

# **GASTON COUNTY, NC TARGETED INDUSTRY STUDY**

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## **GASTON COUNTY ECONOMIC DEVELOPMENT COMMISSION TARGET INDUSTRY SECTOR ANALYSIS**



**PREPARED BY**

**StrategicLocation**  
Strategic Location Group, LLC

**January 2005**

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*Letter of Transmittal*

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January 1, 2005

Mr. Steve Nye  
Marketing Director  
Gaston County Economic Development Commission  
PO Box  
Gastonia, NC

Dear Mr. Nye:

The Strategic Location Group, LLC is pleased to present our Target Industry Sector Analysis for the Gaston County Economic Development Commission.

Our study concludes by recommending 12 industry sectors as potential targets. These sectors were selected based on their high-growth potential. These sectors are subdivided into three categories: Primary Targets, Secondary Targets and Ancillary Targets.

- Miscellaneous Plastics Products.
- Fabricated Metal Products.
- General Industrial Machinery.
- Miscellaneous Furniture and Fixtures.
- Ventilation, Heating, A/C and Commercial Refrigeration Equipment.
- Medical Equipment and Supplies.
- Motor Vehicle Body, Trailer and Motor Vehicle Parts.
- Rubber Products.
- Bakeries, Tortilla and Other Food Manufacturing.
- Office Furniture (including Fixtures).
- Cutlery & Hand Tools.
- Pharmaceuticals & Medicine.

We also provide two ancillary target recommendations:

- Targeting non-profit and sports-related organizations affiliated with the US Whitewater Park.
- Targeting headquarters, regional headquarter, back-office and distribution/warehouse operations associated with target sectors.

We provide a broad range of targets so you and your leadership can select your preferred targets. We recommend targeting four to six sectors since, in our view, targeting too many is not an effective use of your time and resources. We will be happy to advise as requested. Should you have any questions, please do not hesitate to contact us directly.

Sincerely,



Rick Cauthen, PE  
President

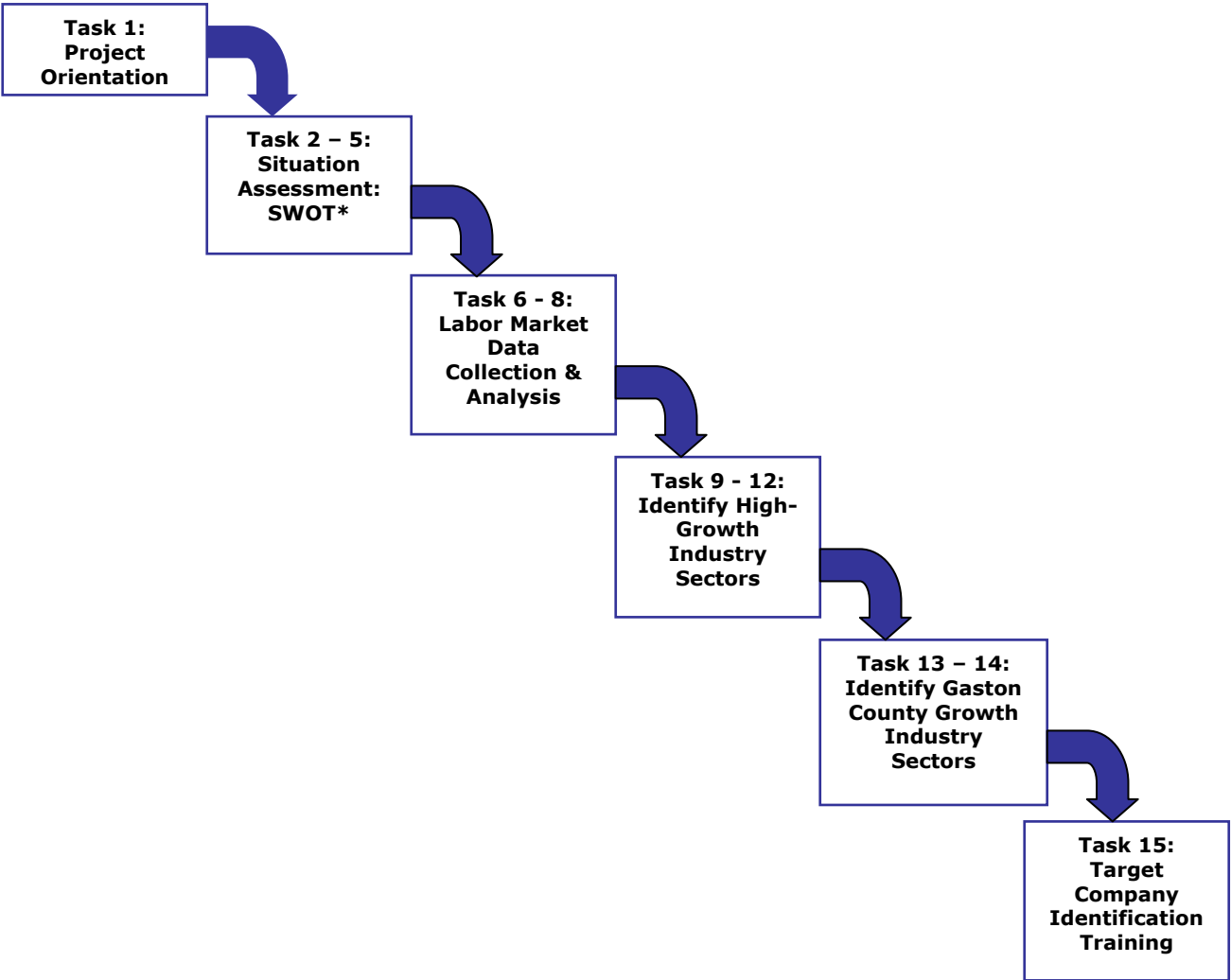
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**INTRODUCTION**

In October of 2004, the Gaston County Economic Development Commission consulted the Strategic Location Group, LLC to perform a Targeted Industry Study for Gaston County. Our understanding of the objectives of Gaston County includes attracting new business to the area providing diversification and expansion to the local economy, and high quality job opportunities to Gaston County residents.

**Study Methodology**

The purpose of this study is to identify the most suitable industry targets for Gaston County based on the characteristics of the county and the Gaston Region (defined below). Our methodology is graphically displayed below:



\* Note: SWOT = Strengths, Weaknesses, Opportunities and Threats

# Executive Summary

## Gaston Region Defined

For the purposes of this study, the Gaston Region includes the following counties:

- Cabarrus County
- Catawba County
- Cherokee County, SC
- Cleveland County
- Gaston County
- Lincoln County
- Mecklenburg County
- York County, SC

These counties are selected since they are either contiguous to Gaston County or provide the majority of daily in-commuters to Gaston County.

## Recommended Target Industry Sectors

We identified the following 12 Primary, Secondary and Ancillary target sectors matching the strengths of Gaston County. They are listed in order of our recommendation for targeting. Final target sectors should be selected by the Gaston County Economic Development Commission.

Primary Targets	
Rank	Description
1	NAICS 3261, SIC 308: Miscellaneous Plastics Products, NEC
2	NAICS 3323, SIC 344: Fabricated Structural Metal Products
3	NAICS 3331 & 3339, SIC 356: General Industrial Machinery
4	NAICS 3371 & 3379, SIC 259: Miscellaneous Furniture & Fixtures
5	NAICS 3334, SIC 343: Ventilation, Heating, A/C & Commercial Ref. Equip. Mfg
6	NAICS 3391, SIC 384: Medical Equipment & Supplies Mfg

Secondary Targets	
Rank	Description
7	NAICS 3362 & 3363, SIC 371: Motor Vehicle Body & Trailer Mfg; Motor Vehicle Parts
8	NAICS 3262, SIC 301: Rubber Product Mfg
9	NAICS 3118 & 3119, SIC 204: Bakeries & Tortilla Mfg; Other Food Mfg
10	NAICS 3372, SIC 254: Office Furniture (incl. Fixtures) Manufacturing
11	NAICS 3322, SIC 342: Cutlery & Hand Tool Manufacturing
12	NAICS 3254, SIC 283: Pharmaceutical & Medicine Manufacturing

Ancillary Targets	
Description	
Non-Profit & Sport-Related Organizations associated with Water Sports in cooperation with US Whitewater Park in Mecklenburg County	
Headquarters, Regional Headquarters, Back-Office & Distribution/Warehouse Operations Associated with Target Sectors	

## ***High-Technology: Used in Many Manufacturing Sectors***

The “buzz-word” amongst today’s economic development professionals is *High Technology*. This includes such words as Micro-Electro-Mechanical Systems (MEMS) and Nanotechnology. It is important to note that these technologies are used and will be used in the manufacture of many products. Therefore, to say an economic development organization should recruit companies manufacturing MEMS and nanotechnology is somewhat of a misnomer. Certainly there are and will be suppliers that will manufacture certain MEMS and nano-machines. However, the biggest impact of these technologies will be in their use in existing manufacturing processes such as chemicals, plastics, textiles, etc.

- We recommend Gaston County focus your economic development strategy on highly automated high-growth companies using these technologies in the current and future manufacturing processes.

## ***Product: Develop Product (Sites, Business Parks & Buildings)***

- Continue developing quality sites and business parks similar to the Gastonia Technology Park and The Summit at Court Drive. Focus this development in the eastern portion of Gaston County to capture growth from Charlotte and Mecklenburg County. Properly zone these parks, having covenants and restrictions to protect the investment of future tenants.
- Develop “Shovel-Ready” sites and parks, meaning they are fully served with all utilities including roads, and have all due-diligence in-place (ie, environmental studies, preliminary grading plans, conceptual building layouts, etc.).
- Consider developing a Distribution Park to capture the growing warehouse/distribution industry resulting from increased trade with China, Ukraine, Brazil and other rapidly developing economies.
- Consider developing Class A office buildings in the eastern portion of Gaston County to capture suburban office growth from Charlotte. The future Belmont Abbey development, marketed by the Staubuch Company, will have an office component; however, discussions with Staubuch indicate the development timeline is uncertain at the time of this study.

## ***Worker Training: Emphasize Education & Training***

- Education is the key to future economic development prosperity. Communities without a strong educational system (public schools, community colleges, a local college or university) are at a disadvantage in the competition for high-paying jobs. Today’s employers require intelligent workers who can quickly grasp new concepts and think for themselves. The high-growth industry sectors identified in this study often include operating high-tech equipment, being involved with detailed research and development, or working in a clean room. These sectors also may include nanotechnology, MEMS technology, biotechnology and other high-technology in their processes. As a result, they often require employees with two and four-year college degrees, as well as math and science skills. Therefore, workforce training and education is important.

## ***Executive Summary***

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- Continue the strong partnership between *Gaston College* and existing business and your industry recruitment program. Today's industrial prospect is giving closer scrutiny to the partnerships between industry and the education system. *Highland School of Technical Training* is an excellent example of Gaston County's public schools addressing this issue. The Bio/Pharma training initiative at *Gaston College* is another excellent example of Gaston County's partnership between the education system and industry.

### ***Regionalism: The Charlotte Regional Partnership***

Continue Gaston County's aggressive participation in the Charlotte Regional Partnership. Today's companies and site consultants look at the bigger picture. They don't simply assess the strengths of a single county, but they review the strengths of a region, such as regional quality of life, labor draw and educational system.

### ***Single Point of Contact: Gaston County Economic Development Commission***

The Gaston County Economic Development Commission should continue to be the first point of contact for economic development projects from companies, site consultants and the Charlotte Regional Partnership. This is critical for many reasons:

- Confidentiality.
- Project Management (one person in-charge of the project).
- Consistency.
- And Client Relationships

### ***Gaston County Marketing: Aggressive Marketing Initiatives***

Continue to market the strengths of Gaston County to business prospects. Don't put "all your eggs in one basket" by focusing on the Charlotte Regional Partnership targeted sectors. Market your strengths to companies in the target sectors identified in this study since some of these industry sectors may not be a good fit in other Charlotte Region counties.

- **Site Consultants:** Market your strengths to site consultants specializing in the identified target industry sectors. The preferred marketing approach in today's competitive market place is to establish long-term relationships with executives and site consultants using direct communication and face-to-face contact as regularly as economically possible.
- **Continued Commitment to Marketing:** We were impressed with Gaston County's commitment to marketing through the hiring of a full-time marketing professional. This is a major differentiator between you and your competition. From our experience, very few Economic Development organizations in counties the size of Gaston have made this commitment. This will bear fruit through the consistency in implementation of your marketing program by the same personnel.

## ***Executive Summary***

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- **Existing Industry:** Market Gaston County to existing industry back office operations, regional and national headquarters, and R&D Centers. Using the relationships established at existing manufacturing facilities is an excellent method to get in front of company executives considering expansion of existing facilities and relocation of white collar operations.

### ***Existing Industry: Support Expansions and Relocations***

We were impressed with Gaston County's commitment to supporting existing industry. Continue to support existing industry through your worker training programs and incentive policy.

### ***Environmental Non-Attainment: Study its Impact and Implement Incentives***

- Most of the Charlotte Region is not in compliance with Federal Air Quality Standards, making the majority of the Region non-compliant (Non-Attainment), including Gaston County. Therefore, industry with certain air effluent may not locate in Gaston County without installing expensive air pollution equipment. We recommend further study of the impact of non-attainment on industry in Gaston County, in particular existing industry.
- To mitigate the impact of the cost of Federal Air Quality compliance, consider implementing incentive programs to reduce the cost of installing expensive air pollution equipment. This may include property tax abatements/rebates, sales tax abatements/rebates, and others. We also recommend working closely with North Carolina and Federal Government officials to encourage implementation of similar incentives at the state and federal level.



## INTRODUCTION

In September of 2004, the Gaston County Economic Development Commission (GCEDC) consulted the Strategic Location Group, LLC to perform a Targeted Industry Study for County. Our understanding of the objectives of Gaston County includes attracting new business to the area providing diversification and expansion to the local economy, and high quality job opportunities to Gaston County residents.

## Study Methodology

The purpose of this study is to identify the most suitable industry targets for Gaston County based on the characteristics of the county and the Gaston Region (defined below). Our methodology included:

### **Task 1: Project Orientation**

- Task 1 - Project Orientation with GCEDC officials. We visited the GCEDC, interviewed leadership and obtained information, including previous studies, on the county.

### **Task 2 – 5: Situation Assessment**

The Situation Assessment involves a review of the Strengths, Weaknesses, Opportunities, and Threats of the County based on a summary evaluation of available data and discussions with local leaders.

- Task 2: Reviewed Existing Materials & Data. We analyzed existing information on community provided by Gaston County Economic Development officials. In particular:
  - The recent Cleveland-Gaston Comprehensive Economic Development Strategy produced July 2003 by the following Team: Lawrimore Communications Inc.; The Corporation for Enterprise Development; HDR Engineering of the Carolinas; Warren & Associates, Barker Corvus and Dr. John Connaughton..
  - The Gaston County Strategic Marketing Plan developed by the Greenfield Associates, Inc., December 2001.
  - Site & Building Information provided by the GCEDC.
  - Existing & Future Infrastructure Information provided by GCEDC and utility providers.
  - Websites including the Gaston County, the Charlotte Partnership and the NC Department of Commerce.
  - Publications such as the following magazines: *North Carolina, Business Facilities, Site Selection, Area Development* and *North Carolina Business*.
- Task 3: Interviewed Community Leaders and Existing Industry Representatives. We found the recent CEDS Study and the Strategic Marketing Plan provided sufficient data to assemble this information.
- Task 4: Evaluated Sites, Parks and Buildings. We used information gathered from the GCEDC, websites, the Charlotte Partnership, NCDOC, CEDS and Strategic Plan.

- Task 5: Evaluated Utility Infrastructure. We used information gathered from the GCEDC, websites, the Charlotte Partnership, the NCDOC, CEDS and the Gaston County Strategic Economic Development Plan.

### ***Task 6 – 8: Labor Market Data Collection & Analysis***

We gathered data to determine the strengths of the Gaston Region Workforce. The Gaston Region is defined as the reasonable labor draw area for Gaston County, which is commonly identified as a 45-mile radius or a 45-minute drive time from a centroid. In this case, we used the City of Gastonia as the centroid since it is centrally located in the county. Another good definition of a region is to determine the commuting patterns of employees driving in and out of Gaston County each day to work. This information was studied to determine best definition for the Gaston Region. We also reviewed future interstate and 4-lane road expansions to determine possible shifts in commuting patterns.

For the purposes of this study, the Gaston Region includes the following counties:

- Cabarrus County
- Catawba County
- Cherokee County, SC
- Cleveland County
- Gaston County
- Lincoln County
- Mecklenburg County
- York County, SC

These counties are selected since they are either contiguous to Gaston County or provide the majority of daily in-commuters to the county.

- Task 6: Compiled labor force information using the CEDS Study, the Strategic Marketing Plan and desktop research. Here we looked for common trends in the Gaston County labor force.
- Task 7: Compiled & Assessed Labor Draw Information for the Gaston Region. We studied commuting patterns to determine outgoing and incoming labor into Gaston County. Significant outgoing labor is a big selling point for encouraging expansions and relocations to Gaston County.
- Task 8: Assessed Gaston Region Labor Strengths using Location Factor Analysis. We used labor information gathered earlier to develop Location Factor (LF) Analysis to determine strengths in labor relative to US. LFs are an excellent way to determine if a region has strength in an industry sector relative to that of the US. If the Gaston Region has a high Location Factor in a particular industry sector then the Region produces more economic activity in that sector than it consumes. Therefore, it is viewed as an economic leader and a net exporter of products in that sector. For example, if the Gaston Region has labor strength in Plastics relative to the US, the LF will be over 1.0. And, if the Plastics Industry is projected to grow over the next ten years, we might recommend Gaston County target the Plastics Industry.

### ***Task 9 – 12: Identify High-Growth Industry Sectors***

- Task 9: Evaluated US, NC and SC High Growth Companies. We researched and analyzed data indicating industry sectors with historically strong growth and strong projected growth in the US, NC and SC for the next 8 to 10 years. Sources for our information include but were not limited to:
  - Real Estate Professionals CCIM Site-To-Do Business Website.
  - US Census Bureau.
  - Bureau of Labor Statistics (BLS) County Business Patterns.
  - NC Employment Security Commission.
  - SC Employment Security Commission.
  - SCDOC.
  - NCDOC.
  - Charlotte Partnership.
- Task 10: Determined Target Industry Programs for Surrounding Counties/Regions. We identified targets for surrounding counties to determine if they are targeting industries relevant to Gaston County. This is an opportunity for potential synergies with these communities, counties, regions and states. We interviewed the following:
  - Counties in the Gaston Region.
  - The Charlotte Partnership.
  - The NCDOC.
  - The SCDOC.
- Task 11: Analyze Industry Clusters in Gaston Region. In this Task we assess regional clusters and determine if there is a growing cluster that may not be indicated in the Location Factor Analysis.
- Task 12: Identify New Locations NC, SC and the Gaston Region. We studied new locations in NC, SC and the Gaston Region over the past five to ten years. Here we looked for trends and potential synergies with the growth industries projected for the US, NC and SC.

