

Town of Smithfield, North Carolina



*Strategic Economic Development
Plan Update
October 2014*



Bringing you "The Leading EDge"





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Executive Summary

Sanford Holshouser Economic Development Consulting under the auspices of ElectriCities, created a Strategic Economic Development Plan for the Town of Smithfield in 2004. The plan made recommendations in the areas of economic development preparedness, target industry sectors, marketing, and benchmarking the initiative's progress. Since that time many changes have occurred and the Town has had some measure of success in the economic development arena. Smithfield engaged Sanford Holshouser to update the Strategic Economic Development Plan in 2014. The Scope of Work for the Project included updating the Economic and Demographic Profile, a review and update of the Economic Development Preparedness Assessment, a review and verification of the Targeted Industry Sectors, and a Marketing Plan Review. As a part of the original project a marketing piece was produced from economic and demographic data. This marketing piece was updated using the most current data.

The Economic and Demographic Profile developed for this project is a snapshot of where the Town is today and an analysis of the changes that have occurred over the past decade. It highlights areas where the Town is trending positively and areas that need to be monitored to ensure that they do not become drags on the local economy and negatively impact the growth of Smithfield.

Sanford Holshouser conducted a series of focus groups and interviews to identify the Town's strengths, weaknesses, opportunities, and threats. The current responses were compared to the information collected in the original study and, as would be expected, there were many strengths identified then, that remain today. Unfortunately there are some weaknesses that were identified in both studies indicating that not a lot of progress has been made minimizing or eliminating them. The Town has done a very good job on capitalizing on many of the opportunities cited in 2004, and new ones have been identified in 2014 for emphasis. While there are commonalities among the threats from the original study and the update, the Town has worked in earnest over the past ten years to address them.

Economic development support programs and priorities were rated and ranked in both studies and there were many similarities. There were slight changes in how the support programs were perceived and where respondents felt the Town should focus its efforts. As far as economic development product, that is available sites and industrial buildings, Smithfield has as good an inventory as any community in Johnston County. Further, when compared to Wake and its surrounding counties, Smithfield's inventory is second to none. The inventory positions the Town well to be considered by companies seeking a location for a new facility.

In evaluating the progress on the Economic Development Preparedness Recommendations from the original study, Smithfield has made good or excellent progress on five of the nine items, with moderate progress on two, and little or none on the remaining two. Targeted industry sectors identified in the 2014 study remain viable for the Town and an additional sector, residential/retirement development was identified during the update. The marketing plan's nine items were evaluated in the context of what has been done and the current state of affairs. Recommendations were developed to get the greatest results from the current marketing efforts.

Finally, recommendations and an action plan were developed from the research, analysis, and input gathered during the update study. 16 recommendations and action steps to accomplish these tasks were formulated for the update. Also, implementation options and benchmarking suggestions were outlined as well.

In conclusion, Smithfield is a vibrant community but it does face challenges, some small, some potentially significant. The Town can control its destiny and growth by proactively facing these challenges head on. The fact that Town leadership commissioned this update study indicates that they have their eye on the future and Sanford Holshouser has no doubt that they will aggressively address the economic development of Smithfield.

Economic and Demographic Profile

Population

The Town of Smithfield's most recent population estimate is 10,874, which shows a decline from population figures obtained during 2010 Decennial Census at an average rate of .37% annually, while the population of Johnston County and the State of North Carolina rose at an average annual rate of 1.06%. The United States saw a rise in population at an average annual rate of .63%. We believe that the loss in citizens is not a cause for alarm at this time, as forecast models are projecting growth for the town at an average rate of .70% annually over the next five years following 2012, but should be monitored for emerging trends. **Please note: The figures from the 2000 Census have changed since there were originally reported in the 2004 Smithfield Strategic Plan due to adjustments made by the Census Bureau.**

	2000 Census	2010 Census	2012 est.	2017 projection
Town of Smithfield	11,510	10,966	10,874	11,262
Johnston County	121,965	168,878	173,016	189,112
North Carolina	8,049,313	9,535,483	9,759,332	10,365,298
United States	281,421,906	308,745,838	313,129,017	323,986,227

Source: U.S. Census Bureau, Census 2000 and Census 2010 Summary File 1. Esri forecasts for 2012 estimates and 2017 projections and are noted as such.

Annual Rate of Growth				
	2000	2010	2014	2019
Town of Smithfield	4.32%	-0.48%	-0.08%	0.23%
Johnston County	4.14%	3.31%	1.49%	1.63%
Raleigh MSA	0.81%	3.56%	1.78%	2.01%
North Carolina	1.96%	1.71%	0.92%	1.06%

Source: U.S. Census Bureau, Esri Forecast

2014 Median Age	
Town of Smithfield	41.7
Johnston County	37.2
Raleigh MSA	35.7
North Carolina	38.1

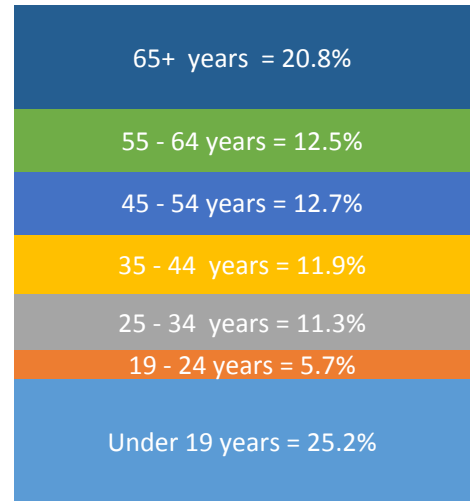
Source: U.S. Census Bureau, Esri Forecast

Population by Age Cohort

The Town of Smithfield's population composition is unique in that its two largest age cohorts, under 19 and 65+, hold a 46% share of the total population, which does not represent a large presence in the labor force. While the under 19 cohort percentage is in the average range with the comparison areas, Smithfield has a higher than average 65+ resident population, in fact it is nearly double. Nationwide, there is a trend of an increasing 65+ population. Simple explanation – aging baby boomers. According the U.S. Census Bureau, 13% of the national population is 65 years and older; in 2030 the rate is expected to reach 20% and continue to rise until 2050.

To address the decline in the prime working-age cohort, declines in the national birth rates since 1950 is a factor, but not the only. Smithfield has lower than average percentage distributions in the 19 to 64 age group at 54%, with the national average being nearly 63%. It is our recommendation that measures be taken to attract this age group to Smithfield, to ensure that the town will experience growth.

