

# North Carolina in the New Economy

## Case Studies from the North Carolina Chapter of the American Planning Association

Ben Hitchings

Rodger Lentz

Lance Hight

Jenny Mizelle

With an introduction from John Morck, APA-NC President

*Editors' Note: Carolina Planning regularly publishes a feature highlighting projects from members of the North Carolina Chapter of the American Planning Association (APA-NC). These stories feature economies transitioning from manufacturing to services and culture and generational shifts in values and community preferences.*

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## The Economic Value of Planning

John Morck, AICP

As a land use planner, I can remember sitting in multiple conferences and workshops discussing the coming changes to the labor force and the consequences of the retiring baby boomer generation. Since then, time has passed, and that “future” event is now in full swing. The entry of the millennial generation into the labor market has been a popular subject in the past few years. Several polls have been taken to try to understand what motivates this new generation, informs their decision making, and sets them apart from previous generations. In his article *Planning for Prosperity: Understanding the Economic Perceptions and Community Preferences of the Millennial Generation*, Ben Hitchings shares the summary results of a national poll commissioned by the American Planning Association in 2014.

This poll is of interest to planners because it focuses on attitudes toward locational preference and desired community features. This is timely information for communities trying to remain competitive and, in some cases, relevant in post-recession North Carolina. The NC Chapter of the American Planning Association participated in this study by sponsoring an oversample of North Carolina workers thus ensuring better local data. The poll not only surveyed millennials, but also the attitudes of Gen Xers and Active Boomers. The poll and its subsequent summit and forums kicked off the Chapter’s Planning for Prosperity initiative. This signature program is designed to highlight the importance of planning to sound economic development and community well-being.

**John Morck, AICP**, is President of the North Carolina Chapter of the American Planning Association and Planning and Community Development Manager for the City of Wilson. Mr. Morck has served the NC Chapter as professional development officer among other capacities. His planning career includes service as a manager with the NC Dept. of Commerce and city, county, and regional agencies.

**Ben Hitchings, AICP, CZO**, is the Planning Director for the Town of Morrisville, NC. In his role as the past President of the North Carolina Chapter of the American Planning Association, he received the APA Chapter Presidents Council Leadership Award for 2014.

**Rodger Lentz, AICP**, is the current Chief Planning and Development Officer for the City of Wilson and is a former President of the North Carolina Chapter of the American Planning Association. Mr. Lentz is also a current Board Member of the APA Board of Directors from Region II.

**Lance Hight, AICP**, has been the Planning Director for the City of Conover since 2007. He has worked on a variety of transportation, economic development and recreation projects. He is currently a 2016 Master’s candidate in Public Administration from Appalachian State University.

**Jenny Mizelle** has served as the Director of Economic Development for the Town of Holly Springs since 1998. She received her B.A. in Urban Affairs from Virginia Tech and worked professionally in the fields of mortgage banking and community development prior to her current position.

It's been said many times that thriving communities do not happen by accident. It takes a well-defined vision and the desire to pursue that vision through creative strategies, partnerships, and hard work. The three case studies presented in this issue demonstrate what can be achieved when the planning process, coupled with commitment, is used to craft a new economic vision for a community. Each of these communities was faced with a challenge. Two of the communities, Conover and Wilson, were formerly thriving industrial towns of the "old" economy. Each community used their visioning process to develop a revitalization strategy to become competitive in today's market place. They then took bold action and moved successfully toward their visions. The third community, Holly Springs, was a small town turned suburban bedroom community that needed to diversify its tax base. Through leadership and creative partnerships, the town became its own industrial recruiter and successfully attracted a new bio-pharmaceutical industry to balance its economy.

The power of cooperative planning to shape our cities and counties cannot be overestimated. In a 2012 documentary, WRAL-TV in Raleigh described what it called the "Other NC." The report focused on the rural communities and small cities outside the piedmont crescent that have not shared equally in the recent economic recovery. In contrast, the authors of these articles demonstrate that, through vision and partnerships, rural communities do not need to be left behind and can compete successfully in North Carolina's new economic future.

## Planning for Prosperity: Understanding the Economic Perceptions and Community Preferences of the Millennial Generation

Ben Hitchings, AICP, CZO

Recently, I walked past a door in downtown Durham and saw our economic future flash before my eyes. There was a sign with a red and white icon, and the words "Two Toasters" written on it. This was not an appliance retailer with a limited inventory, but rather a high-tech start-up that develops cutting-edge mobile apps for customers such as Airbnb, Zumba Fitness, and Ebates. This start-up could be located in Mumbai or Moscow, but instead its founders chose downtown Durham. The reason? Talent attraction. What I saw also highlighted the fundamental importance of planning in ensuring our economic prosperity.

More and more, companies cite the importance of skilled labor in achieving success in a global economy. Millennials are now the largest segment of the population

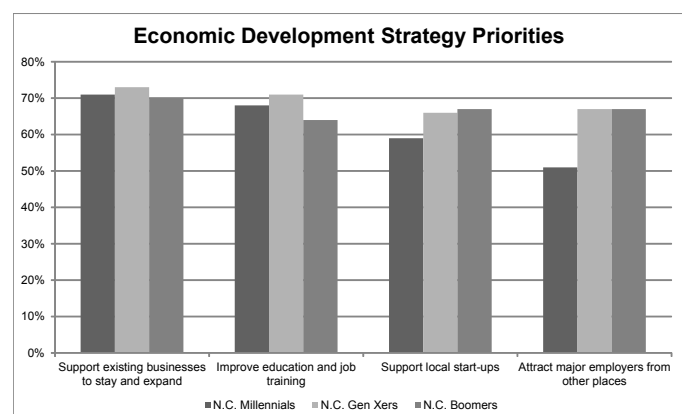
nationally, and are close to surpassing Gen X in total numbers in North Carolina, where the population is slightly older than the national average. Millennials are also a highly mobile population. Understanding what they want and how they make their locational decisions has become an undertaking of fundamental importance to our state's economic well-being.

