

# **Gaston Economic Development Strategy Committee**

**Report to the Gaston County  
Board of Commissioners**

**August 13, 2019**

**GASTON ECONOMIC DEVELOPMENT STRATEGY COMMITTEE  
REPORT TO THE GASTON COUNTY BOARD OF COMMISSIONERS**

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## A. EXECUTIVE SUMMARY

Gaston County is at a major inflection point in its development and growth. While the county lags most of its peer counties in the Charlotte region in certain critical economic metrics, it is also clearly in the early stages of a period of accelerating growth and expanding economic opportunity. If that potential growth and development are effectively stimulated and managed, the economic well-being of the county should see marked improvements, providing Gaston residents access to more economic opportunity and moving Gaston County into the upper tier of its peer counties in the Charlotte region. This report establishes an economic development strategic framework, which outlines a set of recommended strategic objectives focused on critical elements required to achieve a more promising and truly exciting future for Gaston County.

The strategic objectives originated from a series of discussions between the Chair and two other members of the Gaston County Board of Commissioners and the leadership of the Greater Gaston Development Corporation (GGDC). At the conclusion of those productive interchanges, the three County Commissioners asked the GGDC to form a broad-based committee of community leaders to make recommendations to the County Commission on economic development strategies for the county. Each County Commissioner recommended an individual from his Township for appointment to the committee and the GGDC made additional recommendations of other experienced leaders in the county and region.

The ensuing Gaston Economic Development Strategy Committee (Committee) was co-chaired by Tracy Philbeck, the Chair of the Gaston County Board of Commissioners, and Greg Botner, the Chair of the GGDC. The Committee met seven times over a four-month period and reached consensus that economic development functions and organizations in the county are not as effective as they could be. As such, the Committee identified and recommends the following strategic objectives to the County Commission for immediate action:

1. **FOCUS ON METRICS** – Community-wide metrics measuring the economic health of the county, and identified in this report, should be applied to economic development efforts. In addition, goals for improvement in these and other metrics should be established, assessed, and reported to the County Commission and the public at least annually.
2. **BROADEN RECRUITMENT** – While continuing the meaningful focus on industrial recruitment, overall business recruitment activities should be broadened to attract higher paying jobs to the county which will be accretive to the current tax base.
3. **UNIFY AND ALIGN ACTIVITIES** – Economic development activities throughout the county (the EDC, the GGDC, cities, towns, educational and workforce organizations, as well as private sector organizations) must be unified, coordinated, and aligned around a single vision, strategic plan, and county-wide leadership.

4. **PAY FOR PERFORMANCE** – Economic development professionals should be compensated based on success in improving those key metrics referenced, recruitment success, and response to the strategic objectives and recommendations contained in this report.
5. **ENHANCE MARKETING** – To enhance awareness of economic opportunities and assets throughout Gaston County, a robust, aggressive, multi-year economic development marketing strategy should be developed, targeting a broader range of prospects regionally, nationally, and internationally.

To achieve these five strategic objectives in a manner that materially improves Gaston County's economic position in the region, the Committee also believes a review of current economic development organizational structures and alignments must be conducted. This proposed study is recommended to be led by an outside consultant, knowledgeable and experienced in economic development strategic planning and implementation, with the goal of determining how to most effectively utilize our community's collective economic development resources. The Committee further suggests the establishment of a smaller oversight committee to guide, support, and direct the consultant's work.

In conclusion, to realize greater economic opportunity for Gaston County residents, the Committee firmly believes that a bold vision and action are necessary. Tasked with the responsibility of creating and recommending a set of economic development strategies to improve our county, this group of stakeholders has worked diligently over four months to establish a vision of the future that best serves our residents. The Committee further contends adopting the above-mentioned recommended strategic objectives, and supporting efforts to achieve them, will effectively position Gaston County for a bright future as the unsurpassed location in the Charlotte region to invest, work, live, and thrive.