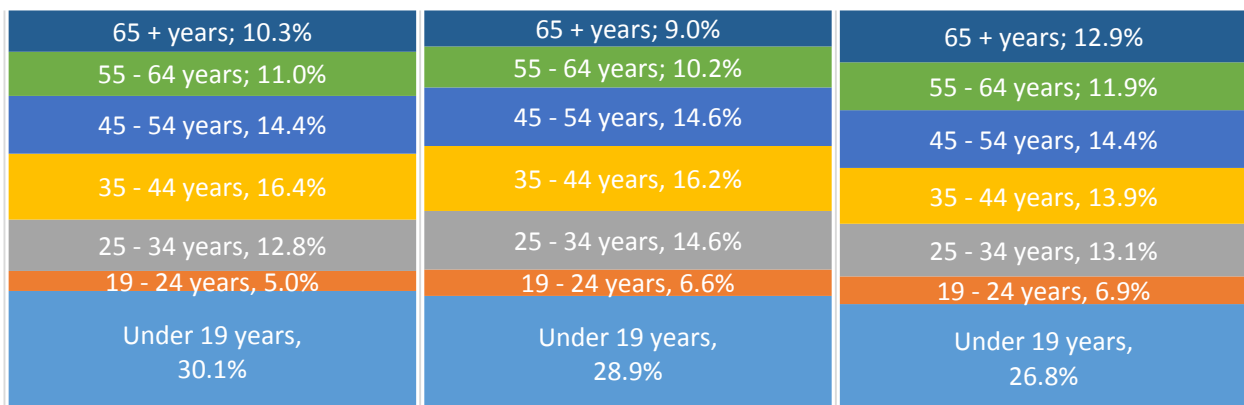
2010 AGE COHORT DISTRIBUTION



Age Groups	Town of Smithfield			Johnston County			North Carolina		
	2000	2010	% Change	2000	2010	% Change	2000	2010	% Change
0-19	23.4	25.2	1.8	28.2	30.1	1.9	27.2	26.8	(0.4)
20-24	6.2	5.7	(0.5)	6.0	5.0	(1.0)	7.2	6.9	(0.3)
25-34	14.5	11.3	(3.2)	17.2	12.8	(4.4)	15.1	13.1	(2.0)
35-54	27.2	24.6	(2.6)	30.1	30.8	0.7	29.5	28.5	(1.0)
55-64	10.5	12.5	2.0	8.6	11.0	2.4	9.0	11.9	2.9
65+	18.2	20.7	2.5	9.9	10.3	0.4	12.0	12.8	0.8

Source: U.S. Census Bureau, Census 2000 and Census 2010 Summary File 1.

AGE COHORT DISTRIBUTION, BY PERCENTAGES



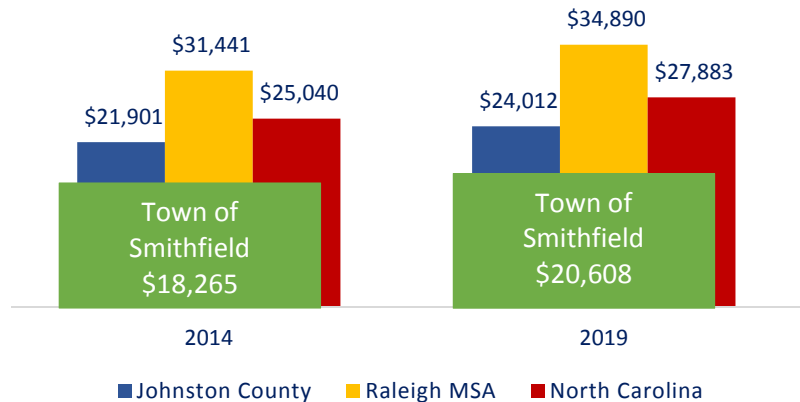
JOHNSTON COUNTY

RALEIGH MSA
Page 6

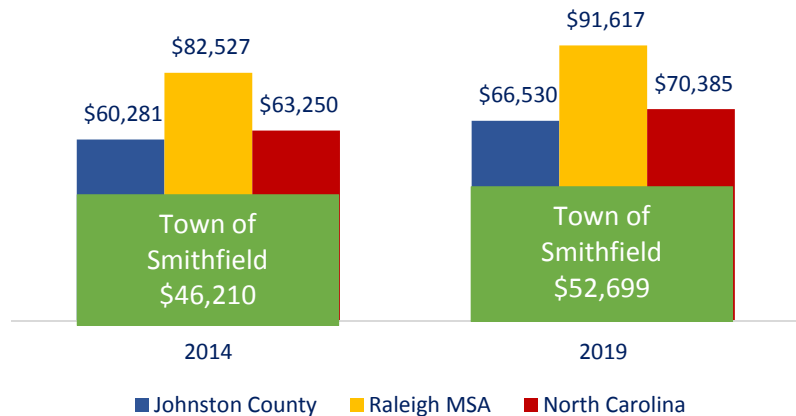
NORTH CAROLINA

Although all income statistical categories are projected to grow in the Town of Smithfield over the next five years, they are significantly lower than the comparison areas. If the Town wants to positively impact the income levels of its citizens, it must engage its resources, partners, and allies to bring economic development within its corporate limits.

Per Capita Income



Mean Household Income



Median Household Income

	2014	2019
Town of Smithfield	\$ 30,376	\$ 36,644
Johnston County.....	\$ 49,744	\$ 55,069
Raleigh MSA	\$ 59,293	\$ 68,263
North Carolina	\$ 45,343	\$ 52,518

Upper Income Households	\$100,000 -	
	\$149,000	\$150,000
Town of Smithfield	8.2%	2.9%
Johnston County	12.0%	4.5%
Raleigh MSA	15.6%	12.0%
North Carolina	10.5%	6.6%
United States	12.8%	9.4%

Source: U.S. Census Bureau, Esri forecasts

Households and Housing

As shown in the charts below, the Town of Smithfield has a higher percentage of renter occupied housing than Johnston County, the Raleigh MSA, and the State of North Carolina. Efforts need to be initiated to promote home ownership. Working with property owners, realtors, lending institutions, and other interested parties, strategies should be developed to assist renters to transition to home owners.

	2010	2014	2019
Town of Smithfield	4,363	4,302	4,328
Johnston County	61,909	65,243	70,317
Raleigh MSA	430,577	462,167	510,557
North Carolina	3,745,155	3,904,261	4,121,317

Source: U.S. Census Bureau, Census 2000 and Census 2010 Summary File 1. Esri forecasts for 2014 estimates and 2019 projections and are noted as such.

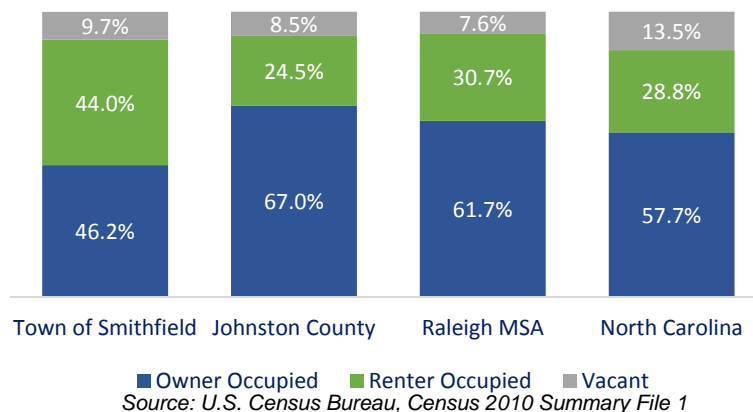
2010 Owner Occupied Mortgage Status	
Owner Occupied Housing	2,234
Owned with a Mortgage/Loan	64.3%
Owned Free and Clear	35.7%

Source: U.S. Census Bureau, Census 2010 Summary File 1

Mean Home Value	
2010	\$139,934
2014 (Est.)	\$166,054
2019 (Proj.)	\$212,452

Source: U.S. Census Bureau, Census 2000 and Census 2010 Summary File 1. Esri forecasts for 2014 estimates and 2019 projections and are noted as such.

