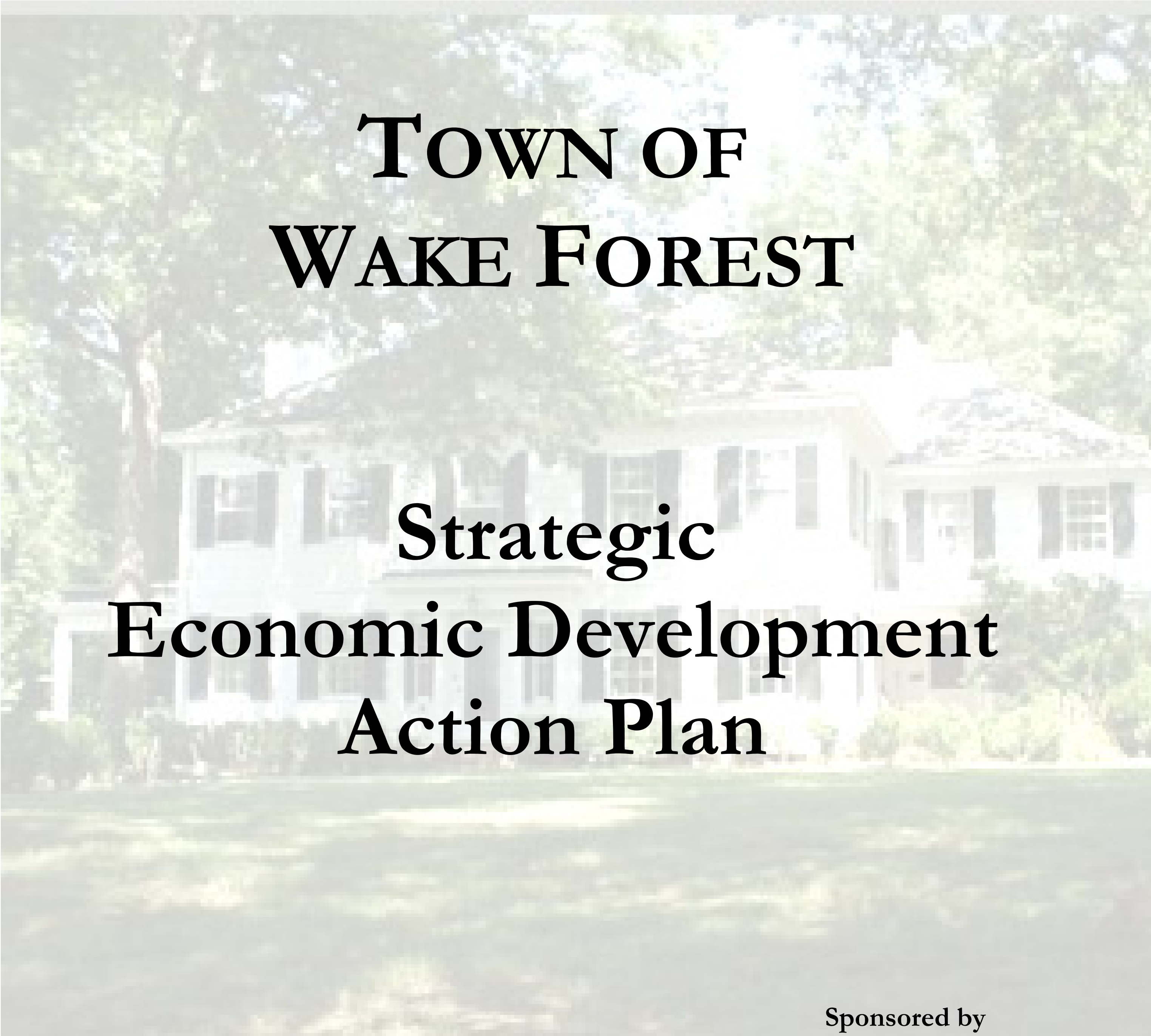

TOWN OF WAKE FOREST

Strategic Economic Development Action Plan

Sponsored by

Town of Wake Forest

& ELECTRICITIES

October 2005

Strategic Economic Development Action Plan

For The

Town of Wake Forest, North Carolina

Mayor Vivian Jones
Town Manager Mark Williams

Prepared by

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Project Overview

ElectriCities of North Carolina, Inc. has contracted with The Sanford Holshouser Business Development Group, LLC (Sanford Holshouser) to provide economic development planning assistance for several member cities. The Town of Wake Forest agreed to participate in the planning project. **The goal of the planning process is to improve the economic development preparedness of Wake Forest in order to attract new investment with quality jobs, and to retain and expand existing industries, businesses, professions, and services. Job creation, commercial cash flow, and building the Town's tax base are the fundamentals of improving the quality of life in the Town.**

ElectriCities has a strong history of assisting its member municipalities with economic development. It provides funding for a variety of marketing efforts including advertising, developing marketing materials, constructing websites, participating in trade shows, direct recruiting, and assisting in client servicing. It actively generates business leads for its municipalities and helps negotiate with prospective industries and businesses. This planning project is another means by which ElectriCities enhances the economic development efforts of its member municipalities.

Sanford Holshouser is a full service economic development consulting firm based in Raleigh, NC. The firm provides services in five primary areas of economic development: strategic planning and program development; operations and management; product development; incentives and finance; and client servicing. In addition, for municipalities, counties, and their economic development organizations, Sanford Holshouser offers specialized services in marketing and advertising, target marketing, lead generation, legal guidance, and professional fundraising services through collaboration with selected professional associate companies. With a focus on high tech firms, Sanford Holshouser also assists companies with site selection and incentives negotiations.

On most issues raised in this plan, there is general agreement among Town government officials, local opinion leaders, civic organizations, and Sanford Holshouser. Nevertheless, there are some points of deviation between the opinions provided by participants in this plan and the judgment of Sanford Holshouser based on our research, experience, and familiarity with nationwide economic development best practices. In any case, Sanford Holshouser takes full responsibility for the conclusions and recommendations made in this report.

The economic development program at ElectriCities is under the purview of the Director of Marketing and Member Services, **Mark Otersen**. **Brenda Daniels**, Manager of Economic Development, and **Conley Hilliard**, Economic Developer, have participated in the planning process from its beginning and have provided valuable guidance for the program. **Whittaker Associates' Megan Jewell** coordinated the Target Industry Analysis. **The Sanford Holshouser team** met frequently to discuss potential strategies and recommendations for action. Senior Managing Partner **Ernie Pearson** has provided oversight for the ElectriCities projects, including for Wake Forest. Managing Partner **Bob Comer** has served as the Team

Leader for Wake Forest. Managing Partners **Crystal Morphis, Rocky Lane, Mike Geouge, and Gary Shope** have contributed significantly to the process.

Sanford Holshouser has enjoyed working with Wake Forest. We are deeply appreciative of the advice of the **many Town leaders who participated in focus group meetings, interviews, and mail surveys. Wake Forest Mayor Vivian Jones and Town Manager Mark Williams** provided primary support for establishing and accomplishing the planning goals. We are particularly grateful to **Wake Forest Chamber of Commerce Executive Director Mark Fleming** who set up meetings, scheduled interviews, conducted the mail survey, reviewed drafts, and coordinated the entire planning process for the Town. He did a masterful job for which we express our sincere appreciation.

Sanford Holshouser reviewed **previous Wake Forest planning documents** including the **1997 Land Use Plan** by Mark Robinson & Associates, the **2002 Open Space and Greenway Plan** by Greenway Inc, the **2003 "Renaissance Plan"** by Rose and Associates, the **2003 NC-98 Bypass Corridor Plan** by Rose & Associates and the **2003 Transportation Plan** by Kimley Horn & Associates. Sanford Holshouser acknowledges the professionalism evident in these plans and their continuing value in advancing an economic development plan for the Town.

Executive Summary

In developing the Wake Forest Strategic Economic Development Action Plan, Sanford Holshouser worked closely with the economic development office of ElectriCities of North Carolina, the Town of Wake Forest, and the Wake Forest Chamber of Commerce. **The project began with a meeting among representatives of ElectriCities, Sanford Holshouser, and the Wake Forest leadership group.** Sanford Holshouser then conducted **individual leadership interviews**, a **focus group** involving several other leaders, and **a mail survey** to gain opinions from a broad segment of interested citizens. **Economic development officials at the county, regional, and state level were also interviewed.** Some 45 knowledgeable individuals from local businesses, educational institutions, civic organizations, and local and state government agencies, especially within the economic development community, had input into the plan. **Sanford Holshouser deeply appreciates the involvement of all of the participants in this planning project.**

The first product developed was the **Economic and Demographic Profile**, a researched quantification of the demographic and economic trends in Wake Forest and Wake County, the most striking of which is the rapid growth of the Town. **Wake Forest ranked first among North Carolina municipalities for fast growth in the 1990-2000 census period and surpassed** population growth percentages for Wake County and the Raleigh MSA. That growth statistic has continued unabated for the last three years of record. The **County population is younger than the state** as a whole, a positive factor for the future of the labor force. Wake Forest **retail sales** have been growing in recent years when many North Carolina towns' sales declined during the recession. In **education**, high school SAT scores surpassed the state and national averages. In addition to the Economic and Demographic Profile, Sanford Holshouser has provided a **Town Profile, a** two-page, back-to-back data summary on CD to assist in marketing the Town of Wake Forest.

Based on the Leadership Group meeting, focus group meeting, interviews, and a SWOT Analysis, the next product in this planning process was the **Economic Development Preparedness Assessment** which analyzed Wake Forest strengths, weaknesses, opportunities, and threats. Participants in the SWOT Analysis cited **many strengths of the Town including:** the excellent quality of life in a Town that values history and heritage but also progress; good "town and gown" relationships with Southeastern Piedmont Baptist Theological Seminary and College; excellent local schools and the high educational attainment of the general population; an exceptionally attractive downtown with potential for expansion; proximity to Raleigh, Durham, the Research Triangle Park, and area universities and colleges; access to major transportation routes I-40, I-85 and I-95; nearby international airport; a high-income consumer base; and strong local institutions such as the Chamber of Commerce, the DuBois Center, the Trentini Foundation and numerous civic clubs.

Despite the many positive features offered by Wake Forest, participants did not hesitate to admit to **certain weaknesses such as** crowded schools and the high cost of land that has placed an economic squeeze on affordable housing and available property for industry and business expansion. Because of the loss of manufacturing plants, there are few jobs for the unskilled. Highway improvements have failed to keep pace with traffic, particularly the congested commuter routes of US-1 and NC-98.

Opinion leaders were optimistic about great **opportunities for Wake Forest**. They were convinced that the answers lie in a commitment to following through with existing plans such as the Renaissance Plan and continuing with a dedication to vision planning. Among the many opportunities they envision are: involving the Seminary more deeply in Town leadership; building an employment center in the downtown business center with office and commercial space as well as town houses and condominiums; building on the Sports Factory attractions and baseball fields to attract national youth athletic events; emphasizing parks and recreation as assets in encouraging outdoor tourism; continuing to develop the DuBois Center, the Julius Rosenwald Museum and Wake Forest College Birthplace Museum as heritage tourism attractions; planning the new Town hall as an enduring architectural statement downtown; and developing the northeast section of Town as a major retirement residential village.

Threats foreseen by participants include a failure to act on plans which could result in housing sprawl and more overcrowded schools; continuing traffic gridlock; lack of cooperation from absentee property owners downtown; and the inclination of Wake Forest residents to shop Raleigh rather than at home. The Raleigh metropolitan area's air quality non-attainment status is a major threat shared by the entire region.

Following the Assessment, a major element of this plan is the **Target Industry Analysis** (TIA). Sanford Holshouser collaborated with Whittaker Associates, Inc., a highly respected economic development lead generation firm, to analyze what industries and businesses are growing and declining in Wake County, the Southeast, and the United States. Based on Wake Forest's assets identified in the Preparedness Assessment and on its own nationally acclaimed research, Whittaker Associates recommended the following industry sectors as **primary targets for recruitment: Life Sciences, Design, Tourism and Hospitality, Retirement and Health Care, and Electronic Equipment Manufacturing.**

Marketing, both externally and internally, is one of the key missions of an economic development organization. In the Wake Forest **Marketing Plan**, Sanford Holshouser has recommended strategies to promote Wake Forest for business recruitment as well as to retain and grow existing businesses. Tourism promotion and entrepreneurial development are key elements of the plan. The Marketing Plan also outlines steps to gain support for economic development within the Wake Forest community.

In conclusion, it is obvious that the Town of Wake Forest's leaders have worked diligently and successfully to create an attractive community with a high quality of life. The Town is actively engaged in planning to meet the challenges of rapid growth. **Wake Forest is a modern, forward looking Town with a proud heritage, beautifully preserved downtown, superior quality of life, and great prospects for the future.**

Introduction to Wake Forest

The Town of Wake Forest, **one of North Carolina's fastest growing municipalities**, is located adjacent to North Raleigh on US Highway 1. It has been appropriately labeled "**The Northern Hub in the Triangle's Family of Communities."** Interstate connector I-540, which eventually will circle metropolitan Raleigh, is six miles south of Wake Forest. Access to I-85 is about 25 miles to the north. Currently undergoing improvements, NC Highway 98 links the Town to Durham, about 20 miles to the west. I-95 is some 40 miles east of the Town. Wake Forest's link to Research Triangle Park and the RDU International Airport via US-1, I-540, and I-40, is approximately 25 miles. The huge Falls Lake State Recreation Park is immediately west of Wake Forest. The Town of Rolesville impedes Wake Forest's expansion to the east. Rural Franklin County adjoins the Town to the north on US-1.

As evidenced by its phenomenal growth from 5,832 people in 1990, to 12,588 in 2000, and to the latest population estimate of 16,490 in 2003, Wake Forest is in a favorable geographic location for continued growth. The Town offers a vital, beautifully restored downtown, the historical campus of Southeastern Baptist Theological Seminary, and exceptionally nice residential developments such as Heritage Wake Forest, all within easy commute to metropolitan Raleigh-Durham.

Despite its high growth rate, **Wake Forest has preserved its small Town friendliness and charm.** The carefully preserved downtown provides an enviable showpiece that should be expanded into a profitable retail, office, and residential center. Already, **the Town provides homes for many of the employees of the Research Triangle Park and the Raleigh-Durham business centers**. Through continued planning and implementation efforts, Wake Forest can attract first class companies that provide services to the metro centers but prefer locations in quieter neighborhoods.

Despite some job losses, Wake County's unemployment rate has stayed about 2 points under North Carolina's average since 1999, hovering below 4.0 percent in 2005. Moreover, unlike much of North Carolina, **the county's labor force showed a strong rebound** to 388,892 in 2005. The Wake Forest labor force is well-educated and should be attractive to new economy companies.

In a summary comparison of Wake Forest, few Towns can claim such excellent quality of life resources within its borders along with so many governmental, cultural, educational, research, retail, transportation, sports, and recreational assets within a 25 mile radius. Wake Forest is advantageously positioned for positive economic development and community development on its own terms.

TOWN OF WAKE FOREST

ECONOMIC & DEMOGRAPHIC PROFILE

Economic and Demographic Trends

Sanford Holshouser examined local and regional economic and demographic trends as part of the strategic planning process. The information identifies strengths of the economy and workforce and weaknesses that need to be addressed. The Target Industry Analysis and Marketing Plan are built on the key trends identified here.

Because of the small population size of the Town of Wake Forest, statistics for Wake County and the Raleigh region are used where Town information was unavailable.

Key Findings

- **Population** –Wake Forest has had tremendous population growth, ranking the Town as the 13th fastest percentage growth in the state (first in the 1990-2000 census decade). The Town's growth far surpasses population growth rates in Wake County and the Raleigh MSA. Age demographics show that the population of Wake County is also younger than the state as a whole.

- **Education** – The educational attainment levels in Wake Forest and Wake County have increased. The change in Wake Forest has been remarkable. The number of Town residents holding a bachelor's degree increased 37% and the number holding a graduate or professional degree increased 44% from 1990 to 2000. The Town and County have exceptionally low percentages of people over the age of 25 that have only a high school education or less. SAT scores also reflect the emphasis on education by far surpassing the state and national averages.

- **Employment and Wages** – The Wake County labor force is continuing to grow. Employment figures show the largest employment sectors to be Retail, Health Care and Social Assistance and Public Administration. Employment growth has been slow, but the largest sectors did show positive gains. Wake Forest and Wake County area wages have grown faster than the Raleigh MSA.

- **Economic Indicators** – Income has continued on a positive trend and remains well above the MSA and state averages. Retail sales remained strong in Wake County at a time when many North Carolina communities saw decline. Retail sales figures for Wake Forest are growing, but remain below towns of comparable size. Residential construction continues to grow each year with over 1,000 units permitted in 2004.

Population

The Town of Wake Forest's current population estimate is 16,490, up 31% from 2000. That growth rate placed the Town as the thirteenth fastest growing municipality in the state from 2000 to 2003. The Town's population increased at an annual average rate of 11.6% between 1990 and 2000. The rate of growth during that decade was significantly faster in Wake Forest than in Wake County as a whole, which grew at an annual average 4.7%. The 2003 population of Wake County is 699,503 and by 2010, the population is projected to be 860,108. Wake Forest's rate of growth is faster than the rate of growth for the Raleigh Metropolitan Statistical Area (MSA), at 11.3%.

Population			
	1990	2000	2003
Town of Wake Forest	5,832	12,588	16,490
Wake County	426,311	627,847	699,503
Raleigh MSA	735,480	797,049	887,459

US Census Bureau 1990 and 2000 and NC State Data Center

Age Demographics

Wake County's age demographics are younger than those of North Carolina. The youth age group, 0 – 17, saw an increase over 1990 to 2000. There was a significant decline in the 18 - 34 age group at the county and state levels. There was an increase in the 35 – 54 age group similar to the increase in the state. The most notable difference between Wake County's age demographics and the state average is the lower percentage of people in the 55+ age category.

Percent of Population by Age Group

	Wake County			North Carolina	
Age Groups	1990 % of total population	2000 % of total population		1990 % of total population	2000 % of total population
0 – 17	23%	25.1%		24%	24%
18 – 34	35.1%	28.7%		29%	25%
35 – 54	27.4%	31.9%		26%	30%
55+	14.5%	14.3%		21%	21%

NC State Data Center

Education

The people of Wake Forest and Wake County are achieving higher education levels. The educational attainment statistics for Wake Forest are dramatic. Each college education level saw an increase. The category with the most significant change is in "graduate or professional degree" for which the percentage rose from 7.4% to 10.7%, a 44% increase. Wake County saw major increases in educational attainment, but the improvements are more dramatic in the Town.

Wake Forest is served by the Wake County Public School System. SAT scores for the County School System have been well above state and national averages for years. The 2005 score was 1075.

Educational Attainment		
	Wake County 1990 % of pop. Over 25	**Wake County 2000** % of pop. Over 25
Less than H. S.	14.6%	10.7%
H. S. graduate	21.4%	17.8%
Some College No Degree	20.1%	20.1%
Associate Degree	8.6%	7.6%
Bachelors Degree	24.4%	29.6%
Graduate or Professional Degree	10.9%	14.3%

US Census Bureau

Educational Attainment		
	Wake Forest 1990 % of pop. Over 25	**Wake Forest 2000** % of pop. Over 25
Less than H. S.	21.7%	10.7%
H. S. graduate	21.5%	16.8%
Some College No Degree	17.7%	20.7%
Associate Degree	8.2%	8.7%
Bachelors Degree	23.5%	32.3%
Graduate or Professional Degree	7.4%	10.7%

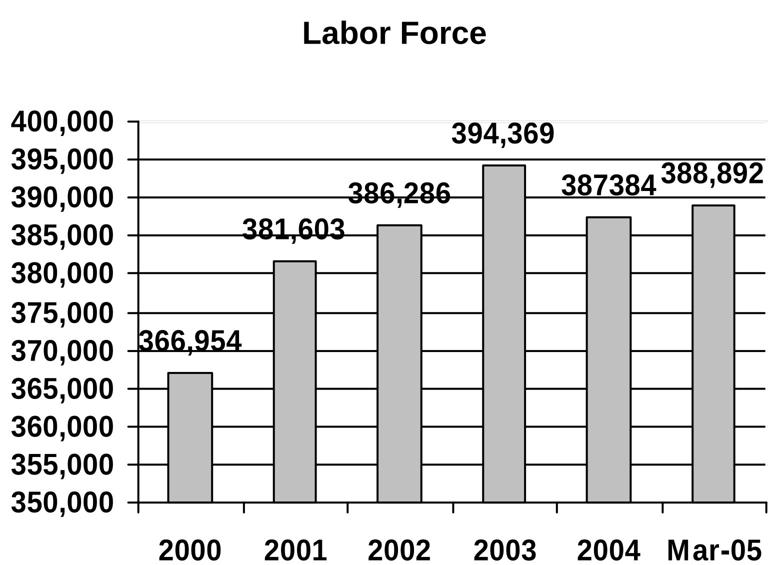
US Census Bureau

SAT Scores	2003	2004	2005
Wake County	1067	1063	1075
North Carolina	1001	1006	1010
United States	1026	1026	1028

NC Department of Public Instruction

Labor Force

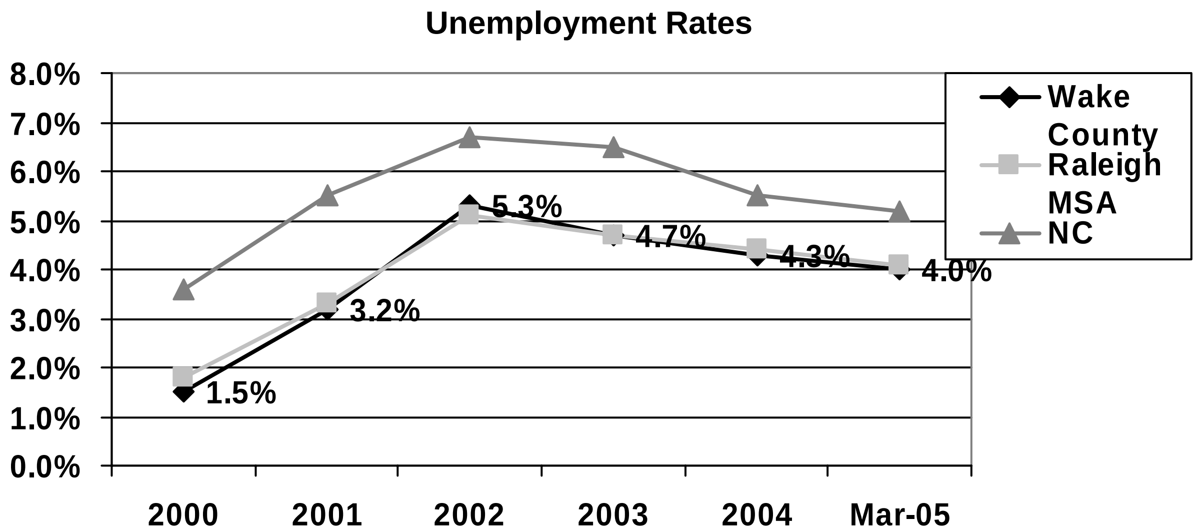
The labor force is made up of Wake County residents who work and are actively seeking work. Unlike most of North Carolina, the Wake County labor force has grown steadily over the last five years. The labor force grew at about 5.6% per year over the five-year period of 2000 to 2004 and is currently at 388,892. That is significantly faster than statewide labor force growth (3.5%) for the same period but slower than the Raleigh MSA, which grew at an annual average of 7.2%. Most North Carolina communities saw a decrease in the labor force after 2000 until the economy rebounded in 2003/2004. The Wake County labor force growth shows the region's strength as an employment hub. About 56% of Wake County's population is in the labor force.



NC Employment Security Commission

Unemployment

Wake County's unemployment rate has mirrored that of the Raleigh MSA, both are significantly below the North Carolina unemployment rate. Generally, unemployment began to rise as the economy slowed in 2000. After peaking in 2002, unemployment inched lower as the local and regional economy recovers. At 4.0%, the rate is among the lowest in NC.



NC Employment Security Commission

Business Expansions and New Location

There have been five new company locations and one relocation in Wake Forest since 2002. New investment from the projects total almost $56 million and the new jobs created are almost 1,000.

Date	Company	New or Expansion	New Jobs	Investment	Product/Service
March 2005	HealthFirst Pharmacy	N	4	$1,000,000	Retail - Pharmacy
November 2004	Wake Forest Family Eyecare	Relocation	0	$4,000,000	Health Care
July 2004	Wal-Mart Super Center	N	400	$25,000,000	Retail – General
March 2004	Lowe's Home Improvement	N	175	$18,500,000	Retail – Building Supplies
December 2002	Target Super Store	N	260	$7,121,000	Retail - General
December 2002	Home Depot	N	135	$3,100,000	Retail – Building Supplies

NC Employment Security Commission

Business Closings and Layoffs

Since January 2002, twelve businesses, representing 150 jobs, have closed or announced permanent layoffs in Wake Forest. In Wake County, almost 500 businesses have announced layoffs or closings that affected more than 10,000 people.

Announced Closings and Layoffs in Wake Forest					
Effective Date	Company	Product	Number Affected	Reason	Closing/ Layoff
January 2005	Jordan Tree Care	Tree services	*	Acquisition	CL
December 2004	The Clothes Horse	Family clothing store	*	Not stated	CL
December 2004	Ellie May's Gifts	Gift shop	2	Competition	CL
December 2004	Frankly My Dear	Women's clothing store	1	Not stated	CL
July 2004	Kateri's Café & Catering	Restaurant	*	Owner's decision	CL
June 2004	Jones Hardware	Hardware store	*	Competition	CL
December 2003	Weavexx, Inc.	Forming fabrics, press felts	133	Relocation to Canada	CL
May 2003	J.T. Lee Contracting Corp.	Road contractor	*	Bankruptcy	CL
March 2003	Not Just For Kids, Inc.	Book store	5	Owner's decision	CL
February 2003	South White Street Grill and Pub	Restaurant	*	Bankruptcy	CL
December 2002	Southern States	Garden/Pet supplies	7	Slow sales	CL
January 2002	Sears	Department store	2	Opening at Triangle Town Center	CL

NC Employment Security Commission
**Unknown.*

Workforce Commuting Data

There is a great deal of commuting into and out of Wake County. Of the total number of people working in Wake County, about 24% commute into the County. In-commuters come from Johnston County (23,628), Durham County (13,929), Franklin County (10,347), and Harnett County (8,841). Out-commuters, 20% of the resident workforce, drive to Durham County (43,351), Johnston County (4,050), Orange County (3,552), and Franklin County (2,430).

Commuting	1990	2000
Working in Wake County	**249,943**	**360,167**
Live & work here	201,227	272,432
Live elsewhere & work here	48,716	87,735
% workforce commuting in	20%	24%
Live in Wake County & work elsewhere	**35,954**	**66,170**
% resident workers commuting out	15%	20%

US Census Bureau

Employment and Wages

About 381,000 people work in Wake County. The total number of people working in the county decreased from 2001 to 2002, but increased slightly from 2002 to 2003. In the latest annual employment figures available, the largest employment sector is Retail, employing 11.9%. Other large employment sectors include Health Care and Social Assistance employing 9.3%, Public Administration 8.7% and Educational Services 8.2%.

Employment growth was mixed among industry sectors. Manufacturing employment declined by 7.5% and Finance and Insurance declined by 9.7%. The large employment sectors of Retail, Health Care and Social Assistance and Public Administration all saw employment gains from 2002 to 2003.

The leading wage sectors in Wake County are Utilities, Information, Wholesale Trade, and Mining. Public Administration is the only large employment sector that pays above the average wage of $38,376. Wages grew 3.9% from 2001 to 2003. That wage growth is faster than the Raleigh MSA, where wages grew 3.4% over the same period.

Wake County
Insured Employment and Wages in North Carolina
for 2001, 2002 and 2003

	2001		2002		2003	
Industry	Annual Avg Empl	Avg Annual Wage Per Employee	Annual Avg Empl	Avg Annual Wage Per Employee	Annual Avg Empl	Avg Annual Wage Per Employee
Agriculture, Forestry, Fishing & Hunting	838	$29,677.91	1,282	$35,766.15	1,211	$39,364.42
Mining	884	$64,902.17	943	$67,136.19	697	$61,123.90
Utilities	1,646	$78,429.28	1,774	$78,563.53	1,751	$82,034.79
Construction	29,047	$36,799.29	27,605	$35,891.11	26,670	$36,449.53
Manufacturing	27,018	$47,786.63	24,020	$48,447.87	22,217	$49,614.00
Wholesale Trade	18,193	$54,554.98	18,571	$57,240.06	18,649	$61,234.48
Retail Trade	47,196	$24,935.34	45,094	$24,734.58	45,467	$24,911.86
Transportation and Warehousing	13,003	$34,617.16	10,716	$37,471.07	10,318	$37,596.31
Information	17,733	$58,862.64	17,434	$60,095.35	16,989	$61,624.37
Finance and Insurance	13,729	$50,955.97	15,311	$52,392.17	13,819	$55,383.47
Real Estate and Rental and Leasing	7,044	$34,012.39	6,790	$33,842.89	7,061	$34,775.29
Professional and Technical Services	31,777	$53,998.83	30,497	$53,705.82	29,682	$57,459.97
Management of Companies and Enterprises	6,891	$55,728.61	7,154	$58,058.41	8,064	$58,713.09
Administrative and Waste Services	29,525	$26,271.36	27,317	$26,704.76	28,941	$26,652.27
Educational Services	30,520	$32,766.13	30,397	$34,894.68	31,468	$34,778.05
Health Care and Social Assistance	33,095	$35,269.38	34,674	$35,926.64	35,522	$36,987.36
Arts, Entertainment, and Recreation	6,187	$22,407.03	6,453	$23,046.54	6,115	$23,922.67
Accommodation and Food Services	29,152	$13,779.42	29,121	$13,313.77	30,005	$13,555.14
Other Services, Ex. Public Admin	12,604	$26,189.09	12,214	$25,131.14	12,327	$25,256.39
Public Administration	32,406	$38,898.75	32,676	$39,694.12	33,331	$40,309.20
Unclassified	*	*	352	$33,734.47	784	$39,150.78
Total Federal Government	4,483	$50,440.00	4,693	$51,948.00	4,775	$53,560.00
Total State Government	35,690	$37,700.00	35,341	$38,688.00	35,782	$39,000.00
Total Local Government	28,485	$34,632.00	29,093	$36,660.00	30,010	$36,868.00
Total Private Industry	319,830	$36,868.00	311,261	$37,336.00	310,488	$38,220.00
Total All Industries	**388,487**	**$36,920.00**	**380,388**	**$37,596.00**	**381,054**	**$38,376.00**

**Indicates disclosure suppression.*
NC Employment Security Commission

Retail Sales

Retail Sales for Wake County in the 2003-04 fiscal year were $13.42 billion and in Wake Forest, $286 million. The Town's retail sales are less than cities of comparable size (Cornelius, Albemarle, and Boone). Most North Carolina communities saw slowing of retail sales from 2000 to 2002, but Wake Forest has seen a steady increase. The strong retail sales in the Town and county are evidence of the strength of the local and regional economy.

Retail Sales in Millions

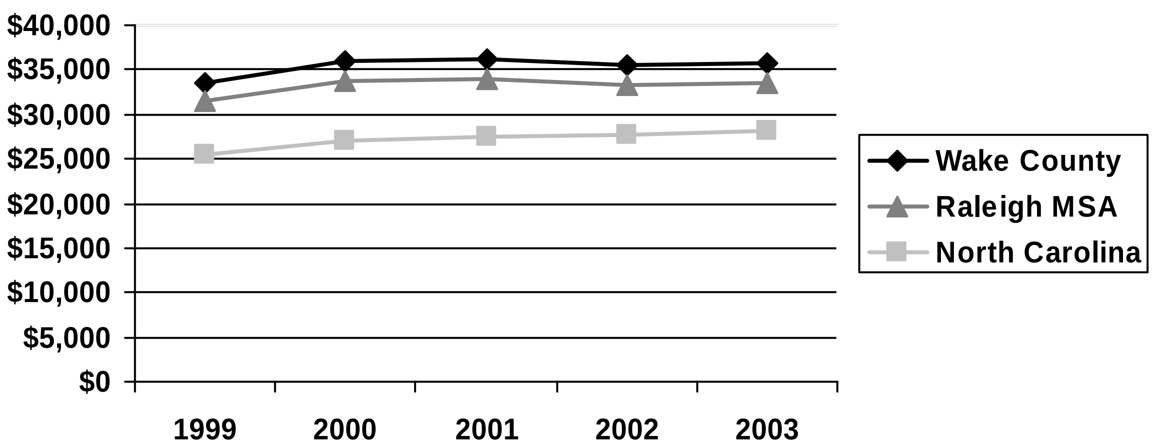
	1999-00	2000-01	2001-02	2002-03	2003-04
Wake Forest	$118	$136	$183	$235	$286
Wake County	$11,613	$12,546	$12,017	$12,401	$13,420

NC Department of Revenue

Per Capita Personal Income

Per capita personal income in Wake County is above the state and MSA average. The county statistics show a similar trend to the state and MSA. In 2003, per capita personal income for Wake County was $35,864, $33,627 for the Raleigh MSA and $28,071 for North Carolina. Income growth slowed in 2000, 2001 and 2002 at the local, regional, and state levels, a reflection of the national slowing economy. The climb in 2002-03 shows the economic recovery underway.

Per Capita Personal Income



US Census Bureau

Residential Building Permits

Residential construction has grown dramatically in Wake Forest. Total building costs rose each year standing at almost $130 million in 2004. Last year, there were 871 new buildings and 1,086 new units with an average per unit cost of $119,500. The units-to-buildings data shows that more multi-family residential units were built in 2000 and 2004. The steady climb in building, units and total building cost all indicate a remarkable residential construction industry.

Year	Number of Buildings	Number of Units	Total Building Cost
2000	397	460	$51,293,089
2001	446	446	$57,114,210
2002	497	497	$81,633,784
2003	576	576	$90,377,520
2004	871	1,086	$129,777,812

US Census Bureau

TOWN OF WAKE FOREST

ECONOMIC DEVELOPMENT PREPAREDNESS ASSESSMENT

Economic Development Preparedness Assessment, General

How can **Wake Forest improve its capability to attract new capital investment and jobs while retaining and growing its existing businesses and industries?** Sanford Holshouser is convinced that this Assessment will answer much of that question by identifying strengths and weaknesses in the economic development program, sites and buildings status, leadership support for economic development initiatives and the general condition of economic development programs. **Strong and, admittedly in some cases, controversial recommendations follow.**

In the United States, there are some 15,000 economic development organizations competing for a few hundred significant relocation and expansion projects in any given year. Some of those organizations believe they possess the golden mother lode of economic development, such as being located within a region of exceptional business growth. **Simply waiting for the Triangle attraction to draw companies to Wake Forest, however, is not a winning strategy. Neither is relying on residential and commercial growth to produce the revenues necessary for a progressive Town.** Wake Forest should address economic growth through a **comprehensive plan not limited to residential and commercial business attraction alone. Diversification of Wake Forest's economy is the key.**

Local support for existing industry and business, training the workforce, looking for niche markets for new industry and business, encouraging entrepreneurship, helping to develop retail and other small businesses, building office space, boosting the market for tourism, attracting the baby boomers, continuing to improve downtown's vitality and appearance, and working to enhance the quality of life, all should be a part of a comprehensive economic development strategy.

In the competitive arena of economic development, Wake Forest must be prepared in advance of meeting the prospect who is looking at the area for a location project. **Sanford Holshouser is a great proponent of product development, creating or enhancing the community's physical attributes that should be in place in order to attract new business and industry or to provide the framework that existing local companies need to expand.**

Product is another word for site and infrastructure development. Long gone are the days when a community could tell the prospect: "If you come, we can run a water line to the site." There are too many competing communities that can tell the prospect: "Our State-certified site is already fully served with water, sewer, highway access, and is connected for communications with all utilities in place. Our site is attractively zoned, graded, landscaped, environmentally tested, and permitted, and it is shovel-ready. Moreover, the leadership here truly wants a company like yours in our Town." **Preparation includes leadership attitudes, education, workforce development, and quality of life factors.**

In addition to preparing sites, buildings and infrastructure, Wake Forest must have a strong, proactive program with **committed leadership support for innovative economic development initiatives.** From our work with the Town's leadership, we believe Wake Forest understands that commitment but **may be overly concerned with the term**

"industry" as opposed to "business." Sanford Holshouser tends to use the definitions interchangeably with both as a target for attraction (for example, the business of attracting retirees is just as much an industry as biotechnology).

