for Enterprise Development and the North Carolina Justice and Community Development Center found that:

- In 2001, only 64 percent of recently displaced manufacturing workers in North Carolina were able to find employment within six months of being laid off.
- The average wage of displaced manufacturing workers in North Carolina who found a new job dropped by almost 50 percent, from \$26,300 to \$14,140.¹⁰

Mark Drabenstott, the Center for the Study of Rural America's vice president and director, argues that, "New directions are needed. Initiatives to help Main Streets grow more entrepreneurs will be a cornerstone of new rural policy."¹¹ For Vance County, these "initiatives" may take many forms, but what is crucial is that local officials believe that their constituents hold the real future for quality economic development.

A new breed of consultant is also focusing on rural enterprise as the means to local wealth creation. One such consultant is Ernesto Sirolli, the founder of the Sirolli Institute and Enterprise Facilitation, Inc. Communities contract with his firm to hire and train a local Enterprise Facilitator to offer free management and networking advice to local entrepreneurs.

As continental and global free trade pacts solidify and expand in the coming years, low-cost, low-wage countries will only increase their stranglehold on commodity manufacturing. Therefore, it is essential that Vance County gets ahead of the curve by formalizing entrepreneurial and small business development programs now, so that they are ready to bear fruit when the manufacturing sector diminishes to threatening levels of local employment.

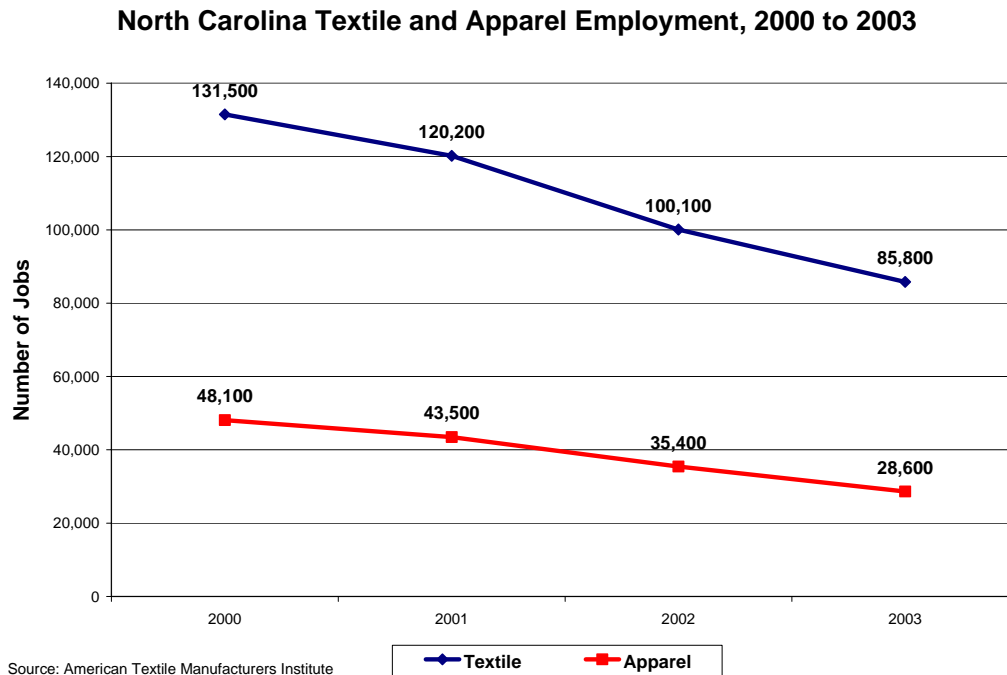
¹⁰ N.C. Rural Economic Development Center. *The North Carolina Rural Economy*, Summer 2003, Volume 2, Number 3, p. 1.

¹¹ Hoover, Kent. "Rural America's future depends on entrepreneurs." *New Mexico Business Weekly*, 9/15/03, accessed from www.msnbc.com on 9/13/03.

One example of traditional economic sectors being transformed by entrepreneurs is textile manufacturing. Textiles have long been the lifeblood of Vance County and communities like it in the rural South. But with low-cost overseas competition reducing prospects for American apparel and textile manufacturers in commodity production, domestic firms are increasingly turning to innovation and niche manufacturing to survive. According to Roland Stephen, a faculty fellow with the Institute for Emerging Issues at North Carolina State University:

There is no hope in commodity production because we'll never be the low-cost producer. The way out is to innovate, to reinvent the processes, to keep coming up with new fibers... We are heading to the point where there will be a place for entrepreneurial, specialized firms in the U.S., and the place for mass market production is overseas.¹²

As the following graph shows, apparel and textile employment in North Carolina and the U.S. has been dropping precipitously over the past three years.



From 2000 to 2003 in **North Carolina**:

- Textile employment fell 34.8%
- Apparel employment dropped 40.5%

Over the same period in the **United States**:

- Textile employment fell 25.3%
- Apparel employment dropped 42.5%

¹² Bond, Patti. "Still made in the U.S.A." *Atlanta-Journal Constitution*, 9/21/03, p. D1.

However, as the following case studies recently detailed by the *Atlanta Journal-Constitution* relate, entrepreneurs are making gains in the apparel industry by being nimble, creative and targeting niche markets.¹³

DeFeet International - Hildebran, NC

Entrepreneur Shane Cooper essentially figured out a way to knit socks “inside out,” and added features such as mesh weave tops and super-tough fibers on the heel and toe to create a line of sport socks he sells to pro and amateur cyclists for \$10 per unit. DeFeet has since branched out into a broader line of athletic apparel. Cooper employs about 35 people, and has plans to expand to 80 employees.

Patrick Yarns – Kings Mountain, NC

Owner Gilbert Patrick weaves specialty yarns made with Teflon, Kevlar, stainless steel and other materials for use in conveyor belts, space satellites and fireproof uniforms. Patrick is the country’s largest producer of yarns used for municipal water-filtration systems.

Ashboro Elastics

Company president and co-founder Keith Crisco has developed over 4,000 types of knitted elastic in the firm’s 17-year history, and has been profitable every year. From 1999 to 2002, Ashboro boosted sales 40 percent through introduction of new products that won over new customers.

In textile manufacturing and other business categories, it will be the entrepreneur-driven companies and expanding small firms that create new jobs and wealth in the rural South in the coming years. Encouragingly, Vance County has taken great strides in advancing the fortunes of local entrepreneurs and small businesspersons. Data show that the County has a relatively high percentage of its working population engaged in nonfarm proprietorship (11.4 percent), with wages above the North Carolina average for this category.

Existing Vance County small business/entrepreneurial support resources include:

- **Vance-Granville Community College Small Business Center:** The Center provides local small businesses with a focal point for training, education, counseling, and referral. Programs address the continuing need for small businesspeople to receive updated knowledge, refinement of management skills and improvement of investment decision-making. Special attention is given to the critical areas of capital formation and prevention of business failures.