2010 Housing by Status and Tenure



Educational attainment is showing positive movement for Smithfield. The charts below show that Smithfield’s percentage of high school graduates/GED recipients is equal to or better than the comparison areas. The Town’s percentage of bachelor and advance degrees is on par with Johnston County, but both lag behind the Raleigh MSA and the State.

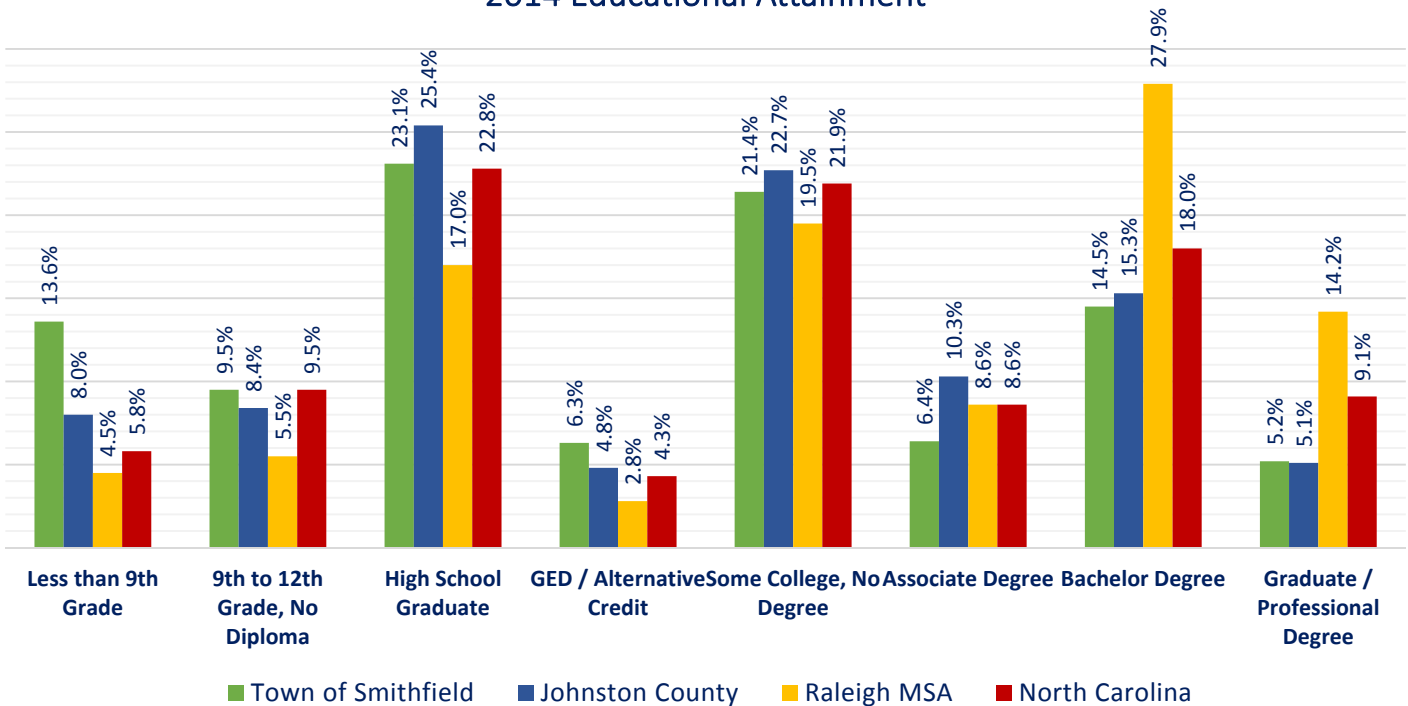
SAT scores show Smithfield-Selma lowest in the county. Initiatives should be developed to assist students in raising their scores. Strategies are recommended later in this study.

2013 SAT Average Scores

- 1 Johnston County Early College 1596
- 2 Johnston Middle College 1519
United States1498
- 3 Corinth Holders High 1492
- 4 Clayton High 1489
- 5 North Johnston High 1486
- 6 West Johnston High 1482
North Carolina1479
Johnston County Schools.....1471
- 7 Princeton High..... 1467
- 8 South Johnston High 1466
- 9 Cleveland High 1438
- 10 **Smithfield-Selma High 1356**

Source: NC Department of Public Instruction

2014 Educational Attainment



Source: US Census Bureau, ACS 2008-2012, with Esri Forecast for 2014

As there is not a current rate of unemployment at the city-level available, we must look at Johnston County's rate to gauge the employment status of Smithfield citizens. The unemployment rate in Johnston County is improving at the trending rate of the nation. Johnston County's current unemployment rate (August 2014) is 6.2%, improved three points from 2012.

2012	Labor Force	Employed	Unemployed	Rate
Town of Smithfield	4,350	3,649	701	16.1%
Johnston County	86,125	77,698	8,427	9.8%
Raleigh MSA	613,519	563,777	49,742	8.1%
North Carolina	4,743,685	4,246,096	497,589	10.5%
United States	156,533,205	141,996,548	1,453,657	.9%

Source: U.S. Census Bureau, American Community Survey 2008-2012

The Town of Smithfield's lower labor force participation rate is due to the high percentage of the 65+ cohort.

2012 Participation Rate	
Town of Smithfield	50.5%
Johnston County	67.5%
Raleigh MSA	70.5%
North Carolina	63.3%
United States	64.2%

Source: U.S. Census Bureau, American Community Survey 2008-2012

The Town's commuting patterns trend with those of the Raleigh MSA and the State of North Carolina.

2012 Commuting Patterns	Town of Smithfield	Johnston County	Raleigh MSA	North Carolina
Work in County of Residence	75.6%	46.6%	74.5%	72.0%
Work in State/Outside County of Residence	23.1%	52.3%	24.4%	25.5%
Work Outside of State	1.3%	1.1%	1.1%	2.5%

Source: U.S. Census Bureau, American Community Survey 2008-2012

Employment by Industry

As is the case with the comparison areas, the Town of Smithfield's largest industry sector is health care and social assistance, which employs 16.6% of the employed labor force. In its projections from 2012-2022, the Bureau of Labor Statistics is projecting the health care and social assistance sector to be the fast growing, with an average annual growth rate of 2.6%. This is due to the aging of the baby boomer generation.

