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“Chatham County’s strategic location between the Triad and Research Triangle regions positions it as the preferred location for emerging-growth companies.”



Chatham County

Economic Development Strategic Plan

Executive Summary

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EXECUTIVE SUMMARY

Chatham County's strategic location between the Triad and Research Triangle regions positions it as the preferred location for emerging-growth companies. However, the County's historic ad hoc economic development and planning approaches have limited its ability to capitalize on this geographic advantage. This plan provides the County with a policy-driven approach to economic development built on three focus areas: attraction, retention, and entrepreneurship. Infrastructure improvements, quality of place preservation, and a reorganized Chatham County Economic Development Corporation (EDC) are key components to successfully implementing the plan.

ATTRACTION

Overview:

- Chatham County has a competitive advantage in attracting companies in seven industry clusters: 1) Architectural and engineering services; 2) Technical and research services; 3) Basic health services; 4) Pharmaceuticals; 5) Information services; 6) Higher education and hospitals; and 7) Renewable energy.
- Chatham County has the resident workforce to support the targeted clusters.

Key Findings:

- Strong community college training programs and a manufacturing heritage make the County an ideal location for production facilities.
- Chatham offers a competitive advantage in cost and labor relative to other "non-core" Research Triangle Region counties.
- Northeast Chatham's proximity to the Research Triangle Park (RTP) and available high-skilled workforce make it an ideal location for an emerging technologies research park.

Recommendations:

- Actively market the Central Carolina Business Campus and other suitable properties for location of production facilities identified in the targeted industry cluster analysis.
- Explore the development of an RTP-branded technology park to attract footloose, mid-tech companies desiring location in the Research Triangle Region.
- Develop a group of cluster leaders drawn from local businesses to assist in attraction efforts.

RETENTION

Overview:

- Four industry clusters identified for retention contain many traditional businesses: 1) Packaged food products (includes poultry); 2) Concrete, brick building products; 3) Nonresidential building products; and 4) Wood processing.

Key Findings:

- The EDC does not have a strong historic relationship with existing businesses.
- Interviews revealed immediate and future job-creation opportunities through business expansion. Many of these expansions required capital or other assistance.

- While Chatham's traditional industries employ a large number of residents, these industries also pay much less than the average state wage; and the wage gap is growing between Chatham jobs and the North Carolina average.

Recommendations

- Develop an aggressive industry visitation, retention, and expansion program.
- Follow up with identified companies to facilitate their expansion efforts.
- Tie expansion incentives to an average wage standard, which is higher than the current average.

ENTREPRENEURSHIP

Overview:

- Chatham County should focus its entrepreneurship efforts around five key focus areas: 1) Education; 2) Training and technical assistance; 3) Access to capital; 4) Access to networks; and 5) Improving entrepreneurial culture.
- Areas for entrepreneurship include "emerging" industry clusters, sustainable agriculture/local food production, the arts, and "green" industries such as renewable energy and clean technology production.

Key Findings:

- Chatham possesses a strong entrepreneurial heritage in locally owned packaged food products businesses and has emerging areas of entrepreneurship in the arts, sustainable agriculture/local food production, and biofuels. Central Carolina Community College has played an important role in spurring entrepreneurial activities in some of these areas.
- Limited capital access has curtailed entrepreneurship, yet the concentration of wealth in Chatham County represents an untapped investment pool of angel investors and venture capitalists.

Recommendations

- Organize an entrepreneurial support network. Develop an entrepreneurial council to assist prospective entrepreneurs.
- Form stronger relationships with service providers to link entrepreneurs with technical and training assistance programs and to potential capital sources. In conjunction with these training partners, explore the feasibility of a business incubator facility.

QUALITY OF PLACE

Overview:

- Quality of place is necessary for economic development, but is insufficient if not accompanied by infrastructure, workforce-development, and business climate improvements. Quality of life must reflect the diversity of community interests.