To better understand how to attract and retain Millennials, the North Carolina Chapter of the American Planning Association (APA-NC) worked with APA National in 2014 to conduct a special poll. APA hired HarrisPoll, now part of Nielsen, to conduct a scientific survey focusing on the economic perceptions and community preferences of Millennials (ages 21-34), both in North Carolina and nationwide. HarrisPoll also surveyed Generation Xers (ages 35-49) and Active Boomers (ages 50-65). More details on the polling methodology are included in the corresponding sidebar. Here are the results, along with selected commentary on their implications for planning and economic development initiatives.

### Economic Perceptions

The poll began by exploring economic perceptions. 74% of N.C. Millennials said the view that the U.S. economy was "fundamentally flawed" was closer to their belief than the statement that it was "fundamentally sound." 75% of Gen Xers and 70% of Active Boomers shared this perception. These responses are probably not surprising coming on the heels of the Great Recession and the widespread economic disruption that it caused. Nevertheless, the results indicate that Americans young and old are concerned about the structural health of the economy and are interested in new ways of building economic vitality.

To help grow the economy, 61% of N.C. Millennials favored investing in schools and community features such as transportation choices, walkable areas and making the community as attractive as possible, as opposed to investing in recruiting companies to their area. 56% of N.C. Active Boomers and 51% of Gen Xers shared this view. Most communities probably use some combination of the two strategies, but these responses suggest a desire for a stronger emphasis on community investment.



When asked which of the following strategies they believed would most help strengthen the local economy, Millennials, Gen Xers, and Active Boomers all demonstrated strong support for helping existing businesses. However, Gen Xers and Boomers embraced a broader range of strategies at a consistently high level, while Millennials evidenced somewhat lower support for helping local start-ups, and were split on support for recruiting major employers from other locations.

For most questions, the response of N.C. Millennials mirrored that of Millennials nationally. One topic where the responses had a statistically significant difference was on the question of whether the respondent had already started a business, or was planning to start one. 49% of N.C. Millennials responded “yes”, compared with 38% nationally. Similarly, 40% of Gen Xers in North Carolina responded “yes”, compared with 29% nationally. In contrast, 21% of Active Boomers responded “yes”, both in North Carolina and in the national sample.

The question then is what reasons might lie behind these differences. One professor I talked with hypothesized that this might reflect necessity, with N.C. Millennials potentially having more difficulty finding a job and instead having to develop their own paying work during the Recession, since unemployment in North Carolina was higher than the national average during this time. The fact that Gen Xers also exhibited this difference lends support to this view, since Gen Xers would likewise be more dependent on securing gainful employment and have a number of years remaining in the workforce, as opposed to potentially being able to retire, as might be the case for some Active Boomers. Another professor I spoke with suggested that this might be an indicator of the effects of the considerable focus on entrepreneurship in the University of North Carolina system in recent years, both in terms of class offerings and in terms of institutional support for developing and commercializing business ideas. Could this response suggest the existence of a strong North Carolina entrepreneurial spirit? More study would be needed to answer this question.

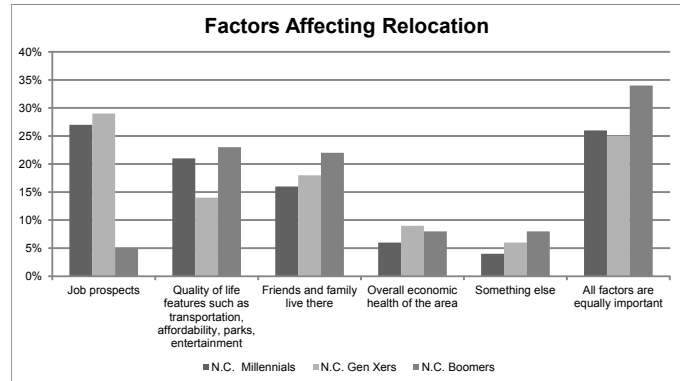
**Locational Preferences**

The second set of questions explored locational preferences. APA’s poll confirmed that Millennials are a highly mobile population, with 70% of Millennials responding that they were at least somewhat likely to move to another part of the state or to another state within the next five years (compared with 38% for Gen Xers and 30% for Active Boomers). The question then is what factors they would consider in their decision on where to relocate.

First, APA tested whether there was one overriding factor that respondents looked for when choosing where to live (see Table below). The results suggest there is no single factor that predominates. Instead, the highest scoring consideration was that a number of factors were important.

