

4

TRENDS & FUTURE DIRECTION

HUMAN RESOURCE DEVELOPMENT

BUSINESS & INDUSTRIAL OUTLOOK

ISSUES

OBJECTIVES & TOOLS



Economic & Human Development



ECONOMIC & HUMAN DEVELOPMENT

Economic Development Goal

To achieve a business climate using human capital and infrastructure development to foster diverse economic growth while encouraging a stable economy that provides a balance of goods and services, business opportunities and an enhanced quality life for all our citizens.

Analyzing the economic characteristics of a community and the potential for economic development is a key element in comprehensive planning. Economic growth and prosperity is vital to the quality of life of the residents of Gastonia and Gaston County. A strong, healthy economy will ensure that the community is sustainable and continues to thrive as an attractive place to live, work, and play. Though Gastonia's economy has historically been dominated by textile manufacturing, community leaders have long recognized the need for economic diversification in order to maintain economic stability during periods of downturns. Nationally, there has been a shift from an emphasis on blue-collar manufacturing jobs to the white-collar knowledge based economy. As the economy transitions, Gastonia must restructure it's economic plan to meet the realities of the "New Economy". While preparing for this transition, the community is committed to retaining existing business and helping local businesses to grow and prosper, through financial incentives, workforce training, and streamlined development processes.

This chapter of the Plan contains information, goals, and recommended strategies and tools to promote the retention and stabilization of the economic base in Gastonia. This chapter assesses national, regional, and local trends, the City's economic development strengths and weaknesses and evaluates the types of new businesses and industries that are desired for the City.

Because a successful economic development strategy must consider a community's position within a broader economic and geographic region, this chapter was developed with the Charlotte Metropolitan in mind and focuses on the following

action steps: 1) support industry clusters; 2) co-invest in the developing a skilled workforce; 3) co-invest in an infrastructure for innovation; 4) boost quality of life; and 5) Encourage and promote growth and development of small business enterprise; 6) focus on the quality, not just the number of jobs created.

Trends and Future Direction

The Changing Economy



Historically, the area's economy has been centered on textiles. Gaston County and Gastonia were leaders in textile processing and manufacturing during the late nineteenth and early twentieth centuries. At its peak in 1970, the textile manufacturing industry employed 27,880 people in Gaston County. As of 2000, the textile



industry employed 9,265 people in Gaston County. More recent estimates from the Gaston County Economic Development Corporation show that employment has since decreased to approximately 5,000. This trend follows a national decline as the textile industry has shifted much of its operations to other countries and it is projected that this facet of the economy will continue to decline in both facilities and investment at the local level. Figure 4-1 shows the decline in the textile industry throughout the US.

Though the textile industry declined significantly in the 1990s, the non-textile manufacturing sector experienced moderate growth from 2001 - 2007 and increasingly locating operations within Gaston County. For example, in 2005 Dole Foods decided to invest in a \$54 million bagged salad plant in nearby Bessemer City that is projected to employ 900 employees by 2016. Other new industrial plants include Atkinson International Inc.'s brake shoe plant on Olney Church Road in Gastonia and Milanco Industrial Chemicals is moving its headquarters and principal manufacturing plant from Charlotte to Bulb Avenue in Gastonia.

Manufacturing has for many years been the backbone of the state's economy and despite the reports of a rapidly declining industry, the sector still employs one in four North Carolinians. Furthermore, manufacturing as a general industrial category, is the largest employment sector in most counties in the Charlotte Metropolitan Statistical Area. One way of gauging basic industry is through the use of the location quotient, a technique that measures the concentration of an industry in Gaston County by comparing local employment to regional employment. Location Quotient measures the share of manufacturing industry's employment in the state to its share of total national employment. As indicated in Figure 4-2, three out of the five counties in the Charlotte MSA have a location quotient greater than 1 indicating that these

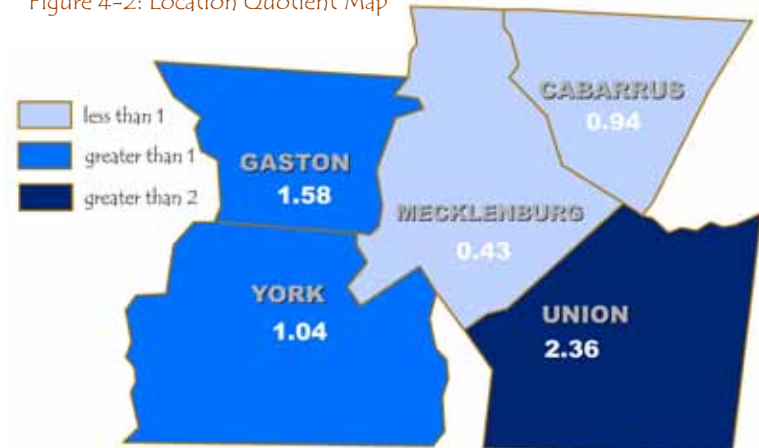
counties are specialized in manufacturing and have a share of employees greater than the state average employment in the manufacturing sector. However so, state estimates project a negative growth rate for the manufacturing industry through 2016, which will result in a growth rate of -1.5 for manufacturing in Gaston County. This suggest that while many Gaston county residents are currently employed in manufacturing many will be faced with layoffs in the near future. Many of those job losses will occur in the traditional manufacturing industries of textile/apparel, lumber, furniture and metalworking. However, state data suggest that the traditional "blue collar" manufacturing jobs will be replaced by the emerging "high-tech" manufacturing and services. Nevertheless, because manufacturing jobs are projected to continue to decrease both nationally and locally, the need for economic diversification in Gaston County and Gastonia continues to be relevant.

Figure 4-1: Employment by Industry, 1994, 2004, 2006 and Projected 2016 in U.S.

Employment				
Industry	Thousands of jobs			
	1994	2004	2006	2016 Projected
Manufacturing	17,020	14,330	14,197	12,695
Textile Mills	478	239	196	134
Fiber, yarn, and thread mills	96	54	48	38
Fabric mills	252	116	90	61
Textile and fabric finishing and fabric coating mills	130	69	58	34
Textile product mills	219	178	161	141
Textile furnishing mills	129	103	90	79
Other textile product mills	90	75	71	62

Source: U.S. Dept. of Labor, Bureau of Labor Statistics

Figure 4-2: Location Quotient Map



Source: U.S. Dept. of Labor, Bureau of Labor Statistics





The knowledge economy is focused on the management of knowledge or information and includes such fields as computers and technology, Internet services, telecommunications, and education and research.

The transition away from the area's historic dependence on manufacturing should be the central thrust of economic development efforts in Gaston County. Facing technological advances, an increase in exports and new markets overseas, the state's manufacturers must adapt to a new and fiercely competitive climate. While site development and promotion is important, Gastonia must diversify the local economy and place more resources toward developing a highly skilled workforce through education and workforce training programs, so that we can compete more successfully in the modern economy.

KNOWLEDGE BASED ECONOMY

In today's global economy, cities throughout the United States are finding it increasingly difficult to develop a competitive advantage and attract businesses and industries, skilled workers, and innovative technology to their communities. Previously the formula for business recruitment relied heavily on a city's water, sewer and road systems. While all these remain important, today's knowledge-based economy has added other elements to the mix. This new economy is focused on the management of knowledge or information and includes such fields as computers and technology, Internet services, telecommunications, education and research, not material products.

Location recruiters who scout for knowledge based companies give high scores to amenities such as entertainment, recreation, and cultural events. Gastonia is proud of its current facilities such as the Schiele Museum of Natural History and Planetarium, nearby Daniel Stowe Botanical Gardens and Crowders Mountain. However, to remain a competitive location for future business and industry, Gastonia must protect and enhance quality of life factors in the community. Future amenities to add to the mix include performing arts groups, a vibrant downtown

and new recreational facilities, as well as protecting our natural resources.

Sufficient education and training are the foundation of the knowledge-based economy, requiring businesses looking for new locations to consider the educational level of the potential work force. Not only do recruiters want a well-educated work force, but they also appraise a community's ability to provide lifelong learning opportunities. Now that economic development is more than land and utilities, it is imperative that the City and the County work together to improve the area's image as a place to live, work, and play. This is necessary to retain existing workers, as well as to attract workers from other places. New workers bring their knowledge, expertise, disposable income, ideas and potential for innovation to the areas where they live and work.

BUSINESS VERSUS RESIDENTIAL DEVELOPMENT

Many manufacturing plants are heavy water and electricity users; therefore, a plant closing not only affects the local unemployment rate, but also creates hardship for the local government budget, which depends on business and industry to provide needed services and keep the tax rates and utility rates in check. Since 2000, residential development has boomed in Gastonia and the eastern half of Gaston County. While a majority of this growth has been beneficial to the community, residential development by itself is not fiscally sustainable for the City's public services and facilities. New residential developments, especially those built at the fringes of a community, require new infrastructure such as utility extensions, road improvements, schools, fire and police stations. Generally, the taxes and utility fees derived from these residents is not enough to balance the costs that the community incurs to provide these additional services. Thus, a fiscally sound community requires a strong mix of housing



and commercial, office, and industrial development. Businesses strengthen the tax base, pay more in utility fees, and generally bear the cost of providing new community infrastructure in coordination with the development of their facilities. Without restructuring its own economic base, Gastonia could evolve into a bedroom community of Charlotte, which would be detrimental to the long-term economic prosperity of the community. Developing a diverse economic base is crucial.

Regional Economy & Commuting Patterns

Modern local economies rarely coincide with administrative boundaries as people cross county and state lines to work, shop, and recreate. The MSA is the main competitive unit, and it is vital that communities work together and understand how each fits in and contributes to the regional economy. Nevertheless, Gaston County needs to have jobs within its borders to maintain its viability.

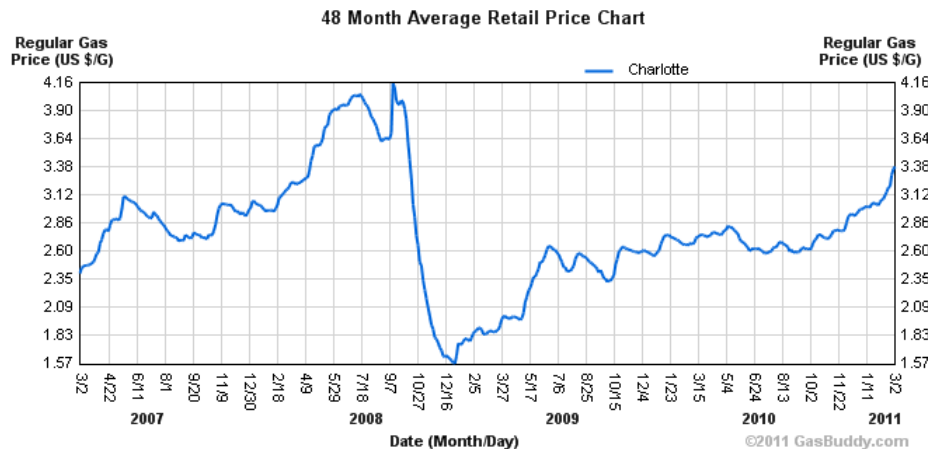
As the metropolitan area develops, strategic transportation planning becomes more crucial to address problems related to lengthy commute times. Each year congestion, energy prices, pollution and loss of open spaces increases. The funding and building of bigger highway projects have in the past been the responsibility of the federal government. However, state and local governments have become more involved because of funding reductions and rapid urbanization. Management of transportation funds has been and will continue to be critical to the success of the region.