We recommend a closer involvement with Wake County Economic Development (WCED), seeking its help in achieving the Town's goals (for example, using the Target Industry Analysis to ask for help in attracting the types of businesses compatible with the Town and its workforce). **But do not expect WCED to bring clients to the Town until sites are in place.**

The **Town's representatives on economic development boards should include executives from the private sector** as well as local government decision makers. Business and industry leaders can offer new ways of looking at problems and opportunities. Government leaders often are the ones who can make opportunities become reality.

Town of Wake Forest economic development activities are carried out primarily by the Wake Forest Chamber of Commerce under an agreement with the Town. Sanford Holshouser considers that arrangement to be an appropriate one. To achieve the next level of economic development excellence, however, the Chamber will need additional staff and funding. Town government leaders should interact seamlessly with the Chamber's economic development leadership.

Rating Economic Development Factors for Wake Forest

When making new location decisions, companies look at dozens of factors, beginning with the most elemental: the **"product"** (i.e., the building and/or site and infrastructure) **because if that is not in place, the Town may be immediately eliminated.** The other factors play varying degrees of importance and all will be considered in the location decision. As part of this study, Sanford Holshouser developed a questionnaire similar to that we use when acting as a site selection consultant. We interviewed community leaders, distributed a mail survey, facilitated a focus group, met with the local economic developer, Town staff and officials. We also interviewed regional and state economic development officials with familiarity with Wake Forest. In all, the participation of some 45 leaders indicates a broad interest and commitment to economic development within the Town. **Following is a report of the responses Sanford Holshouser received through the various leadership venues.**

Factors: Wake Forest opinion leaders were asked to **rate, as Excellent, Adequate or Poor, selected economic development factors shown below**, whether the factor is controlled by the Town or by others on behalf of the Town. **Here are their opinions:**

- **Public Education** - By an overwhelming majority, participants rated Wake Forest schools as **Excellent**. SAT scores that surpass state and national averages confirm a favorable rating of the public and private schools' performances.

- **Community College and Workforce Development** – Wake Technical Community College and its workforce development program received mostly **Adequate** votes. With a nearby campus, Town leaders should become more involved with WTCC.

- **Tourism Development** - Generally, the opinion leaders rated tourism development **Poor** and said it lacks ownership and focus.

- **Retail Development** –Rated **Excellent** by most participants. Wake Forest's retail sales have continued to grow annually, even through the economic downturn.

- **Downtown Improvements** – Half of the Town leaders rated downtown improvements **Excellent. A fourth said Adequate and a fourth said Poor.**

- **Small Business Development** – Over 81% of leaders rated this category as **Adequate.**

- **Transportation Improvements** – Citing commuting gridlock on US-1 and NC-98 as well as inadequate traffic collector streets within the Town, leaders rated highway elements as **Poor,** but improvements are underway or planned.

- **Beautification** - Almost all participants gave beautification efforts an **Adequate** rating.

- **Parks and Recreation** – Eighty percent rated Parks and Recreation programs and facilities as **Excellent**.

- **<u>Arts and Culture</u>** - Seventy-five percent said **Excellent**, the remainder Adequate.

- **<u>Restaurants</u>** - Votes on the status of local restaurants were evenly split between **Excellent and Adequate**.

<u>Economic Development Strategies Prioritized:</u> When asked to rank several possible **economic development strategies** for Wake Forest, opinion leaders ranked them in the following priority order:

1. **Marketing/Promotion**
2. **Tourism Development**
3. **Retirement Industry Development**
4. **Existing Business/Industry Support**
5. **Retail Development**
6. **Business Park Development**
7. Although not listed on the survey, several opinion leaders mentioned **Downtown Improvement** as a priority strategy.

<u>Yes or No</u>: When asked to vote yes or no to f**ive specific economic development activities typically undertaken by municipalities in North Carolina**, Wake Forest leaders were for the most part strongly in agreement with each other on each question:

1. Should the Town develop a **business/industry park? <u>NO</u>** (80 percent)
2. Should the Town pay to **certify industrial sites? <u>YES</u>** (76 percent)
3. Should the Town **build a speculative building? <u>NO</u>** (94 percent)
4. Should the Town **extend water and sewer service** to non-annexed businesses? **<u>NO</u>** <u>(60</u> percent)
5. Should the Town **have an incentive policy? <u>YES</u>** (94 percent)

SWOT: Strengths, Weaknesses, Opportunities, Threats

Input into the SWOT analysis has come primarily from local leaders although Sanford Holshouser spoke with state and regional economic development officials who offered helpful information and opinions. **The SWOT Analysis was not developed in any priority order.**

STRENGTHS: Below is a list of Wake Forest's major assets from an economic development viewpoint as identified by community leaders:

- **Quality of Life** - Without exception, opinion leader agreed that the Town's quality of life, its well-educated and forward-looking people, and its small town atmosphere were major strengths of the Town. Historic downtown, with its restored buildings, boutique shops and excellent restaurants, was identified as one of the Town's strongest assets. The commitment of the Downtown Revitalization Corporation to improving the area is evidence of the Town's civic pride. A planner, writing in a long-ago land use plan for Wake Forest, apparently coined the phrase **"crown jewel"** in describing downtown. Many years later, Sanford Holshouser heard that appropriately descriptive term several time during focus groups and interviews.

- **Location in the Raleigh-Durham MSA** - The geographic location of Wake Forest in northern Wake County, crisscrossed by US-1 and NC-98, lends the Town access to a major metropolitan statistical area (MSA) while allowing it to retain much of its small Town charm. The potentially excellent highway network connects the Town to the Triangle with its respected universities and colleges, research and development facilities, international airport, medical centers, theatre, arts, culture, entertainment, major league hockey, and ACC sports—all of which should be proudly claimed by Wake Forest as its own family of assets. Meanwhile, **location is a key to one of Wake Forest's best cousins in economic development—the nearby Research Triangle Park.**

- **The Seminary –** The Southeastern Baptist Theological Seminary and College was named often as Wake Forest's most influential and beneficial institution. The Seminary helps define the character of the Town, its living history, its highly educated citizens, and its concerns for its families. The Seminary gives Wake Forest a uniquely spiritual dimension that extends back to the Town's founding and projects widely by giving **Wake Forest roots to ministers and their families throughout the South and the world.**

- **Parks and Recreation** – Sometimes overlooked by local leaders, **parks and recreation are nevertheless enormously important elements of economic development and offer a pathway to tourism.** Wake Forest parks and recreation programs received **Excellent** ratings by participants in this study and it is easy to see why. Wake Forest lists 10 parks and playgrounds around Town, ranging in size from 100 acres to one-half acre. Recently, through a bond referendum, the Town has approved development of a $4 million, 117 acre park. The huge Falls Lake State Recreation Area extends for several miles to the west of the Town.

- **Workforce** - Wake Forest offers a growing supply of highly productive workers, primarily white collar, most **with the education and skills demanded by the new economy.** Moreover, the region's population appears open to concepts of life style amenities that attract well-educated young workers.

- **Town Government** - The Mayor, Town Council, manager, and staff received **Excellent** marks for **pro-growth leadership, efficient operations, and quality planning.** Most participants expressed confidence that the Town is headed in the right direction. Some non-governmental leaders, however, expressed interest in moving the planning process forward more rapidly into the implementation phase.

- **Education and Educational Attainment** - Almost all participants in this study ranked the Wake County schools serving **Wake Forest as excellent. Wake County high school students consistently score significantly higher than state and national averages on SATs.** There also has been a dramatic gain in Wake Forest's educational attainment status between the last two US Census counts. Interestingly, the percent of people with doctorate or masters degrees exactly matched the percent without a high school education, 10.4%. Few North Carolina municipalities can make such a strong educational claim. **Wake Forest should promote educational attainment statistics when recruiting new economy companies whose emphasis often is on an educated workforce.** The potential for any new company to recruit many of the area's well-educated out-commuters is also a marketing advantage for Wake Forest.

- **Civic Pride –** A number of civic organizations serve Wake Forest including:

    - The **Wake Forest Chamber of Commerce**, recognized as a strong organization with excellent executive leadership. Its primary efforts in the ED arena are focused on commercial development and assisting small businesses. The Chamber is the point of contact for WCED when it has clients with an interest in Wake Forest.

    - The **DuBois Cente**r is a restored 1926 African-American school that serves now as a community center. It has two economic development roles. The first is providing employment as a contractor for delivery of county, state, and federal human services. The second is focused on training programs, plans for a business incubator, and the establishment of a **Julius Rosenwald museum**, recognizing an early 1900s proponent of African-American education who built schools nationwide, many in North Carolina.

    - The **Downtown Revitalization Corporation** (DRC) focuses on retaining the charm of the old Town center while enhancing business and residential ventures through **refurbishing properties and conducting special events and promotions.** DRC also offers marketing and merchandising assistance to its members.

    - A unique and strong community institution, the **Trentini Foundation** provides educational support for local schools, offering **scholarships and supplementary grants for teachers.**

- **Historical and arts organizations** were credited for significant contributions to community development in Wake Forest and can play an important role in tourism.

- There are some **25 civic organizations** active in Wake Forest whose volunteer work in the community is often taken for granted or overlooked. It should not be.

- Local leaders listed the **Wake Weekly** newspaper as a positive asset for economic development and progress in the Town.

- **Housing Development** – The rapid growth of Wake Forest has been accommodated by a number of housing developments in Town, most notably **Heritage Wake Forest**, a full-scale home, golf, and shopping community.

- **Wake County Economic Development (WCED)** – A surprising number of leaders had little knowledge of how Wake County is organized for economic development. Some were not aware that the Greater Raleigh Chamber of Commerce operates the Wake County program in cooperation with a relatively independent WCED organization, and that Wake Forest is represented on the Board of Directors. J**udging WCED on bottom line performance, it deserves to be rated Excellent.** It has been successful **over several years** in recruiting industry and business to Wake County, including to Wake Forest. The highly publicized pains of company closings and layoffs during the recession were a reflection of the national economy and individual company scenarios, not WCED's work. Following is the stated mission of Wake County Economic Development:

  "The Wake County Economic Development Program, a program of the Greater Raleigh Chamber of Commerce, markets Wake County as the best place for business location, retention, and expansion, being impartial among specific communities for the mutual best interest of the business prospect and Wake County."

WEAKNESSES: The opinion leaders in the Sanford Holshouser study helped **identify some weaknesses in Wake Forest's economic development structure that need work.** These challenges are presented below in no particular order of priority:

- **Overcrowded Schools** – Although almost all participants agreed that Wake Forest schools, public and private, are excellent, there were concerns that **overcrowded public schools** and the **assignment of students without regard to neighborhood residence** will further remove Wake Forest citizens from the concept of hometown ownership of the schools and will eventually weaken local schools.

- **Industrial Site Product** - **Wake Forest lacks a modern business park with adequate available acreage, a marketable industrial building and a State-certified industrial site.** There are vacant properties in or adjacent to Wake Forest that could be developed for these purposes. Farmland to the north could be converted to industrial sites if **Wake**

Forest and Franklin County worked together on the project. Sanford Holshouser found that much of the desirable vacant property in the Wake Forest area is priced too high for most industrial clients. This puts Wake Forest at a competitive disadvantage with other municipalities. Almost all companies planning to locate a project are seeking existing, modern buildings, or at least a "shovel ready" site. The Town**'s** inventory of sites and buildings does not present much of an inducement for State, WCED, or site selection consultants and developers to come to Wake Forest with a project. In other words, **because of the lack of sites and buildings, Wake Forest is automatically excluded from consideration by most companies regardless of the Town's other desirable assets.**

- **Upscale Amenities** – Some leaders believe Wake Forest is underrepresented in upscale amenities, such as **fine restaurants, meeting and lodging facilities, Class A office space, and high-end retail,** all of which may be factors considered by some companies the Town would like to attract. The Raleigh area, with its abundance of shopping, dining, lodging and entertainment is near enough to Wake Forest to negate much of this concern. As the population grows, so will demand for more local amenities, and the market is sure to move toward Wake Forest. Meanwhile, **marketing Wake Forest to high-end retail/lodging/service sector developers is a logical economic development strategy.**

- **Incentive Policy** – Unfortunately, most business/industrial operations considering new locations require incentives in this very competitive environment. This also holds true of existing industries considering local expansions. Some citizens oppose any economic development incentives and are not aware or don't care that incentives are as much a part of attracting new companies today as providing water and sewer service was yesterday. The **lack of a reasonable, well thought out and legal incentive policy by the Town of Wake Forest could place it at a considerable disadvantage in attracting business.** Moreover, it this litigious era, ensuring that the Town's policy is legal before beginning negotiations with a company is prudent.

- **Traffic and Transportation Improvements –** Many of the leaders expressed frustration with **traffic circulation problems in and around Wake Forest**. Improvements now underway, particularly extending NC-98 Bypass and multi-laning portions of South Main Street, will help. Making Capitol Boulevard a limited access highway from Raleigh through Wake Forest is an immediate need, but road construction funding is not keeping pace with traffic anywhere in North Carolina. Other transportation options should be explored, including commuter rail. Transportation problems are major tests for Wake Forest's political influence.

- **Land Locked –** A number of people referred to Wake Forest as land-locked, that is, blocked from growth by Raleigh to the south, the Neuse River basin to the west, Franklin County to the north and Rolesville to the east. Attempting to renegotiate territorial agreements with Rolesville may be worthwhile. A better option may be to **look north into Franklin County.** Through its agreement with Raleigh, Wake Forest has the infrastructure capacity to provide necessary Town services to development along US-1 north which Franklin County may find advantageous. The time to work out mutually beneficial agreements with Franklin County is now, before development completely overwhelms the area.

- **<u>Affordable Housing</u>** – Several participants expressed concern that housing prices had escalated beyond “affordable” and that low to moderate income people could not find housing in Wake Forest. In the US, a record 69 percent of households own their own homes. Demand is expected to continue its rise because of immigration, baby boomers building second homes, and the coming of age of baby boomer children. Rental affordability is expected to be particularly challenging as the nation’s affordable stock of rental housing continues to shrink. Thus, while the real estate bubble is not as bloated in RTP area as it is in many other metropolitan regions, **Wake Forest is caught in an uncomfortable trend common throughout the Triangle and nationwide.**

- **<u>Business Owners</u> –** There were observations that some property owners and business owners downtown were not Wake Forest residents and were uncooperative, either in their business practices such as hours of operation or in making improvements to their properties. Moreover, there were comments that new commercial developments outside downtown, almost all of which are absentee-ownership properties, are architectural duplications of national brands without the classic styles and unique features displayed downtown. This segregation of business sections, however, is common nationwide and should pose little problem to Wake Forest as long as downtown is maintained as the crown jewel.

- Many study participants called for **more in-depth planning for the Town, particularly <u>vision planning</u>** which encourages majority citizen participation, inclusion, compromise and final agreement (“everyone on the same page”).

- **<u>Signage</u> –** Getting into Wake Forest is confusing. A first time visitor to Wake Forest might assume that the Town business center is at the Main Street exit off US-1. The visitor is likely to have a difficult time finding the way downtown, particularly as there appear to be two business centers separated by housing developments before reaching downtown (which requires a surprise right turn to finally make it to the White Street…not Main Street…business section). Signs that could solve the dilemma are too small and too few to be of much help. The Town has initiated a streetscape project with the Department of Transportation that will improve signage downtown along with other improvements.

- **<u>Jobs</u> –** The closing of manufacturing plants in Wake Forest has left many lower-skilled, employees out of the new economy. Those who have not taken advantage of retraining opportunities through Wake Technical Community College or other training venues may now have new opportunities in Wake Forests’ projected job creations through tourism.

<u>OPPORTUNITIES</u>: Participants in this study were opportunistic in the best sense of the word. The following opportunities were identified for Wake Forest:

- **Room to Grow Downtown** – The Leadership and Focus Groups in particular saw opportunities to expand the downtown while retaining its charm. They picture new buildings with historical styles that will accommodate shops and restaurants on the street floors and feature a mix of office space and residential lofts and condominiums on the upper floors.

- **Seminary Partnership –** Although no specific partnership plans were put forth, the **Southeastern Baptist Theological Seminary** was viewed as a close partner with the Town, Chamber, DuBois Center, historical and arts groups, and other lead organizations in helping to guide Town development.

- **Tourism Industry** – Opportunities to attract visitors to Wake Forest, particularly to downtown, are offered through the Town's **historical preservation**, its historical ties to Wake Forest College and now the Seminary, the planned Julius Rosenwald museum, and other heritage tourism assets. Other aspects of tourism favorable to Wake Forest include **outdoor tourism** (especially the Falls Lake area but also utilizing Town park facilities) and **sports tourism** (through the Sports Factory and the Town's current and planned athletic fields and other sports facilities).

- **Retirement Industry –** Wake Forest's excellent quality of life, upscale housing market, parks and recreation venues, golf courses, attractive downtown with the college campus, easy access to metropolitan amenities (especially health care), not to mention friendly people – all add up to a **first class place for attracting affluent retirees**. There were several mentions of the opportunity to build a first class retirement village in the northeast section of the Town.

- **Support for Existing Business and Industry –** Through the Chamber and Town public works department, Wake Forest apparently has a good informal relationship with its existing industries. WCED and the regional office of NC DOC also make periodic contact with industries in the Town. Taking Wake Forest's informal working relationships and turning them into a **program that aims to retain jobs and expand existing industries** could be the best investment that Wake Forest ever makes.

- **New Town Hall –** The location of the new Town hall created a lot of discussion in the Leadership and Focus Group meetings and interviews. In general, the consensus was that the Town has an opportunity to make a positive statement by locating **an architectural gem (matching the crown jewel) in downtown.**

THREATS: The threats identified by the plan participants were, for the most part, mirror images of Wake Forest's strengths, weaknesses and opportunities. That is, strengths could become destabilized, weaknesses may continue unabated, and opportunities could be missed. Sanford Holshouser believes that **most threats will be negated by positive adherence to the actions suggested in the plan.**

- **Lack of a Vision Plan –** These are the possible threats: the failure to bring local citizens into the planning process; the failure to create a vision plan so that all players are on the same page of instructions; the possibility that political expediency will trump planning; the continuing failure to build local schools fast enough to match population demands; the failure to integrate the Hispanic community into Wake Forest; and the failure to build highways and transportation systems sufficient to meet traffic demands. These are all genuine threats to the long term viability of Wake Forest as a great Town.

- **Clean Air** - On April 15, 2004, the EPA announced that the eight-county Triangle region including Wake Forest was designated **"non-attainment"** for ozone. **Air quality non-attainment is a serious threat to economic development** in the entire region. Unless the regional response works to clear the air, the EPA could begin to limit highway construction, housing and industrial development in the area.

Recommendations

Only positive attitudes and strong leadership, dedication to planning, and setting clearly identified goals for improvement can sustain the economic success thus far enjoyed by Wake Forest. **Following, are Sanford Holshouser's recommendations for Wake Forest based on the foregoing assessment:**

- **<u>Develop a Vision Plan for Wake Forest</u>** - The future holds great promise for Wake Forest in business development and population growth, but growth and success also bring problems. Town leaders may complain that they have been "studied to death" but it is critical that they **understand and keep pace with the region's transformation.** The explosive growth and changing economy demand it.

  - **<u>Initiate</u> Vision Planning**. Visioning, or imaging, is a process that encourages local leaders to meet the new challenges head-on, armed with the most creative ideas in the market place. It is not a one-time exercise. The Town should look five years out to the future, develop a three year plan to deal with its findings, and update it annually. It should involve the **top level of community leadership** but should also ensure that every citizen of Wake Forest has an open invitation and genuine opportunity to participate. In the Town's best interest, Wake County's leadership should be involved. Typically, the visioning process is aided by a professional facilitator to **determine the unique, positive characteristics of a community and to develop them into a theme that describes the community vividly.** Visioning defines how people work together to make things happen, and it defines leadership principles to get things done.

  - **<u>Review</u> and revise (if necessary) the Town's brand.** Branding is synthesizing those positive characteristics into an image that is projected to the Town's citizens and to the outside world through intensive, consistent marketing. It is not simply a slogan or logo; **it is reality for Wake Forest.** Right or wrong, perception is reality, and what people think of Wake Forest becomes its brand. Every single contact that Wake Forest has with the world, every Raleigh News and Observer or Wake Weekly story about the Town, and every driver passing through contributes to the branding of Wake Forest.

  - **Visioning and branding are intricate processes that go well beyond the scope of the current study but we recommend that they be placed on Wake Forest's recurring calendar.**

- **<u>Institute an Existing Business and Industry Support Program</u>.** Participants in this study identified existing industry and business support as the **fourth economic development priority for the Town. Sanford Holshouser recommends that it be raised to <u>first</u> priority.** While preparing for the new companies that may locate in the Town, the Town's primary emphasis should be on the companies that already make up the business, commercial and industrial base. **Sanford Holshouser recommends that Wake Forest implement an Existing Business and Industry Support Program** (also called a Retention and Expansion Program). It is much more than the annual speech and golf game on "Industry Appreciation Day," although that should be done also. It involves appointing a dedicated employee to the task, preferably a person qualified through the "key accounts" training program sponsored by ElectriCities. **Nationally, 75 to 80 percent of all new jobs created in a locale are created by existing industries and businesses.** In economic development, as in any sales related field, existing businesses are the least expensive customers to keep.

The program should be **coordinated with the WCED, Wake Technical Community College and the regional NC DOC programs. WCED and DOC generally concentrate exclusively on major-employment industries. WTCC offers programs in industrial, business and commercial retention. Wake Forest has interest in all three.** A retention and expansion program, if supported by the Town board, carefully implemented and enthusiastically facilitated by a dedicated employee, will create and/or retain more jobs for Wake Forest than any other economic development program the Town could undertake. **Here are some generic services that the Town could provide to local companies:**

- **Show appreciation** for the businesses and their employees.
- **Resolve problems** related to infrastructure, government services, and workforce associated issues.
- **Advise companies** of beneficial programs and services such as financing, technical assistance, grants, training and international trade.
- **Assist with expansion** plans including site selection, financing, infrastructure support, worker training and incentives.
- **Conduct research** assistance on demographics, wage information, cost of living statistics, etc., and share the information with local companies.
- **Keep communications open** between the Town's leadership and the businesses, especially Town decisions affecting the companies and, conversely, early warning from the companies concerning layoffs or closing.
- **Act prudently.** Developing a strong existing business support program is to ensure that the Town knows and understands **what is going on with its local industries and major businesses.** In this volatile time of industrial musical chairs, open, frank business discussions with executives of Wake Forest's major companies should begin now regarding each company's outlook for its local operations.
    - **First,** the Town should **assure the companies of Wake Forest's total support** for maintaining local operations for as long as possible. For example, even in the face of foreign competition, local manufacturing companies often can compete effectively by shifting to a niche market for specialty items. Wake Forest's

leadership needs to know how the companies do it and what, if anything, the Town can do to help.

- Without becoming negative, **<u>conduct</u>** open discussion about **all the "what if" questions regarding plant closings or reductions in operations. This** can head off or alleviate anxiety when it happens. Contingency plans for **handling the publicity**, for example, should be developed early on. Do not let the mayor or manager stumble for words when the news breaks.

- With the company's cooperation, **<u>offer</u>** the **space to be vacated for another local company's expansion or use it to attract new industry or business.**

- The Town can **<u>develop</u> a plan for employee assistance and retraining** (using the Pillowtex model to organize a rapid response team of state and local offices experienced in plant closings).

- To the degree of Wake Forest's financial dependence upon the companies (tax base, utility charges, other Town income), the Town may wish to **<u>increase</u> financial reserves** to cover income losses should the company cease operations. The main point is to be prepared for the worst and execute the plan immediately.

- While the recommendations above are, for the most part, aimed at the Town's industries, the program **<u>should be expanded</u>** t**o include small business and entrepreneurship** discussed in other "Recommendations" below.

- **<u>Apply the following formula for economic development success: Business Park + Sites + Available Buildings = Product. You build it, they will come.</u>** Wake Forest community leaders ranked a business park as next to last in priority as an economic development strategy for Wake Forest. Only one or two supported constructing a speculative building. While we agree on the spec building issue (see discussion below), **Sanford Holshouser strongly disagrees with the Wake Forest leadership on the business park and recommends it be advanced to number two behind the Existing Industry and Business Program.**

  - Currently there are 109 sites of varying sizes listed for Wake County on the NCDOC Building and Sites website. Only one of the sites could be identified through a computer search as a Wake Forest site. There is trite but true saying in economic development: "**You can't sell from an empty wagon." Wake Forest has a beautiful wagon, but it is basically empty of product.** The price per acre for land is excessively high to be competitive within the industrial market. Developing a business park by the Town should be considered an investment in the future rather than merely as an expense. And **if the private sector doesn't provide the product, the Town should.**

  - Measured strictly by micro-economics, **business parks seldom are profitable ventures but they are great loss-leaders that attract companies that pay off to the**

Town in property tax, utility revenues, and job growth. Usually, in an urban setting, the acquisition and site preparation costs drive the price beyond the general maximum of about $50,000/acre. In reality, the **land cost is usually included in the incentive offered the company to locate in the Town.**

- It may be feasible to **<u>put together</u> a private-public consortium** to build the park. The private investments could be paid back with interest when the property is sold and the public investment would be offered as an incentive. Another approach called **land banking** would include the property owner in the deal which takes the immediate cost of land out of it.

- To save money, Wake Forest should **<u>consider</u> a multi-jurisdictional park in cooperation with another municipality such as Rolesville or even with Franklin County or Wake County.** US-1 North into Franklin County opens up potential sites for a business park. Franklin County may be interested in sharing the costs of providing water, sewer and other services to a site near the Wake-Franklin line. No matter where it is located in either county, the local governments could **share in the development costs and share in the tax proceeds.** Just as is the case now, the jobs created in the park would be available to any qualified person without regard to which community he or she lives in, so people in commuting range (e.g., Wake Forest) would certainly benefit from the job creation. Sanford Holshouser has assisted in the landmark, four-county technology park project initiated by the Kerr-Tar Council of Governments north of Raleigh-Durham.

- **<u>Think</u> beyond a spec building. There currently is an industrial building glut on the market, some 80 of them in Wake County.** Moreover, current construction costs give the municipality cause for caution and validate the opinion leaders' reluctance to consider a speculative building. Sanford Holshouser concurs that a spec building at this time is too much a risk.

- **<u>Take a look</u>** at a relatively inexpensive **alternative to the spec building, the computer generated "virtual" building** that at least one North Carolina development firm offers. The Town would select, control, and grade a site and preferably get the site certified by NCDOC. **The development company would design and "construct" the virtual building by computer. Architectural plans, permitting, and other building preparations are accomplished. The building** is then available for a virtual "showing" to a prospective company when it visits Wake Forest, or it could be placed on CD and mailed to the prospect. The computer model may easily be altered as to size, ceiling height, etc. With all the advanced preparations, the building can be built two to three months quicker than a "start-from-scratch" building. Moreover, the company that designed it will help the Town market it because a related firm would hope to perform the construction services.

- **<u>Add certified sites</u> to the menu.** If the Town cannot afford a business park, it should **consider developing at least one site with a minimum 20 acres, preferably 40 acres or more**, of available land (this concept also fits with the virtual building concept discussed above). The site should be **certified under the Department of Commerce program**. A certified site may be the fundamental justification for a DOC or WCED developer to steer a prospect to Wake Forest instead of to another town that has no certified site. As a means of eliminating up-front costs of land, the Town could **"land bank" the site**, paying $1 to the property owner to gain control of the land, improving it for industrial use and, when it sells to a company, paying the landowner the original price of the property plus some or all of the gain in sale price. **The Town's investment could be offered as an incentive to the company.** Another alternative would be to **encourage a private development company to agree by contract to develop a business park, and the Town would agree to provide all utilities to the site and pay for the certification proce**ss. This approach makes everyone a winner.

- **<u>Continue</u> Downtown Revitalization** - The **effort to revitalize, renovate and beautify downtown Wake Forest is working and should continue to receive Town of Wake Forest and Chamber of Commerce cooperation.** Downtown Revitalization Corporation (DRC) has worked since 1984 to improve downtown and now has professional management to direct its program. The downtown **"crown jewel"** should be the focus of the vision plan. It has the hometown America look, and Wake Forest should continue restoration for economic as well as historic and appearance reasons. It should be the place for community gatherings, the focal point for the tourism industry and the main attraction for retirees, whether to a loft downtown or as the preferred shopping and dining spot for retirees living elsewhere in the Town.

    - **Sanford Holshouser agrees with the recommendations laid out in the Renaissance Plan -** Revitalization examples include professional offices, lofts, condominiums, town houses, boutique shops, museums, art galleries, sidewalk cafes, coffee shops, regular downtown festivals, and entertainment events. The downtown district is anchored on the north by the College Birthplace Museum and the Seminary Campus, and possibly on the south by the new Town hall and commons on South White Street. **The unique aspects of downtown should be a high priority in marketing by the Town, DRC and Chamber.** Carefully designed walking tours, parking and pedestrian friendly access points are necessary for success.

    - **<u>Support and guide</u> volunteer beautification projects.** There probably is a name better than beautification for displaying flowers, plants and general landscaping downtown and at other strategic places in Town. Regardless, this is not a little-old-lady-in-tennis-shoes matter. **Wake Forest, particularly downtown, is a perfect setting for beautification work** such as hanging flower baskets from light poles and creating beauty spots on vacant lots. Several North Carolina Towns have hired a horticulturist to create and maintain green spots with spring, summer, and fall flowers, as well as winter horticulture highlights. Often the horticulturist works with local garden clubs on a well-planned scheme to show off the town by landscaping. It doesn't happen overnight but it makes a tremendous impression on visitors.

- **<u>Improve Wake Forest gateways</u>.** Curb appeal is an important factor for industry and business development. The Town should negotiate with the NC Department of Transportation to create gateways at key locations for travelers approaching Town, beginning at the US-1 Main Street exit, then perhaps the NC-98 and 98 Bypass split. The gateways should be elaborately landscaped eye-catchers that make a good first impression. **Use special historical type signage** to lead the traveler downtown (the more signs the better, the bigger the better…within reason; we don't recommend billboards in town). Sponsor a "Welcoming Yard of the Month" and a "Business Improvement Award" among homes and businesses along the route into downtown. Use land use ordinances to require clean up/fix up of buildings and lots.

- **<u>Establish a Small Business and Entrepreneurial Development Program</u> –** "Entrepreneurship" should become the rallying cry for Wake Forest. The "great economic development buffalo hunt" when small cities sought to capture that one big, heavy manufacturing company with 2,000 jobs and an equally heavy tax base, is not over, but there are fewer buffalos and many more hunters. Without neglecting opportunities for bagging a buffalo, Wake Forest should **concentrate on strategies to recruit several companies employing 1, 5, 10, 25, 100 or so people in a number of different business and industrial sectors.** The goal should be to **balance the service sector with niche manufacturing** companies that are less susceptible to going off-shore for lower labor costs. What many localities overlook when adopting the smaller-is-better strategy is the opportunity of **growing companies from within the Town through entrepreneurship. This should be a top strategy consideration for Wake Forest: trying to attract the high tech entrepreneur with a bright idea who may want to be near the Research Triangle Park but not in it…the next SAS. Following are some observations, recommendations and resources for entrepreneurship:**

  - **<u>Nurture new small businesses</u>.** Homegrown businesses are important to local economies because most of the **wealth generated by the business stays in the community**, rather than going to a corporate headquarters in another state or country. Another advantage is that most entrepreneurial businesses remain near the original ownership and tend to expand operations in Town or close by.

  - Wake Forest should **<u>work collaboratively withWTCC's Small Business Center</u> to develop entrepreneurial programs.** Some of the resources and services that are available to support such efforts are described below. Use them to guide Wake Forest's entrepreneurs:

    - **<u>WTCC's Small Business Center</u>** provides counseling, research and information geared towards starting a new business. **Available services** include seminars, direct one-on-one assistance, a network of linkages, a resource and information center, computer software classes, and upgrading/retraining for employees, including customized training opportunities. Counseling services are free and confidential, and include assistance with developing business plans and financial projections.

- The **North Carolina Small Business and Technology Development Center** (www.sbtdc.org) is the business development arm of The University of North Carolina system with offices **at each UNC system campus.** Operated in **partnership with the Small Business Administration (SBA),** its primary focus is management counseling for small to medium-sized businesses. The f**ree and confidential counseling services** can address issues related to feasibility assessment, business planning, financing, human resources, marketing, and operations. Its staff is well versed with regard to **SBA loans** and procurement programs, and can prepare financial projections to meet SBA lending requirements. More specialized market development assistance is available in areas such as international trade and exporting, government procurement, and technology development and commercialization. Additionally, SBTDC offers educational for-fee programs that focus on change management, leadership development, and strategic positioning.

- The **US Small Business Administration** (www.sba.gov) is the Federal government agency set up to assist small businesses. Its primary mechanism for ensuring that small businesses have access to capital is through loan guarantees.

    - The **SBA 7(a) Loan Program** is the most widely recognized. It is used for general business purposes and has a number of variations that include guarantees for term debt as well as revolving debt. **When a borrower receives an SBA loan, the loan is with a bank or other lender. The SBA guarantees a portion of the indebtedness, usually 50 percent.**

    - The **SBA 504 Loan Program** is the SBA's economic development financing program that helps small businesses grow while benefiting communities through tax base expansion, business growth, and job creation. Loans are available for most types of small, for-profit businesses to purchase and/or renovate capital assets including land, buildings and equipment. Financing is provided through **Certified Development Companies (CDCs)**, which are non-profit economic development organizations. CDCs work with the SBA and private-sector lenders to provide financing to small businesses. A typical 504 project is structured such that the bank or lender finances 50% of eligible project costs, the CDC finances up to 40%, and the small business contributes 10 - 20%. **An important advantage of the program is that soft costs can be included in the project budget.** All CDCs are authorized to make loans throughout the state they are located in. Contact information is available at the SBA website or National Association of Development Companies website (www.nadco.org).

    - The **SBA 7(m) Micro Loan Program** was developed to increase the availability of smaller loans to small business borrowers. Under this program, the SBA makes funds available to non-profit intermediaries, who in turn make loans to eligible borrowers in **amounts up to $35,000. The maximum loan term is six years.** Contact information for participating lenders is available on the SBA website. Small businesspersons who have been successful using the Micro loan Program become a board of advisors for the new entrepreneurs.

- The national **SCORE** (www.score.org) program matches retired business and industry executives with entrepreneurs. SCORE volunteers provide free, confidential counseling (in person or via e-mail) to assist with the formation and success of small businesses.

- **NC Rural Economic Development Center** (www.ncruralcenter.org) has created the Institute for Rural Entrepreneurship. The Institute is developing models for supporting entrepreneurs in North Carolina and can be a resource for advice to municipalities.

- The **DuBois Center** plans a business incubator. It could be established to **serve the Town and surrounding area. WTCC is a good source for assistance.** Incubators can offer access to many of these programs from one business-friendly place as well as provide low rent, shared business services and networking opportunities that are often so critical to a start-up. **The DuBois Center also would be an ideal site for a micro-loan program.**

- The Town of Wake Forest can further demonstrate its support of entrepreneurship by instituting such measures as user-friendly, **one-stop permitting for start-ups. Placing permit forms and instructions on its website is another means of encouraging small business development.**

- **Adopt tourism as a priority strategy for Wake Forest economic development**. Participants selected tourism as the **second most preferred strategy** for the Town to work on. **Tourism is one of Whittaker's recommended industries** for Wake Forest. There was a great deal of discussion about heritage tourism linked to the history of Wake Forest College, the Southeastern Baptist Theological Seminary and the DuBois Center. Wake Forest needs to **break out of the category of "secret special places"** in the tourism industry. **(See the Marketing Plan for promoting tourism.)**

  - **Downtown Wake Forest as it stands, and especially if planned improvements are carried out, offers a unique, picturesque destination for tourists.** The Town is rich in history that fits well into the **national interest in heritage tourism**. Consider the College and Seminary connection and the Wake Forest College Birthplace Museum. There probably are several thousand Baptist ministers, their families, and former Wake Forest students, faculty and staff, who could be attracted to annual homecoming celebrations hosted by their old college Town.