¹³ Ibid, p. D7

- **Kerr-Tar Regional Council of Governments** assistance and funding programs (see Goal 4, 2A of this report).
- **North Carolina Rural Entrepreneurship through Action Learning (REAL):** According to the organization's website, "NC REAL is committed to developing entrepreneurial talent through action learning and fostering the creation of sustainable enterprises throughout North Carolina, with special emphasis on rural communities. REAL Entrepreneurship is a course offered to guide students through the process of creating small businesses of their own design."¹⁴ There is currently a REAL site at Vance-Granville Community College.
- **Institute for Rural Entrepreneurship:** Recently established in October 2003 under the auspices of the North Carolina Rural Economic Development Center, the Institute will offer an impressive suite of entrepreneurial-assistance programs and seed funds for rural small businesspeople.
- **North Carolina Small Business and Technology Development Center (SBTDC):** The Center provides management counseling and educational services – most free of charge – to small and mid-sized businesses throughout North Carolina. The closest SBTDC to Vance County is in Raleigh. The SBTDC's mission is to help North Carolina businesses grow and create new jobs within the state.
- **Gateway Community Development Corporation (CDC):** Serving five counties including Vance and the city of Henderson, the Gateway CDC offers business-development classes, as well as youth programs, software, management and consulting services, and microenterprise opportunities. Gateway also provides counseling on homeownership, budgeting, housing finance, and home maintenance.¹⁵

Vance County officials will need to continue their support of local innovators and small businesspersons, and always strive to capitalize on existing entrepreneurial development programs and state and federal assistance provided to those left behind by the New Economy.

New and innovative programs will also need to be developed in order for Vance County entrepreneurs to reach their full potential and create jobs and wealth for local residents.

¹⁴ Source: <http://www.ncreal.org/>, accessed 10/31/03.

¹⁵ Source: <http://www.fanniemaefoundation.org/grants/casebook12/gcdc-profile.shtml>, accessed 10/31/03.

ACTION STEPS

- ✓ Take full advantage of existing entrepreneurial and small-business development programs in Vance County and the region.
 - Ensure that the VGCC Small Business Center, Kerr-Tar entrepreneurial services, NC REAL and Gateway CDC programs are effectively marketed to all local constituents.
 - Work with officials at the new Institute for Rural Entrepreneurship to bring innovative programs, small-business training and seed capital to Vance County small businesspeople and entrepreneurs.
 - Lobby officials at the SBTDC in Raleigh to increase their presence in Vance County and schedule regular local training and/or counseling sessions.
- ✓ Build on the momentum and programs generated by the Community Education for Enterprise Development (CEED) grant.
 - Monitor the performance and progress of the Small Business Resource Guide, Small Business Round Tables, local partnerships, and Small Business Week in Henderson, updating, expanding and retooling the programs when necessary.
- ✓ Leverage the expertise of existing Vance County entrepreneurs.
 - Convene entrepreneurship support meetings where existing local small businesspeople can meet with fledgling entrepreneurs to network and exchange information on best-practice enterprise-development strategies.
- ✓ Develop sustainable local funding sources for Vance County entrepreneurs and small businesses, and fully utilize available monies.
 - Consider the creation of local seed capital funds, revolving loan funds through local banks, microenterprise grants, and other non-traditional sources of local capital.
 - Pursue seed funds from the new Institute for Rural Entrepreneurship.
 - Utilize monies from the North Carolina Rural Development Center's Microenterprise Loan Program; Capital Access Program; and Community Economic Development Grants Program (CDCs) funds.
 - Educate local entrepreneurs about Kerr-Tar Regional Council of Government revolving loan and microenterprise revolving loan programs, and assist them with grant applications and funding acquisition.

- ✓ Consider pursuing state and federal grant monies to fund a small business incubator in Vance County.
 - Ensure that the incubator is effectively staffed, and sufficient in size to manage a number of growing companies.
 - Work with area businesses to secure donated or discounted furnishings, office equipment and volunteer assistance from local professionals.
 - Market the facility aggressively to local entrepreneurs.

- ✓ Consider the development of an entrepreneurial program at the K-12 level.
 - Investigate the establishment of a Junior Achievement Program at the elementary, middle, and high school levels in Vance County schools.
 - Consider the creation of a high-school level entrepreneurship program, where for-credit courses allow students to create their own businesses.



GOAL 1: ECONOMIC RENEWAL

Objective IV: Maximize financial and community resource capacity.

A. Leverage available cash dollars for economic development

Billions of dollars in grant and incentive monies are available for rural economic development, especially in areas like Vance County hard hit by continuing changes in the national and global economies. The Vance community must make aggressive efforts to obtain economic development assistance from any number of sources or risk losing these funds to other areas. As a Tier 1 county¹⁶ in North Carolina, Vance is eligible for the highest allowable state tax credit incentives.

In addition to funding sources like tobacco-settlement funds available from North Carolina's Golden Leaf Foundation, USDA Rural Development programs, federal Small Business Administration loans, Department of Labor, Economic Development Administration Public Works Program and Economic Adjustment Program grants, North Carolina Rural Communities Assistance Project (NRCAP), and others, rural counties suffering manufacturing employment losses are increasingly able to obtain federal relief and retraining funds in the form of Trade Adjustment Assistance monies, and other similar programs. Often, state and federal funding programs are obscure, confusing or require persistent attention to reap the financial benefits. The presence of a dedicated Grants Administrator, or local official charged with pursuing public- and private-sector funding sources to their full extents is often a valuable community asset, especially for staffs too busy with everyday workflows to effectively manage the minutia of grants requests.

ACTION STEPS

- ✓ Hire a dedicated, joint City and County Grants Administrator, responsible for sourcing and coordinating the acquisition of state and federal grant monies.
 - The Administrator will also follow up on awarded grants to ensure that monies are being utilized appropriately and effectively.
- ✓ Initiate a local education program to make Vance County constituents aware of available SBA grants, incentive funds, bank loans, and tax-exempt 501(c)(3) bonds, and engage county staff to assist entrepreneurs and small businesspeople in application processes.

¹⁶ All 100 North Carolina counties are rated on a tier system from 1 to 5 with the greatest amount of tax credit incentives available in Tier 1 and Tier 2 counties. Tier 1 counties are considered the most economically challenged, while Tier 5 are the most prosperous counties.



GOAL 1: ECONOMIC RENEWAL

Objective IV: Maximize financial and community resource capacity.

B. Develop dynamic local public/private partnerships

American communities large and small are realizing that the most effective way to compete in today's economy is through the proactive, progressive and cooperative interaction of their public and private sectors. Partnerships between public and private entities are energizing local economies by enhancing revenue available for economic development, easing the implementation of policies and programs, creating innovative employment and training programs, and building a spirit of community development and renewal that focuses an area's best and brightest minds collectively on the pursuit of local wealth and economic capacity.

There has been progress made in the cooperation between public and private entities in Vance County. However, with so much work needing to be done, the public and private sectors in Vance must renew efforts to come together to foster a spirit of local dynamism, pride and the belief that, as a community, Vance and its component communities can grow and prosper. This will only be accomplished by reaching out to constituencies that may have been left out of the leadership process in the past. By leveraging local leadership and Vance-based businesses committed to the development of the area, County officials can build a dynamic infrastructure for the creation and implementation of local action-oriented programs.