### ***Task 13 – 14: Identify Gaston County Growth Industry Sectors***

- Task 13: Develop Gaston County Growth Industry Matrix. Here we developed a Growth Industry Matrix. This Matrix shows projected growth sectors in the US, NC and SC along with Gaston Region and Mecklenburg County Location Factors. Industry Sectors are shown in NAICS categories for easy review.
- Task 14: Target Industry Sector Identification. We identified twelve high-growth industry sectors as targets for Gaston County. We suggest targeting four sectors with two other sectors as secondary sectors, for a total of six sectors.

### ***Task 15: Target Company Identification Training***

- Task 15: Train Gaston County ED Officials on Identifying Growth Companies: We will train Gaston County ED Commission Officials on the method used to identify high-growth **companies** in the target industry sectors. We use on-line databases to identify these companies since we have found on-line databases are more cost effective than purchasing “bulk” company data that rapidly becomes dated.

# ***Project Orientation & Situation Assessment***

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## **TASK 1: PROJECT ORIENTATION**

### **Task 1: Project Orientation with GCEDC officials.**

On October 13, 2004, we visited Gaston County Economic Development Commission (GCEDC) officials and conducted interviews to evaluate strengths, weaknesses, opportunities and threats to economic development. During our visit, GCEDC officials provided documentation describing Gaston County demographic data, business information, site/parks/building information and GCEDC 2003 Annual Report. We also toured Gaston County and Downtown Gastonia facilitated by Mr. Steve Nye. During our tour, we reviewed the following sites and parks:

- The Oaks Commerce Center.
- The Summit at Court Drive.
- Gastonia Technology Park.
- Kings Mountain Corporate Center

## **TASKS 3–5: SITUATION ASSESSMENT: STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS (SWOT)**

Competitive “strengths” and “weaknesses” of an area determine its potential for success in economic development and recruitment of new companies. Strengths are positive factors to market and build upon. Weaknesses are negative factors to mitigate or otherwise improve upon. Our assessment is based upon discussions with officials from the Gaston County Economic Development Commission, Duke Energy, the Staubach Company, *Gaston College* and desktop analysis. We also used the CEDS Study and the Gaston County Strategic Marketing Plan as a reliable source of information.

### **Task 3: Interview Community Leaders & Existing Industry Representatives**

During our visit to Gaston County October 13, we interviewed Mr. Donnie Hicks, Director, Gaston County Economic Development Commission and Mr. Steve Nye, Marketing Manager, Gaston County Economic Development Commission. Other interviews were conducted via telephone and included:

- Mr. Blair Bryan of the Staubach Company in Charlotte.
- Mr. Brent Royal with the Staubach Company in Charlotte.
- Mr. Micheal Potter with Duke Energy.
- Mr. Harry Poovey with Duke Energy.
- Dr. Patricia Skinner, President, *Gaston College*.
- Mr. David Brigham, Director, Biotech Initiative, *Gaston College*.

# ***Project Orientation & Situation Assessment***

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## **Task 4: Evaluate Sites, Parks & Buildings**

Our team spent one day in Gaston County reviewing sites, parks and buildings. During our site visit we performed the following:

- Evaluated status of current site infrastructure and site infrastructure growth plans.
- Evaluated SWOT of sites, parks, buildings and infrastructure.
- Evaluated based on competitiveness for projects with a particular emphasis on manufacturing.

Sites, Parks and Buildings (i.e., product) are one of the most critical components of any economic development program. Without a variety of quality product, a community will NOT receive visits by prospective companies searching for new locations. It is important for a community to have fully-served product with all infrastructure including roads and utilities. Today's companies are in a hurry and waiting on a community to fulfill its promises to have infrastructure in-place is no longer an option. Additionally, Site Consultants place special emphasis on recommending communities with fully-served product since they understand their client's need to move quickly. Therefore, we place special emphasis on reviewing product.

### ***Sites & Parks***

Gaston County has an impressive 17 sites and business parks in a variety of locations and price ranges totaling approximately 2,585 acres. Some have high amenities and others very basic. This is an extraordinary number relative to Gaston's competition. However, we observed many of these are not fully served with utilities and infrastructure. As real estate professionals, it is our experience that companies desire to locate in parks with appropriate covenants and with infrastructure already in-place.

### ***Buildings***

Our available buildings assessment agreed with that of the CEDS. There are approximately 60 to 80 buildings available in Gaston County at any given time. These buildings total roughly 5 million square feet. 83% of these are in "Class C" buildings constructed before 1983. With such a large inventory of buildings with low ceiling height and limited flexibility, we see a need for Gaston County to aggressively pursue development of spec buildings rectangular in shape with high ceilings, concrete/brick exteriors and expansion flexibility.

## **Task 5: Evaluate Utility Infrastructure**

- We assessed utility information for each site and park including gas, electric, water, wastewater and telecommunications.
- We evaluated status of current infrastructure and infrastructure growth plans.
- We evaluated the SWOT of infrastructure.
- We evaluated utilities based on competitiveness for manufacturing operations.

# ***Project Orientation & Situation Assessment***

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## **STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS (SWOT)**

Using our personal interviews and information from the CEDS Study and the Strategic Marketing Plan, we concluded the following strengths, weaknesses, opportunities and threats for Gaston County.

### **Strengths**

#### ***Product***

- A large inventory of existing buildings.
- A large inventory of existing sites and parks.
- Two excellent Class A Master Planned Parks: Gaston County Technology Park and The Summit at Court Drive.
- Over 2,585 acres of sites.
- Small to large sites available.
- A good mix of sites from office to heavy industrial.
- Most served with utilities (electric, natural gas, water, sewer, rail, etc.).
- All sites have excellent access to I-85, I-40 and Highway 321.
- Most sites have single ownership.
- Most sites have reasonable topography.
- Most sites are approximately 20 minutes from Charlotte, NC.
- The Staubach Company is developing 1,100 acres of high-quality mix use development around the Belmont Abbey campus. This development will bring in quality residential, retail and commercial development supporting more than 2 million square feet of office, retail and residential projects.
- 270-acre Apple Creek Project will attract new residential and retail to Gaston County.
- The new 12-acre office complex being developed at Summit Place provides more white collar job opportunities.

#### ***Infrastructure***

- Over eight million gallons per day of excess water and sewer capacity.
- Excellent electric power reliability and choices with many Gaston County municipalities being an ElectriCity and with Duke Power providing power to other parts of the county.
- Excellent transportation services with three interstates nearby (I-85, I-485 & I-40), two rail systems, close proximity to the Charlotte International Airport and ample trucking companies.
- Close proximity to excellent ports: Port of Wilmington, Port of Charleston and Savannah Port.

#### ***Workforce***

- A labor force with a history of working in manufacturing environment.
- Gaston County has a high unemployment rate providing ample labor for new industrial growth.

# ***Project Orientation & Situation Assessment***

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## ***Training***

- Technical Training: *Gaston College* offers excellent technical training at *Gaston College* with the support of the state supported *Customized Training Program* worker training program.
- Bio/Pharma Training: *Gaston College* is developing a quality bio/pharma worker training program with supported by state LEAF funding.
- The Highland School of Technical Training: The Highland School of Technical Study (part of the public school system) provides training in Communications and Information Technology, Health Sciences and Biomedical Technology, and Manufacturing/Engineering and Graphics. All high growth industry sectors.

## ***Industry***

- Diverse Industrial Base: The Gaston Region has a diversified industrial base.
- Excellent Industrial Services: The Gaston Region has excellent industrial support services to support new manufacturing.
- Close to Mecklenburg County: Gaston County is adjacent to Mecklenburg County (nearly 800,000 population) providing close access to industry and support services.
- Close to GSA MSA: Gaston County is close to the Greenville/Spartanburg/Anderson MSA, providing close access to a large automotive infrastructure supplying BMW.

## ***Quality of Life***

- 2<sup>nd</sup> Largest County: Gaston County is the second largest county in the Charlotte MSA.
- Close to Charlotte: Gaston County is only 20 minutes from the quality of life attributes of Charlotte, the largest city in the Carolina's and ranked as the "10 Best Places to Live" by Money Magazine.

## ***Leadership***

- Excellent Economic Development Support: Gaston County has a highly motivated public and private sector support for economic development.
- Consistent Leadership: Mr. Hick's long-term leadership is critical to the success of Gaston County's ED program. His relationships with NC State officials, the Charlotte Partnership, company executives and site consultants makes him an asset to the organization.
- Single Point of Contact for Economic Development Projects: Gaston County Economic Development Commission provides a single point of contact for economic development projects.
- New Economic Development Office: The GCEDC recently moved to a new facility improving its image and accessibility.

## ***Tourism***

- Charlotte's proposed Whitewater Park, just East of Mt. Holly, will provide unique opportunities for tourism to Gaston County.
- The Whitewater Park may provide opportunities for Gaston County to gain exposure to whitewater-related industry such as industry associations and manufacturers.

# ***Project Orientation & Situation Assessment***

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## **Weaknesses**

### ***Product***

- Existing Buildings: Existing available industrial buildings, while plentiful, are older with low ceiling height and limited flexibility.
- Lack of "Shovel Ready" sites/parks: These are sites that are fully served by infrastructure including all utilities and roads. An excellent example of this is the Gastonia Technology Park. This is a Class A Park located near *Gaston College*. Utilities and roads extend into the Park for a short distance and stop. Most industrial prospects in today's market require fast-track development to get their product to market, thus they do not have time to wait on the promises of infrastructure improvements.
- Lack of large industrial sites: 300 acres or more of contiguous developable land for large users, particularly distribution companies.
- Lack of master planned mixed-use parks. These are parks, similar to the Gastonia Technology Park and The Summit at Court Drive, are fully served with infrastructure and have protective covenants and restrictions and allow blended uses such as light industrial to headquarters. Gaston County's proximity to Charlotte enhances to county's ability to recruit quality companies as tenants for such parks.

### ***Workforce***

- Unionization: High unionization rate in the automotive sector.
- Large unemployment: A large number of unemployed with low technical skills.

### ***Taxes & Incentives***

- High Taxes: Gaston County tax rates are the highest in the MSA.
- High residential growth: High residential growth from Charlotte could stress the tax base as municipalities provide services.

### ***Training***

- Working adults with High School education: A lower percentage of working adults with a high school education relative to the state and the nation.
- High school attainment: High school attainment is below that of the state and the US.

### ***Infrastructure***

- Lack of wastewater and water service in unincorporated areas in Gaston County.
- Lack of wastewater and water service in areas likely to experience residential and business growth.
- Lack of water service in Northern municipalities.



# ***Project Orientation & Situation Assessment***

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## **Opportunities**

### ***Workforce***

- Strong experience in Manufacturing: The Gaston Region provides a wide range of available labor strong in manufacturing skills.

### ***Product***

- Class A Parks: Continued development of Gastonia Technology Park.
- Continued identification of Product: Continued identification, zoning and securing of future industrial parks particularly close to major intersections and interstates/highways.
- Link Parks with Education: Continue to link Gastonia Technology Park to the *Gaston College* Campus.
- The new 1,100 acre Belmont Abbey development has potential to encourage high-quality residential, retail and commercial development.
- Summit Place at Court Drive adjacent to Gastonia Memorial Hospital has potential to attract quality medical office and manufacturing facilities.

### ***Infrastructure***

- The completion of I-485 will provide opportunities for residential, commercial and industrial growth. The Southwest portion of Mecklenburg County is virtually undeveloped and is experiencing rapid residential, commercial and industrial growth. As this portion of Mecklenburg County develops, Gaston County will receive similar benefits.

A recent article in the *Charlotte Business Journal* written by Laura Williams-Tracy in Dec. 3, 2004 edition is a testament to the upcoming growth headed to Southwest Mecklenburg County and beyond. She states:

*"While the rest of county has grown rapidly during the past two decades, southwest Mecklenburg has remained one of the last largely rural areas, separated by an industrial corridor extending from Charlotte/Douglas International Airport to Westinghouse Boulevard."*

- The completion of the Garden Parkway will provide opportunities for residential, commercial and industrial growth.

### ***Charlotte Partnership***

- Member of the Charlotte Partnership. Being a member of this Partnership allows the GCEDC to participate in national and international trade mission. As Mecklenburg County continues to grow, stress may occur on their infrastructure causing development, particularly manufacturing, to expand to outlying counties. The counties with excellent infrastructure (utilities, sites and buildings) should see increased success.

# ***Project Orientation & Situation Assessment***

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## ***Tourism***

- Charlotte's Whitewater Park, just East of Mt. Holly, will provide unique opportunities for tourism.
- The Whitewater Park may provide opportunities for Gaston County to gain exposure to whitewater-related industry such as industry associations and manufacturers.

## **Threats**

### ***Industry***

- Plant Closings: The continued closing of existing textile and related industries causing a loss of income and tax base to the county and municipalities.

### ***Product***

- Absorption of Industrial Property with an approximate 13 year supply of industrial land available at current absorption rates.
- Absorption of quality industrial property by residential development.

### ***Environmental***

- Air Quality Issues: Increasingly strict Federal air quality standards may inhibit future industrial development.

## TASKS 6 – 8: LABOR MARKET DATA COLLECTION & ANALYSIS

It is important for us to gather data to determine the strengths of the Gaston Region Workforce. The Gaston Region is defined as the reasonable labor draw area for Gaston County, which is commonly identified as a 45-mile radius or a 45-minute drive time from a centroid. In this case, we will use the City of Gastonia as the centroid since it is centrally located in the county. Another good definition of a region is to determine the commuting patterns of employees driving into and out of Gaston County each day to work. This information will be studied to determine best definition for the Gaston Region. Knowledge of future interstate and 4-lane road expansions is helpful to determine shifts in commuting patterns.

### Task 6: Compile Labor Force Information

We used data provided by the recent CEDS Study and the Strategic Marketing Plan to assess the Gaston County labor force. It is our understanding, both studies performed extensive interviews of existing employees including focus groups. Reference these studies for a detailed analysis of the Gaston Regional workforce.

The Strategic Marketing Plan states “the work ethic in the community is strong, and the workforce is comfortable in a manufacturing environment.” We agree since this is expected in a workforce dominated by a successful history of textile manufacturing.

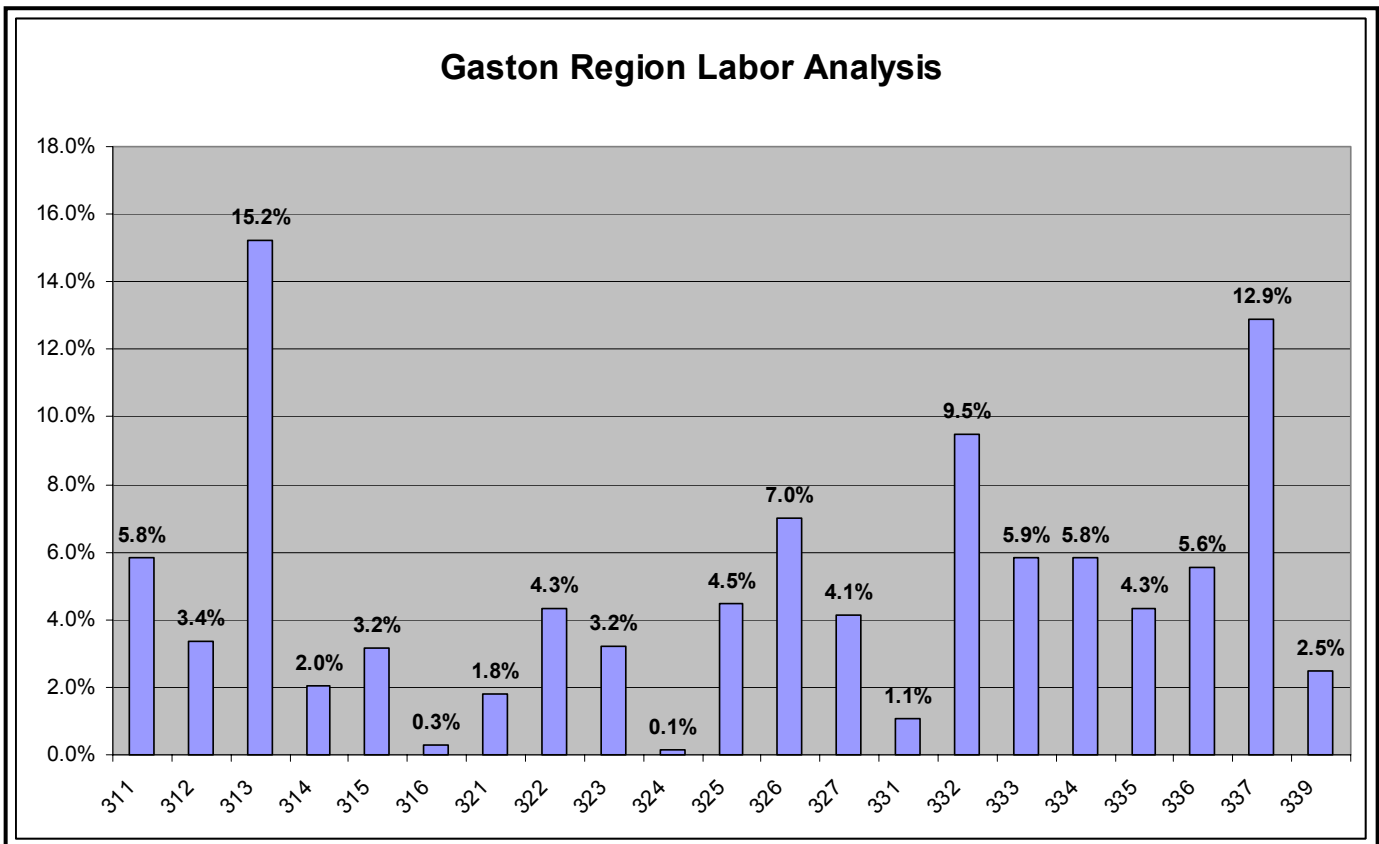
The table below shows the population, workforce and unemployment information for the Gaston Region as of October, 2004.

County	Population	Workforce	Unemployed (Oct. 2004)	% Unempl. (Oct. 2004)
<b>Cabarrus</b>	144,236	76,911	3,553	4.6
<b>Catawba</b>	148,913	71,410	4,396	6.2
<b>Cherokee, SC</b>	53,555	27,920	2,350	8.4
<b>Cleveland</b>	98,704	41,796	3,266	7.8
<b>Gaston</b>	194,811	104,528	5,957	5.7
<b>Lincoln</b>	67,851	36,828	2,244	6.1
<b>Mecklenburg</b>	756,834	424,916	19,479	4.6
<b>York, SC</b>	178,070	98,180	7,370	7.5
<b>Total</b>	<b>1,642,974</b>	<b>882,489</b>	<b>48,615</b>	<b>5.5</b>

*Source: NC Employment Security Commission, SC Employment Security Commission, & Charlotte Partnership.*

- The population of the eight counties in the Gaston Region is approximately 1.6 million with a workforce of over 880,000.
- The total unemployed in the Gaston Region are over 48,000 workers at approximately 5.5% of the total workforce.
- Gaston County is the 2<sup>nd</sup> largest county in the Gaston Region with York County SC having the 3<sup>rd</sup> largest population.
- It is interesting to note that Mecklenburg has nearly 50% of the population and workforce in the Gaston Region.

The chart below shows the percent of the Gaston Region workforce in each 3-level NAICS category.



Source: US Census, County Business Patterns. Data includes March 12, 2002 employment information.