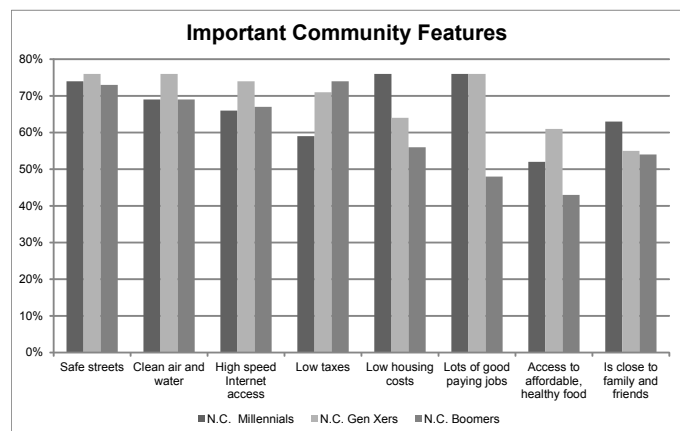
The APA poll then provided a long list of community

features, and asked which were a high priority. A large percentage of N.C. Millennials, Gen Xers, and N.C. Active Boomers agree on the importance of safe streets, clear air and water, and high speed internet access. They differ markedly, however, in their responses to the question of low taxes, low housing costs, and lots of good paying jobs. N.C. Millennials prioritize low housing costs over low taxes, while N.C. Boomers do just the opposite, with Gen Xers in between.



This difference is probably explained by each group’s relative point in its life cycle and the percentage of homeownership amongst younger, middle-age, and older North Carolinians. For example, the real estate firm, Redfin, notes that only 42% of Millennials own a home, compared with 65% for the U.S. population as a whole, suggesting the reason for their focus on housing costs (which they are more likely to be paying through rent) as opposed to taxes (which they are less likely to be paying directly) . The higher support amongst Gen Xers for access to affordable, healthy food may reflect the fact that they are in their prime child-rearing years, and may have a heightened focus on raising a healthy family.

The poll then probed community preferences in a different way, asking which of a series of factors were most important to respondents when deciding where to live.

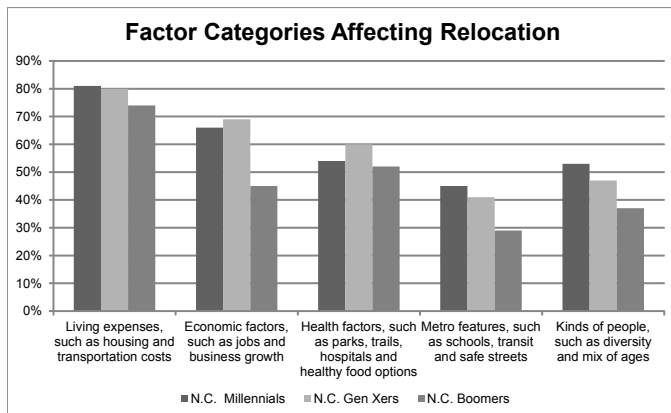


Living expenses were important to all three cohorts, but responses varied regarding the other factors. One commonality was that more than 50% of the respondents

in each group valued health factors, such as parks, trails, hospitals and healthy food options.

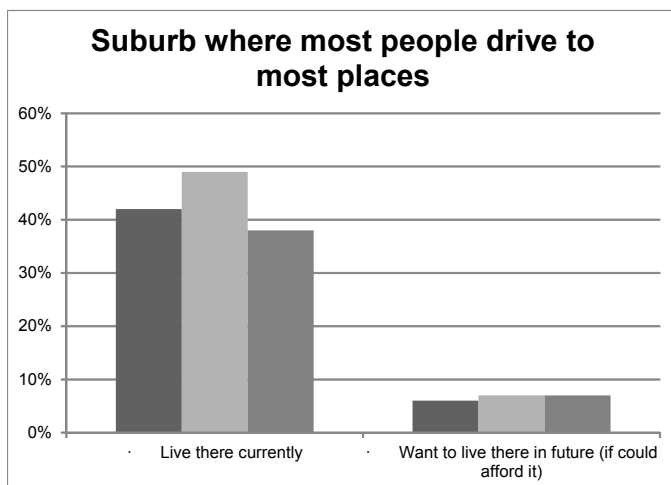
The responses to a subsequent question on walkability reflect this theme of healthy lifestyles. 42% of N.C. Millennials currently live in a suburb where most people drive to most places. However, only 6% of them would like to live in this location in the future. Gen Xers and Active Boomers provided similar responses.

In turn, a significantly larger percentage of each group would like to live in a walkable community (whether urban, suburban, or small town) in the future than currently do, if they could afford it. These responses highlight an opportunity for communities to significantly enhance their value and appeal by working to promote walkability and create linked pedestrian networks.



These findings highlighting the desirability of walkable communities reflect responses in other national polls. For example, 70% of Americans gave “walkability” a high ranking of importance as a community attribute in the Urban Land Institute’s *America in 2013* national poll.

Several other questions provided interesting insights as well. 71% of N.C. Millennials said it was a high priority to live close to work when choosing a home in a specific neighborhood, compared with 64% for Gen Xers, and 37% for Active Boomers. In addition, 74% of N.C. Millennials said it was important to have transportation options other than driving a car, compared with 62% for Gen Xers, and 70% for Active Boomers.



