

Catawba County's Continuing Search For Economic Excellence

Foresight

Final Report

July 2004

Acknowledgements

The following members served on the FORESIGHT Committee:

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The FORESIGHT Report, July 2004

Executive Summary

Two previous FORESIGHT strategic planning projects, begun in 1985 and in 1989, were completed in a different economic climate from the current process. The urgency of this current FORESIGHT effort was brought about by a major manufacturing downsizing and significant layoffs in a time of changing global business.

The Catawba County Board of Commissioners appointed twenty community leaders to begin a third round of the FORESIGHT strategic planning process in November 2001. From January 2002 through January 2003, the Committee focused on examining and analyzing a 133-page *Data Book* with information on a variety of broad topics dealing with the County's economy. Because of their economic impact, the FORESIGHT Committee selected the issues of Jobs and the Economy, Education, Environment, and Leadership and Political Action for special study by four Task Forces. The FORESIGHT Committee appointed an additional 83 citizens to the four Task Forces to study these topics, and Task Force deliberations began in February 2003.

The Task Forces proceeded independently, completing their study of the data, interviews with experts and grappling with the complexity of the issues. Each Task Force generated innovative strategies and developed its Report from October 2003 to March 2004. The FORESIGHT Committee analyzed and revised the Task Force in minor as well as substantive ways, to solidify their endorsement of the strategies proposed by Task Force members.

The final phase of the strategic planning process required Committee members, Task Force members and other local leaders to commit to overseeing the implementation of the strategies proposed in the Reports and endorsed by FORESIGHT Committee members. That process is currently underway and involves efforts by FORESIGHT members and others to monitor strategies as they move forward to completion. While substantive progress has already been made in accomplishing some strategies, others will require months or years of effort to bring them to completion.

The strategies recommended by the FORESIGHT Committee for each Report -- Jobs and the Economy, Leadership and Political Action, Environment and Education -- are summarized on the following pages.

Jobs and Economy Strategies

The Jobs and Economy Report is divided into 2 separate issues, Economic Development and Job Creation. Each of these large issues is further described by four goals and numerous strategies within each of these goals. For the eight goals described here, 57 strategies are proposed by the FORESIGHT Committee.

ECONOMIC DEVELOPMENT GOALS

ED1. Establish Hickory and Catawba County as the “Hub of the Piedmont.” The County should become a base of activity and events year-round.

This goal proposes to create “Greater Hickory” as the center of educational, medical, retail, senior citizen and tourism activities. Greater Hickory would grow into a year-round event magnet, a place where something is always going on.

Strategies to achieve the goal include:

- Create a “brand name” for the area such as “Greater Hickory.”
- Establish a year-round Greater Hickory events calendar.
- Make the proposed Hickory multi-purpose complex a reality.
- Create and develop NASCAR ties.
- Establish commercial airline flights from the Hickory Regional Airport.

ED2. Package natural resources and facilities for tourism. These would include, but would not be limited to, hiking, boating, golf, outdoor adventure parks, a sports arena and auto racing.

This goal suggests establishing Greater Hickory as a destination for tourists by developing “packages” for the area’s heritage, its natural resources, its meeting and sports facilities, and its regional proximity to Charlotte, “the mountains” and the Piedmont Triad.

Some possible strategies include:

- Establish hiking weekends at local or state parks or national forest areas.
- Use Greater Hickory as a starting place for a “Discover Western North Carolina Tour” including trips to Asheville, Blowing Rock, Boone and the Blue Ridge Parkway.
- Promote the region’s furniture by creating a “Greater Hickory Furniture Tour.”
- Create a “Greater Hickory NASCAR Wheels Tour.”
- Create a “Nature Package” that promotes Greater Hickory’s climate and its proximity to lakes, mountains, national and state forests and historic rivers.
- Promote existing sports and recreational tournaments while encouraging new sporting/recreational events to come to the Hickory area. This strategy would likely require a new venue to house large sporting events.
- Create a “Greater Hickory and Beyond Winery Tour.”

ED3. Build retirement communities through tourism, real estate and other allied industries.

This goal suggests ways to make “Greater Hickory” the “choice retirement market” rivaling communities in Arizona, Asheville, Florida, Myrtle Beach and Pinehurst. The

retirement communities and related services should not only be attractive to retirees from other locations, but should also be affordable to persons currently residing in Greater Hickory.

Some strategies to be incorporated in the marketing plan include:

- Sell the “quality of life” factor to retirees including the area’s natural resources (lakes, rivers, forests etc.) shopping, medical services.
- Sell the area’s proximity to neighboring markets.
- Building affordable elderly housing with amenities attractive to retirees.
- Specialized programs for the elderly.
- Lobby the NC legislature to lower corporate/individual tax rates to attract retirees to the area.

ED4. Diversify Greater Hickory’s economic base by identifying faster growing, better paying industries and providing financial assistance to businesses, through private and public entities, to bring them to our area.

Strategies to achieve the goal include:

- An investigation and benchmarking of successes from other states and communities that applies to the current situation.
- Retraining of laid-off workers to match targeted businesses.
- An increase in private sector venture and mezzanine financing availability.
- Local banks forming a consortium to spread risks and provide financing packages.
- The EDC and private investors pooling resources with the help of local banks.
- The creation of a local Venture Capital Fund from private sources designed for establishing target businesses in our area.
- A “most favored business” agreement for the Venture Capital Fund’s “target businesses” with municipalities, County and State to ensure the best possible deal on land, utilities, taxes, infrastructure and employee training without roadblocks or lengthy negotiations.

JOB CREATION GOALS

JC1. Job creation through an enhanced infrastructure and transportation network.

Part A-Infrastructure Including Water/Sewer:

Develop a framework for the development of County, if not regional cooperation in infrastructure similar to the MPO/RPO process to achieve job growth.

Part B-Transportation Network:

To create a plan for rapid and distance transit to “Greater Hickory” that includes air, rail and highway for the purpose of attracting businesses, tourism and new residents.

JC2. Initiate a feasibility study to determine the viability of establishing a four-year state-supported university in “Greater Hickory.”

This goal proposes to lobby all pertinent parties to establish a four-year public-supported university in “Greater Hickory” for the purposes of job creation, building a strong economic base and increasing educational attainment. The four-year university would be independent but complementary of Lenoir-Rhyne College (L-R), Catawba Valley Community College (CVCC) and the Hickory Metro Higher Education Center.

The process would begin by lobbying state government and the state university system to underwrite a feasibility study of establishing a four-year public university in “Greater Hickory.”

JC3. Providing government incentives to attract new businesses.

Use tax, land use, utility and other local and state government controlled incentives to make “Greater Hickory” the most competitive location for businesses and industries that Catawba County wishes to target. These industries, so called “Most Favored Industries,” are in sectors that pay above the county wage, predicted to have positive employment growth in the future, and projected to have increasing revenues.

JC4. Define and close the “gaps” – e.g. education/training of existing workforce for potential growth industries.

Identify and address job skill weaknesses to create opportunities for improvement of Catawba County’s workforce that would increase the probability of attracting businesses/industries to “Greater Hickory.”

A feasibility plan would first determine what opportunities exist among our current economic environment for job creation and assessing what unmet needs exist in our market by evaluating our current situation. The second part of a feasibility plan would identify and develop solutions to reduce educational/training gaps between Catawba County’s workforce and the skills required in high growth, high paying industries.

Leadership and Political Action Strategies

1A. The Catawba County Chamber of Commerce should re-invent the *Leadership Catawba* program.

- The Chamber should re-evaluate its *Leadership Catawba* program to provide leadership candidates with a program that develops political involvement and leadership, written and oral communication, conflict resolution and negotiation skills.
- This re-invented program should ensure a diverse pool of men, women and minority applicants that represent the County’s diversifying population.
- Program costs should be funded by participants’ course fees and sponsor funding. Scholarship opportunities (totaling at least \$1500 annually) should be available.

1B. If Strategy 1A. is not possible, all local governments in Catawba County, in cooperation with community organizations, should establish a County-wide leadership program.

- This new leadership program should provide candidates annually with a leadership program that develops skills such as political involvement and leadership, written and oral communication, conflict resolution and negotiation, and education on strategic regional issues.
- The program should ensure a diverse pool of men, women and minority applicants that represent the County’s diversifying population.

- Program costs should be funded by participants' course fees and sponsor funding. Scholarship opportunities (\$1500 annually) should be established based on ethnicity and financial need.
2. **Create a Catawba County *Leadership Fellows* Program to provide an opportunity for advanced leadership training for promising leaders who have successfully completed a basic leadership course curriculum.**
 - Catawba County *Leadership Fellows* Program aims to further cultivate, educate and motivate a diverse group of emerging local leaders by offering advanced opportunities for leadership training focusing on regional, state and national perspectives.
 - *Leadership Fellows*, chosen through a competitive process, would be selected from local leadership programs (e.g. *Leadership Catawba*) and other local leaders who have demonstrated an interest in continuing leadership training.
 - A *Leadership Fellows* board would determine policy, program goals and oversee the start-up and annual operation, as well as, review the applications and select awardees. Three \$2,500 scholarships would be awarded in the first year.
 - The *Leadership Fellow* awardees would choose an advanced leadership program from regional, state and national training opportunities.
 3. **Initiate an awards program that recognizes a “Corporate Citizen of the Year” for Catawba County.**
 - This program would stimulate and recognize significant private sector manpower and time contributions to community service. The program would identify a business whose collective staff made the greatest contribution to the community as volunteers on boards and committees or involvement in schools and community organizations in the previous year.
 4. **Establish a process to identify a local resource pool of leaders for potential appointments to statewide boards and commissions.**
 - This strategy seeks to strengthen Catawba County's influence and input in decision-making at the state level. An unofficial Subcommittee should be established to promote candidates for appointments.
 - State legislators should be made aware of this local selection process and encouraged to work with both the Catawba County Republican and Democratic Party leaders for successful appointments.
 - Staff would be needed to monitor existing lists of North Carolina Boards and Commission members and organize and maintain a list of potential Catawba County citizens for appointment to strategically identified Boards and Commissions.
 5. **Enhance communications between Catawba County's local governments and state and federal agencies regarding grant priorities and funding.**
 - This strategy seeks to ensure that all local governments in Catawba County capitalize on state and federal funding programs to help finance current and proposed projects.
 - A lack of dedicated staff time, however, may prohibit local governments from receiving a greater share of benefits from state and federal grant programs. The

plan proposes two additional grant writing professionals to concentrate on new grant initiatives with funding provided by participating Catawba County local governments at a total cost of \$125,000.