  - **The DuBois Center** already has proven the historical interest in the old school and the proposed Julius Rosenwald Museum. North Carolina had more Rosenwald Schools for African-Americans than any other state and many of them still stand. **A museum in Wake Forest could become the centerpiece for historical preservation of the schools statewide and perhaps in the Southeast.**

- **Outdoor tourism is one of the fastest growing sectors in the industry.** It includes picnicking, camping, canoeing, kayaking, tubing, hunting, fishing, biking, hiking, bird watching, golfing, and other activities involving the simple enjoyment of nature, all of which are available in Wake Forest, or nearby. By seeking State Park cooperation, the outdoor tourism attraction of Falls Lake could be combined in marketing with the Town's own parks and recreation emphasis. Town merchants could issue "come as you are" invitations and discount coupons to Falls Lake State Park's visitors, encouraging them to **visit Wake Forest.**

- **Sports tourism** is at the forefront of the Sports Factory development and the Town's construction of baseball fields. The Town's experience with youth baseball illustrates what a tremendous, family-oriented tourism boom that a baseball tournament can create. Other youth **sports tournaments** such as soccer and AAU basketball draw visitors to enterprising municipalities across the US. **Why not to Wake Forest?**

- **Retail: Go after the high end!** Wake Forest has done well with retail sales. Unlike most NC municipalities, sales have increased annually, even through 9/11 and the recession. Several participants in this study have suggested a campaign to attract upscale retail stores to Wake Forest. Practically speaking, however, **attracting upscale shopping centers, shops, restaurants, and hotels is more a matter of demographics than recruiting.** High-end commercial development is **like the 800-pound gorilla**—it goes where it wants to go when it wants to go. **Nevertheless, Wake Forest is a special place. The Town should reach out to the developers who are capable of bringing in upscale retail.** For example, some municipalities now even offer incentives for the types of retail development they want. Beyond that, there is little the Town can do except make itself more attractive to the market by promoting tourism, courting more expensive housing development, encouraging historical preservation, developing parks and recreation, improving the general appearance of the Town and making local government user friendly for new small businesses. There is no doubt that Wake Forest is on track on all those counts.

- **Jump into the Retirement Industry.** There was considerable interest in the subject of retirement among Wake Forest participants in this Assessment who ranked it third as an economic development strategy. **Sanford Holshouser recommends that the Town and Chamber look closely at what an easy fit the retirement industry is for Wake Forest.** By concentrating on the amenities that improve the local quality of life for all citizens and by paying some special attention to the needs and desires of seniors, Wake Forest could gain more affluent, well-educated new citizens, **many of whom remain economically active in retirement.** For example, the health care industry goes hand in hand with attracting retirees, but it also serves the existing local populace. By targeting the retiree recruitment effort, just as business recruitment should be done, Wake Forest can attract new residents who have disposable income for shopping, who buy or build new homes, who make little demand on the Town for services such as schools, who volunteer in civic causes, and in general, who help to improve the community. Dr. Charles Longino, a Wake Forest University professor, recognized as a national expert on retirement, long ago dispelled the false notion that retirees are a drag on the economy. **A presentation to the Town and Chamber by the professor would be an excellent starting point for pursuing the retirement industry for Wake Forest.**

- **Do not overlook the Service Sector.** Over the next six years, the US Bureau of Labor Statistics estimates that over 95 percent of the new jobs created in the US will be in the service sector. The **five job creation sectors that will grow by over 2 million positions each** and how they could impact Wake Forest are:
    1. **Education and health services:** services to current residents and potential new retirees; construction industry (no property tax return).
    2. **Professional and business services:** services to current and new residents and existing businesses; construction industry.
    3. **State and local government services:** need for office space, housing, retail; construction industry (no property tax return).
    4. **Leisure and hospitality:** benefits current and future residents, retirees, and construction trades.
    5. **Retail trade**: Benefits retirees, construction, existing population, construction industry; generates sales tax revenues.

    - **Note:** None of this means that Wake Forest's target list should include only the service sector but it is obvious why the manufacturing buffalo hunt is in decline among economic developers. Still, manufacturing opportunities are viable targets for North Carolina. The keys in that case are niche markets, innovation and automation.

- **Review Incentive Policies.** 94% of participants in this study agreed that Wake Forest should have an incentive policy. Given the current law suit questioning the constitutionality of Dell's incentive package, Sanford Holshouser recommends that the Town of Wake Forest review its **incentive policy, whether codified or simply observed in practice, to ensure that it provides strictly for performance-based incentives to targeted businesses.** Avoid policies that suggest incentives are quid pro quo for tax payments by the company. A formal incentive policy helps the Town Council to focus on key considerations before being caught up in negotiations for a specific project. It is not enough just to say no to incentives (for example, extending a water line to benefit a new company is an incentive). **The incentive policy should include the following:**

    - The policy should be **specific enough so that everyone understands** how and when incentives will be offered, but **flexible enough to allow for negotiations**.

    - It should be designed to **meet the economic development goals of the community** by defining what types of industries, job categories, or levels of investment would qualify for the program.

    - After negotiations, a **signed performance agreement** between the company and the Town will provide safeguards regardless of whether the incentive funds and concessions are public or private.

- It should **set performance milestones** that the company will be required to meet before any incentives are paid.

- It should also **list appropriate uses of the incentives and provide for claw-backs** (restitution) should the company not meet its goals or close a deal within a certain time.

- Any effective incentive policy must **apply to existing industry expansions** just as it does to new plant locations, perhaps more favorably by recognizing the local companies' contributions to the quality of life in Wake Forest. An existing industry has a choice of where to locate its expansion just as a new industry does. **Overlooking existing industry expansions in an incentive policy leaves an obvious gap that will not sit well with the local industries.**

- **Stay close to WTCC, especially in the field of workforce development.** The college is a part of the North Carolina Community College System, ranked first in the nation for customized training support for business. Town officials who call on local industries (something that would be considerably stepped up and emphasized as a priority duty if the Existing Business and Industry Support Program is adopted) should be intimately familiar with how local companies can access the college's services and other workforce assistance involving local, State and Federal programs. **Upgrading worker skills, re-training displaced workers, and offering specialized training to new and expanding businesses should be one of Wake Forest's most important long-term economic development strategies.**

- **Sanford Holshouser recommends that the Chamber and other organizations that would benefit locally develop their own strategic marketing plans. A section of this plan is dedicated to recommendations for external and internal marketing and can serve as a starting point.** Participants in this plan rated Marketing as the number one strategy.

- **Whittaker Associates has conducted a Target Industry Analysis (TIA) for Wake Forest, recommending industry sectors that most closely match the Town's assets.** These target industries are: **Life Sciences, Design, Electronic Equipment Manufacturing, Transportation Equipment, Tourism and Retirement.** A description of each of these industry sectors is provided in the TIA section. Target industry studies examine all industry and business sectors, **not simply manufacturing**. The Town should **share the targeting information with WCED,** asking that the identified markets be merged with county targets.

- **Review Chamber Staffing.** The Executive Director of the Chamber currently does excellent work in carrying out additional duties as Economic Developer for Wake Forest. However, if the recommendations put forth by Sanford Holshouser are to be implemented, current Chamber staffing is inadequate. We recommend adding a staff assistant who would be assigned duties as coordinator of economic development (give it a bigger title) including the following programs to be instituted: **Existing Business and**

Industry Support Program; Small Business and Entrepreneurship program; Tourism; and the Retirement Industry. This investment should pay for itself many times over in the additional jobs and tax base created.

Conclusion

The Town of Wake Forest already possesses many of the desirable features that other Towns are trying to develop: a well-educated, family-oriented, affluent **citizenry** with excellent **leadership** in government and civic affairs; **superior schools** where students excel; an active, **pro-growth Chamber of Commerce** committed not only to serving its strong membership but to improving every aspect of the Town; **25 active civic clubs** and organizations; the **Trentini Foundation** as evidence of how Wake Forest values education; **beautiful old homes in the historic area** and t**asteful new housing areas such as Heritage Wake Forest**; a **"crown jewel" downtown** of renovated, historical buildings, offices, shops and restaurants anchored by the stately **campus of Southeastern Baptist Theological Seminary**; a commitment to history with the **Wake Forest College Birthplace Museum and planned Julius Rosenwald Museum; the DuBois Center**, a 1920s African-American school restored as a dynamic cultural community center; the **Falls Lake Recreation Area** adjacent to the Town with **11 other parks throughout the Town including a $4 million, 117-acre recreation park approved for construction**; a renovated **factory featuring two hockey rinks and expanding recreational facilities**; and a **growing retail sector** featuring Wal-Mart, Target, Lowe's Home Improvements, and Home Depot, but also unique specialty shops such as The Cotton Company downtown.

The **metropolitan advantages** offered by Raleigh and Durham, both a short drive away, further enhance Wake Forest residents' choices of entertainment, sports, museums, art galleries, upscale shopping and fine dining as well as high-paying employment. The town has been called the Northern Hub of the Triangle's Family of Communities.

Wake Forest is a Town of historical charm **facing up to modern day challenges** created by tremendous population growth; grueling commuter traffic to and from Raleigh and Durham; little lower-cost housing; minimum available sites and buildings to attract companies to Town; and little room to expand its Town limits.

Regardless, Sanford Holshouser believes that Wake Forest is in position to retain its small Town appeal while building on its strengths, overcoming its challenges, taking advantage of its opportunities and meeting and defeating its threats. This plan is not the end. It is part of a continuum. For Wake Forest, the mantra should be: Plan and Execute, Plan and Execute, Plan and Execute. The results will be success in economic development and improvement in an already excellent quality of life.

Town of Wake Forest

TARGET INDUSTRY SECTOR ANALYSIS

This section prepared by Whittaker Associates in coordination with Sanford Holshouser

Summary: The Target Industry Sector Analysis

Building a cohesive targeting strategy for Wake Forest involves taking into account community values and desires; existing industry base; regional resources and assets; area economic trends; and forecasted industry trends. All of these pieces are needed to build a clear road map to specific opportunities that hold the greatest promise for success.

Matching the local areas of opportunity with growing and emerging technology and industries is the key to determining the industries that represent the best targets for expansion and attraction efforts. The identification of target industries will focus Wake Forest on those areas that will hold the most return on time and marketing dollars invested in expansion and attraction efforts. Target industries will also give the Town the opportunity to gain a deeper understanding of specific target industry environments to better craft the marketing message and prepare the community to meet the needs of those industries.

As a first step in the process of choosing target industries, it is important to understand the economic profile, strengths, and weaknesses of Wake Forest. Sanford Holshouser provided the *Wake Forest Community Profile* to Whittaker with a preliminary, draft copy of the *Economic Development Preparedness Assessment*. Whittaker has reviewed those documents and taken into account the observations and thoughts of Sanford Holshouser regarding appropriate target industries for the area.

The next step in the process was to look at active and growing industries. Whittaker analyzed the growing industries at national, regional, and local levels looking at historical data and also analyzed growth projections for industries and occupations from the Bureau of Labor Statistics. In addition, Whittaker studied new and expanded facility announcements in Wake County, throughout the Southeastern region and the United States to determine the most active industries in the past few years.

The information and knowledge from the Wake Forest community was then combined with the research on active and growing industries to determine the target industries that represented the greatest opportunities for the areas. Whittaker's recommendations for target industries are the industries that are most feasible and desirable.

Industry Overviews are included in the appendices of this report for each recommended target industry including a brief industry description, an industry definition, site selection factors, current industry trends, and any specific emerging segments of emphasis within the industry.

Sanford Holshouser Reports and Preliminary Industry Targets

Sanford Holshouser initially prepared an *Economic Development Preparedness Assessment* draft for Wake Forest. That document covered assets and challenges for Wake Forest to take into account when determining the best industries to recruit to the area. Wake Forest offers an excellent quality of life including superb parks and recreation opportunities, close proximity to Raleigh-Durham and Research Triangle Park, and a beautifully restored downtown with shops and restaurants. Those assets lend strength to the recommendations for Wake Forest to pursue the Tourism and Retirement companies as well as other industry sectors.

Industry Growth Analysis

Whittaker analyzed growth by industry to determine which industries have been the most successful over the past three years – locally, regionally, and nationally. Industry growth was measured in terms of businesses and employees from 2002 to 2005 at the three levels and national industry employment growth projections were also factored in the analysis. Standard Industrial Classification (SIC) Codes were used for the analysis. National growth projections show that a range of services from transportation and health to communication, along with finance and insurance are the industries that should expect the greatest growth. The full data and tables of each analysis are included in the appendices.

Below is a list of the top five growing industries for businesses as well as employment in Wake County according to Dun & Bradstreet data for growth percentage changes between 2002 and 2005:

<u>Top Five Number of Businesses</u>

- Partitions and fixtures, except wood (SIC 2542)
- Packing and crating (SIC 4783)
- Passenger car leasing (SIC 7515)
- Communication services (SIC 4899)
- Transportation services (SIC 4789)

<u>Top Five number of Jobs</u>

- Electronic connectors (SIC 3678)
- Thread mills (SIC 2284)
- Industrial launderers (SIC 7218)
- Wheat (SIC 111)
- Biological products, except diagnostic (SIC 2836)

Taking a broader look at the Southeastern region, the following growing industries stand out as opportunities for Wake Forest given the local assets and challenges. While some of these industries are not present or growing in Wake County, they are showing growth in the Southeastern region. Wake Forest should consider whether there is an opportunity to attract these growing industries.

<u>Top Five Number of Businesses</u>

- Investors (SIC 6799)
- Transportation Services (SIC 4789)
- Communication Services (SIC 4899)
- Holding companies (SIC 6719)
- Services (SIC 8999)

<u>Top Five Number of Employees</u>

- Beet Sugar (SIC 1031)
- Asphalt felts and coatings (SIC 2952)
- Measuring and dispensing pumps (SIC 3586)
- Metal sanitary ware (SIC 3431)
- Federal reserve banks SIC 6011)

When looking at the National tables the same industries are recognized as opportunities, although the order on the list may be somewhat different. Transportation services and healthcare services are still prominent. Notable manufacturing industries that have seen the most growth in businesses or employment nationally include Women’s handbags and purses, Manufacturing Industries, General Farms, primarily animals, Miscellaneous Publishing, Wood Kitchen Cabinets, and Motorcycles, Bicycles and parts.

Industries at Risk

While evaluating the growing industries, we also evaluated industries at risk in the future. We looked at the Wake County and the Southeastern table to determine the industries at risk. Manufacturing, in general, should be of concern for all of the United States. Some manufacturing industries will need to stay within the borders such as defense-related, food, medical equipment, and pharmaceuticals. However the more a product leans toward a commodity status, the more likely it will be made in the lowest cost location. These are the manufacturing industries that are in jeopardy.

Wake Forest should be aware of the industries that are contracting or projected to contract in the future. These industries will be feeling cost and delivery pressures as they compete in an increasingly global market. With that information in hand, Wake Forest can support their local companies in these industries and minimize the losses to the company and community. Also, knowing which industries are projected to decline provides information on those industries that might be less likely to be stable in the long term when evaluating possible new companies to attract to the region. Wake Forest should take note of the following national industries projected to decline.

- Asbestos products (SIC 3292)
- Offices of health practitioner (SIC 8049)
- Utility trailer rental (SIC 7519)
- Malleable iron foundries (SIC 3322)
- Dairy products stores (SIC 5451)
- Crude petroleum pipelines (SIC 4612)
- Weft knit fabric mills (SIC 2257)

Taking a look at historical data for the last four years in Wake County and the Southeast, here are areas that are losing numbers of businesses or employees.

Wake County Largest Declining Industries

- Sausages and other prepared meats (SIC 2013)
- machine tools, metal cutting type (SIC 3541)
- Sanitary food containers (SIC 2656)
- Luggage (SIC 3161)
- Motor vehicle parts and accessories (SIC 3714)
- Broadwoven fabric mills, manmade (SIC 2221)
- Farm machinery and equipment (SIC 3523)
- Electric housewares and fans (SIC 3634)
- Miscellaneous metalwork (SIC 3449)
- Industrial valves (SIC 3491)
- Crop planting and protection (SIC 721)
- Inspection and fixed facilities (SIC 4785)
- Computer facilities management (SIC 7376)
- General livestock (SIC 219)
- Crop preparation services for market (SIC 723)
- Platemaking services (SIC 2796)
- Industrial inorganic chemicals (SIC 2819)
- Soap and other detergents (SIC 2841)
- Hand and edge tools (SIC 3423)

Southeastern United States Largest Declining Industries

- Railroad property lessors (SIC 6517)
- Cane sugar refining (SIC 2062)
- Primary batteries, dry and wet (SIC 3692)
- Ferroalloy ores, except vanadium (SIC 1061)
- Pens and mechanical pencils (SIC 3951)
- Iron ores (SIC 1011)
- Silver ores (SIC 1044)
- Uranium-radium-vanadium (SIC 1094)
- Anthracite mining (SIC 1231)
- Asbestos products (SIC 3292)
- Dried and dehydrated fruits, vegetables and soup mixes (SIC 2034)
- Special product sawmills (SIC 2429)
- Rice (SIC 112)
- Coal Mining services (SIC 1241)
- Hobby, toy, and game shops (SIC 5945)
- Trusts (SIC 6733)
- rubber and plastics footwear (SIC 3021)
- Cigarettes (SIC 2111)
- Cookies and crackers (SIC 2052)

New and Expanded Industry Analysis

Conway Data information was analyzed from 1999 through 2005 to determine the new and expanded activity. The announcement data was grouped by the North American Industrial Classification System (NAICS) codes and tables created that list the most active industries in descending order, according to the total number of announcements. To be included in the data, the announced projects must have a minimum of $1 million investment, 20,000 square feet of space, or 50 employees. It should be noted that Conway Data compiles the raw data on new and expanded facility announcements as states and communities report the activity. Therefore the data should not be considered all inclusive, but a representative sample.

For assessment purposes, the analysis was conducted on the national level, on the southeastern states level (Alabama, Florida, Georgia, North Carolina, and South Carolina) and for Wake County. Industries that stand out as active in the Wake County Region in the last seven years include Accommodations and Software Development.

Even though new and expanded facility activity has declined overall in the last few years, there are industries that still have many facility announcements each year. Also, a few industries stand out as growing in activity over the past year, such as Durable Goods Wholesale Trade and Food Manufacturing. Here is a list of the Southeast's most active industries.

1. Transportation Equipment (NAICS 336)
2. Chemical Manufacturing (NAICS 325)
3. Plastics & Rubber Products Manufacturing (NAICS 326)
4. Machinery Manufacturing (NAICS 333)
5. Professional, Scientific, & Technical Services (NAICS 541)
6. Fabricated Metal Product Manufacturing (NAICS 332)

It is good to compare the most active industries nationally. Most of the top industries will be the same but just in a different order.

1. Building, Developing & General Contracting (NAICS 233)
2. Transportation Equipment Manufacturing (NAICS 336)
3. Professional, Scientific, & Technical Services (NAICS 541)
4. Chemical Manufacturing (NAICS 325)
5. Fabricated Metal Products Manufacturing (NAICS 332)
6. Plastics and Rubber Products Manufacturing (NAICS 326)

Recommended Industry Sector Targets

The decision to focus on a select few target industry groups or functions does not preclude improvement and possibilities in other areas. Wake Forest should take advantage of the opportunity to attract any socially and environmentally desirable business, be it butcher, baker or candlestick maker. Nevertheless, the priority targets are, or have the potential to become, drivers that take capital from outside the region and initiate activity that produces income and value for Wake Forest and the surrounding region.

Setting target priorities is important to drive strategic action. Conscious choices can proactively shape the future of the region. However, the prioritization below does not suggest that these targets are the only sectors that add value to the regional economy or to Wake Forest.

After analyzing the current and projected industry trends and reviewing the preliminary report prepared by The Sanford Holshouser Business Development Group, **we recommend the following industry targets for the attraction and development efforts in Wake Forest.**

The recommendations for target industries and the rationale are given for targeting that particular industry on the following pages.

Life Sciences. Life Sciences is a recommended target for Wake Forest because the existing network of research universities and public/private partnerships such as the Research Triangle Park (RTP) may be attractive to **companies within the biotechnology industry.** This is a diverse industry where all segments may fit the various areas around Wake County. Geographic proximity to market is an important site location factor, making Wake Forest's transportation assets a real strength. The future growth prospects for this industry are quite strong, as the general aging of the population will put a high demand on **pharmaceutical, medical and biotechnology research and products.** Pharmaceutical and medicine manufacturing have high annual payrolls and employment. Projections within research, pharmaceuticals and medical devices are quite strong through 2010. Based on sector forecasts, **specific biotech segments** that Wake Forest may want to focus on include **drugs to treat digestive and genitor-urinary disorders, vitamins and nutrients, blood modifiers, hormones, antiviral agents, anti-inflammatory products, and drugs to treat cancer, HIV/AIDS, dialysis, hepatitis, diabetes, and hemophilia.** Although all segments of the medical equipment industry are forecast to grow, the **electromedical -electrotherapeutic apparatus segment** is projected to grow the fastest over the next few years. Thus, Wake Forest may want to focus on this segment.

***Design*.** The design industry is a broad industry that **covers everything from computer services to advertising services to photography to engineering services.** As the U.S. economy continues to lose manufacturing jobs overseas, the design industry will continue to grow in targeting importance. The purpose of this report is to provide an overall look at the design industry. Specifically, the report will provide you with an industry definition, recent activity, location factors, occupational needs, and current and emerging trends. This report will arm the Town with important information to use in marketing to this industry. Wake Technical Community College and the colleges and universities in the area can support the design industry. **Artistic and creative people who are prevalent in this industry could be recruited to an attractive community such as Wake Forest.**

Retirement/Healthcare. Retirement and healthcare services are projected to see some of the fastest growth in employment through at least 2012. This growth is continuing from the recent past. Health and allied services are some of the largest growing segments in the Southeast. **Wake Forest may want to put a program in place to recruit doctors to the community that may be attracted by the Town's quality of life.** The aging of the population plays a huge role in the growth of this industry as the baby boom generation will demand more healthcare, and will seek locations to retire in the years to come. In fact, **North Carolina is a popular, highly rated spot for retirees.**

Tourism and Hospitality. Most tourism and lodging requirements are driven by the number of housing and/or daily vehicle traffic. Wake Forest's rapid growth has outpaced its economic activity in the tourism industry. The individual preferences and requirements of each chain are more important in targeting than in industrial and commercial pursuits

Electronic Equipment Manufacturing. It is strongly recommended that Wake Forest target this industry. It will produce **high wage jobs, improve the labor skill sets of the workforce and assist in the diversification of the economy in Wake Forest.** Also, because the area is in such **close proximity to the RTP**, this is very much a viable and important industry to target. The RTP primarily consists of research and product development. This puts the surrounding communities in excellent position to target the companies that could manufacture the products being researched and developed at the park. It is also highly recommended that the **entire RTP region work collectively targeting this industry.** It has been in the top ten new and expanded activity in the southeast and nationally over the past seven years (1999-2005).

Industry overviews of the recommend targets are included in the appendices. The overviews include an industry definition, industry trend analysis, and site location factors.

TOWN OF WAKE FOREST

MARKETING PLAN

Introduction

Following is Sanford Holhouser's consistent overview of economic development for every community:

- **The hardware for economic development is the municipality's product:** its sites, buildings, highway access, water/sewer service, telecommunications, and other infrastructure.

- **The community's software is its quality of life:** leadership, attitude, civic pride, workforce, schools, parks, recreation, appearance, entertainment, hotels/motels, restaurants, etc.

- **But the silverware is marketing.** Wake Forest should shine for visitors but also for those persons who control the itinerary of company executives looking for new business sites: county, regional, and state developers, and especially site selection consultants**.**

If Wake Forest is the perfect place for new business and industry; if the Town has sites, buildings, infrastructure, quality of life, leadership, workforce, and tourism attractions; who knows about it? **The economic development world that should know about Wake Forest includes:**

- The **target industry and business sectors** identified for the Town by Whittaker Associates in the previous section of this plan.

- **Corporate real estate executives** of those companies.

- **Site selection consultants** who work with those companies.

- **State and regional developers** who deliver prospective companies to the Town.

- **The media**, especially the business media and publications that focus on Wake Forest's targeted industry sectors, but **also the local media**.

- **The tourism media** that is always searching for that perfect, secret small town to tell its readers about. This fits Wake Forest!

- **And last, but actually first, the Town's citizens who must understand and agree with the leadership's economic development goals in order for the Town to be successful.**

How do we make sure that the world, externally and internally, knows about our town, Wake Forest?

The answer is marketing. In developing the Town's Marketing Plan, Sanford Holshouser has used our six partners' accumulated knowledge of best practices in economic development marketing at local, national, and international levels. The results are provided in this basic plan. But this is only the beginning of marketing. **If our recommendations are followed, Wake Forest's final marketing plan will be much more deeply researched and integrated into the continuing planning process.**

Keep this obvious rule in mind: **As a prerequisite to marketing, attracting business and industry requires the Town to develop product: buildings, sites and infrastructure.** A hotel needs a good site and so does a biotech firm and so does a medical clinic. All three of those are among the recommended industries for Wake Forest.

Sanford Holshouser recommends that the Town **first look inward**, reaching consensus on how it wants to be perceived. For example, do Wake Forest citizens really want their town to become a tourist destination with all that traffic? **Second**, develop a plan based on the Wake Forest vision and gain approval from the community at large; then **third**, armed with an agreed-upon strategy, reach out to the world with a targeted approach. **The following paragraphs offer guidelines for marketing the Town of Wake Forest, beginning with a hard look at internal marketing.**

Internal Marketing Strategies

The Wake Forest internal marketing program is **primarily a communications plan** designed to influence public opinion in favor of the Town's economic development effort. The Town should seek to gain support and funding from the public and private leadership. Most importantly, the Town should consistently inform its citizens about current economic development activities. **Too often excellent programs die from the lack of public support because the public never knew what was going on,** or, like an ink blotter, they got it perfectly backward. Here are some Wake Forest activities that will make a difference:

- **Visioning and Branding** - The **first steps in marketing involve knowing your product and building trust in it locally.** Because of the importance of this economic development factor, it is mentioned in three sections of the Plan. Only after the results are accepted by the Town in general should Wake Forest begin to let everyone else know about it. Wake Forest is a Town of exceptional charm. Downtown gives the impression of a quiet college town. In actuality, however, Wake Forest is all about fast growth and rapid change. It is critical that Town leaders understand and keep pace with the region's transformation. To build on current successes, **leaders must meet the new challenges head-on, armed with the best ideas in the market place. They must reach consensus**

on goals strategies. And they must help the people of the Town understand the movement.

- To some Town leaders, more accustomed to a five-year planning process that sometimes is entered into half-heartedly and that often results in a plan that sits on the shelf, it may seem that the Town is being studied to distraction. Yet the visioning process goes deeper into the fabric of the Town than that. **Visioning, or imaging, is a community leadership process**, typically facilitated by professionals but driven locally, **to determine the unique, positive characteristics of the community and to develop them into a persuasive theme that describes the community vividly. Visioning defines how people work together to make things happen and it defines leadership principles to get things done.** It measures its accomplishments and provides for changes as situations change.

- **Branding is synthesizing all of those characteristics into an image that is projected locally and to the outside world** through intensive, consistent marketing. More than a logo and slogan, v**isioning and branding strategies go well beyond the scope of this study but should be put at the top of the Town's priorities on a recurring basis.**

- **Public Relations** - Applicable both to external marketing and internal marketing, the Town and Chamber's **public relations program or campaign will help carry the vision and brand to local citizens as well as the outside world.** The public relations campaign should be reviewed and perhaps reinvented frequently but should **stay on message** in keeping with the visioning and branding process. **While public relations is a broad field, Sanford Holshouser has focused its recommendations more narrowly on the economic development aspects.**

  - The campaign should be Chamber-led but it needs the help of Town government and every local civic group such as Downtown Revitalization Corporation and the DuBois Center. Positive publicity is one of the most effective means of marketing for business recruitment. Perception has a way of becoming reality and it directly affects the Town's ability to conduct economic development. **Following are some suggestions, all of which are important for keeping citizens informed about economic development in Wake Forest**:

    - **<u>Economic Development Director</u>** - The Town should consider **supporting a full-time position in the Wake Forest Chamber of Commerce to serve as the responsible person for economic development communication both internally and externally. These duties would be in addition to those previously described for this position.** Alternatively, the tasks could be outsourced to a professional PR firm. These duties are to articulate and disseminate news about the Town's economic development operations, plans, calendars, successes, and even failures ("We tried!").

- **<u>Make sure</u>** that the **local newspaper is involved** in the planning process and is always kept fully informed about what is going on and why. Talk to the editor and openly request cooperation.

- **<u>Include</u>** a **section in the new website (recommended below) for local business and industry.** The business and industry section should list information that existing businesses would find useful such as contacts for Town services, frequently asked questions or concerns, posting of regulatory information and contacts for Town, Wake County and State governments.

- **<u>Report</u>** promptly and accurately **any business expansion, new store or service, and any development opportunity in Wake Forest** (or in the area—always remember, if it is close and it is nice, it is part of Wake Forest). Publish a **quarterly newsletter** about economic development or include the information as an "Economic Development Section" of the Town's regular newsletter.

- **<u>Network</u>** - The Public Relations Director should network with **business editors** of local and regional newspapers, business journals, magazines and other media, and should be a soul-mate of the DRC's newsletter editor.

- **<u>Compile Data Sheets</u>** - Make sure **facts and data are available to the media on-line and in hard copy handouts** (the back-to-back Community Profile provided on CD to Wake Forest is an example to be improved upon). **Up-date the on-line data as well.** Get rid of any hard copies lying around that have not been revised.

- **<u>Link</u> to School Info**. The Wake County school board, working together with civic organizations, should initiate a **public awareness campaign that admits to any school problems but shows the progress made and the improvements planned.** The No Child Left Behind and the North Carolina education ranking system are complicated and difficult to understand. The school system website should post the SAT scores prominently along with other educational attainment scores and it should explain the how the improvements (or any shortcomings) came about so that raw SAT scores and State data are not taken totally out of context. The Town, Chamber and ED websites should link to the School Board site but must carry a complete description of local schools and their accomplishments. Wake County schools have a great story to tell. Brag!

- **<u>Initiate</u> an annual Business and Industry Appreciation Week.** Sanford Holshouser has recommended that Wake Forest institute an Existing Business and Industry program celebrating the importance of the Town's major private sector employers. It should be **highly publicized. For example, Business and Industry Appreciation Week promotions should include resolutions of appreciation, coordinated business and industry open house events, media releases and newspaper ads thanking the companies and employees, and a luncheon with golf for executives of the companies.**

- **<u>Advocate</u> for business.** The Town and Chamber should **frequently publicize the fact that they are advocates** for existing local business, large and small, and provide evidence that the R & E program is working well. Referring prospective entrepreneurs to a local business incubator, providing a list of lending resources, and boasting truly of "No Red Tape" at a one-stop Town permitting agency are examples of Town advocacy. The Chamber should parallel the Town's effort with its small business start-up assistance programs.

External Marketing Strategies

After Wake Forest is sure of the story it wants to tell, here comes the hard sell. **Determine who the Town wants to hear its story (what targets the Town is aiming at) and go after them with a purposeful campaign, with a consistent message, and with a "never give up attitude."** Following are Sanford Holshouser's recommendations for how to do it:

- **<u>Develop an Economic Development Website:</u>** Sanford Holshouser found that the Town and the Chamber websites are not designed adequately for economic development purposes. Both websites should link (with a prominent "Economic Development" button) to a newly constructed, "nothing fancy, just the facts" website devoted exclusively to economic development. Save the fancy stuff for the **tourism site** which also should have its own prominent link button on the Town's, Chamber's, and other allies' websites. ElectriCities offers assistance through VC3, a professional website construction firm that has provided suggestions for this section of the plan. Following are Sanford Holshouser's recommendations:

  - **<u>Determine</u> that, for economic development purposes, Wake Forest will have a five-star site.** Among the best examples of economic development websites nationwide are Danville VA (<u>www.discoverdanville.com</u>), Randolph County NC (<u>www.rcedc.com</u>) and the State of North Dakota (<u>www. growingnd.com</u>).

  - **<u>Tailor</u> the ED pages to provide the hard data most often asked for by the consultants. Add data, data, data**. Ask WCED what data is most frequently requested by their clients and post it. Use data from this plan, the Renaissance plan, planning department data. But in all cases, be sure to keep it current. The point is that no site selection consultant, searching for information on Wake Forest, should have to jump through hoops of no ED interest to figure out where the economic development data may be hidden.

  - **<u>Make sure</u>** that the Town's best points are bulleted prominently. The ED pages should be famous for little verbiage and fluff.

  - **<u>Offer Wake Forest-specific data</u> when available**. Shift to the next levels (e.g., Wake County, RTP region, then State) when the local data is not available.

- **<u>Provide links</u>** to WCED and other related sites but the Town ED site should concentrate first on Wake Forest with **data, data, data …then links.**

- **<u>Create a buzz.</u>** When Wake Forest launches its ED site, make it a promotional event. Promote the site in brochures, local and regional image magazines, business journals and postcards to site selection consultants, developers and corporate real estate executives. Be persistent in promoting the website.

- In lieu of developing the Town's own sites and buildings website, **<u>link</u> seamlessly to NC DOC's sites and buildings pages through WCED** (that is, provide the information to WCED who in turn lists it as Wake County data to NC DOC). This is an excellent, inexpensive means of marketing the Town's buildings and sites. Two things are important here: (1) Keep the sites and buildings information up to date. (2) Currently, Wake Forest's listings are indistinguishable from others in Wake County unless the name "Wake Forest" appears in the building or site title. Wake Forest should title each of its buildings and sites with the preface "Wake Forest."

- **<u>Refer</u>** the reader to the "Local Business and Industry" section (addressed above). Much of that information, such as information on Town services and on regulations are of interest to prospective new business and industry.

- **<u>Add</u>** sections on the website for **entrepreneurs**, such as a resource directory.

- **<u>Feature a</u>** picture and **testimonial** from an industry, business, small business, or community leader on every page of the website, touting the benefits of doing business in Wake Forest.

- **<u>Place a "Click Here for Contact"</u>** on <u>each</u> page of the website. The contact info should include the **name and contact information for the Executive Director.** This is no ego trip but an important service to a busy consultant who, when looking for something on the website, can immediately contact someone to follow up on the information. Consultants often surf sites at night so if you want to impress them, add "Call me <u>anytime</u>" and list your cell number.

- **<u>Keep in mind,</u>** site selection consultants are looking for an excuse to narrow down their search and will simply drop Wake Forest if information on the Town is not easily obtained.