## **B. GENESIS OF COMMITTEE**

The formation of and charge to the Committee originated from a series of discussions between the Chair and two other members of the Gaston County Board of Commissioners and the leadership of the Greater Gaston Development Corporation (GGDC). At the conclusion of those productive interchanges, the three County Commissioners asked the GGDC to form a broad-based committee of community leaders to make recommendations to the County Commission on economic development strategies for the county. Each County Commissioner recommended an individual from his Township for appointment to the Committee and the GGDC made additional recommendations of other experienced leaders in the county and region.

## **C. CURRENT SITUATION**

Gaston County is at a major inflection point and should seize the economic momentum and opportunity in the county that are rapidly accelerating, as illustrated by:

- CaroMont Health’s proposed capital investment of \$325M over next five years, including a new hospital in Belmont
- Formally adopted plan to extend light rail rapid transit to Gaston County
- Warlick Family YMCA completed
- \$250M Gaston County School Bond referendum overwhelmingly approved
- FUSE District progress
- Charlotte (CLT) Airport continued expansion
- Gaston County CLT Airport Connected Economic Positioning Strategy adopted
- River District development in West Mecklenburg underway
- TechWorks of Gaston County completed and operating
- Sonic Automotive back office operation in Lowell opened
- I-85 widening and Wilkinson Boulevard bridge improvements proceeding
- Significantly improved perception of Gaston County within region

Future economic opportunities are projected to be much greater than those of the past few decades and Gaston County’s economic development approach should be designed to intentionally capture the most desired elements of that future growth. While the economic momentum is accelerating, Gaston County lags most of its peer counties in the Charlotte region in certain critical economic metrics, as shown in the following table.

No	County	Population	NC Health Status Rank	Median Household Income	Median Property Value	Employment Growth Rate	Property Tax Rate per \$100 Valuation
1	Mecklenburg	1,080,000	10	\$65,588	\$234,100	3.42%	0.8232
2	York	251,664	4 (SC)	\$59,394	\$173,600	3.84%	NA
3	Union	222,095	3	\$70,858	\$255,200	3.69%	0.7309
4	Gaston	214,049	61	\$46,626	\$130,700	2.78%	0.8700
5	Cabarrus	196,716	11	\$60,716	\$180,300	4.08%	0.7200
6	Iredell	169,798	18	\$55,957	\$173,600	3.35%	0.5275
7	Cleveland	97,038	65	\$40,429	\$110,500	0.61%	0.7200
8	Lincoln	80,564	24	\$50,782	\$158,700	1.03%	0.6110
9	Stanly	60,875	36	\$46,017	\$133,000	3.90%	0.6700
	<b>GASTON RANK</b>	<b>4th</b>	<b>8th</b>	<b>7th</b>	<b>8th</b>	<b>7th</b>	<b>8th</b>
	<b>GASTON GRADE</b>	<b>B</b>	<b>D/F</b>	<b>D</b>	<b>D/F</b>	<b>D</b>	<b>D/F</b>

Sources: Data USA as of June 8, 2019; University of Wisconsin Population Health Institute.

Note: Grading scale – A (1-2), B (3-4), C (5-6), D (7-8) and F (8-9).

The Committee believes, however, that if properly organized, Gaston County can capture the most desired elements of future economic opportunities and improve outcomes related to these key metrics.

## D. COMMITTEE CHARGE

**Committee Charter.** The Committee was charged with formation of an economic development strategy for the county that will provide a framework for improving the economic well-being of Gaston County citizens. This was a strategic-level assignment, which was expected to produce a clear statement of intent and guidance for operational and tactical implementation by the various responsible public and private organizations.

Specifically, the Committee was requested to:

- Produce a definition of “economic development” that encompasses the broad range of factors that will improve the economic well-being of Gaston County residents **(DELIVERABLE)**;
- Examine existing economic development strategies in Gaston County and any region-wide strategic plans, whether from governmental, private, or non-profit sources;
- Review existing organizational structures in Gaston County and the region with responsibility for developing and implementing economic development strategies;
- Review such other information and projections relating to the region and Gaston County as may be helpful in or beneficial to the work of the Committee;
- Develop and recommend an updated economic development strategy for Gaston County as well as any modifications to economic development organizational structures to support that strategy **(DELIVERABLE)**; and
- Recommend metrics for determining the effectiveness of the recommended economic development strategy **(DELIVERABLE)**.