The volatility in gas pricing has also impacted transportation revenue. Traditionally, the spring and summer months reveal higher gasoline prices because of the cost associated with producing "summer-grade" fuel. Higher fuel prices in the spring and summer months contributes to higher retail prices, energy prices and overall living increase. Figure 4-3 reflects North Carolina gasoline prices for 2007 and thru March 2011.

In 1990, 62.4% of Gastonia workers lived within 20 minutes of their workplace. However, by 2000, that figure decreased to 51.5%. 2009 Census estimates indicate that on average it takes 23 minutes for Gastonia workers to commute to work each day. Gastonia residents are traveling for longer periods of time to get to their jobs due to the job/housing imbalance in Gastonia, ease of commuting due to expansion, and/or improvements to major highways such as I-85, US321, and I-485, as well as expansions to major Gastonia thoroughfares through a \$35 million bond passed in the 1990s.

Commuting patterns show the need to attract jobs to Gaston County, to reduce the out-migration of workers to

Figure 4-3: North Carolina Gasoline Prices, August 2007 – March 2011



The fact that almost half of Gaston County's workforce works outside of the County is notable for several reasons.

- contributes to increased traffic and congestion
- contributes to a "brain drain" in the County
- We need our own employment centers to be a place to live, work and play
- Increases environmental issues such as ozone damage and poor air quality



Figure 4-4: Travel Time to Work from Gastonia, 2000 and 2009

Travel Time	2000	Percent	2009	Percent	Percent Change
Workers who did not work at home	29,025	100%	30,261	100%	4.3%
Less than 10 minutes	3,488	12.0%	3,202	10.6%	-8.2%
10 to 14 minutes	5,929	20.4%	3,855	12.7%	-35.0%
15 to 19 minutes	5,544	19.1%	6,153	20.3%	11.0%
20 to 24 minutes	3,806	13.1%	4,598	15.2%	20.8%
25 to 29 minutes	1,539	5.3%	2,046	6.8%	32.9%
30 to 34 minutes	3,661	12.6%	4,166	13.8%	13.8%
35 to 44 minutes	1,953	6.7%	1,918	6.3%	-1.8%
45 to 59 minutes	2,007	6.9%	2,700	8.9%	34.5%
60 to 89 minutes	659	2.3%	1,260	4.2%	91.2%
90 or more minutes	439	1.5%	363	1.2%	-17.3%

Source: U.S. Census 2000, Journey to Work QT-P23, American Community Survey, 2009

other communities on a daily basis. Indicated in Figure 4-4 and following national trends, the work commute for Gastonia residents has gotten longer as more people are willing to live further and further away from their workplace in an effort to obtain inexpensive housing, quality schools, access to goods and services, and suburban life. With a high percentage of workers employed outside of the County and the average worker driving over 23 minutes, it is evident that there is a large imbalance in the number of local jobs offered within Gaston County. This imbalance places a heavy burden on the County's roads, contribute to poor air quality, wastes the value of time of residents, and ultimately deprives social and political institutions of talent it would otherwise be available to them. These conditions underscore the need for an economic development program that strengthens sustainable.

EMPLOYMENT LOCATION

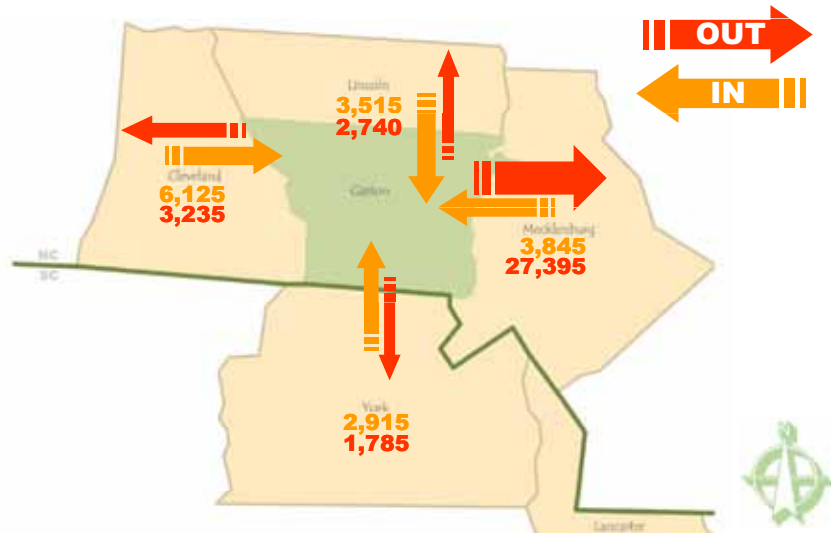
Where are these people driving? The majority of Gaston County residents work right here within Gaston County, and 23,101, or 41% of Gaston County residents work in Mecklenburg County, indicated in Figure 4-5 on the next page. The commuting pattern that has become prevalent across the United States is one where workers live at the outer fringes of a large urban city and commute, predominately by automobile, to their jobs in the urban core or suburban employment centers. The Charlotte-Mecklenburg commuting pattern is an example of this trend, where Charlotte is the employment center of the region and most workers live either at the fringes of the City of Charlotte in adjacent cities within Mecklenburg County, or in surrounding counties, including Gaston. This commuting pattern is predicted to worsen as residential neighborhoods are developed further and further away from the urban Charlotte core and workers become accustomed to longer work commutes.

The fact that almost half of Gaston County's workforce works outside of the County is notable for several reasons:

- Commuting patterns contribute to increased traffic and congestion on major highways and thoroughfares during peak times.
- Gaston County residents working outside of the County contribute to a "brain drain" in the County as they take their knowledge and expertise to jobs in other communities.
- Gastonia cannot survive long-term as a bedroom community of Charlotte. We need our own employment centers in order to be a place to live, work and play.
- Increased traffic and congestion increases environmental problems such as littering, ozone and poor air quality.



Figure 4-5: Residence County to Workplace: County Commuter Flows for North Carolina, Number of Workers 16 years old and Over, 2008



Source: American Community Survey, 2006-2008, County-to-County Worker Flow Files

Therefore, a good mix of residential, office, commercial, and industrial development is essential to the future of Gastonia and Gaston County.

To combat the negative effects created by increased commute times and out-migration, the community can plan for new or revitalized employment centers close to home. This can include locating employment centers throughout the planning area (not just in one area or sector) and encouraging mixed-use development. Both strategies can integrate employment into the community and offer benefits to employees and surrounding neighborhoods. Mixed-use 'campuses' often include neighborhood scale services such as retail shops, restaurants, housing, grocery stores, parks, playgrounds, and green spaces. Designed at a pedestrian scale, these developments promote connectivity, walkability

and access to public transportation. Mixed-use employment centers located throughout the community can help the City achieve its goal of keeping residential and employment centers close together in addition to providing residents with enhanced accessibility to employment, housing, goods and services, recreation, and a better quality of life.

OTHER ECONOMIC SECTOR TRENDS

Technology

The lifespan of technological innovation – the time that elapses before it is replaced by the next advance – is getting shorter and shorter. Moreover, technology moves very quickly across state and national boundaries, and businesses can readily buy or copy innovations developed by competitors anywhere across the world. This means that for companies to stay competitive they need to know about, and use, the latest advances. Without continuous improvement, their competitive edge can be quickly eroded.

Aging Population

Between 1990 and 2000, Gaston County saw an increase in investment and employment in the educational, health, and social services fields. Employment in this sector increased 68% (or more than 2,000 employees) during this time period. Much of the growth in this employment sector is due to the growth of the CaroMont Healthcare System, significant investments in Gaston Memorial Hospital, and the development of The Summit Medical Office Park as



Drawing of a conceptual mixed-use development in downtown Gastonia. Concept includes a farmers' market, restaurants, greenspace, and housing along with office space and retail.



Just about every business, including many service industries, is facing unprecedented competition from home and abroad. It is essential that all companies and communities see themselves as part of the global marketplace.

well as adjacent medical office space. As the baby boom generation ages, the need for medical related services will continue to increase. In order to ensure that this medical economy continues to grow in Gastonia, land adjacent to and nearby the hospital should be dedicated to medical office growth on the Future Land Use Map. In addition, medical office sites should be encouraged throughout the City.

Global Competition

Although the U.S. has the world's largest and most dynamic economy, it is by no means immune to competition. In terms of value of imports, the European Union, Canada, Mexico, China, and Japan represent the major competition, with other countries in South America and Asia rising fast. Just about every business, including many service industries, is facing unprecedented competition from home and abroad. It is essential that all companies and communities see themselves as part of the global marketplace.

White Collar Jobs

The percentage of Gastonia employees in management, professional and related positions increased by 38.5% between 1990 and 2000, indicating that more Gastonia residents are working in high-level management positions. This is likely a factor in the increase seen in Gastonia's median household income between 1990 and 2000 since those in management positions generally earn more than low-level employees.

Positive Outlook

Overall, Gastonia is poised for future growth and development. Massive investments in downtown and in expanding industry are set to stimulate economic growth through 2025. Furthermore, an increase in jobs and ongoing recovery of various markets are sure to strengthen the economy. In addition, Gastonia's convenient location within the heart of the fast-growing Charlotte region will

play a pivotal role in its ability to attract businesses and people to the City.



Employment & Industry Conditions

The number of people employed in a given industry is often used as an indicator of an economy's composition and diversity. Gastonia is home to some large and high performing companies. According to the Employment and Securities Commission, Gaston County has a workforce of approximately 100,223 of which 92,303 are employed. Figure 4-6 lists & Figure 4-7 maps the City's twenty-five largest employers. As shown, the majority of Gaston County's top 25 employers consist of education/health service, manufacturing, trade, transportation and utilities sector. Gaston County Schools is the largest employer within the county and the seventh largest school district in the state. The second largest employer is CaroMont Health. The 435-bed Gaston Memorial Hospital is now the anchor for CaroMont Health, an independent, not-for-profit health care system consisting of eight affiliate companies including a network of 33 primary and specialty physician offices.

EMPLOYMENT BY INDUSTRY

Gaston County has over 4,000 businesses and government entities, with the largest employment numbers in the following sectors:

- Manufacturing,
- Services,
- Retail Trade,
- Construction, and,
- Finance, Insurance, and Real Estate.