- **<u>Use this check list</u> for items that the economic development web site should contain:**

  - Complete site map
  - Directory of available buildings and sites (link to Wake County ED, RTRP and NC Sites)
  - Demographic information (lots of data, presented in different ways)
  - Information on available incentives

- An industry or business executive's testimony on each economic development page touting the benefits of operating in the Town
- Friendly, personal, local contact information, e.g.,
- <u>"Please call me today, any time."</u>

  (Name of the Town officer responsible for economic development)
  (Telephone, address and e-mail)

- **<u>Communicate and cooperate with WCED for marketing</u>.** Although involvement in marketing with WCED is much less expensive to accomplish than the Town acting alone, the result will **not be a Wake Forest-only prospect**. Leads developed by WCED will be shared with all the municipalities in Wake County. Yet, cooperating with WCED shows the Town's commitment to economic development and will pay dividends down the road. WCED is in a much better position than Wake Forest to accomplish most of the best practices in marketing, including international marketing. The Town should also offer cooperation and assistance in implementing the county marketing plan. The Town can offer knowledgeable volunteer business executives (Wake Forest Ambassadors) to accompany WCED representatives on sales trips to targeted industries when appropriate. **Regardless of whether Wake Forest conducts its own marketing program, it should share its recommended target markets with WCED.** Finally, the Town should not forget that the most important element of economic development is developing "product" that meets the needs of the identified targets. **The most professional marketing scheme is worthless if the product is not in place when the prospect comes to Town.**

- **<u>Do more economic development marketing</u>.** Showing off Wake Forest properly can be a full time job. The Chamber of Commerce as the town's economic development agent has its hands full to accomplish the following recommendations:

  - **<u>Develop</u> marketing and client response materials** - Sanford Holshouser recommends the following **inexpensive means of having response materials on hand** for the business inquiries received by the Town and Chamber:

    - **<u>Update</u>**, no less than every sixth month, the **Town Profile** provided on CD by Sanford Holshouser.

    - **<u>Furnish</u>** a limited number of **copies of the Profile to organizations (library, museum, etc.) that** may respond to requests for information on Wake Forest. But make sure the old copies are destroyed when replaced with more recent data. Bad data is worse than no data.

    - **<u>Create</u>** a slick but inexpensive **folder with the Town's logo (or original design** clearly indicating that the folder contains economic development information about the Town of Wake Forest).

    - **<u>Produce</u> data sheets** in-house, store them in the computer and ensure they are continuously updated. Print out the data sheets as needed and fit them inside the folder for clients.

- **<u>Tailor</u>** the information folder specifically for each client. This creates a professional, customized client response package. Add the Town Profile as a summary sheet.

- **<u>Cover</u>** it with a welcoming letter from the Mayor.

- **<u>Publish a Wake Forest image magazine</u> and/or develop one in cooperation with the County.** If it is a County product, make sure Wake Forest is featured prominently. Include the magazine in client response packages. **Share the development and distribution of the magazine with the tourism group.**

- **<u>Conduct Target Industry Marketing.</u>** By taking into account Sanford Holshouser's Economic Development Preparedness Assessment and by analyzing what industries are growing or shrinking in Wake Forest and in areas of the Southeast with similar characteristics, Whittaker Associates and Sanford Holshouser have recommended the following industry sectors as preferred targets for Wake Forest's marketing program: **Life Sciences, Design, Tourism and Hospitality, Retirement and Health Care, and Electronic Equipment Manufacturing** (see the Target Industry Analysis section and the appendices of this plan). In order not to overwhelm staff and volunteers, select one or two segments of the multi-industry sectors to work on in the first year, then two more the second year, and so on. **Understand that target marketing is grueling work but Wake Forest has a lot to offer these industry and business segments. They need to know that.**

- **<u>Begin a Direct Target Marketing Campaign</u>.** Direct, targeted marketing is the most effective way to gain the attention of company executives that the Town wants to attract. To develop an independent direct marketing campaign, however, will require **considerable staff work and plenty of volunteers** because it is labor intensive and time consuming, possibly not an undertaking that the Town of Wake Forest and Chamber would want to take on full scale. To save on money, time and numbers of workers, including willing volunteers, many smaller cities integrate their campaign into that of the county ED or regional partnership marketing programs. **If the Town chooses to take on the task independently, it should follow these steps:**

    - **<u>First</u>, <u>conduct</u>** the visioning and branding process to gain consensus for initiating the campaign, ensuring that the community is committed.

    - **<u>Second</u>, <u>agree</u>** on the industry sector targets to work on for the first year (Whittaker Associates' recommended targets for Wake Forest).

    - **<u>Third</u>, <u>prepare</u>** the marketing materials tailored to the target industries.

    - **<u>Fourth</u>, <u>purchase</u>** qualified leads (lead generation firms such as Whittaker Associates and 310 Marketing sell carefully researched telephone and address lists of executives in companies, within the targeted sectors, that have indicated an interest in locating a facility in an area such as Wake Forest. For additional fees, the lead generation firms will accomplish the fifth, sixth, and seventh tasks listed below).

- **Fifth, call** the executives to establish a relationship (preferably using a Wake Forest business executive in the same industry sector to make the contact).

- **Sixth, make** appointments for visiting a number of executives in a target city (e.g., Chicago or New York) during a few days' blitz-call.

- **Seventh, put together** a sales team including the business-related local executives and make the visits. (Repeat the process for Chicago, San Francisco, etc.)

- **Eighth, follow-up** with letters, e-mail, telephone calls, new materials mailings, and any legitimate excuse for keeping in contact without becoming a nuisance.

- **Ninth, through 1,000, do not get discouraged.** Positive attitudes and persistence pay off, sometimes years after the initial contact.

- **Market to site selection consultants.** These are the professionals who represent companies looking for sites to open new businesses or industries. Again, this is **typically not a technique used by smaller municipalities but is more suited to a county or regional effort.** Moreover, the preparations require product (there must be something to show when the consultant visits). Nevertheless, with a concentrated effort, Wake Forest could market directly to the site selection consultant community. This means collecting contact information on the consultants. The regional partnership and WCED list is available to the Town. ElectriCities also has an extensive database of site selection consultants that it will share with Wake Forest. Sanford Holshouser recommends cross-referencing the three databases to ensure it has a complete list. Wake Forest then can then schedule visits to the consultants and put them on the direct mail, newsletter, and annual report mailing list. If the budget can take the hit, invite the consultants to a Wake Forest familiarization tour with wine and roses hospitality. This tactic is better accomplished through WCED, however.

- **Market to NC DOC**. When the Town has developed product (sites and buildings), the Department of Commerce needs to know more about Wake Forest and what it has to show. Every State developer is a potential link to Wake Forest's next new industry. **Coordinate the following activity with WCED and the regional NC DOC office.** Either participate with WCED or make a Wake Forest presentation to the NC DOC at a regular Monday morning staff meeting. Schedule a fifteen to twenty minute brief on buildings, sites, program initiatives and other economic development related items. Follow the morning brief with a networking lunch. (Picnics, casual lunches reportedly are preferred by staff rather than formal lunches.) The Town could also host an NC DOC Economic Development Day (again, more appropriately, with WCED). Conduct a community familiarization tour of buildings, sites and community amenities. Include a presentation about development opportunities in Wake Forest and a facility tour. Repeat the event every two to three years as new developments warrant.

- **<u>Enlist</u> the help of local business executives as recruiters.** During calls on local industries and businesses, ask the CEO, president or other officers who travel nationally and internationally to act as **"Wake Forest Ambassadors,"** suggesting that their suppliers, vendors and other business contacts consider Wake Forest as a location for a branch of their companies. Here are some of the **duties of Ambassadors**:

  - **<u>Distribute</u>** Wake Forest marketing materials at trade shows or similar events.

  - With Town ED officials, **<u>co-host</u>** a breakfast, lunch or dinner to meet the companies suppliers and vendors

  - **<u>Join</u>** with the Town to place advertisements in targeted trade journals.

  - **<u>Ask</u>** colleagues, customers and suppliers for leads on companies considering a new location.

- **<u>Market Wake Forest for tourism development</u>**. Study **participants ranked marketing and promotion first, and tourism second in priority as economic development strategies for Wake Forest. Sanford Holshouser agrees that tourism (including the aspects discussed below) is one of Wake Forest's best opportunities.** The Town needs to break out of the category of "secret places" in the tourism industry. The vision planning process should define what tourism can mean to Wake Forest and develop the advocacy and leadership necessary to make it happen.

  - **<u>Look</u> for leaders who believe in the tourism industry for Wake Forest. Tourism appears to be a naturally favorable business for the town,** yet to be successful, the impetus for growing the hospitality industry must come from a well organized local, group with enthusiastic leadership. Here are some ways to get on the NC tourism map:

    - **<u>Work</u>** closer with the **Greater Raleigh Convention and Tourism Bureau.** Currently, their website does little to let visitors know anything about Wake Forest. Eventually there is a link to the Chamber website but the system of leading visitors to Wake Forest needs work.

    - **<u>Establish</u>** relationships with **NC Travel and Tourism** and keep them informed on Wake Forest's assets, programs, and calendars for tourists. **Invite** them for a **familiarization tour** of Wake Forest to view firsthand the potential for tourism development.

    - **<u>Join</u>** the Southeast Tourism Society (<u>www.southeasttourism.org</u>). STS is a non-profit, membership organization dedicated to the development of industry organizations & professionals and the promotion of tourism. It encourages sharing resources, fostering cooperation, networking, providing continuing education, cooperative marketing, consumer outreach, advice and consultation, governmental affairs and other programs. **Work to get one of Wake Forest's festivals listed in STS' "Top 20 Events" in the southeast.**

- **Integrate** a tourism section into the new economic development website. **Tourism should have its own link button on the Town and Chamber websites.** Position a reference to the website on the search engines (Google, Ask Jeeves, etc.) so that when "Wake Forest," "Wake County," or "North Carolina Tourism" is entered for a search, the list shows Wake Forest's website in its first page of listings, preferably at the top.

- **Make presentations** to the first line of welcome in NC tourism, the **state women's prison**. The women's prison answers the "1-800-Visit NC" hotline. Take them a nice lunch to eat while they listen to the attributes of Wake Forest.

- **Sponsor youth baseball, basketball, soccer and other sports tournaments.** Wake Forest has great facilities for this **sports-tourism program**. Remember that parents and grandparents almost always accompany their family members who participate in the events. Treat them as guests.

- **Create** an **advertising budget** for occasional small ads in publications that promote tourism such as *North Carolina* and *Southern Living*. Co-op advertising through Southeast Tourism Society programs helps make it affordable.

o **Encourage Historical Tourism** for Wake Forest. **It appears to fit well, especially downtown.**

- **Enlist the local historical societies.** Many of the action items below fall within the expertise of historical societies, museums, etc.

- **Inventory** heritage tourism assets.

- **Focus** on Wake Forest's beginnings as a college town.

- **Tie in** famous Wake Forest graduates including well known Baptist leaders who attended the Seminary or African American leaders who are DuBois products.

- **Encourage Bed and Breakfast establishments** in the historic homes in the downtown area.

- **Ensure** that Wake Forest heritage tourism is consistently included in all regional and local marketing programs and materials.

- **Include** Wake Forest heritage tourism sites as part of a heritage trail through the Town and County. Place historical markers at the sites.

- **Schedule** periodic tours of historic homes in Town.

    - **Study** the highest and best use of current and potential historical buildings to give direction to agencies and groups in charge of re-development of such structures.

- **Get Outdoors! Outdoor recreation tourism is one of the fastest growing sectors in the industry.** It includes picnicking, camping, canoeing, kayaking, tubing, hunting, fishing, biking, hiking, bird watching, and other activities involving the simple enjoyment of nature, all of which can be incorporated into Wake Forest's overall tourism program.

    - **Assign** the Wake Forest Parks and Recreation Director the responsibility of incorporating outdoor recreation into all regional and local promotional materials.

    - **Inventory** outdoor recreation assets. **Enlist** local cycling clubs, bird watching groups and other outdoor recreation groups to help with the identification and inventorying process.

    - **Work** with NC DOT to designate bike routes on local roads and create a bike path in Wake Forest.

Measuring the Effectiveness of the Marketing Plan

The final measure of the marketing effort is **whether Wake Forest gained business and industry investments and jobs.** However, there are **other measurements of program improvement that eventually will yield those investments and jobs.** For example, did the Town improve on its product offered? Did it help retain existing jobs that might have gone elsewhere (or gone under)? Did it help improve the workforce in readiness for attracting the new economy companies?

Each marketing initiative should be evaluated based the on the total resources spent on the effort versus the result (numbers of leads, expansions, articles promoting the region, etc.). H**ere are some examples of yardstick measurements:**

- **Town Board, Administration and Public Relations**
    - Town Board adopts Strategic Economic Development Plan
    - Town establishes Strategic Plan implementation schedule
    - Town funds new position of ED Director as a full-time employee
    - ED Director charged with additional duties as ED public information officer, and director of existing business and industry program
    - Number of Strategic Plan recommendations implemented
    - Level of local government funding for economic development
    - Number of positive news articles (including Town and DRC newsletter articles) on economic development activities

- **Business Recruiting**
    - Number of legitimate inquiries
    - Number of leads
    - Leads developed into clients
    - Number of client visits
    - Number of new companies
    - Total new jobs
    - Total new investment

- **Existing Business Support**
    - Number of businesses visited
    - Number of businesses assisted
    - Number of local expansions
    - Total New Investment
    - New jobs created
    - Existing jobs retained
    - Did the intervention stop a closing
    - Special events hosted
    - Existing industry executives recruited as ambassadors
    - Is the private sector participating in and helping fund economic development

- **Product Development**
    - Infrastructure improvement projects
    - Sites developed
    - Sites certified by DOC
    - Business park developed
    - New buildings (or virtual building) available
    - Street, highway, rail, airport, gas, telecommunications improvements

TOWN OF WAKE FOREST

METHODOLOGY AND APPENDICES

Methodology

Economic and Demographic Profile:

Sanford Holshouser used the latest available public data and conducted the analysis. All sources are cited in this report. It is not always accurate to compare data from two different sources (example: US Census Bureau and NC State Data Center) as they may have been gathered at different points during the same year and/or use different data gathering methods.

Because of the relatively small population of the Town of Wake Forest, statistics for Wake County and the Research Triangle Park region have been used in cases when Town information was unavailable. Since more and more people commute for work, commerce and education, Sanford Holshouser believes this is an accurate portrayal of the economic and demographic trends for the region.

Economic Development Preparedness Assessment:

Sanford Holshouser asked for the participation of four local elements in Wake Forest to assist in the SWOT (strength, weaknesses, opportunities, threats) analysis and plan development. The four elements were:

1. Leadership Group: A small, core group of leaders directly concerned with economic development who have helped guide the project and review Sanford Holshouser's draft reports. The Leadership Team has shared insider information on the Town's "product" (available buildings, business parks, infrastructure, labor force, transportation connections, public works services, etc.), as well as the softer but no less important elements of economic development such as quality of life, education, small business development, downtown improvement, tourism and diversity of community involvement.

2. Interview Group: One-on-one discussions with several governmental, civic, educational and industry/business leaders.

3. Focus Group: A group of leaders in various occupational or interest fields such as real estate, service providers, local government officials, small businesses, and other interested citizens that the Leadership Group believed should be represented.

4. Survey Group: Approximately 50 individual leaders in the community were surveyed by mail with approximately a 50 percent return rate.

A significant proportion of the findings in this report are based upon our interaction with Whittaker Associates; our mail survey, group meetings and interviews with local leaders; and our discussions with state, regional and county economic development officials. The approximate total number of participants in the various leadership venues was about 45.

Marketing Plan:

In developing the Marketing Plan, Sanford Holshouser used the results of the Target Industry Analysis, Whittaker Associates' market analysis expertise, a review of the community's existing marketing efforts, best practices in economic development marketing and the general experience of Sanford Holshouser partners in marketing at the local, regional and state levels.

Conclusions:

There were occasional points of deviation between the conclusions drawn by participants and our own conclusions based on research, experience and familiarity with nationwide economic development best practices. In each case, Sanford Holshouser takes full responsibility for the findings, conclusions and recommendations made in this report.

APPENDIX A – INTERVIEW & MAIL QUESTIONNAIRE

THE SANFORD HOLSHOUSER BUSINESS DEVELOPMENT GROUP, LLC

Town of Wake Forest Questionnaire

1. What is Wake Forest's single greatest asset for recruiting or retaining industry and business?

2. What is the most negative factor working against economic development for the Town?

3. List 3 major strengths of Wake Forest in competing for new and locally expanding industry:

4. List 3 major weaknesses:

5. Name at least one economic development opportunity the Town should take advantage of?

6. List any major threat to economic growth in Wake Forest?

7. Rate the following economic development support programs as they are accomplished within the Town or by others on behalf of the Town (**E=Excellent, A=Adequate, P=Poor**):

Public education____ Workforce development____ Tourism development____
Retail development____ Downtown improvements____ Transportation
Small bus. Development____ Parks & recreation____ Beautification____ Arts/Culture ______
Restaurants _____ Community College programs____ (List any others)

8. What should be the Town's economic development priorities? (**Rank 1-Highest, to 5-Lowest**):
Marketing/Advertising ____Business park development ____ Existing business support ____
Retail development ____ Housing development _____ List any other

9. Answer **Yes or No**:
Should the Town develop business parks? ____
Should the Town certify sites? ____
Should the Town build speculative buildings? ____
Should the Town improve water/sewer/other infrastructure to business and industrial areas?_____
Should the Town develop an incentive policy? ____

10. Rate the Wake County economic development program (**Excellent, Adequate, Poor**):
Leadership____Organization Structure____ Progress____
County govt. funding/support____ Town govt funding/support____
Private sector funding/support____
How responsive is the EDC to the economic development needs of Wake Forest? ______

11. Any other comments

Appendix B – Industry Overviews

Life Sciences including Pharmaceuticals, Medical Devices, Agricultural Biotechnology, Biological Agents and Infectious Diseases, Advanced Medical Care, Bioinformatics, and Nanoscale Technologies

DEFINITION

The research to identify companies in this industry will focus on key word searching of detailed product description within the following SIC Codes:

2833	Medicinal chemicals and botanical products
2834	Pharmaceutical preparations
2835	In vitro and in vivo diagnostic substances
2836	Biological products, except diagnostic substances
3826	Laboratory analytical instruments
3841	Surgical and medical instruments
3842	Surgical appliances and supplies
3844	X-Ray apparatus and tubes and related irradiation apparatus
3845	Electromedical and electrotherapeutic apparatus
873101	Biological research
87319902	Commercial medical research
873301	Noncommercial biological research organizations
87349903	Food testing services
87349908	Seed testing laboratories
87349910	Veterinary testing

INDUSTRY OVERVIEW AND CURRENT TRENDS

Pharmaceuticals. North America is not only the largest but also the fastest growing pharmaceutical market in the world. The strength of the U.S. pharmaceutical industry is attracting a steady influx of investments from foreign drug companies eager to share in the projected growth of the market. **Wake Forest is a neighbor to several big names in the Triangle area.** Names such as GlaxoSmithKline, Biogen, Wyeth, Novo Nordisk are common. Although the demographic profile of an aging population and the rising incidence of chronic diseases will result in continued growth for the industry, the pharmaceutical industry's profit growth is expected to slow over the next few years. Margins are likely to come under pressure from intensifying price constraints, a massive wave of patent expirations, and marked decline in research and development productivity. Despite these pressures, the pharmaceutical industry continues be a strong segment. Companies are investing heavily in research and development and forming partnerships with smaller biotech firms to develop new generations of drugs. However, the major new wave of biotechnology drugs may still be many years away.

Specific sector forecasts include:

- Due to poor eating habits, the digestive/genitor-urinary sector is forecasted to remain the largest sector of the U.S. pharmaceutical industry, with 18% of the market.
- The most dynamic sector is expected to be the vitamin, nutrient, and hematinic sector with growth projected over 100% of its current value to $16 billion.
- Spending on prescription drugs will continue to rise due to the use of newer, costlier medicines.
- With already 50% of all pharmaceuticals used in the U.S. made by generic pharmaceutical companies, the generics market is expected to be $35 billion by 2007.

Source: Euromonitor, June 2003 and Standard and Poor's

Biotechnology. Biotechnology historically has referred to the application of biological and biochemical science to large-scale products, for the purpose of modifying human health, food supplies or the environment. Today the industry comprises many different practices, of which some but not all involve the alteration of genetic material. A handful of companies, including Amgen, Genentech, Chiron, and Biogen, continue to dominate the biotechnology industry though the industry is also flush with small drug development firms. The lines between pharmaceutical and biotechnology companies are becoming increasingly blurred. The major biotechnology companies are more mature and capitalized resulting in direct competition with pharmaceutical companies. In addition, biotechnology companies do not necessarily need the financial support from pharmaceutical counterparts. Biotechnology has been the darling of the healthcare sector over the past several years and will continue to garner attention, although a number of recent developments have lowered expectations in the industry. In particular, genomics and proteomics have promised a wealth of new drug development opportunities but the timelines for these discoveries are getting pushed further out. Also, the questionable quality of certain drug pipelines, manufacturing constraints, and slowing FDA review times has hampered the industry's overall progress. Despite these negative forces, the biotechnology industry is expected to grow nearly 20% annually through 2004 driven by the demand of the aging population. Emerging areas to watch in the biotechnology sector include bioinformatics, proteomics, combinatorial chemistry, high-throughput screening (HTS), and biochips.

Specific sector highlights include:

- Demand for biotechnology pharmaceuticals is projected to have yearly gains of 12.8%, reaching a value of $42.6 billion by 2007.
- Sub sectors of biotechnology pharmaceuticals include blood modifiers, hormones and related agents, antiviral agents, and other biotech pharmaceuticals (anti-inflammatory products, etc.). All sectors are expected to grow through 2007.
- Applications for biotechnology drugs include the treatment of cancer, HIV/AIDS, Dialysis, Arthritis, Hepatitis, Diabetes, and Hemophilia. Again all these applications are expected to grow through 2007, with arthritis applications growing the fastest with overall growth over 20%.

Source: Freedonia, June 2003 and Standard and Poor's

Medical Devices. The United States is the global leader in medical devices with U.S. products accounting for close to half of the world's medical equipment market. Medical devices can include a wide range of products. The most profitable product areas comprise innovative high-technology products such as implantable and external cardiac defibrillators, orthopedic devices, and sophisticated diagnostic imaging systems designed for highly specific markets. Cardiac devices and orthopedics are dominated by a small number of players, like Medtronic, Guidant, and Stryker. However, many small and midsize companies design and manufacture specialty equipment and devices across many disciplines. New products are the engine that drives growth in the medical device industry. The companies in this sector must be robust financially to weather research and development, clinical trials, and FDA approvals. Managed care's influence continues to bring strong pressure to medical device companies to cut costs. There is strong demand by hospitals for equipment that can reduce labor expense, improve labor productivity, and reduce patient stays. Also, outpatient procedures will continue to grow and replace lengthy hospital stays. Dramatic growth is predicted for the medical device sector, led by expected new product launches in cardiology. The aging of the population is probably the most prominent factor in driving this growth.

Medical Appliances and Supplies. Unlike value-added medical devices, medical appliances and supplies are comprised of commodity-type items such as kits, trays, gloves, gowns, syringes, and other disposable medical supplies. The medical supply market supply market is a mature business dominated by a relatively small number of big manufacturers, such as Tyco International and Johnson & Johnson. The medical appliances and supplies sector is characterized by low margins, high volume, and long-term contracts with hospital management chains and large customers. As with medical devices, there is significant pressure on medical and hospital suppliers to cut costs. The improvement of existing products, technical support of products, and compliance with governmental regulations for the protection of consumers are key factors for success in this highly competitive environment. However, the demand for supplies is predicted to remain strong due to the favorable demographics as the population ages.

Eyewear. Eyewear is included in medical products and services to address the continued changes in the eyewear and care industries. This sector includes eyeglasses and contact lenses. Eyeglasses account for the lion's share of the market but the fastest growing segment is disposable soft contact lenses. The U.S. eyeglasses market is highly fragmented. The contact lens market is dominated by a few small players including Bausch & Lomb and Johnson & Johnson. The demand for eyewear is rooted in the growth of consumer demographics as baby boomers started to need reading glasses. While eyewear is still and will continue to experience growth, increased industry competition and the increasing popularity of laser corrective surgery are threatening that growth.

According to the Freedonia Group, medical equipment segments projected for growth include:

- Demand for all segments of the medical equipment industry are projected to grow 7.9% per year through 2007, reaching $125 billion. An aging population is the primary driver for demand.
- Medical and surgical instruments is the largest medical equipment segment and that is projected to continue, reaching $32.8 billion in 2007.
- Electromedical/electrotherapeutic apparatus will remain the fastest growing segment, with nearly 11% annual gains through 2007.
- Surgical appliances and supplies is projected to grow 7.8% through 2007, reaching $30.4 billion.

Source: Freedonia, January 2004 and Standard and Poor's

Industry Importance Factors

With pharmaceutical companies, the cost of skilled labor, reliability and the availability of professional and technical skilled employees are of high importance. Along the same line, secondary and higher education quality is a significant concern for the pharmaceutical industry. Also, access and proximity to a research university plays a role in location decision.

Geographic proximity to a supplier and customer base and transportation costs of goods are important factors, while the availability of air services holds moderate importance. Energy dependability is ranked high as medical products companies are undertaking very precise, high-tech production operations in many cases. Access to production inputs, specifically intermediate manufacturing products, is also ranked high across the board. Regulatory policies as well as taxes, worker compensation costs, and unemployment insurance costs are of moderate importance to the industry. The medical industry as a whole is one sector that is steeped in regulation and those regulations continue to have major influence. Quality of life factors, as with healthcare services, are becoming more and key to location and expansion decisions. Attracting the skilled labor needed for the medical industry is linked to the available quality of life.

Pharmaceuticals

	283 Drugs	873 Research & Testing
Access to Markets		
Geographic Proximity	High	High
Transportation Svcs Cost-Goods	High	High
Transportation Svcs Avail-Rail	Low	Low
Transportation Svcs Avail-Truck	Low	Low
Transportation Svcs Avail-Water	Low	Low
Transportation Svcs Avail-Air	Low	High
Telecommunications Services	Low	Medium

	283 Drugs	873 Research & Testing
Access to Resources		
Energy Dependability	High	High
Energy Cost	Low	Low
Water Availability/Cost	Low	Low
Raw Materials	Low	Low
Intermediate Mfg Products	High	High
Business/Prof/Tech Svcs	High	High
Work Force		
Executive, Administrative & Managerial	Medium	Medium
Professional Specialty	Medium	High
Technical	Medium	High
Sales	Low	Low
Administrative Support	Low	Medium
Service	Low	Low
Farming, Forestry & Fishing	Low	Low
Precision Production & Repair	Medium	Low
Operators & Assemblers	Medium	Low
Transportation & Material Moving	Low	Low
Handlers, Equipment Cleaners & Laborers	Medium	Low
Effective Cost of Skilled Labor	High	High
Effective Cost of Unskilled Labor	High	High
Reliability	Medium	High
Land Availability	Low	Low
Land Cost	Medium	Low
Built Space Availability	High	Medium
Built Space Cost	High	Medium
Construction Costs	Medium	Low
Financial Capital		
Seed	Low	Low
Debt	High	Medium
Venture	High	Medium
Public Sector Impacts-Invest		
S/L Government Quality	Low	Low
Secondary Education Quality	Medium	Medium
Higher Education Quality	Medium	Medium
Local Transport/Commuting	Low	Low
Water/Wastewater Systems	Low	Low
Business Incentives	Low	Low

	283 Drugs	873 Research & Testing
Public Sector Impacts-Costs		
Regulatory Policies	High	Medium
Worker Compensation Costs	Medium	Medium
Unemployment Insurance Costs	Medium	Medium
Business Taxes	Medium	Medium
Quality of Life		
Cost of Living (ex Housing)	Low	Low
Housing Costs	Medium	Medium
Personal/Property Security	Medium	Medium
Climate/Physical Environment	Medium	Medium
Recreational/Cultural Opportunities	Low	Low
Area Image	Medium	Medium

Source: Applied Economics, Scottsdale, AZ

The medical products sector has moderate need for technical professionals and a high need for a skilled precision production and repair labor force as well as available operators and assemblers. The cost of labor is a major expense and therefore a priority for medical products companies. Additionally, an available quality education program is an important factor for the medical products industry. For the most part, the medical products sector does not necessarily have a need to locate near research university or hospital environments.

Medical Products

	382 Measuring & Controlling Devices	384 Medical Instruments	3851 Ophthalmic Goods
Access to Markets			
Geographic Proximity	High	High	Medium
Transportation Svcs Cost-Goods	Medium	Medium	Medium
Transportation Svcs Avail-Rail	Low	Low	Low
Transportation Svcs Avail-Truck	Low	Low	Low
Transportation Svcs Avail-Water	Low	Low	Low
Transportation Svcs Avail-Air	Low	Low	Medium
Telecommunications Services	Low	Low	Low
Access to Resources			
Energy Dependability	High	High	High
Energy Cost	Low	Low	Low
Water Availability/Cost	Low	Low	Low

	382 Measuring & Controlling Devices	384 Medical Instruments	3851 Ophthalmic Goods
Raw Materials	Low	Low	Low
Intermediate Mfg Products	High	High	High
Business/Prof/Tech Svcs	High	High	High
Work Force			
Executive, Administrative & Managerial	Medium	Medium	Low
Professional Specialty	Medium	Low	Low
Technical	High	Medium	Medium
Sales	Low	Low	Low
Administrative Support	Low	Low	Low
Service	Low	Low	Low
Farming, Forestry & Fishing	Low	Low	Low
Precision Production & Repair	Medium	Medium	High
Operators & Assemblers	Medium	High	High
Transportation & Material Moving	Low	Low	Low
Handlers, Equipment Cleaners & Laborers	Low	Medium	Low
Effective Cost of Skilled Labor	High	High	High
Effective Cost of Unskilled Labor	High	High	High
Reliability	High	High	High
Land Availability	Low	Low	Low
Land Cost	Low	Low	Low
Built Space Availability	Medium	Medium	Medium
Built Space Cost	Medium	Medium	Medium
Construction Costs	Low	Low	Low
Financial Capital			
Seed	Low	Low	Low
Debt	Medium	Medium	Medium
Venture	Medium	Medium	Medium
Public Sector Impacts-Invest			
S/L Government Quality	Low	Low	Low
Secondary Education Quality	Medium	High	Medium
Higher Education Quality	Low	High	Low
Local Transport/Commuting	Low	Medium	Low
Water/Wastewater Systems	Low	Medium	Low
Business Incentives	Low	Medium	Low
Public Sector Impacts-Costs			
Regulatory Policies	Medium	Medium	Medium
Worker Compensation Costs	Medium	Medium	Medium

	382 Measuring & Controlling Devices	384 Medical Instruments	3851 Ophthalmic Goods
Unemployment Insurance Costs	Medium	Medium	Medium
Business Taxes	Medium	Medium	Medium
Quality of Life			
Cost of Living (ex Housing)	Low	Low	Low
Housing Costs	Medium	Medium	Medium
Personal/Property Security	Medium	Medium	Medium
Climate/Physical Environment	Medium	Medium	Medium
Recreational/Cultural Opportunities	Low	Low	Low
Area Image	Medium	Medium	Medium

Source: Applied Economics, Scottsdale, AZ

DESIGN

INDUSTRY DEFINITION

Primary design SIC codes:

Advertising

7311	Advertising agencies
7312	Outdoor advertising agencies
7319	Advertising
7336	Commercial art and graphic design
738903	Advertising, promotional, and trade show services
738915	Lettering and sign painting services

Film and Video

7335	Commercial photography
733602	Film strip, slide and still film production
7812	Motion picture and video production
7819	Services allied to motion pictures
7822	Motion picture and tape distribution
7829	Motion picture distribution services

Software Design

7371	Custom computer programming devices
7372	Prepackaged software
7373	Computer integrated systems design
7379	Computer related devices

Engineering and Architectural Services

738906	Interior design services
8711	Engineering services
8712	Architectural services

Creative and Performing Arts

7911	Dance studios, schools, and halls
7922	Theatrical producers and services
7929	Entertainers and entertainment groups
899901	Artists and artists' studios
899902	Art related services
899903	Commercial and literary writings
899904	Song writings

NAICS Equivalents:

Advertising

54181	Advertising agencies
54185	Display advertising
54143	Graphic design services

Film and Video

51211	Motion picture and video production
51212	Motion picture and video distribution
512191	Teleproduction and other post production services
512199	Other motion picture and video industries
541922	Commercial photography
71151	Independent artists, writers, and performers

Software Design

541511	Custom computer programming
51121	Software publishers
541512	Computer systems design services
541519	Other computer design services

Engineering and Architectural Services

54133	Engineering services
54131	Architectural services
54141	Interior design services

Creative and Performing Arts

71111	Theater companies and dinner theaters
71112	Dance companies
71113	Musical groups and artists
71119	Other performing arts companies
71151	Independent artists, writers, and performers
71399	All other amusement and recreation industries

Miscellaneous design including fashion and industrial design

54142	Industrial design services
54149	Other specialized design services

INDUSTRY IMPORTANCE FACTORS AND OCCUPATIONAL NEEDS

For the design industry, an ability to attract and retain talent is paramount for design companies, thus quality of life is an important consideration for company recruitment. **The Town of Wake Forest is a charming place that could attract such talent.** These quality of life factors include area image, amenities, and access to recreation/cultural opportunities. Also of importance is access to technology, particularly high speed Internet services and wireless communications. Richard Florida, in his book The Rise of the Creative Class, mentions that a place must have “the 3 T’s” – technology, talent and tolerance. While he believes geographical place does not play an important role in attraction, he also writes, “Access to talented and creative people is to modern business what access to coal and iron ore was to steelmaking.”

Additional important factors include close geographic proximity to markets, the availability and cost of built space, quality higher and secondary education, as well as access to executive level and highly skilled workers. A complete look at additional site location factors and occupational needs can be found in Appendix G below.

LABOR OUTLOOK FOR THE DESIGN INDUSTRY

According to a labor outlook published in the November 2001 issue of the Monthly Labor Review, all industries within the design industry are projected to see employment growth through 2010. Although it is tempting to recommend targeting all sectors within the design industry, there are certain sectors (software design and engineering and architectural services) which have recently shown more growth than others in North Carolina.

INDUSTRY BREAKDOWN AND RECENT ACTIVITY

We analyzed the breakdown of firms within the design industry by number of companies and total employment.

The design sectors with the **most businesses in North Carolina include:**

- Miscellaneous design and advertising services (SIC 7389) – 2,008 businesses
- Engineering services (SIC 8711) – 1,655 businesses
- Computer related services (SIC 7379) – 1,144 businesses
- Custom computer programming services (SIC 7371) – 1,121 businesses

A different picture emerges when looking at the design sectors with the **greatest employment in North Carolina.** These sectors include:

- Engineering services (SIC 8711) – 17,350 employees
- Custom computer programming services (SIC 7371) – 12,085 employees
- Prepackaged software (SIC 7372) – 8,314 employees
- Miscellaneous computer services (SIC 7379) – 6,763 employees

Next, we analyzed changes in the number of businesses and employees for all sectors within the design industry from 2000 through 2003.

Sectors with the greatest increase in the number of businesses include:

- Miscellaneous design and advertising services (SIC 7389) – 350 new businesses
- Engineering services (SIC 8711) – 327 new businesses
- Miscellaneous computer services (SIC 7379) – 236 new businesses
- Entertainers and entertainment groups (SIC 7929) – 203 new businesses
- Motion picture and video production (SIC 7812) – 141 new businesses

Sectors with the greatest increase in the number of employees include:

- Engineering services (SIC 8711) – 3,933 new employees
- Custom computer programming services (SIC 7371) – 1,698 new employees
- Miscellaneous computer services (SIC 7379) – 621 new employees
- Entertainers and entertainment groups (SIC 7329) – 513 new employees
- Prepackaged software (SIC 7372) – 414 new employees
- Miscellaneous design and advertising services (SIC 7389) – 403 new employees

The Southeast region was also analyzed. For the most part, there were many similarities. However there were a few notable exceptions:

- Prepackaged software (SIC 7372) – 414 new employees for North Carolina versus a loss of 1,043 employees in the Southeast
- Miscellaneous design and advertising services (SIC 7389) – 403 new employees for North Carolina versus a loss of 1,320 employees in the Southeast
- Commercial photography (SIC 7335) – 97 new employees for North Carolina versus a loss of 682 employees in the Southeast
- Architectural services (SIC 8712) – a loss of 111 employees in North Carolina versus 3,913 new employees for the Southeast
- Motion picture and video production (SIC 7812) – a loss of 108 employees in North Carolina versus 1,485 new employees for the Southeast

MAJOR TRENDS

The majority of the available trends tend to follow the larger, more defined clusters within the design industry. These clusters include advertising, film and video, software design, and engineering and architectural services. Overall, the Internet and new digital technologies will drive much of the growth within design sectors. A specific look at trends shaping each design cluster follows.