Top Five Industry Sectors	Town of Smithfield	Johnston County	Raleigh MSA	North Carolina	United States
Agriculture, Forestry, Fishing, & Hunting	1.0%	1.7%	0.6%	1.3%	1.4%
Mining	0.0%	0.1%	0.1%	0.1%	0.5%
Construction	8.5%	11.6%	7.2%	7.3%	6.5%
Manufacturing	15.9%	11.6%	10.0%	12.8%	10.6%
Wholesale Trade	4.6%	5.5%	3.2%	2.9%	2.8%
Retail Trade	9.2%	11.4%	10.8%	11.7%	11.6%
Transportation and Warehousing	1.6%	3.8%	2.9%	3.4%	4.1%
Utilities	0.0%	1.2%	0.9%	0.9%	0.9%
Information	1.4%	1.5%	2.7%	1.8%	2.2%
Finance and Insurance	2.5%	4.2%	4.8%	4.5%	4.8%
Real Estate, Rental, and Leasing	3.3%	1.9%	1.9%	1.8%	1.9%
Professional, Scientific, and Tech. Svcs.	6.2%	4.0%	11.3%	5.5%	6.4%
Management of Companies & Enterprises	0.0%	0.0%	0.1%	0.1%	0.1%
Administrative & Support, Waste Management	2.6%	4.1%	4.2%	4.0%	4.1%
Educational Svcs.	10.8%	8.2%	9.5%	9.4%	9.4%
Health Care & Social Assistance	16.6%	11.6%	11.5%	14.0%	13.5%
Arts, Entertainment, and Recreation	0.4%	0.8%	1.6%	1.7%	2.1%
Accommodation & Food Svcs.	6.1%	6.0%	6.8%	7.3%	7.1%
Other Services, except Public Admin.	3.3%	4.0%	4.6%	4.9%	4.9%
Public Administration	6.0%	6.8%	5.4%	4.4%	4.9%

Source: U.S. Census Bureau, American Community Survey 2008-2012

Town of Smithfield	Johnston County	Raleigh MSA	North Carolina	United States
Health Care & Social Assistance	Construction	Health Care & Social Assistance	Health Care & Social Assistance	Health Care & Social Assistance
Manufacturing	Manufacturing	Professional, Scientific, and Tech. Svcs.	Manufacturing	Retail Trade
Educational Svcs.	Health Care & Social Assistance	Retail Trade	Retail Trade	Manufacturing
Retail Trade	Retail Trade	Manufacturing	Educational Svcs.	Educational Svcs.
Construction	Educational Svcs.	Educational Svcs.	Construction	Accommodation & Food Svcs.

Source: U.S. Census Bureau, American Community Survey 2008-2012

Employment by Occupation

The Town of Smithfield's largest occupational sector, as with the comparison areas, is office and administrative support. Healthcare practitioner, technologist, and technicians sector averages only 3.6% and healthcare support averages only 4.5%. Of the 30 sectors with the fastest growth projected by the Bureau of Labor Statistics, 14 are in the health care related sectors.

	Town of Smithfield	Johnston County	Raleigh MSA	North Carolina	United States
Management	5.1%	8.8%	12.2%	9.5%	9.7%
Business and Financial Operations	6.4%	5.0%	6.4%	4.3%	4.7%
Computer and Mathematical	1.1%	1.9%	5.5%	2.3%	2.5%
Architecture and Engineering	1.5%	1.7%	2.9%	1.5%	1.9%
Life, Physical, and Social Sciences	0.0%	0.9%	1.8%	0.9%	0.9%
Community and Social Services	1.5%	1.6%	1.5%	1.9%	1.7%
Legal	0.8%	0.8%	1.2%	0.8%	1.2%
Education, Training, and Library	7.0%	5.9%	6.9%	6.5%	6.1%
Arts, Design, Entertainment, Sports, & Media	1.9%	1.2%	2.0%	1.6%	1.9%
Healthcare Practitioner, Technologist, & Technicians	3.6%	4.5%	5.6%	5.9%	5.5%
Healthcare Support	4.5%	2.8%	1.8%	2.8%	2.5%
Protective Service	2.0%	2.1%	1.8%	2.1%	2.2%
Food Preparation & Serving Related	6.0%	4.4%	4.7%	5.5%	5.6%
Building & Grounds Cleaning & Maintenance	3.8%	3.9%	3.1%	3.8%	4.0%
Personal Care and Service	3.3%	2.1%	2.6%	2.9%	3.5%
Sales and Related	8.5%	11.7%	11.6%	11.2%	11.0%
Office and Administrative Support	16.0%	13.8%	12.3%	12.8%	13.9%
Farming, Fishing, & Forestry	1.4%	0.9%	0.4%	0.8%	0.7%
Construction & Extraction	6.6%	8.3%	4.9%	5.6%	5.2%
Installation, Maintenance, & Repair	4.2%	4.5%	2.7%	3.8%	3.3%
Production	10.2%	6.7%	3.9%	7.5%	6.0%
Transportation and Material Moving	4.6%	6.3%	4.1%	6.0%	6.1%

Source: U.S. Census Bureau, American Community Survey 2008-2012

**Economic Preparedness Assessment
Review and Update**

Economic Preparedness Assessment Review and Update

The review of the economic development preparedness of the Town of Smithfield was conducted using the same process that was used in 2004, and comparing the data that was collected then with the data from the activities in 2014. The process included conducting a SWOT analysis, an assessment of the economic development support programs, a prioritization of economic development activities. The data collected for the original plan produced a list of preparedness recommendations. An assessment of the progress in implementing those recommendations and an updated list of recommendations was produced as part of the project.

To gather the necessary data for this portion of the project, Sanford Holshouser conducted meetings with the leadership team, focus groups and one on interviews. The following is the data that was collected from and 2004 side by side with the data collected in the Plan Update.

SWOT Analysis

Strengths

2004

- Transportation Corridors
- Proximity to Raleigh
- Location (NY-FL Mid-point)
- Downtown Smithfield
- Shopping
- Availability & cost of real estate
- Johnson Community College

2014

- Transportation Corridors
- Proximity to Raleigh
- Johnson Community College
- Community Focus on Healthcare
- County Seat
- Availability & cost of real estate
- Shopping options
- Active Faith Community
- Diverse Population

Weaknesses

2004

- Lack of vision
- Appearance
- Public education
- Workforce
- Certified Sites
- Lack of recruitment funds

2014

- Lack of vision
- Image-Town & schools
- Electric rates (actual or perceived)
- Public schools
- Lack of collaboration
- No pride/excitement about Town
- Gateways

Opportunities

2004

- Booker Dairy Road extension
- Clayton bypass
- Enterprise Zone
- Convention Center
- Healthcare
- Water theme park

2014

- Residential Development
- JCC housing
- Retirement Community
- Capitalize on Healthcare facilities
- Collaboration with Selma
- Retail Development
- Amusement/Entertainment Development
- Promote business friendly attitude
- Expand relationship with JCEDC

Threats

2004

- Workforce
- Lack of Focus
- Competition

2014

- Public Schools Image
- Perception of community
- Competition with other areas
- Non-proactive Leadership
- Matching vision with action
- Continued decline in population
- Communication between town & recruiters

In comparing the strengths and weaknesses identified during the interviews and focus groups, there are many similarities between those that were cited in 2004. As would be expected, Smithfield has grown and changed over the past decade, some new strengths have emerged and new opportunities have developed. For example the active faith community and diverse population were identified as new strengths for Smithfield.