The top five industry sectors in terms of employment in the Gaston Region are:

- NAICS 313: Textile Mills - 15.2%
- NAICS 337: Furniture and Related Product Manufacturing - 12.9%
- NAICS 332: Fabricated Metal Product Manufacturing - 9.5%
- NAICS 326: Plastics and Rubber Products Manufacturing - 7.0%
- NAICS 333: Machinery Manufacturing - 5.9%

The following pages present details of the Labor Analysis used to develop the chart above.

# Labor Market

Gaston Region Employment Analysis		Gaston County	Mecklenburg County	Cleveland County	Lincoln County	Catawba County	Cabarrus County	York County, SC	Cherokee County, SC	Gaston Region	% of Total Mfg
NAICS	Description	Employ.	Employ.	Employ.	Employ.	Employ.	Employ.	Employ.	Employ.	Employ.	
31----	Manufacturing	17,755	33,804	10,912	5,737	36,991	11,266	10,413	6,639	133,517	100.0%
<b>311</b>	<b>Food mfg</b>	<b>272</b>	<b>3,838</b>	<b>81</b>	<b>60</b>	<b>1,000</b>	<b>630</b>	<b>175</b>	<b>1750</b>	<b>7,806</b>	<b>5.85%</b>
3111	Animal food mfg	-	10	60	-	-	-	10	-	80	0.06%
3112	Grain & oilseed milling	-	175	-	-	175	-	-	-	350	0.26%
3113	Sugar & confectionery product mfg	-	-	-	-	-	-	-	-	-	0.00%
3114	Fruit & veg preserving & specialty food mfg	-	60	-	-	750	-	-	1750	2,560	1.92%
3115	Dairy product mfg	10	10	-	-	175	-	-	0	195	0.15%
3116	Animal slaughtering & processing	60	10	60	10	60	375	10	375	960	0.72%
3117	Seafood product preparation & packaging	-	-	-	-	-	-	-	0	-	0.00%
3118	Bakeries & tortilla mfg	175	2,718	-	60	10	10	10	0	2,983	2.23%
3119	Other food mfg	60	888	10	60	-	375	175	0	1,568	1.17%
<b>312</b>	<b>Beverage &amp; tobacco product mfg</b>	<b>60</b>	<b>619</b>	<b>10</b>	<b>-</b>	<b>60</b>	<b>3,750</b>	<b>10</b>	<b>0</b>	<b>4,509</b>	<b>3.38%</b>
3121	Beverage mfg	60	619	-	-	60	60	10	0	809	0.61%
3122	Tobacco mfg	-	-	10	-	-	3,750	-	0	3,760	2.82%
<b>313</b>	<b>Textile mills</b>	<b>5,982</b>	<b>724</b>	<b>2,791</b>	<b>1,730</b>	<b>2,791</b>	<b>3,642</b>	<b>888</b>	<b>1801</b>	<b>20,349</b>	<b>15.24%</b>
3131	Fiber, yarn & thread mills	4,153	60	750	288	800	175	375	375	6,976	5.22%
3132	Fabric mills	725	487	1,675	1,043	1,276	3,750	375	750	10,081	7.55%
3133	Textile, fabric finishing, fabric coating mills	1,104	175	366	399	715	60	196	750	3,765	2.82%
<b>314</b>	<b>Textile product mills</b>	<b>330</b>	<b>554</b>	<b>290</b>	<b>175</b>	<b>1,158</b>	<b>10</b>	<b>10</b>	<b>175</b>	<b>2,702</b>	<b>2.02%</b>
3141	Textile furnishings mills	144	425	30	10	686	10	10	60	1,375	1.03%
3149	Other textile product mills	-	129	260	110	472	10	-	60	1,041	0.78%
<b>315</b>	<b>Apparel mfg</b>	<b>112</b>	<b>375</b>	<b>53</b>	<b>195</b>	<b>2,911</b>	<b>408</b>	<b>20</b>	<b>175</b>	<b>4,249</b>	<b>3.18%</b>
3151	Apparel knitting mills	60	375	10	60	2,824	375	-	0	3,704	2.77%
3152	Cut & sew apparel mfg	60	60	60	60	10	60	10	175	495	0.37%
3159	Apparel accessories & other apparel mfg	-	-	-	60	60	-	10	10	140	0.10%
<b>316</b>	<b>Leather &amp; allied product mfg</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>375</b>	<b>10</b>	<b>-</b>	<b>0</b>	<b>395</b>	<b>0.30%</b>
3161	Leather & hide tanning & finishing	-	-	-	-	375	-	-	0	375	0.28%
3162	Footwear mfg	-	-	-	-	-	-	-	0	-	0.00%
3169	Other leather & allied product mfg	10	-	-	-	-	10	-	0	20	0.01%
<b>321</b>	<b>Wood product mfg</b>	<b>60</b>	<b>441</b>	<b>303</b>	<b>444</b>	<b>837</b>	<b>58</b>	<b>219</b>	<b>60</b>	<b>2,422</b>	<b>1.81%</b>
3211	Sawmills & wood preservation	20	10	60	60	60	10	60	60	340	0.25%
3212	Veneer, plywood & engineered wood product mfg	60	10	175	-	60	-	175	0	480	0.36%
3219	Other wood product mfg	10	375	145	375	768	60	10	0	1,743	1.31%
<b>322</b>	<b>Paper mfg</b>	<b>229</b>	<b>2,104</b>	<b>175</b>	<b>158</b>	<b>1,023</b>	<b>175</b>	<b>1,750</b>	<b>175</b>	<b>5,789</b>	<b>4.34%</b>
3221	Pulp, paper & paperboard mills	-	175	-	-	-	-	1,750	175	2,100	1.57%
3222	Converted paper product mfg	229	1,750	175	158	1,023	175	375	10	3,895	2.92%

## Labor Market

Gaston Region Employment Analysis		Gaston County	Mecklenburg County	Cleveland County	Lincoln County	Catawba County	Cabarrus County	York County, SC	Cherokee County, SC	Gaston Region	% of Total Mfg
<b>323</b>	<b>Printing &amp; related support activities</b>	<b>335</b>	<b>2,963</b>	<b>95</b>	<b>60</b>	<b>395</b>	<b>180</b>	<b>225</b>	<b>6</b>	<b>4,259</b>	<b>3.19%</b>
3231	Printing & related support activities	335	2,963	95	60	395	180	225	6	4,259	3.19%
<b>324</b>	<b>Petroleum &amp; coal products mfg</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>60</b>	<b>60</b>	<b>10</b>	<b>200</b>	<b>0.15%</b>
3241	Petroleum & coal products mfg	-	60	-	-	10	60	60	10	200	0.15%
<b>325</b>	<b>Chemical mfg</b>	<b>1,028</b>	<b>1,865</b>	<b>711</b>	<b>175</b>	<b>75</b>	<b>289</b>	<b>1,666</b>	<b>160</b>	<b>5,969</b>	<b>4.47%</b>
3251	Basic chemical mfg	60	306	175	-	10	175	280	60	1,066	0.80%
3252	Resin, syn rubber, artf & syn fibers, fil mfg	375	413	750	10	60	-	375	60	2,043	1.53%
3253	Pesticide, fertilizer & oth ag chemical mfg	60	10	-	-	-	-	-	0	70	0.05%
3254	Pharmaceutical & medicine mfg	-	175	-	-	-	10	750	0	935	0.70%
3255	Paint, coating & adhesive mfg	42	147	-	-	25	10	106	10	340	0.25%
3256	Soap, cleaners & toilet preparation mfg	216	217	-	-	10	60	10	60	573	0.43%
3259	Other chemical product & preparation mfg	375	616	-	175	-	175	208	0	1,549	1.16%
<b>326</b>	<b>Plastics &amp; rubber products mfg</b>	<b>699</b>	<b>4,166</b>	<b>230</b>	<b>63</b>	<b>2,778</b>	<b>750</b>	<b>352</b>	<b>312</b>	<b>9,350</b>	<b>7.00%</b>
3261	Plastics product mfg	541	2,211	175	60	2,339	750	160	375	6,611	4.95%
3262	Rubber product mfg	158	1,955	60	60	439	10	192	60	2,934	2.20%
<b>327</b>	<b>Nonmetallic mineral product mfg</b>	<b>503</b>	<b>923</b>	<b>1,750</b>	<b>21</b>	<b>1,016</b>	<b>823</b>	<b>375</b>	<b>97</b>	<b>5,508</b>	<b>4.13%</b>
3271	Clay product & refractory mfg	-	10	60	10	-	-	175	60	315	0.24%
3272	Glass & glass product mfg	375	60	1,750	-	375	750	175	0	3,485	2.61%
3273	Cement & concrete product mfg	60	762	60	60	183	175	107	60	1,467	1.10%
3274	Lime & gypsum product mfg	-	-	-	-	-	-	-	0	-	0.00%
3279	Other nonmetallic mineral product mfg	60	115	-	10	375	-	10	60	630	0.47%
<b>331</b>	<b>Primary metal mfg</b>	<b>60</b>	<b>845</b>	<b>70</b>	<b>10</b>	<b>227</b>	<b>60</b>	<b>175</b>	<b>10</b>	<b>1,457</b>	<b>1.09%</b>
3311	Iron & steel mills & ferroalloy mfg	10	175	-	10	-	-	175	10	380	0.28%
3312	Steel product mfg from purchased steel	-	60	-	-	175	-	-	0	235	0.18%
3313	Alumina & aluminum production & processing	-	10	60	-	60	-	-	0	130	0.10%
3314	Nonferrous (exc alum) production & processing	-	10	10	-	60	-	-	0	80	0.06%
3315	Foundries	60	750	10	-	10	60	-	0	890	0.67%
<b>332</b>	<b>Fabricated metal product mfg</b>	<b>3,295</b>	<b>3,556</b>	<b>206</b>	<b>742</b>	<b>2,043</b>	<b>409</b>	<b>1,311</b>	<b>1082</b>	<b>12,644</b>	<b>9.47%</b>
3321	Forging & stamping	10	380	-	10	60	-	60	0	520	0.39%
3322	Cutlery & handtool mfg	375	60	-	-	234	-	60	0	729	0.55%
3323	Architectural & structural metals mfg	554	799	12	10	162	63	232	60	1,892	1.42%
3324	Boiler, tank & shipping container mfg	60	175	-	-	60	60	10	0	365	0.27%
3325	Hardware mfg	60	-	-	-	750	10	-	0	820	0.61%
3326	Spring & wire product mfg	1,750	355	-	-	852	-	-	0	2,957	2.21%
3327	Mach shops, turn prod, screw, nut, bolt mfg	594	526	181	62	83	129	176	10	1,761	1.32%
3328	Coating, engrave, heat treating & oth activity	104	311	10	10	10	175	122	60	802	0.60%
3329	Other fabricated metal product mfg	243	920	10	750	60	60	697	1750	4,490	3.36%
<b>333</b>	<b>Machinery mfg</b>	<b>997</b>	<b>4,012</b>	<b>1,168</b>	<b>375</b>	<b>219</b>	<b>65</b>	<b>810</b>	<b>175</b>	<b>7,821</b>	<b>5.86%</b>
3331	Ag, construction & mining machinery mfg	175	175	60	175	-	10	60	0	655	0.49%
3332	Industrial machinery mfg	590	721	172	175	50	60	128	60	1,956	1.46%

# Labor Market

Gaston Region Employment Analysis		Gaston County	Mecklenburg County	Cleveland County	Lincoln County	Catawba County	Cabarrus County	York County, SC	Cherokee County, SC	Gaston Region	% of Total Mfg
3333	Commercial & service industry machinery mfg	10	175	-	-	10	10	60	0	265	0.20%
3334	HVAC & commercial refrigeration equipment mfg	10	594	375	10	93	-	165	0	1,247	0.93%
3335	Metalworking machinery mfg	60	345	60	10	60	-	175	10	720	0.54%
3336	Engine, turbine & power transmsn equip mfg	259	1,141	10	-	-	-	-	0	1,410	1.06%
3339	Other general purpose machinery mfg	10	987	457	10	60	-	254	0	1,778	1.33%
<b>334</b>	<b>Computer &amp; electronic product mfg</b>	<b>10</b>	<b>3,978</b>	<b>750</b>	<b>10</b>	<b>1,229</b>	<b>60</b>	<b>1,750</b>	<b>0</b>	<b>7,787</b>	<b>5.83%</b>
3341	Computer & peripheral equipment mfg	-	375	-	10	-	-	-	0	385	0.29%
3342	Communications equipment mfg	-	10	-	-	999	-	10	0	1,019	0.76%
3343	Audio & video equipment mfg	-	175	-	-	-	-	-	0	175	0.13%
3344	Semiconductor & oth electronic component mfg	10	3,240	175	-	175	10	375	0	3,985	2.98%
3345	Nav, measuring, medical, control instruments mfg	10	223	-	-	10	60	10	0	313	0.23%
3346	Mfg & reproducing magnetic & optical media	-	10	750	-	10	-	750	0	1,520	1.14%
<b>335</b>	<b>Electrical equip, appliance &amp; component mfg</b>	<b>208</b>	<b>324</b>	<b>906</b>	<b>10</b>	<b>3,360</b>	<b>375</b>	<b>585</b>	<b>10</b>	<b>5,778</b>	<b>4.33%</b>
3351	Electric lighting equipment mfg	10	25	175	10	175	-	175	0	570	0.43%
3352	Household appliance mfg	-	-	-	-	-	-	10	0	10	0.01%
3353	Electrical equipment mfg	10	172	375	-	60	-	173	0	790	0.59%
3359	Other electrical equipment & component mfg	175	127	375	-	3,750	375	375	10	5,187	3.88%
<b>336</b>	<b>Transportation equipment mfg</b>	<b>3,750</b>	<b>609</b>	<b>1,081</b>	<b>10</b>	<b>422</b>	<b>226</b>	<b>588</b>	<b>750</b>	<b>7,436</b>	<b>5.57%</b>
3361	Motor vehicle mfg	1,750	-	10	-	60	60	-	750	2,630	1.97%
3362	Motor vehicle body & trailer mfg	-	112	375	-	10	10	10	0	517	0.39%
3363	Motor vehicle parts mfg	1,750	450	750	10	-	175	750	10	3,895	2.92%
3364	Aerospace product & parts mfg	-	10	375	-	-	-	-	0	385	0.29%
3365	Railroad rolling stock mfg	-	10	-	-	-	-	-	0	10	0.01%
3366	Ship & boat building	-	60	-	-	-	-	-	0	60	0.04%
3369	Other transportation equipment mfg	-	5	-	-	10	10	-	0	25	0.02%
<b>337</b>	<b>Furniture &amp; related product mfg</b>	<b>296</b>	<b>430</b>	<b>66</b>	<b>1,565</b>	<b>14,636</b>	<b>60</b>	<b>164</b>	<b>15</b>	<b>17,232</b>	<b>12.91%</b>
3371	HH & institutional furniture & kitchen cabinet mfg	263	175	60	1,115	13,211	10	175	15	15,024	11.25%
3372	Office furniture (including fixtures) mfg	33	118	60	450	1,750	10	10	0	2,431	1.82%
3379	Other furniture related product mfg	-	175	-	-	60	-	10	0	245	0.18%
<b>339</b>	<b>Miscellaneous mfg</b>	<b>54</b>	<b>1,491</b>	<b>338</b>	<b>72</b>	<b>421</b>	<b>406</b>	<b>381</b>	<b>149</b>	<b>3,312</b>	<b>2.48%</b>
3391	Medical equipment & supplies mfg	11	708	85	10	194	18	375	10	1,411	1.06%
3399	Other miscellaneous mfg	43	783	253	60	227	388	60	175	1,989	1.49%

Source: 2002 County Business Patterns, US Census Bureau. Note: Employment data includes through March 12, 2002.

## Task 7: Compile & Assess Labor Draw Information for the Gaston Region

### Gaston Region Defined

For the purposes of this study, the Gaston Region includes the following eight counties:

- Cabarrus County
- Catawba County
- Cleveland County
- Cherokee County SC
- Gaston County
- Lincoln County
- Mecklenburg County
- York County, SC

This region was selected since it defines the counties where **300 or more workers** commute each day to Gaston County to work. This defines the true labor region from which Gaston County draws its labor.

### Commuting Patterns Impact Regional Labor Market

The map on the following page shows the commuting patterns of workers commuting **TO** Gaston County from surrounding counties. The boxes indicate the number of workers commuting **into** Gaston County each day. These commuting patterns are the best way to determine the true Gaston Region since a region can be defined by the distance people are willing to travel for a good job. Commuting patterns are impacted by transportation access to a county, as reflected in the map. The largest number of workers commuting to Gaston originates in counties along the I-85 and US Highway 321 corridors. Using this approach, we define the Gaston Region as those counties having more than 300 people commuting to Gaston County each day to work.