- 6. Educate the public on the importance of participating in government affairs and holding elected officials accountable for their actions.**
 - Increase public awareness of issues important to Catawba County and the Hickory Metro area by forming a committee to increase communication with local media outlets and developing a web site with voting records of local officials.
 - Ask the press to increase coverage of North Carolina House, Senate and US Congressional activities and the voting records of our legislators.
 - Establish a committee to meet with publishers and editorial staffs of local media 2 to 4 times a year to make them aware of legislative activity that could impact Catawba County.
 - Develop a website which shows voting records of local elected officials, state legislators, and US congressmen. The website could also include information on issues important to Catawba County.

- 7. Ensure region-wide acceptance and adoption of the “Greater Hickory Metro” branding initiative.**
 - This strategy will work to achieve better marketing and recognition of the region through widespread use of the “Greater Hickory Metro” brand.
 - The brand should be central in promoting economic development in the region. Examples include using the logo in flyers, all public events, marquees, broadcasts.
 - Local media outlets should be encouraged to use the “Greater Hickory Metro” brand in their news articles and promotional campaigns. Local officials need to encourage Charlotte media outlets to refer to the region as the “Greater Hickory Metro.”

- 8. Use the Carolinas Partnership to make Catawba County more competitive globally.**
 - In order to promote the County’s image and role within the Partnership, greater efforts are needed to educate other partnership members of the importance of Catawba County with respect the Charlotte region.
 - This could be accomplished by scheduling visits to Catawba County with other Partnership members to educate members that Catawba County is not a just rural outlier of the Charlotte region, but has metropolitan aspects attractive to businesses.

- 9. Promote economic “regionalism” throughout the four-county area.**
 - Centralize economic development activities to serve the entire Greater Hickory Metro area instead of organizing economic development efforts by counties or municipalities.
 - Work to overcome the notion that the placement of a new industry in one county does not benefit other counties in the region.
 - The plan calls for economic development agencies to explore the advantages and disadvantages of consolidating economic development efforts across the region.

Environment Strategies

LAND USE

1. **Establish a process to provide public water and sewer service in Catawba County based on cost-benefit analysis and land use planning.**
 - Local governments should work diligently and over time to form a Water and Sewer Authority.
 - If the WSA proves unattainable, local governments should form a Sewer and Water Advisory Committee.

2. **Direct development to areas with existing infrastructure including public water and sewer, school capacity and transportation capacity.**
 - Catawba County should adopt and implement strategies proposed in the various Small Area Plans for development location, density or special requirements in “mountain districts.”
 - Local governments should create financial incentives (such as reduced fees or density bonuses) to encourage development in area with adequate infrastructure.
 - Local government should cooperate to obtain common goals in areas of jurisdictional borders.

3. **Local governments and school boards in Catawba County should adopt environmentally efficient policies.**
 - Catawba County’s local governments should incorporate planning staff recommendations into decision-making process for public facilities.
 - Local governments and school boards should use environmentally efficient design concepts such as day lighting, living machines and stormwater collection/reuse.
 - Local governments should adopt Pedestrian and Bicycle Plans.
 - Catawba County UDO should recognize and encourage community-based sewer systems where appropriate.

AIR QUALITY

4. **Cooperate with the Environmental Protection Agency to prevent economic sanctions against Catawba County due to its non-attainment status for ozone.**
 - Implement the Early Action Compact’s “14 Emission Reduction Strategies” to reduce ozone below the .085 level, including:
 - City/County Energy Plan,
 - Implementing “Smart Growth” Policies,
 - Discouraging Open Burning on Ozone Action Days,
 - Improving traffic planning and engineering.

5. **Prevent Catawba County from receiving a non-attainment status for fine particulate matter from the Environmental Protection Agency.**
 - Implement Unifour Air Quality Committee’s “Unifour Air Quality Strategy,” which includes:
 - Retaining an environmental attorney,
 - Hiring a full-time, regional air quality planner,
 - Hiring an environmental consultant,
 - Fund and place six new monitors,
 - Studying the economic impact of non-attainment.

6. **Request that EPA establish an “Ozone Study Test Site” in the Hickory Metro to research the causes (local and regional), nature and methods of abating ozone.**
- The UAQC should attempt to partner with a research University in North Carolina.
 - The UAQC and partnering university should petition EPA to study:
 - Sources of ozone in the area.
 - Percentage make-up of each source,
 - Effectiveness of current strategies,
 - New mitigation strategies.

DUKE POWER RELICENSING

7. **Ensure Duke Power addresses Catawba County’s concerns regarding water flow, environmental protection, wildlife protection, land use, public access, safety and recreation during its relicensing process.**
- Catawba County representatives should stay extremely involved in the relicensing process through the Advisory Groups, specifically reviewing the County’s 13 study requests.
 - Frequent and thorough updates should be provided to local government boards and commissions.
 - High level of public education should be maintained on relicensing process and issues.
 - Serious review should be undertaken on County’s legal options in the relicensing process.

WATER QUALITY AND RECREATION

8. **Protect Catawba County waters from sedimentation.**
- Catawba County should petition the state to take over the Sedimentation and Erosion Control program. Review and inspection would be provided through the County Building Inspections Department.
 - Catawba County should set up a Sedimentation and Erosion hotline to report complaints.
9. **Preserve and market the County’s natural and recreational resources.**
- Develop the proposed Greenway connecting Bakers Mountain Park and Henry River Recreational Complex (Mountain View SAP).
 - Develop the Greenway connecting Bunker Hill Covered Bridge and Catawba River (Catawba SAP).
 - Catawba County should develop one new park within the next ten years.
 - Required general public access to the River in new lakefront developments.
 - Catawba County’s UDO should require “conservation designs” for developments in areas without infrastructure.
 - Conduct a natural resources marketing campaign, as proposed in the *Jobs and the Economy Report* (see the 17 Strategies suggested in Economic Development Goal 2).

STORMWATER

- 10. Catawba County local governments should lobby for state legislation to permit in-stream stormwater treatment in appropriate situations.**
 - Local governments, developers, DWQ staff and local state representatives should involve themselves in a thorough discussion of issues of in-stream stormwater treatment. between.
 - Local governments should work with a local NC representative to introduce in-stream treatment legislation.

- 11. Catawba County local governments should work with environmental regulatory agencies to ensure consistent, regulations based on science.**
 - An education process should occur among local governments, developers and local state/federal representatives on negative impacts of unclear, inconsistent environmental regulations.
 - Local state/federal representatives should work with regulatory agencies to ensure regulations are consistent and based on sound science.

Education Strategies

- 1. Catawba County should hold an annual education forum to engage and sell businesses, parents and the public on the importance to this community of quality education, educators and schools.**
 - Invite state-wide education (such as staff from the NC Public School Forum) and local experts (administrative staff, School Boards) to share information on key topics with citizens.
 - Establish list of potential participants in forum (leaders from various County-wide constituencies).

- 2. Create a community education partnership for all of Catawba County.**
 - This strategy proposes establishing a community education partnership, separate from the schools systems and distinct from the existing Chamber effort. The partnership would:
 - i. Serve as an education advocate for the entire County;
 - ii. Raise significant funds (several million dollars);
 - iii. Distribute funds to all three school systems at a sizeable level for educationally innovative programs.

- 3. Provide special funding to school systems to create flexible, creative solutions to accomplish higher academic achievement for all students.**
 - This strategy proposes an additional \$100 per pupil in local funding for school systems to implement innovative programs of their own choosing to help increase achievement scores.
 - Cost of such an allocation is estimated at \$2.4 to \$2.5 million per year (\$100 per student) to be allocated for five years.

- 4. Improve achievement scores in all three systems by increasing the number of specialists serving minority and low-income children.**
 - This strategy focuses on hiring additional specialists to work with low-income and minority children to help them increase their achievement scores.
 - An estimated 25 additional specialists in math, reading and ESL, allocated as the schools determine, would be hired with local funds.
 - The cost of this strategy is estimated at \$1.25 million annually.

- 5. Strengthen tutoring and mentoring programs to narrow the achievement gap and improve the academic performance of all students.**
 - Develop a publicity campaign to increase number of volunteers in all schools.
 - Add five volunteer coordinators (estimated cost \$250K annually)—3 in County and 1 each in Hickory and Newton-Conover systems.

- 6. Provide support services to address the health, psychosocial and emotional needs of “at-risk students,” resulting in improved school attendance, greater parental involvement and increased academic achievement.**
 - Increase support service professionals (“DHR Teams”) to help improve student outcomes for “at-risk” students.
 - i. Add 4 public health nurses, 4 social workers and 4 school psychologists to systems to reduce ratios of professionals to students.
 - ii. Estimated cost is \$700K annually.

- 7. Ensure varied learning pathways for technical skill development at the elementary, middle, high school and college levels.**
 - Work with school staff to involve business in ways to provide students with “real world” ways of learning technical skills.
 - Work with schools to provide alternate ways of presenting summer experiences for students.
 - Consider ways to provide other environments for students to learn, such as high school programs on community college campuses or career academies on HS campuses.