## E. COMMITTEE MEMBERS

- Co-Chair. **Greg Botner**, President and CEO, Wilbert Plastic Services
- Co-Chair. **Tracy Philbeck**, Chair, Gaston County Commission
- **Jim Bailey**, Owner, Sammy’s/McAdenville Table & Market
- **Steve Bowen**, General Manager for Sales, Dominion Energy
- **Robert Browne**, Executive Vice President, Beam Construction, Chair, Gaston County Economic Development Commission
- **James Buie**, Director of Security, Gaston Day School, Gaston County Police (retired)
- **Pearl Burris-Floyd**, Secretary, UNC Board of Governors, NC General Assembly (former), Gaston County Commission (former)
- **Dean Carpenter**, President and CEO, Carpenter’s Real Estate
- **Bill Carstarphen**, President and CEO, Pharr
- **Eric Clay**, Partner, Coldwell Banker Commercial MECA
- **Terry Cox**, Executive Director, TechWorks of Gaston County
- **John Forgan**, Senior VP and Group Manager, PNC Bank
- **Stuart Hair**, Director of Economic and Community Affairs, Charlotte Douglas International Airport

- **Madeline Keeter**, Government Affairs Manager, Real Estate and Building Industry Coalition
- **Joel Long**, President – Commercial, GSM Services, Member, Gaston County Economic Development Commission
- **Elaine Lyerly**, President and CEO, Lyerly Agency
- **Will Neumann**, Associate Member, Gaston Capital Partners, NC General Assembly (former)
- **Chris Peek**, President and CEO, CaroMont Health
- **Andy Warlick**, President and CEO, Parkdale
- **Joe Will**, City Council, Bessemer City
- **Debbie Windley**, Manager, WindMark Consulting, Chair, Gaston County Travel & Tourism

Staff: Mark Cramer and Vincent Ginski, Greater Gaston Development Corporation

Facilitator: Del Murphy, CaroMont Health

## F. COMMITTEE WORKPLAN

The Committee met seven times over a four-month period, as indicated in the following work plan. Adopting the International Economic Development Council’s definition of economic development as being “about creating places where people want to invest, work, and live”, provided the Committee critical context for its work throughout the entire process.

MAJOR ACTION ITEM	FEB		MAR				APR					MAY				JUN	
	18	25	4	11	18	25	1	8	15	22	29	6	13	20	27	3	10
Conduct kick-off session; level-set the team		26															
Conduct SWOT analysis				13													
Prioritize SWOT analysis						27											
Develop vision and strategic priorities								18									
Review draft plan												8					
Review final plan															29		
Plan delivery																	12

## G. RECOMMENDED STRATEGIC OBJECTIVES

1. **Focus on metrics** - The community-wide metrics measuring the economic health of the county proposed below need to be applied to economic development efforts. In

addition, goals for improvement in those and other metrics should be established, assessed, and reported to the County Commission and the public at least annually.

As reflected in the table on page 3, Gaston County currently significantly lags the region in certain critical economic measures. By using these measures in conjunction with other key metrics, the impact of economic development efforts related to the economic health and performance of the county can be measured. An effective economic development program would result in Gaston County moving from the bottom tier of counties in the Charlotte region to the upper tier of counties, which would be more consistent with its peer counties by population.

Metric	Rank	Grade
Population	4 <sup>th</sup> of 9	B
Health status rank	8 <sup>th</sup> of 9	D/F
Median household income	7 <sup>th</sup> of 9	D
Median property value	8 <sup>th</sup> of 9	D/F
Employment growth rate	7 <sup>th</sup> of 9	D
Property tax rate per \$100 valuation	8 <sup>th</sup> of 8	D/F

Sources: Data USA as of June 8, 2019; University of Wisconsin Population Health Institute.

Note: Grading scale – A (1-2), B (3-4), C (5-6), D (7-8) and F (8-9).