### I-485 Completion an Advantage to Labor Draw Region

With the upcoming completion of the Southwestern portion of the I-485 loop and the completion of the entire I-485 loop in 2010, commuting patterns may change. In particular, workers in Iredell, Rowan, Union, and Lancaster SC counties may have better access to Gaston County industry. These possible commuting changes are not reflected in this study since they cannot be reliably predicted. However, a good indication of the expected growth in Gaston County can be surmised from the recent completion of the Eastern Portion of I-485 in Cabarrus County. An article in the *Charlotte Observer* by Ronnie Glassberg written Sept. 28, 2003 states:

*"To Cabarrus County, next month's opening of an eastern portion of Interstate 485 is like having a new circular driveway built in its front yard.*

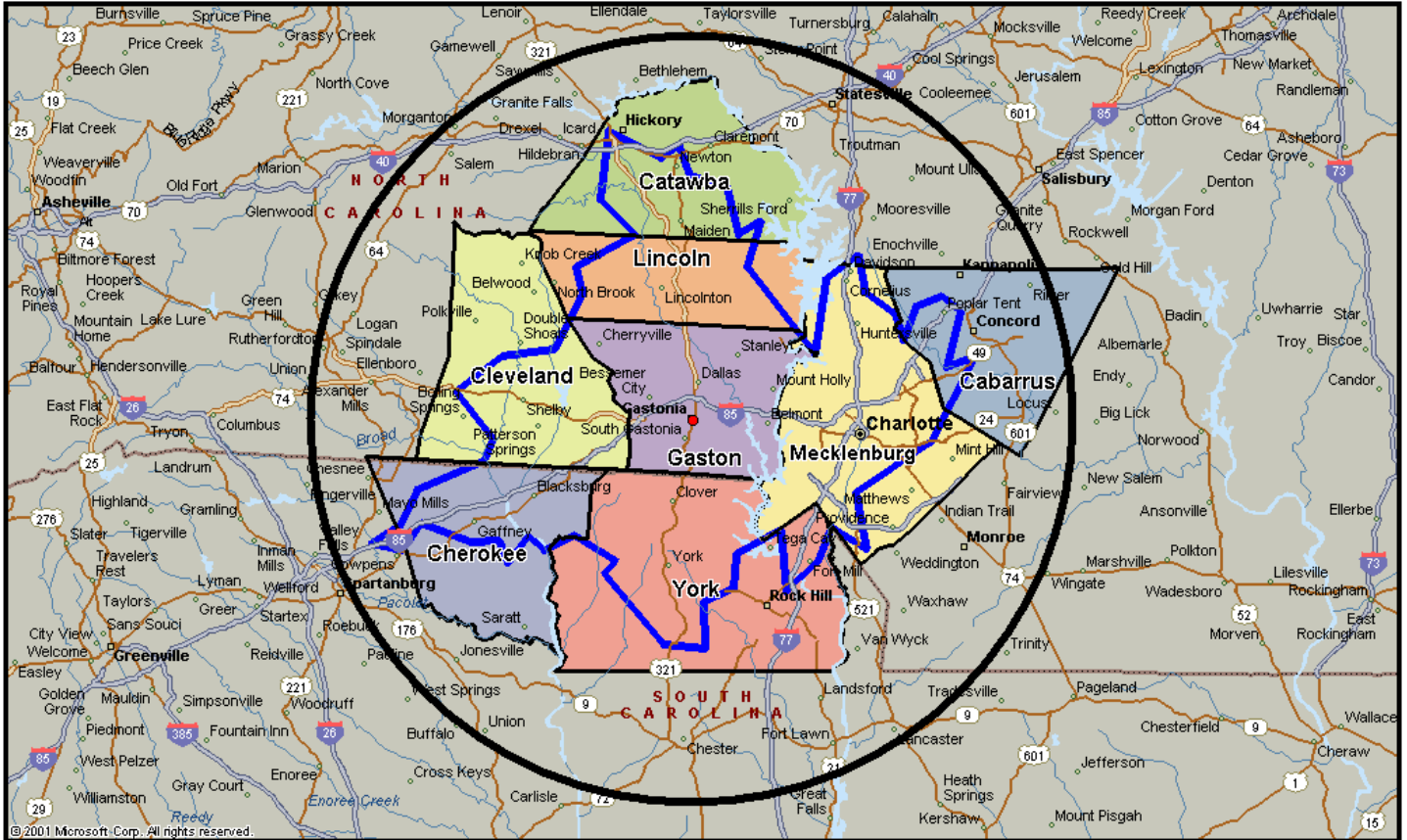
*The outerbelt has made it much easier for Mecklenburg County residents to reach other areas of the county.*

*But it's having a similar impact for Cabarrus County. It is enabling Cabarrus residents to leave their homes and travel around the region to the west and south. It also is helping people from other areas reach jobs and shopping in Cabarrus."*



## Gaston Region Commuting Patterns

Our analysis of the employment characteristics of Gaston County determined most employees leaving Gaston County (33,020) each day commute to surrounding Gaston Region counties. At the same time, the majority of labor commuting into Gaston County (18,795) originates from these counties. **This is an important sales fact for Gaston County... 33,020 people leave Gaston County each day to work at companies in surrounding counties.** Common sense tells us that most employees wish to work close to home if the job pays well and has good benefits relative to their current job.



### **Task 8: Assess Gaston Region Labor Strengths using Location Factor Analysis**

We used labor information gathered earlier to develop Location Factor (LF) Analysis to determine strengths in labor relative to US. LFs are an excellent way to determine if a region has strength in an industry sector relative to that of the US. If the Gaston Region has a high LF in a particular industry sector then the Region produces more economic activity in that sector than it consumes. Therefore, it is viewed as an economic leader and a net exporter of products in that sector. For example, if the Gaston Region has labor strength in Plastics relative to the US, the LF will be over 1.0. And, if the Plastics Industry is projected to grow over the next ten years, we might recommend Gaston County target the Plastics Industry.

The table on the following page shows the results of our Location Factor Analysis for the eight county Gaston County Region. Note the influence Mecklenburg County has on the results of the LF analysis with nearly 50% of the regional workforce being located in Mecklenburg. Therefore, Mecklenburg County should not be ignored as a significant “influencer” on the Gaston Region LF Analysis.

This information will be used to build the *Gaston Count Growth Industry Matrix* in Section VI, *Recommended Target Industry Sectors*.

# Labor Market

<b>Gaston Region Location Factor Analysis</b> (Data including March 12, 2002)		<b>Gaston</b>	<b>Mecklenburg</b>	<b>Cleveland</b>	<b>Lincoln</b>	<b>Catawba</b>	<b>Cabarrus</b>	<b>York, SC</b>	<b>Cherokee, SC</b>	<b>Gaston Region</b>
<b>NAICS</b>	<b>Description</b>	<b>LF</b>	<b>LF</b>	<b>LF</b>	<b>LF</b>	<b>LF</b>	<b>LF</b>	<b>LF</b>	<b>LF</b>	<b>LF</b>
31----	Manufacturing									
<b>311</b>	<b>Food mfg</b>	<b>0.153</b>	<b>1.132</b>	<b>0.074</b>	<b>0.104</b>	<b>0.270</b>	<b>0.557</b>	<b>0.168</b>	<b>2.628</b>	<b>0.583</b>
3111	Animal food mfg	-	0.091	1.683	-	-	-	0.294	-	0.188
3112	Grain & oilseed milling	-	1.366	-	-	1.249	-	-	-	0.697
3113	Sugar & confectionery product mfg	-	-	-	-	-	-	-	-	-
3114	Fruit & veg preserving & specialty food mfg	-	0.161	-	-	1.837	-	-	23.88	1.738
3115	Dairy product mfg	0.063	0.033	-	-	0.527	-	-	-	0.163
3116	Animal slaughtering & processing	0.098	0.009	0.160	0.051	0.047	0.966	0.028	1.64	0.209
3117	Seafood product preparation & packaging	-	-	-	-	-	-	-	-	-
3118	Bakeries & tortilla mfg	0.492	4.010	-	0.522	0.013	0.044	0.048	-	1.116
3119	Other food mfg	0.325	2.523	0.088	1.004	-	3.197	1.614	-	1.134
<b>312</b>	<b>Beverage &amp; tobacco product mfg</b>	<b>0.298</b>	<b>1.613</b>	<b>0.081</b>	<b>-</b>	<b>0.143</b>	<b>29.322</b>	<b>0.085</b>	<b>-</b>	<b>2.996</b>
3121	Beverage mfg	0.349	1.891	-	-	0.168	0.550	0.099	-	0.628
3122	Tobacco mfg	-	-	0.549	-	-	199.370	-	-	17.764
<b>313</b>	<b>Textile mills</b>	<b>18.534</b>	<b>1.178</b>	<b>14.070</b>	<b>16.588</b>	<b>4.151</b>	<b>17.783</b>	<b>4.691</b>	<b>14.92</b>	<b>8.416</b>
3131	Fiber, yarn & thread mills	55.886	0.424	16.422	11.994	5.167	3.711	8.604	13.50	12.666
3132	Fabric mills	4.202	1.483	15.798	18.710	3.550	34.257	3.706	11.63	7.834
3133	Textile, fabric finishing, fabric coating mills	14.540	1.211	7.843	16.263	4.520	1.245	4.401	26.42	6.681
<b>314</b>	<b>Textile product mills</b>	<b>1.406</b>	<b>1.240</b>	<b>2.011</b>	<b>2.308</b>	<b>2.369</b>	<b>0.067</b>	<b>0.073</b>	<b>1.99</b>	<b>1.537</b>
3141	Textile furnishings mills	1.110	1.721	0.376	0.239	2.539	0.122	0.131	1.24	1.416
3149	Other textile product mills	-	0.646	4.032	3.244	2.159	0.150	-	1.53	1.332
<b>315</b>	<b>Apparel mfg</b>	<b>0.259</b>	<b>0.456</b>	<b>0.199</b>	<b>1.396</b>	<b>3.232</b>	<b>1.487</b>	<b>0.079</b>	<b>1.08</b>	<b>1.309</b>
3151	Apparel knitting mills	0.870	2.857	0.236	2.693	19.659	8.571	-	-	7.211
3152	Cut & sew apparel mfg	0.187	0.098	0.304	0.578	0.015	0.294	0.053	1.46	0.206
3159	Apparel accessories & other apparel mfg	-	-	-	4.411	0.684	-	0.405	0.64	0.460
<b>316</b>	<b>Leather &amp; allied product mfg</b>	<b>0.170</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.053</b>	<b>0.267</b>	<b>-</b>	<b>-</b>	<b>0.899</b>
3161	Leather & hide tanning & finishing	-	-	-	-	15.734	-	-	-	4.542
3162	Footwear mfg	-	-	-	-	-	-	-	-	-
3169	Other leather & allied product mfg	0.466	-	-	-	-	0.734	-	-	0.131
<b>321</b>	<b>Wood product mfg</b>	<b>0.091</b>	<b>0.352</b>	<b>0.748</b>	<b>2.086</b>	<b>0.610</b>	<b>0.139</b>	<b>0.567</b>	<b>0.24</b>	<b>0.490</b>
3211	Sawmills & wood preservation	0.136	0.037	0.682	1.298	0.201	0.110	0.715	1.12	0.318
3212	Veneer, plywood & engineered wood product mfg	0.438	0.038	2.079	-	0.210	-	2.179	-	0.471
3219	Other wood product mfg	0.026	0.520	0.623	3.065	0.973	0.250	0.045	-	0.614
<b>322</b>	<b>Paper mfg</b>	<b>0.374</b>	<b>1.806</b>	<b>0.465</b>	<b>0.799</b>	<b>0.803</b>	<b>0.451</b>	<b>4.877</b>	<b>0.76</b>	<b>1.260</b>
3221	Pulp, paper & paperboard mills	-	0.457	-	-	-	-	14.841	2.33	1.399
3222	Converted paper product mfg	0.557	2.238	0.693	1.190	1.195	0.671	1.557	0.07	1.264
<b>323</b>	<b>Printing &amp; related support activities</b>	<b>0.384</b>	<b>1.786</b>	<b>0.177</b>	<b>0.213</b>	<b>0.218</b>	<b>0.326</b>	<b>0.440</b>	<b>0.02</b>	<b>0.650</b>
3231	Printing & related support activities	0.384	1.786	0.177	0.213	0.218	0.326	0.440	0.02	0.650
<b>324</b>	<b>Petroleum &amp; coal products mfg</b>	<b>-</b>	<b>0.254</b>	<b>-</b>	<b>-</b>	<b>0.039</b>	<b>0.763</b>	<b>0.826</b>	<b>0.22</b>	<b>0.217</b>

# Labor Market

Gaston Region Location Factor Analysis		Gaston	Mecklenburg	Cleveland	Lincoln	Catawba	Cabarrus	York, SC	Cherokee, SC	Gaston Region
NAICS	Description	LF	LF	LF	LF	LF	LF	LF	LF	LF
3241	Petroleum & coal products mfg	-	0.254	-	-	0.039	0.763	0.826	0.22	0.217
<b>325</b>	<b>Chemical mfg</b>	<b>1.007</b>	<b>0.960</b>	<b>1.133</b>	<b>0.531</b>	<b>0.035</b>	<b>0.446</b>	<b>2.783</b>	<b>0.42</b>	<b>0.779</b>
3251	Basic chemical mfg	0.281	0.753	1.335	-	0.022	1.293	2.238	0.75	0.668
3252	Resin, syn rubber, artf & syn fibers, fil mfg	3.140	1.817	10.219	0.259	0.241	-	5.354	1.34	2.298
3253	Pesticide, fertilizer & oth ag chemical mfg	1.419	0.124	-	-	-	-	-	-	0.225
3254	Pharmaceutical & medicine mfg	-	0.313	-	-	-	0.054	4.358	-	0.426
3255	Paint, coating & adhesive mfg	0.498	0.915	-	-	0.142	0.187	2.143	0.32	0.542
3256	Soap, cleaners & toilet preparation mfg	1.582	0.835	-	-	0.035	0.693	0.125	1.18	0.561
3259	Other chemical product & preparation mfg	2.857	2.465	-	4.126	-	2.101	2.702	-	1.584
<b>326</b>	<b>Plastics &amp; rubber products mfg</b>	<b>0.612</b>	<b>1.916</b>	<b>0.328</b>	<b>0.171</b>	<b>1.168</b>	<b>1.035</b>	<b>0.526</b>	<b>0.73</b>	<b>1.090</b>
3261	Plastics product mfg	0.589	1.264	0.310	0.202	1.222	1.287	0.297	1.09	0.958
3262	Rubber product mfg	0.708	4.601	0.437	0.832	0.944	0.071	1.467	0.72	1.754
<b>327</b>	<b>Nonmetallic mineral product mfg</b>	<b>0.858</b>	<b>0.827</b>	<b>4.855</b>	<b>0.111</b>	<b>0.831</b>	<b>2.211</b>	<b>1.090</b>	<b>0.44</b>	<b>1.251</b>
3271	Clay product & refractory mfg	-	0.065	1.202	0.381	-	-	3.674	1.98	0.524
3272	Glass & glass product mfg	2.648	0.223	20.109	-	1.271	8.347	2.107	-	3.305
3273	Cement & concrete product mfg	0.240	1.601	0.390	0.743	0.351	1.103	0.730	0.64	0.783
3274	Lime & gypsum product mfg	-	-	-	-	-	-	-	-	-
3279	Other nonmetallic mineral product mfg	0.647	0.652	-	0.334	1.942	-	0.184	1.73	0.909
<b>331</b>	<b>Primary metal mfg</b>	<b>0.097</b>	<b>0.718</b>	<b>0.184</b>	<b>0.050</b>	<b>0.176</b>	<b>0.153</b>	<b>0.483</b>	<b>0.04</b>	<b>0.314</b>
3311	Iron & steel mills & ferroalloy mfg	0.064	0.587	-	0.198	-	-	1.905	0.17	0.325
3312	Steel product mfg from purchased steel	-	0.435	-	-	1.160	-	-	-	0.435
3313	Alumina & aluminum production & processing	-	0.062	1.155	-	0.341	-	-	-	0.207
3314	Nonferrous (exc alum) production & processing	-	0.066	0.205	-	0.364	-	-	-	0.135
3315	Foundries	0.266	1.749	0.072	-	0.021	0.420	-	-	0.527
<b>332</b>	<b>Fabricated metal product mfg</b>	<b>1.688</b>	<b>0.957</b>	<b>0.172</b>	<b>1.176</b>	<b>0.502</b>	<b>0.330</b>	<b>1.145</b>	<b>1.48</b>	<b>0.862</b>
3321	Forging & stamping	0.060	1.191	-	0.185	0.172	-	0.610	-	0.414
3322	Cutlery & handtool mfg	4.847	0.407	-	-	1.452	-	1.322	-	1.267
3323	Architectural & structural metals mfg	1.165	0.882	0.041	0.065	0.163	0.209	0.832	0.34	0.530
3324	Boiler, tank & shipping container mfg	0.575	0.880	-	-	0.276	0.905	0.163	-	0.468
3325	Hardware mfg	0.742	-	-	-	4.450	0.195	-	-	1.357
3326	Spring & wire product mfg	22.821	2.431	-	-	5.333	-	-	-	5.181
3327	Mach shops, turn prod, screw, nut, bolt mfg	1.301	0.605	0.645	0.420	0.087	0.445	0.657	0.06	0.514
3328	Coating, engrave, heat treating & oth activity	0.617	0.969	0.096	0.184	0.028	1.636	1.234	0.95	0.636
3329	Other fabricated metal product mfg	0.706	1.404	0.047	6.746	0.084	0.275	3.454	13.60	1.740
<b>333</b>	<b>Machinery mfg</b>	<b>0.693</b>	<b>1.465</b>	<b>1.321</b>	<b>0.807</b>	<b>0.073</b>	<b>0.071</b>	<b>0.960</b>	<b>0.33</b>	<b>0.723</b>
3331	Ag, construction & mining machinery mfg	0.804	0.422	0.449	2.488	-	0.072	0.470	-	0.403
3332	Industrial machinery mfg	3.270	2.099	1.551	3.002	0.133	0.524	1.210	0.89	1.450
3333	Commercial & service industry machinery mfg	0.073	0.668	-	-	0.035	0.114	0.743	-	0.258
3334	HVAC & commercial refrigeration equipment	0.052	1.613	3.154	0.160	0.231	-	1.454	-	0.862

# Labor Market

Gaston Region Location Factor Analysis		Gaston	Mecklenburg	Cleveland	Lincoln	Catawba	Cabarrus	York, SC	Cherokee, SC	Gaston Region
NAICS	Description	LF	LF	LF	LF	LF	LF	LF	LF	LF
3335	Metalworking machinery mfg	0.260	0.784	0.422	0.134	0.125	-	1.291	0.12	0.416
3336	Engine, turbine & power transmsn equip mfg	2.176	5.034	0.137	-	-	-	-	-	1.583
3339	Other general purpose machinery mfg	0.028	1.443	2.070	0.086	0.080	-	1.206	-	0.660
<b>334</b>	<b>Computer &amp; electronic product mfg</b>	<b>0.006</b>	<b>1.303</b>	<b>0.761</b>	<b>0.019</b>	<b>0.368</b>	<b>0.059</b>	<b>1.860</b>	<b>-</b>	<b>0.646</b>
3341	Computer & peripheral equipment mfg	-	1.029	-	0.162	-	-	-	-	0.268
3342	Communications equipment mfg	-	0.021	-	-	1.885	-	0.067	-	0.534
3343	Audio & video equipment mfg	-	2.940	-	-	-	-	-	-	0.757
3344	Semiconductor & oth electronic component	0.018	3.006	0.503	-	0.148	0.028	1.129	-	0.937
3345	Nav, measuring, medical, control instruments	0.019	0.227	-	-	0.009	0.184	0.033	-	0.081
3346	Mfg & reproducing magnetic & optical media	-	0.115	26.610	-	0.105	-	27.885	-	4.566
<b>335</b>	<b>Electrical equip, appliance &amp; comp. mfg</b>	<b>0.336</b>	<b>0.275</b>	<b>2.379</b>	<b>0.050</b>	<b>2.602</b>	<b>0.954</b>	<b>1.610</b>	<b>0.04</b>	<b>1.242</b>
3351	Electric lighting equipment mfg	0.127	0.167	3.615	0.393	1.067	-	3.789	-	0.978
3352	Household appliance mfg	-	-	-	-	-	-	0.152	-	0.012
3353	Electrical equipment mfg	0.048	0.435	2.938	-	0.139	-	1.420	-	0.509
3359	Other electrical equipment & component mfg	0.792	0.302	2.762	-	8.148	2.675	2.895	0.12	3.133
<b>336</b>	<b>Transportation equipment mfg</b>	<b>1.926</b>	<b>0.164</b>	<b>0.903</b>	<b>0.016</b>	<b>0.104</b>	<b>0.183</b>	<b>0.515</b>	<b>1.03</b>	<b>0.508</b>
3361	Motor vehicle mfg	6.541	-	0.061	-	0.108	0.353	-	7.50	1.311
3362	Motor vehicle body & trailer mfg	-	0.417	4.323	-	0.034	0.112	0.121	-	0.492
3363	Motor vehicle parts mfg	2.159	0.292	1.506	0.038	-	0.340	1.578	0.03	0.640
3364	Aerospace product & parts mfg	-	0.011	1.264	-	-	-	-	-	0.106
3365	Railroad rolling stock mfg	-	0.151	-	-	-	-	-	-	0.039
3366	Ship & boat building	-	0.195	-	-	-	-	-	-	0.049
3369	Other transportation equipment mfg	-	0.054	-	-	0.098	0.323	-	-	0.069
<b>337</b>	<b>Furniture &amp; related product mfg</b>	<b>0.417</b>	<b>0.318</b>	<b>0.151</b>	<b>6.827</b>	<b>9.902</b>	<b>0.133</b>	<b>0.394</b>	<b>0.06</b>	<b>3.233</b>
3371	HH & institutional furniture & kitchen cab. mfg	0.557	0.195	0.207	7.308	13.430	0.033	0.632	0.08	4.238
3372	Office furniture (including fixtures) mfg	0.180	0.339	0.534	7.612	4.591	0.086	0.093	-	1.777
3379	Other furniture related product mfg	-	1.692	-	-	0.530	-	0.314	-	0.606
<b>339</b>	<b>Miscellaneous mfg</b>	<b>0.066</b>	<b>0.955</b>	<b>0.671</b>	<b>0.272</b>	<b>0.246</b>	<b>0.780</b>	<b>0.792</b>	<b>0.49</b>	<b>0.538</b>
3391	Medical equipment & supplies mfg	0.030	1.025	0.381	0.085	0.257	0.078	1.762	0.07	0.518
3399	Other miscellaneous mfg	0.094	0.900	0.901	0.406	0.238	1.338	0.224	1.02	0.580

Source: 2002 County Business Patterns, US Census Bureau.