ACTION STEPS

- ✓ Publicize renewed efforts to involve the private sector in Vance County development by establishing an introductory – or ongoing – forum for public officials, elected leaders, top businesspeople and citizen representatives to meet and network.
 - Emphasize that the purpose of the initiative is to build an expanded public-private community capacity for quality growth and development.
- ✓ Survey local officials and community leaders to develop a list of priority local projects that require private-sector participation to be effectively initiated and/or completed.
 - Consider beginning local efforts with a more manageable project to build initial trust, establish positive relationships and prove to skeptics that quality public-private cooperation generates effective results.

GOAL 1: PERFORMANCE MEASURES

- ☒ **Unemployment rate as compared to North Carolina and the U.S.**
- ☒ **Net job growth and average wage of new jobs.**
- ☒ **Number of net new businesses created in Vance County, and average number of employees.**
- ☒ **Amount of financial assistance obtained from state and federal sources.**
- ☒ **Number of firms and total jobs resulting from assisted businesses.**
- ☒ **Number of expansions by existing businesses annually.**
- ☒ **Number of business relocations and expansions in Target Business Clusters.**
- ☒ **Number of jobs and capital investment generated in Target Business Clusters.**
- ☒ **Percent of total Vance County employment held by each local economic sector.**
- ☒ **Vacancy rate of Vance County commercial and industrial properties.**
- ☒ **Direct infrastructure spending related to site development.**
- ☒ **Dollar value of new capital investment onsite.**
- ☒ **Percentage of local residential and commercial units with high-speed communications capacity, and usage rates.**
- ☒ **Number of new economic development programs created.**
- ☒ **Net number of new businesses and jobs resulting from economic development programs.**
- ☒ **Net increase in tourist visitation and local spending in Vance County.**
- ☒ **Various Kerr Lake indices, including average variation in lake levels, allowable variation in lake levels, amount of new shoreline and adjacent development, and amount of new investment and jobs created in Kerr Lake area.**
- ☒ **Number of new courses/degree programs initiated at Vance-Granville Community College in response to local business needs and recruitment strategies.**
- ☒ **Number of local businesses called, and percentage of businesses retained.**
- ☒ **Creation of Kerr-Tar area local purchasing guide.**



Goal 2:

**Education &
Workforce
Development**

GOAL 2: EDUCATION & WORKFORCE DEVELOPMENT

Ensure that Vance County children are effectively prepared for entry into the local labor market, and that County workers are able to compete for high-wage New Economy occupations.

Program for the Rural Carolinas goals supported:

Skills Training: Reduce the disparity between available jobs and workforce skill sets.

Workforce Development: Connect unskilled and unemployed workers to higher skills training and quality jobs.

Objectives

- I. Develop an aggressive K-12 initiative focusing on student performance and teacher turnover.
 - A. Innovative programs.
- II. Maximize impact and reach of Vance-Granville Community College.
 - A. Outreach, responsiveness and new programs.
- III. Develop alternative programs for youth development.
 - A. After-school alternatives and community participation.

Benchmarks

- ✓ Increase graduation rate 10% by 2006.
- ✓ Lower dropout rate by .5% annually.
- ✓ Increase teacher-retention rates by 2% annually.
- ✓ Increase percentage of teachers deemed “fully qualified” by 2% annually.
- ✓ Increase percentage of over-25-year-olds with a college degree by 1.0% annually.
- ✓ Decrease of teen pregnancy rate by 2% annually.
- ✓ Increase number of youth remaining in Vance County to work after high school by 3% annually.
- ✓ Increase average SAT scores by 65 points by 2008.

- ✓ Development of youth programs or facilities with participation by 20% of area “at-risk” youth by 2006.
- ✓ Increase percentage of eligible area adults attending Vance-Granville Community College by 2% annually.
- ✓ Increase total local job placement from Vance-Granville Community College by 2% annually.



GOAL 2: EDUCATION & WORKFORCE DEVELOPMENT

Objective I: Develop an aggressive K-12 initiative focusing on student performance and teacher turnover.

A. Innovative programs

Recent Vance County academic performance data have shown alarming trends in overall student performance, graduation rates, drop out rates, and other measures. School violence is increasing, and teacher-retention rates are falling. Taken collectively, these trends set a dangerous precedent for the quality of Vance County's future workforce. Without a steady stream of qualified high school graduates, Vance will not be able to attract high-paying companies that depend on trained workers to staff their positions. A domino effect then results. Lacking economic opportunities post-graduation, the County's most qualified graduates will continue to leave the area in search of brighter economic prospects - a situation that has been exacerbating in recent years.

Focus group participants told *Market Street* that Vance County's students perform well in the first years of their studies, but then experience a performance drop-off in middle and high schools. According to the focus groups, there are also differences in school performance and perception of school quality between Northern, Southern and Western Vance High Schools - a situation many attributed to persistent economic divides between student bodies at the schools.

County school administrators, elected officials, citizen leaders, parents and children alike must take responsibility for improving the overall performance of Vance schools or risk dire consequences in terms of future economic prosperity. In addition, the private sector in Vance County must be integrated into critical school-improvement efforts. Developing vital linkages between business and industry and the County's educational institutions is essential to fostering the type of participatory climate, student empowerment, and value-of-education programs necessary to motivate area children to want to learn.

If in the past, infighting between different constituencies in Vance County had scuttled efforts to improve school performance, leaders in both public and private Vance organizations – as well as important community leaders – must commit themselves to working through all differences of opinion and disagreements in order to move the County forward effectively relative to the development of its school-age population.

There is no way to sugarcoat this issue: Vance schools simply must improve, or the County's quality of life is at risk.

ACTION STEPS

- ✓ Create an overall programmatic strategy for improving K-12 school performance.
 - Consider the creation of a public-private Task Force representative of all Vance County constituencies to study, develop and implement the education strategy.
 - Ensure that school/industry linkages best utilize the resources of Vance County businesses to foster creation of best-practice student-development programs.
 - Foster measures to institutionalize parent involvement in Vance's K-12 system through a variety of best-practice programs. These may include: "Active parents" committees meeting monthly; special outings and events for top-performing students and their families; punitive monetary penalties for parents of truant children; publishing in local media the names of top-performing students; and others.
 - Consider an element emphasizing teacher quality and retention.
- ✓ Empower students through the development of programs to educate children on the advantages of education.
 - Create a program in partnership with the Henderson-Vance County Chamber of Commerce to involve local businesses and business leaders in local academic excellence initiatives.
 - Programmatic elements may include: Frequent field trips to local businesses and discussions with degreed workers; mentoring programs partnering local professionals with at-risk youth; in-class discussions by prominent local leaders; and others.
 - Consider creation of a high school-level Student Advocacy Committee partnering student leaders from Northern, Southern and Western Vance High Schools.
 - The Committee would meet monthly, and have regular meetings with County school administrators, government staff and elected officials to express needs, discuss volunteer opportunities, and enhance trust and cooperation between students and local leaders.
 - Investigate the development of an "Importance of Education" program that would target children in all grades and emphasize the benefits of performing well in school and receiving a diploma.
 - Consider development of school-to-work programs or dual enrollment programs with local high schools and Vance-Granville Community College as part of the effort.
 - An initiative to curb teen pregnancy and student drug use would be a crucial element of this effort.



