



2011 Update
Economic Development Strategic Plan
Target Industry Analysis
Marketing Plan

Sponsored by

CHESTER COUNTY
CHESTER DEVELOPMENT ASSOCIATION
SOUTH CAROLINA POWER TEAM



November 2011

Developed by



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Sanford Holshouser Economic Development Consulting, LLC	

Executive Summary

The mission of the Chester County Department of Economic Development (CCED) has not changed since the first economic development strategic plan was adopted in 2008 - “to create an environment that supports existing industry expansion, encourages new industry investments, fosters entrepreneurialism, and welcomes visitation by others—all of which support the provision of public services and otherwise improves each citizen’s prosperity and overall quality of life.” What has changed is the level to which this mission is carried out by CCED and its network of partners and allies across Chester County.

Sanford Holshouser Economic Development Consulting (Sanford Holshouser) was engaged by Chester County to update the 2008 economic development strategic plan, target industry sectors, and marketing plan. This report lists goals and action steps from the 2008 plan and progress toward meeting the goals. CCED has done an outstanding job accomplishing tasks and making significant progress. The organization used the strategic plan as it was intended, as a road map.

The Chester County strategic plan update was funded through a strategic planning grant provided by The South Carolina Power Team and matched by Chester Development Association.

Most of the assets and challenges to economic develop are the same today compared to the original SWOT in 2007-08. However, there are a few new points of note such as the development of Chester Technology Park and Chester Research & Development Park with IBHS as anchor tenant. The economic recession has had many impacts across the business base and community. Two of the most significant opportunities that have emerged are the redevelopment of The Gateway and the airport. The threats reviewed during this update process were similar to threats identified in 2007-08 except for the continued depression of the housing market.

Local leadership have the same priorities and goals for economic development. The ranking of economic development strategies only varied because we included agri-business, which was not on the radar screen earlier. Overall goals included job creation, tax base, wages, amenities, job diversity, workforce training, and new business start-ups. When we asked about the most significant investment the community could make for economic development, the overwhelming response was workforce development followed by marketing and infrastructure funding.

Sanford Holshouser and strategic partner Applied Marketing Sciences updated Target Industry Sectors. In 2008, the original industry targets included automotive manufacturing, fabricated metal products and machinery, plastics and rubber manufacturing, pharmaceuticals and medical device manufacturing, and value-added food manufacturing. For this update, we looked at current and forecasted trends. We also reviewed current trends within South Carolina and the Southeast to determine if Chester should be targeting any other industries. Based on our research, we recommended that Chester focus on the following industries for the next 12 to 36 months:

- Aviation and aerospace (new target)
- Fabricated metal products and machinery
- Plastics and rubber manufacturing
- Value-added food manufacturing
- Automotive Manufacturing

For now, we recommend that Chester County remove pharmaceutical and medical devices manufacturing from its current list of targets. Pharmaceutical and medical device manufacturing are current targets for the Charlotte Regional Partnership, we recommend allowing the Partnership to market to that industry on the County's behalf.

What follows is a bulleted list of the goals and action steps designed to carry CCED forward for the next three years. The steps build upon the 2008 plan and challenge the organization to rise to a higher level in product development, marketing, business retention and expansion, and other specialized strategies.

Organizational Development

- Expand CCED Staff to add a marketing/project manager
- Conduct a private sector fundraising assessment

Product Development

- Continued from the 2008 strategic plan:
 - Raise development standards in some parks through restrictive covenants
 - Gain firmer control over some land through public ownership or public-private partnerships
 - Continue to certify sites
 - Create a stronger advantage through shell or virtual shell building.
- Follow through with developing the airport as an economic development asset
- Complete certification of Chester Research & Development Park

Business Retention and Expansion Program

- Create a LinkedIn group for existing businesses
- Increase the number of face-to-face meetings
- Position Chester County for capital improvement investments
- Utilize webinar technology for existing business information exchange

Workforce Development

- The role of CCED in workforce development is to be an idea generator, convener of allies, and motivational partner. Examples:
 - Expansion of WorkKeys as an assessment tool
 - Expand scholarship program at York Technical College
 - Development of more apprenticeship programs
 - Support for the Dream !t Do !t initiative

Regional Alliance

- Revive PPEDA
- House regional alliance at The Gateway
- Develop a regional (PPEDA) marketing plan

Beautification

- Support stronger County ordinance and code enforcement to improve appearance

Special Studies

- Conduct a cost of services study

Support Initiatives of the Chester Development Association

- Gaston Farm Road Interchange
- Old Home Deposit
- Railroad Switching Location.

Support Economic Development Strategies Outside CCED Scope

- Agri-Business, a new focus of the SC DOC, through local programs like Acres of Opportunity
- Small Business Development
 - Feasibility of a small business incubator co-located with the new campus
 - Business plan competitions
- Tourism Development - In order to fully develop tourism assets, a countywide tourism development agency is needed.
- Downtown Development, a way for towns to become more involved in economic development
- Youth Entrepreneurship

Marketing Plan Update

- Website Updates
- Networking with Allies
 - Leverage the Charlotte Regional Partnership
 - Leverage the SC Department of Commerce
 - Leverage Allies
 - Existing Businesses
- PPEDA – develop a regional marketing plan
- Targeted Sales Trips and Appointment Setting
- Map Marketing Piece
- Target Sector Materials
- Social Media
- Internal communications
 - Update County Council quarterly and the municipal boards twice annually.
 - Regular press releases on economic development
 - Regular guest column in local paper
 - Incorporate social media

- Regular public speaking to civic organizations
- Continuation of the economic development educational seminar started in 2010
- Publish an annual economic development report

As Chester County moves forward with implementation, we recommend the following be priorities in the 2012 year:

- Expand CCED Staff
- Airport Development
- Business Retention and Expansion
- Revival of PPEDA
- Internal Communications
- Fundraising Assessment

These priorities will provide better support to the organization through additional staff and funding and maintain momentum in key areas such as the airport development. The revival of PPEDA will take time, and we believe it should also be a priority.

However CCED determines to move forward with the action steps in this updated strategic plan, we know the organization will be successful. The track record is there. The staff and leadership should be commended for their continued diligence in economic development. One only has to think back a few years and remember the small, cramped office in downtown and today see the vision of The Gateway to know how far it has come.

2008 Strategic Plan Summary

In 2007-08, Sanford Holshouser facilitated the development of a Strategic Plan for Economic Development for Chester County assisted by Applied Marketing. The planning process was led locally by the Chester Development Association (CDA) Board of Directors, supported by Chester County Economic Development. The project was funded through a strategic planning grant provided by The South Carolina Power Team and matched by Chester Development Association.

Strategic Plan Scope of Work

The scope of work in 2007-08 included the following elements:

- Economic and Demographic Profile of Chester County, benchmarking the County with the region and State. Trends in population growth, employment, wages and economic indicators were analyzed.
- SWOT (strengths, weaknesses, opportunities, and threats) Analysis, which included interviews and focus groups with local leaders, interviews with regional and state economic development partners, and an evaluation of the economic development program.
- Target Industry Analysis developed by Applied Marketing to determine industries that represented the best targets for expansion and attraction efforts.
- Recommendations on program enhancements, new initiatives, and ongoing economic development activities.
- A marketing plan and strategy.
- Implementation guidance on priority actions for the CCED.

Summary of Economic & Demographic Profile

The economic and demographic review included benchmarking Chester County, Charlotte Region, and South Carolina. We also benchmarked the County with the peer communities of Aiken, Charleston, Lancaster, Union, and York Counties. These counties were selected because of their proximity to Chester, because they regularly compete with Chester, or because the county is home to a mega-site. Highlights of the profile included:

- Municipal and county population growth was declining
- Racially and ethnically more diverse
- Despite progress in education statistics, overall educational attainment was lower than the peer group

- Labor force was growing and at 16,600
- Unemployment was significantly above the state average
- Employment centered in Manufacturing
- Wages were second lowest in peer group at an average of \$28,459
- Retail sales were growing
- Per Capita Income was in the middle of the peer group
- Median home value was growing

Summary of SWOT Analysis

SWOT information was gathered from local leaders through interviews and focus groups and from economic development allies outside the County. The SWOT reported that the County's greatest assets were location, Carolinas I-77 Mega-site, quality of life, the economic development organization, and pro-business county government. Challenges cited included infrastructure needs, image, lack of amenities, slow growing tax base, and educational attainment. Chester County had created many opportunities in economic development. Local leaders wanted to capitalize on industrial sites, including marketing the Mega-site, tourism, downtown development, the strong network of existing businesses, and new residential developments. Several of the threats identified were common to most rural counties, such as unfunded mandates, globalization, loss of young professionals, and anti-growth organizations.

Summary of Target Industry Analysis

The target industry analysis presented by Applied Marketing identified key industry sectors on which to focus CCED's business recruitment program. These targets do not preclude CCED from recruiting other businesses; rather, the targets were meant as a guide on how to focus limited recruitment resources. The recommended targets for recruitment include automotive manufacturing, fabricated metal products and machinery manufacturing, plastics and rubber manufacturing, pharmaceuticals and medical devices, and value-added food manufacturing.

Summary of Peer Community Review

Sanford Holshouser conducted a peer community review of five counties in South Carolina that are either similar to Chester County in economics and demographics or are regular competitors for new and expanding businesses: Lancaster, York, Union, Charleston, and Aiken. We found that the organization's funding was second lowest in the peer group, staffing was adequate for the program of work, and the communities were split on how the organization was structured (public versus public-private partnership).

2008 Economic Development Priorities

During interviews and focus groups, Sanford Holshouser asked Chester County leadership to rank priorities for the economic development program. This is the priority listing from the 2008 study.

1. Marketing and Business Recruiting
2. Existing Industry/Business Support
3. Education and Workforce Development
4. Park/Site Development
5. Community Development
6. Small Business Development and Entrepreneurship
7. Retail Development
8. Tourism Development

2008 Economic Development Strategies

The recommendations section of the 2008 report provides detail of how each recommendation was developed. The listing below is bulleted; thus, we recommend a full reading of the 2008 Strategic Plan for Economic Development to fully understand the nature of each recommendation.

- **Product Development**
 - Distinguish sites by developing business parks.
 - Raise development standards in some parks through restrictive covenants.
 - Gain firmer control over land through public ownership or public-private partnerships.
 - Certify sites.
 - Create a stronger advantage through shell or virtual shell buildings.
 - Continue focused promotion of the Carolinas I-77 Mega-site.
- **Workforce Development**
 - Investigate creating a guaranteed worker program.
 - Work with York Tech to determine if the REWARDS programs can be adopted locally.
 - Investigate an education endowment program that would fund a technical school education for every high school graduate.
- **Economic Development Organization and Funding**
 - Maintain current three staff positions.
 - Focus on core program components: business recruitment, marketing, business retention and expansion, and product development.
 - New funds to implement this strategic plan will be needed.
 - Develop a policy that allows for ongoing funding for economic development initiatives.
- **Existing Business Retention and Expansion (BRE)**
 - Regular visitation and assessment.
 - Develop a confidentiality policy on handling company information.
 - Expand business and industry appreciation events.
 - Create a BRE brochure.
 - Develop a business resource guide of programs supporting local businesses.
 - Turn existing business leaders into ambassadors of Chester County.
 - Network cluster industries.
 - Develop an early warning system that identifies companies at risk for downsizing.