On the other side of the coin, some weaknesses that were identified in the original study remain at the top of the list in 2014. Lack of vision, appearance/gateways, and public education remain as negatives from 10 years ago. Whether these are real or perceived problems is irrelevant, they still need to be addressed in order to build a cohesive effort to move the community forward. No economic development program can be successful if it does not have widespread support from the community and all its stakeholders. Recommendations on how to capitalize on the identified strengths and minimize the weaknesses will be outlined in the Recommendations and Action Steps section of the report.

Opportunities identified for today's Smithfield include only a couple that were identified in the first study. Respondents identified healthcare in the original study and again for the update. A water theme park was being discussed in 2004 but did not come to fruition, but for this study the development of amusement/entertainment facilities is an opportunity that the Town should explore.

Other opportunities identified in the original study that are not on the current list have been explored and discarded (i.e. Convention Center) or have been realized and are being leveraged (Booker Dairy Road Extension, Clayton Bypass).

There are some common areas between the two studies in the area of threats, and while there have been efforts to overcome these potential negatives, more action is needed to eliminate some of these threats once and for all. Some threats may be beyond the ability of the Town to eliminate them totally, but steps need to be taken to minimize the negative impacts that these issues may have on the community. Public Schools is a common theme then and now. It is also an identified weakness. The ultimate responsibility and control of the public schools is vested in the Johnston County Board of Education, but this is not to say that the Town cannot have an impact on the quality of the schools, and thereby change this weakness and threat into a positive.

Competition identified in both studies has been, and will continue to be a fact of life. Every community is seeking to grow both in population and in its business and industry sectors. If Smithfield is to be successful, then it must create a unified vision that will translate into a targeted and effective program that capitalizes on strengths, leverages opportunities, while minimizing or eliminating weaknesses, and addressing threats. Recommendations and Action Steps from this effort are contained in a later section of the report.

Economic Development Support Programs

Participants were asked to rate economic support programs that were either conducted by the Town or on behalf of the Town. The results from 2004 and 2014 are as follows:

<u>2004</u>		<u>2014</u>
	<u>Excellent</u>	
Downtown Development Community College Programs		Community College Programs
	<u>Adequate +</u>	
Beautification Tourism Development Parks & Recreation Arts		Downtown Development Retail Development Parks & Recreation Tourism Development
	<u>Adequate</u>	
Small Business/Entrepreneurial Dev. Retail Development Transportation Improvements Public Education		Workforce Development Beautification Transportation Improvements Arts
	<u>Poor</u>	
		Small Business/Entrepreneurial Dev. Public Education

Johnston County Community College (JCCC) was rated as excellent in 2004 and again for this study. The community college is one of the crown jewels of the county and Smithfield is truly fortunate that the campus is located there. There are myriad benefits and opportunities that the college brings from workforce development, to partnering with public schools, to skills training, and beyond. The faculty and staff of the college add to the Town's economy as they purchase fuel, food, and other goods and services

Other support services were rated similarly to how they were in 2004. In that study there were no Services that were rated as poor. This changed in 2014 with small business/entrepreneurial development and public education slipping from adequate to poor. It is our opinion that the rating of small business/entrepreneurial development is a mistake as it falls under the purview of JCCC, and the college and its programs were rated as excellent. It is believed that this service was rated as poor because of a lack of understanding as to what the college offers in this area, there isn't a lack of services or support, rather there is a lack of publicity and communications about what the college is actually providing.

Public education continues to be rated as a negative and a drag on the community. Again, whether this is accurate or an incorrect perception, it must be addressed.

In addition, an identified need related to JCCC is a very real opportunity for Smithfield. According to respondents, there is a lack of housing for faculty and students. At first glance, at least as it pertains to students, this is not logical. The intent of community colleges is to provide educational opportunities to the citizens of the communities in which they are located. Community colleges do not typically have residential students, as most commute and live at home. However, some institutions in the North Carolina system offer specialized, unique curricula that are not offered on any other campus. JCCC has one of those programs and, therefore attracts students from beyond a reasonable commuting distance, creating a need for student housing. This is a unique opportunity for the Town.

Further a lack of housing for young professionals, especially in the downtown area was also cited as a need. Additional research needs to be done to quantify and qualify the housing needs and the opportunities by that demand.

Economic Development Priorities

The respondents were asked to prioritize where Smithfield should concentrate its efforts and precious resources in economic development in the following areas:

2004

1. Existing B & I Support
2. Marketing & Advertising
3. Retail Development
4. Product Development
5. Retirement/Residential Dev.

Other:

6. Medical Services
7. Tourism
8. JCEDC Efforts
9. Incentives

2014

1. Marketing & Advertising
2. Existing B& I Support
2. Residential/Retirement Dev.
4. Retail Development
5. Product Development

6. Public School Improvement
7. Incentives

The ranking of economic development priorities changed slightly from 2004, with marketing & advertising and existing business & industry support changing places in the top two slots. Retirement/residential development moved from fifth to third and pushed retail development and product development down one slot each.

The movement of product development makes sense as the Town has made great strides over the past decade, adding many properties to its available properties inventory, and developing two NC Department of Commerce Certified Sites. The lack of certified sites was identified as a weakness in 2004 and the Town took notice and removed that negative entirely. The new ranking of economic development priorities makes sense and reflects the changes that have occurred in the intervening 10 years.

Other priorities as identified in 2004 have been capitalized on and did not appear in 2014. Two that did were public schools and incentives. Incentives were also identified in other areas of the study as an area that needed review and possible enhancements. Incentives in this case referred to enticements in multiple sectors-residential, commercial, and industrial. Recommendations in this area are included later in the study.

In the context of economic development priorities, participants thought that any economic development effort mounted by Smithfield needed to have the improvement of the public schools as a priority action item where emphasis should be placed. Public schools is an issue that appears again and again throughout this study, and as such, demands some action to address this all important topic.

Economic Development Product Review

Economic development product, that is sites and available buildings, are essential for an area to be competitive in that arena. Smithfield has done a good job following the recommendations from the 2004 Plan. The Town has developed two Department of Commerce Certified Sites and has more sites in total listed on the Commerce website than any of the other communities that were analyzed to assess Smithfield’s competitive position.