# ***High Growth Industry Sector Identification***

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## **Task 9: Evaluate US, NC & SC High Growth Companies**

In this Task, we evaluated predicted growth sectors for the United States, North Carolina and South Carolina. Here we looked for potential synergies with growing companies in North Carolina and South Carolina. For example, Motor Vehicle Parts manufacturing is predicted to grow by 27,000 employees in the US and it is also predicted to grow by 9,260 employees in North Carolina and by 7,230 employees in South Carolina.

Other industry sectors with significant predicted growth in the US, NC and SC include:

- Plastics Products Manufacturing
- Pharmaceutical and Medicine (Drug) Manufacturing
- Fabricated Metal Products Manufacturing
- Agriculture, Construction and Mining Machinery Manufacturing
- Forging and Stamping Manufacturing
- Ventilation, Heating, A/C and Commercial Refrigeration Equipment Manufacturing
- Other General Purpose Machinery Manufacturing

This information will be used in our Gaston County Growth Industry Matrix in *Section VI, Recommended Target Industry Sectors*.

## **High Growth Industry Sector Identification**

<b>Projected US High-Grow Industry Sectors: 2002 - 2012</b>				
<b>2002 NAICS</b>	<b>Industry Title</b>	<b>Thousands of Jobs</b>		<b>Change</b>
		<b>2002</b>	<b>2012</b>	<b>2002-12</b>
3261	Plastics product mfg	668	797	128
3116	Animal slaughtering & processing	520	601	80
3323	Architectural & structural metals mfg	400	478	77
3254	Pharmaceutical & medicine mfg	293	361	68
3219	Other wood product mfg	320	386	67
3339	Other general purpose machinery mfg	288	339	51
3371	Household & institutional furniture & kitchen cabinet mfg	400	450	49
3273	Cement & concrete product mfg	230	278	48
3335	Metalworking machinery mfg	217	251	34
3363	Motor vehicle parts mfg	731	758	27
3334	Ventilation, heating, A/C, & commercial refrigeration equipment mfg	167	189	22
3212	Veneer, plywood, & engineered wood product mfg	116	138	21
3315	Foundries	180	199	20
3391	Medical equipment & supplies mfg	309	329	20
3321	Forging & stamping	114	132	18
3362	Motor vehicle body & trailer mfg	154	172	18
3327	Machine shops; turned product; & screw, nut, & bolt mfg	318	333	15
3366	Ship & boat building	146	157	11
3331	Agriculture, construction, & mining machinery mfg	201	212	10
3342	Communications equipment mfg	191	201	10
3262	Rubber product mfg	185	195	10
3118	Bakeries & tortilla mfg	295	303	9
3271	Clay product & refractory mfg	72	80	9
3333	Commercial & service industry machinery mfg	132	141	9
3379	Other furniture related product mfg	54	61	7
3322	Cutlery & h&tool mfg	65	70	6
3346	mfg & reproducing magnetic & optical media	57	63	6
3372	Office furniture (including fixtures) mfg	151	155	5
3328	Coating, engraving, heat treating, & allied activities	148	151	4
3353	Electrical equipment mfg	176	180	4
3119	Other food mfg	152	155	4
3399	Other miscellaneous mfg	383	387	4
3325	Hardware mfg	43	45	3
3279	Other nonmetallic mineral product mfg	72	75	3
3256	Soap, cleaning compound, & toilet preparation mfg	122	125	3
3274	Lime & gypsum product mfg	19	21	2
3111	Animal food mfg	52	52	1
3365	Railroad rolling stock mfg	23	24	1

Source: US Census 2000; Sectors with zero and negative growth not shown.

## High Growth Industry Sector Identification

NC Projected Employment, 2000 - 2010					
SIC	NAICS	Industry Title	Jobs		Change
			2000	2010	2000-10
371	3361, 3362, 3363	Motor Vehicles & Equipment	30,810	40,070	9,260
283	3254	Drugs	18,600	23,710	5,110
308	3261	Miscellaneous Plastics Products, n.e.c.	24,000	28,190	4,190
201	3116	Meat Products	30,280	33,230	2,950
335	3313, 3314	Nonferrous Rolling & Drawing	13,840	16,320	2,480
265	3221, 3222	Paperboard Container & Boxes	11,070	13,350	2,280
271	5111	Newspapers	11,350	13,400	2,050
382	3345	Measuring & Controlling Devices	7,640	9,370	1,730
286	3251	Industrial Organic Chemicals	4,210	5,920	1,710
344	3323	Fabricated Structural Metal Products	11,980	13,490	1,510
353	3331, 3339	Construction & Related Machinery	7,000	8,320	1,320
284	3256	Soap, Cleaners, & Toilet Goods	6,040	7,160	1,120
306	3133, 3152, 3159	Fabricated Rubber Products, n.e.c.	6,100	7,070	970
301	3262	Tires & Inner Tubes	9,020	9,990	970
275	3231	Commercial Printing	12,720	13,610	890
342	3322, 3329	Cutlery, Handtools, & Hardware	7,890	8,690	800
399	3399	Miscellaneous Manufacturers	5,810	6,570	760
274	5111	Miscellaneous Publishing	2,750	3,510	760
322	3272	Glass & Glassware, Pressed or Blown	5,250	5,990	740
343	3329, 3334	Plumbing & Heating, Except Electrical	3,460	4,180	720
347	3328, 3399	Metal Services, n.e.c.	2,350	3,050	700
384	3391	Medical Instruments & Supplies	5,950	6,640	690
243	3212, 3219	Millwork, Plywood, & Structural Members	11,140	11,820	680
349	3329	Miscellaneous Fabricated Metal Products	7,860	8,520	660
358	3333	Refrigeration & Service Machinery	5,750	6,410	660
356	3334, 3336, 3339	General Industrial Machinery	9,560	10,190	630
359	3339	Industrial Machinery, n.e.c.	6,970	7,510	540
272	5111	Periodicals	1,690	2,180	490
372	3364	Aircraft & Parts	2,140	2,580	440
327	3273, 3274	Concrete, Gypsum, & Plaster Products	7,020	7,430	410
204	3111, 3112, 3118, 3119	Grain Mill Products	3,120	3,530	410
346	3321	Metal Forgings & Stampings	2,480	2,860	380
278	3231	Blankbooks & Bookbinding	2,250	2,610	360
373	3366	Ship & Boat Building & Repairing	3,880	4,240	360
351	3336	Engines & Turbines	4,180	4,530	350
326	3271	Pottery & Related Products	1,410	1,740	330
323	3272	Products of Purchased Glass	2,420	2,680	260
209	3119	Miscellaneous Foods & Kindred Products	3,450	3,700	250
245	3219	Wood Buildings & Mobile Homes	6,660	6,910	250
259	3371, 3379, 3391	Miscellaneous Furniture & Fixtures	940	1,130	190
363	3352	Household Appliances	1,020	1,200	180
341	3324	Metal Cans & Shipping Containers	660	830	170
261	3221	Pulp Mills	970	1,110	140
273	3231	Books	1,600	1,720	120
332	3315	Iron & Steel Foundries	1,260	1,360	100
276	3231	Manifold Business Forms	890	990	100
339	3312, 3313, 3314, 3326, 3328	Miscellaneous Primary Metal Products	660	750	90
321	3272	Flat Glass	590	670	80
395	3399	Pens, Pencils, Office & Art Supplies	460	540	80
203	3114, 3119	Preserved Fruits & Vegetables	2,830	2,910	80
345	3327	Screw Machine Products, Bolts, Nuts	680	730	50
299	3241	Miscellaneous Petroleum & Coal Products	550	590	40
254	3371, 3372	Partitions & Fixtures	2,240	2,270	30
206	3313	Sugar & Confectionery Products	630	660	30
267	3222	Miscellaneous Converted Paper Products	4,860	4,880	20
379	3369	Miscellaneous Transportation Equipment	510	530	20
316	3169	Luggage	130	140	10

Source: NC Employment Security Commission; Sectors with zero and negative growth not shown.



# High Growth Industry Sector Identification

SC Projected Employment, 1998 - 2008			
Rank	SIC	Industry Title	Emp. Change
1	3710	Motor Vehicles & Motor Veh. Equip.	7,230
2	3560	Gen. Industrial Machinery & Equipment	3,020
3	2390	Misc. Fabricated Textile Products	2,360
4	3590	Misc. Indust. & Commercial Mach. & Eq.	2,300
5	2810	Industrial Inorganic Chemicals	1,820
6	3490	Misc. Fabricated Metal Products	1,720
7	3670	Electronic Components & Accessories	1,610
8	3540	Metalworking Machinery & Equipment	1,560
9	3510	Engines & Turbines	1,440
10	3580	Refrigeration & Service Industry Mach.	1,070
11	3080	Misc. Plastics Products	990
12	2330	Women's & Misses' Outerware	980
13	2830	Drugs	950
14	3610	Electric Transmission & Distribution Eq.	910
15	3460	Metal Forgings & Stampings	890
16	2260	Textile Finishing, Except Wool	860
17	3630	Household Appliances	800
18	3620	Electrical Industrial Apparatus	780
19	2890	Misc. Chemical Products	740
20	3530	Construction & Related Machinery	720
21	2650	Paperboard Containers & Boxes	620
22	2490	Misc. Wood Products	590
23	2620	Paper Mills	590
24	3050	Gaskets & Packing Devices, Hose & Belt.	500
25	3360	Nonferrous Foundries (Castings)	490
26	3470	Coating, Engraving, & Allied Services	460
27	2790	Printing Trade Service Industries	460
28	3350	Rolling/Drawing, & Extrud. Nonfer. Metals	430
29	2240	Narrow Fabric & Other Smallwares Mills	400
30	3790	Misc. Transportation Equipment	360
31	2860	Industrial Organic Chemicals	350
32	2520	Office Furniture	300
33	2630	Paperboard Mills	300
34	3310	Steel Works/Blast Furn.&Roll./Finish.Mills	280
35	2450	Wood Buildings and Mobile Homes	270
36	3430	Plumbing & Heating, except Electric	270
37	3650	Household Audio & Video Equip.	260
38	2440	Wood Containers	250
39	2060	Sugar & Confectionery Products	200
40	2670	Converted Paper & Paperboard Products	200
41	3740	Railroad Equipment	180
42	3640	Electric Lighting & Wiring Equipment	170
43	3960	Costume Jewelry/Novelties/Buttons	160
44	2720	Periodicals Publishing and Printing	150
45	3280	Cut Stone & Stone Products	140
46	2750	Commercial Printing	140
47	2540	Partitions/Shelving/Lockers/Off.&Store Fix.	130
48	3440	Fabricated Structural Metal Products	130
49	3390	Miscellaneous Primary Metal Products	120
50	3810	Search, Detect., Navigation Instruments	100
51	3950	Pens, Pencils, & Other Artists' Materials	100
52	2530	Public Building & Related Furniture	80
53	3260	Pottery and Related Products	80
54	2020	Dairy Products	70
55	2740	Miscellaneous Publishing	70
56	3320	Iron and Steel Foundries	60
57	2090	Misc.Food Preparations & Kindreds Prod.	60
58	2410	Logging	50
59	2050	Bakery Products	50
60	2730	Books	50
61	2510	Household Furniture, Ex. Upholstered	40
62	3330	Primary Smelting & Refin. Nonfer. Metals	40
63	3480	Ordnance & Access., ex. Vehicles & Guided Missiles	40
64	2760	Manifold Business Forms	20
65	3840	Surgical, Medical & Dental Instru. & Sup.	10
66	2990	Misc. Products of Petroleum and Coal	10

Source: SC Employment Security Commission; Sectors with zero and negative growth not shown.

# ***High Growth Industry Sector Identification***

## **Task 10: Determine Target Industry Programs for Surrounding Counties/Regions**

In this Task, we identified target industry sectors for surrounding counties to determine if they are targeting industries relevant to Gaston County. Our intent is to help Gaston County identify potential synergies with surrounding economic development organizations. Perhaps the GCEDC can participate in collaborative recruiting missions to attract these targets to the county and region. We contacted the following economic development organizations.

- Gaston Region Counties
- Charlotte Partnership
- Upstate SC Alliance
- NCDOC
- SCDOC

Specifically, we contacted the following economic development professionals:

- Kenny McDonald, VP, Economic Development, Charlotte Partnership.
- Jennifer Noel, Marketing Director, Upstate SC Alliance.
- Barry Matherly, Executive Director, Lincoln Economic Development Association.
- Scott Millar, Director, Catawba County Economic Development Corporation.
- Ryan McDaniels, Director, Cabarrus Economic Development.
- Kati Hynes, Director, Economic Development, Charlotte Chamber of Commerce.
- Scott Darnell, Senior VP, Economic Development, Cleveland County Chamber.
- Mark Farris, Director, York County Economic Development Board.
- Mr. Jim Inman, Executive Director, Cherokee County Development Board.

E.D. Organization	Aerospace	Distribution	Chemical	Construction Equipment	Electronics	FIRE	Food	Headquarter & Back Office	Health Services	IT	Life Science	Machine Mfg	Medical Equipment Mfg	Metal Working	Motor Vehicle Parts	Motor Sports	Plastics	Security/ Def.	Sporting Goods	Opto Electronics	Textiles	
NCDOC					X	X				X	X			X	X							
SCDOC		X	X				X	X		X	X				X		X					
Charlotte Part.	X					X					X	X	X	X	X	X	X	X				
Upstate Alliance		X						X			X	X			X	X						
Cabarrus		X									X				X		X					X
Catawba		X		X							X	X	X	X	X	X	X					
Cleveland					X				X					X	X		X					
Mecklenburg	X	X						X		X	X			X		X					X	
York SC										X	X		X		X		X		X			
Cherokee SC		X													X		X					

*Cabarrus is targeting specific textile companies: mattress manufacturing & non-wovens. Counties not shown either did not respond or have no targets.*

A quick study of the chart above indicates the most common targets at the state, regional and county level are:

- Motor Vehicle Parts
- Life Sciences
- Plastics

# High Growth Industry Sector Identification

## Task 11: Identify Industry Clusters in Gaston Region

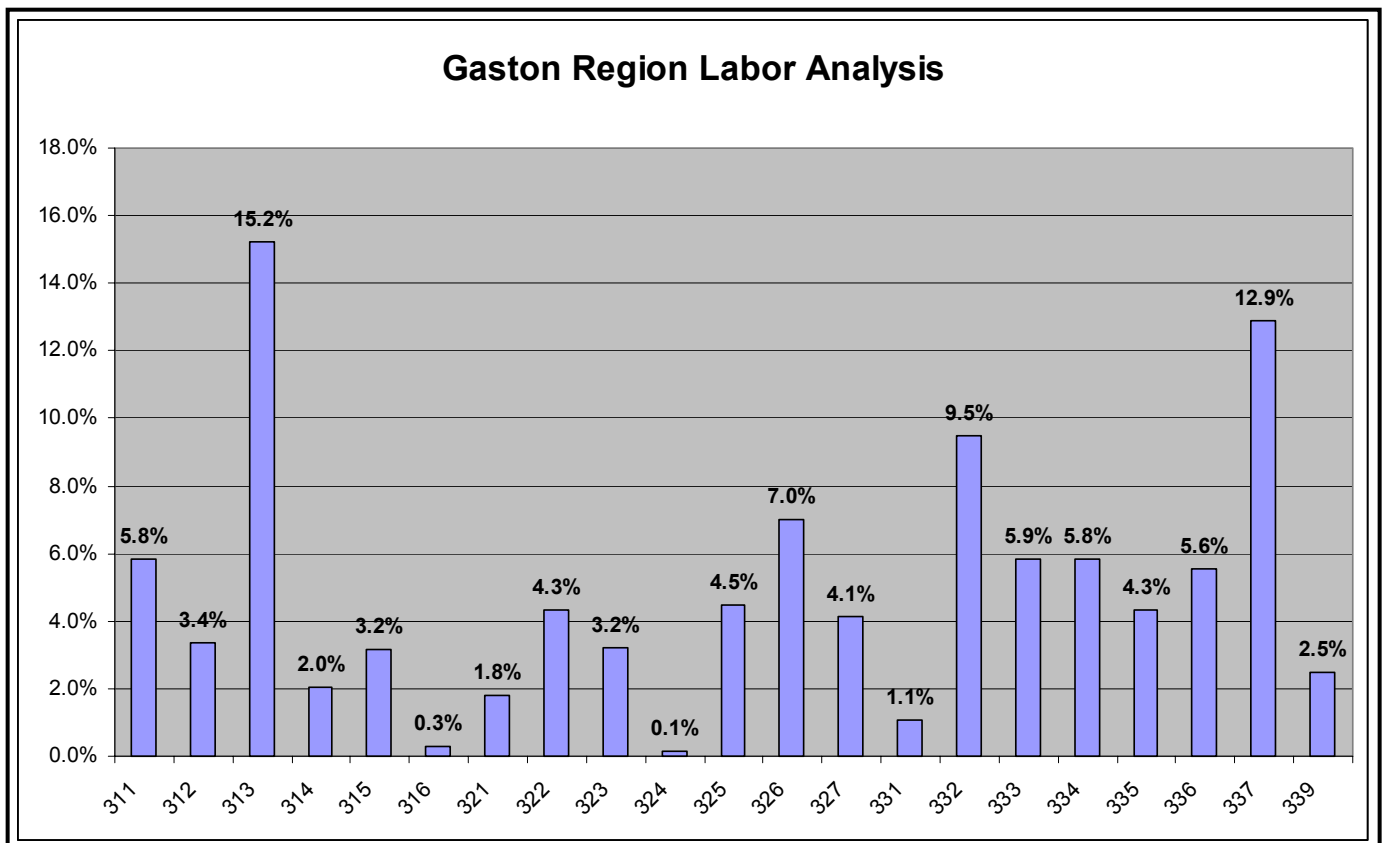
To evaluate existing industry clusters in the Gaston Region, we assessed existing industry clusters in the Charlotte Partnership Region. Our intent is to assess these clusters and determine if there are industry clusters that are in synergy with the clusters identified in the LQ analysis of the Region.

