

Leading Lee County

Economic Growth Strategic Action Plan September 16, 2013

Lee County
The Center of Progress



Submitted by:



This document is confidential and proprietary. It may not be circulated or disclosed in whole or in part without the written permission of the Lee County Commission.



TABLE OF CONTENTS

SECTION		PAGE
Key Contacts		2
Executive Summary		3
The Commissioners' Charge		
Data Affecting Lee County		
Community Engagement		
From Here to There (Recommendations)		
1.0	Purpose & Process	6
2.0	Current Economic Reality	8
3.0	Desire for the Future	14
	Inputs	
	▪ Leadership Interviews	
	▪ Commissioners	
	▪ Surveys	
	▪ Forum	
	▪ Public Input Sessions	
4.0	Consultants' Recommendations—from here to there (drivers)	21
5.0	Metrics	26
6.0	Action Matrix	29
7.0	Appendices	30

Key contacts for this project are:

Ted Abernathy

Executive Director
Southern Growth Policies Board
P.O. Box 12293
Research Triangle Park, NC 27709
919-941-5145
tabernathy@southern.org

Dan Parks

State Program Director
Strategy & Organization Development
SBTDC @ NCSU
115 Pomona Drive
Greensboro, NC 27407
336-315-7521
dparks@sbtadc.org

Southern Growth Policies Board

Formed in 1971, Southern Growth has helped states, regions and organizations with economic development strategy. The Southern Growth Policies Board has research strengths in economic development, strategic planning, future trend analysis, and leadership engagement. Southern Growth:

- Understands the economic landscape of the South
- Helps places understand trends that are influencing their economy
- Translates information and community priorities and values into plans for future success

SBTDC @ NC State University

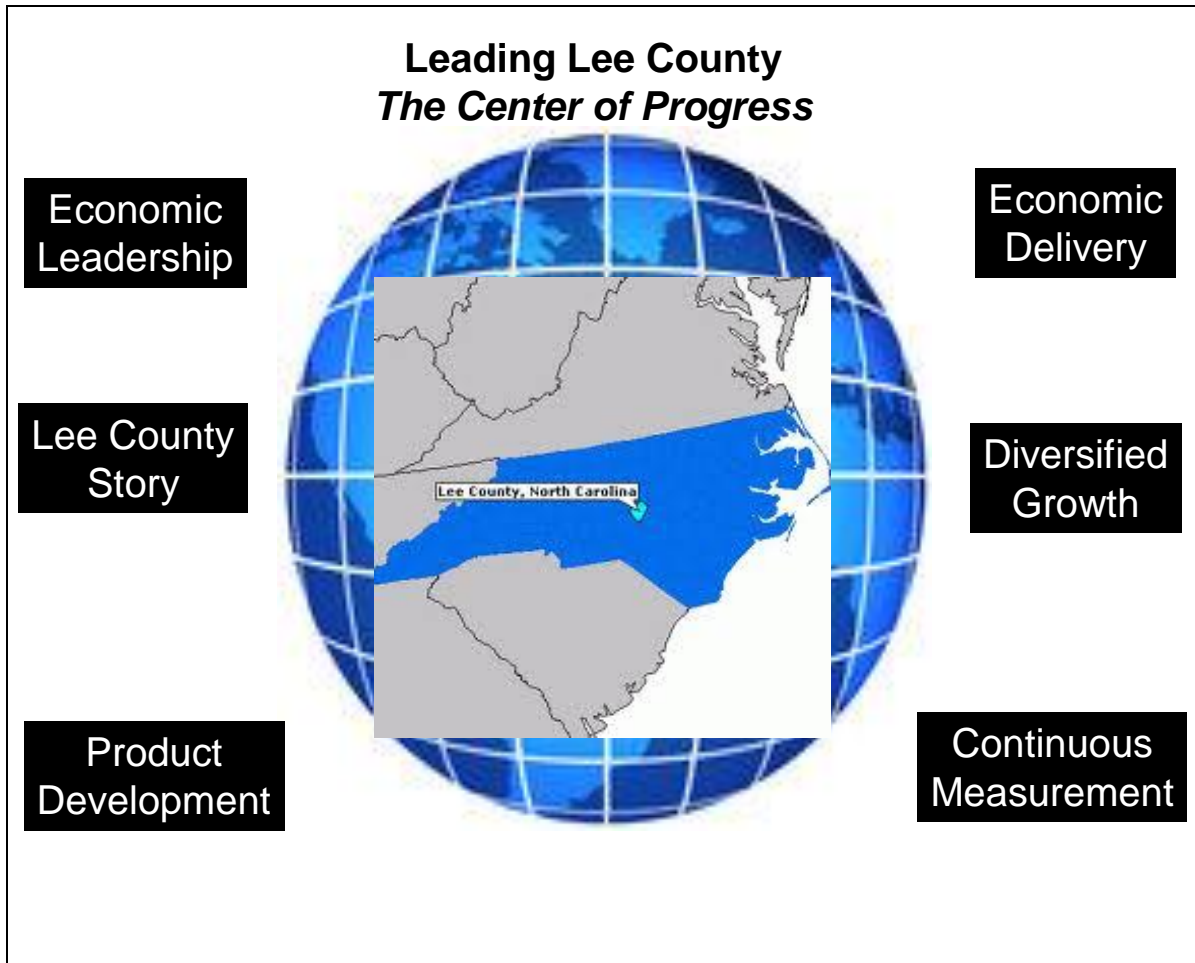
Having worked on a number of large-scale projects, the SBTDC brings a depth of experience and knowledge to economic development growth planning.

Established in 1984, the SBTDC is North Carolina's Business and Technology Extension Service. The SBTDC is an inter-institutional program of The University of North Carolina System, administered by N.C. State University. The SBTDC provides research, strategy, education, and counseling services to:

- Entrepreneurs and Small businesses
- High-Growth and Midsize Companies
- Economic Development and Community-Based Organizations
- Government Agencies and University Departments

The Lee County Strategic Action Plan

The Key Drivers



EXECUTIVE SUMMARY

Lee County has engaged the Southern Growth Policies Board (Ted Abernathy) and the NC State University Small Business & Technology Development Center (SBTDC) (Dan Parks) to consult and develop a strategic action plan for economic growth.

This plan reflects the Commissioners' charge and presents the compilation of comparative data and summation of generous feedback from across the community. During this project, the Consultants have provided two interim reports to keep the Commissioners informed of the process and the findings.

Importantly, this plan recognizes a key element in the data and feedback we received:

Lee County can build on its central location in North Carolina to be the **Center of Progress** for economic growth.

Consensus

Early in the Lee County planning process, the Consultants engaged the Commissioners in one-on-one and group discussions to align their individual priorities and reach a consensus for the county's economic future. While there are differing opinions on many specifics, the Commissioners identified these general areas of consensus to move the process forward. These have become the foundation for the strategic plan:

- 1) Achieve a more diversified economy for Lee County
- 2) Improve County Educational Attainment Levels,
- 3) Improve Quality of Life: health, safety, education, housing
- 4) Build the County into a "destination location"
- 5) Develop a more positive brand image
- 6) Engage in more regional infrastructure planning
- 7) Involve the private sector in economic development

These points of consensus were shared during a series of public forums, and were reinforced by community input. This enabled the Consultants to recommend these **key drivers** for future Lee County economic growth:

ECONOMIC LEADERSHIP
THE LEE COUNTY STORY
PRODUCT DEVELOPMENT
ECONOMIC DEVELOPMENT DELIVERY SYSTEM
DIVERSIFIED GROWTH
CONTINUOUS MEASUREMENT

The Current Lee County Economic Reality

A review of available economic data by the Consultants was completed and dozens of charts and graphs were presented at the March 1, 2013 Economic Summit. Four trends were deemed very important.