- 8. Increase the local teacher supplement to rank in the top 5% of NC schools within 5 years.**
 - An increase in the local teacher supplement will help local systems recruit and maintain teachers of the highest quality.
 - Implementers will need to help persuade Commissioners to increase local teacher supplement 1% annually beginning with the FY05-06 budget.
 - If this increase continues through the 2009-10 FY, the local supplement will have increased to an average rate of 12%, likely to place it among top 5% of NC school systems.
 - After 5 years, the local teacher supplement will have increased local education expenditures by an estimated \$3.5 million.

9. **Improve Catawba County's student achievement levels by creating "The INVESTMENT in Our Future," spelling out how additional local funding will succeed in raising student outcomes.**
- Several of the FORESIGHT education strategies involve an increase in local funding because the County has the ability and the determination to provide its appropriate share of education costs.
 - i. For the FY2005-06 budget, a \$5.3 million increase in local funding is proposed in this strategy.
 - ii. This amount includes the estimated costs of Education Strategies 3, 4, 5, 6 and 8.
 - iii. Other strategies (1, 2 and 7) are proposed to be funded by other sources, including the private sector.

INTRODUCTION:

THE FORESIGHT STRATEGIC PLANNING PROCESS, 2002-2004

In 2000 and 2001, economic changes brought a harsh reality to the businesses and workforce of Catawba County and its greater metropolitan region. For the first time in several decades, an economic shift resulted in significant job losses and one of the largest yearly increases in unemployment in the nation. In the two years immediately preceding the current FORESIGHT strategic planning effort, the local and regional economy entered the recession that resulted in the loss of 20,000 jobs in the region, nearly 15,000 of them in manufacturing, creating a dramatic change in the nature of the local economy.

Given these disconcerting facts, it seemed fitting that FORESIGHT turn again to an examination of the economy of Catawba County and the region. In its previous efforts, the FORESIGHT Committee focused on ways Catawba County could sustain and expand its “economic excellence.” County leaders realized that focus was even more urgent in such unsettling economic times. And so, for a third time, the Catawba County Board of Commissioners re-constituted the FORESIGHT Committee to examine the local and regional economy, focus on a handful of key issues and devise strategies to overcome present and future challenges.

Previous FORESIGHT Efforts

Two previous FORESIGHT strategic planning projects, begun in 1985 and in 1989, were completed in a different economic climate from the current process. During the late 1980s, the economy was booming and jobs were plentiful in a total employment economy. The urgency of the current FORESIGHT effort was brought about by a major manufacturing downsizing and significant layoffs in a time of changing global business.

In the initial FORESIGHT focus on the economy started in 1985, the key issues chosen by the Committee were jobs and business creation, education, government services and transportation. In FORESIGHT’s second round, initiated in 1989, topics of critical importance to sustaining economic vitality were education (once again), the environment, and “social issues affecting the workforce,” a topic which encompassed the availability of child care, substance abuse and affordable housing.

The FORESIGHT Committee’s Study of the *Data Book*

Twenty prominent leaders in Catawba County were appointed by the Board of Commissioners to begin a third round of the FORESIGHT strategic planning process in November 2001. From January 2002 through January 2003, the Committee focused on examining and analyzing a 133-page *Data Book* with information on a variety of topics dealing with the County’s economy in broad terms. These issues included population, the workforce, commercial and industrial growth, education, infrastructure, housing, the environment and income. Because of the abundance of data from the 2000 Census and newer data presentation techniques (such as Geographic Information Systems or GIS), the *Data Book* contained 94 figures, 27 maps and 135 tables. That data kept the FORESIGHT

Committee busy for one year as they distilled their conclusions down to the four most important issues facing Catawba County's economy in the coming years.

The Role of the Four Task Forces

Because of their economic impact, the issues of Jobs and the Economy, Education, Environment, and Leadership and Political Action were selected for special study by four Task Forces. An additional 83 persons were appointed by the FORESIGHT Committee to study these topics, and Task Force deliberations began in February 2003.

The four Task Forces proceeded independently, completing their study of the data, interviews with experts and grappling with the complexity of the issues. Each Task Force succeeded in generating innovative strategies and completed its Report at various points from October 2003 to March 2004. The Task Force chairs and vice-chairs then presented their Reports to FORESIGHT Committee members for analysis, review and modification. During this process, the Committee revised the Task Force Reports, in minor as well as substantive ways, to solidify their endorsement of the strategies proposed by Task Force members.

The FORESIGHT Committee and Implementation

The final phase of the strategic planning process required Committee members, Task Force members and other local leaders to commit to overseeing the implementation of the strategies proposed in the Reports and endorsed by FORESIGHT Committee members. That process is currently underway and involves efforts by FORESIGHT members and others to monitor strategies as they move forward to completion. While substantive progress has already been made in accomplishing some strategies, others will require months or years of effort, perhaps out of the public eye, to bring them to completion.

Implementation Schedule for FORESIGHT Strategies

The following pages (pages 5-12) present in capsule form the various strategies endorsed by the FORESIGHT Committee and a proposed timeline for their completion. The key strategies proposed in each *Report* are summarized on two pages and include a brief statement of the strategy, the suggested chief implementers, the timeline, and other measurement of success. While other strategies proposed in the *Report* are not listed on the "Implementation Schedule," they will be implemented as champions determined an appropriate time frame. Additionally, several strategies are currently underway.

To ensure successful implementation of the FORESIGHT strategies, members of the FORESIGHT Committee, Task Force members and other County leaders have volunteered to act as "champions" to oversee the implementation process. FORESIGHT is committed to renewing the County's economic excellence, despite the time and energy necessary to accomplish these strategies, generating a revitalization of the local economy.

Jobs and Economy Implementation Schedule

Jobs and Economy Implementation Schedule

	2004	2005	2006	2007	2008	2009	2010	Beyond 2010	Other Measurements of Success	
JC1	<p>Strategy Job creation through an enhanced infrastructure and transportation network.</p>	<p>Who Does Work UMPO, URPO, local governments</p>	<p>2004 Transportation plans being completed by MPO and RPO staff</p>	<p>2005 Transportation plans being completed by MPO and RPO staff, commercial airline service established</p>	<p>2006 Transportation plan approved by NCDOT and USDOT</p>	<p>2007 Transportation plan implemented, rail service reestablished in Hickory area</p>	<p>2008 Continue implementing transportation plan</p>	<p>2009 Continue implementing transportation plan</p>	<p>2010 A 10% increase in road mileage in the region by 2010 A 25% increase of funding for transportation improvements in the Hickory MSA.</p>	
JC2	<p>Strategy Determine the viability of establishing a four-year state-supported university in "Greater Hickory."</p>	<p>Who Does Work Elected officials, local education leaders, business community</p>	<p>2004</p>	<p>2005 Feasibility study started</p>	<p>2006 Feasibility study completed</p>	<p>2007 Based on results feasibility study, work begins on planning to Create Four-Year State Supported University</p>	<p>2008</p>	<p>2009</p>	<p>2010 500 Jobs are created as a result of support businesses around the new university. Educational attainment ranking for Greater Hickory improve from worst in state to top 50% by 2020. New students generate 3% increase in sales tax revenue by 2017.</p>	
JC3	<p>Strategy Provide incentives to attract new businesses</p>	<p>Who Does Work EDC Board, local governments, WPCOG</p>	<p>2004 WPCOG Completes Target Analysis</p>	<p>2005 Criteria established for providing incentives for "most favored businesses"</p>	<p>2006 Incentives available for businesses</p>	<p>2007 Incentives available for businesses</p>	<p>2008 Incentives available for businesses</p>	<p>2009 Incentives available for businesses</p>	<p>2010 Incentives available for businesses, incentives have brought in at least three companies and 500 jobs by 2010. Business Creation rates are more than the state average. 50% reduction of employment or a 5% employment rate by 2010. Sales and property tax collection increase at a rate of 3% per year. Nonresidential building permit activity exceed state average by 2010.</p>	
JC4	<p>Strategy Define and close the "gaps" – e.g. education/training of existing workforce for potential growth industries</p>	<p>Who Does Work CVCC, Higher Education Center, WPCOG, Catawba County, Hickory and Newton-Conover School Systems</p>	<p>2004 WPCOG Completes "gap" Study</p>	<p>2005 CVCC and Higher Education Center evaluate and create action plans for training and education programs to match more closely with growth industries</p>	<p>2006 Action plans implemented training with growth industries</p>	<p>2007 Action plans implemented training with growth industries</p>	<p>2008 Action plans implemented training with growth industries</p>	<p>2009 Action plans implemented training with growth industries</p>	<p>2010 10 new employers with 50 employees each are recruited to area by 2010 based on enhancements to training and education programs and CVCC and Higher Education Center</p>	<p>Other Measurements of Success (1) Business Creation rates are more than the state average. (2) A 25% improvement in Hickory MSA's educational attainment levels. (3) A 25% increase in people completing education training programs at CVCC and Higher Education Center.</p>