Johnston County:

	<u>Smithfield</u>	<u>Selma</u>	<u>Benson</u>	<u>Clayton</u>	<u>Four Oaks</u>
Sites:	92 (CS)	158(CS)	87	161	184
(Acres)	76(CS)	111(CS)	78	55	
	66	131	47	31	
	58	113	35	23	
	37	51	14	2	
	33	20		1	
	16				
	15				
Buildings:	242,293		43,000	293,964	
	177,421		10,466	74,100	
	89,615		9,000	7,000	
	29,135		6,250		
	7,000		4,500		

Surrounding Counties:

Sites:

- Franklin:** Multiple, none larger than 89 acres, no Certified Sites
- Wake:** Multiple, only one Certified Site – Holly Springs-130 acres
- Orange:** Multiple, largest 101 acres – no Certified Sites
- Harnett:** Multiple, two large sites in Lillington – no Certified Sites
- Wayne:** Two industrial parks – no Certified Sites
- Wilson:** Three large acreage parks – no Certified Sites

Buildings:

All Counties listed above have multiple buildings listed. Smithfield’s building inventory is comparable to the inventory in each of the counties.

Smithfield is in as good a shape as any other community in Johnston County. Further, in comparing the Town’s product inventory with other communities within the same geographic area, Smithfield is very competitive. As noted above there is only one Certified Site in all the listed counties. Smithfield’s two Certified Sites, and their locations on major transportation corridors, put them and the Town in an excellent position to compete for industrial location projects.

Preparedness Recommendations Review

From the data and information gathered in 2004 the following recommendations were made and the progress is noted below each item:

2004

1. Existing Business & Industry Support

Program was established and functioned well for a few years. The program is currently inactive.

2. Marketing & Advertising

Materials are inadequate and the Website needs enhancements

3. Retail Development

Good progress in this sector. Participants believe that there is additional capacity Retail and some properties have been indentified for future growth.

4. Product Development

Excellent progress on this recommendation with an extensive product inventory and two Certified Sites

5. Retirement/Residential Development

Little progress here, but is seen as a continuing opportunity by participants in the 2014 study.

6. Medical Services

Excellent progress here with the establishment of new facilities and the new partnership with UNC Healthcare

7. Tourism

Tourism has grown thanks to the JCVB and its efforts. Participants believe that there is additional capacity for growth capitalizing on existing facilities and the development of new attractions.

8. JCEDC

The Town has made very good progress here improving its relationship with the management of the JCEDC over the years and developing an impressive product inventory that the EDC can market. Participants believe that there are new opportunities to develop a closer working relationship with the executive director and his operations.

9. Incentives

It was recommended in 2004 that the program be expanded and that recommendation stays the same for this study. Smithfield should examine its policies in all sectors, residential, commercial, and industrial to ensure that they are competitive with similar communities.

**Target Industry Sector
Review and Verification**

Targeted Industry Sector Review and Verification

The original target industry sectors were identified on the basis of information gathered from the interviews and focus groups, the evaluation of location factors such as infrastructure, including transportation corridors, availability and quality of labor, education systems, location of vendors and suppliers, and other factors. The following sectors were identified as viable, appropriate, and desirable for the Town of Smithfield in 2004.

- ⊙ **Distribution and Logistics**
- ⊙ **Biotechnology**
- ⊙ **Healthcare Services**
- ⊙ **Recreation and Tourism**
- ⊙ **Retail Development**
- ⊙ **Business Services**

All sectors continue to be viable targets for the Town of Smithfield. Location plays a large part in siting decisions in these sectors and Smithfield's location is a definite advantage. As the target sectors are all sensitive to transportation and demographic influences, the Town's excellent access to transportation corridors, and the recent improvements to that infrastructure is another advantage that Smithfield should leverage to its fullest potential.

Additionally, a new sector was identified during the update study and should be added to the Target list. Residential/retirement development is a sector where Smithfield has solid opportunities. The identified need for residential options for students and faculty at JCCC, the lack of housing for young professionals, and the outstanding medical facilities and services combine to give Smithfield the required elements to attract development in this sector. Strategies and recommendations will be listed later in the study.

**Marketing Plan
Review and Update**

Marketing Plan Review and Update

Sanford Holshouser reviewed the Marketing Plan developed for the original study and assessed current activities based on the progress of implementing the elements of that plan. Good progress has been made in certain areas, but in others, if the Town truly wants to mount an economic development effort, there is a great deal of work left to be done.

1. Marketing Strategies: Recommended multiple strategies

Partnering – Selma, Chamber, JCEDC, DSDC, JCVB Electricities

While there have been some partnerships that have been cultivated and are currently very strong, there are others that need to be revisited or established, i.e. the Town of Selma, the Johnston Board of Education. There have been some joint efforts with Selma but for whatever reasons, this relationship is no longer active. As noted in the earlier study, the economies of the communities are tied together, what benefits one benefits the other and vice versa. It is logical that the two explore areas in which they can combine efforts. Public schools as has been noted several times has been a continuing theme throughout this study. It is critically important for the Town to establish a working relationship with the BOE to address these issues and take positive steps forward to improve the quality and image of Public Education as it relates to Smithfield.

2. Client Response Material: Recommended developing marketing materials.

In reviewing the current client response materials, they are woefully inadequate, as a part of this study, a small marketing piece will be produced from the economic and demographic profile. However, the Town needs marketing materials that promote its assets to the sectors that it is targeting.

3. Target Industry Sectors: Recommended promoting these targets to the JCEDC, NCDOC, and other economic development partners.

The Town has made its targets known to the JCEDC, but it should work closely with them to maximize their efforts. The target sectors identified in the original study remain viable for Smithfield. The Town has made good progress in health care services, recreation and tourism, and retail development. Additional efforts, including reaching out to partners, should be made in the other sectors.

4. Website: Recommended adding sections on business & industry and economic development.

The Town's current website is very attractive. However, there is no information on industrial product, no information on incentives, and there is no link to the JCEDC. All recommendations that were made in 2004 remain in effect today with these additions; links should be added to JCCC, the JCVB, and any other economic development ally.

5. Existing Business: Recommended the establishment of a Business Retention and Expansion Program

The BRE program was established, but is currently inactive. The Town should reestablish this program.

6. Retail Development: Recommended conducting a Radius Study and Gap Analysis

Although the Town did not conduct a Radius Study and Gap Analysis there has been a great deal of progress in this sector, with many new establishments locating in Smithfield since the original study. This growth has occurred without an active recruiting effort by the Town. Participants believe and we concur, that there are opportunities to grow this sector even larger. We still believe the data gained through a gap analysis, would be a valuable in a recruiting campaign in this sector, if the Town establishes a proactive recruiting program. Additionally, property suitable for retail development should be identified. During the course of this study, a site on the east side of I-95 has been proposed that should be explored.

7. Tourism Development: Recommended exploring the potential of a Convention Center and the Water Theme Park project

The convention center was examined and dismissed as not a fit for the community and the water theme park did not materialize. Although this industry sector has seen good, solid growth since 2004, there is potential for additional growth. The development of new amusement/entertainment facilities and adding additional sporting events would give visitors additional reasons to come to, and stay longer in Smithfield.

8. Virtual Shell Building: Recommended the development of a virtual shell building as an additional marketing tool.

A virtual shell building was a technique that was being used in 2004 as opposed to an actual brick and mortar building. It was one step below the actual construction of the facility, with construction drawings, permits, etc. all in place. The Town did not act on this recommendation but instead concentrated on the development of other industrial product, Certified Sites. As the Town's product inventory is in very good shape, and as Sanford Holshouser no longer recommends virtual shell buildings as a marketing tool, this item should be removed from the Marketing Plan.