- 1) The Lee County economy is still experiencing high unemployment and has not recovered as quickly as either the state or many of the surrounding counties.
- 2) The manufacturing sector, which dominates the Lee County economy, has been contracting nationally, more so in recent years, and the impacts have hit Lee County hard.
- 3) Although the Research Triangle Region is one of the nation's fastest growing metropolitan areas, both in population and jobs, Lee County has grown at a slower pace.
- 4) As locational factors have evolved, an evaluation of the Lee County "product" is mixed and must continue to improve to successfully compete.

Community Engagement and Feedback

The consultants used individual leadership interviews, a community-wide survey, a large economic summit, three public forums and focus group sessions with the agricultural specialist and the Lee County department heads to gather input and align the ideas of hundreds of Lee County residents and business leaders.

Consistent themes that emerged in the community engagement included:

- Broad belief that the central location, community college, airport and available water and sewer represented competitive advantages
- The educational level and workforce skills of the local population needed to be improved
- The local image is undefined and unknown
- Manufacturing is important to the local economy, but the County's economy needs broader diversification with a corresponding expansion of the job base (high priority)
- Agriculture is important to the economy, but is threatened by growth and other factors
- A new, improved, and cooperative structure for delivery of economic development services could improve the results
- Broad collaboration was needed to maximize the return on economic development efforts
- The private sector needs to participate and contribute to economic develop in Lee County
- The return on economic development investments and incentives should be measured and shared with the public
- The county incentives policy needs to be reviewed and improved

From Current Reality to Desire (Recommendations)

The primary purpose of this plan is to move the County from its current economic position to a more desirable future position. In order to do that effectively, the plan focuses on where the greatest returns on effort can be realized. The “Key Drivers” described below are also translated into an Action Matrix to provide the specific steps to execute the plan. (The recommendations are covered in detail in section 4.0.)

1) Provide Clear Economic Leadership

- Economic Development is County-led, and includes strong collaboration with the private sector.

2) Tell the Lee County Story Better

- Develop the Lee County “story”, and a marketing/branding initiative that effectively advocates Lee County’s assets to its targeted audiences.

3) Improve the Lee County Product

- Promote existing assets including an excellent community college, a good supply of water and sewer, and some very good sites for new investment, while simultaneously addressing deficiencies such as education and quality of life.

4) Reinvent Economic Development Delivery

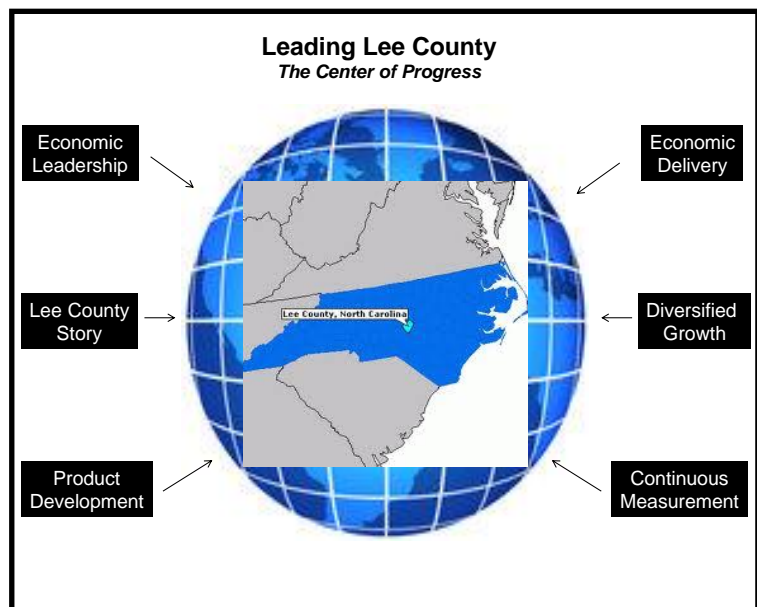
- Develop a new cooperative approach to economic development that includes the private sector and other institutional partners.

5) Promote Diversified Growth

- Rather than just recruitment, focus on “wealth creation”. Bring wealth and money into the county through improved recruitment, a targeted visitor effort, expanded workforce development, exploration of the County’s energy assets, intensified support of existing midsize and high-growth companies, building an entrepreneur ecosystem, and attraction of more high wealth residents.

6) Continuous Measurement

- Measure economic activities and return on investment for all economic development activities and broadly share the information throughout the community.



SECTION 1: PURPOSE & PROCESS

Purpose

Compared to previous efforts, this plan is county-led. This extends to ways in which County Leaders engage with all stakeholders as well as how resources are applied to economic development efforts.

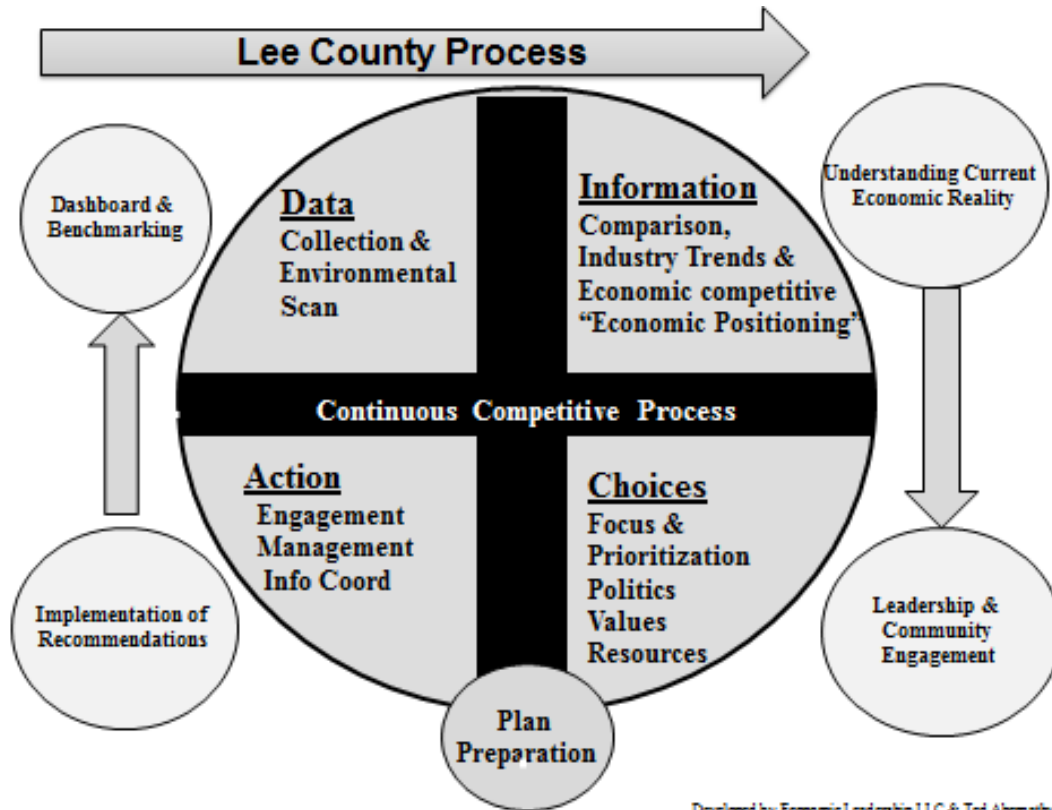
From the early meetings with County Leadership, it was clearly expressed that the purpose of this plan is to reposition the County's economic development structure and strategies in order to grow its economy. In short, the charge given by the Commissioners was to create a new productive phase for Lee County.

The planning process began with an assessment of available data and existing plans. Next an extensive public input process engaged citizens and leaders in choice making. The result is this set of recommendations. The key to success is allocation of responsibilities and resources to implementation, followed by continuous measurement and

In addition, a clear part of the Commissioners' charge was that the plan must translate into action. It was recognized that there were a number of good planning efforts in the last few years, but these former plans lacked consensus, and were not actualized.