- Help local companies take advantage of financing and incentive programs.
- Set a course for professional development and training in BRE.
- **Downtown Development**
 - Review examples of downtown redevelopment incentive programs.
 - Consider active storefront ordinances.
 - Explore examples of retail incubators.
 - Review building codes to ensure codes encourage redevelopment.
 - Maintain a public commitment to downtown by retaining public services in downtown.
- **Local Leadership Development**
 - Create local leadership/youth leadership development programs.
 - Investigate a local government academy to prepare citizens for public service.
 - Reach out to partners for regular economic development education programs.
- **Small Business Development**
 - Research feasibility of small business incubator with York Tech.
 - Continue referrals to small business support agencies.
 - Determine if a business plan competition will bolster new business start-ups.
 - Expand access to financing programs for small businesses.
- **Gateways**
 - Implement, over time, the Highway 9/I-77 Corridor master plan.
 - Improve municipal gateways.
- **Residential Development and Housing**
 - Review land use changes made by neighboring York and Lancaster Counties to guide residential growth.
 - Review the Chester County land use plan for sustainable growth practices.
 - Develop a financing plan to ensure infrastructure is not out-paced by residential growth.
 - Develop forums for local elected leaders to learn from neighboring public officials dealing with urban growth.
- **Marketing Plan**
 - New marketing materials for consistent imaging and recruitment.
 - Ongoing public relations strategies for internal and external communication.
 - Update the website with consistent image.
 - Media and advertising to support communications and recruitment.

Accomplishments & Progress Matrix

2008 Strategic Plan Recommendations	Accomplishments and Progress
<ul style="list-style-type: none"> ○ Product Development 	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ● Distinguish sites by developing business parks. 	Chester Technology Park, Chester Research & Development Park
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ● Raise development standards in some parks through restrictive covenants. 	Added restrictions to new parks
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ● Gain firmer control over land through public ownership or public-private partnerships. 	County owners, partnerships
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Certify sites. 	Six new sites identified for certification, four certified
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Create a stronger advantage through shell or virtual shell buildings. 	Virtual building, accelerator, at Chester Technology Park
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Continue focused promotion of the Carolinas I-77 Mega-site. 	Yes
<ul style="list-style-type: none"> ○ Workforce Development 	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Investigate creating a guaranteed worker program. 	No action
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Work with York Tech to determine if the REWARDS programs can be adopted locally. 	York Tech has adopted several new specialized training initiatives.
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Investigate an education endowment program which would fund a technical school education for every high school graduate. 	No action
<ul style="list-style-type: none"> ● Economic Development Organization and Funding 	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Maintain current three staff positions. 	Yes
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ● Focus on core program components: business recruitment, marketing, business retention and expansion, and product development. 	Yes
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ● New funds to implement this strategic plan will be needed. 	Yes
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ● Develop a policy that allows for ongoing funding for economic development initiatives. 	5% fee-in-lieu of payments for new projects goes into an economic development fund.

○ Existing Business Retention and Expansion (BRE)	
• Regular visitation and assessment.	Ongoing
• Develop a confidentiality policy on handling company information.	Complete
• Expand business and industry appreciation events.	In process
• Create a BRE brochure.	Complete
• Develop a business resource guide of programs supporting local businesses.	Complete – Provide existing businesses with information on training/educational opportunities sponsored by York Technical College, SCDHEC, SCMEP, US Export Service, law firms, etc.
• Turn existing business leaders into ambassadors of Chester County.	Ongoing through contacts at Plant Managers and HR Roundtable meetings
• Network cluster industries.	Ongoing
• Develop an early warning system that identifies companies at risk for downsizing.	Complete and ongoing
• Help local companies take advantage of financing and incentive programs.	Ongoing. Helping companies obtain training funds also.
• Set a course for professional development and training in BRE.	Charlotte Regional Partnership Existing Industry Committee and SC DOC
• Downtown Development – redevelopment, ordinance changes, retaining public services in downtown	Not part of CCED scope of work - will recommend to towns for implementation.
• Local Leadership Development	
○ Create local leadership/youth leadership development programs.	Other organizations are involved in leadership development such as Palmetto Leadership Program.
○ Investigate a local government academy to prepare citizens for public service.	Other organizations are involved in leadership development such as Palmetto Leadership Program.
• Reach out to partners for regular economic development education programs.	Yes
• Small Business Development	
• Research feasibility of small business incubator with York Tech.	No action

<ul style="list-style-type: none"> Continue referrals to small business support agencies. 	Yes
<ul style="list-style-type: none"> Determine if a business plan competition will bolster new business start-ups. 	No action
<ul style="list-style-type: none"> Expand access to financing programs for small businesses. 	York Tech has expanded programs for entrepreneurs and small business.
<ul style="list-style-type: none"> Gateways – Implement Highway 9/I-77 Corridor master plan, improve municipal gateways 	The Gateway redevelopment project will improve I-77/Hwy 9 gateway area
<ul style="list-style-type: none"> Residential Development and Housing 	Recession has delayed major residential developments.
<ul style="list-style-type: none"> Marketing Plan 	
<ul style="list-style-type: none"> New marketing materials for consistent imaging and recruitment. 	Unveiled new brand in 2008.
<ul style="list-style-type: none"> Ongoing public relations strategies for internal and external communication. 	Community engagement through Economic Development Seminar.
<ul style="list-style-type: none"> Update the website with consistent image. 	New website was developed in 2008, regularly updated.
<ul style="list-style-type: none"> Media and advertising to support communications and recruitment. 	As marketing budget has allowed.

2011 SWOT Update

In order to update the 2008 Strategic Plan, Sanford Holshouser interviewed community and business leaders, gathered responses from two community surveys, and conducted planning sessions with the CDA. In total, more than 100 people had input into the updated strategic plan. The following economic development goals and initiatives were developed from local leadership input along with Sanford Holshouser's knowledge of best practices in economic development.

Vision

One important first step in strategic planning is creating a vision for the future. Sanford Holshouser asked citizens their vision for economic growth. Responses to the vision question included phrases such as balanced growth, realizing potential, vibrant, unified, and progressive. Comments can be summed up in this phrase –

Chester County – Poised for Success

SWOT Update

Most of the assets and challenges to economic development are the same, or very similar, to the SWOT Analysis performed in 2007-08. We encourage readers of this document to review the SWOT from the original strategic plan to thoroughly understand Chester County's assets and challenges. Here, we only note changes to the original SWOT. There are a few new points of note:

Emerging Strengths

- Chester Technology Park
- Chester Research & Development Park with IBHS as anchor tenant
- Site certifications
- New York Tech programs (agriculture, apprenticeships)

New Weaknesses

- Economic recession has many impacts
 - Higher unemployment
 - Small businesses suffering
 - Less new job creation
 - Fierce competition in economic development
- Lack of public funding for infrastructure

Promising Opportunities

- The Gateway Development
 - Branding
 - Commercial development
 - Hotel/conference center development
- Airport development
- New leadership and focus of SC Department of Commerce
- State success in aviation industry (Boeing)
- Economic Development Seminar



Rising Threats

- Continued slow national economy
- Continued depression in the housing market

Business Climate

It will be no surprise that the business climate is viewed as poorer today than when we asked the same question in 2007-08. Most businesses reported an uptick in activity in 2010 and have some level of confidence that growth will continue. However, that is far different than general citizen comments on business climate. Most relayed stories of job losses, benefits cut, low sales, etc. As with the national economic news, Chester County is a mixed bag.

Important Economic Development Strategies

We asked local leaders to rank the most important economic development strategies. The top three remained the same. There were a couple of new items we asked about in 2010, such as Agri-Business and Infrastructure, which were ranked lowest. Small business development and tourism moved up in the ranking.

2008	2010
1. Marketing and Business Recruiting	1. Marketing and Business Recruitment
2. Existing Industry/Business Support	2. Existing Industry/Business Support
3. Education and Workforce Development	3. Education and Workforce Development
4. Park/Site Development	4. Small Business Development & Entrepreneur
5. Community Development	5. Retail Development
6. Small Business Development and Entrepreneurship	6. Tourism Development
7. Retail Development	7. Agri-Business
8. Tourism Development	8. Infrastructure Improvements

Investments for Economic Development

In the online survey, which was completed by 59 citizens, we asked what is the top investment you would like to see Chester County make for economic development. Here are the most often given responses to that question:

- Workforce development (education and training)
- Higher level of marketing
- Infrastructure funding, such as improved sewer
- Follow through on one tourism project in order to leverage with others
- Complete The Gateway Redevelopment
- Master plan for airport industrial park
- Redevelopment of vacant industry buildings

Economic Development Goals

We asked citizens about overall economic development goals to determine how they view success. Many local governments view success in economic development as growth in tax base. Citizens often want to see more jobs. Other groups may be interested in wage increases. The following are Chester County's goals for economic development.

1. Job creation
2. New tax base
3. Increase in wage levels
4. Job diversity
5. More amenities (recreation, entertainment, etc.)
6. Trained workforce
7. New business start-ups

Target Industry Analysis Update

Overview

In March 2008, the team of Sanford Holshouser and Applied Marketing presented a target industry analysis to Chester County. The purpose of the target industry analysis was to review, verify and recommend industry targets for company relocation and expansion. Although it was not known at the time, the US was at the beginning of a major recession that has impacted the country over the past few years. While many of the targets are still valid, there have been dramatic changes within the target industries that warrant an update to Chester County's target industries. In fact, we are recommending that Chester County add one new target due to recent trends within the economy and region.

Our initial recommendations were based on a tour of the community, community interviews, SWOT Analysis, and the Team's collective experience. These elements were used to determine the feasibility of industry targets for the County. Strengths that impacted our analysis included:

- Geographic location. Chester County's proximity to Charlotte, Columbia and the mid-Atlantic seaboard.
- Available and attractive workforce. The workforce was described in interviews with existing employers as productive and loyal.
- Available land. There are thousands of acres of zoned industrial land along SC 9 near the I-77 interchange.
- Existing mega-site.
- Specialized training available through the Chester County campus of York Technical College.
- Infrastructure. A large supply of water is available to industrial prospects. Overall utility rates were reported as low and reliable.

Since the time of the original target industry analysis, there have been a few changes to the assets of the County:

- The County is making a major investment in the local airport, which includes upgrading the runway, hangar facilities, overall infrastructure, etc.
- A new technology and research and development park are under development

As part of this update, we also looked at recent project announcements and prospects for the County. This can give us guidance as to which industry targets are currently most active. Major companies with recent project announcements include: East Coast Ethanol, Southeastern Petro., Steamroller and a major expansion at Guardian Glass. Recent prospect activity has been in the

following sectors: general manufacturing and distribution, food and beverage production, electronics manufacturing and alternative energy.

In 2008, our original industry targets included:

- Automotive manufacturing
- Fabricated metal products and machinery
- Plastics and rubber manufacturing
- Pharmaceuticals and medical device manufacturing
- Value-added food manufacturing

For this target industry update, we looked at current and forecasted trends for the recommended industries. We also reviewed current trends within South Carolina and the Southeast to determine if Chester should be targeting any other industries.

Targeting Recommendations

Based on our research, we are recommending that Chester focus on the following industries for the next 12 to 36 months:

- Aviation and aerospace (new target)
- Fabricated metal products and machinery
- Plastics and rubber manufacturing
- Value-added food manufacturing
- Automotive manufacturing

We are recommending the addition of aviation and aerospace to the list of recommended target industries. Boeing's recent announcement of the 787 Dreamliner facility in North Charleston, SC indicates that South Carolina and the surrounding region are being looked at as a desirable location for aerospace companies. While the facility is still under construction, there is a brief timetable for the County to target Boeing suppliers. Suppliers in the region would benefit from the available workforce and close proximity to the new facility. In addition, Spirit Aerosystems' new facility in Kinston, NC is also drawing attention to the Southeast as a location for aviation and aerospace suppliers. The new improvements to the local airport may be attractive to companies within this industry.

As pharmaceutical and medical devices manufacturing is a current target for the Charlotte Regional Partnership, we recommend allowing the Partnership to market to that industry on the County's behalf. Other regional targets, such as Finance, Motorsports, and Film, do not align as closely with Chester County's strengths.

Overview of the Recommended Industries

Aviation and Aerospace

The outlook for the overall industry is good with a recovery expected to continue throughout 2011. High existing backlogs for Boeing and Cessna will help production continue at a high level over the next five years to 2016.