9. Internal Marketing Strategies: Recommended designating a spokesperson to make regular presentations and the preparation of an Annual Report with wide distribution

Internal marketing is how you keep stakeholders and the community at large informed and engaged with the economic development activities of the Town. The recommendations that were made in the 2004 study were not acted on. Going forward, if the Town decides to establish a more active economic development program, internal marketing will be an essential part of the effort to maintain a unified focus and widespread support.

**Recommendations
And
Action Plan**

Recommendations and Action Plan

In order to establish an active economic development program, the Town will need a group to direct the efforts and carry out the action items of the strategic plan. A small group of five to eight persons should be appointed to serve on an Economic Development Steering Committee. Individuals chosen to serve should have given a clear indication to the Town that they are interested in the economic growth of Smithfield and are willing to give their time, expertise, and energy to the effort. Careful consideration needs to be given to the appointees of this committee to ensure a cohesive, effective group.

The recommendations and action steps listed below should be handled by the committee or its designee. Further the Town may opt to engage someone to assist in the economic development efforts. There are several difference options as to how Smithfield could approach this and they will be outlined in a later section. Regardless, if the Town engages someone to focus on economic development, that does not eliminate, or minimize the need for the Steering Committee. Economic development is a team sport, and as such needs a solid, dedicated group of individuals with a unified vision to be successful.

Smithfield must capitalize on its strengths and work diligently to eliminate or minimize its weaknesses. In order to accomplish this, the Town needs to do a better job communicating its assets to the outside world-external marketing.

Recommendation 1: Mount an External Marketing Campaign

- ❖ Develop marketing materials that emphasize the Town's strengths
- ❖ Materials should be customized for each of the Town's target sectors
- ❖ Targets and strategies should be gleaned from the data gathered from all following Recommendations.
- ❖ Seek partnering opportunities for the campaign
 - Johnston County Economic Development Office
 - ElectriCities
 - Greater Smithfield-Selma Chamber of Commerce
 - Johnston County Visitors Bureau

Recommendation 2: Johnston Community College

- ❖ Convene a meeting with JCC leadership to learn more about the institution
- ❖ Identify ways the Town can leverage the college programs and operations
- ❖ Identify JCC needs that can be translated into economic development activities, i.e. housing needs.

Recommendation 3: County Seat

Each workday, the Town's population swells as County employees come to work.

- ❖ Survey county workers to identify needs and desires of goods and services not currently available in Town
- ❖ Develop a marketing strategy base on the survey results
 - For small business opportunities, publicize locally and partner with JCC

Recommendation 4: Smithfield's Diverse Population

- ❖ Establish a Diversity Advisory Committee to gather input from the various population groups as per what they need, but cannot find, or would like to see in Smithfield.
- ❖ Using this data, develop a marketing strategy to attract the identified goods and service providers.

Recommendation 5: Active Faith Community

- ❖ Meet with the Ministerial or Interfaith Council to brainstorm areas of collaboration.
- ❖ Utilizing the Council, survey the membership about needed goods and services not available in the Town.

Recommendation 6: Retirement Development

- ❖ Explore seeking the Certified Retirement Community designation from the NC Department of Commerce.
- ❖ Conduct a Best Practices Analysis on existing retirement communities
 - Identify essential services
 - Identify housing options
 - Identify other needed and desired characteristics

Recommendation 7: Residential Development

Residential Development includes data and demand identified in Recommendations 2 and 6. In addition to the housing needs cited in those two recommendations, participants believe that there was a need for more upscale housing, including potentially a gated community.

- ❖ Research the housing inventory of Smithfield (if one does not exist-work with the Board of Realtors to develop one)
- ❖ Identify potential sites for residential development
- ❖ Identify downtown properties suitable for renovation for residential uses
- ❖ Examine incentives offered for residential development
- ❖ Convene a meeting of residential developers to inform them of the Town's focus on residential/retirement development and get feedback

Recommendation 8: Amusement/Entertainment Development

Smithfield possesses all the required elements to support a destination amusement/entertainment facility-shopping, restaurants, and hotel/motels. In addition, the Town is already a destination retail center drawing shoppers from a large radius, as well as capturing through traffic on I-95. Although there are already amusement/entertainment attractions in Smithfield, there is room for additional facilities.

- ❖ Research existing sports venue schedules for open dates that would allow for additional events
- ❖ Research facilities such as the Great Wolf Lodge, etc. to determine location factors and companies that are in a growth mode.
- ❖ Do an analysis on the Lion's Water Park in Kinston as to how such a facility may be a fit for Smithfield.
- ❖ Research other amusement/entertainment operations as to the applicability to the Town.

Recommendation 9: Retail Development

- ❖ Perform a Gap Analysis to identify retail establishments that do not currently have a Smithfield location.
- ❖ Identify property that has potential to be development for retail. (Tracts of the east side of I-95 were suggested during the course of this study.)
- ❖ Conduct a Best Practices Analysis on incentives for Retail and compare those with current Town policies.

Recommendation 10: Lack of Vision/Non-Proactive Leadership

The very fact that the Town commissioned this Economic Development Strategic Plan Update indicates that Smithfield has its eye on the future. That being said, it is important that the leadership and whatever economic development committee that is formed are unified in their vision and are actively communicating that to the citizens of Smithfield.

- ❖ The Town Board should appoint the Economic Development Steering Committee.
- ❖ Leadership should issue a statement outlining its vision for the committee and how it will impact the future.
- ❖ Annual Reports of activities should be issued jointly.

Recommendation 11: Town Image

During the study several comments were made regarding the negative image of the Town, and one participant stated "we don't do a good job of self promotion." Smithfield is a wonderful community with a great deal of assets and much to be proud of. The key is communications, and this means internal, as well as external. In the original study Sanford Holshouser recommended that the Town undertake a visioning and branding process to develop a unified vision and brand that the entire community could rally around. This was not undertaken, and it is our belief that it is needed more

now than in 2004. There are various ways to conduct these exercises with an associated range of costs, but regardless, this is the path to unifying the community and creating civic pride.

- ❖ Conduct a Visioning process with the widest community participation possible.
- ❖ Conduct a Branding process
- ❖ Incorporate the Brand into all marketing materials

Recommendation 12: Incentives

Smithfield has incentives for residential development, but they are not widely known. Incentives for industrial projects are questionable. Smithfield has done a great deal to position itself to attract industrial development but needs to have an incentive policy in place prior to a prospect becoming interested in one of the Town's available properties. Smithfield should have policy in place for industrial projects that is flexible and allows for negotiations. The Town should include that it offers incentives for industrial locations, but not specific details in all of its marketing materials targeted to industrial sectors.

- ❖ Conduct a Best Practices Analysis on incentive programs offered by other communities in the Region.
- ❖ The Town Board should adopt a policy and empower the Manager and/or the economic development representative to develop an incentive package that could be offered, pending final approval by the Board, to industrial prospects.