Process

As such, the Consultants designed a planning process utilizing the elements in the proven "positioning model" (below).



SECTION 2: LEE COUNTY CURRENT ECONOMIC REALITY

The Lee County Economy - Current Reality

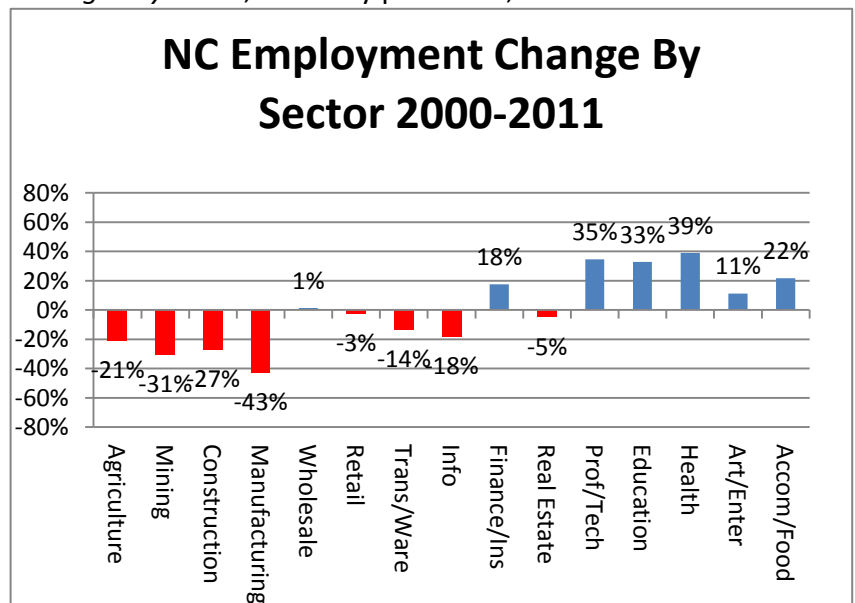
Contextualizing Lee County's Economy in a Global Economy of Rapid Change

Over the past two decades the national and North Carolina economies have transitioned through the worst recession since before World War II. After more than 4 years of recovery, many places, including Lee County, are struggling to replace lost jobs. As a nation we are still millions of jobs, and years, short of full recovery. The global slowdown in overall growth and especially the continued recession in Europe, our largest traditional trading partner, have resulted in an uncertain and tepid recovery.

During the same period we have also experienced rapid global change. The impacts of globalization, urbanization, manufacturing transformation, and corporate restructuring have rewritten the rules of "place" competitiveness. North Carolina has been profoundly impacted and Lee County and its citizens have been swept along in the change.

Both the economies of North Carolina and Lee County have long been dominated by manufacturing, but in recent years the state has lost a high percentage of its manufacturing jobs. Employment growth has been dominated by finance and insurance, health and education services, and business and professional services. To effectively craft economic development policies and allocate resources, Lee County needs to understand the changes and choose a new path forward. Simply put, more of the same will yield diminishing economic success.

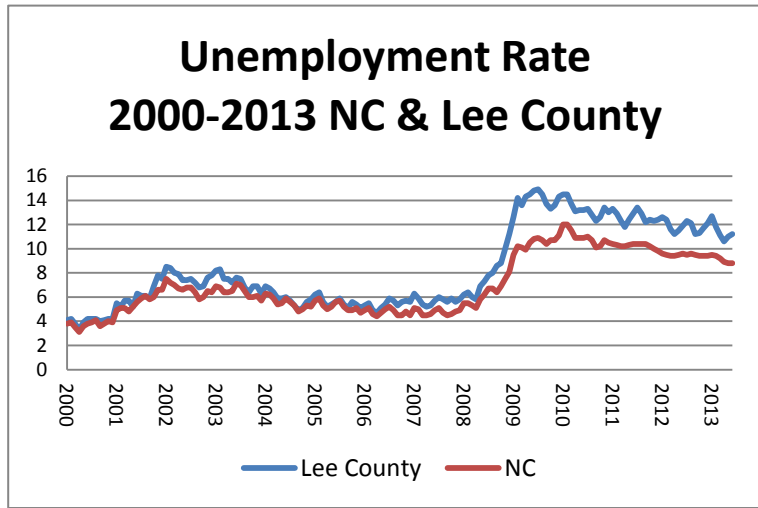
Globalization's impacts cannot be overestimated. In 1986 the Southern Growth Policies Board report, *Halfway Home and a Long Way to Go*, correctly predicted, "the opportunity offered by world markets is balanced by the challenge of world competition." At the time, most policy analysts assumed that we would be competing and trading with European countries whose economies were similar to ours and a few lower cost countries where low-wage manufacturing was beginning to migrate. The fall of the Soviet Union and the opening of Eastern Europe in 1989, the market reforms in India in 1991, and most significantly the economic transformation of China precipitated by Deng Xiaoping's



adoption of free-market reforms that began in 1978, have dramatically changed the number and types of free-market workers with whom southern workers must compete. The scale was unimaginable in 1986. Over the past 25 years, global trade has exploded.

Globalization has affected the South with jobs and traditional industries, such as textiles and apparel, lost to new competitors. Public policies such as the North American Free Trade Agreement in 1994 accelerated some of that change. However, globalization brought “in-sourced” jobs with

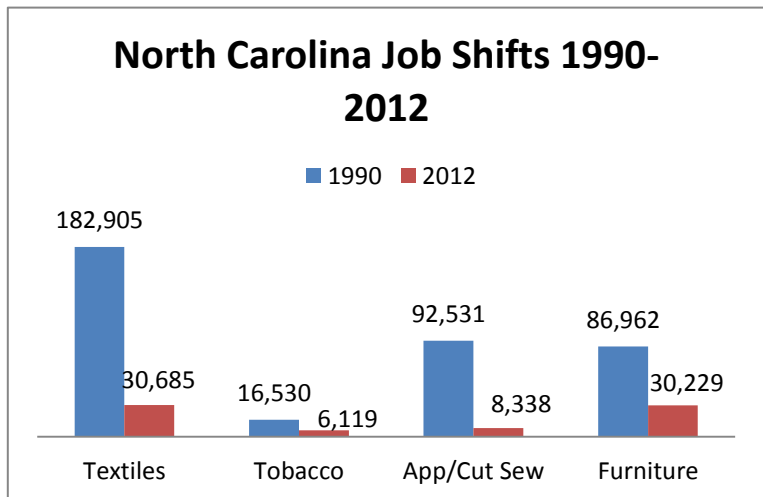
increased foreign direct investment (FDI) by multinational companies and new markets for manufactured and agricultural goods for export. The balance of the impact remains hotly debated, but today the context is that the states of the South must operate in a very different world than was imagined in 1986. Place competition for prosperity has heightened. The impacts of accelerated globalization have exacerbated the gap between the places that are prospering and those that are not. For North Carolina, the traditional manufacturing sectors have witnessed an 80 percent loss of jobs.