GOAL 2: EDUCATION & WORKFORCE DEVELOPMENT

Objective II: Maximize impact and reach of Vance-Granville Community College

A. Outreach, responsiveness and new programs

Almost universally, the individuals *Market Street* interviewed in Vance County lauded the quality and capacity of Vance-Granville Community College, many of them labeling the college “the best in the state.” It is clearly one of Vance County’s great strengths and, as such, should be leveraged as comprehensively as possible for local economic development.

If Vance respondents had any lament, it was that more local residents did not take advantage of VGCC’s resources. Data prove that those who seek degrees at the college are rewarded upon graduation. In the 1998-99 school year, 71.5% of Associate Degree recipients at VGCC were employed in a North Carolina job covered by the state’s Employment Security law within one quarter of graduating. Of those, 40.1% were earning above the area median income.

Unfortunately, with North Carolina experiencing ongoing budget troubles, not only have community college budgets been cut, but additional future cuts are possible. At least in the short term, Vance-Granville and other state community colleges will have to make due with existing resources. Even so, efforts should be made to continually inventory enrollment and programmatic trends at VGCC so planning can be undertaken and in place to expand programs, facilities and campuses when state funding is available.

If more unemployed and underemployed Vance County workers see the benefit of a VGCC education, then enrollments will certainly rise, potentially exerting pressure on the college’s existing infrastructure.

ACTION STEPS

- ✓ Work with community leaders and local social service organizations to more effectively market Vance-Granville Community College programs to all area constituencies.
 - Potential partners include the Vance County Extension Center of the NC Cooperative Extension, AGAPE, area churches and community centers, Area Christians Together in Service (ACTS), the Vance County Department of Social Services, and others.

- Cooperate with partners and county officials to initiate programs to assist residents with acquisition of GEDs.
 - Offer equivalency training in both traditional and non-traditional outlets to maximize effectiveness.
 - Consider the creation of a Workforce Expansion Board consisting of members from partner organizations to coordinate and monitor VGCC expansion efforts.
- ✓ Initiate an immediate focus on sourcing unemployed local residents with employable skills to fill available health care jobs.
- Partner with Vance-Granville Community College, Maria Parham Hospital and area social service and government organizations to effectively link unemployed and underemployed citizens with health care openings.
- ✓ Develop a local Sector Initiative Program to train long-term unemployed residents for entry-level positions in local and regional industries.
- Work with Vance-Granville Community College to structure a custom-tailored training program for the long-term unemployed to provide them an effective skills-base for entry-level employment.
 - Ensure that the area's long-term unemployed are employed at a living wage, and are counseled on the best path to follow for sustainable, quality local employment.
- ✓ Continue efforts to optimize communication and cooperation between Vance-Granville Community College, area businesses and workforce-development agencies.
- Work with the Henderson-Vance County Chamber of Commerce, Vance County Economic Development Commission, and top area businesses to ensure that general and specific workforce training needs are being met and responsiveness is meeting expectations.
 - Augment the Kerr-Tar Joblink Career Center on campus with links to Triangle-area Career Centers for potential openings in employment sectors like masonry and plumbing with limited opportunities in Vance.



GOAL 2: EDUCATION & WORKFORCE DEVELOPMENT

Objective III: Develop alternative programs for youth development

A. After-school alternatives and community participation

The number of households led by single mothers in poverty is rising in Vance County, while the area's dramatically high crime rate for a community of its size was attributed by many focus group respondents to the lack of activities and gathering places for the County's youth. Addressing the economic issues in Vance will almost surely involve dealing with many of the social concerns facing the County. These are not simple problems, and making progress towards improving the lives of Vance County's poorer residents will take commitments of time and effort from the full spectrum of County leadership - whether black or white, rich or poor.

Residents have taken very positive steps towards improving the aesthetics of the City of Henderson and its environs through the creation of the Clean Up Henderson Committee. A similar effort is warranted against the social issues affecting the City and County. A citizen-based social improvement movement spanning the breadth of Vance County will send a clear signal that the welfare of all County residents is a top concern of everyone who calls Vance home.

There are also a number of fine institutional options available to augment youth services in Vance County. One such group is the Boys and Girls Club of America (BCGA). According to the non-profit BCGA, four key characteristics define the essence of a Boys and Girls Club.¹⁷ The organization deems each one critical to exerting a positive impact on the life of a child:

1. Dedicated Youth Facility

The Boys and Girls Club is a place - an actual neighborhood-based building - designed solely for youth programs and activities.

2. Open Daily

The Club is open every day, after school and on weekends, when kids have free time and need positive, productive outlets.

3. Professional Staff

Every Club has full-time, trained youth development professionals, providing positive role models and mentors. Volunteers provide key supplementary support.

¹⁷ Accessed from <http://www.bgca.org/whoweare/special.asp> on 9/25/03.

4. Available / Affordable to All Youth

Clubs reach out to kids who cannot afford, or may lack access to, other community programs. Dues are low, averaging \$5 to \$10 per year.

Additional facts about the Boys and Girls Clubs of America include:

- 3.6 million boys and girls served.
- 3,300 Club locations.
- Locations in all 50 states, Puerto Rico and the Virgin Islands plus domestic and international military bases.
- Some 40,000 trained professional staff.
- 78% of members are between ages 7 and 15.

This year, the Chronicle of Philanthropy ranked BGCA number one among youth organizations for the eighth consecutive year, and number 11 among all non-profit organizations, while WORTH magazine ranked BGCA as one of the “100 Best Charities in America” in 2001 and 2002 based on financial efficiency, strength of reputation and program effectiveness.

Locating a Boys and Girls Club in Vance County or the Kerr-Tar region would be a tremendously positive step towards the fruitful development of the area’s youth. However, starting a Club takes dedication and money. A committed leadership group must shepherd the community through the process, and secured funding must be sourced. Start-up costs for a Boys and Girls Club organization run from approximately \$100,000 to \$175,000, while annual operating costs range from \$125,000 to \$175,000. In many communities, corporate donations help allay the costs of starting and running a Club.

In addition to Boys and Girls Clubs, many other innovative programs and facilities such as Big Brothers and Big Sisters, YMCAs, YWCAs, and others, offer the potential to provide Vance County youth with positive environments and role models to assist their productive development to adulthood.

ACTION STEPS

- ✓ Consider the formation of a Vance County Youth Development Task Force made up of private, public and citizen representatives dedicated to improving the lives of area residents.
 - Partner with existing agencies like the Vance County Extension Center of the NC Cooperative Extension, the Franklin-Granville-Vance Partnership for Children, Vance County schools and the Vance County Department of Social Services to create strategies to address youth-development issues in the area.

- ✓ Consider initiating an effort to locate a Boys and Girls Club of America in Vance County, or partner with neighboring counties to start a Club in the Kerr-Tar region.
 - Approach the Duke Endowment for funding assistance, in addition to the Golden Leaf foundation, regional businesses, and other local, state and national sources.

- ✓ Investigate a suite of youth-development program options to provide area young people with after-school activity choices and positive life models.
 - Options include: Big Brothers and Big Sisters, YMCAs, YWCAs, and others.
 - Other potential after-school alternatives include: a midnight basketball league; public skate park; volunteer drama club, and others.
 - For example, *Night Flight*, a midnight basketball league in Durham begun by UNC-Chapel Hill professor Jim Johnson, offers participating youth links to educational, training and employment opportunities.