Quality of Life-Recreational Development

Key Findings:

- Creative workers value rural recreational amenities, such as bike paths, greenways, and trails.

- Chatham County is not capitalizing on the potential small-scale, niche commercial development around Jordan Lake to target outdoor enthusiasts.

Recommendations

- Aggressively pursue the upgrade and completion of the American Tobacco Trail and explore connectivity of greenways, trails, and bike paths to downtowns and residential areas.
- Identify and zone special, small-scale commercial nodes near Jordan Lake and other recreational sites. Develop planning guidelines to protect the environment in these areas.

Quality of Life-Small Area Planning & Downtowns

Key Finding:

- Chatham County's socioeconomic and cultural diversity requires consideration of community preferences in economic development and planning.

Recommendations

- Engage in small-area planning in unincorporated areas (Moncure, Bear Creek, etc.) to build upon community preferences in economic development and planning.
- Work with municipalities to develop a Main Street-style program for downtown economic development.

Quality of Life-Retail and Restaurants

Key Findings:

- Approximately 64 cents of every retail dollar spent by Chatham County residents is spent outside the county. This leakage results in about \$7.7 million in lost local sales tax revenue.
- The lack of shopping and dining options was cited by existing businesses and some residents as an economic development problem. Not having liquor-by-the-drink further limits the County's ability to attract high-end and chain restaurants.

Recommendations:

- Designate commercial zones within municipal areas and within the County's economic nodes. Use design guidelines to control building façades, mitigate traffic, and protect the environment.
- Hold public hearing to explore allowing liquor-by-the-drink.

INFRASTRUCTURE

Overview:

- Physical infrastructure such as highways, water and sewer, natural gas, power, telecommunications, and broadband are important to economic development.
- Chatham County and some downtowns lack the physical infrastructure to support attraction and entrepreneurship.
- The County is in a position to capitalize on future water and sewer allocation and must give priority from this allocation to economic development purposes. An infrastructure inventory is needed to guide infrastructure investment and allocation.

Key Findings:

- Lack of water and sewer capacity limits the ability to attract firms, retain existing businesses, and engage in entrepreneurship.

- Access to interstates/four-lane highways, and broadband Internet are positively linked to entrepreneurship in rural areas. The County has limited high-speed Internet access.
- Successful economic development and planning requires an accurate inventory of existing infrastructure and concrete plans for future infrastructure expansion.

Recommendations

- Properly plan but aggressively promote water and sewer expansion for existing or planned development and economic development needs.
- Work with Internet access providers to provide broadband Internet and/or other high-speed access to its citizens.
- Gain a competitive advantage through world-class information technology infrastructure development in the Central Carolina Business Campus and prospective technology park.
- Conduct an infrastructure study to develop a detailed infrastructure inventory in the areas of information technology, natural gas, utilities, water, sewer, and transit.

ECONOMIC DEVELOPMENT REORGANIZATION

Overview:

- Reorganization of the Chatham County Economic Development Corporation is required to best implement the economic development strategic plan.

Key Findings:

- The EDC's sole funding source is Chatham County, which limits the EDC's ability to fully serve Chatham County citizens.
- The EDC lacks sufficient staff and board diversity to fully implement the economic development strategic plan.
- Voting elected officials on the EDC Board creates the appearance of and potential for conflict of interest.
- The EDC's effectiveness in facilitating economic development is hampered by the perception of politicization of the EDC.
- Implementing a policy-driven economic development plan requires that the EDC establish itself as an apolitical economic development advocate.

Recommendations:

- Reorganize the EDC Board of Directors with a preference for non-voting elected officials and designated slots for industry cluster representatives and entrepreneurs.
- Form attraction, retention, and entrepreneurship committees to mobilize volunteers in plan implementation.
- Hire additional staff to assist with retention efforts and plan implementation.
- Transition to a public-private partnership or Committee of 100 model, and diversify the funding base through private-sector contributions and town funding.
- EDC leadership should begin to advise municipal and county governments on economic development issues.



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