Jobs and Economy Implementation Schedule

Jobs and Economy Implementation Schedule

	Who Does Work	2004	2005	2006	2007	2008	2009	2010	Beyond 2010	Other Measurements of Success
ED1	Establish Hickory and Catawba County as the "Hub of the Piedmont." The County should become a base of activity and events year-round	Strategy currently underway examples: Hickory Metro Golf Classic, Hickory Visitor and Convention Bureau web site, local governments adopting Greater Hickory logo	Detailed year round calendar of events completed and available on web sites and given to media outlets, commercial airline service established	Detailed year round calendar of events updated and available on web sites and given to media outlets	Detailed year round calendar of events updated and available on web sites and given to media outlets	Detailed year round calendar of events updated and available on web sites and given to media outlets	Detailed year round calendar of events updated and available on web sites and given to media outlets	"Greater Hickory" hosts 4 major sporting events by 2010	Build a multi-use sports/events complex and an upscale hotel with adequate meeting facilities such as in Winston-Salem or Greensboro	(1) Tourism payrolls increase by more than the state average. (2) Growth in hotel occupancy greater than the state average. (3) A 3% per year increase in retail sales. (4) A 100% increase in web hits to "greaterhickory.com" web site.
ED2	Packaging natural resources and facilities for tourism (biking, canoeing, camping, hiking, fishing)	Regional recreation study underway	Regional recreation study completed, creation of recreation tourism packages	Recreation tourism packages reviewed and changed as needed	Recreation tourism packages reviewed and changed as needed	Recreation tourism packages reviewed and changed as needed	Recreation tourism packages reviewed and changed as needed	Recreation tourism packages reviewed and changed as needed	Recreation tourism packages reviewed and changed as needed	(1) Tourism payrolls increase by more than the state average. (2) Growth in hotel occupancy greater than the state average. (3) A 3% per year increase in retail sales.
ED3	Build retirement communities through tourism, real estate and other allied industries	2004	Establish a seven-year growth plan to target services to the elderly	Action plan implemented	Continue implementing action plan	Continue implementing action plan	Continue implementing action plan	Continue implementing action plan, elderly migration rate doubles by 2010	Action plan is completed by 2012	(1) A 25% increase in recreational opportunities for the elderly. (2) A 25% increase in medical services for the elderly. (3) 4% growth rates in real estate sales.
ED4	Diversify Greater Hickory's economic base by identifying faster growing, better paying industries and providing financial assistance to businesses and entrepreneurs, through private and public entities, to bring them to our area	Identify "Most Favored Businesses"	Venture Capital Fund established	At least one new business established through Venture Capital Fund	At least one new business established through Venture Capital Fund	At least one new business established through Venture Capital Fund	At least one new business established through Venture Capital Fund	At least one new business established through Venture Capital Fund	At least one new business established through Venture Capital Fund per year	(1) Unemployment rate drops below 5%. (2) Job creation rate more than state average. (3) Sales and property tax collection increase at a rate of 3% per year.

Jobs and Economy Implementation Schedule

Leadership and Political Action Implementation Schedule

	2010	2009	2008	2007	2006	2005	2004	Who Does Work	Strategy
1A	Graduate the Class of 2010.	Graduate the Class of 2009.	Graduate the Class of 2008.	Graduate the Class of 2007.	Graduate the Class of 2006.	If the Chamber agrees to revise the existing program, new curriculum could begin as soon as Spring 2005.	Roundtable discussions with Chamber officials need to take place in the Fall of 2004.	Catawba County Chamber of Commerce Board and staff meeting with selected FORESIGHT Steering Committee members and elected and appointed County officials.	The Catawba County Chamber of Commerce should re-invent the Leadership Catawba Program.
1B	Review program in 2011 years to measure success and determine if class candidates should be drawn from the four-county Greater Hickory Metro area.	Graduate the Class of 2009.	Graduate the Class of 2008.	Graduate the Class of 2007.	Graduate the Class of 2006.	Recruit "Charter Class" of 2005 (20-25 candidates) by June 2005. Begin Charter Class by September 2005.	Successfully develop course curriculum, plan course schedule, reserve facilities, recruit and schedule instructors, by January 2005.	On behalf of Catawba County WPCOG, the faculties members of Lenoir-Rhyne College, Catawba Valley Community College, the Hickory Metro Higher Education Center.	If Strategy 1A is not possible, all Catawba County local governments and community organizations should establish a county-wide leadership program with the same concepts and goals as 3A.
2	Yearly graduating classes	Class 2009 members complete respective training by December.	Class 2008 members complete respective training by December.	Class 2007 members complete respective training by December.	Class 2006 members complete respective training by December.	Funding in the amount of \$7500 for the Class (3 members) of 2006 is raised by June. Class is selected by July.	A Leadership Fellows Board is established involving local governments, community organizations and private sector businesses.	FORESIGHT Steering Committee discussions with the Catawba County Chamber of Commerce, the Western Piedmont COG, financial institutions and local foundations	Create a Catawba County Leadership Fellows Program
3	Annual awards ceremony.	Make the 2009 awards in December.	Make the 2008 awards in December.	Make the 2007 awards in December.	Make the 2006 awards in December.	Make the 2005 awards in December.	Organize program.	FORESIGHT Steering Committee meet with Chamber, the Western Piedmont Workforce Development Board, and Charlotte Observer.	Initiate an awards program recognizing a "corporate citizen of the year" for Catawba County.
4	List of potential candidates updated annually.	List of potential candidates updated.	List of potential candidates identified.	Chamber consider assuming responsibility for coordinating effort to identify a resource pool of leaders for appointment to statewide boards and commissions.	Catawba County Chamber of Commerce	Establish a process to identify a local resource pool of leaders for potential appointments to statewide boards and commissions.			

Jobs and Economy Implementation Schedule

Leadership and Political Action Implementation Schedule											
	Strategy	Who Does Work	2004	2005	2006	2007	2008	2009	2010	Beyond 2010	Other Measurements of Success
5	Enhance communications between County local governments and state and federal agencies regarding grant priorities and funding.	Participating local governments fund additional staff for grant writing and development.	Budgeting is planned.	Two additional staff hired.	Staff are able to generate \$1-2 million.	Staff are able to generate \$1-2 million per year.	(1) Payback is \$7.5 million in grants funds between 2005 to 2010 for \$625,000 in staff costs or 12 to 1 return on investment.				
6	Educate the public on the importance of participating in government affairs and holding elected officials accountable for their actions.	WPCOG Policy Board joint local government and Chamber effort.	WPCOG Policy Board solicits membership. A website consultant is selected (funded by local governments).	Quarterly meetings are held with media outlets. Website is developed and begins operation.	Quarterly meetings are held with media outlets. Website has 2000 hits annually.	Quarterly meetings are held with media outlets. Website has 3000 hits annually.	Quarterly meetings are held with media outlets. Website has 4000 hits annually.	Quarterly meetings are held with media outlets. Website has 5000 hits annually.	Quarterly meetings are held with media outlets. Website has 6000 hits annually.	Quarterly meetings are held with media outlets. Website has at least 7000 hits annually.	(1) Success could be measured by an increase in voter turnout of 15% compared to 2004-5 elections.
7	Ensure region-wide acceptance and adoption of the "Greater Hickory Metro" brand.	Primary agency for implementation is the Hickory Metro Convention and Visitors Bureau.	Begin campaign to secure local economic development agency endorsements.	Summer 2005 have 25 of 28 local governments, EDCs, and chamber endorsement.	Have local and Charlotte media outlets using "Greater Hickory Metro" brand.	Have local and Charlotte media outlets using "Greater Hickory Metro" brand.	Have local and Charlotte media outlets using "Greater Hickory Metro" brand.	Have local and Charlotte media outlets using "Greater Hickory Metro" brand.	Have local and Charlotte media outlets using "Greater Hickory Metro" brand.	Have local and Charlotte media outlets using "Greater Hickory Metro" brand.	(1) Routine reference to the area as the "Greater Hickory Metro".
8	Use the Carolinas Partnership to make Catawba County more competitive globally.	Catawba County EDC and local government representatives.	Schedule first event or tour in Fall	Special event or tour for Charlotte client group.	Special event or tour for Charlotte client group.	Special event or tour for Charlotte client group.	Special event or tour for Charlotte client group.	Special event or tour for Charlotte client group.	Special event or tour for Charlotte client group.	Special event or tour for Charlotte client group.	(1) At least one successful event per year for Charlotte clients
9	Promote economic "regionalism" throughout the four county area. Centralize economic development activities for entire Greater Hickory Metro area.	EDCs, Chambers, and local governments.	EDC's meet to explore consolidating economic development efforts across the region.								(1) Functioning regional economic development agency

Jobs and Economy Implementation Schedule

Environment Implementation Schedule

	Strategy	Who Does Work	2004	2005	2006	2007	2008	2009	2010	Beyond 2010	Other Measurements of Success
1	Provide public water and sewer county-wide using cost-benefit analysis and land use planning	Catawba County local governments		Framework Discussions and Creation of WSA	Framework Discussions and Creation of WSA	Framework Discussions and Creation of WSA	Framework Discussions and Creation of WSA	If no WSA, creation of SWAC			(1) Local governments participate in the WSA or SWAC
2	Direct development to areas with existing infrastructure	Catawba County local governments	2004 Continue SAP process	2005 Implement SAP strategies. Create financial incentives. Cooperative land use strategies	2006 Implement SAP strategies. Create financial incentives. Cooperative land use strategies	2007 Implement SAP strategies. Create financial incentives. Cooperative land use strategies	2008 Implement SAP strategies. Create financial incentives. Cooperative land use strategies	2009 Implement SAP strategies. Create financial incentives. Cooperative land use strategies	2010 Implement SAP strategies. Create financial incentives. Cooperative land use strategies	Beyond 2010 Implement SAP strategies. Create financial incentives. Cooperative land use strategies	Other Measurements of Success (1) A 50% reduction in approved subdivision lots per year in areas without adequate infrastructure.
3	Local governments and school boards in the County adopt environmentally efficient policies	Catawba County local governments and school boards	2004 Incorporate planning staff into public facilities planning	2005 Environmentally efficient designs for new facilities. Pedestrian/Bike plans.	2006 Environmentally efficient designs for new facilities. Pedestrian/Bike plans. Encourage community-based sewer systems in the UDO.	2007 Environmentally efficient designs for new facilities.	2008 Environmentally efficient designs for new facilities.	2009 Environmentally efficient designs for new facilities.	2010 Environmentally efficient designs for new facilities.	Beyond 2010 Environmentally efficient designs for new facilities.	Other Measurements of Success (1) A Catawba County local government builds an environmentally efficient facility within five years. (2) All Catawba County local governments adopt a Pedestrian/Bike plan.
4	Cooperate with EPA to prevent economic sanctions due to ozone non-attainment designation	Unifour local governments, businesses and citizens	2004 Begin implementation of Emission Reduction Strategies and hire an air quality planner and attorney	2005 Emission Reduction Strategies fully implemented	2006 Additional EAC Milestones	2007 Complete EAC Milestones to drop ozone below .085	2008 Ozone remains below .085 standard	2009 Ozone remains below .085 standard	2010 Ozone remains below .085 standard	Beyond 2010 Ozone remains below .085 standard	Other Measurements of Success (1) Catawba County loses its non-attainment designation, preventing economic sanctions.
5	Prevent Catawba County from receiving a non-attainment designation for fine particulate matter (PM)	Unifour local governments, businesses and citizens	2004 Hire an air quality planner and retain an environmental attorney.	2005 Conduct Economic Impact Study. Research, fund and place new monitors.	2006 Research, fund and place new monitors	2007 Research, fund and place new monitors	2008 PM remains below EPA standard	2009 PM remains below EPA standard	2010 PM remains below EPA standard	Beyond 2010 PM remains below standard	Other Measurements of Success (1) Avoid non-attainment designation for PM.
6	Petition EPA to establish the Hickory Metro as an "Ozone Test Study Site"	All Unifour local governments and the UAQC	2004 Obtain research university support	2005 Obtain research university support and petition EPA. Begin the study.	2006 Ozone study completed, including mitigations strategies	2007 Implement mitigation strategies	2008 Implement mitigation strategies	2009 Implement mitigation strategies	2010 Implement mitigation strategies	Beyond 2010 Implement mitigation strategies	Other Measurements of Success (1) Unifour avoids economic sanctions of non-attainment designation while study is in progress. (2) Unifour and EPA gain better knowledge of ozone causes and mitigation strategies