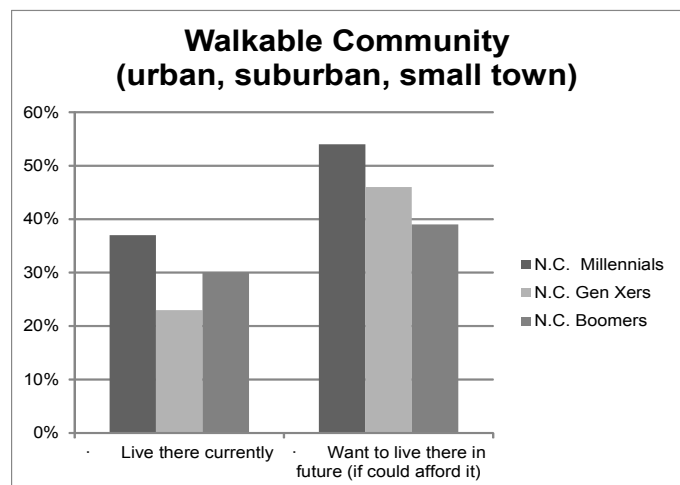
**Conclusion**

The results of the APA poll can help planners, economic developers, and decision makers identify a package of features that can attract skilled workers. In synthesizing the results, three key community attributes emerge as particularly important to Millennials -- Access, Amenities, and Affordability. Many North Carolina Millennials want to live close to where they work and have transportation options to get to the places where they need to go. They want a high quality of life, with interesting, healthy, and fun things to do. And they want an affordable cost of living, with abundant employment opportunities and housing costs they can afford. Many of these attributes are also valued by Gen Xers and Active Boomers, especially a low cost of living, high quality of life, and transportation choices.

These community attributes don’t usually occur by accident. They require good planning. Together, they suggest the existence of a new “Economics of Place”. This dynamic plays out at a personal level as individuals make decisions about where to locate and whether they can afford to live in a particular place and at a community scale as civic leaders work to position their communities for success in the New Economy.

The poll results also highlight the importance of investing in community assets. In so doing, local decision makers can reap a double benefit, providing better service and a higher quality of life to existing residents and businesses and simultaneously creating a stronger magnet to attract skilled workers. The more desirable attributes that a community can provide and the better they can provide them, the stronger the magnet.

Since my encounter with Two Toasters, my walks in downtown Durham have felt different. Not only do I enjoy the scene and marvel at the urban vitality, but I also feel the incredible energy of the entrepreneurial activity. By planning for prosperity, civic leaders, planners, and economic developers can draw the talent that drives economic success and increase the vitality and prosperity of their communities in the years ahead.



# Planning for Arts and Innovation in Wilson, NC

Rodger Lentz, AICP

## An Evolving Economy

The City of Wilson got its start as a transportation center with a rail depot. Wilson's economy began to thrive when agriculture in the surrounding area transformed from subsistence farming to cotton production. By 1920, Wilson was a major player in the North Carolina tobacco economy and became known as the "World's Largest Tobacco Market." After the decline of tobacco in the late twentieth century, Wilson turned to other types of manufacturing. Today, Wilson's citizens and leaders must work to reorient the economy in order to remain competitive. To do this, Wilson is focusing economic transformation on the theme of "Arts and Innovation." The community is building off of its investment in a gigabit, high-speed internet network, national attention around cultural assets such as the Whirligig Park, and attraction of aerospace, finance, pharmaceutical, and automotive industries to the community.

## Taking the Lead on Local Utilities

Reliable electricity was a dominant factor in supporting cities' early growth. While investor-owned, for-profit electric utilities companies focused on larger metropolitan cities, rural areas and small towns in North Carolina often forged ahead on their own to secure their economic future. The City of Wilson has operated their electrical system since 1890 when 96% of voters approved a measure to move forward with a municipal electric utility. The electric utility that resulted has seen broad success in Wilson and provides for both residential and industrial electrical needs. Without reliable electricity, the transformation from an agricultural to an industrial economy would not have been possible and the thousands of jobs these industries support would have never come. In today's information economy, fast and reliable internet service is the new requirement.

As with electricity, Wilson was ignored by investor-owned providers, so the city again moved proactively and built its own fiber network. The network, known as Greenlight, serves every property in the city at some of the fastest internet speeds in the United States. This network made Wilson North Carolina's first "gigabit city" in 2008. Access to a gigabit network means that users have the ability to upload and download content over 100 times faster than they could from cable modem or DSL providers. These speeds allow users to work efficiently from their home, office, or school, and to send or receive large files in seconds or minutes rather than in multiple hours.

## Long-Term Planning for Quality of Place

However, high-speed internet isn't enough to attract new economy businesses and workers. Wilson's next

challenge is leveraging Greenlight to attract investments. It is well written and researched, given the mobility of today's workers, that infrastructure alone will not guarantee success. Quality of place is also a fundamental factor in economic growth. Recent surveys by the American Planning Association and the North Carolina Chapter of APA show that potential new residents want places to be rich in amenities and do not necessarily want to own a car but rather walk or bike to work and shopping. - For a small city like Wilson, this means reimagining a built environment that has been shaped predominantly by auto-oriented thinking. It means coming back to our center city and reinvesting in authentic places that historic downtowns and walkable neighborhoods offer.

Recognizing the need for long-term thinking, the Wilson community embarked on a multi-year planning program in 2006. The goal was to align the vision of the community with planning policy and development regulations that achieved that vision. Throughout the process, the planning team also used the process as an opportunity to educate citizens and decision makers about the connection between development decisions and the City's fiscal health.

One outcome of the long-term planning process was the visioning document entitled Wilson 2020. It was a true partnership between community, business, government, non-profit, health, and education leaders. The School of Government at UNC Chapel Hill was hired to facilitate development of the plan, which identified seven action areas: 1) Community, 2) Economy, 3) Education, 4) Health, 5) Managed Growth, 6) Quality of Life, and 7) Collaboration. One major goal that the 1,800+ unique participants clearly articulated was the need to revitalize older neighborhoods and downtown and to improve walkability.