Recommendation 13: Beautification/Gateways

Then as now, Smithfield's gateways are not attractive. Some improvements have been made, but by and large they do not make a good first impression on visitors.

- ❖ Establish a Beautification Committee, if one does not already exist.
- ❖ Task the committee with identifying ways to improve the aesthetics of the Town and in particular, its gateways
- ❖ Explore incentives to encourage owners to spruce up their properties.

Recommendation 14: Existing Business and Industry Support

An existing business and industry outreach program was established as a result of the 2004 study. The Town contracted with the Downtown Smithfield Development Corporation to administer the program. Currently the program is inactive. The best, easiest, most effective money any organization or community can spend in terms of economic development is on an existing industry outreach program.

- ❖ Reestablish the Existing Industry Outreach Program.
- ❖ Communicate benefits available to existing business and industry.
- ❖ Conduct Business and Industry appreciation events in conjunction with partners.

Recommendation 15: Population Decline

As cited in the Demographic and Economic Profile, there is a definite decline in the age categories 25 to 34 and 35 to 54. These sections represent prime working years and a significant driving force to the economy of any community. While it was also cited that these categories declined nationwide, that does not totally minimize the threat to the community that this decline represents.

- ❖ Identify professional Town Residents in these age categories to serve on a newly created Citizens Advisory Board.
- ❖ With the assistance of the CAB, develop a list of qualities necessary to attract new residents in these age categories.
- ❖ Identify communities where the age categories have not declined and analyze the amenities available and compare with those in Smithfield.
- ❖ Develop and conduct a survey of those communities' population in the target age categories to determine attracting factors and identify any gaps that exist in Smithfield.
- ❖ Develop a marketing plan targeted to these age categories, partnering with existing business and industry, the Chamber, and other allies.

Recommendation 16: Public Education

Public Schools are a continuing theme running throughout this report. Time and time again we have heard about the issues with the Public Schools. The education system of a community is a key element in any economic development program. Any successful efforts depends upon that community's human resources, and public education is a critical element in the infrastructure of that community. The absence of a quality, effectively functioning public school system (whether real or perceived) will send the message to the outside world that the community is incapable of producing a competent and technically prepared workforce for companies considering a new location, or the expansion of an existing facility. Further, the quality of the school system (again real or perceived) is a factor when young couples make a decision about where they are going to live and raise their children. This certainly relates back to the desire of Smithfield to attract individuals in the 25 to 34 and 35 to 54 age categories.

- ❖ Public schools are a key to virtually every undertaking in economic development that the Town will initiate. It is of the utmost importance then that the Town do all it can to raise the quality of the public schools. Or, if it is the case that the shortcomings are perceived, then every effort must be made to communicate that to the public at large.
- ❖ Establish an Education Support Team (EST)
- ❖ EST should meet with the Board of Education to get a handle of the "real" situation with the school system.
- ❖ Brainstorm ways the Town (including existing business and industry) can support and assist the BOE to improve the quality of education.
- ❖ Publicize widely:
 - The EST and the meeting with the BOE
 - All the good things about the system right now
 - Plans for improvement

It should be made clear to the BOE when the first meeting is requested that this group is not hostile, does not want to be involved in finger pointing or assigning of blame, or emphasizing shortcomings. But, truly at the heart of their intentions is the improvement of the quality of education, the performance of students, and thereby, the improvement of the community.

Implementation

The Recommendations and Action plan contains many items and tasks. Time and resources will prevent them from being implemented all at once, and many are sequential in nature-one being dependent on the completion of another. The first action undertaken by the Economic Development Steering Committee should be the prioritizing of the action items. This will provide a plan of work and benchmarks by which progress can be measured. The question then arises-who is going to implement the action steps?

There are several ways this can be accomplished. Each has its advantages and disadvantages. Each also has an associated cost, with the cost being inversely proportional to the control the committee and the Town have over the activity. The options for staffing the program are:

- ❖ Volunteers
- ❖ Assign additional duties to existing staff
- ❖ Hire additional staff
- ❖ Contract with an outside agency/consultant

Operating the program with all volunteers is the least costly option, but it also has some shortcomings. Volunteers can be dedicated and hard working, but as they are volunteers, the job could become secondary to other demands on their time. There is a place for volunteers in an economic development program, but it takes an exceptionally committed, devoted individual to take on the responsibility for its implementation. The costs associated with this option would be travel, office supplies, and appreciation events and activities.

Assigning the responsibilities to an existing staff person is feasible if the Town has a person who does not have a full work load. In times past this may have been a reality; however since the Great Recession governments at every level have been forced to do more with less, shedding employees in the process and assigning additional duties to the remaining staff. This has resulted in many cases of employees having more than a full time load. Given this, it would seem unlikely that the Town has any employee who could assume these responsibilities without shifting some of that individual's duties to other employees. This option is also low cost, with the only additional cost from the first option possibly being a salary increase for those employees that assume additional duties.

The third option is to hire additional staff to manage and operate the Town's economic development program. This is the costliest option and requires a huge commitment on the part of Smithfield. The Town would have more control, as with the previous option, but it also brings with it all the issues and costs of additional staff.

Finally, Smithfield could contract with a third party to implement the program. This could be with an organization such as the Downtown Smithfield Development Corporation, the Chamber, or a consulting firm that specializes in economic development. This option will provide the Town the opportunity to assess the program, make adjustments as needed, and chart a course forward. If, for any reason the program was not deemed to be effective or not needed, it would be easier to cease operations than with other options, with the possible exception of the first.

If Smithfield is truly serious about establishing an economic development program, then regardless of the management option they chose the Town must state clearly and emphatically their commitment and support for the effort.

Benchmarking the Program

In order to monitor progress and to report that progress to elected officials and the general public, benchmarks need to be established. Too often, the success of a program or a developer is judged only on the two ultimate goals of economic development; the increase in jobs and new investment. As economic development is a process, not an event, there are many, many steps that must be accomplished before the location or expansion of company will produce an increase in jobs and new investment. It is recommended, as we did in 2004 that the program establish benchmarks. The following are sample benchmarks in only a few of the activities that have been suggested in this report. It is not meant to be a complete listing of Benchmarks. Each Recommendation and Action Step should be analyzed for mileposts to measure progress. As items are completed and others are researched and found to be no longer a valid activity, the evaluation points will change. However there must always be a plan in place and benchmarks to assure that the program is moving forward and is providing value to the community:

Business Recruiting

- Number of leads developed,
- Number of client visits
- Number of packages sent to prospects

Existing Business Support

- Number of calls to local business and industries
- Appreciation events

Marketing

- Materials developed
- Website improvements
- Prospects contacted

Retail Development

- Number of potential sites identified
- Gap Analysis completed
- Retailers identified in Gap Analysis contacted

Residential Development

- Housing inventory conducted
- JCC housing needs determined
- Developer meeting conducted

Public Relations

- Number of press releases
- Number of public meetings
- Number of presentations
- Annual Report