ADVERTISING

Companies within the advertising industry primarily plan and create advertising campaigns for their clients and also place advertising in television, radio, magazines, newspapers, direct mail, outdoor displays, and interactive electronic media. Advertising firms fall into two categories, general advertising agencies and boutique shops. General advertising agencies plan and create marketing campaigns and place clients' advertisements in the media. **Boutique shops, the most likely prospect for Wake Forest, specialize in one area of the advertising agency.** Examples of boutique shops include sales promotion, direct marketing/direct response, public relations, branding/logo/identity consultants, field marketing, interactive (Internet based), specialty, and sports marketing services. Often companies in these two categories operate under a larger holding company in order to offer the services of a full-service agency to their clients. As the name implies, a full-services agency can offer the entire advertising process to a client from creative work to production work to media planning and buying to post-buy analysis.

Growth within the advertising industry is likely to come internationally as more and more clients expand their products and services overseas. Another growth strategy for advertising firms is to enter into or expand advertising markets and services through acquisitions. Trends likely to affect this industry include the proliferation of media. There are literally thousands of target groups for advertisers to reach now through multiple media channels. Some of these channels include the Internet (computers, laptops, cellular phones, handheld devices, etc.) and cable television. The types of media that advertisers can use to reach consumers have exploded. Some examples include home shopping television networks, direct television infomercials, video game advertising, compact disc (CD) and digital videodisc (DVD) advertising, and sales/informational kiosks in retail and other environments.

FILM AND VIDEO

The film and video sector focuses primarily on motion picture and television programming creation and distribution. There are seven major Hollywood studios in the motion picture production industry. They are Fox Filmed Entertainment, MGM, Paramount Pictures Corporation, Sony Pictures Entertainment, Universal Pictures, Walt Disney Studios Entertainment, and Warner Brothers. Over the past few years, independent films (traditionally known as movies not produced by the seven major studios) have had increasing success at the box office. However, many of the independent studios are affiliated and/or receive some assistance from the seven major studios. The motion picture industry can be broken into two sectors, the new release sector and the re-release sector. The new release sector is by far the largest sector with a 92% market share in 2001. It is expected to grow 23.5% through 2006 to a value of $10 billion. The re-release sector, while much smaller, is forecast to grow 25% through 2006 to a value of $1 billion. The continued consumer acceptance and adaptation of the DVD along with the lower cost of re-releases will drive the re-release sector. Both in production and distribution, digital technology will have a huge impact within the industry over the next few years. Digital filmmaking is cheaper, allows for more creative freedom, and speeds up the production process. From a distribution standpoint, videos on demand delivered over a broadband Internet connection will greatly affect the industry over the next few years.

The television production industry is still dominated by four major broadcast networks (ABC, CBS, NBC, and FOX). However their market share continues to erode as more and more consumers turn to cable and satellite television for original programming. Digital applications, such as TiVo (which records television programs to a high capacity hard drive, rather than a much lower capacity video tape), will make great inroads into the television industry as consumers will be able to create their own viewing schedules. This will influence network television's ability to delivery a particular audience to advertisers at a scheduled time.

Future growth in the industry will depend on the development of new ways to deliver programming to consumers. New delivery methods will encourage consumers to spend more to obtain a higher quality product, greater convenience, as well as more entertainment choices. Also seeing future growth will be nostalgia-based programming. According to projections for the U.S. Census Bureau, the portion of the U.S. population in the 45-to-64 year-old age bracket is expected to increase 20% in the next decade. This is much faster than the 9% rise projected for the overall population.

SOFTWARE DESIGN

Software design is a broad category including programming, software, and internet services. There are indications the downward cycle over the past few years for much of the industry may have reached a turning point in the first quarter of 2003 and a recovery is in process. For example, 88% fewer Internet companies failed in the first quarter of this year as compared to the same period in 2002. Capital spending by businesses is expected to recover in 2003 and 2004 following a decline in 2002. This will result in increased IT and software spending.

As more and more companies learn how to apply the technological advances and innovations of the last few years, the potential for economic growth is enormous. Communication and information technology plays a large role in the production of knowledge and knowledge-based trends continue to affect business globally. The rate of innovation allowed by these technologies will create an increasing pace of business. The emerging technologies are too numerous to name but we will take a closer look at this sector. There are specific industry modes of operation and trends that will help in understanding this dynamic sector.

SOFTWARE. The Internet continues to play an important, if not dominant, role in the software industry as trends like online banking and payment systems, intranets and extranets, new programming languages, and e-commerce drive growth within the industry, helping to create opportunities for companies focused in these areas. The increase in new non-PC devices (PDAs and mobile phones) to access the Internet will also drive new software development. As computer networks continue to be popular among businesses, software products that enhance network operations and capabilities should continue to sell as well. The move from a mainframe model to a client/server model has benefited those software companies involved in systems management software and middleware; both of these sectors are expected to see rapid growth as a result. However, despite the increase in networked PC's, the market for mainframe software is strong and is expected to remain so. Mainframes are still more cost effective and better equipped to handle large, transaction-oriented applications such as payroll and organizations have already invested large amounts of money in mainframe software applications, guaranteeing the survival of such software for some time.

Currently, there is an ample supply of labor available in the industry as the economic slowdown forced many software companies to reduce their work forces. However, as the economy rebounds, the industry will again be hurt by a shortage of skilled workers. Other overall trends for the industry include increased merger and acquisition activity as the industry recovers and the plague of software piracy.

COMPUTER SERVICES. In general, the U.S. government, financial and insurance services, and healthcare insurance services are key markets for computer services companies. The computer services industry can be broken down into two primary categories: professional services and processing services.

Professional services focuses on systems integration, custom software programming, outsourcing, and consulting and training. Systems integration is the creation of customized computer systems integrating various business functions. The U.S. Government is the largest user of systems integration services, and with the creation of the Department of Homeland Security and emphasis on fighting global terrorism, this sector should see substantial growth. In the private sector, competition amongst Fortune 500 companies is continuing to drive the demand for lower operating costs which is leading to increased demand for customized systems integration services. Hardware vendors and the major accounting firms will be the largest beneficiaries. Custom software programming is used for companies either lacking skilled personnel or companies that need temporary skilled programmers for projects. Demand for these services is expected to continue, however many companies are turning to prepackaged software options and systems integration to meet their programming needs. Rather than paying for expensive programming, many companies may only need to make minor programming modifications to these prepackaged options. One sector of the software industry likely to grow rapidly is enterprise resource planning (ERP). ERP systems typically automate complex back-office functions such as supply chain management. Recently, now that companies have successfully automated back-office operations, companies are focusing on front-office concerns such as sales automation. Outsourcing is hiring a computer services company to perform a company's data processing and data management tasks. Outsourcing can include facilities management (data center is managed on-site), remote computing (data processing done off-site), and communications network management. Because outsourcing can significantly reduce a company's data processing costs and help save on taxes, this sector will continue to grow. As technology continues to become more and more complex, there will also be demand for consulting and training services.

Processing services firms collect, organize, and store a company's transactions and other data for record-keeping purposes. In most cases, these firms use their own computer facilities and software. Processing services firms fall into three categories: transaction processing, timesharing, and information services. Transaction processing is simply the outsourcing of back-office functions like payroll, insurance claims, and financial information. Payroll processing is likely to increase in demand, although this business is susceptible to the state of the economy. As unemployment increases, the demand for payroll processing decreases. However, the demand for insurance claims and financial information processing is expected to significantly increase. Timesharing is selling the use of a mainframe or other large computers for a period of time. Currently, this is not a big sector with only a small number of companies using these services. Information services firms provide access to and update proprietary information databases. As global competition continues to impact companies, access to timely and accurate information will become increasingly vital.

INTERNET. Freezes on IT spending, an uncertain economy, the threat of terrorism, and untrusting investors have hit Internet companies hard in the past years. However, the young industry has benefited from substantial market rationalization which has allowed the companies that survived the dot-com bust to emerge stronger and wiser. There are several Internet sectors likely to perform well in the next few years. These include online music sites like Apple Computer’s iTunes Music Store, search services like Google, auction sites like eBay, and travel sites like Orbitz.

ENGINEERING AND ARCHITECTURAL SERVICES

Currently, residential buildings are the largest sector in the US engineering and construction services market, with nearly 44% of the total market value in 2002. However non residential buildings were the fastest growing sector growing 39% from 1998 through 2002. Major engineering companies include Bechtel Group, ABBY Limited, Shaw Group, Jacobs Engineering Group, and Fluor. In general, the US engineering and construction services market is expected to grow about 26% between 2003 and 2007. Public construction by the government, due to road maintenance and repair is expected to drive a 27% growth rate from 2003 to 2007. However, market performance is heavily dependent on the overall US economy, interest rates, inflation rates and government spending devoted to public construction.

Engineering and construction firms’ ability to attract and retain qualified engineers will be an important factor in determining future success. A science and engineering (S&E) brain drain is in full swing in businesses across the country. Turnover is high, the availability of young talent is declining and experienced talent is retiring early, says The Garrity Group Inc., a marketing/media organization located in St. Paul, Minn. More than a quarter of a million extra engineers are needed to keep pace with rising demand over the next decade, according to research by the Department of Education and Employment. Much has been discussed about manufacturing jobs moving from the United States to overseas but engineering and other technical white-collar jobs are facing a migration of jobs to international locales as well to find enough engineers to satisfy their needs. India, Eastern Europe and other countries are providing highly educated and technically able staff that will work for a fraction of U.S. wages. There is also a trend to outsource engineering functions which will only encourage more jobs to be shipped offshore.

TARGETING RECOMMENDATIONS

Interestingly from 2000 to 2003, **with the exception of motion picture and tape distribution, every sector within North Carolina saw increases in the number of businesses.** This means that design companies are already in the area, and demand for their services continues. Therefore, **it is tempting to recommend that Wake Forest target all sectors of the design industry. However, some sectors have a greater presence in North Carolina than others do, and a few of these sectors, while adding more businesses over the past three years, have actually seen decreases in employment.** When you factor this in along with industry importance factors and occupation needs, the labor outlook for the design sector, recent activity in the number of businesses and jobs, as well as current and projected trends, **there are certain sectors that are better for Wake Forest to target than others. Thus, we recommend the following design sectors:**

SOFTWARE DESIGN

- Custom computer programming (SIC 7371)
- Prepackaged software (SIC 7372)
- Miscellaneous computer services (SIC 7379)

These sectors are expected to see tremendous growth within the next few years. In addition, North Carolina has seen increases in employment for these sectors for the past three years, and based on the labor outlook, there is little reason to believe that this trend will not continue. The proliferation of wireless technologies and the demand for outsourcing and consulting services continue to make this an active sector.

ENGINEERING AND ARCHITECTURAL SERVICES

Engineering services (SIC 8711)
Interior design (SIC 738906)

There already exists a large cluster of engineering services companies in North Carolina. In addition, there have been significant increases in employment within engineering services for the past three years. As long as the economy continues to pick up, demand for new construction should continue.

MISCELLANEOUS DESIGN INCLUDING FASHION AND INDUSTRIAL DESIGN

Textile and apparel services (SIC 738904)
Design services (SIC 738918)

A large cluster of design companies exists in North Carolina. Employment increased amongst North Carolina companies in this sector over the past three years which is contrary to overall employment losses in the Southeast. Again, as with other design sectors, employment projections are strong.

FILM AND VIDEO

Commercial photography (SIC 7335)
Motion picture and video production (SIC 7812)

This sector requires a highly skilled workforce so the existing talent base at the school could be attractive to prospective employers. Over the past three years there have been increases in the number of new motion picture and video production companies. There were employment increases in North Carolina for the commercial photography sector versus employment losses in the Southeast over the same period. Both the new release and re-release sectors of the industry are expected to see healthy growth over the next few years which should keep increase demand for these services.

DESIGN COMPANIES IN THE MANUFACTURING SECTOR

Design companies can also be found in the manufacturing sector. **With Wake Forest Forest's focus on biotechnology, we recommend focusing on design within the medical products sector.** Also the increase in the aging population is driving demand for medical products. Strategies to consider in targeting these companies include focusing on those that have a high ratio of research and development spending to their annual sales and those that have filed a large number of patents.

CREATIVE AND PERFORMING ARTS

As many of these companies are quite small and much more entrepreneurially focused, there is little information available in terms of overall trends and industry importance factors. However, this does not mean that these companies should not be targeted. Instead, you may need to consider alternative strategies for targeting these companies. For example, you may want to look into building a specific arts community or taking advantage of existing arts clusters or assets in the area.

INDUSTRY IMPORTANCE FACTORS

This section looks at the site location factors and occupational needs required for companies in the design industry. One of the most important site location factors for the majority of sectors in the design industries is the effective cost of both skilled and unskilled labor. Quality of life is extremely important to engineering firms, architectural firms, motion picture distribution, and advertising firms. As the design industry is part of the services sector of our economy, geographic proximity to market is vital. A skilled workforce is essential to all sectors of the design industry. Especially required are executive, administrative & managerial, professional specialty, and technical skills. Other critical site location factors for the design sectors includes energy dependability, land cost and availability, and worker compensation and unemployment insurance costs for the motion picture industry, built space cost and availability, and the quality of secondary and higher education for engineering and architectural firms. High quality secondary and higher education is also a requirement for sectors of the motion picture industry and advertising agencies.

	731 Advtsng. Agencies	733 Direct Mail Advertising	737 Comp. Services	7389 Misc. Bsns. Services	7812 Motion Picture Production	7819 Services Allied to Motion Pictures	782 Motion Picture Distribution	8711 Engrng. Firms	8712 Archturl. Firms
Access to Markets									
Geographic Proximity	High	High	High	High	Medium	Medium	High	High	Medium
Transportation Svcs Cost-Goods	Low	Low	Low	High	Medium	Medium	Low	Low	Low
Transportation Svcs Avail-Rail	Low	Low	Low	Low	Low	Low	Low	Low	Low
Transportation Svcs Avail-Truck	Low	Low	Low	Low	Low	Low	Low	Low	Low
Transportation Svcs Avail-Water	Low	Low	Low	Low	Low	Low	Low	Low	Low
Transportation Svcs Avail-Air	Low	Low	Low	Low	Low	Low	Low	Low	Low
Telecommunications Services	High	High	High	Medium	Medium	Medium	High	High	High
Access to Resources									
Energy Dependability	Low	Low	High	Low	High	High	Low	Medium	Low
Energy Cost	Low	Low	Medium	Low	Low	Low	Low	Low	Low
Water Availability/Cost	Low	Low	Low	Low	Low	Low	Low	Low	Low
Raw Materials	Low	Low	Low	Low	Low	Low	Low	Low	Low
Intermediate Mfg Products	Low	Low	Low	Low	Medium	Medium	Low	Low	Low
Business/Prof/Tech Svcs	Medium	High	High	Low	Medium	Medium	Medium	Low	Low

	731 Advtsng. Agencies	733 Direct Mail Advertising	737 Comp. Services	7389 Misc. Bsns. Services	7812 Motion Picture Production	7819 Services Allied to Motion Pictures	782 Motion Picture Distribution	8711 Engrng. Firms	8712 Archturl. Firms
Work Force									
Executive, Admin. & Managerial	High	High	Medium	Low	High	High	Medium	Medium	Medium
Professional Specialty	Medium	High	Medium	Low	High	High	High	High	High
Technical	Low	Low	High	Low	High	High	Medium	High	High
Sales	Medium	Low	Low	Low	Medium	Medium	Medium	Low	Low
Administrative Support	Medium	High	Medium	Medium	High	High	Medium	Low	Low
Service	Low	Low	Low	High	Low	Low	Low	Low	Low
Farming, Forestry & Fishing	Low	Low	Low	Low	Low	Low	Low	Low	Low
Precision Production & Repair	Low	Low	Low	Low	Low	Low	Low	Low	Low
Operators & Assemblers	Low	Low	Low	Low	Medium	Medium	Low	Low	Low
Transportation & Material Moving	Low	Low	Low	Low	Medium	Medium	Low	Low	Low
Handlers, Equip.Cleaners & Laborers	Low	Low	Low	Low	Low	Low	Low	Low	Low
Effective Cost of Skilled Labor	Medium	High	Medium	High	High	High	Medium	Medium	Medium
Effective Cost of Unskilled Labor	Medium	High	Medium	High	High	High	Medium	Medium	Medium
Reliability	Low	High	Medium	Medium	High	High	Low	Low	Low
Space									
Land Availability	Low	Low	Low	Low	High	High	Low	Low	Low
Land Cost	Low	Low	Low	Low	High	High	Low	Low	Low
Built Space Availability	Medium	Medium	Medium	Medium	Medium	Medium	Medium	High	High
Built Space Cost	Medium	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium
Construction Costs	Low	Low	Low	Low	High	High	Low	Low	Low
Financial Capital									
Seed	Low	Low	Medium	Low	Low	Low	Low	Low	Low
Debt	Low	Medium	Medium	High	Low	Low	High	Medium	Medium
Venture	Low	Low	Medium	Low	Low	Low	Low	Low	Low
Public Sector Impacts-Investment									
S/L Government Quality	Low	Low	Low	Medium	Low	Low	Low	Low	Low
Secondary Education Quality	High	Medium	High	Medium	Medium	Medium	High	High	High
Higher Education Quality	High	Low	High	Low	Low	Low	High	High	High
Local Transport/Commuting	Medium	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium
Water/Wastewater Systems	Low	Low	Low	Low	Low	Low	Low	Low	Low
Business Incentives	Low	Medium	High	Low	Low	Low	Low	Low	Low

	731 Advtsng. Agencies	733 Direct Mail Advertising	737 Comp. Services	7389 Misc. Bsns. Services	7812 Motion Picture Production	7819 Services Allied to Motion Pictures	782 Motion Picture Distribution	8711 Engrng. Firms	8712 Archturl. Firms
Public Sector Impacts-Costs									
Regulatory Policies	Low	Low	Low	Low	Medium	Medium	Low	Low	Medium
Worker Compensation Costs	Low	Low	Medium	Medium	High	High	Low	Low	Low
Unemployment Insurance Costs	Low	Low	Medium	Medium	High	High	Low	Low	Low
Business Taxes	Medium	Low	Medium	Low	Medium	Medium	Low	Medium	Medium
Quality of Life									
Cost of Living (ex Housing)	High	Low	High	Low	Low	Low	High	High	High
Housing Costs	High	Low	High	Low	Low	Low	High	High	High
Personal/Property Security	High	Medium	High	Low	Low	Low	High	High	High
Climate/Physical Environment	High	Low	High	Low	Low	Low	High	High	High
Recreational/Cultural Opportunities	High	Low	High	Low	Low	Low	High	High	High
Area Image	High	Low	High	Low	Low	Low	High	High	High

Site Location Factors
Source: Applied Economics, Scottsdale, AZ

RETIREMENT AND HEALTHCARE

DEFINITION

The research to identify companies in the Retirement and Healthcare industry will focus on key word searching of detailed product description within the following SIC Codes:

Further definition by SIC Code follows

6552	Subdividers and Developers
805	Nursing and Personal Care Facilities
806	Hospital
807	Medical and Dental Laboratories
808	Home Health Care Services
809	Health and Allied Services

NAICS Equivalents

6215	Medical and Diagnostic Laboratories
6216	Home Health Care Services
622	Hospitals

INDUSTRY OVERVIEW AND CURRENT TRENDS

Housing Development. A look at housing development trends applies to this section in regards to the development of retirement communities and attracting the retirement population. The U.S. housing market is made up of two sectors, single unit structures and multi unit structures. Single unit structures accounted for 80% of the total market value in 2002. The U.S. housing market is highly fragmented with the top five companies accounting for only 5.4% of the total market value in 2002. The top five housing companies are Pulte Homes, Inc., Centex Corporation, KB Home, D.R. Horton, and Ryland Group, Inc. Overall, the U.S. housing market is projected to grow approximately 17% through 2007. However, the housing market is influenced strongly by changes in economic activity. Higher interest rates are expected within the next few years which will decrease demand for new homes. Before stabilizing within the next few years, single unit structures will be the fastest growing sector with a growth rate of 24.6% through 2007. Statistics from the Residential Property Report by *Euromonitor* were used above.

INDUSTRY IMPORTANCE FACTORS

What factors do medical services companies weight the highest in business concerns and location considerations? Understanding the industry, how it works, and the current business environment will guide us to the answer. Below is a table of site location factors as related to the different sector of the medical services industry and a discussion of the most important factors.

SITE LOCATION FACTORS

	805 Nursing & Prsnl Care Facil	806 Hospitals	807 Med/Dental Laboratories	808 Home Health Services	809 Other Health Services
Access to Markets					
Geographic Proximity	High	Medium	High	Medium	Medium
Transportation Svcs Cost-Goods	Low	Low	Medium	Low	Low
Transportation Svcs Avail-Rail	Low	Low	Low	Low	Low
Transportation Svcs Avail-Truck	Low	Low	Low	Low	Low
Transportation Svcs Avail-Water	Low	Low	Low	Low	Low
Transportation Svcs Avail-Air	Low	Low	High	Low	Low
Telecommunications Services	Medium	High	Medium	Medium	Medium
Access to Resources					
Energy Dependability	Medium	Medium	High	Low	Medium
Energy Cost	Low	Low	Low	Low	Low
Water Availability/Cost	Low	Low	Low	Low	Low
Raw Materials	Low	Low	Low	Low	Low
Intermediate Mfg Products	Low	Low	High	Low	Low
Business/Prof/Tech Svcs	Medium	Medium	High	Medium	Medium
Work Force					
Executive, Administrative & Managerial	Medium	Low	Medium	Low	Low
Professional Specialty	High	High	High	Medium	High
Technical	High	High	High	Medium	High
Sales	Low	Low	Low	Low	Low
Administrative Support	Low	Low	Medium	Low	Low
Service	High	Medium	Low	High	Low
Farming, Forestry & Fishing	Low	Low	Low	Low	Low
Precision Production & Repair	Low	Low	Low	Low	Low
Operators & Assemblers	Low	Low	Low	Low	Low
Transportation & Material Moving	Low	Low	Low	Low	Low
Handlers, Equipment Cleaners & Laborers	Low	Low	Low	Low	Low
Effective Cost of Skilled Labor	High	High	High	High	High
Effective Cost of Unskilled Labor	High	High	High	High	High
Reliability	Low	Low	High	Low	Low
Space					
Land Availability	Low	High	Low	Low	Low
Land Cost	Low	High	Low	Low	Low
Built Space Availability	High	Low	Medium	High	High
Built Space Cost	High	Low	Medium	High	High
Construction Costs	Low	Low	Low	Low	Low
Financial Capital					
Seed	Low	Low	Low	Low	Low
Debt	Medium	Medium	Medium	Medium	Medium
Venture	Low	Low	Medium	Low	Low
Public Sector Impacts-Invest					
S/L Government Quality	Low	Low	Low	Low	Low
Secondary Education Quality	High	High	Medium	High	High

	805 Nursing & Prsnl Care Facil	806 Hospitals	807 Med/Dental Laboratories	808 Home Health Services	809 Other Health Services
Public Sector Impacts-Invest (cont.)					
Higher Education Quality	Medium	Medium	Low	Medium	Medium
Local Transport/Commuting	Medium	High	Low	Medium	Medium
Water/Wastewater Systems	Low	Low	Low	Low	Low
Business Incentives	Low	Low	Low	Low	Low
Public Sector Impacts-Costs					
Regulatory Policies	Low	Low	Medium	Low	Low
Worker Compensation Costs	Low	Low	Medium	Low	Low
Unemployment Insurance Costs	Low	Low	Medium	Low	Low
Business Taxes	Low	Low	Medium	Low	Low
Quality of Life					
Cost of Living (ex Housing)	High	Medium	Low	High	High
Housing Costs	Medium	Medium	Low	Medium	Medium
Personal/Property Security	High	High	Medium	High	High
Climate/Physical Environment	High	Low	Medium	Low	Low
Recreational/Cultural Opportunities	High	Low	Low	Low	Low
Area Image	High	Low	Low	Low	Low

Source: Applied Economics, Scottsdale, AZ

The site location factors that are most important to medical services companies have been identified. The analysis is based upon 51 key site location factors in seven major categories including access to markets, access to resources, workforce, real estate, financial capital, public sector impacts, and quality of life.

Not surprisingly one of largest expenses and, therefore concerns, for healthcare services are human resources. Access to a substantial base of skilled talent is of utmost importance to this industry. When looking at the available workforce, the healthcare services industry specifically needs practitioners, nursing staff, and technicians, as well as managerial and administrative employees. The cost of labor is also an important factor as well since human resources is likely the largest expense for these companies. Along the same line, secondary and higher education quality is an utmost concern for the healthcare services.

Other important site location factors in the healthcare services sector of the industry include geographic proximity to markets, access to telecommunication services, availability and cost of real estate, transportation/commuting issues, and quality of life factors such as cost of living and security. Geographic proximity to markets is obviously a primary determinant in the location of hospital and other healthcare services. Hospitals are substantial investments, whether they are for-profit or non-profit, and access to a market mass large to support operations is paramount. This holds true for labs, outpatient centers, and clinics though the financial investments are not nearly as huge. Overall operating costs for the medical services industries will be a factor in the location decision given that cost pressures are evident in every sector.

Telecommunications services will be increasingly more important to the healthcare services industry as hospitals and other services rely more on information technology to communicate and to manage patient records. The availability and cost of land is very important to hospitals, because of the substantial undertaking it takes to build new facilities or expand existing structure to accommodate growth. The availability and cost of built space is more important to the healthcare services that occupy smaller offices, such as clinics and outpatient centers. Quality of life is also playing an increasingly vital role in locating facilities as the healthcare industry struggles with attracting enough talented doctors, nurses, technicians, and administrators to meet their needs.

TOURISM/HOSPITALITY

DEFINITION
The research to identify companies in the Tourism and Hospitality industry will focus on key word searching of detailed product description within the following SIC Codes:

Further definition by SIC Code follows:
472 Passenger Transportation Arrangement
58 Eating and Drinking Places
701 Hotels and Motels
7996 Amusement Parks
7999 Miscellaneous Amusement and Recreation

NAICS Equivalents
44-45 Retail Trade
722 Food Services and Drinking Places

INDUSTRY OVERVIEW AND CURRENT TRENDS

Restaurants. A new restaurant location is driven primarily by demographics. The most utilized demographics are population size, visibility, accessibility and average income, which is then further broken down into spending patterns. Other demographics include eating patterns, competitive land costs, parking spaces and traffic counts. Additionally, chain restaurants tend to locate near existing or planned retail development sites. If an area has a smaller population, then locations near major highways will be crucial. Communities that are considered tourist destinations will need to exploit this in their attraction efforts.

Hotels and Resorts. A new hotel location is driven by many of the same demographics as restaurants and retail locations. Hotels also consider occupancy rates, tourism base, and local inventory of existing hotels. The audience for hotels also ultimately drives location as higher end hotels tend to be located in metropolitan areas, while hotel chains catering to families may locate in tourist destinations.

Art Galleries, Museums and other Nonprofit Arts – A study commissioned by Americans for the Arts in 2002 estimated that the nonprofit arts industry generates $134 billion in economic activity each year. However, many nonprofit organizations are currently struggling, due to rough economic conditions which are keeping foundations and corporations from donating at mid-1990s levels.

INDUSTRY IMPORTANCE FACTORS
The restaurant and hotel industry is very discreet about sharing the deciding factors that go into choosing a new site. The restaurant and hotel industry is an extremely low profit margin industry, which causes them to be very cautious about disclosing vital information. Specific site criterion is difficult to obtain because of confidentiality reasons, but the following questions are the major factors that restaurants and hotels look for when selecting a new site:

- What geographic regions are in question?
- What type of land is available?
- Is the land site in question already developed?
- What is the average income of the area population?
- What is the average age and education of the area population?
- Is there good visibility?
- What is the traffic count?
- What are the spending patterns of the consumers in the area?
- What competition exists in the area?
- Do they already have a location in close proximity

ELECTRONICS AND INSTRUMENTS- PERVASIVE COMPUTING, ANALYTICAL INSTRUMENTATION, NANOSCALE TECHNOLOGIES, INFORMATICS

DEFINITION

The research to identify companies in this industry will focus on key word searching of detailed product description within the following SIC Codes:
3661 Telephone and telegraph apparatus
3663 Radio and television broadcasting and communications equipment
3669 Miscellaneous communications equipment
3671 Electron tubes
3672 Printed circuit boards
3674 Semiconductors and related devices
3675 Electronic capacitors
3676 Electronic resistors
3677 Electronic coils, transformers, and other inductors
3678 Electronic connectors
3679 Miscellaneous electronic components
3812 Search, detection, navigation, guidance, aeronautical and nautical systems and instruments
3823 Industrial instruments for measurement, display, and control of process variables
3824 Totalizing fluid meters and counting devices
3825 Instruments for measuring and testing of electricity and electrical signals
3827 Optical instruments and lenses
3829 Miscellaneous measuring and controlling devices
7372 Prepackaged software
873102 Commercial physical research
873199 Miscellaneous physical research
873402 Product testing laboratories

INDUSTRY OVERVIEW AND CURRENT TRENDS

Communications Equipment
Wireline networks are being migrated to wireless. For equipment manufacturers, we have seen signs of improving industry fundamentals over the past several quarters, an upsurge in sequential quarterly revenue growth. Productivity gains and structural cost improvements should enable most equipment companies to generate higher profitability on any incremental sales recovery. The current rapid increase in data traffic gives telecom providers the opportunity to create new services, such as high-speed Internet and video access, to offset continued erosion in voice revenues. We regard network equipment upgrades, which help transport data more efficiently, as the key to creating new applications that restore growth in telecom services. Overall, Standard & Poor's forecasts US carrier spending increasing in the low single digits during 2005. US spending on enterprise voice and data communications equipment totaled $94 billion in 2003, up 3.9% over 2002 after two years of flat growth, according to the Telecommunications Industry Association. TIA expects the communications enterprise market to grow to $122 billion in 2007, for a solid compound annual growth rate of nearly 7%. Verizon Communications Inc., Project Lightspeed of SBC Communications,

BellSouth Corp. ADC Telecommunications Inc., Adtran Inc., and Advanced Fibre Communications Inc. are companies that have benefited from this growth.

After years of limited sales, the Digital Video Recording market is set for strong growth. Market research firm IDC expects DVR unit shipments to more than double to 8.5 million units in 2004 and to some 28 million by 2008.

More recently, the consolidation arena has become more active. These deals enhanced the acquirer's position in attractive niche growth markets. Looking ahead, Standard & Poor's believes that most acquisition transactions will be on a smaller scale, mostly to fill gaps in product portfolios.

Computers, Storage & Peripherals

The data storage industry has begun to rebound from the plummeting demand environment that began in 2000. The economic recovery that began in late 2001 has improved the overall environment. In 2003, real GDP rose 3.0% in the United States. If our projection is accurate, it would indicate that businesses are in an expansion phase, which we believe bodes well for the IT industry. Moreover, we think the overall economic improvement may be even more beneficial for the data storage industry, since we view the sector as a high priority for corporations. According to IT market research firm IDC, sales of disk storage systems rose 3.5% in dollar terms, year over year, during the first quarter of 2004. If our forecast proves correct, revenues for such companies as EMC Corp., will surpass the $8 billion mark for the first time since 2000. IDC reports that during the first quarter of 2004, EMC claimed the top spot in the worldwide external disk storage systems market, with a share of 20.2%, eclipsing its nearest competitor, Hewlett-Packard, by 220 basis points. After suffering through considerable declines in both 2001 and 2002, worldwide factory revenues from disk storage systems started growing again, according to IDC. The fourth quarter of 2003 was particularly strong, with the market posting a 6.1% year-over-year increase. While a portion of this rise is related to gains from favorable foreign exchange, it is clear that improving customer demand also boosted results. This momentum continued through the first quarter of 2004, with a gain of 3.5% over the same period in 2003. Over the next six to 12 months, we believe the end-market environment will continue to enjoy a pickup in demand as corporations authorize additional spending on various storage offerings. Given the accelerating generation of new data, more organizations are realizing the critical need to increase their overall storage capacity. We regard this growth rate as respectable, given the industry's recent performance and the likelihood that a strengthening US currency will dampen revenues collected overseas.

Computers: Commercial Services

Standard & Poor's believes that the prolonged slump in spending on information technology (IT) products and services may be over. In 2003, the strengthening US economy grew 3.1%, compared with 0.5% in 2001 and 2.2% in 2002. The third quarter saw an 8.2% rise in real gross domestic product (GDP) — the fastest growth rate in nearly 20 years. There was continued improvement through 2004, with real GDP growth estimated by Standard & Poor's at 4.4% by year end. For 2005, Standard & Poor's projects an increase of 3.4%. The current rate of economic expansion underscores that a pickup in spending for the IT sector is underway. Typically, when corporations witness more demand, they decide to spend on improvements to IT infrastructure to seek cost efficiencies. This environment bodes well for IT service providers. Standard & Poor's believes that spending on IT services increased 2% in 2003 and saw moderate momentum throughout 2004. For full-year 2004, the S&P IT Consulting & Other Services Index rose 9.4%, and the Data Processing & Outsourced Services Index rose 5.9%, slightly underperforming the 10.0% increase from the S&P 1500 Super Composite Index. According to IDC, an IT market research firm, outsourcing is expected to be the fastest growing segment of the worldwide IT services market over the next several years, outpacing other sectors such as business consulting, project-oriented services, and support and training. IDC anticipates that overall spending on worldwide IT services will grow at a 7% compound annual rate through 2008, reaching $740 billion, from $524 billion in 2003. Worldwide spending on outsourcing services alone (including business process outsourcing) IDC projects continued steady growth at a compound annual rate of 10% from 2003 to 2008, with the market eclipsing $400 billion by 2008. Demand for IT services by government agencies at the federal, state, and local levels is projected to be among the fastest growing vertical markets over the next few years. At the federal level, defense and homeland security are taking a large share of contracts for IT services. In 2003, the federal government awarded more than $115 billion in IT-related contracts, a 91% increase over 2002, according to Input, a market research firm focused on government and public sector business. The Department of Defense and the National Aeronautics and Space Administration accounted for approximately $90 billion of total government awards last year, with the balance from civilian agencies.

Computers: Hardware
Demand for personal computers (PCs) continued at a relatively healthy pace in the first half of 2004. According to IDC, an information technology market research firm, unit shipments are expected to rise 14.2% in 2004. The growth in PCs in 2004 is coming off an 11.9% rise in shipments in 2003. That double-digit performance marked a recovery after a two-year downturn that began in 2001, when PC shipments fell 3.9%, according to IDC. In 2002, PC unit shipments rose a modest 1.9%. As of mid-October 2004, Standard & Poor's economists were projecting that growth in real gross domestic product (GDP) will accelerate to 4.5% in 2004, from 3.0% in 2003. We believe this rate of growth can support our worldwide PC unit sales forecast of 11% for 2004. Standard & Poor's economists further project 3.5% growth in real GDP for 2005, which we believe supports our 8% unit growth forecast for the year. Currently, Standard & Poor's forecast for growth in worldwide PC unit shipments is a range of 7% to 12% per year for 2006 through 2009. Western Europe's PC shipments grew 19.2% year-over-year for the second quarter of 2004, according to IDC, as portable shipments continued to grow (up 25.7%), and desktop shipments growth improved (from an average of 8% over the prior three quarters to 15.9% in the second quarter). Of particular note was improvement in commercial sector demand in the second quarter, according to IDC. This may have represented some buying ahead of the third quarter, typically a seasonally weak demand period (reflecting the summer holiday season). All of the top five PC vendors - Dell Inc., Hewlett-Packard Co. (HP), International Business Machines Corp. (IBM), Fujitsu Siemens Computers (Holding) BV, and Acer Inc. - experienced double-digit year-to-year unit growth in the second quarter of 2004, according to data from IDC. Following, we

discuss results for the top five vendors in the quarter. Worldwide server unit shipments rose 22.7% in the second quarter of 2004, marking the fifth consecutive quarter of year-over-year growth, according to IDC. Revenues grew a healthy 6.9% to $11.5 billion for the quarter, as volume servers led unit growth. However, high-end servers also showed strength, with revenues up 6.1% year-over-year.