As a follow-up to Wilson2020, in 2007 the City embarked on a fiscal impact study to show the relative costs and benefits to the city for various land use types, including greenfield and infill housing, commercial development, industrial, and office. To measure cost/benefit, we looked at representative developments and mapped calls for service, infrastructure needs, and various other budgetary impacts as well as the specific revenue generated for the city budget. Unsurprisingly, infill development showed high net benefits because capital costs were reduced or even eliminated by using existing infrastructure. This analysis won support from City Council and was used to inform the citywide comprehensive plan and new development regulations with an emphasis on reuse and revitalization, rather than on the growth-as-usual approach.

Next, we embarked on developing the City of Wilson's 2030 Comprehensive Plan. The 24-month process included elements typical of comprehensive plans and also took deeper dives into the topics of neighborhood, corridor, and downtown revitalization. Two three-day charrettes were held to examine these areas in greater detail and come up with implementable goals. In addition to the charrettes, we collaborated with Barton College on their campus

master plan, which highlighted their role in the overall revitalization of the neighborhoods around them. Through this long-term planning process, Wilson built broad support for a vision to guide the City into the new economy.

### **Embracing our Uniqueness: Culture-Based Economic Development**

These planning efforts brought about actionable direction on several key projects and initiatives. One was the creation of a public park in the downtown's Historic Tobacco Warehouse District. Charrette participants thought this space would be ideal for highlighting the work of Wilson's most famous folk artist, the now late Vollis Simpson, creator of the Whirligig sculptures. Many community members felt that the work should be celebrated and highlighted, and that this authenticity would become a calling card for the community. This uniqueness became a draw to developers interested in revitalization and historic preservation work. Best of all, the effort was led by a grassroots group of volunteers that were passionate about the vision for a park honoring Vollis Simpson's work and the idea of creative placemaking. In creative placemaking, public, private, not-for-profit, and community sectors partner to strategically shape the physical and social character of a neighborhood, town, tribe, city, or region around arts and cultural activities.

Creative placemaking as an economic development strategy was an entirely new concept for the Wilson community, and certainly didn't come without controversy. After much discussion with citizens and city leaders about the proper role for local government in the project, the City of Wilson took on the role of a supportive partner in the development of the park. The sculpture park is being built with leadership from a non-profit organization that brought in grants and donations as primary funding sources. The city's role is more traditional, focusing on infrastructure improvements like streetscape and utilities serving the park and adjacent properties. The city is also providing extensive in-kind support through grant writing, grant management, and project management through the Downtown Development, Financial Services, and Planning and Community Revitalization Departments.

### **Ripple Effects of Project Successes**

Through these two investments, Greenlight gigabit fiber optic infrastructure and the Vollis Simpson Whirligig Park, a new economic development theme emerged based on arts and innovation. The increased arts community has enlivened the downtown and historic district through art projects, music, and other live events. The community has also reinvigorated a nightlife component that had been absent since the late 1980s. The Greenlight infrastructure has already begun to attract businesses that need this resource and to help those in the community capitalize on their own creative ideas.

The park project is still ongoing as of this writing. Eleven Whirligigs have been installed, and nearly four

million dollars in grant and donated funds have been secured to design the park, purchase the land, acquire, repair and conserve the artwork and install the sculpture on the park site. The project has received national and international attention and funding from some of the top foundations in the country including the ArtPlace, Kresge Foundation, and the National Endowment for the Arts.

In return for this work to date, the city has seen renewed interest in the redevelopment of downtown with \$20 million in private investment. This includes two loft apartment projects that include live/work units on the ground floor and market-rate lofts on upper floors that have been completed in the last year within a two-block radius of the park site. The developer of the projects specifically cited interest in the Whirligig Park as a reason to complete these two projects in Wilson.

The project's successes have been cumulative and, we believe, illustrate the importance of long-range, coordinated planning in Wilson.

### **The Next Challenge: Keeping the Momentum**

The challenge that lies before us, in a weak market eastern North Carolina city, is how to make the end goal a reality with scarce resources. How can we continue to revitalize the remainder of our downtown and center city neighborhoods into hip places that artists, high-tech workers, and millennials want to live? How do we overcome the skepticism of locals, the banking community, and other partners we need to be successful?

Some real challenges still exist for our continued success. For instance, how can we attract bank financing for large-scale redevelopment projects? During difficult economic times, can we raise the additional \$3 million to complete the park or other additional funds for neighborhood revitalization projects? How does a local government make up for the lost development incentive with the sunset of the North Carolina Historic Rehabilitation Tax Credit?

We feel we can overcome these challenges through actively marketing our community through implementation of our new Strategic Communications Plan, ensuring that we treat private development downtown as a partnership by providing the best service possible to developers and working with them to secure financing for projects, and continue building on the national recognition around our development of the Greenlight system.

While these are examples of the steps the Wilson community is taking, we continue to examine ways to adjust our approaches to various issues until we find the right formula for success. What is clear is that the status quo would not result in successful transformation of Wilson's center city and larger community. Planning, investment in infrastructure, public-private partnership, and aggressive implementation are necessary if the Wilson community is going to continue to be vibrant in the long-term.



Rendering of Vollis Simpson Whirligig Park in Wilson. Image courtesy of the City of Wilson.