Jobs and Economy Implementation Schedule

Environment Implementation Schedule

	Strategy	Who Does Work	2004	2005	2006	2007	2008	2009	2010	Beyond 2010	Other Measurements of Success
7	Ensure Duke Power addresses all of the County's concerns during relicensing	Catawba County local government boards, Advisory Group members and citizens	Local governments stay active and informed of all relicensing issues	Local governments stay active and informed of all relicensing issues	Local governments stay active and informed of all relicensing issues and, if necessary, review their legal options	Continue review of legal options	FERC license issued to Duke Power				(1) All of Catawba County's issues addressed by Duke Power during relicensing
8	Protect County waters from sedimentation	Catawba County Board of Commissioners and the Building Inspections Department		Petition NC DENR to take over sedimentation/erosion control program and set up a sedimentation and erosion hotline	Implement a county-wide sedimentation and erosion control program	Continue implementation	(1) Annual decrease in sedimentation/erosion complaints				
9	Preserve and market the County's natural and recreational resources	Catawba County local governments and the TDA	Amend ordinances to create more public lakefront access	Develop a new park and greenways and conduct a natural resources marketing campaign. Amend UDO for "conservation designs."	Develop a new park and greenways	Develop a new park and greenways	New park established	Continue developing and connecting greenways	Continue developing and connecting greenways	Continue developing parks and greenways as needed	(1) A new park is established within five years. (2) Catawba County parks visitors increase by 25%.
10	Local governments lobby state legislature to permit in-stream stormwater treatment in appropriate situations	Catawba County local governments and state representatives	Lobby state representatives	Lobby state representatives	Legislature passes new regulations allowing in-stream treatment in appropriate situations						(1) Developers can obtain permits for in-stream treatment in appropriate situations
11	Local governments work with environmental regulatory agencies to ensure science-based regulations	Catawba County local governments, business leaders and environmental regulatory agencies	Lobby state representatives	Educate business community and state/federal legislators about impact of inconsistent, unscientific environmental regulations	Educate business community and state/federal legislators about impact of inconsistent, unscientific environmental regulations	State/Federal representatives and environmental regulatory agencies work to ensure consistent regulations based on solid science	State/Federal representatives and environmental regulatory agencies work to ensure consistent regulations based on solid science	State/Federal representatives and environmental regulatory agencies work to ensure consistent regulations based on solid science	State/Federal representatives and environmental regulatory agencies work to ensure consistent regulations based on solid science	State/Federal representatives and environmental regulatory agencies work to ensure consistent regulations based on solid science	(1) Consistent environmental regulations established based on solid science

Jobs and Economy Implementation Schedule

Education Implementation Schedule

	Who Does Work	2004	2005	2006	2007	2008	2009	2010	Beyond 2010	Other Measurements of Success
1	Business and community leaders	Establish planning committee to develop 1st educational forum.	Hold annual forum in fall. Increase community participation.	Hold annual forum in fall. Increase community participation.	Hold annual forum in fall. Increase community participation. Evaluate success of forum and modify its design.	Hold annual forum in fall. Increase community participation. Evaluate success of forum and modify its design.	Hold annual forum in fall. Increase community participation. Evaluate success of forum and modify its design.	Hold annual forum in fall. Increase community participation. Evaluate success of forum and modify its design.	Evaluate success of educational forum and determine whether event should continue.	(1) Number of community leaders participating will increase by 5% annually. (2) Number of parents w involvement in school activities will increase by 5% yearly.
2	Business and community leaders	Establish 501 (c) (3) tax status. Appoint Board & begin fundraising.	Continue fundraising; kick off educational partnership at Education Forum, fall 2005.	Continue fundraising; evaluate success of funding goals.	Award 1st grants for innovative education programs.	Continue fundraising; continue grant awards; monitor student achievement levels.	Continue fundraising; continue grant awards; monitor student achievement levels.	Continue fundraising; continue grant awards; monitor student achievement levels.	Continue fundraising; continue grant awards; monitor student achievement levels.	(1) Success in raising several million dollars for the partnership's advocacy and awards goals.
3	Commissioners, Schools Boards and administrators	School systems develop and include proposal for their "flexible funding" in budget planning for FY 2005-06.	First allocation of "flex funds" to 3 systems.	"Flex funding" continues.	"Flex funding" continues.	"Flex funding" continues. Innovative programs evaluated for impact on student achievement scores.	"Flex funding" continues. Innovative programs evaluated for impact on student achievement scores.	"Flex funding" continues. Innovative programs evaluated for impact on student achievement scores.	"Flex funding" continues. Innovative programs evaluated for impact on student achievement scores.	(1) "Achievement gap" will be lowered by 50% by 2010. (2) Dropout rates for minority and low-income children will be reduced by 50% by 2010.
4	Commissioners, Schools Boards, administrators, principals	School leaders develop plan to increase levels of reading, math & ESL teachers & funding request for 2005-06 budget.	Fund 25 more math, reading and ESL teachers across all 3 systems.	Fund 25 more math, reading and ESL teachers across all 3 systems.	Fund 25 more math, reading and ESL teachers across all 3 systems.	Continue funding for additional math, ESL, reading specialists. Evaluate success of students at achieving grade level in schools with additional positions.	Continue funding for additional math, ESL, reading specialists. Evaluate success of students at achieving grade level in schools with additional positions.	Continue funding for additional math, ESL, reading specialists. Evaluate success of students at achieving grade level in schools with additional positions.	Evaluate success of students at achieving grade level in schools with these additional teaching positions.	(1) Increase achievement scores of students in schools with additional reading, math, ESL teachers. (2) Achievement gap closes significantly after 4 years through efforts of additional specialists.
5	School administrators, principals, community volunteers	Planning for new volunteer coordinators & recruiting of more tutors, mentors.	Provide funds to hire/train new volunteer coordinators; recruit/train tutors/mentors	Continue to train/recruit tutors & mentors	Continue to train/recruit tutors & mentors	Continue to train/recruit tutors & mentors. Evaluate achievement levels for students w tutors.	Continue to train/recruit tutors, mentors. Evaluate achievement levels for students w tutors.	Continue to train/recruit tutors & mentors. Evaluate achievement levels for students w tutors.	Continue to train/recruit tutors & mentors. Evaluate achievement levels for students w tutors.	(1) Increase of 25% in number of tutors & mentors in schools. (2) Pre- & post-testing to measure how students test scores have improved w tutoring/mentoring. (3) 80% success rate in helping students advance to level 3 proficiency.

Jobs and Economy Implementation Schedule

Education Implementation Schedule

	Who Does Work	2004	2005	2006	2007	2008	2009	2010	Beyond 2010	Other Measurements of Success
6	Commissioners, Schools Boards and administrators, DHR staff	Schools and DHR staff plan for increasing DHR teams in schools for 2005-06 budget.	Increased DHR teams are present in more schools in all systems.	Increased DHR teams are present in more schools in all systems.	Increased DHR teams are present in more schools in all systems.	Increased DHR teams are present in more schools in all systems. Evaluation of improvements in achievement scores and student involvement w DHR teams.	Increased DHR teams are present in more schools in all systems. Evaluation of improvements in achievement scores and student involvement w DHR teams.	Increased DHR teams are present in more schools in all systems. Evaluation of improvements in achievement scores and student involvement w DHR teams.	Increased DHR teams are present in more schools in all systems. Evaluation of improvements in achievement scores and student involvement w DHR teams.	(1) Improved school attendance by at-risk students. (2) Lowered high school dropout rates. (3) Increased parental involvement with schools & their student's education. (4) Decrease in disciplinary actions. (5) Increase in healthy behaviors, such as nutrition, smoking cessation, abstinence from alcohol and drug use.
7	School administrators, Career-Technical Education Directors, principals; business leaders	School officials plan specifics of accomplishing this strategy in 2004-05 school year. Complete local funding for "Future for Kids" effort.	Increased learning options implemented in 2005-06 academic year.	Establish summer institute in summer 2006.	Continue effort to provide varied learning settings for students.	Continue effort to provide varied learning settings for students.	Continue effort to provide varied learning settings for students. Evaluate success of these strategies in reducing dropout rates & increasing HS graduation rates.	Continue effort to provide varied learning settings for students. Evaluate success of these strategies in reducing dropout rates & increasing HS graduation rates.	Continue effort to provide varied learning settings for students. Evaluate success of these strategies in reducing dropout rates & increasing HS graduation rates.	Other Measurements of Success (1) Varied learning pathways will decrease school dropout rates. (2) Increase in graduation rates for students who participate in programs w varied learning paths.
8	Commissioners, Schools Boards & administrators	Budget planning to implement initial increase in 2005-06.	Increase supplement to 8% of base salary.	Increase supplement to 9% of base salary.	Increase supplement to 10% of base salary.	Increase supplement to 11% of base salary. Monitor to maintain position in top 5% of schools.	Increase supplement to 12% of base salary.	Monitor and adjust supplement to maintain position in top 5% of schools.	Monitor and adjust supplement to maintain position in top 5% of schools.	Other Measurements of Success (1) Evaluate the systems' success at recruiting/retaining teachers.
9	Board of County Commissioners, School Boards, business and community leaders	Political persuasion & determination so County/ school budgets for FY2005-06 include additional funding for schools.	Begin increased local funding for education to improve student outcomes.	Continued increased local funding for schools.	Continued increased local funding for schools.	Continued increased local funding for schools; objective evaluation of effect of increased local funding on student achievement levels.	Continued increased local funding for schools.	Continued increased local funding for schools.	Continued increased local funding for schools; complete thorough evaluation of effect of increased local funding on student achievement levels.	Other Measurements of Success (1) Increased student achievement levels. (2) Long-term improvement in skills and education levels of workforce. (3) Higher value placed on education by entire community.