Figure 4-9 illustrates the employment profile of Gaston County with Mecklenburg County, the state, and the US based on ten key employment sectors. As shown, Gaston County economy has a strong manufacturing base that employed approximately 25% of the total workforce in 2007. The manufacturing industry provided approximately 25 percent of the jobs held by county residents, more than twice the state average. While

the overall service sector, which includes a number of sub sectors such as: professional/technical, information, health care, education, and other types of service oriented jobs employs more than 35 percent of total jobs, the data reveal huge difference when the sub sectors are analyzed independent of

Figure 4-6: Top 25 Employers, Gaston County, January, 2011

Rank	Company Name	Industry	Employment Range
1	Gaston County Schools	Education & Health Services	1,000+
2	CaroMont Health (A Corp)	Education & Health Services	1,000+
3	Wal-Mart Associates Inc.	Trade, Transportation & Utilities	1,000+
4	County of Gaston	Public Administration	1,000+
5	Wix Filtration Corporation	Manufacturing	1,000+
6	Pharr Yarns, Inc.	Manufacturing	1,000+
7	American & Efrid, Inc.	Manufacturing	1,000+
8	City of Gastonia	Public Administration	500-999
9	Freightliner Corporation	Manufacturing	500-999
10	Gaston College	Education & Health Services	500-999
11	Fayetteville Ind. Maint Corp. (DOLE)	Manufacturing	500-999
12	Food Lion, LLC	Trade, Transportation & Utilities	250-499
13	NC Advance Stores Co., Inc.	Trade, Transportation & Utilities	250-499
14	Integrated Staffing Solutions, Inc.	Professional & Business Services	250-499
15	Bi Lo LLC	Trade, Transportation & Utilities	250-499
16	Gaston County Family YMCA	Other Services	250-499
17	Quality Business Solutions, Inc.	Professional & Business Services	250-499
18	Lowe's Home Centers, Inc.	Trade, Transportation & Utilities	250-499
19	US Postal Service	Trade, Transportation & Utilities	250-499
20	Census-UCFE #910	Public Administration	250-499
21	FMC Corporation	Manufacturing	250-499
22	Southwood Realty Co., Inc.	Financial Activities	250-499
23	CBS Personnel Services LLC	Professional & Business Services	250-499
24	Belmont Abbey College	Education & Health Services	250-499
25	Danaher Tool Group	Manufacturing	250-499

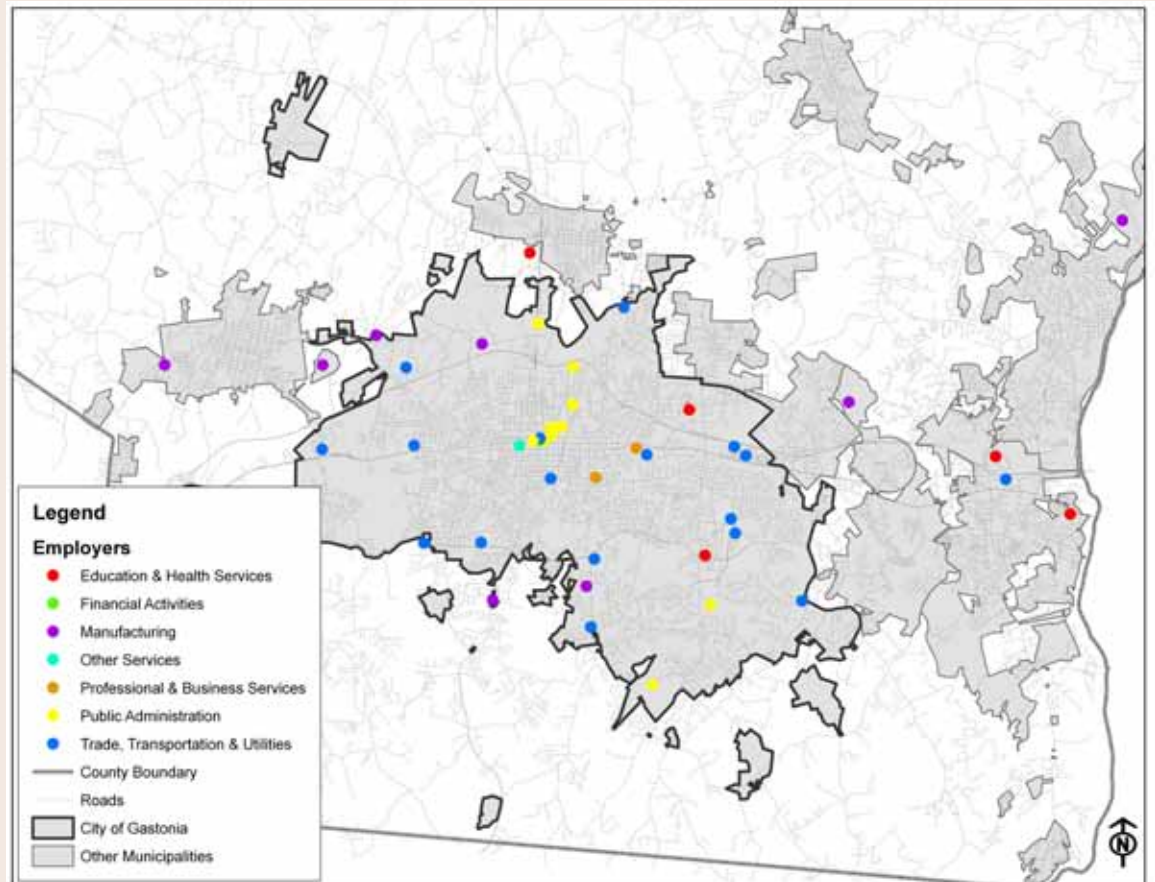
Source: Gaston County EDC



Figure 4-7: Top 25 Employers, Gaston County, January 1, 2011

one another. The most striking difference is that 19 percent or more than half of that are employed in the services sector are working in the education and health services sector. Also, the share of Gaston County residents with professional and business service-sector jobs was less than 10 percent, more than 10 percent than neighboring Mecklenburg County and 5 percent lower than statewide figures. Figure 4-8 illustrates the percentages of persons employed in each industry sector in Gaston County.

The trade, transportation, and utilities industry is the second largest employment sector in Gaston County, accounting for 22 percent of the total. The trade, transportation, and utilities sector consist of four sub-sectors which include: Wholesale Trade: Retail Trade, Transportation and Warehousing, and Utilities. The third largest number of establishments was education and health services, accounting for 19 percent of the total. Other significant sectors include professional and business services (9%), Leisure and Hospitality (8%), Construction (5%). State estimates show that the industry which will add new jobs within the County by 2016 is the education and health services.

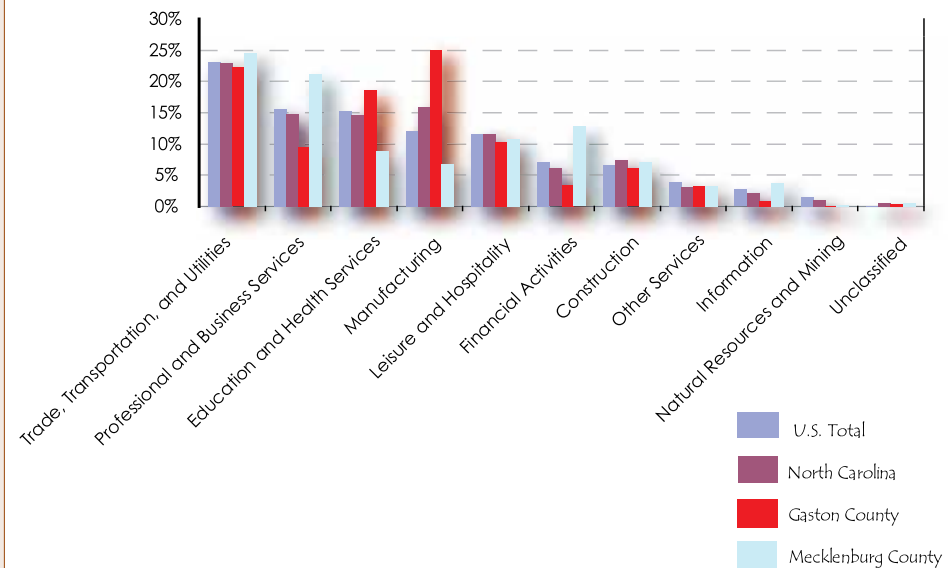


Source: Gaston County EDC

WHAT KIND OF JOBS WILL THE CITY OF GASTONIA HAVE IN THE FUTURE?

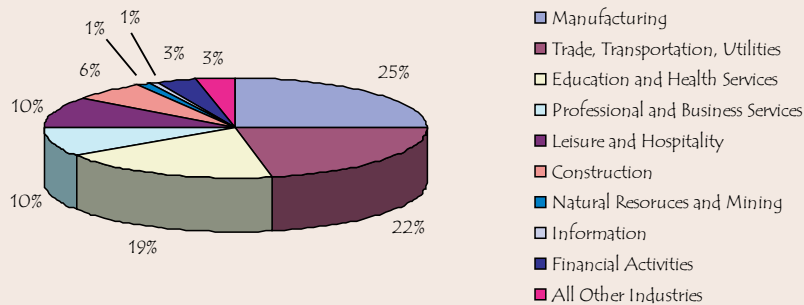
The Comprehensive Plan promotes a sound economy through planning for future growth in ways that maintain the City's high quality of life by directing facilities and services to areas that support jobs and by identifying and encouraging economic sectors that offer the best opportunities for new job creation and future economic growth. In order to develop a strategy to create jobs in the future, we must understand what economic sectors are projected to grow and or decline over the next 10 years. Figure 4-10 compares the year 2006 and forecast 2016 employment profile of Gaston County based on four key employment sectors. Overall the chart indicates that the knowledge-based jobs, and service sector jobs are projected to grow, while low-skill labor-intensive jobs will be lost. Low-skilled jobs are not going away any time soon. The occupations such as cashiers, janitors, retail salespersons, waiters, and waitresses will likely increase.