## Honoring Tradition, Supporting Innovation: Redevelopment of Conover Station

Lance Hight, AICP

Conover's downtown, like many others in North Carolina, once buzzed with furniture and textile factories. The industrious and innovative nature of the local people, coupled with good transportation linkages and natural resources, provided for a strong economy. However, in the early 2000s, the economic landscape dramatically changed. Conover and other cities in the Hickory region witnessed the decline of manufacturing and staggering losses in employment. From 2000 to 2012, Catawba County lost 23,152 jobs. In February 2010 the unemployment rate for the metro peaked at 15.8%. Broyhill Furniture, once a fixture in downtown Conover, was one of many that closed its doors, leaving over 400 workers without a job and over 400,000 square feet of vacant factory space. Though no long-term vision was in place for the site, the City of Conover was concerned about the future of land situated so prominently in the downtown and took a proactive approach by purchasing the 27-acre property.

### Crafting a Vision

After purchasing the factory space, Conover city leaders sought public input from the community, beginning with surveys and focus groups seeking opinions on the future of the site. A day-long public workshop was held downtown, complete with hamburgers, hot dogs, maps and markers. Over time, a vision for the site emerged that was comprehensive and expansive in nature: to pave the way for quality redevelopment to revitalize downtown, meet future transportation needs, empower entrepreneurs and manufacturers, improve the environment, preserve local heritage, and be a source of community pride. Building upon and augmenting the downtown's character was paramount. City staff crafted a master plan that included design standards encouraging zero setbacks, shared parking, increased density, and architecture that was sensitive to the context of the area.

Sharing the vision and illustrating the potential of the site to elected and appointed officials and the public is always a challenge. The planning department has found that visualization software is invaluable in helping non-planners understand the potential of proposed development. Sketchup software, which creates computer animated illustrations of possible development, has allowed staff to illustrate the overall vision in a matter of seconds, including through video "tours" on the City's YouTube page and Facebook page, as well as still images on Flickr.



**Before and after at Conover Station.** *Images courtesy of the author.*

### Turning Dirt: Site Renovation

Following the visioning process, the city enlisted experts in the fields of architecture, engineering, environmental, and historic analysis. Architects and engineers determined that the factory, which was actually one building with over twenty additions ranging from 1920s until 1990, was structurally deficient and it became clear it would be cost prohibitive to renovate. Subsequently, the majority of the buildings on the site were demolished. Thankfully, the oldest building on site, a 1918 textile mill, was saved and determined to be a good candidate for renovation.

Conover applied for and was awarded a \$735,000 grant in Economic Development Initiatives funding for water, sewer, street, and sidewalk improvements on the site. The street was designed with over 180 on-street parking spaces, placing over half in the unbuildable railroad right of way to make most efficient use of the land area. This has allowed for shared parking possibilities among uses which lessens the amount of off-street parking required, reduces impervious surfaces and urban heat island effect, and incentivizes development by lowering or eliminating the amount of parking that a private developer or business moving into the site would be required to build.

### Sustainable Redevelopment

Throughout the redevelopment and renovation process, the Planning Department chose to maintain a focus on environmental sustainability and green development. First, the project sought to maintain, and even improve, water quality and open space in the area. The southern portion of the site is the headwaters of McLin Creek, a tributary of the Catawba River which is listed as an impaired waterway by the NC Department of Environment and Natural Resources. Where others might have seen an obstacle to site development, Conover saw this as an opportunity to improve water quality, preserve open space and create a new city park.

Conover applied for and received a \$415,000 North Carolina Clean Water Management Trust Fund Grant which funded the design and construction of an engineered

stormwater wetland structure that provides significantly improved water quality. The wetlands have become the centerpiece of a new environmentally themed educational public park. In addition, Conover applied for and received a \$333,000 grant from the North Carolina Parks and Recreation Trust Fund to provide park amenities such as a walking trail, wetland boardwalk, shelter, playgrounds, and an interactive splash pad. The park is also located along the Carolina Thread Trail, a 16 county trail system that will link millions of citizens together with safe pedestrian routes.

Planners saw an opportunity to integrate the project with broader, statewide plans for transportation development. Conover is fortunate to be located along the North Carolina Department of Transportation's (NCDOT) future Western Passenger Rail Corridor that will run from Salisbury to Asheville. With this in mind, Conover recognized an opportunity to repurpose the mill building into a multimodal transit center. Working with the Western Piedmont Regional Transit Authority, Conover insured the fixed bus route would also service this site.

Because of the multimodal element of the building, Conover applied for and received Congestion Mitigation and Air Quality (CMAQ) funding of \$2,146,200. These funds have provided the means to renovate the mill building into a multi-use, multimodal transit center. In addition to the transit uses, the LEED Gold rehabilitation also houses the Conover Branch Library on the 3rd floor and a 270 seat community conference room on the 1st floor. The building was completed in fall 2011 and is now a vibrant community space and a source of local pride.

### The Future of Manufacturing in Conover

Conover has been committed to respecting and maintaining its roots in industry and manufacturing while also preparing for the next century. In 2009, Conover formed an invaluable partnership with the Manufacturing Solutions Center (MSC) which shares the City's belief that innovation and technology can help foster a diverse and robust manufacturing environment. Born from Catawba



Valley Community College (CVCC), MSC has been working for over two decades to assist industries through materials testing, streamlining design, and manufacturing innovations. With an ever-expanding list of national and international clients, MSC had outgrown their facility and was seeking to expand. In addition, they were seeking to support entrepreneurs by offering new “launch pad” spaces for emerging technology businesses. The City’s land available for development at Conover Station was a perfect match for MSC’s need of a new, larger facility. Together with the Manufacturing Solutions Center and CVCC, Conover applied for and received \$2,700,000 in funding to go toward a new city-owned, MSC occupied facility at Conover Station. This partnership has allowed MSC to expand their services to assist and support industries, while allowing Conover to honor its heritage, and build manufacturing competitiveness for the future.