GOAL 2: PERFORMANCE MEASURES

- ☒ **Public school drop out rates by grade and cohort.**
- ☒ **High school graduation rates, and number of individuals receiving GEDs.**
- ☒ **Percentage of K-12 parents participating in school-sponsored involvement programs.**
- ☒ **Percentage of K-12 teachers deemed “qualified.”**
- ☒ **K-12 teacher retention rates.**
- ☒ **Number of student empowerment programs created, and percentage of student participation.**
- ☒ **Enrollment rates at Vance-Granville Community College.**
- ☒ **Percentage of net new VGCC students considered at or below poverty level.**
- ☒ **Percentage of VGCC “completers,” and the number of those at or below poverty level.**
- ☒ **Percentage of VGCC “completers” obtaining jobs after graduation, and average wage of those jobs.**
- ☒ **Percentage of Vance County and VGCC students remaining in the Kerr-Tar region for employment.**
- ☒ **Number of youth development programs created.**
- ☒ **Successful creation of a Boys and Girls Club of America in Vance County or Kerr-Tar region.**
- ☒ **Percentage of Boys and Girls Club members ages 7 to 18.**
- ☒ **Percentage of Vance County or Kerr-Tar region youth participating in a Boys and Girls Club.**
- ☒ **Percentage of eligible adults and number of Vance County youth participating in Big Brother and Big Sister programs.**
- ☒ **Number of after-school activity programs created.**



Goal 3:

**Community
Capacity**

GOAL 3: COMMUNITY CAPACITY

Effectively leverage and empower local leaders and constituents for economic development, optimize City and County organizational structures and upgrade physical, civic and regulatory infrastructure to competitive levels.

Program for the Rural Carolinas goals supported:

Leadership: Engage community and identify target groups, including those who have been left behind.

Housing: Increase opportunity for eligibility to affordable housing programs.

Objectives

- I. Maximize effectiveness of local leadership.
 - A. Leverage influential leadership.
 - B. Expand the local leadership base.
- II. Streamline and integrate local organizations.
 - A. Economic development organizations.
- III. Optimize community infrastructure.
 - A. Physical infrastructure.
 - B. Civic infrastructure.
 - C. Regulatory infrastructure.

Benchmarks

- ✓ Increased projects facilitated by local leadership at the state level.
- ✓ Increased percentage of local constituents participating in Vance County and Kerr-Tar Region leadership forums.
- ✓ Decreased city/county organizational overlap.
- ✓ Decreased regulatory and permitting response times.
- ✓ Increase number of police officers by 1% annually.

- ✓ Increase percentage of county residents connected to water and sewer lines 25% by 2008.
- ✓ Development of a countywide zoning ordinance by 2006.



GOAL 3: COMMUNITY CAPACITY

Objective I: Maximize available leadership resources

A. Leverage influential leadership

Vance County is fortunate to have:

1. Its local state legislators on key committees; and
2. Several local residents with state-level influence and a voice in economic development matters.

These individuals are tremendous assets to advance the economic agendas of Henderson and Vance County. As such, they should be utilized to a much greater extent to secure state-level funding and lobby powerful state and federal elected officials to support local projects.

Vance County and Henderson are blessed to have many outstanding local elected officials. Robert “Chick” Young served 24 productive years as the city of Henderson’s longest-serving mayor before retiring in fall 2003. Many other local leaders will continue to devote much time and effort in the interest of advancing the community’s fortunes. However, economic development is frequently a very competitive endeavor, with communities pitted against one another to secure the investment of relocating companies. Having voices of influence at the state level gives Vance a leg up on many of its competitors. Not taking advantage of Vance’s strong connectivity to statewide networks of power is a forfeiture of political capital that many communities would love to possess.

ACTION STEPS

- ✓ Develop a blueprint for strategic involvement of top leadership that best utilizes their influence for selected projects of highest priority.
 - Carefully select local needs that can: 1) Be positively affected by state-level involvement, and 2) Specifically require the influence of these well-placed leaders.
 - A useful example would be the lobbying of U.S. Army Corps of Engineers officials to allow more limited fluctuations of Kerr Lake water levels.
- ✓ Formalize regular meetings between Vance County economic development officials and these influential, state-level leaders to update progress on initiatives and prepare for future efforts.
 - Optimize the time and efforts of these leaders to ensure that their participation is effectively managed.



GOAL 3: COMMUNITY CAPACITY

Objective I: Maximize available leadership resources

B. Expand the local leadership base

Successfully reenergizing Vance County's economy and preparing the area to compete in future New Economy sectors will require expanding the scope of participatory leadership to include local constituencies that may have been overlooked in the past. As many focus group participants noted, Vance County's minority communities represent some of the area's "great untapped resources," and should be integrated into positions of community leadership and counted on as vital components of the local workforce.

Leadership Vance is a quality local program cited by many County residents as a source of pride and effective community capacity-building. Graduates of Leadership Vance should be encouraged to live and work in the community, and continue to serve as important local agents for change. In addition, every effort should be made to extend the involvement and programs of Leadership Vance into currently disenfranchised communities.

Whatever the chosen means of broadening the impact of Leadership Vance, the program is a great local strength and should be fully leveraged to move the community forward.

ACTION STEPS

- ✓ Expand the Leadership Vance program hosted by the Henderson-Vance Chamber of Commerce to become a high-impact local program.
 - Develop an annual action agenda for Leadership Vance and work towards its successful implementation.
 - Make efforts to diversify the group's leadership pool with greater minority and community involvement.
 - Consider starting a Youth Leadership Vance program to provide teenagers with leadership training and experience.
- ✓ Formalize a local Community Engagement Program for the area's low-income and economically distressed constituencies.
 - Partner with affected communities to develop best-practice and responsive representative councils.
 - Ensure that community councils are recruited to participate in the design and implementation of area economic and social development initiatives.

- ✓ Consider the creation of representative planning districts under the auspices of the Vance County Planning Department to broaden community involvement and expand the area's leadership base.
 - Appoint Area Leaders for each district and charge them with the responsibility of organizing their community representatives, coordinating meeting times and agendas, and working with planning staff to facilitate effective relationships between neighborhoods, the City and the County.
 - Institute formalized Community Work Sessions for each district to communicate specific needs to County staff.
 - Ensure all local constituencies are fully represented before County-wide actions are taken.

- ✓ Broaden the diversity of leadership on all appointed Vance County boards and commissions.



GOAL 3: COMMUNITY CAPACITY

Objective II: Combine and coordinate local organizations

A. Economic development organizations

The trend in American cities and counties of all sizes is to unify economic development efforts and initiatives as much as possible. Greater coordination and elimination of project overlap between economic development officials allows them to devote more time to effectively fostering job and income development in the area. In addition, providing a single location for local constituents and clients to pursue their economic development inquiries simplifies the process and increases the likelihood that their needs will be attended to in a prompt, efficient way. The practice also lowers overhead and operating costs and provides more capacity to initiate and implement effective local programs.