Figure 4-9: Ratio of Industry Employment to Base-Industry Employment, 2009



Source: U.S. Dept. of Labor, Bureau of Labor Statistics

Figure 4-8: Percentages of People Employed in Gaston County by Industry



Source: U.S. Dept. of Labor, Bureau of Labor Statistics

Most job growth throughout the county since 1970 has been in the service-producing sector. This trend is expected to continue as services required for an aging population, along with new healthcare related technology that transforms the way we administer medicine, and allows patients to recover from ailments and injuries that decades ago would have been fatal or permanently disabling. The Services Sector is projected to add the highest number of new jobs in Gaston County and will comprise approximately 38 percent of the total jobs in 2016. This sector includes jobs in health consumer, business, and legal services. Business services – which comprise advertising, equipment rental, business support operation such as photocopying, equipment rental, computer programming services, data processing etc – are projected to experience the highest growth among all

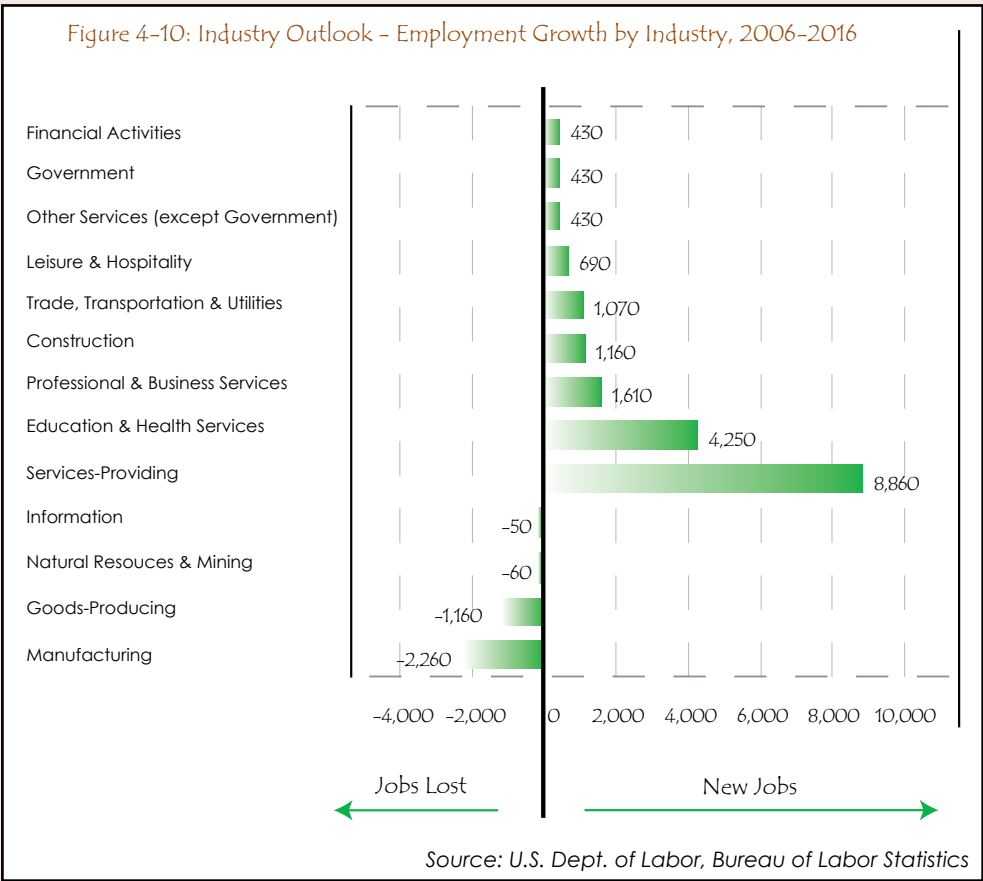


the services. Education & Health Services is projected to add 4,250 new jobs by 2016. In the next 20-30 years, the health care industry is going to experience significant changes.

The manufacturing and goods production sectors occupy a central role within the Gaston County economy and its health has a large impact on other industries in the County. As such, retaining and expanding existing manufacturing and good producing companies as well as attracting new industry has been a long-standing economic development strategy of the County's economic development program. However recent projections on the future growth of industry throughout Gaston County reveal that these sectors will experience significant declines which will result in huge job losses. Traditional manufacturing jobs where workers spend their days making things instead, will likely be replaced by "blue collar" manufacturing jobs that require works to move things, process or generate information, or provide services to people. However, the numbers of new "blue collar" jobs will likely show up in smaller numbers.

Recent economic crisis has led to short falls within budgets at all levels of government. State and local governments have scrambled to close the gaps within the budget while avoiding layoffs. This effort has failed and many government workers have been laid off at all levels of government. This current condition however is expected to change and state and local government employment, particularly education is projected to grow through 2016. Growth in government employment will be fueled by an increased demand for public safety, but dampened by budgetary constraints and outsourcing of government jobs to the private sector. State and local governments, excluding education and hospitals, are expected to grow by roughly 5 percent as a result of the continued shift of responsibilities from the Federal Government to State and local governments.

Figure 4-10: Industry Outlook - Employment Growth by Industry, 2006-2016



Economic Development Framework

This comprehensive plan draws on recommendations from the *Cleveland-Gaston Comprehensive Economic Development Strategy* plan, dated July 2003 (commonly known as the “Gaston 2012” plan) to develop a framework for how Gastonia plans to maintain its economic vitality in the future. This framework includes supporting existing businesses with needed financing and technical support and attracting new economic activity to the region by:

- Identifying and preserving locations suitable for residential and commercial development,
- Enhancing and diversifying workforce development, and
- Providing the physical (water, sewer, electricity, roads) and technological infrastructure needed to accommodate the growing service and knowledge-based industries.

PARTNERSHIPS

The City does not have an economic development department, but instead, collaborates with several agencies to engage in workforce development, attract new businesses to the region, retain existing businesses, and recruit clients for local industrial and business parks. The City participates in funding the activities of the Gaston County Economic Development Corporation, the Gastonia Downtown Development Corporation, and the Gaston Chamber of Commerce. This partnership approach has enabled the consolidation of local resources to market and recruit from both within the region and throughout the world.

GASTON COUNTY ECONOMIC DEVELOPMENT CORPORATION

The City and the Gaston County Economic Development Corporation work hand-in-hand to market the City to potential employers through such means as:

- Providing businesses with quality of life information and the advantages of locating within Gaston County,
- Providing businesses with assistance in obtaining financial incentives, finding available real estate, and, getting through the local development and permitting processes, and
- Providing a link with Gaston College to initiate job training programs and education for potential and existing workers.

GASTONIA DOWNTOWN DEVELOPMENT CORPORATION (GDDC)

The Gastonia Downtown Development Corporation (GDDC) focuses solely on facilitating development opportunities in and around the downtown area. Established in August 2001, the GDDC is a non-profit corporation that works to restore the downtown as a viable marketplace and, to again make it the center of community activity. The GDDC actively markets vacant buildings to prospective developers and through design review, ensures that downtown buildings are revitalized in such a way that maintains and restores their historic character. The GDDC is funded in part by the City of Gastonia through a self-assessed municipal service tax, which is applied to downtown property owners located within a defined municipal service district (MSD). The GDDC is limited in what it can spend MSD money on, as specified by state law and a formal agreement approved by the City and the corporation.



The Gastonia Downtown Development Corporation (GDDC) is a non-profit corporation that works to restore the downtown as a viable marketplace, and to once again make it the center of community activity. The GDDC actively markets vacant buildings to prospective developers and through design review, ensures that downtown buildings are revitalized in ways that maintain and restore the historic character.



GASTON CHAMBER OF COMMERCE

The Gaston Chamber of Commerce focuses on promoting job creation and investment throughout Gaston County. The Chamber does this by:

- Using private moneys to fund the Gaston County EDC's economic development marketing program,
- Developing regional partnerships with other chambers of commerce within the Charlotte metro area,
- Establishing committees of local business people that promote the interests of Gaston County businesses by: meeting with local, state, and federal legislatures to advance issues pertinent to the County; promoting the need for progressive land use and development of infrastructure and the wise use of resources; partnering with local public and private schools and colleges to advance the need for educational reform; advancing the health of the community; and workforce development.

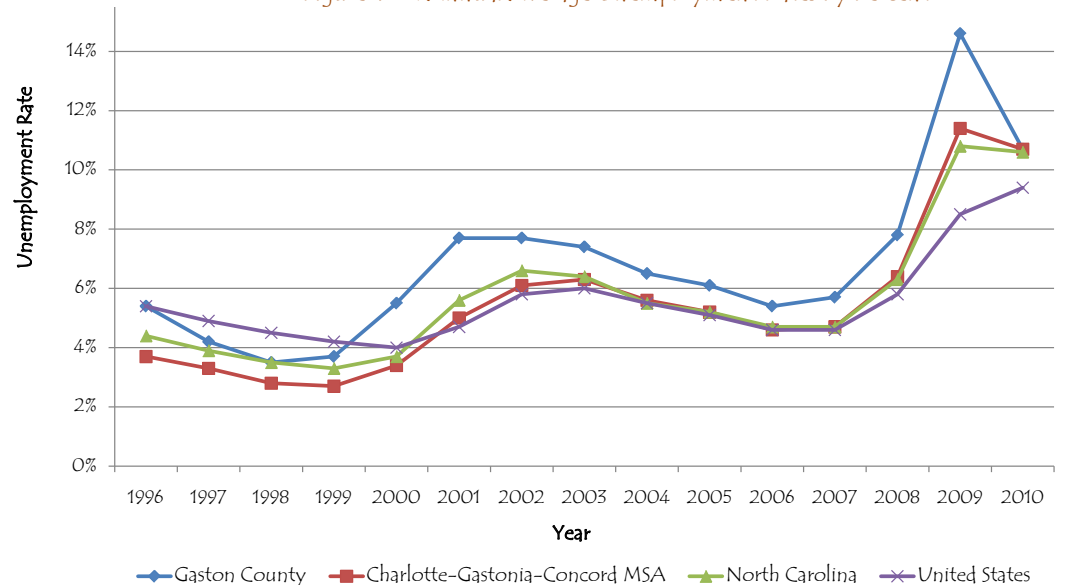
The Chamber was central to the development of the *Gaston 2012 Plan*. The main purpose of the *Gaston 2012* plan is to help both Cleveland and Gaston counties recover from the dramatic loss of thousands of jobs and dozens of businesses, mostly due to global competition in the textile industry, and to develop effective, proactive strategies for reviving their economies and creating new jobs.

Human Resource Development

People are by far our most important and precious resource. Gastonia's economic future and quality of life depend on the development and success of its people. Having skilled and flexible workers are a very important element for developing a vibrant economy. Competitive firms need workers who can easily adjust to new product ideas, who can be trained in new technology, and who can produce more efficiently. In order for Gastonia to establish its place as a true competitor in the global marketplace, the City must better prepare its citizens for the changing economy. Specifically, as discussed in Chapters 2 and 3,

Beginning in 2006, Gastonia began to experienced double digit unemployment rates. This is a result of business closing due to the downturn in the economy. Figure 4-11, the annual average unemployment rate, indicates how we are doing comparatively to the region, state and nationally. In order to successfully create a strong network of human capital and maintain a sound economy, Gastonia and its local partners must work to advance education and workforce development. The City must also work to create the best economic development opportunities based upon the current resources of land, buildings and work force.