JOBS
AND THE
ECONOMY

Acknowledgements

The following individuals served on the FORESIGHT Jobs and Economy Task Force:

Sandy Lyons, Chair
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Introduction

Recent employment trends verify that Catawba County and the Greater Hickory region are facing its worse economic crisis since the 1970s. Thousands of manufacturing and service sector jobs have been lost since first quarter 2001. After analyzing the data, the FORESIGHT Steering Committee chose “Jobs and Economy” as one of four Task Forces formed to develop innovative solutions to Catawba County’s economic problems. The Foresight Steering Committee charged the Task Force with its mission statement.

Mission Statement

Create a vision and develop a seven-year strategic plan capable of achieving sustained economic growth and new employment opportunities for our region.

The plan must be actionable and measurable.

It should include but is not limited to:

- Evaluation of the future viability and health of existing industries
- Preservation and growth of existing industries and jobs considered viable
- Identification of new, diverse, desirable industries/businesses
- Workforce education and diversification
- A plan for the recruitment and/or creation of new business entities in our region
- Include analysis and recommendations for:
 - Marketing
 - Infrastructure needs
 - Staffing
 - Regionalism (cooperation within our MSA)

Things to consider:

- What impact could or should the existing agencies involved in economic development have on the strategic plan?
- Economic incentives for recruitment of new business investment
- Evaluate the impact on the tax base – both short & long term
- Determine the opportunity cost associated with recruiting or not recruiting new businesses to the area
- Development of a communication plan designed to inform & garner support from the community
- Nurture/drive the Entrepreneurial Spirit of the region
- An awareness of the impact on Quality of Life

Metrics:

The Task Force is responsible for developing the metrics required to measure the success of the strategic plan.

Examples of metrics that may be included:

- Job growth equal to or better than the rate of job growth in the State.
- Unemployment at or below the State average.
- Gain in per capita income and wages equal to or greater than the State average.
- A measure of economic competitiveness relative to the State, Nation & internationally.

Task Force Process

The following is a summary of the process used in developing the Task Force report:

- In February and March 2003 the Task Force reviewed and discussed the data contained in Foresight Data Book.
- In April the Task Force received status reports from Catawba County Chamber, the Catawba County Economic Development Corporation (EDC), and Future Forward on ongoing economic recovery efforts in Catawba County.
- In May the Task Force developed the Vision Statement for the final report as well as goals for economic development and job creation in Catawba County.
- In June the Task Force discussed action plans for the economic development goals.
- In July the Task Force discussed action plans for the job creation goals. The Task Force was also presented a preliminary report of the Catawba County Industry Growth Analysis.
- In August the Task Force created a template to be used in the final report and discussed more results from the Catawba County Industry Growth Analysis.
- In September 2003 the Task Force reviewed the body of the final report.

Outline of Report

The following report is a culmination of the Task Force's efforts in generating strategies to transition the County from a place where jobs are being lost to an area that is prosperous with employment growth, while at the same time preserving Catawba County's quality of life. The body of the report is separated into four sections. In Section 1, the problem statement analyzes the current economic crisis facing Catawba County and the Greater Hickory region. Section 2 includes the Task Force's vision of economic prosperity for Catawba County and states four goals for achieving sustained economic development and four goals for achieving job creation. Section 3 consists of action plans for the economic development goals and job creation goals. Each plan contains specific measurements or "metrics" which will be used to determine the success of each goal. The final section (Section 4) of the report describes the pilot study results of the Catawba County Industry Growth Analysis. The model compares employment and wages of current industries in Catawba County, as well as potential new industries that could move to Catawba County, with ten-year US industry employment and output projections.

Problem Statement

Between first quarter 1990 and first quarter 2001, Catawba County's employment base grew from 83,469 to 100,148, with an average unemployment rate of 3.7%. These 16,679 new jobs occurred in a variety of manufacturing and service sectors. Since first quarter 2001, however, Catawba County has suffered tremendous economic stress. According to data from the North Carolina Employment Security Commission (ESC), between first quarter 2001 and first quarter 2003 Catawba County lost a total of 12,601, or 12.5% percent of all jobs in the County. These job losses caused the County's unemployment rate to rise to 10.5% of the workforce.

The manufacturing sector, which in the past has been a strong component of Catawba County's economy, has been particularly hard hit by the recent economic downturn. Employment data indicates a loss of 9,701, or 22.9% of all manufacturing jobs in Catawba County since first quarter 2001. Four manufacturing sectors that have suffered the worse losses include apparel, optical and coaxial cable, furniture and textiles.

The rest of the Greater Hickory area (Alexander, Burke and Caldwell Counties) has not fared any better during the current recession. Data from ESC shows that for the entire four county region, after growing 22,922 jobs between first quarter 1990 and first quarter 2001, with an average unemployment rate of 3.9%, the region lost 19,717 jobs between first quarter 2001 and first quarter 2003 with an unemployment rates as high as 10.1%. Manufacturing employment in the Greater Hickory area decreased by 14,982 jobs between first quarter 2001 and first quarter 2003.

There are a number of factors explaining the region's job losses. The weaker economy has lowered demand for goods produced in local factories. Foreign competition has also impacted several industries in Greater Hickory. Many companies that made products in the region 10 years ago are now making their products overseas where labor costs are much lower and environmental regulations are not as stringent as in the United States. The devaluation of Chinese currency has also hurt American companies attempting to export their goods to China, while making Chinese produced goods cheaper in the United States. A lack of enforcement of existing trade laws also appears to be a factor in the region's loss of manufacturing jobs.

Based on these continuing factors, a number of manufacturing jobs in the Greater Hickory area are still at risk. Conservatively speaking, at least 45,000 jobs in Catawba County and the rest of the Greater Hickory area are in industries that are on the decline regionally and in the United States. It is safe to assume that some, if not many, of these "at risk" jobs will be lost forever over the next 7 years placing even more stress on the region's economy.

The weak US economy and our region's recent job losses are having a ripple effect on other aspects of the local economy. Retail sales in Catawba County have fallen 6.1% from \$2.453 Billion in FY 2000-01 to \$2.300 Billion in FY 2001-02. Even Catawba County's tourism industry has been affected by the recent economic recession. Statistics from the North Carolina Department Commerce shows that tourism revenue in Catawba County has fallen 11.0% from \$184.2 million in 2000 to \$163.9 million 2002.

The FORESIGHT Steering Committee and the Jobs and Economy Task Force recognize the urgent need to begin to improve economic conditions in Catawba County. The Task Force's vision statement and action plans lay out a course for positive economic change for Catawba County. In the short term, the emphasis will be placed on marketing the "Greater Hickory Metro" area to promote recreation and tourism in Catawba County. Examples of short term solutions include a calendar of events in Greater Hickory, creation of a "one stop" web site with all pertinent information about Greater Hickory and the creation of "Greater Hickory Golf Packages."

Long term economic solutions for Catawba County involve recruiting higher paying, fast growing industries which are less susceptible to job layoffs and will improve the standard of living for the County's residents. The Catawba County Industry Growth Analysis can help to locate these industries, as well as identifying gaps between the existing labor force and the skills required in high growth, high wage manufacturing and service sectors. A Catawba County "Venture Capital Group" and the development of incentive packages for high growth, high wage industries should also help attract new industries to the area. Other longer-term solutions include building retirement communities and improving the area's infrastructure.

Vision Statement

Our vision is for the creation of sustained economic growth and a sequential net increase in employment within our region over the next seven years while at the same time maintaining the atmosphere of community and family as well as the quality of life we currently enjoy.

The Plan of Execution

The plan presented by this Task Force to achieve the vision has been broken into two categories – “Sustained Economic Development” and “Job Creation”.

The top four goals within each of these categories have been selected by the Task Force from a combined list of fifty-one goals and detailed as to:

- 1) What is the goal?
- 2) What is the plan to achieve the goal?
- 3) Ways to finance the plan?
- 4) Who does the work to accomplish the goal?
- 5) How is success measured?

The primary areas of focus are:

- 1) Attracting new manufacturing and non-manufacturing operations.
- 2) Recruiting businesses and industries that complement our strengths in the retail and medical sectors.
- 3) Developing an institution of higher learning (i.e. 4-year state university).
- 4) Developing a public-private partnership to leverage economic assets.

The Task Force made 19 other suggestions for economic focus in Catawba County. These ideas can be found in Appendix A on page 39.

Goals for Achieving Sustained Economic Development

The four goals for achieving sustained economic growth that the Task Force will address in further detail are:

- 1) Establish Hickory and Catawba County as the “Hub of the Piedmont.” The County should become a base of activity and events year-round.
- 2) Packaging natural resources and facilities for tourism. These would include, but would not be limited to, hiking, boating, golf, outdoor adventure parks, sports arena, and auto racing.
- 3) Build retirement communities through tourism, real estate and other allied industries.