For smaller communities such as Vance County and its component municipalities, there is an even greater risk that compartmentalizing economic development functions in individually staffed offices will result in wasted time and effort, programmatic redundancies, added confusion for residents and businesses, and a development infrastructure spread too thin to be effective. City and County officials should put everything on the table for review, and consider all options to streamline efficiency and maximize the capacity of local officials and departments.

ACTION STEPS

- ✓ Consider different structural models for Vance County economic development organizations that would effectively combine complimentary agencies into a unified alignment.
 - Strive as much as possible to eliminate current redundancies and combine local economic development resources and operations.
 - These include: Tourism; Main Street and downtown development; business retention and expansion; business recruitment; and business relocation assistance.
 - Consider the viability of merging City and County economic development efforts.
- ✓ Conduct a review of current economic development programs to determine capacity, effectiveness, needs and shortcomings of existing initiatives.
 - Consider streamlining and integrating complementary programs under the purview of a coordinated local agency.



GOAL 3: COMMUNITY CAPACITY

Objective III: Optimize community infrastructure

A. Physical infrastructure

Although the U.S. Census stopped collecting data on household Source of Water and Sewage Disposal in the 1990 Census, data from that year showed that 52.2% of Vance County residents received their water from a public system or private company, compared to 65.4% for North Carolina, and 84.2% for the United States. Similarly, only 44.6% of Vance County residents were on a public sewer system in 1990, compared to 49.8% for North Carolina and 74.8% for the U.S. While these percentages for Vance County have likely risen in the past 13 years, focus group participants nevertheless noted that extending water and sewer service to the entire County is an area of local concern.

On a positive note, a recent EPA ruling cleared the way for federal money to help facilitate upgrades to the Kerr Lake Regional Water System's raw water pumping station. Maintenance improvements increase the facility's capacity in line with future demand projections. Total project cost is estimated at \$3.75 million.¹⁸

To prepare for residential and commercial growth in Vance County in the coming years, area leaders should proactively lay the groundwork for enhanced utility infrastructure (including telecommunications lines) in the Vance communities currently not served by dedicated lines. Comprehensive countywide planning efforts will help determine priority growth areas to be targeted for installation of this infrastructure.

According to the Vance County Economic Development Commission, the Henderson Kerr Lake Regional Water Plant – the largest of the 10 active Community Water Systems serving the County – has a rated capacity of 10.0 million gallons per day, yet utilizes slightly more than half that capacity. This extra capacity is likely sufficient to accommodate Vance's growth needs for many years to come. However, only careful and comprehensive analysis will determine if anticipated future usage levels are within the limits of plant capacity.

In addition to utility infrastructure, Vance County should take ongoing steps to ensure that its transportation infrastructure – roads, railways, local airports and access to Raleigh-Durham International Airport – is maintained and improved at optimal levels.

¹⁸ DiPasquale, Cynthia. "EPA study backs water project." *The Daily Dispatch*, 10/15/03, accessed from http://www.hendersondispatch.com/display/inn_news/news01.txt on 10/16/03.

ACTION STEPS

- ✓ Develop a countywide Capital Improvement Plan to address short- and long-term needs for water, power, sewer, telecommunications, community facilities and transportation infrastructure.
 - Collaborate with state and local planning agencies to determine expected future growth patterns and areas of greatest need.
 - Determine available funding options for infrastructure installation, including adopting “concurrency” requirements¹⁹ for new development.
 - Work with state, local, regional and super-regional agencies to coordinate access to, and development of, roadways, railways and airports.
 - Encourage local municipalities to formally adopt the countywide Capital Improvement Plan as local policy.
- ✓ Conduct an Affordable Housing Survey to inform a County-wide program to encourage homeownership and asset-building for targeted area constituencies.
 - Determine quality and availability of City and County affordable housing stock.
 - Provide credit-counseling and micro-loan services to facilitate home purchases by low-income renters and residents with inconsistent or restrictive credit histories.

¹⁹ “Concurrency” relates to the sufficient availability of infrastructure to support new development. If adequate infrastructure is not in place, many communities require developers to install necessary infrastructure as part of their development controls, or else provide incentives for developers to sufficiently link new construction to existing utility systems.



GOAL 3: COMMUNITY CAPACITY

Objective III: Optimize community infrastructure

B. Civic infrastructure

Staffing and active-duty levels for local police, fire, and emergency-response personnel should be maintained at sufficient levels to provide taxpayers with the services they deserve. With crime increasing in Henderson and Vance County, selected focus group participants worried that there were not enough police officers on the street to adequately patrol the entire community. However, as tax revenues decline due to the continuing local economic downturn, City and County governments are forced to make difficult decisions regarding service cuts and departmental staffing levels.

To assist them in these decisions, leaders should be provided with accurate and current data regarding optimal staffing numbers and periods of highest-priority need. Ultimately, improving economic fortunes will increase local hiring and staffing capacity, but in the interim, Henderson and Vance County officials will need to maximize the staffing resources under their budgetary control.

ACTION STEPS

- ✓ Evaluate the needs of police, fire and emergency-response personnel to determine the forces' current ability to provide sufficient service and full community coverage.
 - Work with departmental leadership, key staff and neighborhood representatives to evaluate performance of current response and patrol systems.
 - Compare staffing levels with similarly sized regional cities to gauge optimal service parameters.
 - If necessary, prioritize hiring of new personnel in future City and County budgets.
- ✓ Conduct a study of Vance County and local municipalities' 911-response systems to determine operational effectiveness and the potential need for process upgrades.



GOAL 3: COMMUNITY CAPACITY

Objective III: Optimize community infrastructure

C. Regulatory infrastructure

In response to repeated cases of developer impropriety, Vance County has recently enacted a new countywide subdivision ordinance that will certainly go a long way towards ensuring that County residents are protected from disingenuous developers and substandard construction projects. While focus group participants noted that the 70-page ordinance is overly complex and risks driving away the good developers along with the bad, the new code is a commendable step towards regulating subdivision development in Vance. With the ordinance now in place, County planners should continue to fine-tune the document so that the code is a local strength instead of a potentially anti-development liability.

While a subdivision ordinance is vitally important to project-specific regulation, countywide zoning is essential for regulating the tenor of community character, land use and natural resource protection. In lieu of an effective zoning ordinance, future land use decisions are made on an ad hoc basis, and County leaders run the risk of facilitating uncontrolled growth if the local economy stimulates large-scale new development. City and County planners in Vance should work together to determine priority growth corridors, future population centers, sensitive natural resource areas, and desired high-density and mixed-use zones to include in new comprehensive countywide development controls.

ACTION STEPS

- ✓ Coordinate with Vance County and local jurisdictions to draft a countywide zoning ordinance.
 - Suggest that the County ordinance supercedes local codes so that development is not biased against particular communities.
 - Partner with environmental organizations and local staff to ensure that sensitive natural resources are protected from development.
 - Target highest densities around transportation hubs and local activity centers.
- ✓ Simplify the County subdivision ordinance to make it more user-friendly, concise and enforceable.