When examining Lee County’s economy several trends jump out. **The first is that the Lee County economy is still experiencing high unemployment and has not recovered as quickly as either the state or many of the surrounding counties.** During the

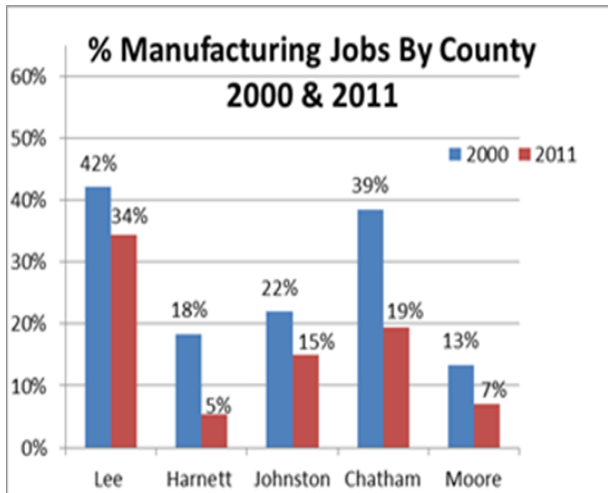
recession the Lee County economy saw local unemployment rates climb to almost 15%. In contrast, the unemployment rates in the 2001 recession peaked at just over 8%. The depth of this recession was unprecedented and impacted manufacturing dependent economies more acutely than other communities.

Through much of the last decade Lee County’s unemployment rate has closely followed the state of North Carolina and consistently remained slightly higher than the unemployment rate for the Research Triangle Region. Since 2008, the local rate has stayed considerably higher than the regional rate and is also higher than the North Carolina rate.



Although some reduction has been seen in recent months, Lee County continues to suffer a double digit unemployment rate.

Second, the manufacturing sector, which dominates the Lee County economy, has been contracting nationally, more so in recent years, and the impacts have hit Lee County hard. Although we have seen some “reshoring” in recent months, the loss and the impacts on communities that are economically dependent on manufacturing have been devastating.



Even after recent losses 34% of the jobs in Lee County remain in the manufacturing sector.

Compared to neighboring counties, Lee has been more successful in maintaining a high percentage of manufacturing.

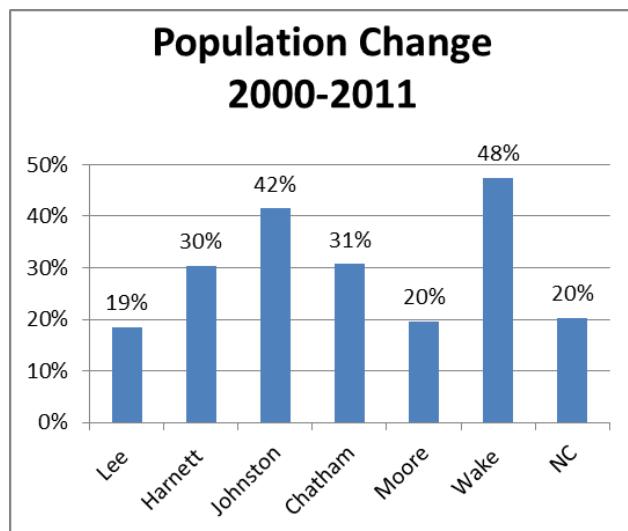
As can be seen in the chart below, according to the State Department of Commerce, 10 of Lee County’s largest employers are still manufacturers

1	Lee County Schools	Education & Health Services
2	Static Control Components Inc	Manufacturing
3	Coty LLC	Manufacturing
4	Pilgrim’s Pride Corporation	Manufacturing
5	The Pantry Inc.	Trade, Transportation & Utilities
6	American Cyanamid Co	Manufacturing
7	Amisub Of North Carolina Inc	Education & Health Services
8	Central Carolina Community College	Education & Health Services
9	County Of Lee	Public Administration
10	Caterpillar Inc	Manufacturing
11	Pentair Pool Products Inc	Manufacturing
12	Frontier Spinning Mills Inc	Manufacturing
13	Tyson Mexican Original Inc	Manufacturing
14	Wal-Mart Associates Inc	Trade, Transportation & Utilities
15	Liberty Healthcare Group Llc	Education & Health Services
16	Kelly Services Inc	Professional & Business Services
17	City Of Sanford	Public Administration
18	Magneti Marelli USA Inc	Manufacturing
19	Moen Incorporated	Manufacturing
20	J T Davenport & Sons Inc	Trade, Transportation & Utilities

Since 2000, the manufacturing jobs have also continued to change and companies are demanding higher skills from their employees. This is reflected in the jump in manufacturing wages from an annual rate in Lee County of \$31,131 in 2000 to 2012 wages of \$45,511. Overall average wages of in-county jobs are higher in Lee County than in the surrounding counties.

Third, although the Research Triangle Region is one of the nation’s fastest growing metropolitan areas, both in population and jobs, Lee County has grown at a slower pace. This could reflect another trend impacting places across America. The persistent problem of brain drain from rural communities combined with the more intensive focus by corporations on educated workers to drive innovation have reduced rural communities ability to compete for emerging new-economy jobs. Dense populations offer greater worker choices for employers and job opportunities, and have fueled the migration of educated workers. The new infrastructure favored, or even required by businesses, air service, broadband, and access to higher education resources, has favored cities. Some rural areas and small towns, especially those within the commuter shed of fast growing metropolitan areas have prospered as housing, retail and jobs have moved out. So too have places that enjoy a beach, a national park, mountains or some other tourism attribute. Gaming or other entertainment developments have transformed some places, with an ongoing debate on actual benefits. More recently, rising commodity prices or alternative energy have funneled wealth into rural areas.

From a location standpoint Lee County is both centrally located in North Carolina and close to many positive attributes. It is also close to the core of the Research Triangle region. RDU airport, with the opening of the 540 toll road is less than 40 minutes’ drive from most of the Lee County population. Nevertheless, population growth has been slower than the state as a whole and considerable slower than many of the neighboring counties. Part of the explanation is the global trend toward urbanization. Urban areas across the United States and the world have been growing at a much faster rate attracting rural residents and young people entering the workforce for the first time



More problematic for Lee County's economy is the lack of growth of in-county jobs. The number of Lee County residents employed has grown slightly reflecting the population growth, but the number of jobs within the county has dropped. This trend is reflected in most of the non-urban counties in the state and among most of the surrounding counties. Due to more commuting the impacts are felt more in tax base growth. While the balance of labor force and in-county jobs is almost equal, about 30 % of Lee county residents commute out each day and about the same percentage of in-county jobs are filled with people commuting into Lee County.

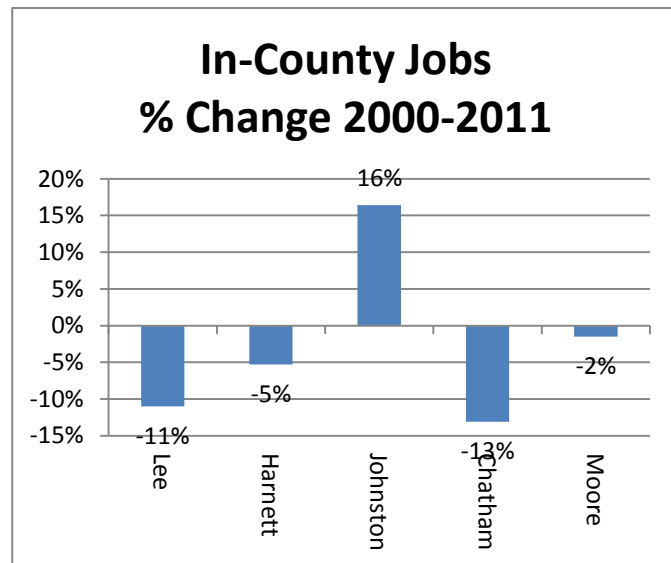
During the information sessions and public input sessions, a common observation was that many of those commuting in for jobs each day were managers in the major businesses. Many people expressed the negative impact that they felt this was having on the local economy.

Finally, as locational factors have evolved, Lee County's "product" is mixed and must continue to improve to successfully compete.

The locational factors that influence site location have been evolving in recent years. Some of these changes are benefitting Lee County while others are creating challenges. For different types of companies different factors are more important. With intense national and global competition for jobs, investment, and talent the bar to be successful continues to rise.

There are dozens of community characteristics that any locale needs to be competitive. The top factors are a combination of costs, labor, infrastructure, location and regulation.