The fuel price crisis experienced in the majority of 2008 saw many airlines retire older, less fuel-efficient aircraft. In doing so, airlines now require new aircraft in order to expand future capacity. The newer aircraft being built are more fuel efficient and technologically superior to the point that not having these aircraft in an airline fleet can be operationally detrimental. Airlines will look ahead in the future and continue to invest in newer and better aircraft.

There is expected to be strong growth in international markets. Both China and India are expected to have significant growth in their domestic air transportation markets. In China alone, Boeing estimates that there may be as many as 3,200 large passenger jets operating by 2025.

Based on these trends, our targeting recommendations include: 1) suppliers to the Boeing 787 Dreamliner facility in North Charleston, SC; 2) general aerospace companies developing lighter-weight, composite materials; and 3) companies developing fuel-efficient engines.

Fabricated Metal Products and Machinery Mfg and Plastics and Rubber Products Mfg

As growth within both of these industries is largely tied to the health of the overall industrial market and consumer confidence, we have grouped these two together. Growth within these industries will occur as the US economy continues to recover from the recent recession. Recent economic news suggests that the return to economic growth will be slower than originally anticipated at the beginning of 2011. However, we recommend that Chester County continue to actively market to this industry. Chester County is an attractive location for these industries due to its proximity to Charlotte and the Southeast, available industrial land, and an available and attractive workforce. This is an excellent time to build awareness of the County and these strengths and assets.

The fabricated metal products industry is expected to recover and return to growth over the next five years. Expected growth in downstream businesses and a recovery in consumer confidence will drive this growth. Many of the products manufactured by this industry are used in construction. As the residential and commercial construction industries continue to recover, this industry is expected to return to growth. However, with recent economic news suggesting slower than expected economic growth, the construction market may be slower to recover as well. This suggests that companies manufacturing metal products used in construction may be two or three years away from healthy growth. One area that is expected to grow is metal forging and stamping. The trend towards aerospace and transportation industries requiring lighter weight, yet strong products will lead to growth in this sector.

Plastics products are used in a variety of industrial and commercial applications. As with the fabricated metal products sector, many plastics products are used in domestic and commercial construction. Strong growth within this sector may still be two or three years away. Plastics

products are also used in a variety of consumer products. While consumer confidence and spending continues to be low, people still need to eat. Thus, we would recommend targeting companies manufacturing plastics products used to package food. The trend towards lighter weight materials will lead to growth within plastic products used by the transportation industry.

Value-Added Food Products Manufacturing

Food manufacturing is a relatively recession-resistant industry. In fact, it was one of the few industries that were active during the recession. Because of this, food is an attractive target for economic development organizations as companies within the industry tend to be more stable. Even in times of economic crisis, people still need to eat.

Overall, as the economy recovers, so will the food industry. Over the past few years, consumers have tended to turn towards generic, private label brands. While the economy is still in a recovery mode, consumers looking to cut costs will continue to cook at home rather than eat out. As a result, food companies that produce food meant to be consumed in a restaurant will shift focus to foods meant to be consumed at home.

Consumers are also becoming increasingly health-conscious so demand for health friendly foods, such as low fat, low calorie items, will continue to increase. Spices and seasonings will see increased demand as they are seen as healthier alternatives for flavoring foods. Time-restricted consumers will also increase the demand for quick and convenient foods, offsetting the demand for health foods somewhat. However, demand for quick and healthy foods is strong. This may drive consumers to pick frozen foods and snacks and canned fruits and vegetables over fresh produce.

Based on these trends, our recommendation is to target companies that: 1) manufacture food for private label brands; 2) manufacture frozen and fully-prepared meals; 3) manufacture seasonings and spices; and 4) manufacture healthy food alternatives.

Automotive Manufacturing

The future of the automotive industry seems more certain now that GM, Chrysler and Ford are on firmer financial ground. Going forward all automakers will focus production on environmentally friendly vehicles for the next five years in order to become more competitive. This will help industry revenue to grow at an estimated rate of 4.2% annually to \$103.2 billion by 2016.

The price of gas has always been important to the automotive industry as it represents a significant part of the running costs of a vehicle. Over the past five years, the retail price of gas has grown nearly 5% annually. This combined with consumers' declining disposable income, has led consumers to focus on fuel consumption when buying a vehicle. Thus, will lead to increased demand by consumers for smaller and more fuel-efficient vehicles which are a significant shift away from automakers historical focus on manufacturing larger, less fuel-efficient cars. This will have a significant impact on the industry for the foreseeable future.

Source: IBISWorld Industry Reports

2011 Strategic Plan Update



Organizational Development

Sanford Holshouser reviewed the organization's activities, budget, and staff to determine if any changes need to be made in order to implement the recommendations from this updated strategic plan.

Expanding CCED Staff

Sanford Holshouser recommends CCED expand its staff to include a new position to support marketing and project management. We see a need for CCED staff to be more visible at external marketing events and in the community. Roles can be further defined by CCED; however, we recommend that the new person focus on external marketing and support the Director on recruitment projects in order to allow the Director to spend more time on internal communications directly in the community.

Funding

CCED is supported with private sector funds from the Chester Development Association. Currently, the organization raises about \$80,000 annually. These dollars primarily support marketing and specialized studies to improve parks and sites.

We have seen a higher level of support from the private sector in communities that are smaller and that have a more limited business base than Chester County. We believe there is an opportunity to raise more private funds to support economic development.

We recommend CCED complete a fundraising assessment to determine if and how much private sector support is available for economic development. The assessment is the first step to launching a successful private sector funding initiative. Sanford Holshouser can make referrals of fundraising consultants who perform assessments.

Product Development

Chester County is in a very good position in terms of sites and parks. The inventory of available industrial land is substantial. The inventory of shovel ready sites has been growing and is impressive. In the 2008 study, we made the following recommendations, which still have validity, especially the notes on control and shell buildings.

- Raise development standards in some parks through restrictive covenants.
- Gain firmer control over some land through public ownership or public-private partnerships.
- Continue to certify sites.
- Create a stronger advantage through shell or virtual shell buildings.

Spec Building Development

The one area lacking in product development is the building inventory. There are nine buildings listed. Most have low ceiling height, which severely limits the range of potential users. Since about 70% of all expanding companies prefer an existing building, Chester County is losing out on prospects because of a limited building inventory.

It is preferred to have the private sector spec buildings (the term shell and spec are often used interchangeably). At this time, due to the recession, it is unlikely Chester County will find a private sector developer willing to develop a spec. However, it is a good time to investigate partnerships for the future. Many communities develop spec buildings through a public-private partnership.

Airport Development

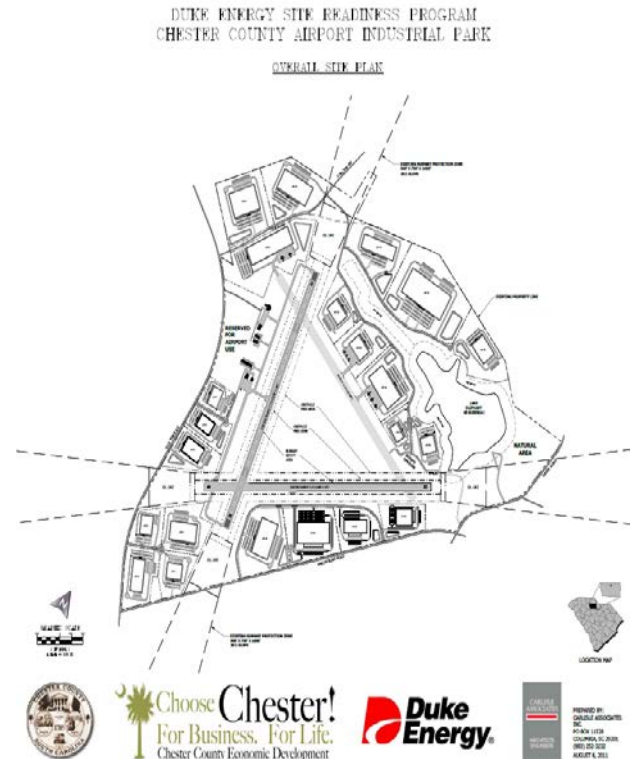
The Chester-Catawba Regional Airport is an untapped opportunity. In fact, until recently, the airport was considered only an asset and not seen as an economic development opportunity.

Improvements have been made and planned for the airport such as runway extension, fencing, and hangar expansion. There are about 1,100 acres at the airport that could be developed and used for airport expansion. There are currently ten hangars, and more space is needed.

In order to fully realize the potential of the airport, Chester County should take control of the airport as an economic development opportunity.

- All of the recommendations to follow will hinge on funding. To date, the airport has been severely underfunded. If our recommendation to develop the airport as an economic development opportunity is adopted, Chester County will need to set a higher level of funding.

- If the previously adopted airport plan (as part of the zoning ordinance) is not sufficient for FAA funding, adopt an overlay plan. An overlay/master plan is needed to access FAA funding for airport improvements. A growth and development plan is also needed.
- Complete Duke Energy Site Readiness assessment.
- Maintain a buffer for Lake Oliphant and the Carolina Thread Trail that accesses the trail.
- Identify costs and route to extend water and sewer to the site. At this time, small businesses could operate off wells/septic; however, there should be a long-range plan to extend water and sewer to the airport.
- The new terminal facility, including a pilot's lounge, is modern and welcoming. The vehicular entrance to the airport is unattractive. The road needs improvement, signage, and landscaping.
- Upgrade the courtesy car service at the airport.
- Visit the newly developed and highly successful Monroe-Union County NC airport, which could be seen as a model for Chester County.



Chester Technology Park

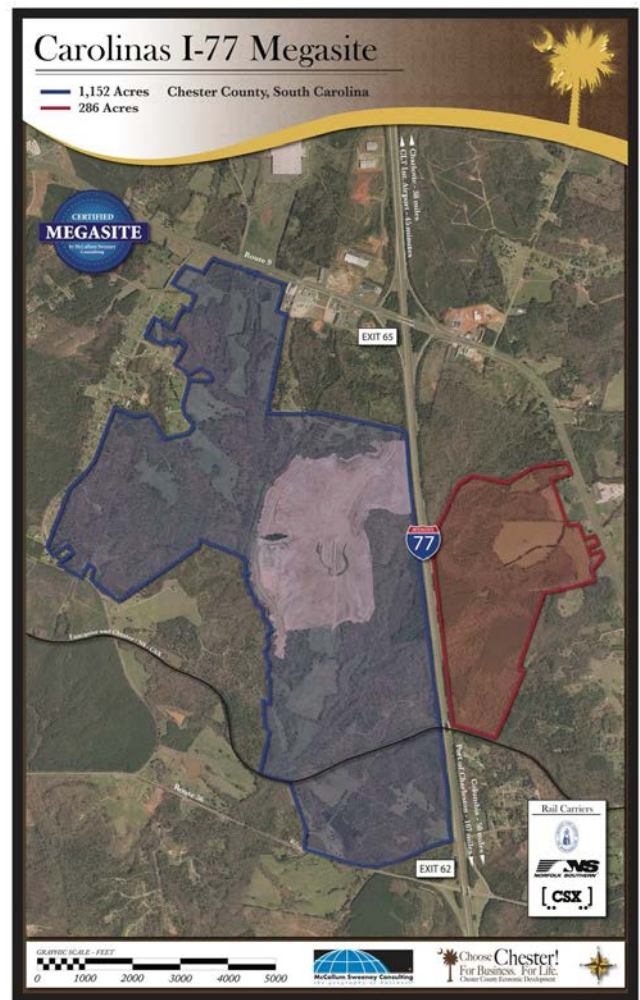
Chester Technology Park is a new development since the 2008 strategic plan. The 164-acre park is nine miles west of I-77 off SC 9. A key feature is the park's proximity to York Technical College. All master plans are complete. It has been certified.

Chester Research & Development Park

This is also a new development since the 2008 strategic plan was completed. The 310-acre park is in Richburg on SC Hwy 99. It is certified.