### A Catalyst for Private Investment

The substantial public investment made on the Conover Station site reflects the City’s broader vision of revitalizing the entire downtown area. In late 2014, with the groundbreaking on a new 45,000 square foot commercial building at Conover Station, this goal became a reality. The new building will house a fitness center, restaurant, retail, and office space. Like the new MSC facility and renovated mill at Conover Station, the architecture of this two-story building relies heavily upon the design standards set forth in the master plan and the vernacular of the manufacturing heritage of the area.

The City’s commitment to the Conover Station project and the downtown has helped to serve as a catalyst for redevelopment. Over the past three years, over 16.5 million dollars in public and private development has occurred on-site and in the immediate vicinity. Over 200,000 square feet of building and factory space has been renovated and 160 new employees are working downtown. For example, in 2012, Lee Industries, a leader in sustainable furniture manufacturing, renovated a deteriorating factory adjacent to Conover Station and moved their corporate headquarters to Conover. We consider this an important success for the project and, most importantly, for the future of Conover. Crafting a vision and establishing a concise plan has provided the project a blueprint for success.

### Conclusion

Conover leaders believe that this project can serve as an example of how even a small community can make a dramatic positive change in its economic landscape. Communities across North Carolina are faced with the dilemma of vacant or underutilized factories and buildings that can hinder revitalization efforts in the city’s core. With proper planning, these sites can be returned to productive assets for a city. By facilitating infill development that utilizes existing infrastructure, a city can experience growth and investment and help to avoid sprawl and unsustainable patterns. By gaining citizen and political support along

with establishing a shared vision, Conover was able to transform liabilities into assets and help an underutilized property prosper. The City has gone beyond its customary role of providing basic services and ventured into uncharted territory. In ten short years, a once vacant, deteriorating factory that served as a reminder of better days has been transformed into a vibrant, bustling community center that gives residents hope and tools for a solid economic future.



The “splash pad” in the new park is loved by community members of all ages. *Image courtesy of the author.*

## Long-Term Economic Development Strategies for a Growing Triangle Town

Jenny Mizelle

After a period of extremely rapid residential growth in the 1990s, the Town of Holly Springs needed to grow its employment and balance its tax base. Town leaders achieved this by partnering with economic development allies and by drawing on the strengths of the region. This piece shares the story of the Town’s first successful industrial recruitment, and offers a collection of lessons that may be applicable to planners and economic developers elsewhere.

### History of Growth and Development

The Town of Holly Springs, NC is located in southwestern Wake County just twenty miles from the state capital of Raleigh. After decades of life in a town of 900, residents experienced a boom in population growth in the early 1990s. With the introduction of the public water and sewer system and private sector investment in residential development, Holly Springs evolved from a small town to a suburban

bedroom community in about 10 years. During this period of impressive residential growth, the town attracted very little commercial development. The population today is estimated at just over 30,000.

### Planning for a New Economy with Biotech Industrial Recruitment

By the early 2000s, the town was challenged with a tax base composition of 90% residential to 10% commercial. Understanding that commercial properties contributed proportionately more tax revenues than residential development, town leaders sought to attract more commercial and industrial development to serve the growing populace and diversify and strengthen the tax base.

The Economic Development Department formed a partnership with the owner of a large parcel of land to market the property to industrial clients. The 400 acre tract of land, known as Southwest Industrial Park, was zoned for industrial use and was home to a few small and mid-sized industries. At the time, the only access to the park was along a two lane road bordered by a large number of houses in disrepair. With the opening of the four-lane, median-divided NC 55 Bypass, we predicted that the industrial park would see more activity that might be attractive to new industrial tenants.

The Town Manager and Economic Development Director were aware, and envious, of the proliferation of substantial biotechnology manufacturing facilities in the region and wondered if Holly Springs, with its similar geographic location, might be viewed as a possible site for life science manufacturing facilities. The same assets that helped large and small life science companies succeed in the region (skilled workforce, strong infrastructure, high quality of life, a favorable business climate, and an international airport) existed in or near Holly Springs. Results of a 2001 branding study confirmed their assumption that Holly Springs was competitively positioned as a location for life science manufacturing facilities.

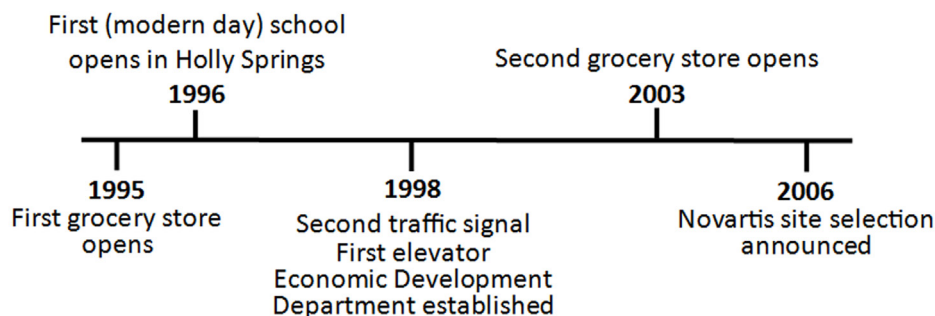
The next logical step was to pursue Certified Site status from NC Department of Commerce deeming the site shovel-ready. Once a company has made the decision

to establish a new facility, speed-to-market is critical, so in order to be competitive any potential sites need to have significant pre-development studies performed. These studies include, but are not limited to, Phase I environmental studies, deed and title searches, stream and wetland delineations, boundary surveys, and utility assessments. This process took almost a full year, as the Economic Development staff of two full-time town employees managed multiple consultants that undertook extensive studies on a 240 acre tract in the Industrial Park.