The maps on the following pages show the Charlotte Regional Industry Clusters in the following sectors:

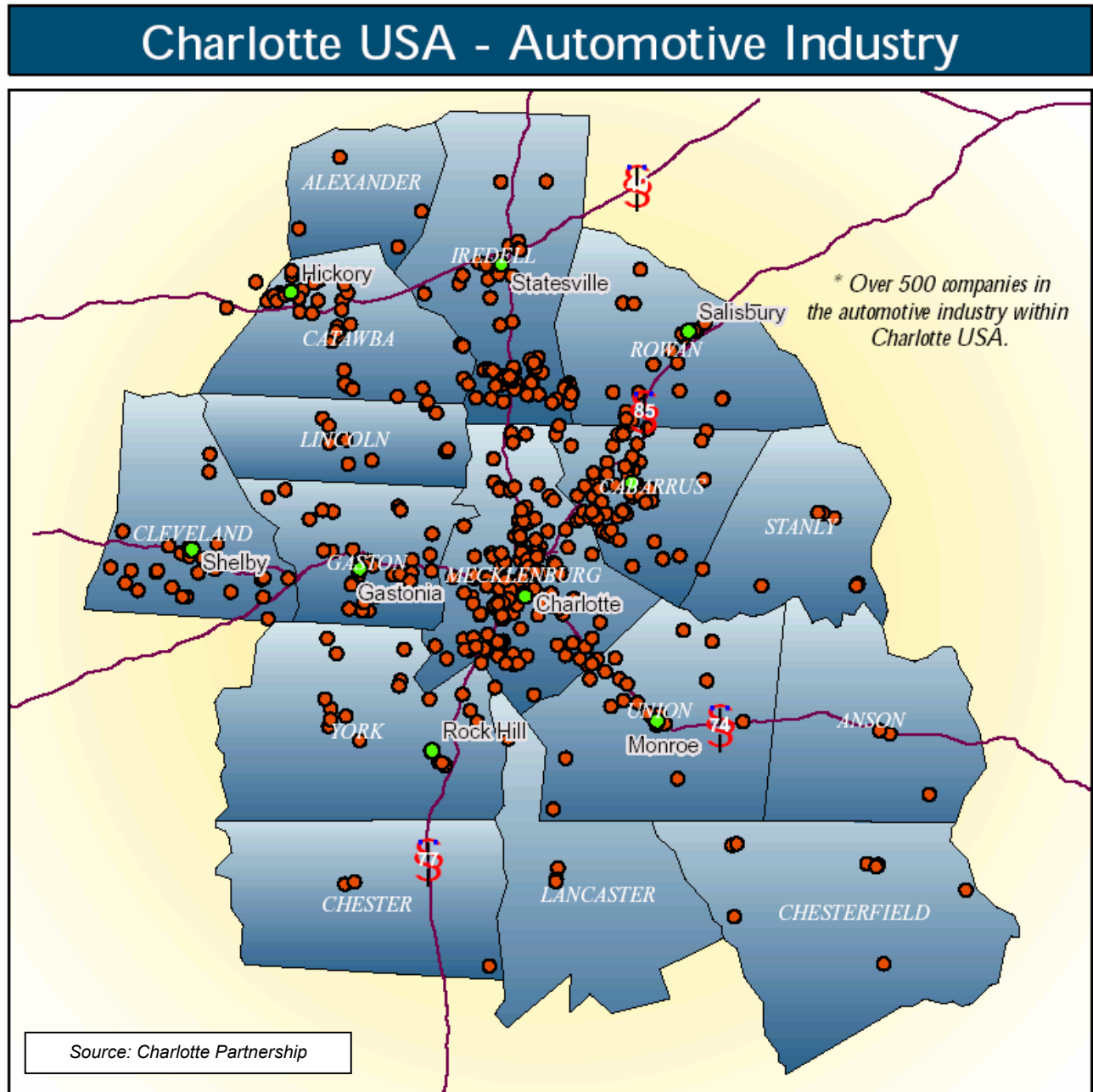
- Automotive
- Machinery Manufacturing
- Metalworking Manufacturing
- Plastics Industry
- Aerospace/Defense Industry

Also, if we refer to the *Gaston Region Employment Analysis* developed in *Section IV, Labor Market*, we see the following industry sectors have strong clusters in the Gaston Region:

- NAICS 313: Textile Mills - 15.2%
- NAICS 337: Furniture and Related Product Manufacturing - 12.9%
- NAICS 332: Fabricated Metal Product Manufacturing - 9.5%
- NAICS 326: Plastics and Rubber Products Manufacturing - 7.0%
- NAICS 333: Machinery Manufacturing - 5.9%

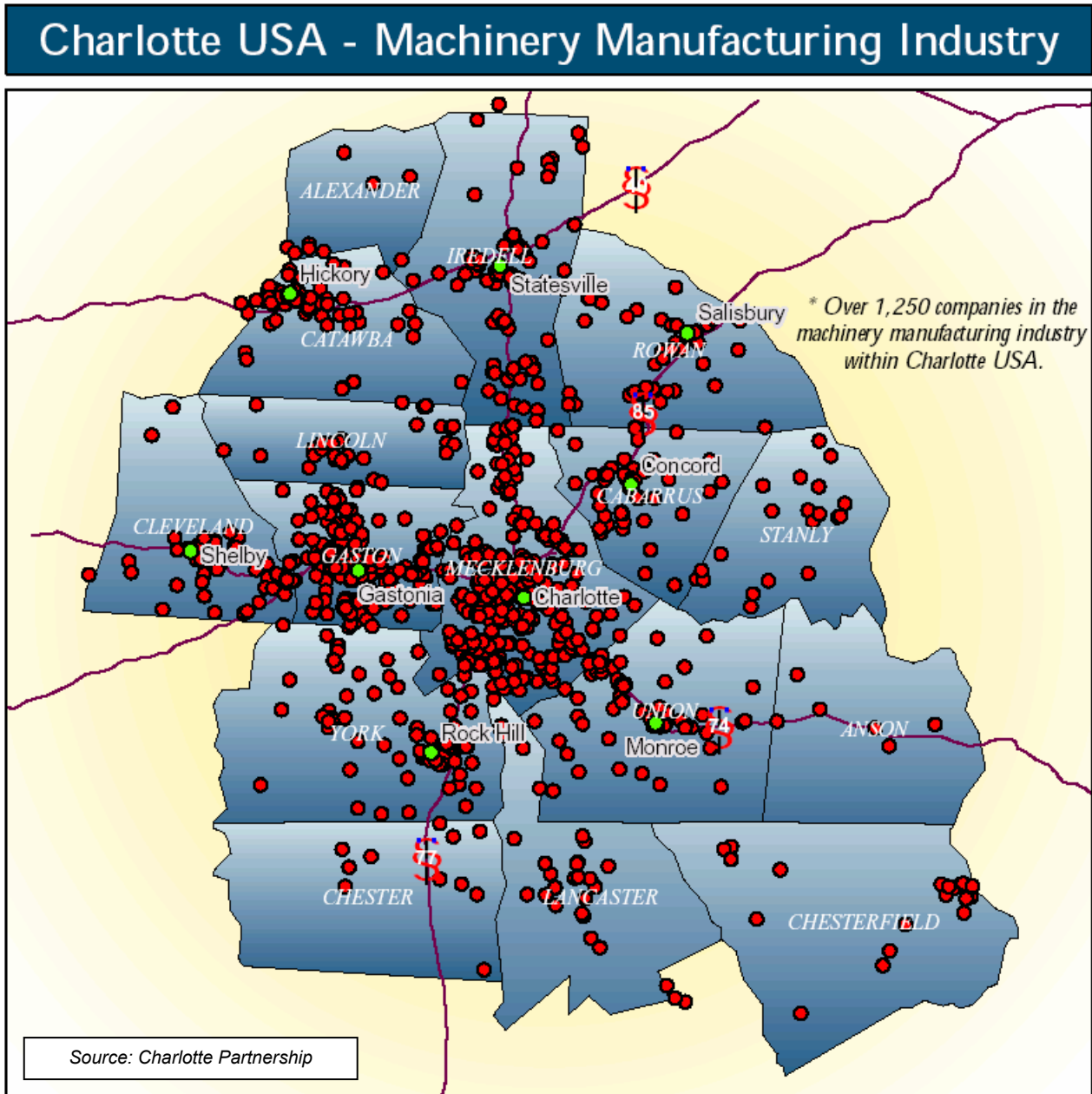


# High Growth Industry Sector Identification



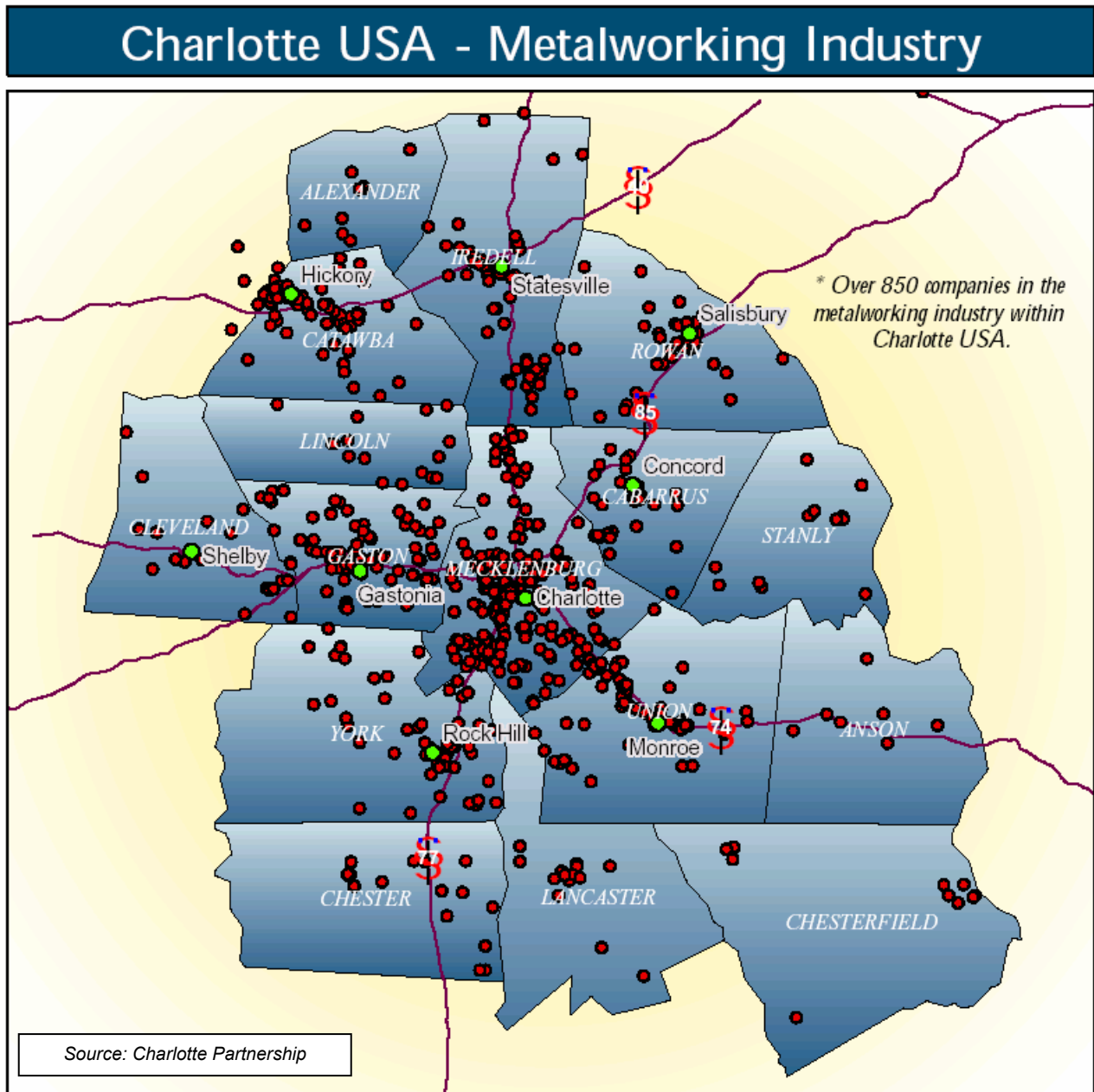
**572 Automotive Related Companies in the 16 County Charlotte Region.**

# High Growth Industry Sector Identification



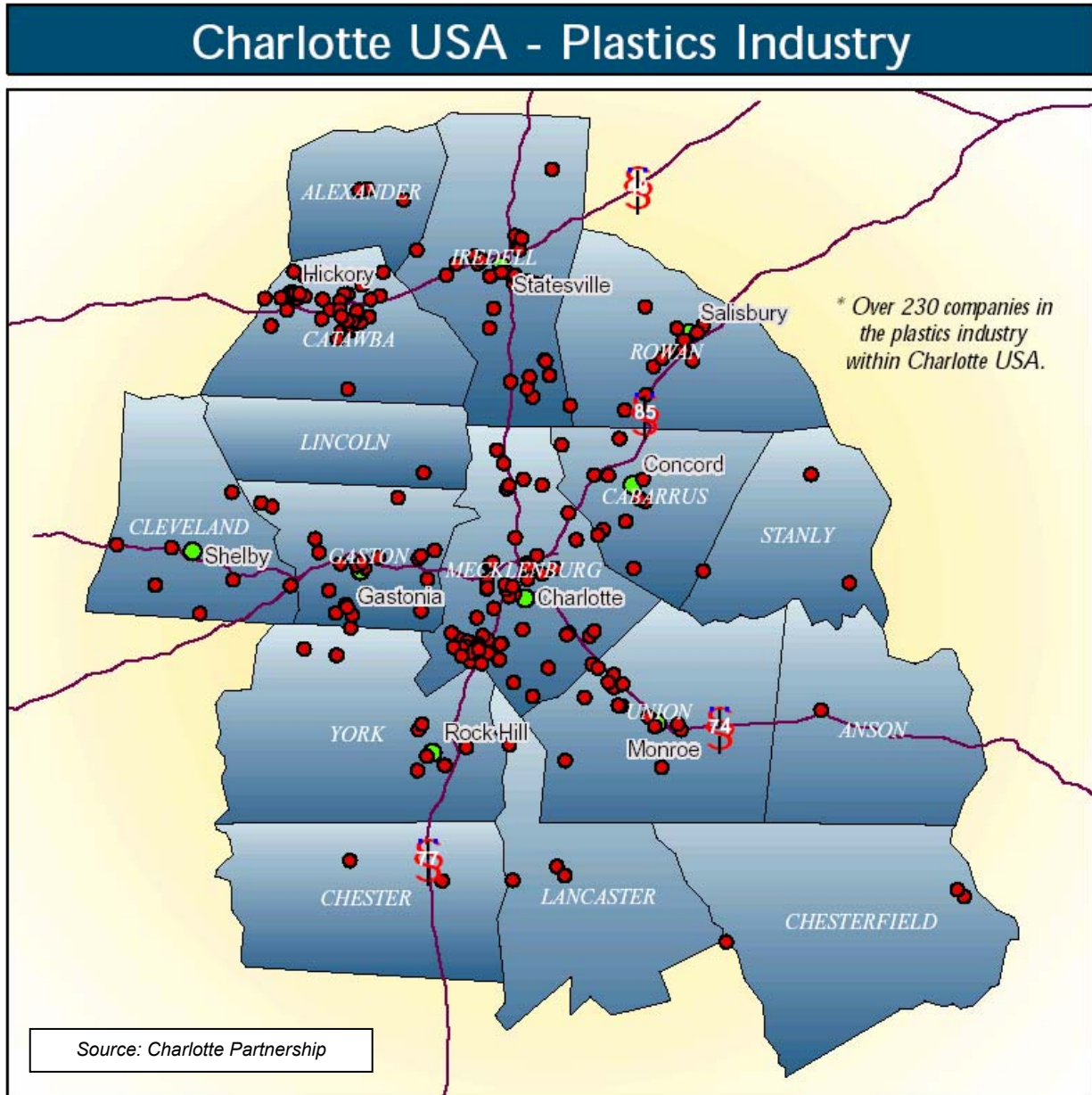
**1,254 Machinery Manufacturing Related Companies in the Charlotte Region.**

# High Growth Industry Sector Identification



**851 Metalworking Related Companies in the Charlotte Region.**

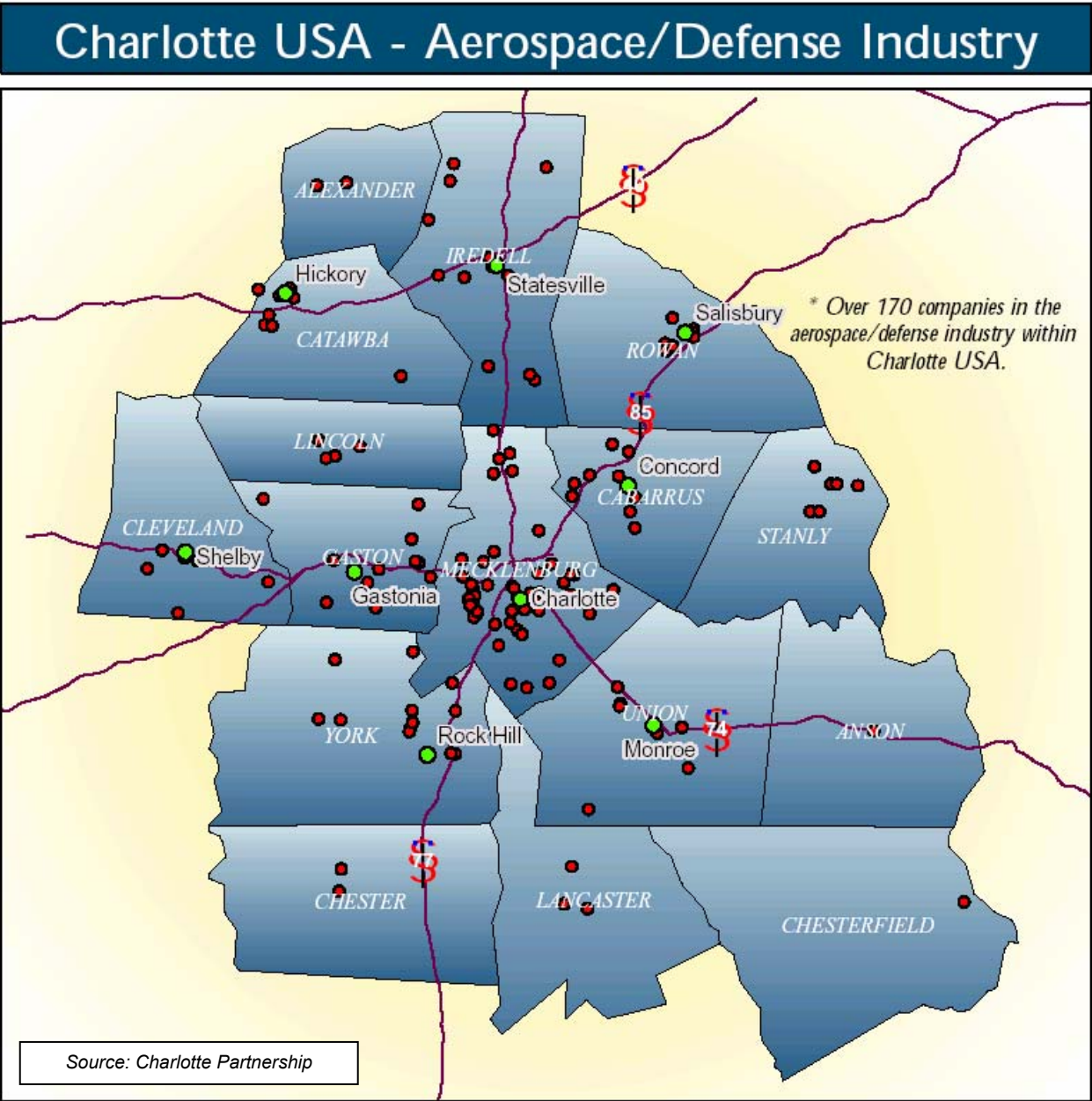
# High Growth Industry Sector Identification



