

Long-Term Economic Development Strategies for a Growing Triangle Town

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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.

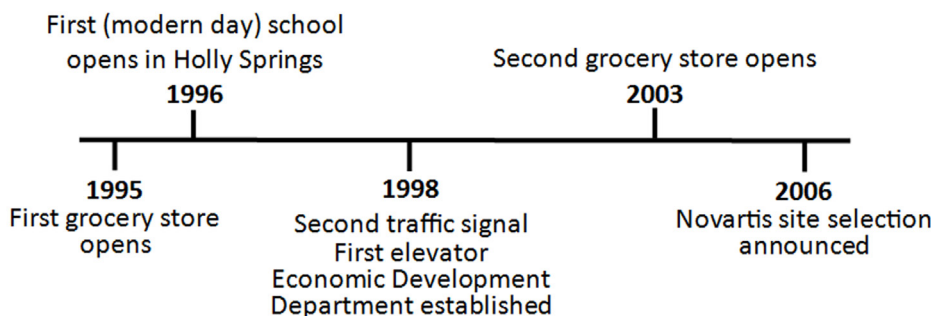
The next logical step was to pursue Certified Site status from NC Department of Commerce deeming the site shovel-ready. Once a company has made the decision

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.

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.