Below are the top 10 locational factors that were rated by businesses executives and site selection consultants in two recent studies:



Factors Identified as Most Important for New Investment by Area Development Magazine Survey of Site Selection Consultants in 2011:

1. Highway accessibility
2. Labor cost
3. Available skilled labor
4. Corporate tax rate
5. Occupancy costs
6. State and local incentives

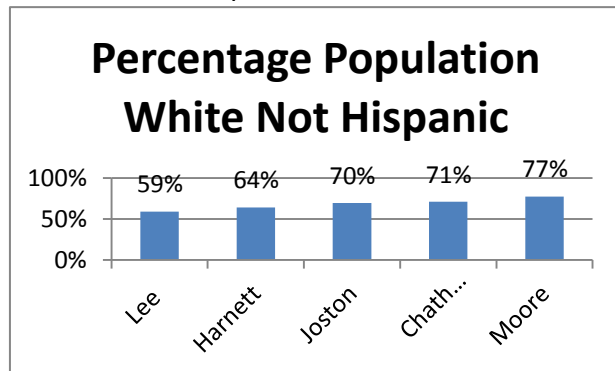
7. Energy availability and cost
8. Tax exemptions
9. Proximity to markets
10. Low Union Profile

What Matters Most in Site Selection as Determined By a *Site Selection Magazine* Survey of Business Executives in 2012:

1. State & local tax scheme
2. Transportation infrastructure
3. Utility infrastructure
4. Land/building prices & supply
5. Ease of permitting and regulatory process
6. Existing workforce skills
7. Local economic development strategy
8. Legal climate
9. Availability of incentives
10. State economic development strategy

Lee County’s current competitive positioning is also a product of its demographics. Lee County has a higher percentage of young people, those under 18, than Chatham or Moore County and fewer seniors, those over 65. When compared to Harnett and Johnston, Lee has a lower percentage of youth and a slightly higher percentage of seniors.

Lee is the county within this group with the most diversity. As can be seen on the chart, Lee’s white non-Hispanic population is less than 60%.




Educational attainment levels are a clear competitive disadvantage for the county. Among its neighbors Lee County has the lowest percentage of the population with a high school diploma and the second lowest with a bachelor’s degree. This certainly hurts the county as it competes for more knowledge-based industry jobs.

SECTION 3: DESIRE FOR THE FUTURE

The Commissioners prioritized public engagement throughout this process. The Consultants were asked to develop multiple ways to get citizen idea and priorities for economic development. Following this direction, the Consultants employed a series of feedback tools including: 1. Community Leader Interviews; 2. Community Survey; 3. County-wide Economic Forum; 4. County Manager/Department Head session; and 5. Public Input Sessions in Sanford, Broadway, and Deep River. In addition, a special-called input session was held for Agriculture Representatives. Feedback is summarized below.

1. Community Leader Interviews

Following the charge of the Commissioners, the Consultants conducted interviews with individual Lee County leaders.

Summary of Community Leader Feedback		
<p>REALISTIC COMPETITIVE ADVANTAGES</p> <ul style="list-style-type: none"> ▪ Shale gas reserves ▪ Community College (industrial training) ▪ Water ▪ Airport <p>MIXED REVIEWS</p> <ul style="list-style-type: none"> ▪ K-12 ▪ Tourism/Visitors ▪ QOL amenities ▪ Industrial Park (not prominent) ▪ History/Legacy ▪ Sanford Pottery Fest 	<p>IMAGE</p> <ul style="list-style-type: none"> ▪ Poor job of getting out message ▪ Tell the story differently ▪ Get the attributes out there—close to the Triangle, the Triad, Fort Bragg ▪ Low cost of living ▪ Known as having a # of small to midsize manufacturers 	<p>BARRIERS TO LEE COUNTY'S GROWTH</p> <ul style="list-style-type: none"> ▪ Lack of collaboration; no means to address ▪ Lack of workforce skills ▪ No effective message/story ▪ Poor economic development transaction ▪ No visitors' bureau ▪ Lack of clear policy/agreement on incentives ▪ Lack of leadership ▪ Lack of a plan ▪ Quality buildings ▪ Slow regulatory process ▪ Inability to attract/retain talent
<p>WHAT WILL HELP LEE COUNTY</p> <ul style="list-style-type: none"> ▪ Agree on structure for economic development ▪ Involve the private sector; engagement ▪ Optimize assets—notably the community college—impact on recruiting and support of existing businesses ▪ Support targeted high-growth companies ▪ Tell our story ▪ Optimize our infrastructure ▪ Explore other options—energy, tourism 		<p>EFFECTIVE PLAN OUTCOMES</p> <ul style="list-style-type: none"> ▪ Be able to tell the story ▪ Stronger industry input (CEO forum) ▪ Look longer term for plan to follow ▪ Improve collaboration-communication ▪ Create a better delivery structure for economic development; have the capacity to deliver services ▪ Support entrepreneurship ▪ Support existing small to midsize companies

2. Community Survey

Summary of Community Leader Feedback

A web-based survey was designed with input from county leadership. Representative populations were identified and specific questions outlined for strategic feedback. The results of the survey demonstrated the level of interest from the business and broader community in Lee County economic development. Over 350 people responded to the survey (24.4% of which own a business in Lee County).

The top responses to “The most important elements to a successful plan” were:

- Collaboration between business, government, and education
- Adequate resources to implement plan
- New ideas
- New sources of revenue for economic development

Top areas of Lee competitiveness:

- Location
- Highway accessibility
- Natural resources

Important sectors for the future:

- Advanced manufacturing
- Energy
- Pharmaceuticals
- Advanced medical care

Top area for economic development investment

- Business recruitment
- Workforce development
- Education

3. Economic Forum

Below is a summary of the March 1, 2013 Community Economic Forum outcomes:

Summary: Outcomes of Strategic Plan; Aspirations	
Cooperation and Collaboration...utilize the strength of experience and familiarity with the Sanford-Lee County business, corporate history and cooperative spirit	Developed and improved education, from K-12 through college level, improving graduation and dropout rates as well as quality of the educational system
Hear the vision of our elected officials	Assist the development of existing small and large businesses currently operating in our community
Funding for the Plan; commitment to the Plan	
New organization to lead economic development	What are the actions local government is taking to enhance the growth of small business
Bring Lee County up a level to be a more desirable place to live and work	All "investors" demand a pro-forma P&L and balance sheet before investing
Ways to bring new businesses and jobs to Lee County	Expand manufacturing to broaden worldwide output
Tell Lee County story; improve image; express what makes Lee County unique from other counties; beautification; amenities	Commitment toward developing visitation-tourism
Diversity of employment	Build on the agriculture legacy
Significant drop in unemployment we have been in bottom 15% in state; make realistic move to be in top 25%	Managed, well planned economic growth through energy development, continued concentration on education
Taxes, regulations that encourage big growth	Encourage independent thinking and contributions; have continued meetings such as this; create a leadership council

At the forum, there was a short presentation on a proposed Economic Development Corporation. Following that presentation, these were the key comments:

Feedback @ Forum: Proposed Economic Development Corporation	
Want a different effort, greater effort	Must take a regional approach because people do not care about county lines
Focus the effort, want specific timelines on transition to more private money	Determine the role of the private sector in economic development and recruiting
Need to tell the Lee County story	Would like to see bigger picture of quality of life issues
Be specific on the County's investment in economic development.	Need clear metrics on all the right things
Show companies what they are going to get back	Collaboration from public sector is required
ROI is common ground	

Forum participants were also asked about their one great idea for growing Lee County:

Summary: "Great Ideas"	
<p>Commitment in the coming fiscal year for the public entities to double their funding to staff this enterprise in the first year only – in order to show support and get things going</p> <p>Board representation should involve one leader from each area of economic development whether they are a stakeholder or not – diversity!</p> <p>Capitalize on Sanford/Lee county central location with roads/rails/airport/water/sewer/natural energy resources – sell our stuff!</p> <p>If we pursue branding understand that the “product” should be what forms the image</p> <p>Identify and focus on economic growth sectors</p> <p>Transform Lee county with oil and gas exploration, coupled with smart, cooperative regulation actions</p> <p>Community unity: find one event we can all rally behind (as happened in tornado recovery) that can be ongoing, generating common pride, enthusiasm and community cooperation building</p> <p>Make a name for Lee county; fund an innovative museum to bring people in from across the state; tourism money</p> <p>Develop a water park</p> <p>Develop local foods, local restaurants, recreational areas, education programs, farm and forest tours</p>	<p>Work with or use similar business and industry recruiting tactics that the state of NC uses, use some of their ideas</p> <p>Acknowledgement of all the things in the community that people want to see established or improved and that that acknowledgement be made as public as possible</p> <p>Vibrant downtown with cultural and business opportunities that are unique within the region</p> <p>City and county will jointly develop a certified industrial site/park for industry recruitment</p> <p>Build trust in the leadership of Lee county</p> <p>Elect a dynamic mayor that can lead the city, county, and the town of Broadway</p> <p>Agree on a cohesive, competitive incentives policy</p> <p>Pay Pre K – 12 school teachers at least 50% above state average and require teachers to live in county</p> <p>Locally, fund and support public schools and CCCC</p> <p>Transfer innovative center N2 advanced manufacturing center</p> <p>Fund the Economic and Community Development building (formerly known as the Continuing Education building) at CCCC</p>

4. Lee County Manager and Department Head Feedback

A session was facilitated by the Consultants to engage the County Manager and the Department Heads in mapping out ways in which the County is involved in current economic development programs and how that involvement will translate into the future:

Summary: County Manager/Staff Feedback	
<p>Economic Development Commission: Financial support of EDC Support of EDC in development of specific infrastructure support of industrial park properties</p>	<p>Quality of Life: Develop assets that would enhance development including county parks, Temple Theatre, Arts Council Housing Improve senior and retirement living Regional cultural events</p>
<p>Comprehensive Planning and Development: land management, transportation, infrastructure, inspection services, zoning, safety</p>	<p>Marketing and Promotion: Recruitment</p>
<p>Education: Financial support to Lee County School System Financial support to CCCC, apprenticeship programs with companies and community colleges, college high school early collage, company training</p>	<p>Business: Tax incentives for business agreements that add value to the tax base Seeking new retail businesses and restaurants Pursuing fracking opportunities</p>
<p>Visitors: Attracting visitors to the county particularly for weekends Working with ad hoc hospitality group to develop ideas – special events, sports tournaments</p>	<p>Infrastructure : Airport expansion 421 Bypass Solid waste programs 43 miles of river front amenable to canoe/ kayak adventures</p>
<p>New Military: Work with Ft. Bragg and surrounding areas on BRAC plus specific issues—housing, veterans services</p>	<p>Collaboration with surrounding communities: Regional planning Inter-local agreements</p>
<p>Information/data: Investigation and research of how viable it would be to designate certain parts of Lee County as natural gas fracturing areas Supporting, internet/ telecom/ entertainment infrastructure</p>	<p>Health & Safety: Primary health care clinic—broad-based testing and lab services The health department (with support from the county) has partnered with a local nonprofit entity, lee county industries (lci)</p>

5. Public Forums

A series of public forums were conducted between May and July 2013 with the communities of Sanford, Broadway, and Deep River. There was also a special-called session with representatives from the Agricultural community. The feedback from these forums is summarized below:

Summary: Sanford/Broadway/Deep River	
<p>Make sure that Lee County plan complements and aligns with the new state of NC Plan</p> <p>Focus on the return on investment (ROI) and make sure whoever is responsible is measured on results</p> <p>Because the city of Sanford controls the water and sewer the plan needs to have their support</p> <p>Be more aggressive with branding Lee County in Wake and Durham Counties</p> <p>Priorities should include: Opportunities for a diverse population</p> <p>Don't put all the eggs in one basket</p> <p>Towns need to be included</p> <p>Manufacturing must be a priority</p> <p>Focus on improving the demographics by encouraging a better product</p> <p>Skill training must be one of the top priorities</p> <p>Try to incent higher wage and skill workers to live here</p> <p>Incent high workers with investments in education, arts, recreation</p> <p>A better, high-end housing product (zoning requirements need to be strengthened)</p>	<p>Infrastructure to rural areas</p> <p>Farmland preservation</p> <p>Incentives to encourage the development of energy resources</p> <p>Use retirees to help with youth through volunteerism</p> <p>Measures:</p> <p>Tax rate</p> <p>Jobs for Lee County residents</p> <p>Aesthetics- sidewalks, underground power lines, etc.</p> <p>Curb and sidewalk</p> <p>Traffic counts</p> <p>Sales tax revenues</p> <p>Change in retail sales compared to surrounding counties</p> <p>Skill sets of labor</p> <p>Socio-economic factors</p> <p>Remember to love manufacturing</p> <p>Areas of Focus: How to get white collar jobs and get white collar to live in Lee County</p>
Measures of success	
<p>Decline in unemployment rate</p> <p>Good job creation</p> <p>Rise in median income</p> <p>Jobs for local citizens</p> <p>Jobs with Benefits</p> <p>Lower crime rate</p> <p>Entertainment usage</p>	<p>Satisfaction surveys</p> <p>Capture rates for entertainment and shopping disposable income</p> <p>Health of the environment, water and air quality</p> <p>Suggest:</p> <p>Better internal promotion for existing things</p> <p>Measure often-monthly</p>

Summary: Agriculture Representatives

Agriculture as an ASSET to the economy

<p>Rural county provides basics for property taxes open land is a gain</p> <p>Infrastructure of Agri-business; farms; companies (chickens/processing/cold storage)</p> <p>Brings in labor that is not just farm labor</p> <p>Technology and equipment utilized; equipment; tax on equipment is high</p> <p>AG drives other business—supply chain</p> <p>Promotion of Agri-tourism--Farmers Market, etc.</p>	<p>Diversified AG in Lee Co; forestry/road crops/poultry; green (nursery); livestock; horses;</p> <p>Other counties this is not the case</p> <p>Strong produce growing sector</p> <p>Always been here; even in bad years; dependable;</p> <p>Nat'l resources; #1 national resource; income to people; fuels other businesses;</p> <p>Pleasing to the eye rural landscape; nice landscape;</p>
---	---

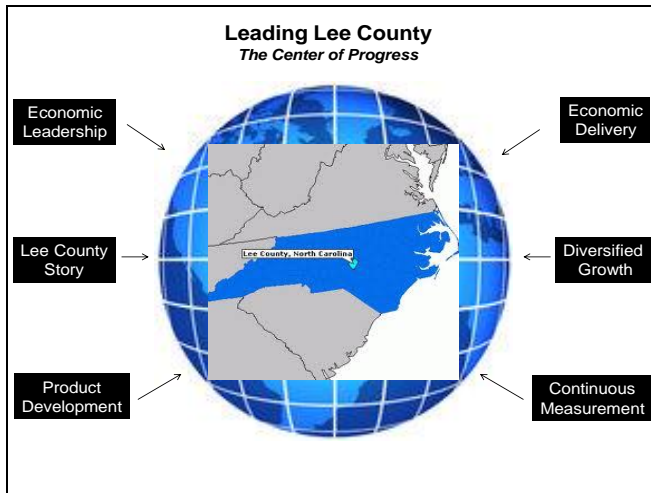
Barriers for Agriculture in Lee County

<p>Attitude; apathy toward AG by some persons/groups vs. becoming a Cary or ind community</p> <p>Urban sprawl/development; tobacco lands, etc.;</p> <p>Lee Co has so much land, but can be gone; Land sales-- even if someone can't turn down; IN has lost land equivalent to Indianapolis;</p> <p>Industrial company comes in; only here a short while; but farmers have stayed; farmers must be educated; has to be a business must be on top of;</p> <p>Gov't programs; have to be denied to get qualified; some banks don't work with AG;</p> <p>Lack of incentives/\$ for AG</p> <p>Over regulation; EPA, FDA;</p>	<p>Small family farms threatened; big AG can also go out of business</p> <p>Lack of interest by certain groups is a product of lack of education; hard to get AG program in schools</p> <p>Median age of farmers is increasing; kids don't have desire;</p> <p>New folks moving in don't understand AG; spreading chicken litter (stinks); irrigation;</p> <p>Have to go out of County to find equipment for tractor;</p>
---	---