Carolinas I-77 Mega Site

The mega site remains a defining feature of Chester County’s economic development program. It is one of the top mega sites in the Southeast U.S. The site is well prepared, and the marketing information is thorough. We only suggest to maintain the course. There may be pressure to break up this site; however, it is so very unique that we suggest holding onto it for the right company.



BRE Program



The Business Retention and Expansion (BRE) Program was started in 2008. Until that time, BRE was handled on an as needed and time available basis. The BRE program crafted in 2008 was designed to proactively support existing business.

As part of this update process, Sanford Holshouser interviewed approximately ten local industries and businesses. Comments were positive, and interviewees seemed very appreciative of the CCED’s support. One example is the Plant Managers Roundtable formed to offer networking among local businesses. The Roundtable has encouraged local cooperation and better understanding of the local economy.

Going forward, there are ways to strengthen the BRE Program.

- We discuss in the social media section creating a LinkedIn group for existing businesses. This will be another way to network.
- Increase the number of face-to-face meetings with existing business. Even if they know about the BRE program, and they call when there is a problem, CCED should be proactive in identifying at risk and growth companies for BRE services.
- There is a real opportunity during the economic recovery. Companies have capital and are making capital improvement plans, yet they are not ready to release the dollars due to uncertainty about the national economy. This makes now a good time to position Chester County to reap the benefits of the capital improvement budget. Make the case why new equipment should be installed here versus other company locations. It is a good time to talk about incentives for expansion. Also, this is a good time to visit corporate headquarters where most capital expenditure decisions will be made.
- Webinar technology is easy to use and inexpensive. We recommend CCED experiment with a webinar format similar to a “lunch and learn.” Offer a topic of interest to a wide range of businesses, such as new safety requirements. The webinar could be in partnership with York Tech. It would be another level of support offered by CCED to help companies be informed.

Workforce Development

Workforce skill is now the most important site location factor. The ability for a company to recruit, retain, and retrain talented workers is of utmost importance. This is one area where Chester County falls short.

York Technical College leads workforce development in Chester County. The College has made significant improvements in facilities, offerings, certifications, outreach, and partnerships. It is a key asset and strong partner in economic development. We say – continue the course.



At this point, we offer best practices for York Tech and CCED to consider that would elevate workforce development.

The role of CCED in workforce development is to be an idea generator, convener of allies, and motivational partner.

- The WorkKeys Assessment tool is a program implemented by Wayne County, NC. The County created Wayne WORKS (Wayne Occupational Readiness Keys for Success),

which requires each high school junior to complete a WorkKeys Assessment. Today, Wayne County has more Career Readiness Certificates awarded than any other county in North Carolina (more than 3,500). The program is funded by Wayne County following a pilot, grant-funded project. Now, every high school graduate leaves with a diploma in one hand and a Career Readiness Certificate in another.

- Sanford Holshouser is a fan of educational programs such as the Burke County Education Endowment, which allows every Burke County high school graduate to attend two years at Western Piedmont Community College (NC) at no cost.
- There is renewed interest in apprenticeships. The strong connection to existing businesses in Chester County could open the door for an expanded apprenticeship program.
- The Dream !t Do !t initiative is now in the Upstate region of SC. It is an effort by the National Association of Manufacturers to change the image of manufacturing and open the door for young people to have innovative and exciting careers in manufacturing. Dream !t Do !t is in North Carolina as well.

PPEDA Regional Alliance

Regionalism is not new in economic development. Regions were created out of a common need for economic development marketing and for the efficiency of pooling marketing dollars. Companies do not start out knowing Chester County; rather, they start out knowing the Charlotte Region or South Carolina and then becoming familiar with Chester County.

As the SC Department of Commerce (DOC) takes on a higher level of marketing, regions will play a greater role. It makes efficiency sense for Commerce to work with a few regions rather than 46 counties.

Chester County is part of the Charlotte Regional Partnership because their economies are tied. It should remain a part of CRP because of the strong workforce, education, transportation, and vendor/supplier relationships. Chester County's star is tied to Charlotte's.

However, in order to be recognized by SC DOC as a regional partner for marketing and recruitment, CCED should revive the Piedmont Palmetto Economic Development Alliance (PPEDA). The three county Alliance includes Chester, York, and Lancaster Counties. It was formed mainly to support the mega site and promotion supplier sites networked to the mega site. By making PPEDA a stronger alliance, CCED can benefit from a stronger marketing relationship with Commerce and a stronger local network of economic development organizations. At a recent meeting of the PPEDA, the group decided to move forward with the revival of the regional organization.

The new Gateway development is a perfect place to "house" PPEDA. CCED took a lead role in the Alliance because of their connection to the mega site. We recommend CCED continue its leadership role as PPEDA grows in stature.

Beautification

Beautification was noted in many of the comments from citizens in the online survey. It was also noted in meetings with public officials and the business community. Beautification is important not only to people who live in Chester County but also to business recruitment. The “curb appeal” of the community matters.

Today, communities are not leaving beautification solely to garden clubs even though that is where much of the work is done in small towns and rural counties. Municipalities and counties are enacting stronger ordinances to clean up blighted areas and require more green space be maintained. The City of Hickory, NC, has developed a landscaping grant for blighted commercial areas.

Beautification is not directly part of the scope of work of CCED; however, we recommend they advocate for stronger County ordinance and code enforcement that will improve appearance.

Special Studies

Cost of Services

We suggest Chester County conduct a cost of services study to show how various types of development support public services. York County has had this type of study done to show that residential development, long term, will not provide the level of tax base to support the services its citizen’s desire. Defining areas for commercial and industrial development are important because those types of development carry the tax burden that allows for public services. This type of information would be useful in Chester County to show the value of industrial and commercial development.

Support Initiatives of the Chester Development Association

The Chester Development Association (CDA) has a few other initiatives not addressed elsewhere in this report. We believe it is important to list those initiatives here because they will impact economic development. The CDA has formed a task force for each initiative.

- **Gaston Farm Road Interchange.** There is an effort to develop a new interchange on I-77 at Gaston Farm Road. The new interchange will likely be exit 67. The interchange is important for future development as well as forming development partnerships with York County.
- **Old Home Deposit.** Chester County has many historic and older homes that without preservation will be lost to dilapidation. There is interest in creating an area, similar to a historical park, where older homes of historic significance could be relocated. Similar home deposits in other places become tourist attractions and historic learning centers.

- **Railroad Switching Location.** The rail is an asset to business and industry and draws companies to Chester County. It also holds up traffic in important areas such as downtown Chester. The group is investigating the possibility of a switching location that will lessen road closures in towns and critical intersections.

Support Economic Development Strategies Outside CCED Scope

There are several innovative economic development programs underway and under consideration in Chester County. These programs are not part of CCED's scope of work; however, they are important to a comprehensive economic development effort. Sanford Holshouser recommends CCED be a strong advocate and partner in these initiatives.

Agri-Business

Agri-business is a new focus of the SC Department of Commerce. In October, The Departments of Commerce and Agriculture announced that the agencies had partnered to create a new agri-business project manager position. The position is to focus on agri-business projects that will bring investment and job creation to South Carolina. The announcement states that agri-business is a nearly \$34 billion industry in South Carolina providing almost 200,000 jobs.

There are efforts underway to develop Acres of Opportunity, an agri-business venture that seeks to export agricultural products from Chester County. The program is modeled after the very successful Farmers Fresh Market Program in Rutherford County, NC. The program in North Carolina teaches farmers how to grow products in demand in restaurants and local stores and organizes daily delivery from rural areas to the market area of Charlotte. York Tech has a new training program and certification that is in partnership with Acres of Opportunity. In fact, the College is using 40 acres behind the new center to train new farmers.

In addition to Acres of Opportunity, there is a commercial, shared use kitchen under development. The development of a Farmers Market for Chester is also under consideration.

Small Business Development

The backbone of rural communities is small business. Small business development and entrepreneurship is important to an overall economic development strategy. This is one area where there is a huge gap in Chester County. It is not part of CCED's program of work, and the organization is not advised to take on small business development. Other organizations in the community are more ideally suited to regularly work with small businesses. We propose the Chambers of Commerce increase their contacts with existing small businesses and form a partnership with York Tech to assist with technical support.

In fact, the latest technology company to locate in the County is a small business. There have been discussions of developing a small business incubator. CCED is developing a feasibility

study and has potential grant funding sources. Sanford Holshouser heard from local leaders in planning workshops that small business is a priority.

Chambers of Commerce can carry out a business retention and expansion type program for small businesses. York Tech can provide outreach classes such as payroll, business planning, tax issues, etc.

There are recommendations from the 2008 strategic plan that remain valid and should be considered as part of this update.

- CCED and York Tech should continue to explore the feasibility of a small business incubator co-located with the new campus under construction in Chester. York Tech has set aside land for a future incubator.
- Business plan competitions are a good way to raise the awareness of entrepreneurship in a community. Communities often put together packages of services and cash prizes for competition winners. Awards could include free consultations with local accountants and attorneys, website design, and other services needed by small businesses.
- Expand financing programs because one of the major obstacles in new business start-ups is financing. Become familiar with area micro-loan programs.

Tourism Development

Tourism assets have not been fully developed in Chester County. In fact, without a countywide tourism development agency, no one is really in charge – no one has taken on the tasks of tourism development. One positive step has been the co-location of economic development and the regional tourism agency, the Olde English District, at The Gateway development. However, there remains a need for Chester County to fully develop its tourism assets. There are several projects proposed to bolster Chester County's tourism offerings. Just to name a few:

- Opera House
- Catawba Thread Trail segments in Chester County
- Museum personnel
- Dearborn Island State Park
- Driving Tours
- Historical Sites Survey
- Amphitheater
- Hospitality Training at York Tech
- Farmers Market to include Artists
- Historical building and home renovation program
- Pryor School
- Wayfinding signage



As stated above, there is a need for a countywide tourism development agency to take on the initiatives above and also pull together a coalition. A countywide tourism coalition could oversee a tourism asset inventory, a joint marketing program, recruitment of tourism destination facilities, and general tourism development. Many communities fund a countywide approach to tourism through an accommodation tax paid by motel and B&B guests. Countywide approaches to tourism offer several benefits. Grants are more easily obtained for projects that cover a wider area. Visitors are more likely to stay with more entertainment and recreation opportunities. Costs for materials, such as maps and general brochures, can be shared.



Downtown Development

Downtown development is where towns can step up their involvement in economic development. Redeveloping downtown, fostering small businesses in downtown and commercial districts, and remodeling blighted areas are just a few ways municipalities can impact economic development. All new companies look at the character of the town; this is where CCED has little impact, but municipalities can be strong partners. Below we repeat some recommendations from 2008 that are still valid and add a few new ones.



- Communities are turning to **incentives for downtown development**. The City of Gastonia, NC, has an incentive policy to encourage downtown redevelopment. The municipality offers an incentive grant based on the improved value of a redeveloped property located in the downtown development district. Many other cities are creating local incentive policies to encourage redevelopment. The City of Hickory offers a matching landscaping grant program to encourage beautification in areas targeted for revitalization.
- Maintain a downtown building inventory. Similar to information CCED maintains on industrial buildings, this information helps people find available space in downtown. The City of Lincolnton, NC, has a good example on their website.
- **Active storefront ordinances** are being enacted to prohibit downtown buildings being used as warehouse space or for businesses not actively engaged in bringing people downtown. Consider other ordinances and code enforcement to make downtown more attractive.

- Where the private sector is lacking in redevelopment, the public sector often steps in. The City of Danville, VA, has a program to purchase buildings in downtown, redevelop, and then find new tenants such as restaurants and technology companies. The program in Danville has been very successful with several new technology companies recruited to downtown as well as new retail and commercial businesses opening.
- Make a commitment to keep public facilities in downtown. This generates the foot traffic needed to sustain downtown businesses. Developments like a farmers market, museum, cultural arts center, etc., help bolster downtown.