- 4) Diversify Greater Hickory's economic base by identifying faster growing, better paying industries and providing financial assistance to businesses and entrepreneurs, through private and public entities, to bring them to our area.

Detailed plans for each of the four goals for achieving sustained economic development begin on page 7. The Task Force made 21 other suggestions for sustained economic development in Catawba County beyond the top 4 ideas is located in Appendix B on page 40.

Goals for Job Creation

The four goals for job creation in Catawba County that the Task Force will address in further detail are:

- 1) Job creation through an enhanced infrastructure and transportation network.
- 2) Determine the viability of establishing a four-year state-supported university in "Greater Hickory."
- 3) Providing incentives to attract new businesses.
- 4) Define and close the "gaps" – e.g. education/training of existing workforce for potential growth industries.

Detailed plans for each of the four goals for job creation begin on page 18. The Task Force proposed 22 other initiatives for Job Creation in Catawba County. These ideas can be seen in Appendix C on page 41.

Plans to Achieve Economic Development Goals

The following section includes detailed plans of the top four economic development goals as defined by the Jobs and Economy Task Force. Included in the plans are measurements to determine the effectiveness of the plans on improving the region's economic health. Progress made on each plan will be analyzed and documented by the County on a yearly basis.

Economic Development Goal 1:

Establish Hickory and Catawba County as the “Hub of the Piedmont.” The County should become a base of activity and events year-round.

1. What is the goal?

To create a “Greater Hickory” that is the center of educational, medical, retail, senior citizen and tourism activities. Greater Hickory would thus become a year round event magnet-a place where something is always going on.

2A. Plan to achieve the goal

- 1) Create a “brand name” for the area such as “Greater Hickory.”
- 2) Produce a marketing campaign that promotes Greater Hickory by acknowledging its centrality for many reasons including business centrality to related industries, tourism connectivity, big city proximity and highway and rail interconnectivity.
- 3) Establish a year-round Greater Hickory events calendar with a greater variety of festivals, concerts, sporting events and exhibitions to attract more visitors to the Metro area. All four counties would be encouraged to coordinate their activities for maximum benefit.
- 4) Put a plan in place to make Greater Hickory more convention friendly.
- 5) Make the proposed Hickory multi-purpose complex a reality.
- 6) Make the Hickory Airport viable with multiple flights by commercial carriers to improve interconnectivity of Greater Hickory to neighboring areas.
- 7) Play up our NASCAR ties by using Dale Jarrett as a spokesperson for Greater Hickory as well as establishing more NASCAR related events to attract visitors.
- 8) Establish Greater Hickory as a medical specialty center to attract new businesses and baby boomers.
- 9) Establish Greater Hickory as an educational center by offering programs that are unique to the surrounding area. Creating a four-year state supported university or other educational apparatus beyond the Hickory Metro Higher Education Center such as an industrial/medical research park should help accomplish this task.
- 10) Through better marketing, incentives and promotional activities make Greater Hickory more attractive for new businesses to start up and for existing businesses to relocate.

- 11) Create a “one-stop” website with all pertinent information about Greater Hickory including the events calendar, business information on so on. The current hickorymetro.com site could become a starting point for this effort.
- 12) Improve marketing of the area through newspaper, radio and television-perhaps even creating a network affiliate station (ABC, NBC, FOX) in Hickory.
- 13) Through better packaging portray Greater Hickory as a tourism “base camp” for daytrips to the mountains or other nearby destinations.

2B. Ways to finance the plan

The plan will obviously need to be financed through a combination of government and private funding. Some events could be entirely paid for by the private sector while other endeavors will need seed money through federal, state and local sources. Some suggestions for public financing include bond packages, government grants and taxes/fees on prepared food, cigarettes, alcohol and hotel occupancy.

3. Who does the work to accomplish the goal?

- 1) The Catawba County EDC would focus on packaging for manufacturers and non-manufacturers while the Hickory Metro Convention and Visitors Bureau would allocate resources to the tourism side of the plan. These agencies would work with the Catawba County Chamber, Western Piedmont Council of Governments (WPCOG), local governments and private companies to better coordinate and implement the plan.
- 2) A “blue ribbon committee” of the entities listed above should be created to focus on economic and marketing issues facing Greater Hickory. Ideally it should include Alexander, Burke and Caldwell Counties, but until they are on board Catawba County should go ahead and form the partnership.
- 3) A small “movers and shakers” group of 5 or 6 of the most influential persons in Catawba County should be created to discuss and develop solutions for problems facing Greater Hickory.

4. How to Measure Success

Qualitative measurement of success:

Hickory is recognized throughout the United States for its good business climate, centrality to larger urban centers and for its cultural, shopping and sports attractions and activities while maintaining its standing as a good place to live, work, play and raise a family.

Quantitative measurements of success:

- 1) By 2010 “Greater Hickory” has at least 4 major sporting and cultural events per year such as the Greater Hickory Golf Classic.
- 2) Year-round calendar of events posted on area websites and seen on major media outlets.
- 3) Greater Hickory is on the road to establish a four-year university and/or an industrial and/or medical research park by having a viable feasibility study completed.

- 4) Greater Hickory and Catawba County's unemployment rate drops below 5%.
- 5) Average weekly wages in Catawba County are growing at least 2% above the inflation rate.
- 6) Greater Hickory and Catawba County job creation is growing by at least more than the state average and ideally more than double the state average.
- 7) Greater Hickory and Catawba County business creation and expansion is more than the state average and ideally is more than double the state average.
- 8) Growth in hotel occupancy in Greater Hickory and Catawba County should grow by at least more than the state average and ideally more than double the state average.
- 9) Tourism payrolls for Greater Hickory and Catawba County should grow by at least more than the state average and ideally more than double the state average.
- 10) Greater Hickory and Catawba County retail sales should be growing at least 3% per year.
- 11) Sales and occupancy tax collections should grow by at least 3% per year.
- 12) The number of hits on the "greaterhickory.com" web site should double by 2010.
- 13) Educational attainment ranking should improve from worst in the state in 2000 to no worse than sixth in 2010.
- 14) The Hickory Airport has commercial airline service.
- 15) Multi-sport complex is built and is being used for events year round.
- 16) Construction of an upscale hotel with adequate meeting facilities such as Winston-Salem or Greensboro.

Economic Development Goal 2:

Package natural resources and facilities for tourism. These would include, but would not be limited to, hiking, boating, golf, outdoor adventure parks, sports arena and auto racing.

1. What is the goal?

To establish Greater Hickory as a destination for tourists by developing a strategy that proactively takes advantage of, or “packages” the area’s heritage, its natural resources, its meeting and sports facilities, and its regional proximity to Charlotte, “the Mountains” and the Piedmont Triad.

2A. Plan to achieve the goal

To achieve the goal, marketing plans will need to be established for targeted audiences to market “Greater Hickory’s” natural resources and facilities. Some possibilities include:

- 1) Establish hiking weekends at Baker’s Mountain or River Bend Park.
- 2) Create a “Craftsmen of Greater Hickory Tour”: visits to basket weavers, potters and wood carvers.
- 3) Create a “Greater Hickory Heritage Tour”: visits to Murray’s Mill, Bunker Hill covered bridge, Hart’s Square, Catawba County History Museum, Hickory Speedway, Valdese/Waldensian story, Fort Defiance and other historic and cultural venues.
- 4) Use Greater Hickory as a jumping off point for a “Trail of Tears Tour” including trips to Cherokee and the “Unto These Hills” play.
- 5) Use Greater Hickory as a starting place for a “Discover Western North Carolina Tour” including trips to Asheville, Blowing Rock, Boone and the Blue Ridge Parkway.
- 6) Package trips from “Greater Hickory” to the Biltmore House emphasizing the regional proximity of Asheville to Hickory.
- 7) Package trips from “Greater Hickory” to Old Salem emphasizing the regional proximity of Hickory to Winston-Salem and the Piedmont Triad.
- 8) Create a “Greater Hickory and Beyond Winery Tour”: visits to Asheville, Valdese and Winston-Salem.
- 9) Promote the region’s furniture heritage by creating a “Greater Hickory Furniture Tour.” Visitors would be taken to the “Greater Hickory Furniture Museum” which would allow for hands on interaction as well as historic furniture displays outlying the evolution of furniture making in the United States and its mark on the heritage of the Greater Hickory area. The museum would also include a section on how furniture is currently made. Visitors would also be taken to local furniture shops and other retail outlets.
- 10) Create a “Greater Hickory NASCAR Wheels Tour.” Visitors would be taken to local racecar driver’s museums and souvenir shops. The Hickory Speedway could also be used a site for the Richard Petty Driving Experience or similar “learn how to drive a

racecar” programs. Packages could also include trips to races in Bristol, Tennessee, Charlotte, Martinsville, Virginia and Rockingham.

- 11) Create a “Greater Hickory Transportation Tour”-visitors would be taken to a new museum at the railroad depot in Hickory or Newton, learn about the horse-drawn buggies in Conover and Greater Hickory’s auto racing heritage.
- 12) Create a “Nature Package” that promote’s Greater Hickory’s climate and its proximity to lakes, mountains, national and state forests and historic rivers to attract bikers, bird watchers, boaters, campers, hikers, paddlers and the like.
- 13) Develop activities associated with racing with a strong tie-in to NASCAR. Greater Hickory would thus become a stop on the NASBIKE, NASRUN, NASBOAT or NASCANOE tours.
- 14) Create “Greater Hickory Golf Packages” while integrating the Greater Hickory Golf Classic into the “Hickory” brand.
- 15) Create an annual outdoor festival for which Hickory would gain national recognition similar to Merlefest or the Highland Games on Grandfather Mountain.
- 16) Promote existing sports and recreational tournaments while encouraging new sporting/recreational events to come to the Hickory area. This would most likely require a new venue such as an arena complex to house large sporting events.
- 17) Besides promoting packages, the TDA should support a unified telephone book for “Greater Hickory” so that all tourism related businesses could advertise in the area as a whole.