Computers: Networking
Looking beyond 2003, Standard & Poor's believes that the industry may witness a recovery in 2004 and 2005, with annual sales growth of 8% to 12%, depending on the pace of economic growth. Furthermore, we concur with the projection put forth by most industry pundits for annual growth of 10% to 15% in the networking equipment industry over the next three to five years. Even during difficult economic times, carriers must invest in certain areas, such as upgrades that make networks more efficient or less complex and thereby allow carriers to generate a better return on investment. Furthermore, the Internet's growing complexity should also require further investments in networking infrastructure. New applications in streaming video (both to desktop computers as well as video-on-demand services to homes) should have key implications for networks, in our opinion, as should the growing use — and usefulness — of wireless devices.
LAN equipment: Ethernet switches to grow moderately
The LAN switch market is expected to see long-term growth from the migration to gigabit Ethernet and new 10-gigabit Ethernet solutions. International Data Corp. (IDC) predicts gigabit Ethernet revenues will experience a compound annual growth rate (CAGR) of 46% between 2002 and 2007, while 10-gigabit Ethernet will show a growth rate of 125% a year. By way of contrast, fast Ethernet is expected to grow at a 6.4% CAGR during that period, according to IDC.

Computers: Software
Standard & Poor's currently forecasts real GDP growth of 4.5% in 2004, following growth of 3.0% in 2003. Additionally, Standard & Poor's projects a recovery in capital spending, as measured by nonresidential fixed investment. Following a 7.2% decline in 2002, nonresidential fixed investment rose 3.3% in 2003 and will rebound an estimated 10.7% in 2004 and 8.4% in 2005, according to our projections. As capital spending begins to increase, Standard & Poor's believes that software will benefit. Companies will invest in new hardware and will want to leverage their existing hardware infrastructures by installing upgraded and new software. Standard & Poor's anticipates low to mid-single-digit sales growth for the enterprise software industry in 2004, driven by a stronger economy and a gradual loosening of IT budget purse strings. In our view, software will continue to play an important role in capital spending budgets, as companies will want to invest in systems and applications that can help them control expenses and improve productivity. Many corporations have made major investments in computer hardware in recent years and will focus now on software and services to improve their capabilities. In 2003, PC unit shipments increased 11.7%, according to IDC. Estimates from IDC indicate that PC unit shipments will rise approximately 14.2% in 2004, and 10.5% in 2005. Among other events, the terrorist attacks of September 11, 2001, and more recently, the August 2003 power outage in the United States and Canada, have raised awareness of systems vulnerability. Internet security

software will play a leading role in facilitating future growth in worldwide e-commerce. The worldwide market for Internet security software totaled an estimated $8.1 billion in 2003, according to IDC. The consulting firm projects a 14.7% compound annual growth rate (CAGR) through 2008, with revenue exceeding $16.0 billion that year.

Semiconductor Equipment

In 2004, we expect to see very strong semiconductor equipment sales. We see the semiconductor industry as a whole entering the second year of a multiyear up cycle. The Semiconductor Industry Association noted in a recent conference call that a typical up cycle lasts six to nine quarters; using this assumption and dating the up cycle from the first quarter of 2003, the peak would thus occur between mid-2005 and early 2006. The North American semiconductor equipment book-to-bill ratio, published monthly by Semiconductor Equipment and Materials International (SEMI), a trade organization, also suggests a positive outlook. The book-to-bill ratio rose from a cyclical low of 0.44 in April 2001 to a high of 1.27 in May 2002. Chip categories that companies repeatedly cite as driving growth in the current recovery include wireless, broadband, consumer applications (such as digital videodisc players, digital cameras, and home networks), automotive applications, and military/aerospace. Recently, chip sales for personal computers have also begun to grow. With US real gross domestic product (GDP) having grown an estimated 3.2% in 2003 and corporate profits improving, business demand is starting to pick up. International Business Machines Corp. (IBM) reported that its sales of mainframe computers grew 33% in the fourth quarter from a year earlier, while server and storage sales rose 18%. Standard & Poor's projects real GDP growth of 4.5% in 2004. On the consumer side, tax rebates, low interest rates on mortgages and credit cards, and rising consumer confidence have spurred demand for electronic goods. Digital cameras and DVD players have been big sellers, along with MP3 players and flat-screen TVs. From a positive point of view, we believe that recent severe underinvestment in chip equipment will boost spending not only in 2004, but in 2005 as well, as chipmakers are forced to add production capacity to keep up with demand.

Semiconductors

There's widespread agreement that 2004 will be a solid boom year. We at Standard & Poor's believe the expansion will last into 2006, based on a general reluctance in the industry to spend on capacity additions during the protracted downturn of recent years. In addition, we see demand coming from a variety of end-markets; the semiconductor industry is not just PC-driven anymore. If historical norms hold true again, one might expect the industry to enjoy two strong years of 20%-plus growth, running from mid-2003 to mid-2005. If this growth figure is in the ballpark, the industry should still be on an upward trajectory toward the top of the cycle for a year or so. Wafer fabrication plant capacity utilization moved above 90% in the fourth quarter of 2003 (91.9%, according to SIA data) and rose further to 93.4% in the first quarter of 2004. Fab utilization rates above 90% usually stimulate plant expansions and purchases of semiconductor capital equipment. Recent data indicate that this pattern is holding true. The drivers of rising semiconductor demand in 2004 include most major markets. Personal computers, which currently account for roughly 30% of semiconductor sales, are still a key driver. Wireless phones with increased functionality - including wireless Internet connectivity, ever-fancier games, and cameras - are also driving demand. Recordable

DVD players, which are in an initial product ramp-up, have seen strong sales growth through certain periods, such as the first quarter of the year, that are traditionally slow for consumer electronics sales. Digital cameras are another growing product area. Global semiconductor industry capital expenditures are forecast to rise 53%, year over year, to $44.4 billion in 2004, according to an April 2004 report by research firm IC Insights Inc.

Telecommunications: Wireless
As the US telecommunications wireless industry enters 2005, Standard & Poor's sees growing competition as the major wireless carriers fight for market share. Increased competition is evident from wireless carriers' boosting of handset subsidies and monthly service plan minutes of use to renew existing customer contacts or acquire new subscribers. A key indicator to gauge the industry's outlook is evidence of aggressive pricing related to increased minutes of use or monthly pricing. We see the 2005–06 upgrade to enhanced data networks and to third generation (3G) handsets with Web-based capability potentially boosting growth. There is still plenty of opportunity for growth in wireless usage. Measured in terms of minutes, wireless use jumped 19% in 2003 from 2002, after having risen 35% in 2002 from 2001. The use of short messaging service (SMS) and other handset-based leisure and entertainment applications increased during 2003. As wireless carriers offer more minutes of use in their service plans, we expect growth in traffic volume and the introduction of enhanced nonvoice services; however, the cost of service may not continue to decline at the same pace. We believe higher monthly customer churn due to increased competition may also contribute to lower net service revenue growth in the second half of 2004 and in 2005. The 11 largest US wireless carriers, tracked by Standard & Poor's, had 156 million subscribers at June 30, 2004, or approximately 95% of the industry's subscriber base. This group saw aggregate subscriber growth in the 15% range, compared to last year's period.

Site Location Factors

	357 Computer & Office Equip	366 Communication Equipment	367 Electronic Components
Access to Markets			
Geographic Proximity	Low	Low	Low
Transportation Svcs Cost-Goods	Medium	Medium	Medium
Transportation Svcs Avail-Rail	Low	Low	Low
Transportation Svcs Avail-Truck	Low	Low	Low
Transportation Svcs Avail-Water	Low	Low	Low
Transportation Svcs Avail-Air	Low	Low	Low
Telecommunications Services	Medium	Medium	Low
Access to Resources			
Energy Dependability	High	High	High
Energy Cost	Low	Low	Low
Water Availability/Cost	Low	Low	Low
Raw Materials	Low	Low	Low
Intermediate Mfg Products	High	High	Medium
Business/Prof/Tech Svcs	High	High	Medium
Executive, Administrative & Managerial	High	Medium	Medium

	357 Computer & Office Equip	366 Communication Equipment	367 Electronic Components
Work Force			
Professional Specialty	High	Medium	Low
Technical	High	High	High
Sales	Low	Low	Low
Administrative Support	Low	Low	Low
Service	Low	Low	Low
Farming, Forestry & Fishing	Low	Low	Low
Precision Production & Repair	Medium	High	Medium
Operators & Assemblers	Medium	Medium	High
Transportation & Material Moving	Low	Low	Low
Handlers, Equipment Cleaners & Laborers	Low	Low	Low
Effective Cost of Skilled Labor	High	High	High
Effective Cost of Unskilled Labor	High	High	High
Reliability	High	High	High
Space			
Land Availability	Low	Low	Low
Land Cost	Low	Low	Low
Built Space Availability	Medium	Medium	Medium
Built Space Cost	Medium	High	High
Construction Costs	Low	Low	Low
Financial Capital			
Seed	Low	Low	Low
Debt	Medium	Medium	Low
Venture	Medium	Medium	Low
Public Sector Impacts-Investment			
S/L Government Quality	Low	Low	Low
Secondary Education Quality	Medium	Medium	Medium
Higher Education Quality	Low	Low	Low
Local Transport/Commuting	Medium	Medium	Medium
Water/Wastewater Systems	Low	Low	Low
Business Incentives	Low	Low	Low
Public Sector Impacts-Costs			
Regulatory Policies	Medium	Medium	Medium
Worker Compensation Costs	Medium	Medium	Medium
Unemployment Insurance Costs	Medium	Medium	Medium
Business Taxes	Medium	Medium	Low
Quality of Life			
Cost of Living (ex Housing)	Low	Low	Low
Housing Costs	Low	Low	Low
Personal/Property Security	Medium	Medium	Medium
Climate/Physical Environment	Medium	Medium	Medium
Recreational/Cultural Opportunities	Low	Low	Low
Area Image	Low	Low	Low

Source: Applied Economics, Scottsdale, AZ

APPENDIX C – INDUSTRY GROWTH ANALYSIS

This appendix is divided into four components: projected employment growth, an industry growth analysis for Wake County, an industry growth analysis for the Southeastern Unites States, and an industry growth analysis for the United States.

NATIONAL PROJECTED EMPLOYMENT GROWTH

NATIONAL INDUSTRIES WITH THE FASTEST WAGE AND SALARY EMPLOYMENT GROWTH 2002-2012

The Bureau of Labor Statistics (BLS) has projected employment growth by NAICS code from 2002 through 2012. The majority of the growth through 2012 is expected to be in the services and healthcare sector.

NAICS Code	Industry	2002 Jobs*	2012 Jobs*	2002-2012 Change*	Average Annual Rate of Change
5112	Software publishers	256	429.7	173.7	5.3
5416	Management, scientific, and technical consulting services	731.8	1,137.40	405.6	4.5
6233, 6239	Community care facilities for the elderly and residential care facilities	695.3	1,077.60	382.3	4.5
5415	Computer systems design and related services	1,162.70	1,797.70	635	4.5
5613	Employment services	3,248.80	5,012.30	1,763.50	4.40
6241-3	Individual, family, community, and vocational rehabilitation services	1,269.30	1,866.60	597.3	3.9
6214-6, 6219	Ambulatory health care services except offices of health practitioners	1,443.60	2,113.40	669.8	3.9
2213	Water, sewage, and other systems	48.50	71.00	22.5	3.9
516, 518, 519	Internet services, data processing, and other information services	528.80	773.10	244.3	3.9
6244	Child day care services	734.20	1,050.30	316.1	3.6
5324	Commercial and industrial machinery and equipment rental and leasing	102.20	142.80	40.6	3.4
6211-3	Offices of health practitioners	3,189.90	4,418.80	1,228.9	3.3
5322, 5323	Consumer goods rental and general rental centers	352.90	484.20	131.3	3.2
5152, 5175	Cable and other subscription programming and program distribution	220.90	299.80	78.9	3.1
713	Amusement, gambling, and recreation industries	1,307.60	1,717.30	409.7	2.8
485	Transit and ground passenger transportation	371.50	487.70	116.2	2.8

NAICS Code	Industry	2002 Jobs*	2012 Jobs*	2002-2012 Change*	Average Annual Rate of Change
5414	Specialized design services	122.90	160.80	37.9	2.7
5611, 2	Office administrative and facilities support services	390.30	507.60	117.3	2.7
512	Motion picture and sound recording industries	387.10	503.10	116	2.7
61	Educational services	2,650.60	3,409.80	759.2	2.6

*thousands of jobs
Source: Bureau of Labor Statistics

NATIONAL INDUSTRIES WITH THE SLOWEST WAGE AND SALARY EMPLOYMENT GROWTH 2002-2012

The Bureau of Labor Statistics (BLS) has projected employment growth by 3-digit SIC code from 2002 through 2012.

NAICS Code	Industry	2002 Jobs*	2012 Jobs*	2002-2012 Change*	Average Annual Rate of Change
3152	Cut and sew apparel manufacturing	281.8	77.1	-204.7	-12.2
3151	Apparel knitting mills	49.6	20	-29.6	-8.7
3133	Textile and fabric finishing and fabric coating mills	82.4	40.1	-42.3	-6.9
3161	Leather and hide tanning and finishing	8.6	4.5	-4.1	-6.3
313	Textile mills	293.2	156.9	-136.3	-6.1
3169	Other leather and allied product manufacturing	19.9	10.8	-9.1	-5.9
3132	Fabric mills	146.6	79.6	-67	-5.9
3159	Apparel accessories and other apparel manufacturing	26.2	15.1	-11.1	-5.4
3131	Fiber, yarn, and thread mills	64.2	37.2	-27	-5.3
3122	Tobacco manufacturing	33.2	20.2	-13	-4.8
2122	Metal ore mining	29.4	18	-11.4	-4.8
NA	Federal Government enterprises	51.9	32.4	-19.5	-4.6
2121	Coal mining	74.9	52.3	-22.6	-3.5
3259	Other chemical product and preparation manufacturing	112.4	79.4	-33	-3.4
3311	Iron and steel mills and ferroalloy manufacturing	107.1	76	-31.1	-3.4
211	Oil and gas extraction	122.5	88.4	-34.1	-3.2
3341	Computer and peripheral equipment manufacturing	249.8	182.1	-67.6	-3.1
1131-2, 114	Forestry, fishing, hunting, and trapping	67.6	50.4	-17.2	-2.9
3221	Pulp, paper, and paperboard mills	168.2	126.4	-41.8	-2.8
3252	Resin, synthetic rubber, and artificial synthetic fibers and filaments manufacturing	114.3	88.5	-25.8	-2.5

*thousands of jobs
Source: Bureau of Labor Statistics

WAKE COUNTY GROWTH ANALYSIS

CHANGE IN NUMBER OF BUSINESSES IN WAKE COUNTY, 2002 TO 2005

Dun and Bradstreet Sales & Marketing Solutions July-September 2002 and 2005 CD-Rom was used to analyze the existing industries by 4-digit SIC code in 2002 and 2005. They were sorted on the top 150 Companies with the most percentage change.

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
2542	Partitions and fixtures, except wood	5	1	4	80%
4783	Packing and crating	4	1	3	75%
7515	Passenger car leasing	4	1	3	75%
4311	U.s. postal service	39	12	27	69%
4899	Communication services	70	22	48	69%
4789	Transportation services	60	19	41	68%
971	Hunting, trapping, game propagation	3	1	2	67%
1422	Crushed and broken limestone	3	1	2	67%
2024	Ice cream and frozen deserts	3	1	2	67%
2284	Thread mills	3	1	2	67%
2451	Mobile homes	3	1	2	67%
3269	Pottery products	6	2	4	67%
3312	Blast furnaces and steel mills	3	1	2	67%
3462	Iron and steel forgings	3	1	2	67%
3519	Internal combustion engines	3	1	2	67%
5431	Fruit and vegetable markets	9	3	6	67%
6399	Insurance carriers	24	8	16	67%
7218	Industrial launderers	3	1	2	67%
8244	Business and secretarial schools	3	1	2	67%
6719	Holding companies	73	26	47	64%
6799	Investors	137	50	87	64%
1423	Crushed and broken granite	5	2	3	60%
2621	Paper mills	10	4	6	60%
4971	Irrigation systems	5	2	3	60%
8999	Services	419	171	248	59%
9531	Housing programs	7	3	4	57%
111	Wheat	9	4	5	56%
2844	Toilet preparations	9	4	5	56%
6512	Nonresidential building operators	289	130	159	55%
8099	Health and allied services	115	52	63	55%
6733	Trusts	28	13	15	54%
119	Cash grains	2	1	1	50%
1411	Dimension stone	2	1	1	50%
1429	Crushed and broken stone	2	1	1	50%

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
2033	Canned fruits and specialties	4	2	2	50%
2252	Hosiery	2	1	1	50%
2448	Wood pallets and skids	2	1	1	50%
2824	Organic fibers, noncellulosic	2	1	1	50%
2869	Industrial organic chemicals	6	3	3	50%
2893	Printing ink	2	1	1	50%
3088	Plastics plumbing fixtures	2	1	1	50%
3446	Architectural metalwork	6	3	3	50%
3489	Ordnance and accessories	2	1	1	50%
3582	Commercial laundry equipment	2	1	1	50%
3621	Motors and generators	4	2	2	50%
3639	Household appliances	2	1	1	50%
3648	Lighting equipment	2	1	1	50%
3652	Prerecorded records and tapes	4	2	2	50%
3676	Electronic resistors	2	1	1	50%
3678	Electronic connectors	2	1	1	50%
3751	Motorcycles, bicycles and parts	2	1	1	50%
3915	Jewelers' materials and lapidary work	4	2	2	50%
3961	Costume jewelry	8	4	4	50%
3996	Hard surface floor coverings	2	1	1	50%
4151	School buses	2	1	1	50%
4922	Natural gas transmission	2	1	1	50%
4923	Gas transmission and distribution	2	1	1	50%
4925	Gas production and/or distribution	2	1	1	50%
5192	Books, periodicals, and newspapers	6	3	3	50%
5641	Children's and infants' wear stores	43	24	19	44%
5331	Variety stores	71	40	31	44%
851	Forestry services	7	4	3	43%
2396	Automotive and apparel trimmings	7	4	3	43%
2599	Furniture and fixtures	7	4	3	43%
2791	Typesetting	7	4	3	43%
3821	Laboratory apparatus and furniture	7	4	3	43%
3944	Games, toys, and children's vehicles	7	4	3	43%
7389	Business services	1,983	1,140	843	43%
2741	Miscellaneous publishing	64	38	26	41%
1442	Construction sand and gravel	5	3	2	40%
2084	Wines, brandy, and brandy spirits	5	3	2	40%
3564	Blowers and fans	5	3	2	40%
5078	Refrigeration equipment and supplies	10	6	4	40%
6035	Federal savings institutions	10	6	4	40%
6541	Title abstract offices	15	9	6	40%

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
7997	Membership sports and recreation clubs	96	58	38	40%
7812	Motion picture and video production	109	66	43	39%
2834	Pharmaceutical preparations	28	17	11	39%
8651	Political organizations	18	11	7	39%
4822	Telegraph and other communications	13	8	5	38%
5193	Flowers and florists supplies	26	16	10	38%
5094	Jewelry and precious stones	21	13	8	38%
6726	Investment offices	29	18	11	38%
3999	Manufacturing industries	45	28	17	38%
7832	Motion picture theaters, except drive-in	16	10	6	38%
7382	Security systems services	46	29	17	37%
3842	Surgical appliances and supplies	11	7	4	36%
3231	Products of purchased glass	14	9	5	36%
7352	Medical equipment rental	14	9	5	36%
7991	Physical fitness facilities	104	67	37	36%
8052	Intermediate care facilities	17	11	6	35%
9641	Regulation of agricultural marketing	57	37	20	35%
6282	Investment advice	109	71	38	35%
711	Soil preparation services	3	2	1	33%
2392	Household furnishings	3	2	1	33%
2394	Canvas and related products	3	2	1	33%
3081	Unsupported plastics film and sheet	3	2	1	33%
3084	Plastics pipe	3	2	1	33%
3443	Fabricated plate work (boiler shop)	6	4	2	33%
3452	Bolts, nuts, rivets, and washers	3	2	1	33%
3553	Woodworking machinery	3	2	1	33%
3567	Industrial furnaces and ovens	3	2	1	33%
3826	Analytical instruments	9	6	3	33%
4013	Switching and terminal services	3	2	1	33%
5139	Footwear	6	4	2	33%
6061	Federal credit unions	18	12	6	33%
7319	Advertising	24	16	8	33%
8744	Facilities support services	18	12	6	33%
9411	Administration of educational programs	9	6	3	33%
7375	Information retrieval services	28	19	9	32%
7929	Entertainers and entertainment groups	119	81	38	32%
5099	Durable goods	88	60	28	32%
4833	Television broadcasting stations	19	13	6	32%
5012	Automobiles and other motor vehicles	19	13	6	32%
5198	Paints, varnishes, and supplies	16	11	5	31%
9711	National security	32	22	10	31%

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
5311	Department stores	78	54	24	31%
7215	Coin-operated laundries and cleaning	33	23	10	30%
3643	Current-carrying wiring devices	10	7	3	30%
8249	Vocational schools	17	12	5	29%
2391	Curtains and draperies	7	5	2	29%
2399	Fabricated textile products	7	5	2	29%
3613	Switchgear and switchboard apparatus	7	5	2	29%
3822	Environmental controls	7	5	2	29%
8741	Management services	201	146	55	27%
2899	Chemical preparations	11	8	3	27%
3272	Concrete products	19	14	5	26%
7378	Computer maintenance and repair	54	40	14	26%
8748	Business consulting	891	662	229	26%
2835	Diagnostic substances	4	3	1	25%
3589	Service industry machinery	12	9	3	25%
3612	Transformers, except electric	8	6	2	25%
3931	Musical instruments	4	3	1	25%
3952	Lead pencils and art goods	4	3	1	25%
4231	Trucking terminal facilities	4	3	1	25%
4939	Combination utilities	4	3	1	25%
5043	Photographic equipment and supplies	4	3	1	25%
5111	Printing and writing paper	8	6	2	25%
5146	Fish and seafood	8	6	2	25%
5147	Meats and meat products	8	6	2	25%
6371	Pension, health, and welfare funds	4	3	1	25%
7521	Automobile parking	8	6	2	25%
8051	Skilled nursing care facilities	36	27	9	25%
8069	Specialty hospitals, except psychiatric	12	9	3	25%
9224	Fire protection	36	27	9	25%
8299	Schools and educational services	168	127	41	24%
8731	Commercial physical research	116	89	27	23%
5714	Drapery and upholstery stores	22	17	5	23%
5122	Drugs, proprietaries, and sundries	31	24	7	23%
7291	Tax return preparation services	81	63	18	22%

Source: D&B Sales and Marketing Solutions

CHANGE IN EMPLOYMENT BY INDUSTRY IN WAKE COUNTY, 2002 TO 2005

Dun and Bradstreet Sales & Marketing Solutions July-September 2002 and 2005 CD-Rom was used to analyze the existing industries by 4-digit SIC code in 2002 and 2005. It was sorted on the top 150 Companies with the most percentage change.

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
3678	Electronic connectors	201	1	200	100%
2284	Thread mills	53	2	51	96%
7218	Industrial launderers	100	5	95	95%
111	Wheat	116	6	110	95%
2836	Biological products, except diagnostic	222	12	210	95%
3915	Jewelers' materials and lapidary work	59	4	55	93%
2821	Plastics materials and resins	9,390	654	8,736	93%
8071	Medical laboratories	5,381	445	4,936	92%
3553	Woodworking machinery	22	2	20	91%
751	Livestock services, except veterinary	37	4	33	89%
2531	Public building and related furniture	77	9	68	88%
1422	Crushed and broken limestone	338	40	298	88%
3612	Transformers, except electric	5,757	715	5,042	88%
2392	Household furnishings	15	2	13	87%
5131	Piece goods and notions	250	39	211	84%
3452	Bolts, nuts, rivets, and washers	12	2	10	83%
3751	Motorcycles, bicycles and parts	6	1	5	83%
7515	Passenger car leasing	6	1	5	83%
6733	Trusts	125	21	104	83%
6794	Patent owners and lessors	322	55	267	83%
3269	Pottery products	28	5	23	82%
1743	Terrazzo, tile, marble and mosaic work	1,028	203	825	80%
3827	Optical instruments and lenses	42	9	33	79%
3652	Prerecorded records and tapes	18	4	14	78%
1442	Construction sand and gravel	94	21	73	78%
6719	Holding companies	276	66	210	76%
4789	Transportation services	130	32	98	75%
2893	Printing ink	8	2	6	75%
3088	Plastics plumbing fixtures	4	1	3	75%
3255	Clay refractories	4	1	3	75%
4971	Irrigation systems	20	5	15	75%
6221	Commodity contracts brokers, dealers	23	6	17	74%
5192	Books, periodicals, and newspapers	22	6	16	73%
7319	Advertising	216	60	156	72%
2835	Diagnostic substances	20	6	14	70%
3569	General industrial machinery	231	75	156	68%
119	Cash grains	6	2	4	67%
1411	Dimension stone	15	5	10	67%

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
3069	Fabricated rubber products	6	2	4	67%
3482	Small arms ammunition	3	1	2	67%
3639	Household appliances	3	1	2	67%
3821	Laboratory apparatus and furniture	54	18	36	67%
5146	Fish and seafood	52	18	34	65%
2033	Canned fruits and specialties	11	4	7	64%
3952	Lead pencils and art goods	11	4	7	64%
6371	Pension, health, and welfare funds	11	4	7	64%
2542	Partitions and fixtures, except wood	36	14	22	61%
3944	Games, toys, and children's vehicles	25	10	15	60%
5431	Fruit and vegetable markets	20	8	12	60%
3081	Unsupported plastics film and sheet	24	10	14	58%
4013	Switching and terminal services	12	5	7	58%
6726	Investment offices	93	39	54	58%
3826	Analytical instruments	198	88	110	56%
2844	Toilet preparations	100	47	53	53%
6722	Management investment, open-end	34	16	18	53%
3961	Costume jewelry	21	10	11	52%
9121	Legislative bodies	1,345	641	704	52%
5331	Variety stores	1,018	495	523	51%
2499	Wood products	192	95	97	51%
9224	Fire protection	1,793	891	902	50%
851	Forestry services	16	8	8	50%
2077	Animal and marine fats and oils	2	1	1	50%
3356	Nonferrous rolling and drawing	2	1	1	50%
3479	Metal coating and allied services	16	8	8	50%
3594	Fluid power pumps and motors	2	1	1	50%
5048	Ophthalmic goods	10	5	5	50%
4729	Passenger transportation arrangement	255	129	126	49%
4151	School buses	153	78	75	49%
6035	Federal savings institutions	94	48	46	49%
2851	Paints and allied products	15	8	7	47%
2791	Typesetting	22	12	10	45%
6022	State commercial banks	3,036	1,692	1,344	44%
7832	Motion picture theaters, except drive-in	190	106	84	44%
5015	Motor vehicle parts, used	39	22	17	44%
5094	Jewelry and precious stones	81	46	35	43%
3084	Plastics pipe	7	4	3	43%
5261	Retail nurseries and garden stores	687	394	293	43%
6512	Nonresidential building operators	1,897	1,117	780	41%
8052	Intermediate care facilities	188	111	77	41%
3713	Truck and bus bodies	22	13	9	41%

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
4899	Communication services	182	108	74	41%
1795	Wrecking and demolition work	155	92	63	41%
6541	Title abstract offices	52	31	21	40%
7211	Power laundries, family and commercial	36	22	14	39%
7021	Rooming and boarding houses	13	8	5	38%
213	Hogs	25	16	9	36%
3089	Plastics products	695	448	247	36%
4512	Air transportation, scheduled	317	205	112	35%
3792	Travel trailers and campers	17	11	6	35%
3053	Gaskets; packing and sealing devices	20	13	7	35%
6311	Life insurance	631	412	219	35%
4121	Taxicabs	124	81	43	35%
8063	Psychiatric hospitals	204	134	70	34%
7812	Motion picture and video production	319	210	109	34%
4119	Local passenger transportation	720	477	243	34%
4111	Local and suburban transit	243	165	78	32%
3599	Industrial machinery	408	280	128	31%
3651	Household audio and video equipment	48	33	15	31%
6159	Miscellaneous business credit institutions	87	60	27	31%
3272	Concrete products	245	170	75	31%
3443	Fabricated plate work (boiler shop)	59	41	18	31%
5148	Fresh fruits and vegetables	283	199	84	30%
2599	Furniture and fixtures	44	31	13	30%
2879	Agricultural chemicals	17	12	5	29%
7629	Electrical repair shops	582	411	171	29%
8999	Services	709	501	208	29%
2899	Chemical preparations	45	32	13	29%
3841	Surgical and medical instruments	501	357	144	29%
3999	Manufacturing industries	142	102	40	28%
6282	Investment advice	445	323	122	27%
1429	Crushed and broken stone	30	22	8	27%
3441	Fabricated structural metal	196	144	52	27%
4731	Freight transportation arrangement	484	358	126	26%
9511	Air, water, and solid waste management	1,285	951	334	26%
1611	Highway and street construction	1,647	1,224	423	26%
8069	Specialty hospitals, except psychiatric	39	29	10	26%
2066	Chocolate and cocoa products	8	6	2	25%
3489	Ordnance and accessories	4	3	1	25%
5043	Photographic equipment and supplies	12	9	3	25%
5144	Poultry and poultry products	4	3	1	25%
8244	Business and secretarial schools	8	6	2	25%
6163	Loan brokers	718	542	176	25%

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
5193	Flowers and florists supplies	148	112	36	24%
3446	Architectural metalwork	21	16	5	24%
6798	Real estate investment trusts	250	191	59	24%
3544	Special dies, tools, jigs, and fixtures	68	52	16	24%
6799	Investors	384	294	90	23%
7911	Dance studios, schools, and halls	322	247	75	23%
2084	Wines, brandy, and brandy spirits	13	10	3	23%
9531	Housing programs	13	10	3	23%
3564	Blowers and fans	31	24	7	23%
5461	Retail bakeries	601	467	134	22%
2394	Canvas and related products	18	14	4	22%
5172	Petroleum product wholesalers, except bulk stations/terminals	140	109	31	22%
5078	Refrigeration equipment and supplies	32	25	7	22%
5139	Footwear	100	79	21	21%
8092	Kidney dialysis centers	173	138	35	20%
4952	Sewerage systems	89	71	18	20%
8744	Facilities support services	223	178	45	20%
2329	Men's and boy's clothing	144	115	29	20%
971	Hunting, trapping, game propagation	10	8	2	20%
2732	Book printing	10	8	2	20%
5521	Used car dealers	518	416	102	20%
8734	Testing laboratories	425	343	82	19%
5143	Dairy products, except dried or canned	16	13	3	19%
8299	Schools and educational services	984	803	181	18%
3552	Textile machinery	11	9	2	18%
3567	Industrial furnaces and ovens	40	33	7	18%
2834	Pharmaceutical preparations	1,889	1,571	318	17%
831	Forest products	6	5	1	17%

Source: D&B Sales and Marketing Solutions

SOUTHEAST GROWTH ANALYSIS

CHANGE IN NUMBER OF BUSINESSES IN THE SOUTHEAST, 2002 TO 2005

Dun and Bradstreet Sales & Marketing Solutions July-September 2002 and 2005 CD-Rom was used to analyze the existing industries by 4-digit SIC code in 2002 and 2005. For purposes of this study the Southeast is defined as North Carolina, South Carolina, Georgia, Florida, and Alabama.