2. **Broaden recruitment** - While continuing the meaningful focus on industrial recruitment, overall business recruitment activities should be broadened to attract higher paying jobs to the county which will be accretive to the current tax base. Examples may include:

- Back office administrative support
- Headquarters operations
- Healthcare
- Mixed use development and/or redevelopment
- Retail and recreation
- Information and innovative technologies
- Transit-oriented development

The next table on the following page reflects examples of occupations and corresponding annual wages that could be greater represented in Gaston County if this objective is fully realized.



Primary Occupations in North Carolina	Average Annual Wage (2017)
Legal	\$93,570
Computer and Mathematical	\$86,380
Healthcare	\$74,840
Business and Finance	\$74,030
Life, Physical and Social Sciences	\$68,420
Arts, Design, Entertainment, Sports, Media	\$53,330
Education, Training and Library	\$49,410
Installation, Maintenance and Repair	\$45,030

Source: U.S. Department of Labor, Average Wage Data for NC by Occupation, May 2017 data.

Under the assumption that it takes the same infrastructure (roads, schools, police, fire, etc.) to support a community of \$100,000 homes as it does for \$500,000 homes, the table below reflects the county's current tax base problem and opportunity. Clearly, if the county can recruit businesses that pay higher wages and make larger capital investments locally, the resulting impact to the existing tax base is highly accretive.

Gaston County Tax Rate per \$100 of Value	Home Value	Home Property Tax	Business Property Value	Business Property Tax
0.8700	\$100,000	\$870	\$10,000,000	\$8,700
0.8700	\$200,000	\$1,740	\$20,000,000	\$174,000
0.8700	\$300,000	\$2,610	\$30,000,000	\$261,000
0.8700	\$400,000	\$3,480	\$40,000,000	\$348,000
0.8700	\$500,000	\$4,350	\$50,000,000	\$435,000

3. **Unify and align activities** - Economic development entities throughout the county (the EDC, the GGDC, cities and towns, educational and workforce organizations, as well as private sector organizations) must be unified, coordinated, and aligned around a single vision, strategic plan, and county-wide leadership.

The following graphic depicts the various organizations actively engaged in economic development efforts throughout Gaston County.



4. **Pay for performance** - Economic development professionals should be compensated based on success in improving those key metrics referenced, recruitment success, and response to the strategic objectives and recommendations contained in this report.
5. **Enhance marketing** – A critical component of the overall strategy is the creation of a robust, aggressive, multi-year economic development marketing strategy for all of Gaston County, recognizing and appreciating the uniqueness of our cities and towns, that targets a broader range of prospects regionally, nationally, and internationally.

To achieve these five strategic objectives in a manner that materially improves Gaston County's economic position in the region, the Committee also believes a review of current economic development organizational structures and alignments must be conducted. Having a strong and effective working structure that can support the Committee's strategic desires will ensure the success of Gaston County's future economic development efforts. Through a comprehensive review of organizations engaged in economic development activities, a clear understanding of collective strengths and opportunities could be determined, and solutions recommended for the optimization of the economic development ecosystem in Gaston County.

This proposed study is recommended to be led by an outside consultant, knowledgeable and experienced in economic development strategic planning and implementation, with the goal of determining how to most effectively utilize our community's shared economic development resources. The Committee further suggests the establishment of a smaller oversight committee to guide, support, and direct the consultant and recommends the work be completed by the end of calendar year 2019.

A sample of the pertinent private and public organizations to be included in this work is highlighted in following graphic.



## H. CONCLUSION

To realize greater economic opportunity for Gaston County residents, the Committee strongly believes that a bold vision and action are necessary. Tasked with the responsibility of developing and recommending a set of economic development strategies to improve our county, this group of stakeholders has worked diligently over four months to establish a vision of the future that best serves our residents. The Committee further contends adopting the above-mentioned recommended strategic objectives, and supporting efforts to achieve them, will effectively position Gaston County for a bright future as the unsurpassed location in the Charlotte region to invest, work, live, and thrive.