Youth Entrepreneurship

More and more communities are integrating youth into leadership positions. There is recognition that young people are future leaders to be recruited to stay in the community. Especially in rural communities where the population is generally older, youth input is often lacking. Again, this is not in the program of work for CCED; however, the organization should be an advocate for youth leadership development.

- Develop business plan competitions within high schools.
- Create mentoring and shadowing programs with a focus on small businesses.
- Develop internships in local business clusters such as aviation, automotive, and others.
- Encourage youth entrepreneurship through educational programs offered at York Tech.

Marketing Plan Update

CCED has made significant strides in improving its marketing outreach efforts since the 2008 strategic plan was completed. The organization overhauled its brand, logo, materials, and website. It launched the “Choose Chester” brand at that time. We believe the brand and image are still strong and see no need to alter it. We do, however, make recommendations to enhance external marketing efforts and internal communications.

In general, Sanford Holshouser recommends EDOs prioritize marketing funds in the following order:

1. Website.
2. Client marketing materials with site and building informational sheets.
3. Visits to Commerce and hosting Commerce as well as maintaining a close relationship with the Charlotte Partnership.
4. Participation in targeted regional and state sponsored trade shows, consultant calls, missions, and events in the County’s target industry sectors. However, it is important to make the most of your travel and set appointments for your organization.

5. In conjunction with travel for regional and state marketing events,
 - a. Set appointments with prospects either through your own contacts, or use a lead generation firm to set targeted appointments for staff.
 - b. Visit site selection consultants.
 - c. Visit existing business headquarters.

External Marketing

Website – Overall, the website is great. We really like the depth and breadth of information. For example, the sites and buildings information is some of the most comprehensive we have seen. The website is also easy to navigate. Good work.

- Expand on the “Retention & Expansion Program”. The page currently has testimonials, which are good. Add another page in this section to outline what the BRE program is, how it helps local companies, and existing business resources. Check out www.rcedc.com or example business resources.
- Add information on target sectors and build a case for why those sectors will excel in Chester County. Review the Charleston Regional Development Alliance for a good example (crda.org).
- Add “Minutes” to the commute table. In many other regions, a few miles can take an hour. One of the advantages of Chester County is access.
- Update demographics with new Census information and labor information with the latest figures.
- You may consider posting the Pathfinders workforce analysis.

Networking with Allies - Since 2008, CCED has done a good job of networking with SC DOC and CRP. Our recommendation in this area will be to keep doing what you are doing. We repeat here some of the recommendations from the 2008 strategic plan for emphasis because they remain valid.

- Leverage the Charlotte Regional Partnership (CRP). The region schedules various mission trips and trade shows throughout the year. The trips offer an opportunity to leverage Chester County’s marketing budget. Additional site selection calls or visits to industry suspects and prospects should be scheduled to piggy-back on the CRP planned event.
- Leverage the SC Department of Commerce. Similar to CRP, Chester County should leverage activities of the SC Department of Commerce. The County should analyze how it can capitalize on every marketing initiative sponsored by Commerce as it did with the Farnborough International Airshow.

- A new need has risen since the first strategic plan, and that is familiarizing DOC staff with Chester County. There is new staff at DOC, and some are not familiar with the County's product and opportunities. It is a good time to host DOC staff in Chester County for a familiarization tour.
- **Leverage Allies.** South Carolina utilities are very generous in their support of economic development. Duke Energy has supported many economic development initiatives. The SC Power Team supported this planning initiative and offers many other support programs. It is recommended that the CCED meet regularly with its ally agencies to keep them updated on the County's product and economic development successes.
- **Existing Businesses.** Utilize existing businesses in external marketing as a way to reach out to their customers and suppliers. Testimonials in marketing materials, networking with vendors at trade shows, and using executives in client visits are all ways to leverage the good relationship CCED has with its existing business base.

PPEDA – The revived regional alliance is still taking shape. Sanford Holshouser recommends one of the first actions of the organization be the development of a regional marketing plan. PPEDA could fund specialized, targeted marketing for the three counties to compliment CRP and SC DOC. For example, PPEDA could engage a firm to conduct appointment setting in conjunction with a trade show sponsored by CRP or plan a special event in conjunction with a site selector's event in Columbia.

Targeted Sales Trips and Appointment Setting - The key area in which to step up CCED's external marketing program is in targeted sales trips and appointment setting around trade shows, consultants visits, and other marketing events.

It is important for staff to form relationships with site consultants, industry prospects, and existing industry headquarters. This can be done by either using staff to set appointments in conjunction with other travel (trade shows, DOC mission, conference, etc.) or using an outside firm (like Applied Marketing who has worked with CCED in the past) to set appointments for staff. This personal contact is important in forming long-term relationships with Chester County.

For example, when CCED travels with CRP to a trade show, engage a firm to set appointments with industry prospects at the show and in the region where the show is taking place. When CCED staff attend a conference, set appointments with existing business headquarters in that region, site consultants headquartered in the region, and other industry prospects. In short, make the most out of travel by tagging on targeted appointments.

Map Marketing Piece – CCED would benefit from creating a marketing map that indicates transportation routes, sites/buildings areas, regional connectivity, and that, in general, orients the prospect to accessing Chester County

Target Sector Materials – We have recommended CCED start calling directly on prospects and consultants. It will be useful to develop a one-page marketing piece for each target sector detailing why Chester County is a winning location.

Social Media - Sanford Holshouser has been exploring the use of social media in economic development. The use of social media as a marketing tool in economic development is evolving, and many question whether it produces results.

We offer some recommendations for CCED to begin social networking. We do not see social media as a lead generation source; instead, it can be used to gather intelligence on prospects and to monitor issues. The marketing message is to keep stakeholders and prospects current on CCED happenings by posting recent news (announcements, grant awards, infrastructure investments) on the website, LinkedIn and other sources.

- Begin monitoring CCED brand using Google Alerts or some similar tool. It is important to be aware of what is being discussed about the County on social media sites.
- Monitor news in target industry sectors to become more familiar with current happenings in the industries being recruited.
- We recommend setting an alert for existing businesses and prospects in order to read current news and happenings.
- Have marketing staff explore Facebook, Twitter, and LinkedIn for appropriate uses. One appropriate use may be joining a LinkedIn group for an upcoming trade show. Twitter may provide industry news and information about a prospective company.
- Visit the Charlotte USA website and look at the posted video under media. This video is also posted on You Tube. CCED could post its own videos on You Tube. A clip of the Economic Development Seminar is an example.
- Good examples of EDOs that use social media are Wake County Economic Development (raleigh-wake.org) and Wayne County Development Alliance (waynealliance.org).
- Consider having recent news that is posted on the website go out on Twitter.
- Another way to use social media could be to form LinkedIn groups for community issues, such as safety training where CCED would post updates on training for existing businesses. LinkedIn groups for existing businesses to network may also be popular among the group.
- Some organizations have full-time marketing staff devoted to social media. CCED staff is already limited. We suggest taking on one or two of the recommendations above, committing a specific amount of time each week/month for a period of a few months, and then assessing what next steps, if any, should be taken.

Internal Communications

A major area of concern for Chester County citizens and public officials is transparency in economic development. This has been heightened by the economic recession. People want to know that their economic development organization is working for them.

Confidentiality is a cornerstone of economic development. Companies keep expansion and relocation plans confidential in order to ensure their market advantage is not lost to competitors.

A delicate balance must be struck in sharing economic development information and maintaining the confidentiality that companies expect.



Sanford Holshouser proposes a new level of internal communications for CCED. This new focus will take time and resources. That is why we propose the addition of a new staff person to lead marketing and project management.

Internal communications initiatives:

- Update County Council quarterly and the municipal boards twice annually. Discuss projects such as The Gateway redevelopment, site certification, product development, and marketing initiatives.
- Regular press releases on economic development such as marketing trips, existing business expansions, etc.
- Regular guest column in local paper by CCED Director and board members. Topics could include the strategic plan, The Gateway redevelopment (including renaming it to reflect its current use), conference study, etc.
- Incorporate social media by creating LinkedIn groups with County Council, businesses, CDA stakeholders, ally organizations. Create a CCED Facebook page to discuss community development initiatives.
- Regular public speaking to civic organizations. The Director need not make all speeches. Develop a standard presentation that can be given by board members.
- Continuation of the economic development educational seminar started in 2010. At the first meeting, the seminar attracted about 100 participants. It is a good way to deliver the economic development strategy to the public.

- Publish an annual economic development report. We like two types of annual reports for organizations. One is a straight-forward brief for investors. The other is community focused with articles that relay the status of the County economy, what CCED has done to improve the economic health of the community, and what the economic development goals are. We like community annual reports that are inserted into local newspapers to reach the masses. Inserts are often supported with advertising or in-kind contributions from the newspaper.

Implementation Strategy

The original strategic plan was designed to be implemented over a three to five year period. In fact, several key initiatives were implemented by the time Sanford Holshouser was engaged three years later to update the strategic plan. We recommend this Strategic Plan Update be implemented over the three years, 2011 – 2013.

Implementation Structure

Strategic plans are fluid documents. Course corrections are often needed in out years. We recommend the following structure to CCED for implementation.

- Hold annual planning retreats to identify goals and action steps for the coming year.
- Translate the retreat outcome into an annual program of work.
- Present the program of work to Chester County and municipalities in regular briefings.
- Measure progress toward meeting the annual program of work.
- In 2014/15, budget for an update to the strategic plan.

Focus for 2012

Action Step
Expanding CCED Staff
Airport Development
BRE – Positioning for Investment
Revival of PPEDA
Internal Communications
Fundraising Assessment

Measuring Success

Communities measure economic development success in different ways. The traditional indicators of success are new taxable investment and job creation. Those indicators are still relevant; however, today other indicators are needed because of the changing focus of economic development from strictly industrial recruitment to the many other facets that make up a comprehensive economic development program.

In addition to new jobs and taxable investment, other indicators of success Chester County may want to measure include:

- Population growth
- Income and wages
- Percentage of population below the poverty line
- New business starts
- Graduation rates, Career Readiness Certificates, and other measures of academic achievement
- Retail sales
- Amenity development
- Visitors, hotel occupancy
- Special events at The Gateway



Aviation and Aerospace

NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
33451	Search, Detection, Navigation, Etc. Instrument Mfg	<p>In the five years to 2016, Measuring, Testing and Navigational Instrument Manufacturing industry revenue is forecast to increase at an average annual rate of 2.3% to \$118.0 billion, including a 2.5% jump in 2012. During this period, an increase in research and development (R&D) funding will drive industry growth as businesses expand budgets after decreasing spending in 2008 and 2009 due to the Great Recession. Additionally, operators are expected to benefit from continued advances in navigational, measuring and control instrument technology, increased government and private equipment expenditures and higher industrial production. The industry will also likely benefit from downstream demand from the energy, health and biotechnology sectors as they continue to rapidly expand due to government initiatives and technology advancements. As new products are developed within these sectors, industry products will be needed to test and measure equipment.</p>
33641	Aviation and Aerospace Equipment Mfg	<p>The outlook for the Aircraft, Engine and Parts Manufacturing industry remains bright with revenue expected to begin its rebound in 2011. In the next five years, industry revenue is forecast to increase 2.5% per year to \$162.4 billion with a jump of 11.2% projected in 2012 alone. The fuel price crisis experienced during most of 2008 (and resurfacing again in 2011) forced many airlines to retire older less fuel-efficient aircraft. In doing so, airlines effectively cemented their requirement for new aircraft in order to expand future capacity. This forecast demand has also given Boeing a sense of operational confidence in the size of its outstanding order book. Also contributing to the expected growth are emerging markets. In China alone, Boeing estimates that there may be as</p>



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		<p>many as 3,200 large passenger jets operating by 2025, up from about 600 in 2006. Another emerging market is India. According to IBISWorld, Indian airlines are expected to buy at least 280 new planes worth an estimated \$15 billion by the end of this year and another \$15 billion in the next decade.</p>
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Fabricated Metal Products Manufacturing

NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
33211	Forging and Stamping in the U.S.	<p>Following a recovery from the crippling economic downturn, the Metal Stamping and Forging industry will return to moderate growth over the next five years. The expected rebound in downstream industries and improved business and consumer sentiment will primarily drive this outcome. As a result, IBISWorld anticipates that industry revenue will increase at an average annual rate of 4.1% to \$35.41 billion over the five years to 2015. Operators within the Metal Stamping and Forging industry with the greatest potential for growth will be those who supply high-growth and high value-added manufacturing industries. Industry manufacturers will benefit from the adoption of new alloys to develop forgings and castings with enhanced qualities such as lower weight, greater strength, corrosion resistance and temperature resistance. Techniques for scanning completed components for weaknesses and defects have also improved greatly in recent years. The incorporation of these techniques will be important for suppliers who rely on clients, such as aerospace or transport equipment manufacturers, who demand high-quality components.</p>
33231	Structural Metal Product Mfg	<p>Bolstered by the economic stimulus package and the return of domestic construction activity, the Structural Metal Product Manufacturing industry will continue its recovery in 2012. After three years of decline, revenue is expected to grow in 2011 and is forecast to jump by another 4.1% in 2012 followed by stronger growth in 2013 and 2014 as the economy regains its footing. Over the five years to 2016, industry revenue is forecast to grow at an average annual rate of 3.4% to total \$42.4 billion. In the near term, anticipated infrastructure and commercial construction gains will drive growth in 2012.</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
33232	Sheet Metal, Window & Door Mfg	<p>The Sheet Metal, Window and Door Manufacturing industry is on the road to recovery. After revenue declined for three straight years and made a modest gain in 2011, growth rates are expected to hit their stride in 2012 with growth of 3.1% to \$39.3 billion. Over the five years to 2016, IBISWorld forecasts that revenue will grow at an average annualized rate of 4.1% to \$46.6 billion. The industry's recovery depends on many factors, including residential and commercial construction, existing building improvements and housing starts. Prices of key inputs, such as steel and aluminum, also have a large effect on future profitability. In 2012, the value of residential construction is expected to increase 10.8%; this total value will then grow at an estimated rate of 12.5% per year in the five years to 2016.</p>
33281	Metal Plating and Treating	<p>The continued slump in commercial and industrial building construction in the early part of the next five years will dampen demand for structural steel construction services; however, solid growth in the non-building infrastructure market and institutional building market and the cyclical recovery in the housing market will cause demand to rebound to pre-recession rates throughout 2011. Over the next five years, additional federal, state and local government funding into the highway and bridge construction market will support demand for structural steel construction. As a result, IBISWorld forecasts that revenue for the Metal Plating and Treating industry will grow at an average annualized rate of 3.3% to \$32.1 billion over the five years to 2016. Revenue is projected to grow by 4.2% in 2012.</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
33291	Metal Valve Mfg	Recovery for the industry is on the horizon: business and consumer confidence will begin to return during 2011 when revenue begins to show signs of growth. Economic growth will gather strength in 2012 as performance finally returns to levels comparable with those prior to the recession. The Valve Manufacturing industry's revenue is forecast to grow by 3.0% per year in the five years to 2016 to \$31.0 billion with anticipated revenue growth to be 4.1% in 2011 to 27.8 billion. The poor performance of revenue in the five years to 2011 will cause this recovery to appear relatively strong. In actuality, revenue will simply return to its long-term average.
33351	Metalworking Machinery Manufacturing	The industry can expect a better year in 2012 when revenue is forecast to grow by 3.4% as the economy improves and demand for machinery and equipment lifts. The effects of the federal stimulus, an upturn in automobile sales, and a relatively weak US dollar will contribute to the positive outlook. Overall, in the five years to 2016, industry revenue is projected to increase at an average annual rate of 2.8% to \$32.0 billion. Stabilization in the financial markets, an upswing in the housing market, and the effect of the unprecedented monetary and fiscal policies enacted in 2009 are all expected to boost output during 2012. A weak dollar will also likely improve the competitiveness of US exports, adding to the recovery in the manufacturing sector.
33361	Engine, Turbine, and Power Transmission Manufacturing	The Engine and Turbine Manufacturing industry's revenue is forecast to increase 0.3% annually and reach \$31.0 billion over the five years to 2016. During the first three years of the period, the industry will suffer revenue declines, including a 1.2% dip in 2012. In 2015 and 2016, engine manufacturers will benefit from a cyclical upturn in construction activity and a rising demand for more energy-efficient engines. Gas turbines will continue to increase their share of revenue as governments look toward renewable energy generation later in the period.



Plastics and Rubber Products Manufacturing

NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
32611	Plastics Film, Sheet & Bag Manufacturing	<p>Over the five years to 2016, IBISWorld expects that industry revenue will grow at an average rate of 2.3% per year to \$43.8 billion and by 1.9% to \$39.8 billion in 2012. Demand for plastic film, sheets and bags will be driven by stronger industrial production, construction and exports.</p> <p>The retail, wholesale and distributors market segment is expected to experience revenue and demand growth over the next five years. This will result in increased demand for plastic packaging and bag purchases.</p> <p>The food, beverage, tobacco and other consumer goods manufacturing market also expects demand for its products to grow over the next five years. Overall consumer spending affects domestic demand for some industry products, particularly those used in the packaging of consumer durables.</p> <p>Plastic will win further market share in most packaging markets due to improvements in laminations, co-extrusions, barrier resistance and printing technologies.</p> <p>The residential construction sector began its recovery during 2010, gradually increasing demand for plastic film products. Non-residential construction will drive growth in the value of construction put in place going forward. Demand from the agricultural sector will grow as well due to the need for higher productive output from existing farmland requiring more plastic sheets for irrigation systems, bags for fertilizer and pesticide purchases and plastic materials for crop packaging.</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
32612	Plastic Pipe & Parts Manufacturing	<p>After a couple of years of revenue and profit decline, the industry has begun its recovery. An improvement in the real estate market combined with rising resin prices and the return of export growth will cause industry revenue to grow by 2.7% to \$17.9 billion from 2011 to 2012. Over the five years to 2016, revenue is expected to grow at an average annualized rate of 1.8% to reach \$19.0 billion. Additionally, the recovery in the real estate sector will translate into a significant increase in residential construction growth.</p> <p>Between 2011 and 2016, revenue for the Water Supply and Irrigation industry is expected to grow at an average annualized rate of 3.5%. Propelled by an increase in new construction and investment in infrastructure expansion and renovation, pipeline construction will experience consistent growth, stimulating demand for plastic piping.</p> <p>The Automotive Manufacturing industry's revenue is expected to grow at an average annualized rate of 4.2% over the period of 2011 to 2016. The projected level of growth combined with the renewed focus among automakers to produce lightweight and fuel-efficient vehicles indicates that there will be opportunities for plastic profile shapes to establish a larger role in the automotive industry.</p> <p>Demand from the agricultural sector is also expected to increase. The combination of drought and salinity issues has made farmers aware of the importance of watering more efficiently in agriculture. As a result, flood irrigation will cease in the years to come, causing farmers to invest in spray irrigation systems that apply water more efficiently. The lowest-cost spray irrigation alternative is a system that uses plastic pipes and fittings.</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
32614	Polystyrene Foam Product Manufacturing	<p>Revenue growth is on the horizon for the Polystyrene Foam Product Manufacturing industry. An uptick in residential and commercial construction will drive industry sales in addition to increased purchases by the food service industry and food retailers. However, industry growth will be slightly offset by rising raw material costs and increased legislation concerning polystyrene containers. From 2011 to 2016, industry revenue is projected to increase by an estimated 4.6% per year to \$9.6 billion. In 2012, industry sales will increase by 6.2% to \$8.2 billion as consumer spending rises by 2.9%, boosting restaurant and grocery store sales. Housing starts are anticipated to increase by 39.9%, which will heavily increase the need for foam insulation.</p>
32615	Urethane Foam Product Manufacturing	<p>The Urethane Foam Product Manufacturing industry has begun its recovery. Revenue growth has resumed in 2010 – expected to grow 6.9% to \$12.0 billion – and it is expected to increase 4.6% in 2011 to \$12.5 billion as year-on-year growth rates finally return to levels comparable to those prior to the recession. The housing sector will experience a delayed recovery. Despite the fact that the housing sector will be slow coming out of the gate, it is expected to finish strong. Housing starts are forecast to grow at an average annualized rate of 20.0% between 2010 and 2015. In the building insulation market, polyurethane foam should gain market share (mainly from fiberglass and mineral wool). New and growing applications for foam include void-filling (e.g. under concrete slabs) and roofing materials. Construction is forecast to grow due to lower interest rates, increased affordability and growth in the population and household formation as a result of increased migration to the United States. Furniture sales are expected to increase slightly over the period. The success of the Furniture Wholesaling industry is closely tied to the performance of the housing</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
		<p>market. Since the housing market and per capita disposable income are expected to improve over the next five years, furniture sales will likely increase as well. This will increase demand for the foam components that are used in furniture construction.</p>
32616	Plastic Bottle & Container Manufacturing	<p>Recovery for the industry is on the horizon. After a few years of declining revenue, things are expected to perk up in 2011 and 2012 when growth returns to levels comparable to those prior to the recession. IBISWorld forecasts that industry revenue will grow at an average annual rate of 1.9% to reach \$11.9 billion over the five years to 2016.</p> <p>Revenue for manufacturers of soft drinks, bottled water and sports drinks is projected to grow only moderately over the five years to 2016 given the maturity of the industry. While the rate of growth is below historical levels for most soft drink categories, strong growth is expected in the bottled water and sports and energy drink segments as the public becomes increasingly health-aware. Future growth within the beverage production industries will come from continued innovation of non-carbonated drinks coupled with heavy and effectively targeted promotion.</p> <p>Demand from plastic containers for food is also forecast to grow. Within the next year, in-home food consumption is projected to increase slightly, driven by cash-strapped consumers and changing ethnicity and dietary patterns that are resulting in new tastes for food. Furthermore, new products and clever marketing strategies aligned with downstream food manufacturers will drive the sale of foods packaged in plastic bottles and containers.</p> <p>Dairy product consumption is expected to increase at a marginal rate, which will limit the demand for plastic bottles in this segment.</p>



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Value-Added Food Products Manufacturing

NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
31123	Cereal Production	<p>Future prospects for the Cereal Production industry are decidedly modest. Over the five years to 2016, industry revenue is forecast to increase by an average annualized rate of 2.0% to \$14.7 billion. The economic recovery in the United States is expected to hold through the next five years, and consumers will experience an increase in per capita disposable income, which is also expected to increase. This trend will enable consumers to spend more, and they will likely return to branded products in higher numbers than before. Trusted brand names are projected to experience increasing sales volume over the next five years. Broad consumer demand shifts toward healthy products will continue, so major players that introduce healthy products or create new cereal lines will likely benefit.</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
31134	Candy Production	<p>Through 2016, industry revenue is forecast to increase at an annual rate of 2.6% to total \$8.8 billion. The anticipated economic recovery, renewed consumer spending and confidence, and innovative product introductions will drive growth. The trend toward premium products is also expected to gain momentum over the next five years as consumers seek "functional" confectionery products that address health and nutritional concerns. Potentially threatening industry growth, however, is the increased availability of healthy alternatives such as substitute snack foods, fruit and nut bars, and cereals. In response, producers are expected to use higher quantities of sugar-free alternatives in their product mix to mitigate the unhealthy perception of their products. Low-sugar or sugar-free candy and gum have been the fastest-growing industry segments of the past five years, and a similar trend is forecast for the next five. The addition of exotic ingredients and flavors is also expected to continue along with value-added products that attract higher margins such as theater-box candies, gummies and licorice. This process of value-addition is expected to carry industry profit through the five years to 2016. During this period, profit for the Candy Production industry is projected to grow moderately and in line with industry revenue with margins holding at roughly 12.0% of total revenue.</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
31141	Frozen Food Mfg	<p>Propelled by lower disposable income levels throughout the recession, the Frozen Food Production industry will build on its current momentum, but competition will become stronger as the economy begins to recover. Technological developments and aggressive marketing will be imperative in maintaining growth in the coming years. Industry players have been innovative with their products and largely focused on consumer trends of health and convenience in designing their product and promotional strategies. Marketers will focus on offering consumers attractive frozen convenience foods in a number of varieties, including skillet and oven meal kits, bowl meals, restaurant-quality pizza, handheld entrees and ethnic foods. The market is becoming increasingly competitive as old players reshuffle, new ones join the fray and marketers of fresh products develop attractive prepared-food alternatives. As a result, IBISWorld forecasts industry revenue will revert to its sluggish ways through 2016, growing at an average annualized rate of 0.4% to total \$28.5 billion.</p>
31181	Bread Production	<p>The future prospects of the Bread Production industry are stable and mature; its success depends on population expansion and product innovation. Increased demand for healthy and convenient substitute foods, such as snacks, cookies, cereal and fruit, has partially dampened future potential for growth. This wave of health consciousness sweeping across the United States will put greater pressure on bread and bakery product manufacturers. They will need to accelerate innovation in order to keep up with consumers' changing preferences and stay afloat in a stagnant and mature industry. Despite waning interest in low-carbohydrate diets such as the Atkins Diet, demand for bread and bakery products has remained relatively flat, providing little room for growth. However, product innovation is expected to continue as bread producers introduce fortified breads, gluten-free loaves, fruit- and nut-</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
		<p>infused breads and whole grain bread and bakery products. As a result, IBISWorld forecasts that revenue will grow at an average annualized rate of 1.6% to \$38.4 billion over the five years to 2016. In 2012, revenue is anticipated to grow by 2.3% as consumers purchase more grain-enriched products and regain spending confidence.</p>
31182	Cookie, Cracker and Pasta Mfg	<p>Prospects for the US Cookie, Cracker and Pasta Production industry will be moderate over the next five years. IBISWorld forecasts that revenue will increase at an average annualized rate of 2.0% to reach \$23.3 billion by 2016. In 2012, revenue is expected to grow 1.5%. Consumers will begin to purchase more industry products as the economy continues to recover and consumers have larger incomes. However, the unpredictability of input costs and supply levels will threaten the industry. Also, an increase in the demand for and availability of healthy substitute foods, such as cereals, vegetables and fruit, is expected to dampen industry sales. Offsetting these factors, major players' strong emphasis on innovative products that address health factors, particularly within the cracker segment, will help drive revenue. Demand for cookies and crackers, especially the gourmet and specialty varieties, largely depends on the level of disposable income, consumer confidence, unemployment and related macroeconomic variables. As the economy continues to strengthen in 2011 and through 2012, consumer sentiment and discretionary spending levels will rise, helping the industry. With GDP forecast to increase 2.9% in 2012 and reach 3.1% growth by 2013, demand will likely remain robust over the next five years. Nutritional concerns about sugar and sweetener content are expected to remain high, but they will be partly alleviated by clever product innovation that addresses the health and wellbeing needs of the market.</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
31183	Tortilla Production	<p>The future prospects of the Tortilla Production industry are decidedly palatable. The continued growth of the Hispanic population combined with the expansion of the American palate and an emphasis on healthy eating and living will largely drive the industry's appetite for growth. Manufacturers will introduce new products that reflect the diversity of the marketplace and incorporate consumer trends of health, convenience and portability, aiding growth over the next five years. In the five years to 2015, IBISWorld projects that industry revenue will increase at an average annualized rate of 5.4% to total \$3.73 billion.</p>
31191	Snack Food Production	<p>The Snack Food Production industry has plenty to be optimistic about. The industry will look to build on momentum as the nation climbs out of the recession, and Americans regain their disposable income and resume old spending habits. While overcoming major challenges in the five years to 2011 was a great feat, the industry's future success will not be any easier than before. In a fast-paced, constantly changing industry, producers must maintain creativity and innovation so their products do not get lost in the saturated marketplace. Many products are introduced from year to year, but only a few will be profitable; therefore, successful businesses must closely monitor specific consumer needs and patterns to adjust their product lines appropriately.</p> <p>Companies will cater to consumer needs and trends by producing healthier snacks. Firms will likely lower some of the fat and cholesterol content of their products to attract more health-conscious consumers. In 2011, Frito-Lay is expected to make more of its products out of natural ingredients. By the end of the year, it plans to make half of its US snacks with only natural ingredients.</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
31194	Seasoning and Dressing Mfg	<p>The Seasoning, Sauce and Condiment Production industry is projected to remain resilient over the next five years. Changing ethnicity and dietary patterns will extend Americans' palates to welcome new flavors and cuisines, which will also boost demand. IBISWorld forecasts that in the five years to 2016, industry revenue will increase at an annual rate of 1.1% to total \$18.0 billion. In 2012, revenue will grow by 0.8%, which is more slowly than the previous year because more people will eat out. Revenue growth is not anticipated to be as strong as the previous five years because as the economy strengthens, many consumers will begin to eat out more. In 2011, the Chain Full Service Restaurant industry's revenue is expected to grow 2.1%. However, consumers who lost significant income during the recession will remain frugal and continue to purchase many goods from the grocery store, boosting demand from grocery wholesalers and increasing industry revenue. As restaurants experience an increase in demand, their purchases of seasonings and sauces will rise, also supporting revenue growth. As Americans become more time poor and have limited time to cook, consumers will eat out more and buy more processed food. With income expanding after the recession, consumers will be willing to buy more expensive products at the grocery stores such as frozen and pre-made foods. When demand for processed foods rises, so will demand for this industry's products. IBISWorld also projects that an increase in import penetration will occur over the next five years as Americans warm to foreign foods, flavors and cuisines. Because of the heightened risk of losing market share to overseas competitors, domestic manufacturers will become more competitive and inventive with their product lines.</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
31199	All Other Food Mfg	<p>Future prospects for the Prepared Food and Baking Mix Manufacturing industry are modest with revenue projected to increase at an average annualized rate of 2.2% to total \$23.1 billion over the five years to 2015. By comparison, US GDP is expected to grow at an average of 1.5% along with a 2.5% increase in household disposable income over the same period. During the next five years, IBISWorld forecasts moderate commodity prices, processed foods' increased prices, lower labor costs, and advancements in technology and production will aid the industry. Given the industry's diverse products, it is difficult to make meaningful generalizations about future production and consumption patterns. Historically, the industry has followed trends prevalent in the broader food-manufacturing sector as its constituents combine to form the primary sources of downstream demand. An estimated 1.4% increase in the domestic price of processed foods is projected to increase production volumes through 2015. In turn, volumes will vary between different product segments with the demand for healthy and freshly prepared packaged foods such as salads, processed and frozen eggs and artificial sweeteners expected to drive revenue over the next five years. One industry segment of note is prepared foods where sales thrive off of the time-poor consumer. With unemployment forecast to fall from 9.7% in 2010 to 5.9% in 2015, the sale of prepared foods will likely jump due to the increased number of hours worked. In 2011 alone, the unemployment rate is projected to drop to 8.9% while industry revenue is expected to grow 2.1%.</p>



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Automotive

NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
33611	Car & Automobile Mfg	<p>Through 2016, automakers will find the light at the end of the tunnel, with uninterrupted growth in the forecast. The consumer sentiment index is expected to rise at an annual average of 4.3% over this period, reaching 95.0, up from 76.8 in 2011. Continuous improvements in credit availability and disposable income will encourage increased spending on new vehicles. As a result, industry revenue is expected to rise 4.2% annually to \$102.3 billion with 5.0% growth expected in 2012. Most of the projected revenue growth is front-loaded as the industry completes its recovery from the massive hole the recession caused. However, the industry is still in decline, and will struggle to return to prerecession revenue levels even at the tail end of the outlook period. Rising oil prices, expected to rise an average of 5.9% annually through 2016, will have mixed effects for this industry. Higher oil prices will temper growth in demand for new vehicles, but it will also make smaller cars more appealing than to trucks and sport utility vehicles (SUVs). In addition, the rising cost of major inputs, such as steel, will eat into operator profitability.</p> <p>Automakers will be optimistic during the five years through 2016, seeking growth potential in the hybrid and fuel-efficient car market as the US economy strengthens, having launched the first wave of a new generation of electric vehicles in 2011. At the same time, exchange-rate fluctuations (driven by a weaker US dollar) will encourage automakers to shift production of new vehicles to US assembly plants. Industry profitability is expected to improve continuously as revenue gains outpace the rising input costs. Profit margins are expected to rise from 2.1% in 2011 to about 5.0% in 2016. Relaxed contracts with industry unions will help reduce industry costs by driving down the average wage to \$60,500 in 2016. These gains in profitability</p>



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		<p>will encourage reentry into the industry for some of the many firms that have exited in the past five years. The number of businesses is estimated to rise 5.6% in 2012 and an average of 1.2% annually through 2016. However, these gains are minimal compared to the number of firms that exited the industry in the previous five years, meaning the car and automobile industry remains firmly in decline.</p>
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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
33631	Automobile Engine & Parts Mfg	<p>The Automobile Engine and Parts Manufacturing industry will have a brighter future over the five years to 2016. IBISWorld forecasts automotive production and sales will climb back to near their historical norms, reaching 15.6 million vehicles in 2016. As such, revenue will grow at an average annual rate of 3.4% to total \$30.0 billion from 2011 to 2016, including a 4.4% rise in 2012. Rising revenue, combined with cost cutting initiated in 2008 and 2009, will help companies in this industry reach record profit margins during the next five years. Concerns over climate change and aggressive fuel economy regulations are prompting large investments in alternative engine technologies and fuel-saving initiatives. Despite advances in traditional engine construction, consumers and manufacturers are increasingly looking to diesel, hybrid-electric and fully electric powertrain technologies to reduce gas consumption and carbon emissions. Regardless of the underlying technology, consumers are expected to continue their willingness to pay more upfront for more fuel-efficient engines thanks to the rising price of oil. Engine manufacturer's profits will rise into the 4.5% range during the next five years as sales of advanced engines increase.</p>
33632	Automobile Electronics Mfg	<p>Brighter days are ahead for manufacturers of automotive electronics. Unemployment, consumer sentiment and general financial strength are expected to improve broadly over the next five years. IBISWorld projects the national unemployment rate will fall to about 8.1% in 2012, down from about 8.8% in 2011. In 2016, unemployment is forecast at an even lower 5.3%. Industry employment will follow suit, with the number of employees increasing at an average annual rate of 2.4% to 68,846 over the five years to 2016.</p>



NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
33633	Automobile Steering & Suspension Mfg	<p>There is hope ahead for the Automobile Steering and Suspension Manufacturing industry. After the US economy hits bottom, it will have nowhere to go except up. Demand will recover, though revenue will take time to get back to its pre-recessionary level. Consumers will demand cars once again once they start feeling more confident about their finances and future. Car sales will rise, boding well for domestic and global motor vehicle production. Sales growth will drive another big year of revenue growth in 2012, with revenue rising 5.2%. Industry revenue is estimated to increase by 1.2% annually over the five years to 2016 to \$10.7 billion.</p>
33634	Automobile Brakes Mfg	<p>Brake manufacturers that survived the recession will be able to breathe a sigh of relief over the next five years. New vehicle sales have consistently risen since 2010, generating much needed demand for brake manufacturers. New light vehicle sales are expected to rise 4.2% annually over the five years to 2016, to 15.7 million vehicles. And because Toyota has been embroiled in a recall controversy as well as damage from natural disasters, Ford, GM and Hyundai have been benefiting and gaining market share. Brake system demand will rise proportionally with motor vehicle production. Domestic automakers will begin to introduce redesigned vehicles, which are strongly associated with increased sales, and new hybrid and electric vehicles. The pace of these introductions will peak in 2012, but the advanced regenerative braking systems these new vehicles require is not yet widely available for US production; new assembly lines and equipment will need to be installed before US brake manufacturers see the full benefit of this new technology. As a result, industry revenue is expected to grow at a restrained 2.1% per year to \$11.1 billion over the five years to 2016.</p>