**235 Plastics Related Companies in the Charlotte Region.**



# High Growth Industry Sector Identification



**173 Aerospace/Defense Related Companies in the Charlotte Region.**



# ***High Growth Industry Sector Identification***

## **Task 12: Assess New Locations in the NC, SC & Gaston Region**

In this Task, we evaluate trends in new industry locations by tracking new manufacturers recently locating in North Carolina and South Carolina. The tables below present the following:

- North Carolina New Manufacturing Investments by SIC/NAICS, 1998 – 2002.
- South Carolina New Manufacturing Investments by SIC/NAICS, 1992 – 2002
- Gaston Region New Manufacturing Investments by SIC/NAICS, 1998 - 2002

<b>NC New Manufacturing Investment, 1998 - 2002</b>				
<b>Top 20 by SIC</b>				
<b>Rank</b>	<b>SIC</b>	<b>NAICS</b>	<b>SIC Description</b>	<b>#</b>
1	371	3361, 3362, 3363	Motor Vehicles & Equipment	46
2	308	3261	Miscellaneous Plastics Products, Nec	34
3	243	3212, 3219	Millwork, Plywood & Structural Members	22
4	344	3323	Fabricated Structural Metal Products	21
5	251	3371, 3372	Household Furniture	21
6	359	3339	Industrial Machinery, Nec	18
7	327	3273, 3274	Concrete, Gypsum, & Plaster Products	14
8	239	3149, 3152, 3159	Misc. Fabricated Textile Products	12
9	367	3344	Electronic Components & Accessories	11
10	283	3254	Drugs	11
11	289	3255, 3259	Miscellaneous Chemical Products	10
12	225	3133, 3151	Knitting Mills	9
13	275	3231	Commercial Printing	9
14	282	3252	Plastics Materials & Synthetics	9
15	354	3335	Metalworking Machinery	9
16	204	3111, 3112, 3118, 3119	Grain Mill Products	8
17	209	3119	Misc. Food & Kindred Products	8
18	242	3219	Sawmills & Planing Mills	8
19	249	3211, 3212, 3219	Miscellaneous Wood Products	8
20	373	3366	Ship & Boat Building & Repairing	8

*Source: NC Dept. of Commerce*

*Note: SIC does not match exactly to NAICS. US Census 997 NAICS and 1987 SIC Correspondence Tables used to convert.*

- 1,123 announced new **companies** located in NC from 1998–2002, an average of 225 per year (all industry sectors).
- 408 announced new **companies** located in Mecklenburg County from 1998–2002, an average of 82 per year.
- 36% announced new companies in NC, 1998–2002, located in Mecklenburg County.
- 547 announced new **manufacturing** companies located in NC from 1998–2002, an average of 109 companies per year.
- 55 new **manufacturing** companies located in Mecklenburg County from 1998–2002.
- The top new industry locating in NC from 1998–2002: SIC 371: Motor Vehicles & Equipment, NEC.
- 2<sup>nd</sup> highest new industry locating in NC from 1998–2002: SIC 308: Misc. Plastics Products, NEC.

## **High Growth Industry Sector Identification**

<b>SC New Manufacturing Investment, 1992 - 2002</b>				
<b>Top 20 by SIC</b>				
<b>Rank</b>	<b>SIC</b>	<b>NAICS</b>	<b>SIC Description</b>	<b>#</b>
1	308	3261	Miscellaneous Plastics Products, Nec	43
2	371	3361, 3362, 3363	Motor Vehicles and Equipment	34
3	331	3311, 3312	Blast Furnace and Basic Steel Products	17
4	344	3323	Fabricated Structural Metal Products	14
5	243	3212, 3219	Millwork, Plywood & Structural Members	11
6	349	3329	Misc. Fabricated Metal Products	11
7	225	3133, 3151	Knitting Mills	10
8	239	3149, 3152, 3159	Misc. Fabricated Textile Products	10
9	346	3321	Metal Forgings and Stampings	10
10	355	3332	Special Industry Machinery	10
11	356	3334, 3336, 3339	General Industrial Machinery	10
12	359	3339	Industrial Machinery, Nec	10
13	204	3111, 3112, 3118, 3119	Grain Mill Products	9
14	226	3133	Textile Finishing, except Wool	9
15	232	3152	Men's and Boys' Furnishings	9
16	281	3251	Industrial Inorganic Chemicals	9
17	289	3255, 3259	Miscellaneous Chemical Products	9
18	282	3252	Plastics Materials and Synthetics	8
19	283	3254	Drugs	8
20	351	3336	Engines and Turbines	7

*Source: SC Dept. of Commerce*

*Note: SIC does not match exactly to NAICS. US Census 1997 NAICS and 1987 SIC Correspondence Tables used to convert.*

- 631 announced new **companies** located in SC from 1992 – 2002, an average of 57.4 per year.
- 461 announced new **manufacturing** companies located in SC from 1992 – 2002, an average of 42 companies per year.
- The top new industry locating in SC from 1992 – 2002 was SIC 308: Misc. Plastics Products, NEC.
- The 2<sup>nd</sup> highest new industry locating in SC from 1992 – 2002 was SIC 371: Motor Vehicles & Equipment.

## **High Growth Industry Sector Identification**

<b>Gaston Region New Manufacturing Investment, 1998 – 02 Top 10 by SIC (NC Counties only)</b>				
Rank	SIC	NAICS	Description	#
1	308	3261	Miscellaneous Plastics Products, Nec	10
2	371	3361, 3362, 3363	Motor Vehicles & Equipment	8
3	359	3339	Industrial Machinery, Nec	5
4	289	3255, 3259	Miscellaneous Chemical Products	4
5	354	3335	Metalworking Machinery	4
6	239	3149, 3152, 3159	Misc. Fabricated Textile Products	3
7	275	3231	Commercial Printing	3
8	335	3313, 3314	Nonferrous Rolling & Drawing	3
9	344	3323	Fabricated Structural Metal Products	3
10	347	3328, 3399	Metal Services, Nec	3

- 531 announced new **companies** located in the Gaston Region NC Counties from 1998 – 2002, an average of 106 per year.
- 99 announced new **manufacturing** companies located in the Gaston Region NC Counties from 1998 – 2002, an average of 20 per year.
- Approximately 23 new **companies** located in Gaston County from 1998 – 2002, an average of 2.6 per year.
- Approximately 16 new **manufacturing** companies located in Gaston County from 1998 – 2002, an average of 3.2 per year.
- The top new industry locating in the Gaston Region from 1998 – 2002 was SIC 308: Misc. Plastics Products, NEC.
- The 2<sup>nd</sup> highest new industry locating in the Gaston Region from 1998 – 2002 was SIC 371: Motor Vehicles & Equipment.

<b>Gaston Region New Manufacturing Investment, 1998 – 02 Top 10 by SIC (SC Counties only)</b>				
Rank	SIC	NAICS	Description	#
1	226	3133	Paper Mills	3
2	275	3231	Commercial Printing	2
3	281	3251	Industrial Inorganic Chemicals	2
4	331	3311, 3312	Blast Furnace & Basic Steel Products	2
5	356	3334, 3336, 3339	General Industrial Machinery	2
6	242	3219	Sawmills & Planing Mills	1
7	267	3222	Misc. Converted Paper Products	1
8	308	3261	Miscellaneous Plastics Products, Nec	1
9	325	3273	Structural Clay Products	1
10	329	2123, 3279	Misc. Nonmetallic Mineral Products	1

- 64 announced new **companies** located in the Gaston Region SC Counties (York & Cherokee) from 1992 – 2002, an average of 5.3 per year.
- 37 announced new **manufacturing** companies located in the Gaston Region SC Counties (York & Cherokee) from 1992 – 2002, an average of 3.1 per year.
- The top new industry locating in York and Cherokee from 1992 – 2002 was SIC 226: Paper Mills.
- The 2<sup>nd</sup> highest new industry locating in the York and Cherokee from 1992 – 2002 was SIC 275: Commercial Printing.

## ***Recommended Target Industry Sectors***

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### **TASKS 13 – 14: IDENTIFY GASTON COUNTY GROWTH INDUSTRY SECTORS**

#### **Task 13: Develop Growth Industry Matrix**

Our final Task in the targeting process was to develop the Gaston County Growth Industry Matrix shown on the following page. This Matrix column heading are as follows:

- **Industry Description:** Describes the description of the NAICS code.
- **NAICS:** North American Industry Classification System. In 1997, the SIC (Standard Industry Classification System) was replaced with NAICS. In 2002, the 1997 NAICS was refined with 2002 NAICS.
- **US Projected Employment Growth 2002 – 2012:** US Census Bureau employment growth projections for the US from 2002 – 2012.
- **NC Projected Employment Growth 2000 – 2010:** NC Employment Security Commission projections on employment growth in NC from 2000 – 2010.
- **SC Projected Employment Growth 1998 – 2008:** SC Employment Security Commission projections on employment growth in SC from 1998 – 2008.
- **Gaston Region LF>1.0:** Shows Gaston County Location Factors greater than 1.0.
- **Gaston Region LF<1.0:** Shows Gaston County Location Factors less than 1.0.
- **Mecklenburg LF:** Shows Mecklenburg County Location Factors by NAICS.
- **NC New Mfg Companies by # 1998 – 2002 (Top 20 Co.):** Shows new companies by NAICS locating in NC from 1998 – 2002. Locations of new companies in NC may indicate a trend in the attractiveness of the state to a certain industry sector.
- **SC New Mfg Companies by # 1992 – 2002 (Top 20 Co.):** Shows new companies by NAICS locating in SC from 1992 – 2002. Locations of new companies in SC may indicate a trend in the attractiveness of the state to a certain industry sector.

This matrix is an excellent method to visualize all the variables important to determining relevant target sectors. It compares projected employment growth in the US, NC and SC with Gaston Region Location Factors and the Mecklenburg County Location Factors. We use Mecklenburg County Location Factors since Mecklenburg County's labor force is nearly 50% of the total labor force in the Gaston Region. Therefore, Mecklenburg County's labor force has a tremendous influence on the strengths of Gaston County's labor force.

The *Gaston County Growth Industry Matrix* is sorted by US Projected Employment Growth from 2002 – 2012. Only Industry sectors with positive growth are show in the Matrix and sectors with "zero" or "negative" growth are not shown.

Our strategy in using the Matrix is to try to find matches in as many columns as possible.

For example, if an industry sector has a Location Factor of greater than 1.0 and is predicted to grow in the US, NC and SC, this sector might be an excellent target for Gaston County. A good example is the Plastics Sector, NAICS 3261. It is projected to grow by 128,000 employees in the US, by 4,190 employees in NC and by 990 employees in SC.

## Recommended Target Industry Sectors

<b>Gaston County Growth Industry Matrix</b>	<b>2002 NAICS</b>	<b>US Projected Employment Growth 2002 - 2012</b>	<b>NC Projected Employment Growth 2000 - 2010</b>	<b>SC Projected Employment Growth 1998 - 2008</b>	<b>Gaston Region LF &gt; 1.0</b>	<b>Gaston Region LF &lt; 1.0</b>	<b>Meck. LQ</b>	<b>NC New Mfg Companies by # 1998 - 2002 (Top 20 Co.)</b>	<b>SC New Mfg Companies by # 1992 - 2002 (Top 20 Co.)</b>
Industry Description									
<b>Plastics product mfg</b>	<b>3261</b>	<b>128,000</b>	<b>4,190</b>	<b>990</b>	<b>1.0</b>	<b>-</b>	<b>1.9</b>	<b>34</b>	<b>43</b>
Animal slaughtering & processing	3116	80,000	2,950	-	-	0.2	0.1	4	4
<b>Architectural &amp; structural metals mfg</b>	<b>3323</b>	<b>77,000</b>	<b>1,510</b>	<b>130</b>	<b>-</b>	<b>0.5</b>	<b>0.9</b>	<b>21</b>	<b>14</b>
<b>Pharmaceutical &amp; medicine mfg</b>	<b>3254</b>	<b>68,000</b>	<b>5,110</b>	<b>950</b>	<b>-</b>	<b>0.4</b>	<b>0.3</b>	<b>11</b>	<b>8</b>
Other wood product mfg	3219	67,000	680	-	-	0.6	0.5	22	11
<b>Other general purpose machinery mfg</b>	<b>3339</b>	<b>51,000</b>	<b>1,320</b>	<b>3,020</b>	<b>-</b>	<b>0.7</b>	<b>1.4</b>	<b>18</b>	<b>5</b>
<b>Household &amp; institutional furniture &amp; kitchen cabinet mfg</b>	<b>3371</b>	<b>49,000</b>	<b>190</b>	<b>-</b>	<b>4.2</b>	<b>-</b>	<b>0.2</b>	<b>3</b>	<b>1</b>
Cement & concrete product mfg	3273	48,000	410	-	-	0.3	1.6	14	3
Metalworking machinery mfg	3335	34,000	-	-	-	0.4	0.8	9	7
<b>Motor vehicle parts mfg</b>	<b>3363</b>	<b>27,000</b>	<b>9,260</b>	<b>7,230</b>	<b>-</b>	<b>0.6</b>	<b>0.3</b>	<b>46</b>	<b>34</b>
<b>Ventilation, heating, A/C, &amp; commercial refrigeration equip. mfg</b>	<b>3334</b>	<b>22,000</b>	<b>720</b>	<b>270</b>	<b>-</b>	<b>0.9</b>	<b>1.6</b>	<b>-</b>	<b>1</b>
Veneer, plywood, & engineered wood product mfg	3212	21,000	incl. w/3219	-	-	0.5	0.1	-	-
Foundries	3315	20,000	100	60	-	0.5	1.8	2	1
<b>Medical equipment &amp; supplies mfg</b>	<b>3391</b>	<b>20,000</b>	<b>690</b>	<b>10</b>	<b>-</b>	<b>0.5</b>	<b>1.1</b>	<b>2</b>	<b>6</b>
Forging & stamping	3321	18,000	380	890	-	0.4	1.2	4	10
<b>Motor vehicle body &amp; trailer mfg</b>	<b>3362</b>	<b>18,000</b>	<b>incl. w/3363</b>	<b>incl. w/3363</b>	<b>-</b>	<b>0.5</b>	<b>0.4</b>	<b>-</b>	<b>-</b>
Machine shops; turned product; & screw, nut, & bolt mfg	3327	15,000	50	-	-	0.5	0.6	4	2
Ship & boat building	3366	11,000	360	-	-	0.1	0.2	8	4
<b>Agriculture, construction, &amp; mining machinery mfg</b>	<b>3331</b>	<b>10,000</b>	<b>incl. w/3339</b>	<b>Incl. w/3339</b>	<b>-</b>	<b>0.4</b>	<b>0.4</b>	<b>-</b>	<b>-</b>
Communications equipment mfg	3342	10,000	-	-	-	0.5	0.1	4	3
<b>Rubber product mfg</b>	<b>3262</b>	<b>10,000</b>	<b>970</b>	<b>-</b>	<b>1.8</b>	<b>-</b>	<b>4.6</b>	<b>1</b>	<b>2</b>
<b>Bakeries &amp; tortilla mfg</b>	<b>3118</b>	<b>9,000</b>	<b>410</b>	<b>-</b>	<b>1.1</b>	<b>-</b>	<b>4.0</b>	<b>8</b>	<b>9</b>
Clay product & refractory mfg	3271	9,000	260	80	-	0.5	0.1	-	1
Commercial & service industry machinery mfg	3333	9,000	660	1,070	-	0.3	0.7	4	5
<b>Other furniture related product mfg</b>	<b>3379</b>	<b>7,000</b>	<b>incl. w/3371</b>	<b>-</b>	<b>-</b>	<b>0.6</b>	<b>1.7</b>	<b>-</b>	<b>-</b>
<b>Cutlery &amp; hand Tool mfg</b>	<b>3322</b>	<b>6,000</b>	<b>800</b>	<b>-</b>	<b>1.3</b>	<b>-</b>	<b>0.4</b>	<b>3</b>	<b>2</b>
mfg & reproducing magnetic & optical media	3346	6,000	-	-	4.6	-	0.1	3	3
<b>Office furniture (including fixtures) mfg</b>	<b>3372</b>	<b>5,000</b>	<b>30</b>	<b>130</b>	<b>1.8</b>	<b>-</b>	<b>0.3</b>	<b>3</b>	<b>1</b>
Coating, engraving, heat treating, & allied activities	3328	4,000	700	460	-	0.6	1.0	7	1
Electrical equipment mfg	3353	4,000	-	-	-	0.5	0.4	6	5
<b>Other food mfg</b>	<b>3119</b>	<b>4,000</b>	<b>incl. w/3118</b>	<b>-</b>	<b>1.1</b>	<b>-</b>	<b>2.5</b>	<b>-</b>	<b>-</b>
Other miscellaneous mfg	3399	4,000	760	100	-	0.6	0.9	1	-
Hardware mfg	3325	3,000	-	-	1.4	-	-	1	4
Other nonmetallic mineral product mfg	3279	3,000	-	-	-	0.9	0.7	7	5
Soap, cleaning compound, & toilet preparation mfg	3256	3,000	1,120	-	-	0.6	1.6	2	3
Lime & gypsum product mfg	3274	2,000	incl. w/3273	incl. w/3273	-	-	-	-	-
Animal food mfg	3111	1,000	incl. w/3118	incl. w/3118	-	0.2	0.1	-	-
Railroad rolling stock mfg	3365	1,000	-	-	-	0.1	0.2	-	-

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## ***Recommended Target Industry Sectors***

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### **Task 14: Target Industry Sector Identification**

Through our detailed analysis of Gaston County, the Gaston Region, and growth industries in NC, SC and the US, we determined 11 industry sectors provide the highest probability of success for Gaston County. **Although we make these recommendations, the final selection of target sectors is the decision of Gaston County Economic Development Commission officials.**

The Growth Industry Matrix is a valuable tool in guiding the identification of the growth sectors best suited for Gaston County.

We suggest targeting four sectors with two other sectors as secondary sectors, for a total of six sectors. Our experience indicates targeting too many sectors is not an effective use of time and resources. Targeting four to six sectors also allows the cost effective development of marketing materials specific to these sectors including collateral pieces and website information.

### **TARGET INDUSTRY SECTORS DEFINED**

#### **Industry Sector Selection Process**

These sectors were narrowed from a list of 84 industry sectors in the United States of which 38 are projected to grow over the next eight years. Of these 38 sectors, 31 are projected to grow in North and South Carolina. Identifying Location Factors in the Gaston Region that matched the labor strengths of Gaston County and the Gaston Region further narrowed the list.