Once the Park achieved Certified Site status, economic development staff undertook a marketing initiative, looking for opportunities to share the Holly Springs story with a range of professionals in various settings that we believed could support us in our efforts. The Economic Development staff met with business recruiters at the state, regional and nation level, economic development allies representing utilities, architectural and engineering firms, site selection consultants, and real estate developers. Staff also interacted with attendees at international BIO conventions (the biotechnology field's annual conference) and had a presence at state level life science conferences.

The marketing strategy, coupled with improved road access into the newly renamed Holly Springs Business Park, began to garner results and we saw an increase in site visits from the Department of Commerce business recruitment team. Not all of the projects were in the life science arena, but we were open for business for any industrial facilities that were consistent with our long range plans to create jobs and increase the tax base.

During the period from 2004 to 2006 we were in competition for two major life science projects: Project Aardvark (Novartis Vaccines and Diagnostics) and Project Hummingbird (Bristol Myers Squibb). Led by Economic Development staff, a full team from the Town of Holly Springs worked on responses and follow up questionnaires for 12-24 months for both projects. Information required by the consultant on behalf of the company (identity unknown at the time) ranged from detailed questions about water and sewer capacity, zoning limitations, plan review processes and timelines to incentives that may be provided. Following this exhaustive review, Holly Springs was notified that our community was short listed for both projects. Bristol



Some recent and surprising milestones for the Town of Holly Springs.

Myers Squibb ultimately chose Devens, Massachusetts as the location for their new facility.

On July 18, 2006, Novartis announced that Holly Springs had been selected as the location of their U.S. Flu Cell Culture Vaccine Manufacturing Facility. The initial investment was anticipated at \$350 million with a workforce of 350 associates. Since that time, Novartis Vaccines has expanded three times representing an investment exceeding \$1 billion with over 700 employees currently on site. The announcement was ranked in the top 20 in North America for 2006 based on jobs and investment. Without long range planning that designated 400 acres of land inside the town limits for industrial zoning and without critical water and sewer infrastructure planning and capital expenditures, Novartis would not have selected Holly Springs for their state of the art vaccine manufacturing facility.

### Meeting the Challenges of Industrial Recruitment: Lessons for Planners

The Town of Holly Springs' first significant industrial recruitment project came with many challenges and learning opportunities:

**Operating with limited knowledge.** As is typical with large industrial siting projects, the community had little or no knowledge of competing sites, so it was difficult to know how to differentiate our community from other contenders. The most important thing we learned to do is listen closely to the site selection consultant representing the company and ask lots of questions about the needs of the client to strengthen our responses.

**Selling the vision.** The proposed site was a greenfield site (undeveloped land) without utilities in place and access was restricted to dirt roads. With the expertise and

knowledge of the Engineering Department, we were able to demonstrate that water and sewer line extensions to the property line and required road projects would not delay the client's project timeline and could be undertaken concurrently with their site work.

**Too many cooks in the kitchen.** Confidentiality is always a challenge, especially when there are many people involved from all levels and geographic areas. The Town had to engage in damage control following a leak of project information to the Triangle Business Journal, where it became a cover story on the eve of a site visit from company representatives.

**Elected official involvement.** Certainly the Town would not have successfully competed for the Novartis facility were it not for a management team and Town Council that were completely supportive of the project.

**We won! Now what?** Though the Town had no track record of handling permitting and approvals for a large biotech manufacturing facility, we communicated our confidence in doing so during the recruitment process.

**Need for organization and communication.** Through the leadership of the Town Manager and the Economic Development Director, all town departments banded together and made the project a priority:

- Planning & Zoning solved zoning issues
- Engineering managed infrastructure installation and environmental issues
- Legal worked on agreements
- Finance obtained funding and approvals from Local Government Commission
- Public Utilities provided detailed, accurate information on water and sewer capacity



The Novartis flu vaccine plant opened in 2009 following several years of preparation by the Town of Holly Springs staff and partners. *Image courtesy of the author.*

- Public Works performed Business Park beautification

***Financing as a team sport.*** Partners at the NC Department of Commerce, the NC Biotech Center and others provided support throughout the process. Additionally, grants from Golden Leaf, the U.S. Economic Development Administration, and NCDOT provided funds to the town towards the substantial expenses for utility improvements and roadway construction. Many of these partnerships arose from established relationships between team members and organizational representatives who helped by suggesting grant programs that may be applicable to the improvements the town needed to undertake.

### **Summary**

The major lesson that the Town of Holly Springs took away from its first industrial recruitment project is that nothing substitutes for preparation. Economic development requires very long term strategies with no guarantees of which way industry and economic winds will blow. Despite this uncertainty, the community must be prepared to respond to inquiries and development opportunities with the highest level of accuracy and relevant information.

Almost ten years from the Novartis announcement, the town continues to pursue life science manufacturing projects and other typical industrial development in the Holly Springs Business Park and at a second location known as the Friendship Site. The Economic Development department remains nimble and flexible and seeks various strategies to recruit and retain industries while continuing to support the small business and entrepreneurial community. Holly Springs' goal is to build on the success of the Novartis site selection decision. Strategic land use planning and infrastructure readiness now form the backbone of the town's Economic Development strategy.