Figure 4-11: Annual Average Unemployment Rates by Percent



Source: North Carolina Employment Security Commission



Educational Attainment Issues & Workforce Development

There is no simpler, more direct, or more important determinant of human welfare today than educational attainment. In almost every way, people with more education enjoy a higher standard of living. They live longer, have better health, and are happier and more productive than those with less education. Educational attainment is also linked to poverty. For instance, a June 2010 Urban Institute study - "*Childhood Poverty Persistence: Facts and Consequences*, found that 49 percent of American babies born into poor families will be poor for at least half their childhoods. Those poor at birth are more likely to be poor between ages 25 and 30, drop out of high school, have a teen non marital birth, and have patchy employment records than those not poor at birth. Poverty intertwines with many other social issues to negatively impact children's educational outcomes.

According to *Gaston 2012 Plan*, the single greatest challenge facing our community is the relative lack of preparedness of the workforce to cope with new economic realities. Workforce development begins with early education. In addition to more than fifty public schools, Gaston County offers 15 private schools, a technical high school, and two colleges. The Highland School of Technology is a technology magnet high school located in Gastonia. Highland School of Technology's aim is to provide a seamless transition for students entering the workforce or going to technical college.

When comparing the educational measures of Gaston County with national and state levels, Gaston has a lower percentage of adults with college degrees, lower levels of high school attainment, lower mean SAT scores, and lower

per pupil spending on K-12 education. Below average high school and college graduation rates signal that Gastonia's workforce could be better prepared for today's job market where the trend has been a shift from low skilled, manufacturing jobs to the knowledge and service economies. Those with only a high school diploma will find it increasingly difficult to find long-term, gainful employment, as many jobs now require some form of postsecondary education or advanced workforce training.

MARKET POST-SECONDARY EDUCATIONAL INSTITUTIONS

The City must continue to market itself as a great location for post-secondary educational institutions and workforce programs in order to increase the educational opportunities available to residents of the community. The ability to provide potential employers with an educated, skilled workforce is a key factor in attracting new businesses to the area. Additionally, an educated community provides a number of other benefits such as the ability of educated workers to act as magnets for information and technology, private investment, and innovation. Never before have education, skills and economic success been more interdependent.

Institutions in Gaston County that offer post-secondary education are:

- Belmont Abbey College, founded by the Roman Catholic Church in 1876, is a coeducational liberal arts college offering bachelor's and master's degrees.
- Gaston Community College is a state and locally controlled co-educational institution offering occupational and two-year, principally bachelor's-creditable degrees. The College recently opened a BioTechnology Center and through the community college system, offers a program for New and

The ability to provide potential employers with an educated, skilled workforce is a key factor in attracting new businesses to the area.

In addition to more than fifty public schools, Gaston County offers 15 private schools, a technical high school, and two colleges.



Gaston College has recently opened a BioTechnology Center



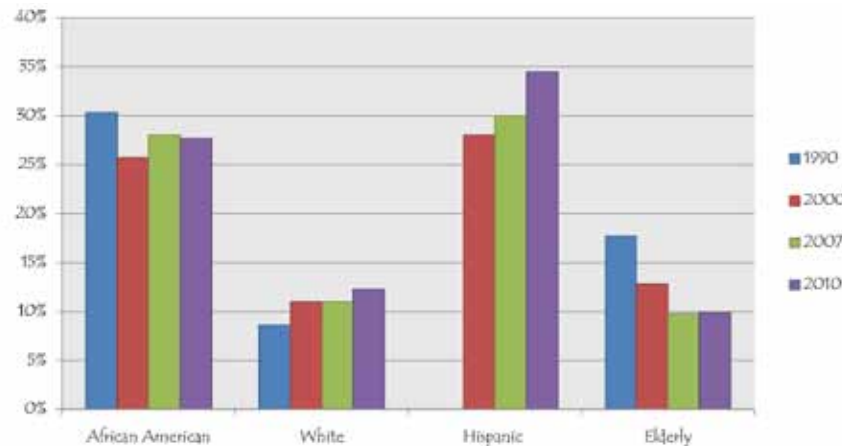
Expanding Industry (NEIT).

- The Center for Applied Textile Technology in Belmont, a technical school for post secondary textile training.

Human Services Needs

There are people, who live in our community who lack access to supportive social services. These individuals are vulnerable and face barriers to functioning independently. The community should help them flourish and participate fully in the life of the city. Human resource development is primarily the function of the county and state, carried out through their formal education and social services programs. The city's role is to ensure their policies are consistent with, and supportive of, the goals of the agencies whose mission is the development and training of our citizens. We also recognize that government cannot meet this wide range of competing human needs by itself, nor in the same old ways. System reengineering must start with creating a coordinated public/private interest in building healthy communities that connect people with the resources such as education, social services, and supportive networks. This

Figure 4-12: Percentage living below Poverty Level, Gastonia
Census 1990, 2000, 2007, 2010



Source: US Census Bureau, American Community Survey

strategy entails building a heightened public commitment to fostering the healthy development of children and youth, and a human service delivery system that is comprehensive in scope, coordinated and collaborative in action, and responsive to culturally diverse populations.

REDUCTION IN POVERTY LEVELS

2000 Census data for Gastonia indicate that, 15% of individuals and 11.8% of families are living below the poverty level. Data also reveal that a larger percentage of African-Americans in Gastonia are living below the poverty level than any other racial group. In fact, 30.3% of African-Americans living in Gastonia are living below the poverty level. Whites have a much lower percentage, approximately 11%; however, as illustrated in Figure 4-12, over the past decade the percentage of whites living below the poverty level has increased by 2.4%, while the percentage of African-Americans decreased by nearly 5%. The large differences maybe due to population changes throughout the 1990s. Fore instance, during this time, the white population grew by 6,000 persons while the African-American population decreased by approximately 3,400 persons.

When reviewing poverty levels for the most vulnerable persons, the elderly and children the percentages are significant. The elderly and children require a higher level of social service support. Specifically, as we continue to deal with the effects of the declining real estate and stock markets, high health care costs, as well as soaring fuel and food prices the community's health and social services resources will face unprecedented demand. As more families face hardships, public and non-profit human services capacity is stretching to breaking point.

As alluded to in the Growth & Demographic Chapter, the higher levels of individuals and families living below



the poverty level is possibly related to a combination of factors including the loss of textile employment, recent high unemployment rates, and trends in educational attainment. A reduction in the overall number of families and individuals living below the poverty level is critical for developing a strong economic infrastructure in the City. A reduction in poverty will result in a healthier environment for everyone, and will mean more individuals and families will be able to contribute to the community and the workplace. An investment in human capital is an essential component of the economic development strategy.

INCOME

The median household income for the City as estimated by the US Census Bureau is \$38,826. While the median income increased from 2000, it remains slightly below the median household income for the state. The wealth of our community, as measured by median household income, is located largely in the southeastern sections of the planning area. Wealth has become even more localized over the past 10 years. Community income levels are useful in assessing the economic health of the community, albeit somewhat after the fact. Communities with high median incomes reflect growing affluence, wealth, and an economic base that is thriving with more residents with a large amount of disposable income to spend within the community. Lower incomes, and the geographic disparity of income within the planning area speak to the need to diversify the local economy and encourage employment centers throughout the planning area to create more balance.

Business and Industrial Outlook

Business Retention and Attraction



Business attraction is the most visible and media-oriented of the economic development activities. When it is successful it creates significant numbers of jobs, enhances the tax base, and boosts the county's reputation as a place to do business. However, business attraction is often highly competitive, very expensive, time consuming, and unpredictable.

Business retention and expansion, although less glamorous, is widely recognized as a more cost-effective strategy. At least two-thirds of new jobs are created by existing companies. Our aim is to encourage local expansion, stabilize the tax base, help companies at-risk, and, at the same time encourage local companies to sell the area to prospective investors.

According to the 2010 Plan, homegrown jobs are generating more economic growth than industrial recruitment, therefore business retention is key. At the same time, Gaston County must entice new businesses to the area. Competing with Charlotte, Hickory and other communities for new businesses is a challenging responsibility, which requires an aggressive marketing effort. A concerted, sustained, and well-financed effort to promote Gastonia, and to reinforce a positive image, is essential.





Technology parks in Gastonia

Positive marketing includes how the City interacts with new and existing businesses. Streamlining the development approval process can help the existing and recently arrived businesses and supports entrepreneurship. The City of Gastonia has adopted the mission of providing the public with superior customer service. Part of that mission is achieved by making the development process clear and efficient. As part of this commitment, the City renovated the historic former Gaston County Courthouse, now known as the James B. Garland Municipal Business Center, to provide a “one-stop” permitting center. This center has helped to streamline the development process, increase customer service presence and promote open communication between City departments and customers.

Gaston County offers targeted business retention programs through the Gaston Workforce Development Board, aimed at pairing job seekers with existing businesses and worker training programs. In addition, the state offers a variety of tax credits and workforce training incentives to relocating or expanding companies, added to which the counties provide local infrastructure incentives. The two main incentives include tax credits for job creation and tax credits for investments in machinery and equipment. Incentives available in Gaston County include:

- Gaston County Investment Grant Program
- The North Carolina William S. Lee Quality Jobs and Expansion Tax Credit Program for Gaston County
- Industrial Development Fund
- Industrial Revenue Bonds
- City of Gastonia Investment Grant Program
- Mill Rehabilitation Tax Credit
- State Development Zones

These incentives are intended to diversify the tax base, improve employment opportunities for Gastonia and

Gaston County residents, and create an increase in the net depreciable taxable value of the City and County tax base.

Existing Buildings

The primary role of economic development is to market a community’s assets, including real estate opportunities, that match the site selection criteria of targeted industries or companies. An adequate supply of competitive industrial and office building space, as well as improved sites, such as parks, must be available. In addition, communities often want to have at least one large vacant tract available for a potential mega-industry.

INDUSTRIAL

According to the North Carolina Department of Commerce, over 80% of all prospective companies desire an existing building as opposed to a land site. Based on property data obtained from the Gaston County Tax Assessor’s Office, there are a total of 532 warehouse and manufacturing buildings containing 27.4 million square feet. Class C space commands a 76% share of all square footage, dominated by older textile plants that are often functionally obsolete for modern industrial uses. Generally, Class C buildings are more than 25 years old and have not been renovated.

INDUSTRIAL BUILDINGS - GASTON CO.			
Class	Buildings	Total Square Feet	% of Total
A	63	2,760,735	10%
B	96	3,800,010	14%
C	373	20,882,625	76%
Total	532	27,443,370	100%

Note: Includes buildings > 5,000 sq. ft.
Sources: Gaston Co. Tax Assessor, Barker Corvus, Carolinas Real Data and Warren Associates



The composite availability rate in Gaston County is 20%, double the 10% rate for Mecklenburg County. The large Class C segment has the highest availability rate of 22% and the small Class A sector has the lowest vacancy rate of 10%. While this vacancy rate is one of the highest in the Charlotte region, economic forecasts indicate that demand should be adequate to support construction of one million square feet of space each year from 2006 through 2012.