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NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
33635	Automobile Transmission Mfg	<p>The Automobile Transmission Manufacturing industry will shift into a higher gear over the next five years. US automotive production will boom through 2013, although vehicle sales will still fall short of their 2006 zenith. Restoration of consumer confidence, improvements in consumer debt burdens and pent-up demand for new vehicles will fuel industry growth. In 2012, industry revenue is expected to climb 6.0% to \$30.5 billion, while the number of vehicles rises to 13.4 million, a 5.0% increase over 2011.</p>
33636	Automobile Interior Mfg	<p>It would be overly optimistic to say the Automotive Interior Manufacturing industry will completely get back on its feet over the next five years; however, there are better times ahead. Domestic auto manufacturing will continue growing following the recovery of 2010 and 2011. Motor vehicle manufacturers are expecting continued increases in profit. Consumers will be more confident in the economy and their finances, which will have a flow-on effect on new-vehicle sales and the demand for parts in the aftermarket. Recovering vehicle sales and income will have a positive effect on the number of vehicles registered. Over the five years through 2016, revenue is forecast to increase at an average annual rate of 2.3% to \$20.5 billion, including growth of 2.0% in 2012.</p>



NAICS CODE	DESCRIPTION	FORECAST AND TRENDS
33637	Automobile Metal Stamping	Fate will be kinder to the Automobile Metal Stamping industry during the five years to 2016. Improving fortunes for US automakers will ripple throughout the supply chain, driving revenue growth at an average annual rate of 2.7% to total \$27.1 billion through 2016. Smaller and less sophisticated metal stamping companies will still be left out in the cold, with 3.7% of metal stamping shops going out of business in 2012, even as revenue grows 1.2%. Larger metal stamping operations, including the internal operations of automakers, will reap the benefits of lower labor costs and rising automobile production.
33639	Miscellaneous Auto Parts Mfg	The future of the industry rests on the recovery of US automakers. Auto parts manufacturers will not be able to return to prerecession production levels unless automakers take the lead. Recovery in the auto sector will be relatively slow, with vehicle production below 2007 levels throughout the five years to 2016. The 2009 turmoil in the automotive sector resolved many long-standing issues among domestic automakers, improving the long-term competitiveness of the sector. Over the next five years, industry revenue is projected to grow at an average annualized rate of 4.9% to \$42.4 billion.

Source: IBISWorld Industry Reports



RESEARCH FILTERS AND ESTIMATED COUNTS – AVIATION AND AEROSPACE
The following NAICS codes will be used to identify companies within this industry.

NAICS CODE	DESCRIPTION
33451	Search, Detection, Navigation, Etc. Instrument Manufacturing
33641	Aviation and Aerospace Equipment Manufacturing

Research Filters:

This industry will be narrowed further to the best targets using filters listed below.

Sales: \$10M minimum

Employment: 100

Events: Predictive events such as growth executive change, merger/ acquisition, new market development, new products/services, new contracts, initial public offerings, and raising of funds.

Geographic Scope: National with emphasis on companies with locations already in Florida and the Southeast

ESTIMATED UNIVERSE	
Total Universe	21,113
Target Universe (\$10M+ sales or 100+ employees)	1,432
With Growth and/or Events	345



RESEARCH FILTERS AND ESTIMATED COUNTS – ALTERNATIVE ENERGY

The following NAICS codes will be used to identify companies within this industry.

NAICS CODE	DESCRIPTION
111998	All Other Miscellaneous Crop Farming (Algae Farming)
237130	Alternative Energy Structure Construction
325998	All Other Miscellaneous Chemical Product and Preparation Manufacturing
333111	Farm Machinery and Equipment Manufacturing (Windmills)
333411	Air Purification Equipment Manufacturing
333414	Heating Equipment (except Hot Air Furnaces) Manufacturing (Solar Heaters)
333611	Turbine and Turbine Generator Set Units Manufacturing
333996	Fluid Power Pump Manufacturing
334413	Semiconductor and Related Device Manufacturing
335312	Motor and Generator Manufacturing
335911	Storage Battery Manufacturing
335912	Primary Battery Manufacturing
335999	All Other Miscellaneous Electrical Equipment Manufacturing
541710	Research and Development in the Physical, Engineering and Life Sciences
541620	Environmental Consulting Services

Key Terms

Solar Power

- ⊙ Solar photovoltaic (PV)
- ⊙ Solar heat collectors
- ⊙ Solar lighting systems
- ⊙ Solar thermal
- ⊙ Grid connected
- ⊙ Rooftop solar
- ⊙ Thin-film solar

Wind Power

- ⊙ Wind turbines
- ⊙ Electric windmills
- ⊙ On-shore wind
- ⊙ Off-shore wind

Biomass & Biofuels

- ⊙ Biogas digester
- ⊙ Biomass gasifier
- ⊙ Biomass gasification
- ⊙ Anaerobic digester
- ⊙ Acid hydrolysis
- ⊙ Biodiesel
- ⊙ Ethanol
- ⊙ Algae



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Research Filters:

This industry will be narrowed further to the best targets using filters listed below.

Sales: \$3M minimum

Employment: 10

Events: Predictive events such as growth executive change, merger/ acquisition, new market development, new products/services, new contracts, initial public offerings, and raising of funds.

Geographic Scope: National with emphasis on companies with locations already in Florida and the Southeast

ESTIMATED UNIVERSE	
Total Universe	23,378
Target Universe (\$3M+ sales or 10+ employees)	1,784
With Growth and/or Events	457



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RESEARCH FILTERS AND ESTIMATED COUNTS – FABRICATED METAL PRODUCTS AND MACHINERY MFG

The following NAICS codes will be used to identify companies within this industry.

NAICS CODE	DESCRIPTION
33211	Forging and Stamping in the US
33231	Structural Metal Product Mfg
33232	Sheet Metal, Window & Door Mfg
33281	Metal Plating and Treating
33291	Metal Valve Mfg
33351	Metalworking Machinery Mfg
33361	Engine, Turbine, and Power Transmission Mfg

Research Filters:

This industry will be narrowed further to the best targets using filters listed below.

Sales: \$10M minimum

Employment: 100

Events: Predictive events such as growth executive change, merger/ acquisition, new market development, new products/services, new contracts, initial public offerings, and raising of funds.

Geographic Scope: National with emphasis on companies with locations already in Florida and the Southeast

ESTIMATED UNIVERSE	
Total Universe	52,828
Target Universe (\$10M+ sales or 100+ employees)	2,844
With Growth and/or Events	475



RESEARCH FILTERS AND ESTIMATED COUNTS – PLASTICS AND RUBBER PRODUCTS MFG
The following NAICS and SIC codes will be used to identify companies within this industry.

NAICS CODE	DESCRIPTION
32611	Plastics Film, Sheet & Bag Mfg
32612	Plastics Pipe & Parts Mfg
32614	Polystyrene Foam Product Mfg
32615	Urethane Foam Product Mfg
32616	Plastic Bottle & Container Mfg

Research Filters:

This industry will be narrowed further to the best targets using filters listed below.

Sales: \$10M minimum

Employment: 100

Events: Predictive events such as growth executive change, merger/ acquisition, new market development, new products/services, new contracts, initial public offerings, and raising of funds.

Geographic Scope: National with emphasis on companies with locations already in Florida and the Southeast

ESTIMATED UNIVERSE	
Total Universe	3,630
Target Universe (\$10M+ sales or 100+ employees)	517
With Growth and/or Events	62



RESEARCH FILTERS AND ESTIMATED COUNTS – VALUE-ADDED FOOD MFG

The following NAICS and SIC codes will be used to identify companies within the value-added food industry.

NAICS CODE	DESCRIPTION
31123	Breakfast Cereal Manufacturing
31134	Nonchocolate Confectionery Manufacturing
31141	Frozen Food Manufacturing
31181	Bread and Bakery Product Manufacturing
31182	Cookie, Cracker and Pasta Manufacturing
31183	Tortilla Manufacturing
31191	Snack Food Manufacturing
31194	Seasoning and Dressing Manufacturing
31199	All Other Food Manufacturing

Research Filters:

This industry will be narrowed further to the best targets using filters listed below.

Sales: \$10M minimum

Employment: 100

Events: Predictive events such as growth executive change, merger/ acquisition, new market development, new products/services, new contracts, initial public offerings, and raising of funds.

Geographic Scope: National

ESTIMATED UNIVERSE	
Total Universe	36,639
Target Universe (\$50M+ sales or 1,000+ employees)	975
With Growth and/or Events	193



RESEARCH FILTERS AND ESTIMATED COUNTS – AUTOMOTIVE MFG

The following NAICS codes will be used to identify companies within this industry.

NAICS CODE	DESCRIPTION
33611	Car & Automobile Mfg
33631	Automobile Engine & Engine Parts Mfg
33632	Automobile Electronics Mfg
33633	Automobile Steering & Suspension Mfg
33634	Automobile Brakes Mfg
33635	Automobile Transmission Mfg
33636	Automobile Interior Mfg
33637	Automobile Metal Stamping
33639	Miscellaneous Auto Parts Mfg

Research Filters:

This industry will be narrowed further to the best targets using filters listed below.

- ⦿ Sales: \$10M minimum
- ⦿ Employment: 100
- ⦿ Events: Predictive events such as growth executive change, merger/ acquisition, new market development, new products/services, new contracts, initial public offerings, and raising of funds.
- ⦿ Geographic Scope: National with emphasis on companies with locations already in Florida and the Southeast

ESTIMATED UNIVERSE	
Total Universe	12,124
Target Universe (\$10M+ sales or 100+ employees)	1,411
With Growth and/or Events	150

Sanford Holshouser Economic Development

Consulting is an innovative and growing economic development consulting firm that provides site selection services, action planning, and unique, sustainable strategies to communities, organizations, and companies. Sanford Holshouser continues the visionary economic development ideas of the firm's founders, former US Senator and North Carolina Governor Terry Sanford (deceased) and former Governor James Holshouser, Jr. who is still active in the firm. The consulting firm is affiliated with Nexsen Pruet law firm, a leader in economic development law and public policy in the Carolinas. Ernie Pearson, a partner in Sanford Holshouser and an attorney with Nexsen Pruet, has been recognized by *Southern Business* Magazine as one of the top economic development attorneys in the 17 Southern states.



**Your Partner for Sustainable
Economic Prosperity.**

SITE SELECTION DIVISION

Sanford Holshouser's Site Selection Division works with corporate clients to site new facilities and expansions, analyze workforce characteristics, negotiate incentives, and work through the many tasks involved in locating a new or expanded facility. We have also represented communities in the site selection process assisting with incentive negotiations and return on investment analysis. Our partners have site selection experience as consultants and as local, regional, and state level economic developers. Having both sets of experience gives us a unique perspective in site selection.

ECONOMIC DEVELOPMENT PLANNING DIVISION

Since its founding in 1999, Sanford Holshouser has provided consulting services to more than 80 communities in South Carolina, North Carolina, Virginia, Florida, and Minnesota. Projects have included strategic planning and action planning for economic development, product development, competitive analysis, site certification, board development, organizational development, and coalition building for EDOs. We have worked for small towns, rural counties, high-tech large cities, and urban regions.

PUBLIC POLICY DIVISION

The firm's Public Policy Division has completed projects such as the NC Motorsports Study which quantified the economic impact of the industry on the state's economy and formed state-level policy recommendations to retain and grow the industry. Sanford Holshouser partnered with UNC-Charlotte Urban Institute on the motorsports project. A similar study was recently completed for North Carolina's equine industry. Commissioned by the NC General Assembly, the equine study was done in partnership with NC State, East Carolina, and Western Carolina Universities.