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
2067	Chewing gum	4	1	3	75%
6799	Investors	7,509	2,055	5454	73%
4789	Transportation services	3,665	1,154	2511	69%
4899	Communication services	2,445	783	1662	68%
6719	Holding companies	3,164	1,233	1931	61%
8999	Services	17,979	7,101	10878	61%
8099	Health and allied services	5,702	2,484	3218	56%
3171	Women's handbags and purses	63	28	35	56%
6733	Trusts	1,616	772	844	52%
2044	Rice milling	4	2	2	50%
2083	Malt	2	1	1	50%
3322	Malleable iron foundries	2	1	1	50%
3331	Primary copper	4	2	2	50%
6011	Federal reserve banks	2	1	1	50%
6512	Nonresidential building operators	10,680	5,677	5003	47%
7389	Business services	85,967	52,053	33914	39%
9451	Administration of veterans' affairs	299	186	113	38%
2741	Miscellaneous publishing	2,395	1,503	892	37%
7812	Motion picture and video production	4,595	2,892	1703	37%
3671	Electron tubes	11	7	4	36%
6282	Investment advice	3,936	2,536	1400	36%
3999	Manufacturing industries	2,616	1,690	926	35%
3241	Cement, hydraulic	125	81	44	35%
2434	Wood kitchen cabinets	1,706	1,118	588	34%
8741	Management services	8,317	5,468	2849	34%
2021	Creamery butter	3	2	1	33%
6399	Insurance carriers	640	430	210	33%
2084	Wines, brandy, and brandy spirits	115	78	37	32%
291	General farms, primarily animals	895	609	286	32%
3231	Products of purchased glass	565	385	180	32%
2131	Chewing and smoking tobacco	19	13	6	32%
3692	Primary batteries, dry and wet	19	13	6	32%
4971	Irrigation systems	319	221	98	31%
1442	Construction sand and gravel	288	200	88	31%

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
4311	U.s. postal service	3,602	2,515	1087	30%
5099	Durable goods	4,489	3,168	1321	29%
3144	Women's footwear, except athletic	7	5	2	29%
3149	Footwear, except rubber	11	8	3	27%
7991	Physical fitness facilities	4,633	3,387	1246	27%
8651	Political organizations	565	414	151	27%
3676	Electronic resistors	19	14	5	26%
3751	Motorcycles, bicycles and parts	118	87	31	26%
3593	Fluid power cylinders and actuators	27	20	7	26%
3699	Electrical equipment and supplies	675	501	174	26%
9532	Urban and community development	659	490	169	26%
2836	Biological products, except diagnostic	55	41	14	25%
8744	Facilities support services	424	317	107	25%
2043	Cereal breakfast foods	12	9	3	25%
2297	Nonwoven fabrics	60	45	15	25%
5331	Variety stores	5,831	4,425	1406	24%
8092	Kidney dialysis centers	823	629	194	24%
2098	Macaroni and spaghetti	17	13	4	24%
111	Wheat	400	308	92	23%
8748	Business consulting	23,811	18,363	5448	23%
7929	Entertainers and entertainment groups	4,942	3,812	1130	23%
2397	Schiffli machine embroideries	22	17	5	23%
9224	Fire protection	3,729	2,885	844	23%
6361	Title insurance	993	769	224	23%
3694	Engine electrical equipment	121	94	27	22%
8731	Commercial physical research	1,875	1,459	416	22%
781	Landscape counseling and planning	8,375	6,522	1853	22%
6798	Real estate investment trusts	1,483	1,159	324	22%
2284	Thread mills	87	68	19	22%
7291	Tax return preparation services	5,502	4,325	1177	21%
3339	Primary nonferrous metals	33	26	7	21%
8733	Noncommercial research organizations	1,289	1,025	264	20%
1522	Residential construction	7,702	6,130	1572	20%
6732	Trusts: educational, religious, etc.	383	305	78	20%
3462	Iron and steel forgings	86	69	17	20%
6541	Title abstract offices	1,761	1,413	348	20%
3845	Electromedical equipment	108	87	21	19%
2822	Synthetic rubber	31	25	6	19%
172	Grapes	57	46	11	19%
8299	Schools and educational services	6,399	5,165	1234	19%
2493	Reconstituted wood products	83	67	16	19%

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
9621	Regulation, administration of transportation	1,558	1,258	300	19%
2841	Soap and other detergents	162	131	31	19%
8221	Colleges and universities	2,678	2,166	512	19%
7376	Computer facilities management	89	72	17	19%
2873	Nitrogenous fertilizers	84	68	16	19%
2431	Millwork	1,579	1,279	300	19%
7534	Tire retreading and repair shops	576	467	109	19%
3143	Men's footwear, except athletic	16	13	3	19%
8743	Public relations services	2,452	1,995	457	19%
5571	Motorcycle dealers	1,581	1,291	290	18%
8699	Membership organizations	6,197	5,065	1132	18%
5199	Nondurable goods	8,187	6,692	1495	18%
6163	Loan brokers	5,989	4,903	1086	18%
191	General farms, primarily crop	6,828	5,610	1218	18%
2844	Toilet preparations	415	342	73	18%
3421	Cutlery	86	71	15	17%
3271	Concrete block and brick	184	152	32	17%
7997	Membership sports and recreation clubs	4,911	4,061	850	17%
2342	Bras, girdles, and allied garments	29	24	5	17%
3399	Primary metal products	58	48	10	17%
2389	Apparel and accessories	209	173	36	17%
3151	Leather gloves and mittens	6	5	1	17%
3262	Vitreous china table and kitchenware	6	5	1	17%
3313	Electrometallurgical products	12	10	2	17%
3764	Space propulsion units and parts	12	10	2	17%
4619	Pipelines	12	10	2	17%
2032	Canned specialties	67	56	11	16%
3499	Fabricated metal products	397	332	65	16%
3334	Primary aluminum	56	47	9	16%
2023	Dry, condensed and evaporated dairy products	69	58	11	16%
1752	Floor laying and floor work	4,658	3,930	728	16%
4449	Water transportation of freight	71	60	11	15%
3669	Communications equipment	227	192	35	15%
2053	Frozen bakery products, except bread	26	22	4	15%
3651	Household audio and video equipment	294	249	45	15%
9512	Land, mineral, and wildlife conservation	2,143	1,827	316	15%
1743	Terrazzo, tile, marble and mosaic work	4,538	3,877	661	15%
7382	Security systems services	1,863	1,592	271	15%
3639	Household appliances	55	47	8	15%
9441	Administration of social and manpower programs	1,459	1,248	211	14%

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
2076	Vegetable oil mills	7	6	1	14%
2385	Waterproof outerwear	14	12	2	14%
2386	Leather and sheep-lined clothing	14	12	2	14%
3961	Costume jewelry	224	192	32	14%
3648	Lighting equipment	176	151	25	14%
2599	Furniture and fixtures	249	214	35	14%
2395	Pleating and stitching	1,127	969	158	14%
3492	Fluid power valves and hose fittings	65	56	9	14%
271	Fur-bearing animals and rabbits	29	25	4	14%
7699	Repair services	22,048	19,016	3032	14%
1521	Single-family housing construction	49,712	42,928	6784	14%
2047	Dog and cat food	44	38	6	14%
6552	Subdividers and developers	7,006	6,065	941	13%
5082	Construction and mining machinery	1,496	1,299	197	13%
7536	Automotive glass replacement shops	1,143	993	150	13%
2678	Stationery products	46	40	6	13%
3111	Leather tanning and finishing	46	40	6	13%
2337	Women's and misses' suits and coats	39	34	5	13%
2869	Industrial organic chemicals	213	186	27	13%
9221	Police protection	2,366	2,068	298	13%
3873	Watches, clocks, watchcases, and parts	48	42	6	13%
3677	Electronic coils and transformers	57	50	7	12%
851	Forestry services	744	653	91	12%
3366	Copper foundries	41	36	5	12%
9711	National security	2,414	2,121	293	12%
6099	Functions related to deposit banking	2,709	2,381	328	12%
3566	Speed changers, drives, and gears	34	30	4	12%
3716	Motor homes	17	15	2	12%
7221	Photographic studios, portrait	5,462	4,826	636	12%
9531	Housing programs	1,025	906	119	12%
3354	Aluminum extruded products	69	61	8	12%
9631	Regulation, administration of utilities	225	199	26	12%
9611	Administration of general economic programs	399	353	46	12%
4939	Combination utilities	122	108	14	11%
2591	Drapery hardware and window blinds and shades	342	303	39	11%

Source: D&B Sales and Marketing Solutions

CHANGE IN EMPLOYMENT BY INDUSTRY IN THE SOUTHEAST, 2002 TO 2005

Dun and Bradstreet Sales & Marketing Solutions July-September 2002 and 2005 CD-Rom was used to analyze the existing industries by 4-digit SIC code in 2002 and 2005. For purposes of this study the Southeast is defined as North Carolina, South Carolina, Georgia, Florida, and Alabama.

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
2063	Beet sugar	400	20	380	95%
2952	Asphalt felts and coatings	8,302	1,509	6793	82%
3586	Measuring and dispensing pumps	338	68	270	80%
3431	Metal sanitary ware	5,347	1,120	4227	79%
6011	Federal reserve banks	1,570	367	1203	77%
4619	Pipelines	36	10	26	72%
2131	Chewing and smoking tobacco	857	247	610	71%
3351	Copper rolling and drawing	6,143	1,858	4285	70%
2141	Tobacco stemming and redrying	3,227	1,139	2088	65%
9451	Administration of veterans' affairs	24,864	8,957	15907	64%
4922	Natural gas transmission	1,999	824	1175	59%
2822	Synthetic rubber	915	388	527	58%
3577	Computer peripheral equipment	13,433	6,345	7088	53%
6019	Central reserve depository	261	127	134	51%
8744	Facilities support services	16,812	8,396	8416	50%
3593	Fluid power cylinders and actuators	1,172	590	582	50%
111	Wheat	1,262	659	603	48%
3339	Primary nonferrous metals	2,609	1,371	1238	47%
3482	Small arms ammunition	194	102	92	47%
2387	Apparel belts	660	350	310	47%
6799	Investors	23,446	13,229	10217	44%
3366	Copper foundries	1,518	882	636	42%
3143	Men's footwear, except athletic	801	481	320	40%
2821	Plastics materials and resins	24,339	14,677	9662	40%
3149	Footwear, except rubber	21	13	8	38%
2657	Folding paperboard boxes	5,330	3,331	1999	38%
4932	Gas and other services combined	589	378	211	36%
4789	Transportation services	13,825	9,252	4573	33%
4971	Irrigation systems	1,146	772	374	33%
3578	Calculating and accounting equipment	5,540	3,734	1806	33%
2371	Fur goods	43	29	14	33%
4833	Television broadcasting stations	38,390	26,424	11966	31%
3511	Turbines and turbine generator sets	7,983	5,534	2449	31%
4311	U.s. postal service	99,981	69,477	30504	31%
3131	Footwear cut stock	175	122	53	30%
3253	Ceramic wall and floor tile	2,166	1,524	642	30%

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
4449	Water transportation of freight	1,695	1,197	498	29%
2992	Lubricating oils and greases	1,192	848	344	29%
8999	Services	30,567	22,352	8215	27%
172	Grapes	170	127	43	25%
6798	Real estate investment trusts	7,084	5,300	1784	25%
2066	Chocolate and cocoa products	286	214	72	25%
6163	Loan brokers	34,241	25,727	8514	25%
3463	Nonferrous forgings	1,057	804	253	24%
8092	Kidney dialysis centers	11,688	8,959	2729	23%
2891	Adhesives and sealants	4,969	3,817	1152	23%
5099	Durable goods	20,336	15,649	4687	23%
6282	Investment advice	16,145	12,438	3707	23%
6081	Foreign bank and branches and agencies	1,037	802	235	23%
2082	Malt beverages	3,017	2,335	682	23%
4613	Refined petroleum pipelines	950	737	213	22%
3432	Plumbing fixture fittings and trim	1,860	1,444	416	22%
2083	Malt	32	25	7	22%
3398	Metal heat treating	806	631	175	22%
3812	Search and navigation equipment	18,206	14,255	3951	22%
2493	Reconstituted wood products	5,747	4,520	1227	21%
3568	Power transmission equipment	1,733	1,375	358	21%
2836	Biological products, except diagnostic	2,410	1,924	486	20%
1021	Copper ores	50	40	10	20%
3171	Women's handbags and purses	457	372	85	19%
7021	Rooming and boarding houses	1,233	1,005	228	18%
6082	Foreign trade and international banks	1,553	1,266	287	18%
1381	Drilling oil and gas wells	810	664	146	18%
3273	Ready-mixed concrete	20,044	16,433	3611	18%
3678	Electronic connectors	2,945	2,420	525	18%
3479	Metal coating and allied services	5,251	4,354	897	17%
2653	Corrugated and solid fiber boxes	23,179	19,276	3903	17%
3322	Malleable iron foundries	6	5	1	17%
1442	Construction sand and gravel	2,693	2,255	438	16%
3524	Lawn and garden equipment	4,354	3,658	696	16%
3795	Tanks and tank components	885	744	141	16%
6361	Title insurance	7,361	6,222	1139	15%
8422	Botanical and zoological gardens	2,724	2,308	416	15%
6541	Title abstract offices	8,533	7,236	1297	15%
2021	Creamery butter	33	28	5	15%
7533	Auto exhaust system repair shops	3,625	3,077	548	15%

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
2652	Setup paperboard boxes	1,385	1,180	205	15%
3715	Truck trailers	4,696	4,003	693	15%
1499	Miscellaneous nonmetallic minerals, except fuels	1,020	870	150	15%
7991	Physical fitness facilities	28,092	24,093	3999	14%
3646	Commercial lighting fixtures	2,226	1,911	315	14%
3567	Industrial furnaces and ovens	2,055	1,765	290	14%
7376	Computer facilities management	1,429	1,230	199	14%
3462	Iron and steel forgings	1,381	1,189	192	14%
3465	Automotive stampings	5,378	4,639	739	14%
1429	Crushed and broken stone	1,389	1,214	175	13%
2812	Alkalis and chlorine	2,111	1,851	260	12%
9224	Fire protection	72,460	64,076	8384	12%
2015	Poultry slaughtering and processing	70,478	62,363	8115	12%
3354	Aluminum extruded products	4,494	3,982	512	11%
5571	Motorcycle dealers	8,571	7,600	971	11%
4729	Passenger transportation arrangement	5,788	5,135	653	11%
2041	Flour and other grain mill products	1,193	1,062	131	11%
7319	Advertising	6,116	5,465	651	11%
8099	Health and allied services	34,547	30,875	3672	11%
3676	Electronic resistors	877	791	86	10%
2231	Broadwoven fabric mills, wool	14,968	13,519	1449	10%
4432	Freight transportation on the great lakes	21	19	2	10%
2452	Prefabricated wood buildings	4,796	4,342	454	9%
2448	Wood pallets and skids	6,048	5,496	552	9%
5461	Retail bakeries	21,768	19,794	1974	9%
8052	Intermediate care facilities	21,597	19,665	1932	9%
6035	Federal savings institutions	20,655	18,834	1821	9%
3295	Minerals, ground or treated	2,018	1,847	171	8%
2297	Nonwoven fabrics	8,012	7,337	675	8%
6719	Holding companies	23,075	21,196	1879	8%
9532	Urban and community development	9,626	8,849	777	8%
2434	Wood kitchen cabinets	11,401	10,504	897	8%
3635	Household vacuum cleaners	217	200	17	8%
3677	Electronic coils and transformers	2,262	2,085	177	8%
279	Animal specialties	1,068	985	83	8%
3271	Concrete block and brick	3,592	3,324	268	7%
3084	Plastics pipe	4,095	3,790	305	7%
3355	Aluminum rolling and drawing	2,229	2,065	164	7%
3644	Noncurrent-carrying wiring devices	3,323	3,084	239	7%
913	Shellfish	864	802	62	7%

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
2061	Raw cane sugar	1,162	1,079	83	7%
6324	Hospital and medical service plans	35,910	33,365	2545	7%
3442	Metal doors, sash, and trim	15,090	14,045	1045	7%
781	Landscape counseling and planning	31,879	29,693	2186	7%
7218	Industrial launderers	6,217	5,793	424	7%
1222	Bituminous coal-underground mining	1,903	1,781	122	6%
4491	Marine cargo handling	5,074	4,754	320	6%
1221	Bituminous coal and lignite-surface mining	1,349	1,264	85	6%
1771	Concrete work	44,753	41,959	2794	6%
2631	Paperboard mills	19,415	18,221	1194	6%
2439	Structural wood members	9,779	9,184	595	6%
1752	Floor laying and floor work	14,024	13,227	797	6%
8021	Offices and clinics of dentists	88,888	83,849	5039	6%
1041	Gold ores	266	251	15	6%
3612	Transformers, except electric	10,882	10,297	585	5%
3672	Printed circuit boards	23,652	22,409	1243	5%
3291	Abrasive products	2,039	1,932	107	5%
1743	Terrazzo, tile, marble and mosaic work	13,524	12,830	694	5%
8041	Offices and clinics of chiropractors	17,850	16,944	906	5%
742	Veterinary services, specialties	35,662	33,856	1806	5%
5331	Variety stores	33,987	32,295	1692	5%
5311	Department stores	341,555	324,941	16614	5%
5431	Fruit and vegetable markets	4,302	4,096	206	5%
9221	Police protection	116,563	111,088	5475	5%
5812	Eating places	1,081,473	1,033,623	47850	4%
1389	Oil and gas field services	2,576	2,465	111	4%
2076	Vegetable oil mills	118	113	5	4%
3566	Speed changers, drives, and gears	1,753	1,682	71	4%
9211	Courts	40,367	38,759	1608	4%
2095	Roasted coffee	1,897	1,824	73	4%
1423	Crushed and broken granite	1,290	1,241	49	4%
6351	Surety insurance	9,749	9,391	358	4%
8361	Residential care	62,474	60,303	2171	3%
4151	School buses	8,142	7,860	282	3%

Source: D&B Sales and Marketing Solutions

UNITED STATES GROWTH ANALYSIS

CHANGE IN NUMBER OF BUSINESSES IN THE UNITED STATES, 2002 TO 2005

Dun and Bradstreet Sales & Marketing Solutions July-September 2002 and 2005 CD-Rom was used to analyze the existing industries by 4-digit SIC code in 2002 and 2005. They were sorted by the top 150 companies by percentage change.

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
4789	Transportation services	17,991	6,245	11746	65%
6799	Investors	34,746	12,752	21994	63%
4899	Communication services	13,703	5,307	8396	61%
8999	Services	103,135	56,448	46687	45%
6733	Trusts	15,639	8,592	7047	45%
6719	Holding companies	15,667	8,651	7016	45%
8099	Health and allied services	31,606	17,645	13961	44%
9451	Administration of veterans' affairs	2,091	1,273	818	39%
851	Forestry services	5,372	3,506	1866	35%
3171	Women's handbags and purses	489	323	166	34%
9224	Fire protection	27,968	18,506	9462	34%
7389	Business services	489,520	338,786	150734	31%
3999	Manufacturing industries	18,162	12,788	5374	30%
7991	Physical fitness facilities	30,518	22,103	8415	28%
291	General farms, primarily animals	11,483	8,344	3139	27%
4311	U.s. postal service	33,254	24,166	9088	27%
7812	Motion picture and video production	36,465	26,522	9943	27%
8741	Management services	51,483	37,524	13959	27%
8092	Kidney dialysis centers	3,642	2,694	948	26%
2741	Miscellaneous publishing	17,284	12,893	4391	25%
3231	Products of purchased glass	3,639	2,733	906	25%
6512	Nonresidential building operators	66,285	50,055	16230	24%
6282	Investment advice	27,532	20,829	6703	24%
2434	Wood kitchen cabinets	7,906	6,001	1905	24%
781	Landscape counseling and planning	42,926	32,715	10211	24%
9621	Regulation, administration of transportation	12,080	9,275	2805	23%
8744	Facilities support services	2,656	2,053	603	23%
6163	Loan brokers	33,492	26,342	7150	21%
9532	Urban and community development	3,982	3,138	844	21%
3241	Cement, hydraulic	675	537	138	20%
8748	Business consulting	156,187	125,184	31003	20%
4971	Irrigation systems	1,678	1,345	333	20%
6798	Real estate investment trusts	7,966	6,454	1512	19%
6361	Title insurance	5,528	4,483	1045	19%

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
5099	Durable goods	26,167	21,356	4811	18%
3764	Space propulsion units and parts	77	63	14	18%
6399	Insurance carriers	3,942	3,227	715	18%
8733	Noncommercial research organizations	11,346	9,289	2057	18%
3751	Motorcycles, bicycles and parts	1,193	979	214	18%
9512	Land, mineral, and wildlife conservation	17,524	14,421	3103	18%
9441	Administration of social and manpower programs	11,777	9,703	2074	18%
3632	Household refrigerators and freezers	91	75	16	18%
2431	Millwork	8,969	7,401	1568	17%
1522	Residential construction	45,816	38,105	7711	17%
9229	Public order and safety	2,619	2,184	435	17%
9222	Legal counsel and prosecution	3,997	3,344	653	16%
9311	Finance, taxation, and monetary policy	7,908	6,634	1274	16%
2836	Biological products, except diagnostic	646	543	103	16%
7382	Security systems services	9,822	8,260	1562	16%
3699	Electrical equipment and supplies	4,482	3,774	708	16%
2782	Blankbooks and loose-leaf binders	1,348	1,136	212	16%
9221	Police protection	16,751	14,120	2631	16%
5331	Variety stores	29,168	24,704	4464	15%
8731	Commercial physical research	15,349	13,006	2343	15%
2869	Industrial organic chemicals	1,699	1,440	259	15%
2075	Soybean oil mills	154	132	22	14%
2084	Wines, brandy, and brandy spirits	2,612	2,240	372	14%
8299	Schools and educational services	46,887	40,352	6535	14%
9611	Administration of general economic programs	3,502	3,015	487	14%
1455	Kaolin and ball clay	72	62	10	14%
2384	Robes and dressing gowns	73	63	10	14%
2813	Industrial gases	1,184	1,023	161	14%
7291	Tax return preparation services	36,178	31,295	4883	13%
4619	Pipelines	105	91	14	13%
3639	Household appliances	325	282	43	13%
2023	Dry, condensed and evaporated dairy products	667	579	88	13%
3676	Electronic resistors	107	93	14	13%
4812	Radiotelephone communication	18,453	16,078	2375	13%
7699	Repair services	132,575	115,520	17055	13%
3651	Household audio and video equipment	2,319	2,028	291	13%
8651	Political organizations	4,877	4,273	604	12%
2835	Diagnostic substances	518	455	63	12%

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
2812	Alkalis and chlorine	231	203	28	12%
6541	Title abstract offices	12,518	11,059	1459	12%
6099	Functions related to deposit banking	16,256	14,363	1893	12%
9711	National security	15,069	13,325	1744	12%
8699	Membership organizations	46,395	41,119	5276	11%
8743	Public relations services	18,665	16,543	2122	11%
6726	Investment offices	7,024	6,229	795	11%
1521	Single-family housing construction	297,980	264,372	33608	11%
2824	Organic fibers, noncellulosic	225	200	25	11%
971	Hunting, trapping, game propagation	1,650	1,467	183	11%
3568	Power transmission equipment	550	489	61	11%
7929	Entertainers and entertainment groups	36,278	32,292	3986	11%
5199	Nondurable goods	49,631	44,223	5408	11%
2043	Cereal breakfast foods	184	164	20	11%
9531	Housing programs	7,060	6,300	760	11%
3669	Communications equipment	1,448	1,297	151	10%
8221	Colleges and universities	18,731	16,785	1946	10%
2083	Malt	39	35	4	10%
3281	Cut stone and stone products	2,810	2,522	288	10%
3634	Electric housewares and fans	584	526	58	10%
9431	Administration of public health programs	8,904	8,028	876	10%
6331	Fire, marine, and casualty insurance	7,234	6,524	710	10%
9631	Regulation, administration of utilities	1,501	1,355	146	10%
6552	Subdividers and developers	34,424	31,083	3341	10%
3449	Miscellaneous metalwork	1,220	1,104	116	10%
4961	Steam and air-conditioning supply	213	193	20	9%
7533	Auto exhaust system repair shops	8,496	7,710	786	9%
4449	Water transportation of freight	564	512	52	9%
3578	Calculating and accounting equipment	556	505	51	9%
2395	Pleating and stitching	8,065	7,334	731	9%
8412	Museums and art galleries	16,146	14,703	1443	9%
9651	Regulation, miscellaneous commercial sectors	5,204	4,748	456	9%
1743	Terrazzo, tile, marble and mosaic work	16,969	15,484	1485	9%
7997	Membership sports and recreation clubs	31,550	28,789	2761	9%
5571	Motorcycle dealers	9,961	9,091	870	9%
4215	Courier services, except by air	4,973	4,545	428	9%
3845	Electromedical equipment	870	799	71	8%
5182	Wine and distilled beverages	2,832	2,603	229	8%
191	General farms, primarily crop	73,612	67,672	5940	8%

4-Digit SIC Code	Description	2005 Number of Businesses	2002 Number of Businesses	Change in Businesses	Percent Change
1021	Copper ores	88	81	7	8%
2284	Thread mills	319	294	25	8%
7359	Equipment rental and leasing	42,477	39,166	3311	8%
3799	Transportation equipment	1,537	1,418	119	8%
3721	Aircraft	1,279	1,183	96	8%
3484	Small arms	520	481	39	8%
7376	Computer facilities management	738	683	55	7%
2079	Edible fats and oils	182	169	13	7%
7221	Photographic studios, portrait	41,275	38,359	2916	7%
1752	Floor laying and floor work	23,769	22,101	1668	7%
6732	Trusts: educational, religious, etc.	3,065	2,851	214	7%
3432	Plumbing fixture fittings and trim	474	441	33	7%
2032	Canned specialties	646	602	44	7%
1442	Construction sand and gravel	2,309	2,153	156	7%
9223	Correctional institutions	5,697	5,314	383	7%
2823	Cellulosic manmade fibers	46	43	3	7%
3271	Concrete block and brick	1,116	1,044	72	6%
2381	Fabric dress and work gloves	112	105	7	6%
9211	Courts	13,263	12,450	813	6%
9641	Regulation of agricultural marketing	7,551	7,094	457	6%
2678	Stationery products	373	351	22	6%
6019	Central reserve depository	136	128	8	6%
7299	Miscellaneous personal service	89,538	84,274	5264	6%
6162	Mortgage bankers and loan correspondents	44,843	42,220	2623	6%
3489	Ordnance and accessories	189	178	11	6%
762	Farm management services	2,269	2,143	126	6%
3562	Ball and roller bearings	368	348	20	5%
8052	Intermediate care facilities	6,636	6,279	357	5%
7911	Dance studios, schools, and halls	15,898	15,048	850	5%
6324	Hospital and medical service plans	2,821	2,671	150	5%
9721	International affairs	2,508	2,376	132	5%
9199	General government	8,913	8,444	469	5%
7381	Detective and armored car services	23,413	22,190	1223	5%
2493	Reconstituted wood products	461	437	24	5%
6022	State commercial banks	33,954	32,199	1755	5%
3961	Costume jewelry	2,107	1,999	108	5%
8621	Professional organizations	12,636	12,002	634	5%
6517	Railroad property lessors	121	115	6	5%
3499	Fabricated metal products	2,788	2,650	138	5%

Source: D&B Sales and Marketing Solutions

CHANGE IN EMPLOYMENT BY INDUSTRY IN THE UNITED STATES, 2002 TO 2005
Dun and Bradstreet Sales & Marketing Solutions July-September 2002 and 2005 CD-Rom was used to analyze the existing industries by 4-digit SIC code in 2002 and 2005.

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
9451	Administration of veterans' affairs	216,387	73,488	142899	66%
1382	Oil and gas exploration services	120,527	69,604	50923	42%
2141	Tobacco stemming and redrying	4,304	2,629	1675	39%
6799	Investors	136,251	91,632	44619	33%
4311	U.s. postal service	785,511	551,799	233712	30%
5511	New and used car dealers	1,541,156	1,145,274	395882	26%
3769	Space vehicle equipment	5,178	3,962	1216	23%
6163	Loan brokers	217,368	167,352	50016	23%
6798	Real estate investment trusts	56,640	43,613	13027	23%
3331	Primary copper	5,543	4,278	1265	23%
1011	Iron ores	11,232	8,744	2488	22%
6082	Foreign trade and international banks	20,486	16,165	4321	21%
8092	Kidney dialysis centers	58,511	47,897	10614	18%
3596	Scales and balances, except laboratory	7,337	6,030	1307	18%
2874	Phosphatic fertilizers	12,817	10,562	2255	18%
5088	Transportation equipment and supplies	69,668	57,515	12153	17%
2015	Poultry slaughtering and processing	221,398	183,212	38186	17%
6011	Federal reserve banks	7,723	6,409	1314	17%
2677	Envelopes	31,246	26,307	4939	16%
3351	Copper rolling and drawing	29,460	24,853	4607	16%
3575	Computer terminals	23,453	19,804	3649	16%
9532	Urban and community development	58,186	49,287	8899	15%
3497	Metal foil and leaf	5,551	4,776	775	14%
2023	Dry, condensed and evaporated dairy products	15,005	13,094	1911	13%
2131	Chewing and smoking tobacco	6,485	5,667	818	13%
3366	Copper foundries	13,976	12,219	1757	13%
2026	Fluid milk	59,804	52,388	7416	12%
3355	Aluminum rolling and drawing	8,842	7,773	1069	12%
291	General farms, primarily animals	24,022	21,141	2881	12%
2835	Diagnostic substances	23,026	20,421	2605	11%
3354	Aluminum extruded products	37,106	33,197	3909	11%
3841	Surgical and medical instruments	197,171	176,769	20402	10%
8744	Facilities support services	80,794	72,775	8019	10%
9512	Land, mineral, and wildlife conservation	314,386	284,580	29806	9%
781	Landscape counseling and planning	162,752	147,562	15190	9%
7991	Physical fitness facilities	225,879	205,258	20621	9%
3716	Motor homes	15,875	14,444	1431	9%
2075	Soybean oil mills	5,895	5,366	529	9%

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
1221	Bituminous coal and lignite-surface mining	44,556	40,690	3866	9%
4925	Gas production and/or distribution	11,731	10,733	998	9%
3295	Minerals, ground or treated	11,847	10,846	1001	8%
3281	Cut stone and stone products	34,814	31,915	2899	8%
8422	Botanical and zoological gardens	24,498	22,500	1998	8%
4833	Television broadcasting stations	178,748	164,347	14401	8%
1423	Crushed and broken granite	3,132	2,880	252	8%
2673	Bags: plastic, laminated, and coated	38,007	35,032	2975	8%
8999	Services	193,317	179,062	14255	7%
5571	Motorcycle dealers	57,227	53,096	4131	7%
3271	Concrete block and brick	20,683	19,297	1386	7%
3568	Power transmission equipment	21,264	19,952	1312	6%
9222	Legal counsel and prosecution	120,665	113,450	7215	6%
2493	Reconstituted wood products	24,943	23,497	1446	6%
3795	Tanks and tank components	8,220	7,768	452	5%
2439	Structural wood members	42,252	39,964	2288	5%
9211	Courts	235,448	223,936	11512	5%
2657	Folding paperboard boxes	23,472	22,363	1109	5%
9721	International affairs	58,548	56,137	2411	4%
4111	Local and suburban transit	158,519	152,037	6482	4%
2387	Apparel belts	4,741	4,551	190	4%
1522	Residential construction	178,377	172,698	5679	3%
3088	Plastics plumbing fixtures	17,334	16,789	545	3%
8052	Intermediate care facilities	202,371	196,110	6261	3%
3441	Fabricated structural metal	128,373	124,415	3958	3%
7533	Auto exhaust system repair shops	29,792	28,940	852	3%
7832	Motion picture theaters, except drive-in	92,761	90,135	2626	3%
2086	Bottled and canned soft drinks	137,595	134,752	2843	2%
1771	Concrete work	294,453	288,457	5996	2%
5812	Eating places	6,791,812	6,656,409	135403	2%
913	Shellfish	4,116	4,034	82	2%
2653	Corrugated and solid fiber boxes	135,554	132,936	2618	2%
4151	School buses	120,877	118,805	2072	2%
2671	Paper; coated and laminated packaging	26,933	26,488	445	2%
7992	Public golf courses	147,088	144,659	2429	2%
2631	Paperboard mills	67,235	66,390	845	1%
1422	Crushed and broken limestone	22,566	22,295	271	1%
8041	Offices and clinics of chiropractors	130,216	128,669	1547	1%
3845	Electromedical equipment	45,754	45,211	543	1%
3547	Rolling mill machinery	5,011	4,967	44	1%
3442	Metal doors, sash, and trim	94,387	93,625	762	1%

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
5311	Department stores	2,157,534	2,140,144	17390	1%
9221	Police protection	760,287	755,658	4629	1%
8021	Offices and clinics of dentists	691,568	687,846	3722	1%
2063	Beet sugar	6,867	6,836	31	0%
3646	Commercial lighting fixtures	25,939	25,883	56	0%
3463	Nonferrous forgings	20,490	20,456	34	0%
2448	Wood pallets and skids	39,494	39,447	47	0%
6541	Title abstract offices	70,540	70,735	-195	0%
3272	Concrete products	89,622	89,941	-319	0%
3449	Miscellaneous metalwork	14,798	14,869	-71	0%
742	Veterinary services, specialties	236,418	237,619	-1201	-1%
3624	Carbon and graphite products	8,741	8,793	-52	-1%
8051	Skilled nursing care facilities	1,338,243	1,346,789	-8546	-1%
2952	Asphalt felts and coatings	16,674	16,790	-116	-1%
4121	Taxicabs	58,690	59,140	-450	-1%
1743	Terrazzo, tile, marble and mosaic work	61,431	61,992	-561	-1%
8361	Residential care	570,195	575,535	-5340	-1%
6061	Federal credit unions	108,670	109,902	-1232	-1%
2037	Frozen fruits and vegetables	30,372	30,794	-422	-1%
3533	Oil and gas field machinery	42,506	43,140	-634	-1%
2096	Potato chips and similar snacks	38,312	38,951	-639	-2%
3171	Women's handbags and purses	3,187	3,244	-57	-2%
2869	Industrial organic chemicals	91,943	93,637	-1694	-2%
1741	Masonry and other stonework	181,898	185,284	-3386	-2%
9621	Regulation, administration of transportation	530,853	541,060	-10207	-2%
3274	Lime	4,403	4,489	-86	-2%
2079	Edible fats and oils	7,691	7,861	-170	-2%
4939	Combination utilities	21,854	22,340	-486	-2%
3363	Aluminum die-castings	33,958	34,804	-846	-2%
2021	Creamery butter	2,642	2,710	-68	-3%
3572	Computer storage devices	49,444	50,729	-1285	-3%
9611	Administration of general economic programs	156,350	160,487	-4137	-3%
2434	Wood kitchen cabinets	81,906	84,178	-2272	-3%
3273	Ready-mixed concrete	102,085	104,940	-2855	-3%
3398	Metal heat treating	18,083	18,593	-510	-3%
5722	Household appliance stores	102,311	105,240	-2929	-3%
3021	Rubber and plastics footwear	5,788	5,956	-168	-3%
6162	Mortgage bankers and loan correspondents	342,896	353,738	-10842	-3%
2491	Wood preserving	17,402	17,956	-554	-3%
2046	Wet corn milling	11,345	11,707	-362	-3%

4-Digit SIC Code	Description	2005 Total Employees	2002 Total Employees	Change in Employment	Percent Change
4932	Gas and other services combined	15,287	15,810	-523	-3%
751	Livestock services, except veterinary	21,950	22,703	-753	-3%
1795	Wrecking and demolition work	28,577	29,580	-1003	-4%
4141	Local bus charter service	15,583	16,145	-562	-4%
741	Veterinary services for livestock	10,808	11,205	-397	-4%
3678	Electronic connectors	35,353	36,667	-1314	-4%
2048	Prepared feeds	36,648	38,012	-1364	-4%
3613	Switchgear and switchboard apparatus	60,431	62,686	-2255	-4%
1752	Floor laying and floor work	84,526	87,693	-3167	-4%
8072	Dental laboratories	55,118	57,195	-2077	-4%
1099	Metal ores	2,552	2,650	-98	-4%
1781	Water well drilling	27,729	28,806	-1077	-4%
4952	Sewerage systems	30,290	31,508	-1218	-4%
6282	Investment advice	191,156	198,915	-7759	-4%
3084	Plastics pipe	18,823	19,590	-767	-4%
3275	Gypsum products	15,077	15,703	-626	-4%
6331	Fire, marine, and casualty insurance	477,980	497,905	-19925	-4%
9651	Regulation, miscellaneous commercial sectors	132,756	138,417	-5661	-4%
9531	Housing programs	114,415	119,295	-4880	-4%
2068	Salted and roasted nuts and seeds	5,812	6,063	-251	-4%
9111	Executive offices	1,455,692	1,521,224	-65532	-5%
3089	Plastics products	513,701	537,318	-23617	-5%
2095	Roasted coffee	12,339	12,929	-590	-5%
171	Berry crops	10,459	10,961	-502	-5%
2331	Women's and misses' blouses and shirts	13,536	14,198	-662	-5%
8099	Health and allied services	204,169	214,201	-10032	-5%
7011	Hotels and motels	2,052,483	2,154,322	-101839	-5%
3444	Sheet metalwork	134,166	141,065	-6899	-5%
8211	Elementary and secondary schools	6,083,522	6,396,885	-313363	-5%
6062	State credit unions	79,171	83,361	-4190	-5%
2652	Setup paperboard boxes	10,081	10,620	-539	-5%

Source: D&B Sales and Marketing Solutions

APPENDIX D – NEW AND EXPANDED ANALYSIS

Conway Data was analyzed from 1999 through 2005 to determine the new and expanded activity. The announcement data was grouped by the NAICS codes and tables were created that list the most active industries in descending order, according to the total number of announcements. To be included in the data, the announced projects must have a minimum of $1 million investment, 20,000 square feet of space, or 50 employees. It should be noted that Conway Data compiles the raw data on new and expanded facility announcements as states and communities report the activity. Therefore the data should not be considered all inclusive, but a representative sample.

This appendix is divided into three components, new and expanded activity for Wake County, a new and expanded analysis for the Southeastern Unites States, and a new and expanded analysis for the United States.