Class C space simply cannot be used as an economic development recruitment tool like Class A and B space. The key challenge is what to do with the large quantity of lower quality buildings that fall short of current market requirements for location, materials, and specifications. Indeed, three-quarters of Gaston County's industrial buildings fall into this obsolete Class C category.

The *Gaston 2012 Plan* suggests two main options. The first is to look for alternative uses for these buildings, focusing on the limited number of historically and architecturally interesting ones appropriate for residential, office, and/or mixed-use conversion. Adaptive reuse has been highly successful in other communities and can be an attractive investment with the existing tax credit opportunities in place.

The second option is to purchase and replace the buildings with new, high quality development either for industrial or some other use. However, the economics are generally not favorable for this option, except for the few buildings that occupy adequately large parcels in close proximity to I-85.

Over time, market forces will dictate the type of uses that absorb the available Class C space. A continued focus on a industrial product that is functional and marketable should be the strategy of the County.

Figure 4-13: 2025 Planning Area Business and Technology Parks

Name	Specifications	Location
Gastonia Technology Park	350 Acre campus Class A Sites range from 10-80 acres Zoned I-P (Planned Industrial)	Located one mile north of I-85 off of US 321 in Dallas, NC
Industrial Pike Park	1,523 acres total; 709 acres available 30 acres available Zoned I-2 (Industrial)	One mile from I-85 via NC 274, Isley Drive, Gastonia
Farmington Hills Industrial Park	54 Acres Zoned I-1 and I-2 (Industrial)	I-85 frontage, Southwest corner of I-85 and Bessemer City Road, Gastonia
Edgewood Industrial Park	113 acres total; 93 acres available Zoned I-G (Industrial Growth)	I-85, Edgewood Rd., via NC 274, Gastonia
Delta Business Park	360 acres total; 240 acres available Zoned I-G (Industrial Growth)	One half mile north of I-85 via NC 274, Isley Drive, Gastonia
The Summit	36 acres 40 acres-undeveloped Class A Zoned O-M (Medical Office District)	One mile north of I-85 off of N. New Hope Rd., Gastonia
Northwest Blvd. Industrial Park	202 total acres; 77 acres available Zoned Industrial	One-quarter mile from I-85 via NC 274

OFFICE

Based on buildings containing a minimum of 5,000 square feet, Gaston County's office space totals approximately 3.3 million square feet, excluding buildings attached to manufacturing plants. Class C is the largest category, representing 51% of the inventory.

The 6% overall office vacancy rate in Gaston County is well within the real estate industry's accepted 5% to 10% range, with most of the vacancy concentrated in older Class

Flex Space

Flex buildings evolved from industrial buildings that prevailed in the 1970s that were designed for trucks usually having front loading docks. As the 1980s approached, demand for office parks increased and the idea of flex space, as we know it, emerged. Flex spaces are usually one-story buildings with high ceilings, rear loading docks, surface parking, and generous landscaping.



What are Greenfields?

Greenfields are undeveloped parcels or tracts of land that are commonly used for agriculture or remain in a natural state. Alternatives to greenfield development include redevelopment of built sites, infill, brownfield and greyfield development.



B and C space. Class A has a vacancy rate of only 2%, indicating a potentially undersupplied market. However, weak demand limits development opportunities. Gaston County could begin to emerge as a viable multi-tenant office market by 2012, based on the following factors:

- I-485 is completed around Charlotte, improving regional labor force access.
- Higher-income households capture a greater share of the housing market, generating demand for a wide range of expanded professional services, including local offices.
- Office rents remain measurably lower than in Mecklenburg County.
- The following three locations are likely to support new office development, with the type of space described within the parentheses:
 - Gaston Memorial Hospital (medical)
 - Union Road between Hudson Boulevard
 - Gastonia Airport (small professional buildings)

BUSINESS & TECHNOLOGY PARKS

The Gaston County park inventory as detailed in Figure 4-13 is divided almost equally among Class A and B acreage, with all parcels located within improved parks. For the most part, Gaston County has followed a park-only strategy, which has been, and will continue to be, very advantageous from a recruitment perspective in that companies typically seek to build in a park setting offering superior investment protection and appreciation. Park locations are a clear preference for many companies and thus a decided recruitment advantage. The Gaston 2012 Plan estimated that Gaston County has about 13 years' supply of industrial land available given current absorption rates and most of this land is within an existing industrial park.

There are currently 17 business and industrial parks within the County, seven of which are located in greater Gastonia, mostly in the Northwest section of the City.

A priority project is the completion of the Gastonia Technology Park adjacent to Gaston College just off US 321. This is a 380 acre site envisioned as being subdivided into approximately 15 lots of varying sizes from six to 50 acres, but still requires significant investment in internal roads, services, and landscaping. The intention is to recruit high quality manufacturing companies that need larger sites and that would create training, cooperation, and education programs with the college. The industrial park will be linked to the college campus with sidewalks, and to adjacent recreational parks with a greenway.

In addition, it will be advantageous to look at potential shared funding opportunities for infrastructure and road improvements which can be undertaken while maintaining the competitive land prices currently seen in Gaston County.

Greenfields

Greenfields are undeveloped lands such as farmlands, woodlands, or fields. Businesses often prefer to develop new facilities on greenfields to avoid the real or perceived difficulties associated with regulatory, financial, and construction obstacles. The key challenge is develop a sustainable development pattern while accommodating new industry. The answer will be some combination of zoning in key locations, unique design standards, incentives for private sector procurement for the long-term, and public sector land assembly and acquisition.

Before available land is segmented, new industrial park locations should be identified, primarily along US-321 North and I-85 West, and land will also need to be



identified and secured at one or more key interchanges along the proposed Garden Parkway in the southern part of the county. A more immediate priority would be the development of a high-density warehouse-only distribution park on the east side of the county to take advantage of the completion of I-485 around the western side of Mecklenburg County. This will increase the county's competitiveness as a warehousing and distribution center.

There has been much discussion about the need to identify a "mega-site" to meet a long-stated regional. Although there are no freestanding, unimproved sites being marketed in Gaston County, it is important to note there are multiple greenfield opportunities. These locations, which typically have some limitations such as lack of infrastructure, poor topography and inferior access, are less likely to be considered by most prospects, but could prove attractive to the right business at the right time.

FUTURE NEEDS

The City has long planned for future industrial growth in the Northwest sector and much of the sector has been zoned accordingly. In preparation for growth, the Northwest sector has been prepped with utility infrastructure extensions and transportation enhancements. Ideally, the City should promote the location of business in areas such as the Northwest sector in order to make full use of existing infrastructure and building stock. While the basics have been provided, it is unclear how long the Northwest sector can continue to be a viable industrial center, due to a lack of land and encroaching land uses. In order to determine the next steps, the City should conduct a more detailed industrial zoning study to analyze the amount and location of existing industrial zoned land and industrial uses. The study should also analyze other buildings in the City that once housed industrial uses but are no longer relevant (in their current state) for today's businesses.

Another factor that must be considered is the balance of employment and job centers across the City. Industrial and business growth can, and should, occur in all sectors of the planning area, particularly where large swaths of land with available infrastructure exist. It will take a conscious effort to preserve large parcels of undeveloped land, especially in the unincorporated portions of the County, south of the City. Much of this area is being targeted and zoned for residential growth.

Future Opportunities

Economic Development entails creating a positive future for the community. Part of this strategy is capitalizing on future trends and being prepared to take advantage of changes in the regional, national, and global marketplace. The opportunities presented below include several alternative projects, or directions, that could take the community to another level of economic well being: one that does not depend on one sector of the economy alone to sustain future economic growth.

BIOTECHNOLOGY

Careers in biotechnology and life sciences technology are growing, and the Charlotte region is planning on capturing that growth. The North Carolina Research Campus, a new \$1.5 billion dollar biotechnology research campus, is currently under construction in Kannapolis. The Kannapolis campus promises to bolster the region's economy similar to the way the Research Triangle Park (RTP) changed the Raleigh-Durham region and put the Charlotte region on the map as a leader in biotechnology research. In a 2004 report, The Milken Institute ranked the Raleigh-Durham-Chapel Hill metropolitan area #3 in its success in attracting and producing biotechnological companies, jobs, products and innovation. That growth is predicted





Belmont Abbey College

to move outward as land prices in the RTP increase and resources become depleted. The NC Research Campus is seeking to bring that growth to metro Charlotte and act as a catalyst for diversifying the region's economy from traditional industries such as textiles and tobacco to knowledge-based industries.

Public and private colleges and universities in North Carolina and the North Carolina Community College System will partner with the research campus to conduct scientific research that promises to elicit new discoveries, innovation, and employment and business opportunities. Gaston College has embraced this opportunity by offering an Associates Degree program in applied science and technology, operating the New and Expanding Industry Training (NEIT) program, and opening its BioNetwork BioEd Center. Gaston College is also working with Gaston County Schools to offer high school students the opportunity to earn college credits and a certification in bioprocessing.



Gaston College

Gastonia is in a position to capture some of the growth in the expanding biotechnology industry. Gastonia's supply of inexpensive land and trainable workforce can attract these companies to the area. Ways that Gastonia attracts the emerging biotechnology industry include:



Center for Applied Textile Technology

- Provide financial incentives specifically geared toward biotechnological companies and business incubators.
- Preserve and zone land for scientific uses. 100 – 300 acre rectangular plots with easy access to I-85 are ideal.
- Develop a marketing campaign targeting scientific companies.
- Work with Gaston College and Gaston County Schools to recruit students to the biotechnology program, as well as teachers with science and biology backgrounds.

TELECOMMUNICATIONS

The transmission of signals containing voice or data over a distance is essential for public safety and increasingly important in personal interactions and the transaction of business in Gastonia. The unprecedented growth in telecommunications technology has ultimately changed the way people live and do business. For instance, computers and network infrastructure have become an integral part of our daily lives in communication, business and financial transactions, the media, utilities, transportation, and schools. More recent technological advances have enabled communication devices to become less dependent on ground-based, wired systems and to use wireless networks on an increasing basis.

The infrastructure of telecommunications, however, differs from that of other sectors. It is financed, built and maintained almost entirely within the private sector. Ownership is divided among multiple companies that provide services using a variety of technologies, which include dial-up, landline (over coaxial cable, fiber optic or copper wires), T- lines, Wi-Fi, WiMax, satellite and cell phones, and operating under different types of government regulation. Moreover, due to constant technological advances that are now reshaping the industry, the ways in which telecommunications services are delivered—and the ways in which businesses and consumers use them—could change significantly during the next five to ten years.