#### *Location Factors Defined*

Location Factors (LFs) are mathematical ratios used to measure the concentration of an industry in one location relative to its concentration in another location, in this case, the US. LFs greater than 1.0 indicate a region has a well-developed industry sector (i.e., the higher the LF, the stronger the industry in the region). However, keep in mind, the higher the LF, the greater a region's dependence on that particular industry. A very high LF in an industry with limited-to-declining national and regional growth is not considered a legitimate target for Gaston County.

#### **Target Sector Details**

Based on our findings along with our experience and understanding of the desirable target industries of Gaston County, we recommend the following 12 industry sectors as the most suitable targets for Gaston County. Our recommendations are ranked in order of the most "matches" on the Growth Industry Evaluation Matrix.

## ***Recommended Target Industry Sectors***

<b>Primary Targets</b>	
<b>Rank</b>	<b>Description</b>
1	NAICS 3261, SIC 308: Miscellaneous Plastics Products, NEC
2	NAICS 3323, SIC 344: Fabricated Structural Metal Products
3	NAICS 3331 & 3339, SIC 356: General Industrial Machinery
4	NAICS 3371 & 3379, SIC 259: Miscellaneous Furniture & Fixtures
5	NAICS 3334, SIC 343: Ventilation, Heating, A/C & Commercial Ref. Equip. Mfg
6	NAICS 3391, SIC 384: Medical Equipment & Supplies Mfg

<b>Secondary Targets</b>	
<b>Rank</b>	<b>Description</b>
7	NAICS 3362 & 3363, SIC 371: Motor Vehicle Body & Trailer Mfg; Motor Vehicle Parts
8	NAICS 3262, SIC 301: Rubber Product Mfg
9	NAICS 3118 & 3119, SIC 204: Bakeries & Tortilla Mfg; Other Food Mfg
10	NAICS 3372, SIC 254: Office Furniture (incl. Fixtures) Manufacturing
11	NAICS 3322, SIC 342: Cutlery & Hand Tool Manufacturing
12	NAICS 3254, SIC 283: Pharmaceutical & Medicine Manufacturing

<b>Ancillary Targets</b>	
<b>Description</b>	
Non-Profit & Sport Related Organizations associated with Water Sports in cooperation with US Whitewater Park in Mecklenburg County	
Headquarters, Regional Headquarters, Back-Office & Distribution/Warehouse Operations Associated with Target Sectors	

The following pages present detailed breakdowns for each NAICS and SIC code. We also provide our logic in selecting each sector as a potential target described as "Reasons for Targeting." We also provide comments on "Potential Targeting Concerns."

SIC codes are provided since most databases continue to use SIC as the means research company information.

# ***Recommended Target Industry Sectors***

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## **#1 – NAICS 3261, SIC 308: MISC. PLASTICS PRODUCTS**

- 32611 Plastics Packaging Materials & Unlaminated Film & Sheet Manufacturing
- 32612 Plastics Pipe, Pipe Fitting, & Unlaminated Profile Shape Manufacturing
- 32613 Laminated Plastics Plate, Sheet (except Packaging), & Shape Manufacturing
- 32614 Polystyrene Foam Product Manufacturing
- 32615 Urethane & Other Foam Product (except Polystyrene) Manufacturing
- 32616 Plastics Bottle Manufacturing
- 32619 Other Plastics Product Manufacturing

## **SIC 308 MISCELLANEOUS PLASTICS PRODUCTS, NEC (not elsewhere classified)**

- 3081 Unsupported plastics film & sheet
- 3082 Unsupported plastics profile shapes
- 3083 Laminated plastics plate & sheet
- 3084 Plastics pipe
- 3085 Plastics bottles
- 3086 Plastics foam products
- 3087 Custom compound purchased resins
- 3088 Plastics plumbing fixtures
- 3089 Plastics products, nec

### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 128,000 workers from 2002 – 2012.
- Predicted to grow in NC by 4,190 workers from 2000 – 2010.
- Predicted to grow in SC by 990 workers from 2000 – 2008.
- Gaston Region Location Factor of 1.0.
- Mecklenburg County Location Factor of 1.9.
- Historical trends indicate NC is attractive to this industry sector since 34 new Plastics Products companies located in NC from 1998 to 2002.
- Historical trends indicated SC is attractive to this industry sector since 43 new Plastics Products companies located in SC from 1992 – 2002.
- Currently, 235 Plastics related companies are located in the Charlotte Region.
- 7% of the Gaston Region labor force is employed in the Plastics industry.
- The top new industry locating in the Gaston Region (NC Counties only) from 1998 – 2002 was SIC 308: Misc. Plastics Products.
- One new Plastics company located in Cherokee/York Counties SC from 1992 – 2002.



## ***Recommended Target Industry Sectors***

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### **#2 - NAICS 3323, SIC 344: FABRICATED STRUCTURAL METAL PRODUCTS**

- 33231 Plate Work & Fabricated Structural Product Manufacturing
- 33232 Ornamental & Architectural Metal Products Manufacturing

### **SIC 344 Fabricated Structural Metal Products**

- 3441 Fabricated structural metal
- 3442 Metal doors, sash, and trim
- 3443 Fabricated plate work (boiler shops)
- 3444 Sheet metalwork
- 3446 Architectural metal work
- 3448 Prefabricated metal buildings
- 3449 Miscellaneous metal work

### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 77,000 workers from 2002 – 2012.
- Predicted to grow in NC by 1,510 workers from 2000 – 2010.
- Predicted to grow in SC by 130 workers from 1998 – 2008.
- Mecklenburg County Location Factor of 0.9
- Historical trends indicated NC is attractive to this industry sector since 21 new Architectural and Structural Metals companies located in NC from 1998 to 2002.
- Historical trends indicated SC is attractive to this industry sector since 14 new Architectural and Structural Metals located in SC from 1992 – 2002.
- 851 Metalworking Related Companies in the Charlotte Region.

## ***Recommended Target Industry Sectors***

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### **#3 - NAICS 3331 & 3339, SIC 353: GENERAL INDUSTRIAL MACHINERY**

- 33311 Agricultural Implement Manufacturing
- 33312 Construction Machinery Manufacturing
- 33313 Mining & Oil and Gas Field Machinery Manufacturing
- 33391 Pump & Compressor Manufacturing
- 33392 Material Handling Equipment Manufacturing
- 33399 All Other General Purpose Machinery Manufacturing

### **SIC 356 General Industrial Machinery**

- 3561 Pumps and pumping equipment
- 3562 Ball and roller bearings
- 3563 Air and gas compressors
- 3564 Blowers and fans
- 3565 Packaging machinery
- 3566 Speed changers, drives, and gears
- 3567 Industrial furnaces and ovens
- 3568 Power transmission equipment, nec
- 3569 General industrial machinery, nec

### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 51,000 workers from 2002 – 2012.
- Predicted to grow in NC by 1,320 workers from 2000 – 2010.
- Predicted to grow in SC by 3,020 workers from 1998 – 2008.
- Mecklenburg County Location Factor of 1.443.
- Historical trends indicated NC is attractive to this industry sector since 18 new Machinery companies have located in NC from 1998 to 2002.
- Historical trends indicated SC is attractive to this industry sector since five new Machinery companies have located in SC from 1992 – 2002.
- 1,254 Machinery Manufacturing Related Companies in the Charlotte Region.
- Two new Machinery related manufacturing companies located in Cherokee/York SC from 1992 – 2002.

## ***Recommended Target Industry Sectors***

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### **#4 – NAICS 3371 & 3379, SIC 259: MISC. FURNITURE & FIXTURES**

- 33711 Wood Kitchen Cabinet & Countertop Manufacturing
- 33712 Household & Institutional Furniture Manufacturing
- 33791 Mattress Manufacturing
- 33792 Blind and Shade Manufacturing

### **SIC 259 Miscellaneous Furniture & Fixtures**

- 2591 Drapery hardware, blinds and shades
- 2599 Furniture and fixtures, nec

#### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 49,000 workers from 2002 – 2012.
- Predicted to grow in NC by 190 workers from 2000 – 2010.
- Gaston Region Location Factor of 4.2.
- Three new Household and Institutional Furniture and Kitchen Cabinet companies located in NC from 1998 to 2002.
- One new Household and Institutional Furniture and Kitchen Cabinet company located in SC from 1992 – 2002.

### **#5 - NAICS 3334, SIC 343: VENTILATION, HEATING, A/C, & COMMERCIAL REFRIGERATION EQUIPMENT**

- 33341 Ventilation, Heating, Air-Conditioning, & Commercial Ref. Equipment

### **SIC 343 Plumbing & Heating, except Electric**

- 3431 Metal sanitary ware
- 3432 Plumbing fixture fittings & trim
- 3433 Heating equipment, except electric

#### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 22,000 workers from 2002 – 2012.
- Predicted to grow in NC by 720 workers from 2000 – 2010.
- Predicted to grow in SC by 270 workers from 1998 – 2008.
- Gaston Region Location Factor of 0.9.
- Mecklenburg County Location Factor of 1.6.
- One new Plumbing and Heating company located in SC from 1992 – 2002.

## ***Recommended Target Industry Sectors***

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### **#6 - NAICS 3391, SIC 384: MEDICAL EQUIPMENT & SUPPLIES**

- 33911 Medical Equipment & Supplies Manufacturing

#### **SIC 384 Medical Instruments & Supplies**

- 3841 Surgical & medical instruments
- 3842 Surgical appliances & supplies
- 3843 Dental equipment & supplies
- 3844 X-ray apparatus & tubes
- 3845 Electromedical equipment

#### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 20,000 workers from 2002 – 2012.
- Predicted to grow in NC by 690 workers from 2000 – 2010.
- Predicted to grow in SC by 10 workers from 1998 – 2008.
- Mecklenburg County Location Factor of 1.1
- Two new Medical Equipment & Supply companies located in NC from 1998 to 2002.
- Six new Medical Equipment and Supplies companies located in SC from 1992 – 2002.
- Summit Place at Court Drive adjacent to Gastonia Memorial Hospital is an excellent location for medical instrument and supply facilities.

## ***Recommended Target Industry Sectors***

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### **#7 - NAICS 3362 & 3363, SIC 371: MOTOR VEHICLE BODY & TRAILER MANUFACTURING; MOTOR VEHICLE PARTS**

- 33631 Motor Vehicle Gasoline Engine & Engine Parts Manufacturing
- 33632 Motor Vehicle Electrical & Electronic Equipment Manufacturing
- 33633 Motor Vehicle Steering & Suspension Components (except Spring) Manufacturing
- 33634 Motor Vehicle Brake System Manufacturing
- 33635 Motor Vehicle Transmission & Power Train Parts Manufacturing
- 33636 Motor Vehicle Seating & Interior Trim Manufacturing
- 33637 Motor Vehicle Metal Stamping
- 33639 Other Motor Vehicle Parts Manufacturing
- 33621 Motor Vehicle Body and Trailer Manufacturing

### **SIC 371 Motor Vehicles & Equipment**

- 3711 Motor vehicles & car bodies
- 3713 Truck & bus bodies
- 3714 Motor vehicle parts & accessories
- 3715 Truck trailers
- 3716 Motor homes

### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 27,000 workers from 2002 – 2012.
- Predicted to grow in NC by 9,260 workers from 2000 – 2010.
- Predicted to grow in SC by 7,230 workers from 1998 – 2008.
- Historical trends indicated NC is attractive to this industry sector since 46 new Motor Vehicle Parts located in NC from 1998 to 2002.
- Historical trends indicated SC is attractive to this industry sector since 34 new Motor Vehicle Parts Companies located in SC from 1992 – 2002.
- 572 Automotive-related companies in the Charlotte Region.

### **Potential Targeting Concerns:**

- A high unionization rate due to Freightliner may prevent serious consideration by new Motor Vehicle suppliers.

## ***Recommended Target Industry Sectors***

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### **#8 – NAICS 3262, SIC 301: RUBBER PRODUCTS**

- 32621 Tire Manufacturing
- 32622 Rubber & Plastics Hoses & Belting Manufacturing
- 32629 Other Rubber Product Manufacturing

#### **SIC 301 Tires and Inner Tubes**

- 3011 Tires and inner tubes

#### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 10,000 workers from 2002 – 2012.
- Predicted to grow in NC by 970 workers from 2000 – 2010.
- Gaston Region Location Factor of 1.8.
- Mecklenburg County Location Factor of 4.6.
- One new Rubber Product company located in NC from 1998 to 2002.
- Two new Rubber Products companies located in SC from 1992 – 2002.

### **#9 – NAICS 3118 & 3119, SIC 204: BAKERIES & TORILLA MFG; OTHER FOOD MANUFACTURING**

- 31181 Bread and Bakery Product Manufacturing
- 31182 Cookie, Cracker, and Pasta Manufacturing
- 31183 Tortilla Manufacturing
- 31191 Snack Food Manufacturing
- 31192 Coffee & Tea Manufacturing
- 31193 Flavoring Syrup & Concentrate Manufacturing
- 31194 Seasoning & Dressing Manufacturing
- 31199 All Other Food Manufacturing

#### **SIC 204 Grain Mill Products**

- 2041 Flour & other grain mill products
- 2043 Cereal breakfast foods
- 2044 Rice milling
- 2045 Prepared flour mixes & doughs
- 2046 Wet corn milling
- 2047 Dog & cat food
- 2048 Prepared feeds, nec

#### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 9,000 workers from 2002 – 2012.
- Predicted to grow in NC by 410 workers from 2000 – 2010.
- Gaston Region Location Factor of 1.1.
- Mecklenburg County Location Factor of 4.0.
- Historical trends indicated NC is attractive to this industry sector since eight new Bakeries and Tortilla companies located in NC from 1998 to 2002.
- Historical trends indicated SC is attractive to this industry sector since nine new Bakeries and Tortilla companies located in SC from 1992 – 2002.

## ***Recommended Target Industry Sectors***

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### **#10 - NAICS 3372, SIC 254: OFFICE FURNITURE (INCL. FIXTURES)**

- 33721 Office Furniture (including Fixtures) Manufacturing

#### **SIC 254 Partitions & Fixtures**

- 2541 Wood partitions & fixtures
- 2542 Partitions & fixtures, except wood

#### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 5,000 workers from 2002 – 2012.
- Predicted to grow in NC by 30 workers from 2000 – 2010.
- Predicted to grow in SC by 130 workers from 1998 – 2008.
- Gaston Region Location Factor of 1.80.
- Three new Office Furniture companies located in NC from 1998 to 2002.
- One new Office Furniture company located in SC from 1992 – 2002.

### **# 11 - NAICS 3322, SIC 342: CUTLERY & HAND TOOLS**

- 33221 Cutlery & Hand Tool Manufacturing

#### **SIC 342 Cutlery, Hand Tools, & Hardware**

- 3421 Cutlery
- 3423 Hand & edge tools, nec
- 3425 Saw blades & handsaws
- 3429 Hardware, nec

#### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 6,000 workers from 2002 – 2012.
- Predicted to grow in NC by 800 workers from 2000 – 2010.
- Gaston Region Location Factor of 1.3.
- Three new Cutlery and Hand Tool companies located in NC from 1998 to 2002.
- Two new Cutlery and Hand Tool companies located in SC from 1992 – 2002.

## ***Recommended Target Industry Sectors***

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### **#12 - NAICS 3254; SIC 283 PHARMACEUTICALS & MEDICINES**

- 32541 Pharmaceutical & Medicine Manufacturing

#### **SIC 283 Drugs (BioPharm)**

- 2833 Medicinals and botanicals
- 2834 Pharmaceutical preparations
- 2835 Diagnostic substances
- 2836 Biological products exc. diagnostic

#### **Reasons for targeting this sector include:**

- Predicted to grow in the US by 68,000 workers from 2002 – 2012.
- Predicted to grow in NC by 5,110 workers from 2000 – 2010.
- Predicted to grow in SC by 950 workers from 1998 – 2008.
- Historical trends indicated NC is attractive to this industry sector since 11 new Pharmaceutical companies located in NC from 1998 to 2002.
- Historical trends indicated SC is attractive to this industry sector since 8 new Pharmaceutical companies located in SC from 1992 – 2002.
- *Business Facilities Magazine*, November 2004 edition ranks North Carolina 5<sup>th</sup> in the US as Biotechnology's Leading Locations.

#### **Potential Targeting Concerns:**

- *Business Facilities Magazine*, November 2004 edition states:

*"Most of the new investment in North Carolina's biotech sector has occurred in the Raleigh-Durham-Chapel Hill area that surrounds Research Triangle Park (RTP) – the largest research park in the country."*

*"RTP is located near three major research universities: Duke University, North Carolina State University, and the University of North Carolina Chapel Hill."*

*"The schools form the core of what makes RTP successful."*

Without the strengths in BioPharma offered by the RTP, Gaston County may have difficulty in recruiting new this industry. However, the new BioPharma training initiative at *Gaston College* and the Gastonia Technology Park adjacent to its campus may make the BioPhrama industry a viable target for Gaston County.



## ***Recommended Target Industry Sectors***

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### **NON-PROFIT & SPORT-RELATED ORGANIZATIONS ASSOCIATED WITH WATER SPORTS IN COOPERATION WITH THE US WHITEWATER PARK IN MECKLENBURG COUNTY**

Many communities have successfully targeted non-profit organizations such as organization affiliated with whitewater sports. An excellent example is Indianapolis, Indiana. With the advent of the Charlotte Whitewater Park (now called the US Whitewater Park) in West Mecklenburg County, we believe Gaston County has an excellent opportunity to target non-profit and sport related headquarters and back-office operations. While the whitewater course will be the centerpiece, there will also be coffee and juice bars, hiking trails, and a world class conference center. An example is the recent relocation of the USA Canoe and Kayak (USACK) headquarters to downtown Charlotte. Non-profit and sport related facilities tend to bring many visitors to an area, thus providing an opportunity to showcase the attributes of Gaston County.

### **HEADQUARTERS, REGIONAL HEADQUARTERS, BACK-OFFICE & DISTRIBUTION/WAREHOUSE OPERATIONS ASSOCIATED WITH TARGET SECTORS**

Recruiting industrial facilities to Gaston County should be the main focus of the GCEDC strategy; however, a parallel strategy should include recruitment of headquarters, regional headquarters, back-office and distribution/warehouse operations affiliated with these targets. The quality of life offered by the Charlotte Region and the improving office product in Gaston County should provide a successful platform for office recruitment. Additionally, back-office operations are an excellent target for potential reuse of older building product. As Gaston County's office market continues to grow and mature, the potential to recruit office related facilities should increase. Examples include:

#### **Reasons for targeting this sector include:**

- The proposed 1,100 acre Belmont Abbey development marketed by the Staubuch Company including residential, retail and office facilities.
- 270-acre Apple Creek Project will attract new residential and retail to Gaston County.
- The new 12-acre office project being developed at Summit Place.
- An abundance of older buildings provides the opportunity for low cost office facilities. Keep in mind, many headquarter and back office operations require redundant telecommunication fiber and back-up power capabilities.
- It is cost effective to market to industrial and office projects when marketing to and calling on the same target company.
- Excellent sites and parks for smaller distribution/warehouse facilities.

#### **Potential Targeting Concerns:**

- In our view, large sites are not plentiful enough to justify a focused strategy on recruiting mega distribution facilities of 1 million SF and greater.