GOAL 3: PERFORMANCE MEASURES

- ☒ **Number of local projects facilitated by state-level involvement.**
- ☒ **Total investment and number of jobs created by projects facilitated by top local leaders.**
- ☒ **Number of meetings between economic development officials and well-connected local leaders.**
- ☒ **Number of projects initiated and implemented by Leadership Vance.**
- ☒ **Total investment and number of jobs created by Leadership Vance projects.**
- ☒ **Percentage of minority participation in – and graduation from – Leadership Vance.**
- ☒ **Number of participants, and percentage of minority participants, in Youth Leadership Vance.**
- ☒ **Number of County economic development organizations effectively consolidated.**
- ☒ **Cost savings and efficiency gains from a unified city-county government in Vance.**
- ☒ **Total investment in new physical infrastructure, and number of net jobs created by new construction.**
- ☒ **Net percentage of new countywide utility network capacity.**
- ☒ **Percentage of County homes and businesses newly connected to utility infrastructure.**
- ☒ **Net lane-miles of new road and highway construction.**
- ☒ **Percentage of new infrastructure construction funded by local developers.**
- ☒ **Number of new police, fire and emergency-services personnel hired.**
- ☒ **Crime rate in Henderson and Vance County.**
- ☒ **Percentage of natural resource lands protected by countywide zoning.**
- ☒ **Average County population density, percentage of new residential construction that is multifamily, and percentage of new development that is mixed-use.**



Goal 4:

**Regional
Integration**

GOAL 4: REGIONAL INTEGRATION

Capitalize on proximity and connectivity to the Raleigh-Durham metropolitan area by more closely linking Vance County's economy to the Triangle region; expand and enhance Vance County's community and economic ties to Kerr-Tar regional partners.

Program for the Rural Carolinas goal supported:

Economic Growth: Analyze County potential and recruit growth industry sectors.

Objectives

- I. Leverage regional proximity to Research Triangle for economic gain.
 - A. Research Triangle Regional Partnership target clusters.
 - B. New programs and enhanced connectivity.
- II. Develop greater regional capacity with Kerr-Tar partners.
 - A. Formalized programs and participation.

Benchmarks

- ✓ Increase local contracts with Triangle firms 25% by 2008.
- ✓ Increased local training for Triangle-specific industries.
- ✓ Increased frequency of meetings between Vance County economic development officials and Triangle counterparts.
- ✓ Increased Vance County participation in Research Triangle Regional Partnership.
- ✓ Establishment of a weekday Vance County to Triangle shuttle by 2006.
- ✓ Increased utilization of Kerr-Tar Council of Governments programs.
- ✓ Increase value of contracts between Vance companies and Kerr-Tar firms 75% by 2008.
- ✓ Completion of Vance County contingency plan for integration into the Raleigh-Durham MSA.



GOAL 4: REGIONAL INTEGRATION

Objective I: Leverage regional proximity to Research Triangle for economic gain

A. RTRP²⁰ target clusters

Vance County's proximity to the dynamic Raleigh-Durham region – one of the nation's most successful job and wealth creating metros over the past 20 years – is a compelling local asset. The County's connection to the Triangle by way of Interstate 85 and Highway 1 makes the argument for an enhanced relationship with the Triangle that much more persuasive. Focusing on stronger ties between Vance and Raleigh-Durham has the potential to boost employment prospects for local residents, expand market reach for County businesses, and integrate Vance into future regional development schemes.

One promising direction to pursue is the alignment of Vance County with components of the Research Triangle Region Future Cluster Competitiveness Initiative. The nine-month Initiative set out to create a regional vision and strategy for creating current and future jobs in the 13 RTRP counties.

The Initiative's task force identified eight high-potential technologies in which the RTRP has an existing base of research and development expertise necessary to ensure a competitive advantage over other areas.

The eight technologies are:

- Pharmaceuticals or "therapeutics;"
- Biological agents and infectious diseases;
- Advanced medical care;
- Analytical instruments;
- Pervasive computing;
- Nanoscale technologies;
- Informatics; and
- Agricultural biotechnology.

Next, the Initiative's task force will work through January 2004 on a detailed five-year business plan to develop these emerging technologies into businesses that create jobs for the 13-county Research Triangle Region.

²⁰ One of seven state-established regions in North Carolina, the Research Triangle Regional Partnership (RTRP) is a public-private partnership promoting economic development for a 13-county region comprising Chatham, Durham, Franklin, Granville, Harnett, Johnston, Lee, Moore, Orange, Person, Vance, Wake and Warren counties.

The RTRP will also continue its focus on building food processing, automotive components parts, and logistics and distribution industries, which regional leaders feel hold promise for rural areas because of their access to interstate highways, available land and skilled labor.²¹

Vance County should assess its current capacity in these RTRP target clusters and work with regional economic development officials to position the county to benefit from the RTRP's initiative.

ACTION STEPS

- ✓ Survey Vance County's existing resources specific to the RTRP target clusters.
 - Determine the most viable RTRP target sectors based on existing Vance County capacity.
 - Consider which existing programs and institutions are best suited to development of affiliated RTRP target sector projects.
- ✓ Develop a training and recruitment strategy geared at becoming a "mini-hub" for RTRP target clusters.
 - Partner with Vance-Granville Community College and RTRP to determine the viability of initiating training programs for these clusters.
 - Market available Vance County research and development, industrial and commercial sites to startup firms in these clusters.
 - Investigate potential to house affiliated manufacturing or research facilities for targeted RTRP clusters.
- ✓ Work towards achieving a greater presence in the Research Triangle Regional Partnership (RTRP)
 - Lobby for a higher level of focus on Vance and the Kerr-Tar counties in RTRP policies and initiatives.
 - Coordinate with Kerr-Tar partners to build consensus on issues of regional priority to present to RTRP leadership (See: Goal 4, Objective IIA).

²¹ Source: www.researchtriangle.org, accessed 10/31/03.



GOAL 4: REGIONAL INTEGRATION

Objective I: Leverage regional proximity to Research Triangle for economic gain

B. New programs and enhanced connectivity

The 1,216,690 residents²² and thousands of businesses in the Raleigh-Durham-Chapel Hill metropolitan area represent potential employees for Vance County firms, buyers for Vance County products, and employers for Vance County workers. As was stated, Vance County's excellent access to the Research Triangle via Interstate 85 and Highway 1 (as well as a potential regional high-speed rail network) means that Vance is ideally positioned to take maximum advantage of its Triangle proximity.

The challenge will be to effectively leverage this proximity without losing the County's commercial base, becoming a bedroom community for the Triangle, or overemphasizing Raleigh-Durham economic connections at the expense of local relationships. By choosing only to supplement a locally sound economy with Triangle-based business and employment opportunities, Vance County can ensure that its industrial base is stable and not overly tied to prospects outside of its jurisdiction. As the Raleigh-Durham metropolis continues its unrelenting push towards the far reaches of its existing region, however, it is likely that counties such as Vance not currently in Raleigh-Durham's MSA will one day be incorporated into the Triangle's urban boundaries.

Like Atlanta, Raleigh-Durham has no physical impediments to stop its continued outward growth. In Georgia, satellite counties outside of Metro Atlanta's orbit only ten years ago are now solidly in the path of the region's expansion. Those that planned for their inclusion in the Atlanta MSA are much better positioned to take advantage of this new dynamic than regional counties that resisted absorption. Vance County would be well served to develop programs now to lay the groundwork for inclusion in the Raleigh MSA or risk becoming like those Metro Atlanta counties facing tremendous development pressures without a planning template to guide local growth.