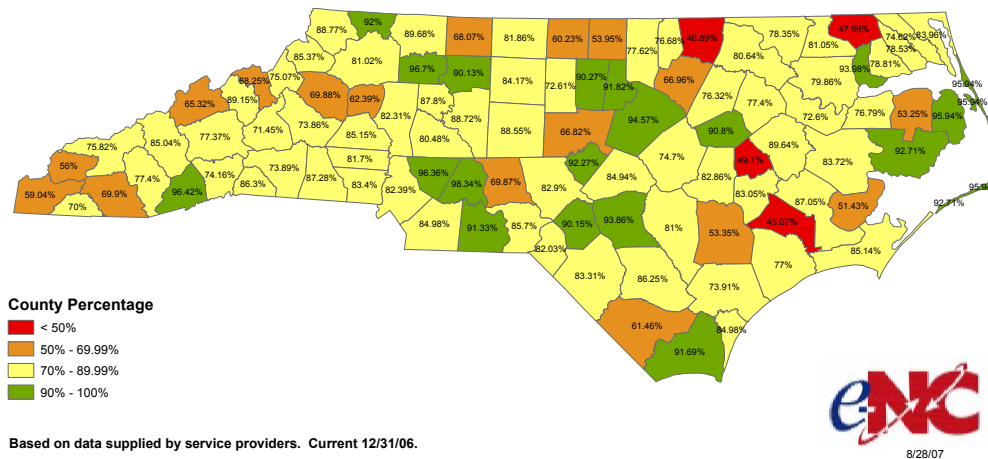
The use of broadband telecommunications services are likely to help fuel the growth of a wide range of industries, including some that are central to Gastonia's economy. With this awareness of the changes in technology and role of telecommunications in our economy, the City of Gastonia, in cooperation with the Economic Development Commission, must monitor the changes that are occurring in the industry, assess the issues and opportunities that those changes present, and determine how best to respond for the following reasons:



- **REMAIN A COMPETITIVE LOCATION.** Firms and organizations evaluate many factors when deciding where to locate and do business. Gastonia must offer a competitive low-cost environment for firms. Not only will it make the City a better choice for firms to do business, but also it will enhance the desirability of the City's neighborhoods as a place to live.
- **ENHANCE THE VISITOR'S EXPERIENCE.** Wireless access is fast becoming the indispensable tool of the leisure or business visitor. Today's visitor is demanding 24/7 access to travel information, restaurant and shopping information, and local tourism information.
- **DELIVERING PUBLIC SERVICES.** Governments are judged on how well they deliver services to their constituents and on the ability to provide those services at a low cost. Broadband is a means for governments to provide an increased level of service in a 24/7 mode and has led to the "e-gov revolution." State, county and city governments are rapidly deploying applications that provide quick access to information and are moving into licensing and permits through e-commerce.
- **INVESTMENT IN THE PEOPLE OF GASTONIA.** A diverse telecommunications infrastructure will serve as a strategic investment in the people of Gastonia. It will provide a range of access to support a variety of personal goals including furthering one's education, improving access to health information, shopping, and social networking.

Efforts to improve the telecommunication infrastructure at the state level began on August 2, 2000, when the General Assembly of North Carolina created the Rural Internet Access Authority through Senate Bill 1343. On August 14,

Figure 4-14: Percent of County Population Served by High Speed Internet Access, 2006



2003, Governor Michael Easley signed into law House Bill 1194 reaffirming North Carolina's commitment to improving economic opportunity and quality of life by addressing technology needs. In 2003, the authority conducted a telecommunications infrastructure services survey for every county in North Carolina. The following provides some of the major conclusions regarding the current telecommunications environment in Gaston County:

- 79.47% of households have access to cable services (Time Warner or Charter Communications);
- 81.25% of the households have access to high speed internet service (broadband cable, DSL, satellite);
- 78.63% of households have access to telephone service (Bell South);
- Most of the businesses use standard telephone services (local, long distance, voice mail, fax) and networked computer applications (electronic mail, file servers, network printers, databases of various sorts, financial transaction systems, payroll systems, etc.);
- Various Wi-Fi hot spot locations;
- Public access to the Internet is available at ten

e-GOV and local government

- Online utility payments
- Online service requests
- Online payment of parking tickets
- Registration & payment of recreation activities





A primary goal of the Rural Internet Access Authority, renamed e-NC, is to ensure that all North Carolinians, wherever they live, have access to high speed Internet service at comparable prices to urban areas. This will only be possible if NC has a system of information infrastructure –wires, cables, towers and the like–that stretches statewide and reaches every person and community.
www.e-nc.org

Gaston County Public Library Centers, three of which are located in the City of Gastonia;

- Most businesses have a web site, and many provide various forms of interactive services through their web sites (data retrieval, on-line ordering, etc.); and
- Many organizations operate computing and network applications specific to their fields of endeavor, including video uplinks, educational video distribution, patient records and teleradiology, and mapping/GIS.

Growth in the telecommunications industry has created considerable demand for new facilities and structures in order to ensure a cohesive telecommunications infrastructure. Assessment of future sites for facilities and structures supporting private telecommunications networks must include an evaluation of the impact on surrounding land uses and the desire to enhance telecommunications infrastructure throughout the planning area. Furthermore, site evaluation should include an assessment of the safety, aesthetics, security, access, and technological needs for the area. Therefore, Gastonia has the opportunity to play an important role in helping to facilitate deployment of wireless broadband by effectively regulating the use of public right-of-way, ensuring that zoning and building regulations do not unduly restrict placement of antennas, and by granting permits for the construction of networks. The City can also facilitate the development of a sound telecom infrastructure by continuing to identify aspects of the City's infrastructure that must be improved or upgraded to meet the future needs of businesses, education, and public consumers.

HIGHER EDUCATION SATELLITE LOCATION

The idea of locating a satellite campus of a secondary educational facility in the City of Gastonia is not new, and

should be revisited. Specifically, the City should continue to work to pursue a satellite campus of Gaston College within the Center City and a North Carolina University. A Gastonia location would provide the City with the following benefits:

- Provide area residents with additional opportunities to obtain advanced educations;
- Job creation;
- Draw students from outside of the area, many of whom may continue to live and work in Gastonia, thus decreasing the area's "brain drain";
- Appeal to new residents who enjoy living in "college towns"; and
- Bring commercial, retail, and office developments to the City that are attracted to the educational institution, its students, graduates and alumni, and the college environment itself.

ADAPTIVE REUSE OF VACANT MILLS AND DOWNTOWN BUILDINGS

As the old saying goes, "what is old is new again." Nowhere is this more true than in adaptive reuse. All over the country, developers are purchasing older, often historic or dilapidated buildings, that have outlived their original purpose. They are transforming these structures by modernizing and adapting them to new uses such as office, commercial, retail and residential spaces. Adaptive reuse provides great benefit to Gastonia by:

- Increasing the tax base by increasing the value of existing buildings;
- Providing beautiful, unique spaces for new and expanding businesses;
- Increasing choice of housing and office space;
- Increases tourism options and sightseeing appeal;
- Preserving the past while at the same time building the future; and
- Creating sustainable development by mixing



complementary uses in one building reducing the need for vehicle trips to get to goods and services, and by reusing buildings with existing infrastructure, allowing businesses to share existing resources.

Gastonia has many adaptive reuse opportunities, especially in the Center City. Currently, adaptive reuse can be seen in the historic York-Chester neighborhood where historic homes have been rehabilitated for office uses, and in the historic Gastonia High School that was adapted for luxury apartment homes. The school gymnasium was converted into specialty shops, offices, and a restaurant.

There are many adaptive reuse opportunities in downtown. Though many downtown buildings remain vacant, the redevelopment of 'The Standard,' an old hardware store located downtown on South Street, has been converted into a mixed-use development that offers a live-work environment with first floor retail and residential lofts on subsequent floors. This project has piqued the interest of the development community and may signal the beginning of a downtown renaissance. The most noteworthy project is the planned redevelopment of arguably the City's most significant building, the Loray (Firestone) Mill. The redevelopment of this Gastonia landmark will house a mix of uses including residential, retail, a school, and municipal offices. The redevelopment of the Loray Mill is likely to bring big changes in terms of spin-off revitalization in adjacent residential and commercial areas, private investment to west Gastonia and possibly downtown, and it will put a large taxpayer back on the City's tax roll.

ACTIVITY IN THE CENTER CITY

There is a great need for more commercial and civic activity within the center city. The Strategic Development Plan for downtown adopted by City Council in 2007 has

provided the framework for growth and development within the core of the City. One key component is the construction of the conference center and parking garage. A centrally located conference center will provide the greatest economic benefit to the community by acting as the catalyst for the creation of adjacent businesses, retail, restaurants, hotels, and cultural venues in and around downtown. With close, pedestrian linkages to the surrounding areas, the probability that visitors would be able to leave their cars at their hotels and travel by foot, or public transportation, to adjacent businesses and venues greatly increases. A central location also provides greater opportunity for the facility to be used by the wider populace of the city, as well as becoming a civic and cultural expression of the central city.

BUSINESS INCUBATORS

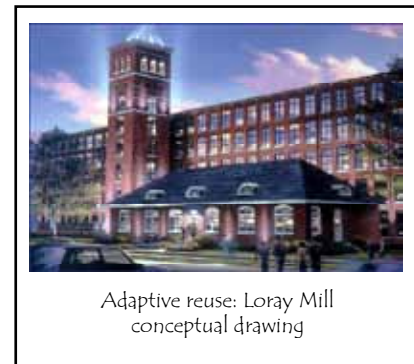
Business incubators nurture the development of entrepreneurial companies, helping them survive and grow during the start-up period when they are most vulnerable. These programs provide their client companies with business support services and resources tailored to young firms. The most common goals of incubation programs are creating jobs in a community, enhancing a community's entrepreneurial climate, retaining businesses in a community, building or accelerating growth in a local industry, and diversifying local economies. Incubator graduates create jobs, revitalize neighborhoods and commercialize new technologies, thus strengthening local, regional and even national economies.

Academic institutions, governmental entities, economic development organizations, and non-profit organizations most often sponsor incubator programs.

A well-managed business incubation program is a strong investment in the local and regional economy.



Adaptive reuse: "The Standard Hardware" Building renovation sketch



Adaptive reuse: Loray Mill conceptual drawing





The University of North Carolina at Charlotte, along with leading private sector interests, created the Ben Craig Center Incubator in 1986. The purpose of the Incubator is to provide state-of-the-art office space to the region's most promising companies in order to accelerate their growth by offering them advisory services, mentoring relationships, sales and marketing expertise and access to capital. The Center has graduated 102 companies since its inception with 80% financially viable at graduation.

Research has shown that for every \$1 of estimated public investment provided for incubators, approximately \$30 in local tax revenue is generated. In addition, 84 percent of incubator graduates stay in their communities and continue to provide a return to their investors. Incubation programs graduate strong and self-supporting companies into their communities, where these companies build, purchase or rent space.