WAKE COUNTY, NORTH CAROLINA

NEW AND EXPANDED ACTIVITY IN WAKE COUNTY, 1999 TO 2005

COMPANY	CITY	NAICS	DESCRIPTION	NEW/ EXP.	INVEST	EMP	SQ. FT.	YEAR
BSG Laboratories	Cary	1		E	3	0	0	1999
DuPont	Raleigh	325	Chemicals	E	275	125	0	1999
3Tex	Cary	313	Textiles	N	0	0	29	1999
ABB Power T&D Co.	Raleigh	333	Electrical research	E	0	0	37	1999
ABB Rogers	Raleigh	334	Electronic meters	E	5	65	0	1999
Accu-Fab	Raleigh	332		E	2.2	0	0	1999
Accudyne	Raleigh	334		E	3	0	64	1999
Ajinomoto USA Inc.	Raleigh	325		E	3	0	0	1999
Austin Quality Foods	Cary	311		E	10	100	0	1999
Bespak	Apex	339	Valves for asthma inhalers	E	10	0	0	1999
Best Western	Garner	721	Hotel	E	1.7	0	0	1999
Celestica	Raleigh	334	Printed circuit boards	E	1	0	0	1999
Covance Biotechnology Services	Cary	541		E	1	60	0	1999
Evebeam	Morrisville	323	Digital publishing	E	4.8	0	0	1999
GoodMark Foods	Garner	311		E	3.2	75	0	1999
Holiday Inn Express	Garner	721	Hotel	N	2.7	0	0	1999
Implus Corp.	Morrisville	316	Shoes	N	0	0	43	1999
John Deere Turf Care	Fuquay Varina	332		E	9.5	105	0	1999
Lucent Technologies	Raleigh	541	Researching telephone networking equipment	N	25	500	120	1999
Martin Marietta Materials	Raleigh	336		E	1.1	0	0	1999
Medic Computer Systems	Raleigh	421	Information systems for healthcare providers	E	0	0	185	1999
Morris & Associates	Raleigh	333		E	1.1	0	0	1999

COMPANY	CITY	NAICS	DESCRIPTION	NEW/ EXP.	INVEST	EMP	SQ. FT.	YEAR
Perstorp Flooring	Garner	321	Flooring	E	12	0	0	1999
Pricewaterhouse Coopers	Cary	541		N	0	300	70	1999
Raychem Corp.	Fuquay Varina	334		E	1.5	75	0	1999
Sleep Inn	Garner	721	Hotel	N	2.8	0	0	1999
Steve Ashworth Performance	Fuquay Varina	336	Engines	E	1.2	0	0	1999
Thomas Concrete of Carolina	**Wake Forest**	**327**		**N**	**2**	**0**	**0**	**1999**
Triangle Ice Co.	Raleigh	312		E	3.2	0	0	1999
Weavexx Corp.	**Wake Forest**	**313**		**E**	**1.2**	**0**	**0**	**1999**
Spectrum Properties	Raleigh	233	The Colonnade	N	0	0	600	1999
Ohio Casualty Group	Raleigh	524	Insurance regional headquarters	E	15.2	84	53	1999
Burt's Bees	Raleigh	311	Skin care foods	E	3	0	0	1999
Caterpillar Building Construction	Cary	332	Building construction equipment	N	0	0	25	1999
Joseph C. Woodard Printing Co.	Raleigh	323	Consumer goods	E	3.5	0	0	1999
Mallinckrodt Medical	Raleigh	325		E	6.6	0	0	1999
N.B. Handy Co.	Raleigh	235	Roofing & HVAC	N	2	0	50	1999
Storr Office Environments	Morrisville	442	Office furniture	N	0	100	90	1999
Martin Marietta Materials	Raleigh	212		E	1.7	0	0	2000
Carolina Power & Light	Raleigh	221	Power plant	E	50	0	500	2000
Capital Associates	Raleigh	233	Speculative office	N	0	0	115	2000
Craig Davis Properties	Raleigh	233	Speculative office	N	90	0	0	2000
Craig Davis Properties	Raleigh	233	Venture Center III	N	0	0	125	2000
Dilweg Companies	Cary	233	Speculative office	N	0	0	22	2000
Duke-Weeks Realty	Raleigh	233	Crabtree Overlook I	N	0	0	154	2000
Duke-Weeks Realty Corp.	Raleigh	233	Walnut Creek Business Park	N	0	0	1300	2000
Highwoods Properties	Raleigh	233	Speculative office	N	0	0	168	2000

COMPANY	CITY	NAICS	DESCRIPTION	NEW/ EXP.	INVEST	EMP	SQ. FT.	YEAR
Lichtin Corp.	Raleigh	233	Speculative office	N	0	0	166	2000
GoodMark Foods	Garner	311		E	3.6	0	0	2000
McClatchy Co.	Garner	315	Apparel	N	106	100	380	2000
Concept Packaging Group of NC	Raleigh	322		E	1.3	0	0	2000
Corrugated Container Corp.	Holly Springs	322	Corrugated containers	E	2	0	60	2000
Barnhill Contracting Co.	Raleigh	324		E	6.5	0	0	2000
Mallinckrodt	Raleigh	325		E	7.6	0	0	2000
Mallinckrodt Medical	Raleigh	325	Pharmaceuticals	E	3	0	0	2000
Berk-Tek	Fuquay Varina	333		E	2.9	0	0	2000
John Deere	Raleigh	333	Farm machinery	N	66	1350	450	2000
Schunk Intec	Morrisville	333		E	1	0	0	2000
AVX Corp.	Raleigh	334		E	6.5	117	0	2000
JPS Communications	Raleigh	334		E	1.3	0	0	2000
Tekelec	Morrisville	334	Signaling, control & testing equipment	E	0	0	155	2000
Exide Electronics	Raleigh	335		E	3	0	0	2000
Mid-South Electronics	Raleigh	335	Fiber optics	E	3	50	35	2000
Square D Co.	Raleigh	335		E	1.3	0	0	2000
Apogee Medical	Raleigh	339		E	1.8	0	0	2000
News & Observer Publishing Co.	Raleigh	511		E	3.1	0	0	2000
InternLan Technologies	Cary	514	Internet services	E	2	72	65	2000
JC Services.com	Raleigh	514	Internet development	E	5	0	0	2000
Capital Bank	Raleigh	522	Bank	N	1	0	30	2000
First Citizens Bank Corp.	Raleigh	522	Banking	N	1.9	0	24	2000
A4 Health Systems	Cary	541	Software	E	30	0	0	2000
HAHT Software	Raleigh	541	Software	N	0	0	50	2000
ViOS	Cary	541	Software	N	5.2	0	0	2000
Xtrasource	Raleigh	561	Call center	E	0	200	31	2000

COMPANY	CITY	NAICS	DESCRIPTION	NEW/ EXP.	INVEST	EMP	SQ. FT.	YEAR
Martin Marietta Materials Inc	Raleigh	212		E	22	127	0	2001
Goodmark Foods Inc	Garner	311		E	4	0	0	2001
Neomonde Baking Co	Raleigh	311		E	2	0	0	2001
Pepsi Bottling Ventures	Raleigh	312	Beverage Bottling	N	40	270	0	2001
Pepsi Bottling/Suntory Ltd	Garner	312	bottling	N	40	0	0	2001
Pepsi Bottling Ventures LLC	Garner	312		E	40	0	217	2001
Pergo Inc.	Garner	321	Flooring	N	0	0	187	2001
Pergo	Raleigh	321		E	7	0	0	2001
Precision Walls Inc.	Raleigh	322		E	0	250	0	2001
Barnhill Contracting Co. Inc.	Raleigh	324		E	5	0	0	2001
Ajinomoto USA Inc.	Raleigh	325		E	2	0	0	2001
E-comeleon	Cary	326		E	3	145	0	2001
Pergo	Garner	326		N	27	0	237	2001
Siemens Medical Systems	Iselin	332		N	5	200	45	2001
Systech Retail Systems	Raleigh	333	Electronic cash register systems	N	0	0	85	2001
John Deer Turf Care Inc.	Raleigh	333		E	0	50	0	2001
Flextronics	Zebulon	334	Mass producers of routers/high-tech network	E	0	0	20	2001
AVX Corp.	Raleigh	334		E	5	0	0	2001
Celestica	Morrisville	334		E	23	420	90	2001
SimplexGrinnell	Raleigh	334		N	0	0	70	2001
Buehler Motor Inc.	Cary	335		E	3	0	0	2001
Invensys	Raleigh	335		E	0	100	0	2001
News & Observer Publishing Co	Raleigh	511		E	3	0	0	2001
Jetstream Communications	Raleigh	513		E	0	0	20	2001
Cable & Wireless	Raleigh	541		N	0	155	28	2001
LGC Wireless	Raleigh	541		E	0	0	20	2001
Lord Corp	Cary	541		E	3	0	25	2001
Sprint Communications	Raleigh	541		E	0	75	26	2001

COMPANY	CITY	NAICS	DESCRIPTION	NEW/ EXP.	INVEST	EMP	SQ. FT.	YEAR
Apothogen				N	120			2002
Biogen, Inc.				E	213		250	2002
Brogan & Partners Convergence Marketing				E	18	20	4	2002
Diosynth				E	20	100	100	2002
L.t. Technology/lord Corporation				E	2	25		2002
Statprobe				E	2	36		2002
Ellington Property	**Wake Forest**	**233**		**N**			**26**	**2002**
Krispy Kreme Doughnut Corp		311		E		85		2002
Biogen Inc.		325		E	50	130		2002
Glaxosmithkline		325		E	43	200		2002
Deere & Company		333		E		100		2002
Apex Cabinet Co.	Apex	337	Cabinets	E	3		60	2002
Paradyne Networks' Broadband Voice		421		N		30	11	2002
Ingenix Pharmaceutical Services		422		N	7	200	34	2002
Morrisette Paper		422		N	3		80	2002
Food Runners Collaborative Inc	Raleigh	454	Food	N	4			2002
Red Hat Inc		511		N	3	205		2002
The Independent Insurance Agents Of Nc		524		N	3	0		2002
Cardinal Health	Morrisville	541		N		150	20	2002
Grant Thornton Llp		541		E		51		2002
Flowserve Corporation		811		E		100		2002
	Garner	311	Pizza	E	10	9	61	2003
	Garner	321	Flooring	E	16			2003
	Raleigh	326		E	16	30	20	2003
	Raleigh	333	Tractors	N		75	180	2003

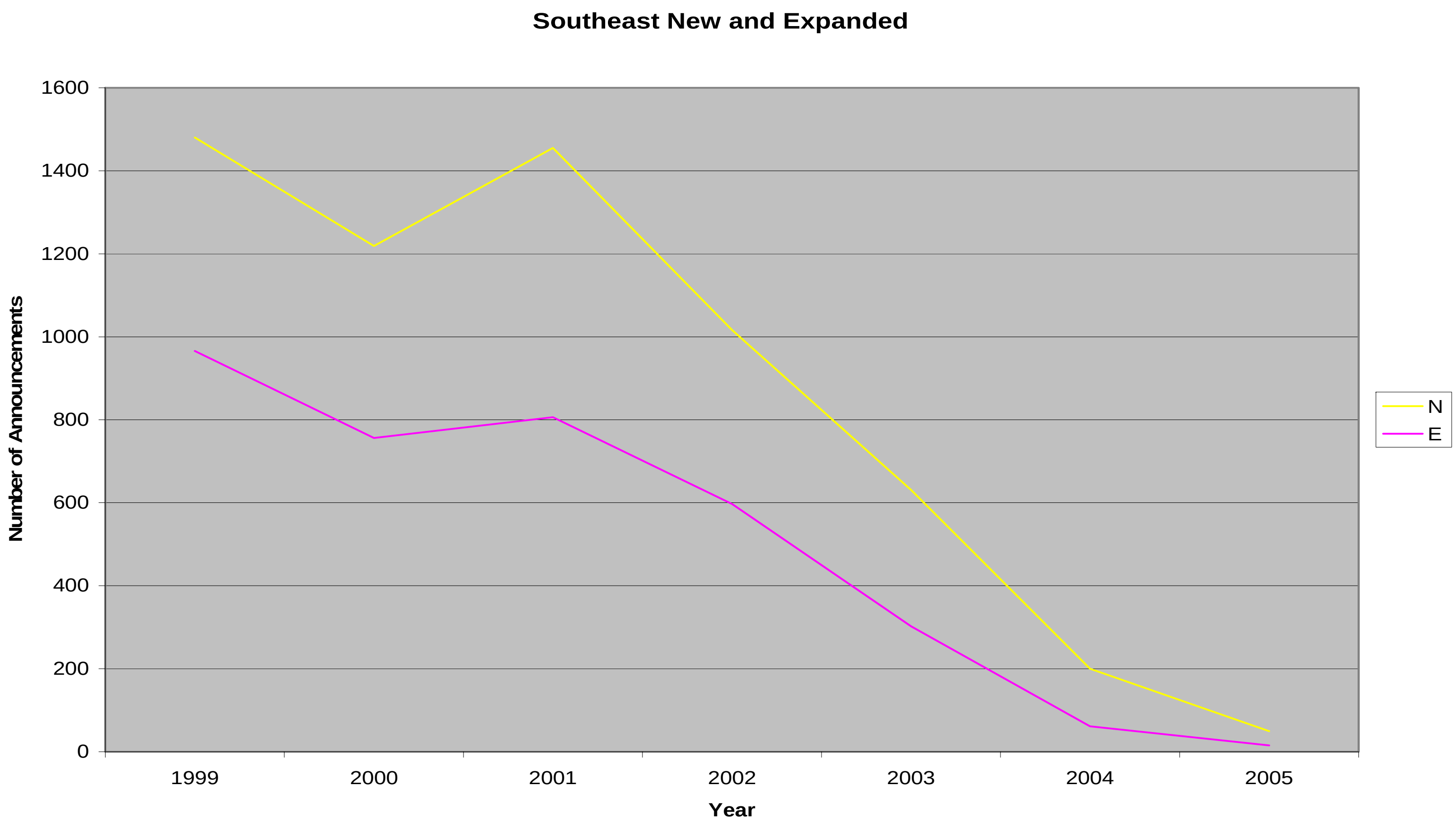
COMPANY	CITY	NAICS	DESCRIPTION	NEW/ EXP.	INVEST	EMP	SQ. FT.	YEAR
	Raleigh	421	Printing Paper	N			98	2003
	Raleigh	422	Beer	N			40	2003
	Raleigh	422	Beer	N			110	2003
	Raleigh	541	Data Center	N	12	5	12	2003
	Raleigh	621	Mfg. & Commercializes medical tissue	E	5	40	20	2003
	Garner	321	Flooring	E	36	86	60	2004
	Raleigh	721	Marriot Hotel	N	58			2004

Source: Conway Data Scoreboard

SOUTHEASTERN UNITED STATES

NEW AND EXPANDED ACTIVITY IN SOUTHEAST, 1999 TO 2005

New and expanded activity in the Southeast over the past seven years .



Source: Conway Data Scoreboard

New and Expanded Activity by Industry in the Southeast, 1999 to 2005

Conway Data was queried to identify the new and expanded activity in the Southeast over the past seven years. Only industries with at least 10 announcements are shown below.

NAICS	NAICS DESCRIPTION	1999	2000	2001	2002	2003	2004	2005	Grand Total
336	Transportation Equipment Manufacturing	106	123	107	93	75	21	4	529
325	Chemical Manufacturing	70	66	75	69	39	9	2	330
326	Plastics and Rubber Products Manufacturing	80	77	53	53	38	15	4	320
333	Machinery Manufacturing	70	69	87	42	24	8	5	305
541	Professional and Technical Services	43	37	130	43	41	6	N/A	300
332	Fabricated Metal Product Manufacturing	95	51	78	45	13	6	3	291
311	Food Manufacturing	65	47	51	65	36	6	1	271
233	Building, Developing, Etc.	54	62	62	22	22	24	6	252
334	Computer and Electronic Product Manufacturing	46	53	66	26	24	5	4	224
313	Textile Mills	100	63	39	11	3	3	1	220
11	Agriculture, Forestry, Fishing and Hunting	40	8	169	N/A	N/A	N/A	N/A	217
321	Wood Product Manufacturing	57	35	34	32	10	5	N/A	173
421	Wholesale Trade, Durable Goods	33	5	27	65	33	6	3	172
327	Nonmetallic Mineral Product Manufacturing	45	37	29	39	12	6	2	170
331	Primary Metal Manufacturing	49	38	36	21	16	4	4	168
322	Paper Manufacturing	34	41	41	25	11	2	N/A	154
335	Electrical Equipment and Appliance Manufacturing	43	43	26	20	8	3	1	144
337	Furniture and Related Products Manufacturing	41	37	32	14	16	3	N/A	143
422	Wholesale Trade, Nondurable Goods	30	15	26	28	24	8	1	132
339	Miscellaneous Manufacturing	32	25	24	27	14	4	N/A	126
721	Accommodations	36	24	26	8	10	9	2	115
314	Textile Product Mills	21	25	13	29	11	3	N/A	102
513	Broadcasting and Telecommunications	33	24	32	7	4	1	N/A	101

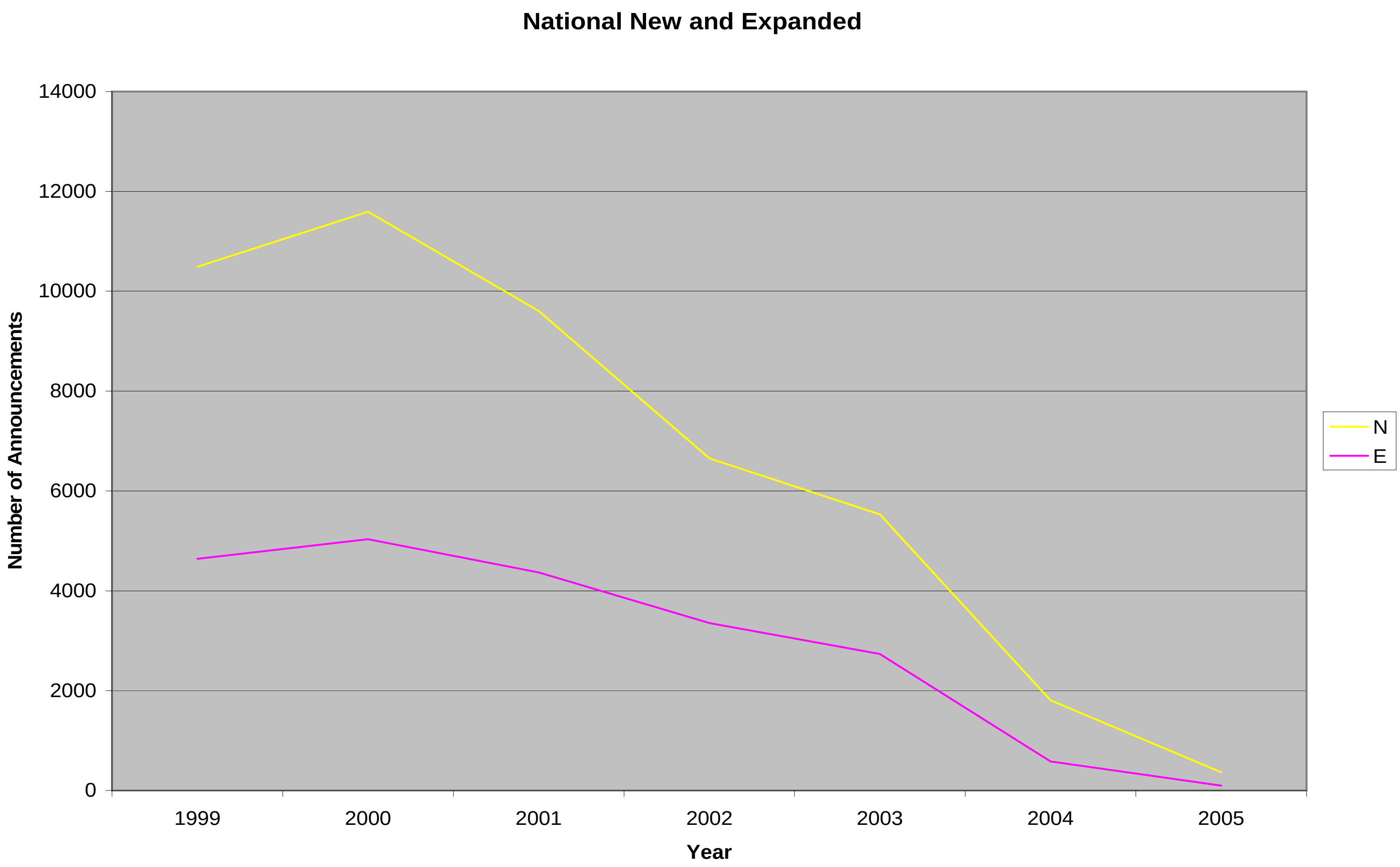
NAICS	NAICS DESCRIPTION	1999	2000	2001	2002	2003	2004	2005	Grand Total
323	Printing and Related Support Activities	34	11	17	19	6	N/A	N/A	87
315	Apparel Manufacturing	21	21	13	14	3	2	N/A	74
312	Beverage and Tobacco Product Manufacturing	21	14	24	7	6	1	N/A	73
561	Administrative and Support Services	14	22	9	15	10	N/A	N/A	70
493	Warehousing and Storage	11	6	20	6	10	1	1	55
514	Information and Data Processing Services	6	25	12	4	3	N/A	1	51
524	Insurance Carriers and Related Activities	19	10	11	4	5	N/A	N/A	49
522	Credit Intermediation and Related Activities	16	9	8	6	8	1	N/A	48
484	Truck Transportation	8	4	14	6	10	4	1	47
221	Utilities	14	19	8	2	N/A	N/A	N/A	43
511	Publishing Industries, except Internet	8	9	16	2	2	N/A	N/A	37
523	Security, Commodity Contracts, investments	8	3	7	3	7	6	N/A	34
488	Transportation Support Activities	2	6	8	6	4	2	N/A	28
324	Petroleum and Coal Products Manufacturing	8	3	7	7	2	N/A	N/A	27
444	Building Material and Garden Supply Stores	7	4	5	2	3	4	N/A	25
481	Air Transportation	10	4	3	2	3	N/A	N/A	22
452	General Merchandise Stores	6	5	2	1	2	2	1	19
212	Mining (expect Oil & Gas)	6	6	1	1	N/A	N/A	N/A	14
492	Couriers and Messengers	5	1	2	N/A	2	2	2	14
531	Real Estate	2	1	5	3	3	N/A	N/A	14
235	Special Trade Contractors	1	N/A	5	3	2	N/A	N/A	11
442	Furniture & Home Furnishings	4	2	N/A	2	N/A	3	N/A	11
441	Motor Vehicle and Parts Dealers	3	N/A	1	N/A	3	3	N/A	10

Source: Conway Data Scoreboard

UNITED STATES

NEW AND EXPANDED ACTIVITY IN THE UNITED STATES, 1999 TO 2005

Conway Data was queried to identify the new and expanded activity in the United States over the past seven years.



NEW AND EXPANDED ACTIVITY BY INDUSTRY IN THE UNITES STATES, 1999 TO 2005

Conway Data was queried to identify the new and expanded activity in the United States over the past seven years. Only industries with at least 50 announcements are shown below.

NAICS	NAICS DESCRIPTION	1999	2000	2001	2002	2003	2004	2005	Grand Total
233	Building, Developing, Etc.	811	2104	1199	257	565	255	22	5213
336	Transportation Equipment Manufacturing	774	784	674	565	424	168	55	3444
541	Professional and Technical Services	595	641	717	337	338	86	3	2717
325	Chemical Manufacturing	403	472	413	349	310	102	44	2093
326	Plastics and Rubber Products Manufacturing	520	481	284	327	252	66	25	1955
311	Food Manufacturing	436	371	405	350	287	80	24	1953
332	Fabricated Metal Product Manufacturing	510	435	462	268	206	59	11	1951
333	Machinery Manufacturing	518	433	422	285	188	44	19	1909
334	Computer and Electronic Product Manufacturing	394	440	401	202	137	92	39	1705
421	Wholesale Trade, Durable Goods	213	223	280	435	314	46	11	1522
721	Accommodations	221	485	282	145	129	99	8	1369
331	Primary Metal Manufacturing	293	327	198	198	149	41	22	1228
11	Agriculture, Forestry, Fishing , and Hunting	273	195	731	N/A	N/A	N/A	N/A	1199
422	Wholesale Trade, Nondurable Goods	208	174	257	183	197	66	11	1096
335	Electrical Equipment and Appliance Manufacturing	303	258	139	91	87	25	9	912
493	Warehousing and Storage	319	193	166	127	82	9	1	897
322	Paper Manufacturing	207	220	196	135	88	29	14	889
339	Miscellaneous Manufacturing	268	206	128	124	102	40	10	878
321	Wood Product Manufacturing	233	204	156	136	92	35	6	862
327	Nonmetallic Mineral Product Manufacturing	215	190	146	128	94	46	16	835
513	Broadcasting and Telecommunications	220	333	179	50	39	8	N/A	829
337	Furniture and Related Products Manufacturing	208	181	135	96	102	27	3	752
323	Printing and Related Support Activities	195	166	140	109	78	12	1	701

NAICS	NAICS DESCRIPTION	1999	2000	2001	2002	2003	2004	2005	Grand Total
561	Administrative and Support Services	124	152	85	122	105	19	N/A	607
514	Information and Data Processing Services	103	356	80	20	17	8	2	586
524	Insurance Carriers and Related Activities	155	127	104	60	56	25	N/A	527
484	Truck Transportation	110	76	109	48	107	41	10	501
522	Credit Intermediation and Related Activities	135	76	87	50	52	16	2	418
221	Utilities	123	165	83	10	21	4	N/A	406
523	Security, Commodity Contracts, investments	118	106	52	30	39	17	3	365
313	Textile Mills	140	91	74	24	11	10	2	352
315	Apparel Manufacturing	108	66	50	52	28	14	1	319
511	Publishing Industries, except Internet	81	80	84	24	25	6	3	303
312	Beverage and Tobacco Product Manufacturing	73	55	70	41	36	11	5	291
531	Real Estate	92	23	58	76	12	5	1	267
324	Petroleum and Coal Products Manufacturing	63	52	47	32	28	4	3	229
314	Textile Product Mills	63	48	21	52	33	11	N/A	228
488	Transportation Support Activities	51	56	41	35	30	3	1	217
452	General Merchandise Stores	39	75	32	15	14	11	2	188
481	Air Transportation	95	36	17	7	8	3	N/A	166
444	Building Material and Garden Supply Stores	34	32	41	6	18	19	N/A	150
492	Couriers and Messengers	39	32	15	3	11	10	10	120
441	Motor Vehicle and Parts Dealers	36	14	24	2	8	12	N/A	96
445	Food & Beverage Stores	24	24	23	7	7	6	N/A	91
454	Nonstore Retailers	27	23	15	8	7	4	N/A	84
235	Special Trade Contractors	14	7	33	12	9	8	N/A	83
512	Motion Picture and Sound Recording Industries	32	21	9	10	3	N/A	N/A	75
212	Mining (expect Oil & Gas)	13	13	24	5	6	4	1	66
532	Rental and Leasing Services	10	19	22	6	4	2	N/A	63
442	Furniture & Home Furnishings	19	7	5	9	10	11	N/A	61

NAICS	NAICS DESCRIPTION	1999	2000	2001	2002	2003	2004	2005	Grand Total
453	Miscellaneous Store Retailers	15	14	14	6	6	6	N/A	61
811	Repair & Maintenance	14	9	10	11	16	N/A	N/A	60
448	Clothing and Accessories Stores	11	25	7	6	3	7	N/A	59
711	Performing Arts & Spectator Sports	29	19	10	N/A	N/A	N/A	N/A	58
316	Leather and Allied Products	20	15	9	5	3	2	1	55
551	Management of Companies and Enterprises	6	10	10	3	22	N/A	N/A	51
423	Merchant Wholesalers, Durable Goods	N/A	N/A	N/A	3	41	6	N/A	50
446	Health & Personal Care Stores	12	10	11	3	9	5	N/A	50
812	Personal and Laundry Services	13	10	8	8	8	3	N/A	50

Source: Conway Data Scoreboard

APPENDIX E – ElectriCities of North Carolina, Inc.

ElectriCities Economic Development Department connects companies to much more than power. Economic developers along with municipal personnel provide a range of services designed to facilitate new and expanding industry development. Marketing support, power and rate consultants, economic data, location information and skilled staff are resources ready to help cities attract and retain industry.

ElectriCities connects companies with powerful local resources. ElectriCities and its communities offer a single point of contact for all utility needs as well as zoning, permitting and site planning requirements. Most cities and towns offer a low cost utility package that includes reliable electric service along with adequate water and wastewater treatment. A few larger communities also provide natural gas service.

ElectriCities' communities also offer economic development incentive rates that will lower the cost of electric service during the first four and one-half years of operation. This rate is available to qualifying new or expanding industries that receive electric service from a Municipal Public Power System community.

ElectriCities' assistance is confidential, free and provided by an experienced, professional staff.

Location Assistance: ElectriCities assists companies by confidentially locating and showing sites and buildings near communities that meet the company's needs and requirements. At the appropriate time, ElectriCities puts the company in touch with state and local economic development representatives, community leaders, bankers, municipal officials and others. ElectriCities can also review a site to determine what is needed to accommodate a facility and electric service requirements.

ElectriCities provides companies with community data, labor information, information on state and local incentives and other essential information critical to a location decision. After the company chooses one or more communities to visit, ElectriCities plans and coordinates the visit and potentially may provide lodging and transportation during the visit to North Carolina.

Marketing Analysis: ElectriCities helps companies identify suppliers for production needs and markets for products in the Carolinas and Virginia. It can also generate information about potential purchasers of products and services.

Electric Service Needs: ElectriCities assists companies by providing competitive rate options and programs that assure the lowest cost for electric service. A team of experienced energy service personnel evaluates operations and electric service needs and provides an estimate of electric service costs for any of our communities. Our free assistance includes the following:

Electric service cost estimates based on estimated kilowatts and kilowatt hours
Electric service facilities including transformers sized to serve estimated peak kilowatt load
Energy efficiency studies and recommendations
Lighting evaluations with energy efficiency recommendations
Peak load management recommendations
Power quality evaluations and recommendations
Power audits to determine load management options and feasibility
Electrotechnology information and benefits
Evaluation of HVAC specifications for optimum sizing and operation of mechanical equipment

ElectriCities also provides a host of services to member communities. Below is information excerpted from the ElectriCities Membership Information package.

Economic Development Support

Client recruitment/Proposals to serve: Recruitment of new industry using direct mail, attending industry trade shows, working with site selection consultants and coordination with NC Department of Commerce and regional economic development partnerships. Cost assistance provided for new and existing clients by developing electric service proposals.

Economic Development support, advertising and research: Support includes developing mailing lists based on target geographical region; developing direct mail marketing pieces/brochures for advertising; aerial photography for existing building and/or greenfield sites; research prospects; credit history and/or products they manufacture; and general consultation.

Territorial Law: Cities/towns have access to advice, counsel, and legal representation on territorial matters and issues.

Trade Show display check-out: Displays are available to be checked out for use at civic fairs, trade shows, pubic power displays, etc. The inventory consists of: one black 10 ft. display; one gray 10 ft. display; two table top displays (fits 6 or 8 ft. table).

Marketing

Customer retention programs: Staff assists members in strengthening relationships with key account customers through services, programs and workshops that help keep customers competitive in the global marketplace.

Energy Solutions Partner: Through membership with ElectriCities, cities now have access to alliance partnerships which offer an exciting array of energy services. These partnerships allow cites to provide customers with solutions through years of experience and expertise in fields such as backup power, lighting, demand controllers, power quality and on-site generation.

APPENDIX F – THE SANFORD HOLSHOUSER BUSINESS DEVELOPMENT GROUP, LLC

The Sanford Holshouser Business Development Group (Sanford Holshouser), affiliated with Sanford Holshouser LLP the law firm of former **Senator Terry Sanford** and former **Governor Jim Holshouser**, brings together six experienced economic developers to offer a broad spectrum of planning, policy guidance and operational services to municipalities, counties, economic development organizations and companies.

Sanford Holshouser's six partners' direct economic development experience includes:

- marketing and business recruitment
- existing industry retention and expansion
- small business development
- infrastructure development
- workforce development
- industrial park development
- shell building development
- site certification
- utility related economic development programs
- entrepreneurial initiatives
- structuring economic development organizations
- operational strategies for EDOs
- incentive negotiations
- incentive policy development

And a range of other economic development tools

Sanford Holshouser Services

Site Selection
- Selection Criteria – assisting companies in developing location importance factors
- Search – comprehensive searching for sites and/or buildings that meet client needs.
- Comparisons – developing a standardized cost/benefit comparison of communities.
- Incentive Negotiating – negotiating the best deal for the company's long term goals.

Operations and Management
- Strategic Planning – development of specialized short and long term plans designed to provide guidance and measurable results.
- Board Development – assist ED boards to enhance their leadership roles; retreat facilitation.
- Executive Search and Bridge Management - assistance in recruiting a qualified professional for the program; professional management of the economic development program during the executive search.
- Fundraising - through association with one of the nation's best professional economic development fundraising group.

Program Development
- Local Program Development - assist communities in broadening their ED program by developing strategies in Existing Industry Assistance, Workforce Development, Small Business Assistance, Entrepreneurship, and Agribusiness.
- Marketing – reaching the "gatekeepers" who deliver clients; target-market analysis to enable the recruitment of companies that are compatible with the community.
- Client Handling - providing professional treatment to prospects.

Product Development
- Product Development – industrial park development; shell building programs; consortium financing; NC DOC site certification; brokerage; land banking; dual county industrial parks.

Incentives and Financing
- Incentives Negotiations - making sure it is the right deal for the client.
- Incentive Policies – helping communities develop policies that protect investment.
- Financing - strategies for financing product development and program operation.

Managing Partners

- **Governor Holshouser** participates in the Business Development Group's consulting projects involving economic development policy.
- **Ernie Pearson** is North Carolina's leading expert on incentives, incentive policies and structuring product development initiatives.
- **Bob Comer** has specific experience restructuring economic development organizations.
- **Crystal Morphis** specializes in existing business, product development, and comprehensive economic development planning.
- **Rocky Lane**'s specialties include workforce development, training and existing business retention, and expansion.
- **Mike Geouge** has extensive experience in city planning and utility related economic development issues.
- **Gary Shope** has sixteen years' experience recruiting companies to the world's leading technology park, the Research Triangle Park.

Governor James E. Holshouser, Jr. has been involved in public service throughout his career as a lawyer dedicated to his clientele, a state representative, Governor from 1973 to 1977, and by service in numerous public and private sector boards, such as the UNC Board of Governors. During his tenure as Governor, North Carolina saw a number of economic development "firsts," to include the first North Carolina overseas recruitment office in Germany and the first time this state had total new investment to surpass one billion dollars. He has guided and participated in policy matters related to economic development initiatives from local to the state level.

Ernest C. Pearson has served both in the private practice of law and in public policy positions. He served as Assistant Secretary for Economic Development of the NC Department of Commerce. He managed economic development programs, including industrial recruitment, international trade, small business development, tourism, film industry recruitment, and finance programs for industry. Since returning to the private sector in 1993, his law practice has focused on economic development matters, representing numerous local jurisdictions in economic development projects and companies in site selection projects.

Robert F. Comer has developed strategic action plans, organizational restructuring and privatization, marketing plans, personnel policies and funding campaigns for several local and regional economic development organizations in North Carolina. A local developer for 15 years and a pioneer in regional economic development, Bob currently serves as chairman of Piedmont Triad's regional economic development Foundation. A retired US Navy Captain, Bob graduated from UNC-Chapel Hill and has a master's degree equivalent from the US Naval War College.

Crystal P. Morphis, CEcD, has seven years of direct local economic development experience. She has experience in developing industrial parks, site certification, marketing, existing industry program development, strategic planning, private sector fundraising, executive searches, and research for economic development. She serves on the Advisory Board for NC State University's Industrial Extension Service and is an instructor at the UNC-Chapel Hill Basic ED Course. Crystal holds a Bachelor of Arts Degree in Economics from Salem College and a Master of Science Degree in Economics from UNC-Charlotte.

L. Calvin "Rocky" Lane, Jr., has over 13 years experience as an economic developer. During that tenure, he was responsible for developing a fully serviced industrial park, a shell building, two NCDOC Certified Sites, an award winning marketing program, and the successful recruitment of 17 new companies and numerous expansions representing over $1.5 billion in new investment and over 2000 new jobs. Lane served in various positions with Halifax Community College for over 13 years, the last three as Dean of Continuing Education. He holds Bachelors and Masters Degrees from N.C. State University.

Michael K. Geouge, CEcD, has over 21-years of economic development experience. He has been the Manager of Economic Development for Duke Power/ Nantahala Power, manager of the western regional office of the North Carolina Department of Commerce and spent 15-years experience as a city planner and/or planning director with the states of North Carolina, Tennessee, and Mississippi. He has participated in over 300 industrial client visits and in nearly 100 industrial client announced locations. He earned a BS degree from East Tennessee State University in urban geography.

Gary L. Shope has direct experience in prospect identification, targeted marketing, and recruiting technology companies. Prior to joining Sanford Holshouser, Shope was Vice President of the Research Triangle Park Foundation for sixteen years and was involved in the recruitment of: Credit Suisse First Boston, Cisco Systems, Biogen Idec, Motorola, Sony Ericsson, Bayer Biologics, Network Appliance, Synthon Pharmaceuticals and many others. Shope also has held several positions in the NC Department of Commerce. Shope holds a BA degree from West Virginia Wesleyan College and a Master of Public Administration degree from the University of North Carolina at Chapel Hill.