²² This figure is taken from the U.S. Census Bureau's 2002 American Community Survey, which is limited to the household population and excludes those living in institutions, college dormitories, and other group quarters.

ACTION STEPS

- ✓ Commission a retail study identifying potential Triangle buyers for local goods and services as a first step in developing a strategy to expand Vance County markets into the Raleigh-Durham metropolitan area.
 - Work with local and regional economic development officials to leverage existing commercial relationships and develop new economic partners.
- ✓ Consider operation of a countywide Vance to Triangle transit shuttle.
 - Operate the shuttle during A.M. and P.M. peak periods and stop at specific locations in Vance County, and various employment centers in Raleigh-Durham.
 - Potential Triangle stops include: Research Triangle Park, area universities, Raleigh-Durham International Airport, Downtown Durham, Downtown Raleigh/state capital complex, and Chapel Hill/Franklin Street.
- ✓ Develop internship programs at Vance County civic, professional and commercial offices for Triangle-area undergraduate and graduate students.
 - Encourage students to work in Vance County full-time after graduation.
- ✓ Integrate comprehensive Vance County planning with plans from the Capital Area Metropolitan Planning Organization (CAMPO) in Raleigh and Wake County, the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (DCHC-MPO), and other Triangle region planning agencies to ensure that Vance County has a preferred scenario for inclusion in the Raleigh-Durham metropolitan area.
- ✓ Initiate relationships with leading Triangle economic development organizations to position Vance County as an important link in the network of Triangle-area constituencies.



GOAL 4: REGIONAL INTEGRATION

Objective II: Develop greater regional capacity with Kerr-Tar partners

A. Formalized programs and participation

In addition to planning for the expansion of the Raleigh-Durham-Chapel Hill MSA, Vance County should pursue enhanced relationships with partner counties in the Kerr-Tar Regional Council of Governments.



Vance's Kerr-Tar partners include Person, Granville, Warren and Franklin Counties.

Already, the Kerr-Tar partners are collaborating on an innovative effort to develop a high-tech business park in the region. After a study funded by Golden Leaf for the Research Triangle Regional Partnership found that the Kerr-Tar business hub was feasible, an Exploratory Committee and work groups were established to move the project forward. By the end of 2003, officials expect an action plan for the business park to be completed, with site-specific planning tentatively set to begin July 2004. While a location for the park and primary funding sources have yet to be determined, the effort nonetheless represents a progressive and proactive attempt by the Kerr-Tar counties to band together for success in the New Economy.

The University of North Carolina at Chapel Hill's Office of Economic Development conducted the initial study to determine the feasibility of creating these strategically located development "hubs" in the RTRP region. The Kerr-Tar region was the first to come forward with a vision and plan for creating a regional mini-hub for technologically focused businesses.

Vance County's Kerr-Tar partners represent a valuable regional resource to supplement the County's local workforce development and entrepreneurial programs, natural-resource preservation goals, and overall programmatic capacity.

ACTION STEPS

- ✓ Maximize awareness and utilization of Kerr-Tar Regional Council of Governments initiatives, and work with COG partners to develop innovative new needs-based programming.
 - Market COG programs like revolving loan funds, microenterprise grants, Community Development Block Grants, and aging-related services to local constituents and organizations.
 - Develop an official mechanism to propose, discuss, and formalize new COG-sponsored regional programs.
- ✓ Ensure that Vance County is an active participant in all forums, commissions, studies and policy efforts engaged by, and for, the Kerr-Tar partner counties.
 - Work to build consensus and a climate of cooperation between the Kerr-Tar governments and economic development agencies.

GOAL 4: PERFORMANCE MEASURES

- ☒ **Number of Vance County projects initiated by Research Triangle Regional Partnership (RTRP).**
- ☒ **Total investment and number of jobs created by projects facilitated by RTRP.**
- ☒ **Number of Vance residents trained for RTRP future target clusters, and number of residents hired at local and regional firms in cluster-related companies.**
- ☒ **Total value of contracts between Vance County businesses and Research Triangle companies, and number of net new jobs resulting from contracts.**
- ☒ **Net annual increase in value of Vance County firms' Triangle-area contracts.**
- ☒ **Daily, weekly, monthly and annual ridership on Vance County to Research Triangle transit shuttle.**
- ☒ **Number of students from Triangle-area colleges interning in Vance County, and percentage of interns who remain to work in Vance after graduation.**
- ☒ **Total value of program dollars secured from Kerr-Tar COG.**
- ☒ **Net annual increases in utilization of Kerr-Tar COG program dollars.**
- ☒ **Net annual increases in utilization of Kerr-Tar COG services.**
- ☒ **Number of new companies and jobs created from Kerr-Tar COG funding.**
- ☒ **Net number of new regional programs begun through Vance County collaboration with Kerr-Tar COG.**
- ☒ **Total value of new Kerr-Tar regional programs.**



Conclusion

CONCLUSION

As *Market Street* often tells our clients, economic development is not a multiple-choice question; you have to get everything right. This advice is borne from years of observing the decisions and criteria of site-selection professionals and relocating companies. In today's technology-focused economy, distance between a company's base of operations and affiliated facilities is no longer as important as the workforce capacity, infrastructure, business costs and quality of life of a chosen locality. Companies can almost literally choose anywhere in the *world* to locate a manufacturing facility, headquarters or regional office. To compete effectively, communities are partnering regionally to offer startup, expanding and relocating companies a full array of site advantages that would not be available at the sub-regional level.

Vance County is fortunate to have many tools in its economic development arsenal: Interstate-85 connectivity; Kerr Lake; low business costs; a large supply of developable land; proximity to the Raleigh-Durham metropolitan area; Vance-Granville Community College; Maria Parham Hospital; a willing and able workforce. Alone, however, these local advantages are not as compelling as the full regional capacity offered by the Kerr-Tar counties, and Vance's affiliation with Triangle-area institutions and operations.

Vance officials must also work to foster a dynamic local environment for entrepreneurs and small businesspeople. In the United States' most recent economic expansions, it has been small businesses that created the majority of quality new jobs. To most effectively ensure sustainable local development, the County must rely on its existing residents and businesses to provide a stable base from which the economy can grow.

In sum, Vance County must fully leverage the strengths of its people, places and institutions – and effectively partner with regional and super-regional entities – to develop profitable homegrown enterprises and successfully compete for the coveted New Economy jobs and companies that are enabling communities to prosper in the first century of the new millennium. The United States is truly witnessing a profound shift in the dynamics and structure of its economy. Those cities, counties and regions that plan for these changes and position themselves to thrive in the new global economy will sow the seeds for the future health and prosperity of all their residents.

As the Vance County strategic process continues, *Market Street* will undertake a review of existing economic development program capacity in Vance to determine if organizational enhancements need to be made. In addition, *Market Street* will work with the Steering Committee to jointly develop a timetable for strategy implementation and determine if any funding reallocations are needed to successfully implement the plan. A final deliverable will be presented summarizing these findings and recommendations.

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