What the County can do for Agriculture

<p>AG needs a seat at the table; be a big part of County economic development</p> <p>Need more local state government awareness/education on value of AG</p> <p>Training/Technology; leads to job creation; need people to calibrate equipment; community college training on... series of things; Community College/Extension; more education/training;</p> <p>Assist; area farmers meetings; Are farmers organized? Need to come together and share</p> <p>Fund AG staff;</p> <p>AG needs advertising/marketing/billboards— “thank your farmer today”—e.g., Wayne Co (funding)</p> <p>Agencies; help a lot;</p>	<p>More support for Extension service; \$; publicity; starts in McSwain bldg;</p> <p>AG can build relationships; be a partner to Economic Development; can work with— infrastructure, etc.;</p> <p>How to help farmers diversify; e.g. Ashe Co; helping small rural farmers;</p> <p>In Sanford, allow advertising offsite of your property</p> <p>A cooperative with downtown Sanford; Extension working with</p> <p>AG will continue to change (in Lee Co); notably how it's changed the last 100 years;</p> <p>AG advisory board does meet with Commissioners; better than nothing, but revisit how it's organized; quarterly meetings—need to ramp up;</p>
---	---

SECTION 4: CONSULTANTS' RECOMMENDATIONS



Leaders are dealers in hope.
Napoleon Bonaparte

1. Provide Clear Economic Leadership

Throughout the process the need for clear, collaborative, and innovative leadership was cited as a priority, if Lee County is to reach its economic potential. Leaders see the future, reduce complexity, tell the story, engage other leaders, and do things to improve their followers' lives.

- a. County Commissioners, the County Manager, and County Department heads should state that economic development is a top priority of County government and should demonstrate their leadership through the implementation of this plan.
- b. Establish systems and routines to engage and collaborate with the private sector on a regular basis.
 - i. Private companies and executives in the county should provide additional leadership, information and resources to the effort
- c. Support a new structure to deliver economic development services.
 - i. Program that systematically brings multi-sector leaders together to discuss ED issues on a quarterly basis during the first two years of the plan implementation.
- d. Create culture of learning and best practices for Economic Development.
 - i. Create a portal within the County Web site for economic development articles/information/etc.
 - ii. Develop a sustained leadership program for existing leaders and to ensure future leadership capacity.
 - iii. Hold a series of informational sessions on economic development for the public to both keep them informed on activities in the county and new ideas and resources

2. Tell the Lee County Story Better

Place-based branding has become a more important part of economic development marketing in recent years. Lee County is competing not only with communities across the south, but also globally for new jobs and investment. As North Carolina undergoes a new branding effort in 2014, and the Research Triangle Region continues to build on its strong international brand for technology and quality of life, Lee County must do a better job of raising its profile and telling a compelling story.

- a. Develop a set of marketing talking points that projects Lee County in the best possible light for multiple audiences.
- b. Develop a Marketing/Branding initiative with a written plan that effectively projects Lee County's assets to targeted audiences. This should be developed and implemented by multiple groups. The plan should identify audiences, marketing vehicles, budgets, timelines, responsibilities and metrics for evaluation.
- c. Align the marketing messages (story) internally. Start quarterly alignment meetings for all organizations that promote the different aspects of Lee County including the County, City, Town, Chamber, Visitors Bureau, Community College and others. This will align messaging and hard-wire collaboration.
- d. Collect and catalogue stories of success/cooperation to help project possibilities to prospective investors as well as to existing organizations, businesses and citizens.
- e. Develop a program for internal storytelling for citizens and local influencers; celebrate success publically; includes metrics.
- f. Develop ways to tell your story through social media, blogs and other new media outlets.
- g. Take advantage/leverage the marketing efforts of the North Carolina Department of Commerce, the Research Triangle Regional Partnership and all efforts to promote the military associated with Fort Bragg.

3. Improve the Lee County Product

A community's "product" is the sum of all the strengths and weaknesses that impact locational decisions. Physical, fiscal, human, institutional, and collaborative infrastructures combine to define a place. While Lee County has many strengths, it also has competitive weaknesses. To be successful in attracting new jobs it needs to promote the strengths and address the weaknesses.

- a. Promote and Maintain Existing Assets
 - i. Promote the fact that Lee County is located centrally and has good access to the research universities, Research Triangle Park, RDU Airport, and Fort Bragg.
 - ii. Promote the excellent well-respected community college, a good supply of water and sewer and some very good sites for new investment.
 - iii. Lee County has some suitable buildings. Continuous monitoring of the available buildings and the current requests from the State Department of Commerce and the Research Triangle Regional partnership should be

institutionalized. Promoting the available buildings to the regional real estate community should be a high priority.

- b. Improve the Demonstrated Skills of the Workforce
 - i. The availability of a good workforce is always a top factor for investment decisions. Educational attainment rates and certification of in demand skills should be improved and prioritized.
 - ii. While Lee County does not have the workforce educational levels to successfully compete with nearby urban counties for employers requiring mostly college degreed workers, it can train a highly productive manufacturing workforce utilizing existing resources. Target companies that need middle skills that can be developed by the community college, and build strong ties between the local employers and the community college and the high school.
- c. Continuously Monitor and Improve the Business Climate
 - i. Annually compare the development review and permitting process to surrounding competitor counties to ensure both speed and predictability
 - ii. Review the County's incentive policies to ensure competitiveness, transparency, and adequate legal protection for the County

4. Reinvent Economic Development Delivery

Recruitment clients expect a high level of service, a single point of contact, and a clearly articulated structure. Site Selection Consultants will not refer clients to any community where their clients cannot get the services they expect. Both the NC Department of Commerce and the Research Triangle Regional Partnership, the source for most Lee County recruitment clients are currently going through organizational changes. Lee County needs to reinvent its structure to successfully implement this plan. Since different needed services are provided by both the County and the municipalities a level of cooperation is needed.

- a. Develop a Public-Private system with shared responsibility and costs.
- b. Use a collaborative approach leveraging all existing assets; (Community College, RTRP, NCDOC, Cooperative Extension, Industrial Extension Service, SBTDC, etc.).
- c. Deliberately create structures to build cohesion such as regular institutional partner meetings.
- d. Develop a single economic development Web portal for all clients with all needed information provided and updated.

5. Promote Diversified Growth

Another theme that received widespread support throughout the process was the need to diversify the economy and the economic development activities. Lee County has had an economy dominated by manufacturing. It continues to be an important component of the economy. Recent expansions of existing manufacturers



and strong ties between existing businesses and the high school and community college demonstrate that the community needs to continue to value and support manufacturing.



Nevertheless, the economic health of a community is determined by all the wealth coming into the community.

To maximize opportunities and reduce the risk of another manufacturing recession, Lee County needs to support other economic development activities.