The City can encourage the development of business incubator programs through financial incentives targeted to upcoming businesses, and the preservation of land for this use. In particular, the City should encourage the adaptive reuse of existing, underutilized buildings for use by business incubator programs. Once a business incubator is proposed, the City should invest in a feasibility study to help determine whether the proposed business incubator has the solid market, sound financial base and the strong community support needed to contribute to an incubator's success.



Issues

- Further diversification is essential to the health of Gastonia's economy. Community leaders must focus on attracting more non-manufacturing industries to the area.
- The City lacks potential employment sites that are equipped with the appropriate physical infrastructure, such as sewer and water, road improvements. Many large swaths of land are instead being developed as residential developments, resulting in a potential shortage of land for industrial purposes.
- The shift from a low-skilled manufacturing economy to a services and knowledge-based economy has left much of Gastonia's workforce without the education and skills needed to compete for jobs in the global marketplace.
- The growth of Charlotte as a major services, distribution and financial center has provided new job opportunities for Gastonia residents and has brought new residents to Gastonia. The ability of local government to provide needed services at a reasonable cost is dependent upon a healthy amount of quality, non-residential development.
- Increasing concern for the environment and quality of life will dictate that economic development efforts focus on community stewardship. This will include compliance with local policies as well as federal and state mandates. Air and water quality standards will have major implications on future industrial development in Gaston County.
- Land and buildings that have become obsolete for industrial use, and vacant downtown buildings, present opportunities for adaptive reuse.

- Gastonia has a high percentage of female-headed households with children living below the poverty line, making daycare an important component of the local economy.
- Much is being done to beautify downtown with projects such as the Marietta Streetscape project, the "Big Splash" and the decorative sign/ tree lighting projects, however there are still a number of empty storefronts downtown.
- Lower wage jobs and low educational attainment have created median household incomes below State averages.
- The separation of residential areas from employment centers has created longer commutes, congestion, and less free time for commuters.
- Opportunities for economic diversity and economic growth are prevalent in this region.
- Societal changes and the changing economy create the need for additional medical office and research space.
- Because the City doesn't have its own economic development department, the City has partnered with county-wide agencies to conduct economic development activities and must ensure that its interests are fully represented within these partnerships.
- Gastonia has emerged as a services and retail center for Gaston County and portions of adjoining counties. Maintaining this position is important for the local economy and Gastonia's competitive position. Providing support to existing businesses, local homegrown businesses, and industries is important to the economic health of Gastonia.

ISSUES



OBJECTIVES & TOOLS

Objectives and Tools

Objective 1.

The City will cooperate and assist with public and private efforts to foster a diverse economy that attracts human capital and minimizes the impact of cyclical economic downturns.

Tools

- a. Seek to attract sustainable economic development opportunities to the City.
- b. Sponsor economic activities that will enhance the local economy, such as the provision of incentives appropriate for job creation.
- c. Create a City economic development position that acts as a liaison between the City Manager's office and the Gaston County EDC and focuses solely on facilitating increased investment and job creation within Gastonia.
- d. Engage a public process to develop a list of key strategic goals for City economic development.
- e. Coordinate with the Chamber of Commerce and the Gaston County EDC to monitor local, regional and national economic trends.
- f. Identify and protect strategically located vacant or underutilized land that can support future industrial and business park development.
- g. Market and encourage the private development of high-quality industrial buildings with modern features and good transportation connectivity, while continuing to explore industrial tenants for business parks and adaptive reuses of older buildings.
- h. Support expansion of medical office and research space around the hospital through changes to the Future Land Use Map. Encourage smaller medical centers throughout the planning area.

Objective 2.

The City will work with teaching and training facilities to accommodate new areas of job training programs and ongoing educational opportunities for community residents.

Tools

- a. Work with Gaston County Schools to ensure that children value education as the route to long-term economic prosperity. Work to ensure that students graduate with the intent to pursue higher education or marketable job skills.
- b. Explore creative approaches to workforce development such as new learning technologies, Internet-based market information, and regional organization and funding arrangements.
- c. Work with local educational facilities to expand current workforce development efforts to accommodate those who are unemployed and underemployed.
- d. Encourage more involvement of business leaders in the education and development of the workforce.
- e. Tailor secondary and post secondary education curriculums to match national job market trends.
- f. Pursue the possibility of the City as a location of a satellite of the UNC system or other institutions of higher learning, i.e. University of Phoenix.
- g. Collaborate with Gaston College, North Carolina's public and private four-year colleges and universities, and Gaston County Schools to establish satellite locations for biotechnology classes and programs in and around Gastonia.

Objective 3.

The City will provide the infrastructure necessary to accommodate existing and new businesses.



Tools

- a. Identify and preserve land for employment centers where infrastructure currently exists.
- b. Plan for the timely provision of adequate infrastructure including roads, sewer and water to allow development in areas designated for retail, office and industrial uses.
- c. Develop a capital improvement plan that considers the municipal purchase of sites to be prepped with utility services and preserved for future business/industrial development.
- d. Encourage master-planned, mixed-use business centers with pedestrian connectivity are encouraged.
- e. Research and consider regional water-sewer authority models.
- f. Maintain adequate funding sources for infrastructure. Research available grant opportunities and seek legislation for additional funding options.
- g. Provide the technological infrastructure, including citywide Wi-Max or Wi-Fi, that will attract young people and the "creative class" to Gastonia, and that will allow businesses, government, schools, and the public to operate in a faster, more efficient manner.
- h. Explore mass or rapid transit connections to Charlotte, and take advantage of the completed I-485 loop along the western edge of Mecklenburg County.
- i. Coordinate land use plans for the area surrounding the proposed Garden Parkway, to determine land use goals and utility needs.
- j. Encourage residential development around office and retail corridors.

Objective 4.

The City will protect the business climate for existing businesses and promote opportunities for business expansion.

Tools

- a. Provide technical assistance and outreach services to existing and prospective businesses, regarding site locations, permitting processes and financing.
- b. Streamline and effectively communicate the City's development review process.
- c. Increase the coordination of land use planning throughout the County through the development of common zoning regulations achieved through the adoption of a Unified Development Ordinance.
- d. Involve the business community in the development of citywide programs that may affect them.
- e. Protect existing businesses and industrial areas from encroachment of incompatible uses.
- f. Promote adaptive reuse of vacant commercial and industrial buildings through education, incentives, and streamlining the development process.
- g. Create additional opportunities for female heads of household to remain in the workforce through the convenient location of quality, affordable daycare close to residential and employment areas.
- h. Seek to attract and support minority-owned businesses and entrepreneurship development through education, training, and technical assistance, and access to financing.
- i. Prevent disinvestments from occurring in older parts of Gastonia by promoting employment and small business opportunities in these areas.
- j. Ensure that a variety of housing opportunities are available for the local labor force.

OBJECTIVES & TOOLS



OBJECTIVES & TOOLS

- k. Support the creation of business incubators in Downtown Gastonia and within existing buildings throughout the City.

Objective 5.

The City will work to enhance quality of life for existing and future City residents.

Tools

- a. Develop marketing and branding strategies to promote the City.
- b. Promote the availability of employment for all. This may be accomplished by:
 - (1) Coordinating with public and private agencies to identify and help individuals requiring special assistance to obtain and maintain employment.
 - (2) Encourage local employers to provide labor market information.
 - (3) Encourage public schools and the community college and universities to determine what vocational and professional training is necessary and available for the current and future labor market needs with the possibility of setting up satellite programs in or near the community.
- c. Support special events such as festivals, street fairs and parades that create a positive image of the City.
- d. Create stock presentations and printed materials for communicating the City's strengths to internal and external audiences, stimulating feedback and dialogue.
- e. Create a positive image of the City for visitors by providing attractive and functional landscaping and high quality architectural designs throughout the City, paying special attention to its gateways.

- f. Promote and support the use of innovative commercial and residential neighborhood design.
- g. Economic development should be expanded without endangering Gastonia's quality of life.
- h. Selectively recruit higher wage employers that will be attracted to the quality of life in Gastonia.
- i. Strengthen downtown as the professional office, civic, cultural, and entertainment core of the community.

Objective 6.

The City will provide resources for new and expanding businesses and industries while conserving and enhancing the natural and cultural resources of the community.

Tools

- a. Economic development should be focused on "clean" industries and businesses that utilize the newest technologies to protect the environment.
- b. Focus economic development efforts on knowledge industries and businesses, in addition to traditional manufacturing industries, that can locate in areas with existing infrastructure.
- c. Consider benefits derived by preserving and protecting Gastonia's natural and cultural heritage when planning for infrastructure expansion.

Objective 7.

The City should research and take action to advance unique opportunities for economic expansion and diversification.

Tools

- a. Assist businesses and educational institutions in advanced manufacturing, information technology and biotechnology to



collaborate more closely with one another and to market themselves as magnets for capital, research talent and high-skill jobs.

- b. Encourage deployment of improvements in technology and the telecommunications system.
- c. Adaptive reuse of mill and abandoned manufacturing buildings
- d. Business incubators
- e. Location for education satellite
- f. Civic center

Objective 8.

The City will cooperate with economic development plans across Gaston County and the region in a manner that minimizes conflict between jurisdictions.

Tools

- a. Coordinate comprehensive economic development efforts with a focus on regional collaboration with other municipalities and agencies.
- b. Continue to implement recommendations from the *Cleveland-Gaston Comprehensive Economic Development Strategy* (Gaston 2012 plan).
- c. Research and consider requiring a countywide impact study for developments taking place within the City of Gastonia that are likely to have effects outside of the local government's jurisdiction.
- d. Follow and capitalize on trends and economic development initiatives in the region, such as the NASCAR industry, biotechnology, regional transit, etc.

Objective 9.

Adopt land use strategies that enhance and support the development of human connectivity.

Tools

- a. Centrally locate human resource facilities (schools and colleges, work and job development programs, daycares) to ensure accessibility.
- b. Encourage development that resembles close-knit communities, includes a variety of land uses to meet residents' needs (schools, businesses, offices, open space,) and that promotes resident interaction.
- c. Support neighborhoods attempting to develop their own identity through such tools as gateway signage, distinctive street signs, and landscaped gateways.

Objective 10.

Enhance the quality of life of the citizens and better prepare them for the changes in our economic environment by Ensuring that the City's human capital are adequately prepared for the jobs of today and the future.

Tools

- a. Ensure local policies and regulations are supportive of, and complimentary to, the goals of State and County human service agencies that focus on education, job preparedness, and overall well-being of the City's workforce.
- b. Encourage other governments, schools, institutions and community-based organizations to provide opportunities for participation in discussions that shape decisions about their neighborhood and community.
- c. Work with schools, libraries, community centers, agencies and organizations to link services into a seamless system that helps students stay in school, and encourage co-location and joint use of facilities to make a broader variety of services available to students.

OBJECTIVES & TOOLS