- a. Expand existing industry support by partnering with the Lee County Chamber of Commerce.
 - i. Develop a regular business visitation program with a goal of visiting 100 employers a year and all employers who employ more than 100 employees every year.
 - ii. Hold quarterly lunch discussions with employers (large and small) and the County Manager, key department heads and County Commissioners.
 - iii. Conduct an annual tour for County Commissioners of County businesses.
- b. Create a targeted visitor attraction effort.
- c. Expanded workforce-existing business partnerships.
- d. Explore the County's energy assets
- e. Maximize the impact of the agricultural sector by promoting exports of Lee County products.
- f. Target existing Lee County mid-sized companies for support. Midsize companies (employee size 25 to 300) have proven to be a job creation and retention accelerator.
 - i. Use resource partners (e.g., Community College, Industrial Extension, Cooperative Extension, and SBTDC) to design and deliver enhanced services.
- g. Develop a Lee County Entrepreneur Ecosystem.

The concept of having an entrepreneur ecosystem is a growing dynamic. It tends to be "place-specific" in that it is unique to the characteristics of a county or region.

 - i. Engage existing resource partners, (e.g., Community College, SBTDC, Cooperative Extension, Industrial Extension) to develop tactical plans.
 - ii. Encourage private leaders to develop a local Angel Network to fund promising businesses.

6. Continuous Measurement

Citizen and commissioner input highlighted the need to better monitor and measure the current economy and the Return on Investment for economic development funding.

- a. Develop a comprehensive “dashboard” for the county website to allow citizens to follow progress
- b. Hold an annual “state-of-the-county” economic summit to broaden the understanding of the economy to more leaders and citizens.
- c. Create expectations for each economic development activity and measure success against expectations.
- d. Purchase and use impact software for new projects seeking county participate or incentives.
- e. See Section 5 for more recommendations.

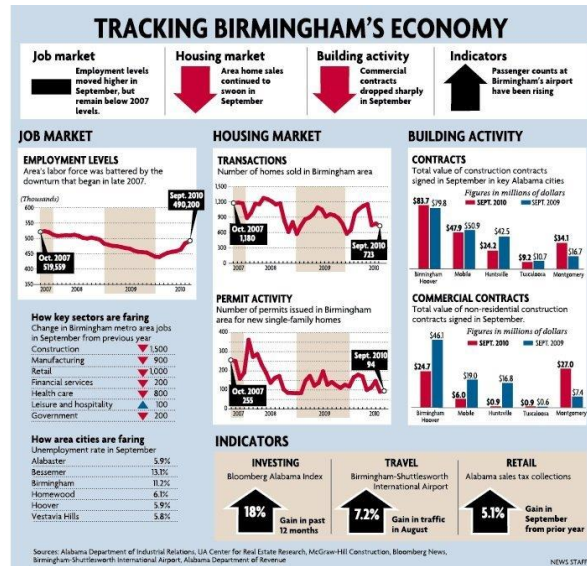
SECTION 5: METRICS

Development of Metrics

There was general agreement among the County Commissioners, and during the public input sessions, that future economic development efforts and funding, needed metrics to better evaluate impact. This is a popular current theme for economic development groups across the country and is one that we support for Lee County. An example from Birmingham can be seen in the diagram to the right. At the Economic Development Summit this sentiment was echoed by many participants, especially those from the private sector. A common refrain was the need to see a return on investment. At this summer's public input sessions we asked for recommendations for measures of success.

In addition to measuring the return on economic development activities there was also strong support for more broadly measuring activities and metrics of county performance. Specifically it was suggested that public policy decisions be informed by a commitment to continuous monitoring and measurement. Based on all the input:

We recommend that a comprehensive dashboard of metrics be developed, maintained by County staff, and broadly shared with the public.



These metrics would serve multiple purposes:

- To inform the overall community of the progress being made toward broader community goals such as safety, educational attainment, and poverty rates.
- To constantly monitor economic indicators so that the county can understand and react to changes and trends
- To evaluate the effectiveness of economic development funding and activities.
- To market or brand the community by providing comparable data with surrounding communities.

The county employs staff with expertise about the metrics that are currently being collected. We recommend that over the next few months, in preparation for the budget deliberations for FY 14-15, the staff work with the County Commissioners to develop a final set of indicators that can be maintained with existing resources.

We also recommend that indicators be collected and presented in 3 formats.

1. **Longitudinal Graphs** demonstrating the trends over time for the indicator.
2. **Comparative graphs** showing Lee County performance against neighboring and competitor counties
3. **Performance against goals.** During the next budget cycle the County should develop reasonable goals for the impact of their investments

There is value in monitoring and understand these metrics for planning and comparison purposes, but the County should also attempt to evaluate whether specific actions and funding have a causal impact on the results. Some metrics lend themselves to short term influence while others are much more dependent on global economic trends or state or federal investments or regulations.

As a program of work is developed for economic development activities funded by the County we recommend that a realistic consideration of impact be used to develop reasonable metrics. County priorities should drive both the activities that are funded and the outcomes that are expected.

We further recommend that a more comprehensive “dashboard” be developed for the County website to allow citizens to follow progress.

In addition to a dashboard, since data is released at different times throughout the year, we recommend a social media platform be used to inform citizens. As an example, Gross County Product and exports by county are released annually, while the unemployment rate is released monthly, each could be tweeted or posted on Facebook as the data is published.

We also recommend that an annual State of the County event be used to align the public understanding of the progress from the previous year. The State of the Region event draws big crowds and raises enough funds to supplement the research needed to maintain the data throughout the year. This could provide a self-sustaining model for Lee County.

STRATEGIC ACTION PLAN

Any strategic plan requires organized methods to execute the plan. While the Consultants have not been engaged to assist with the execution phase, we have prepared an **ACTION MATRIX (appendix #1)** to help Lee County leaders and administrators with this process.

The matrix is provided as a management tool. It is intended to be a starting point for plan deployment, serve to help manage tasks over time, and keep implementation of the plan on track. Plan deployment and implementation should be monitored by designated leads.

The matrix is organized by the **key drivers** of this plan:

- I. Lee County Economic Leadership
- II. The Lee County Story
- III. Product Development
- IV. Economic Development Transaction/Structure
- V. Targeted Growth & Economic Diversification
- VI. Continuous Measurement

Using the comprehensive feedback we received, we have developed **Goals, Strategies,** and suggested **Actions**. Through our conversations some of these are more thorough, more fleshed out. Others require the further attention of the appropriate leadership and county management area to evaluate and move forward. All identified actions are intended to serve as solid starting points.

In addition, the Consultants will be happy to be engaged to further assist with plan execution as deemed appropriate.

There is also a separate section on Continuous Measurement where metrics can be agreed upon and tracked.

Please see appendix #1.

APPENDICES

The following appendices are provided to help support and document the development of the LEE COUNTY ECONOMIC GROWTH Strategic Action Plan. Some appendices were provided in previous Consultants' Reports, and are included in this final plan for newly elected officials and other new county leaders.

APPENDICES:

1. Action Matrix
2. 1st Consulting Summary (July 25, 2012)
3. 2nd Consulting Summary (December 28, 2012)
4. Board Session (January 13, 2013)
5. 3rd Consulting Summary (March 18, 2013)
6. Where is Lee County Today?
7. Lee County Unemployment through July 2012
8. Unemployment since 2000
9. Lee County Residents Employed
10. In-County Jobs (2000 to 2012)
11. In-County Jobs (type of industry)
12. In-County Average Wages
13. Lee County Average Wages (manufacturing)
14. Labor Force Change
15. % In-County Manufacturing Jobs (2000)
16. % In-County Manufacturing Jobs (2000/% 2011)
17. In-County Job Change (2000-2011)
18. In-County Wage Change (2000-2011)
19. In-County Manufacturing Job Change (2000-2011)
20. Lee County Avg. Wages-Manufacturing