2B. Ways to finance the plan

A combination of private and public sector funding will be required to meet the goal. A private/public partnership should be developed to market the area. New commercial developments would be paid for by the private sector. Public financing suggestions include increased occupancy taxes and a 1% increase of the prepared food tax. Fees could also be collected from various attractions in the area or for special sporting events. Some incentives should also be considered to attract new tourist related businesses to the area.

Ideally all four counties in the Hickory area would buy-in to make the goal more easily obtainable by unifying marketing packages whenever possible. The plan should start with Catawba County and then expand regionally.

3. Who does the work to accomplish the goal?

- 1) Public/private recreational, sporting and other attractions working together to offer tours and displaying exhibits during special events. Schools and colleges would also work together to coordinate regional events.
- 2) Use the current Tourism Board to create and market tourism packages, or
- 3) A board or committee consisting of local/regional governments, EDC’s, Hickory Metro Convention and Visitors Bureau, retailers, furniture companies and private investors that could establish and handle the budget for cross-regional action/implementation team. Consultants may need to be called in to better promote the area.

- 4) Use the Greater Hickory Golf Classic as a way to promote the area through TV advertisements.
- 5) Use the PGA and Don Beaver in helping to promote golf packages in the area.
- 6) Use Dale Jarrett as a spokesperson for racing and golf events in the area. Also consider sponsorship for events from other organizations such as the Jaycees or Rotary.

4. How to Measure Success

Qualitative measurement of success:

Using the area's resources for tourism helps to create a balanced economy through growth of business and industry, heritage tours, recreational opportunities and medical and retirement centers. Hickory would become an "Eventful Place to Visit" with a series of first class "Hickory" branded annual events that would grow in quality, popularity and profitability year after year as well as increase in "on your own" outdoor activities. The public would also become more aware of the importance of the hospitality industry to the "Greater Hickory" area.

Quantitative measurements of success:

- 1) Greater Hickory and Catawba County retail sales should be growing at least 3% per year.
- 2) Sales and occupancy tax collections should grow by at least 3% per year.
- 3) Hotel occupancy should grow by at least more than the state average and ideally more than double the state average.
- 4) Tourism payrolls should grow by least more than the state average and ideally more than double the state average.
- 5) Tourism-related job creation is more than the state average and ideally is more than double the state average.
- 6) A least a 10% increase in tourism related revenues from 2004 to 2010.
- 7) Average length of hotel stay would increase to 2 nights by 2010.
- 8) By 2010 a minimum of 10,000 passengers per year should be using commercial airline service at the Hickory Airport, followed by 3% yearly growth thereafter.
- 9) Year-round full schedule of events in the Greater Hickory area.
- 10)By 2010, "Greater Hickory" has at least 4 major sporting and cultural events per year such as the Greater Hickory Golf Classic.
- 11)At least 2% yearly growth in attendance and revenue to special events.

Economic Development Goal 3:

Build retirement communities through tourism, real estate and other allied industries.

1. What is the goal?

Make “Greater Hickory” the “choice retirement market” rivaling communities in Arizona, Asheville, Florida, Myrtle Beach and Pinehurst. The retirement communities and related services should not only be attractive to incoming retirees from other locations, but should also be available and affordable to persons currently residing in Greater Hickory.

2A. Plan to achieve the goal

The goal would be accomplished by developing a unified marketing campaign with the recreational, medical, real estate, tourism and other related industries to bring in retirees in a similar fashion to attracting tourists. Some ideas to be incorporated in the marketing plan include:

- 1) Sell the “quality of life” factor to retirees including the area’s natural resources (lakes, rivers, forests etc.) shopping, medical services and also less traffic congestion than Asheville or Myrtle Beach.
- 2) Sell the area’s proximity to neighboring markets such as Asheville, Boone, Charlotte and Winston-Salem.
- 3) Building affordable elderly housing with amenities attractive to retirees.
- 4) Specialized programs for the elderly including recreational opportunities and cultural programming.
- 5) Lobby the North Carolina legislature to lower corporate/individual tax rates to attract retirees to the area.

2B. Ways to finance the plan

The plan should ensure that resources (e.g. medical, recreational and real estate) are available for retirees through a cooperative marketing effort with the different entities sharing the costs of advertising. Other funding options include:

- 1) Seek out grants from the federal government and with specialty interest groups such as NASCAR or the PGA.
- 2) Public/private partnerships to stimulate growth.
- 3) Private investment with support from area churches and organizations that already have nursing homes.

3. Who does the work to accomplish the goal?

- 1) Create a board of citizens or a committee whose goal is to develop a retiree marketing campaign. Members would consist of local and regional governments, EDC's, the CVB, private investors and real estate organizations.
- 2) Private developers investing in real estate and allied industries.
- 3) Leverage subject matter experts in key business and/or government areas to assist in developing, implementing and overseeing the plan.
- 4) Private investors, local churches, city and county officials working together to expand and facilitate the construction of retirement developments as well as providing assistance in navigating state and local rules and regulations.

5. How to Measure Success

Qualitative measurement of success:

Greater Hickory has retirement communities that the area can take pride in. Retirees have access to the life they had before retirement (golf, transportation, local functions and hospital care) while making contributions to the community through creativity, entrepreneurship and volunteer work.

Quantitative measurements of success:

- 1) Double the number of persons over 65 who migrate to Catawba County between 2005 and 2010 compared to the period from 1995 to 2000.
- 2) Yearly growth in building permit activity exceeds the state average by 2010.
- 3) Sales, property and occupancy tax collections should grow by at least 3% per year.
- 4) Business and job creation related to the elderly industry is more than the state average and ideally is more than double the state average.
- 5) A 25% increase in cultural and recreational opportunities for the elderly.
- 6) A least 4% yearly growth in real estate sales by 2010.
- 7) Establish a seven-year growth plan with an increase in target services to the elderly.
- 8) At least a 25% increase in the number of facilities and hospital services offered to the elderly.

Economic Development Goal 4:

Diversify Greater Hickory’s economic base by identifying faster growing, better paying industries and providing financial assistance to businesses and entrepreneurs, through private and public entities, to bring them to our area.

1. What is the goal?

To have adequate financial assistance available in order to create an attractive environment for new business development and entrepreneurship whereby new high growth, high profit, high pay businesses will locate in Greater Hickory. The funding would be used to broaden the economic base to include more manufacturing, non-manufacturing, recreation/sports, tourism, medical, technology and retirement related industries while promoting local entrepreneurship.

2A. Plan to achieve the goal

The plan should be data driven that identifies target business areas and specific industries that meet established criteria in areas described in the goal. Parts of the plan would include:

- 1) An investigation and benchmarking of successes from other states and communities that applies to the current situation.
- 2) Retraining of laid-off workers to match targeted businesses.
- 3) An increase in private sector venture and mezzanine financing availability.
- 4) Local banks forming a consortium to spread risks and provide financing packages. They should offer sizable tax-exempt municipal financing.
- 5) The EDC and private investors with the help of local banks pooling their resources together.
- 6) The creation of a local Venture Capital Fund from private sources designed for establishing target businesses in our area.
- 7) A “most favored business” agreement for the Venture Capital Fund’s “target businesses” with the City, County & State to ensure the best possible deal on land, utilities, taxes, infrastructure and employee training without roadblocks or lengthy negotiations.

2B. Ways to finance the plan

The local Venture Capital Fund would be paid for by private sources. Some suggestions to increase public sector funding for economic development include:

- 1) Ask for federal assistance due to our manufacturing decline.
- 2) Lobby the state to increase tobacco tax with rebates to counties in need of economic development funding.
- 3) Lobby the state to pass a lottery for economic development funding support.
- 4) Grants and incentives for start-ups or expansion of existing businesses.

- 5) Lobby county commissioners and municipalities to put more economic development funding into their budgets.

3. Who does the work to accomplish the goal?

- 1) A committee consisting of EDA, EDC, Hickory Metro CVB, state representatives, Chamber, local governments, local banks and private financiers.
- 2) The EDC would be the program sponsor in charge of establishing the program, recruiting the Venture Capital Fund's money and gaining the "most favored business" status agreements. One implementation strategy is to use some of the fund's money to hire a small number of highly qualified staff to help run the fund.
- 3) The fund could also be run via a public/private partnership.

4. How to Measure Success

Qualitative measurement of success:

Greater Hickory has the resources in place to attract "targeted businesses" such as medical industries currently in Canada or New York or software companies in California. New industries would also be brought in that would support current industry in the area. The venture capital funding would help to balance and improve the quality of the region's economy while maintaining the area's quality of life.

Quantitative measurements of success:

- 1) A new commission is in place by 2005 with a budget to seek more economic development.
- 2) Sustained increase in available economic development funds over a seven-year period.
- 3) Securing the "most favored business" with all appropriate public entities based on established criteria.
- 4) Establishment of the "Catawba County Venture Capital Fund."
- 5) A minimum of one successful, ongoing new business established in our region each year by the new venture capital fund.
- 6) Greater Hickory and Catawba County's unemployment rate drops below 5%.
- 7) Business and job creation is more than the state average and ideally is more than double the state average.
- 8) Sales and property tax collections should grow by at least 3% per year.

Plans to Achieve Job Creation Goals

The following section includes detail plans of the top four job creation goals as defined by the Jobs and Economy Task Force. Included in the plans are measurements to determine the effectiveness of the plans in improving the region's economic health. Progress made on each plan will be analyzed and documented on a yearly basis.

Job Creation Goal 1:

Job creation through an enhanced infrastructure and transportation network

1. What is the goal?

Part A-Infrastructure including water/sewer:

Develop a framework for the development of County, if not regional cooperation in infrastructure similar to the MPO/RPO process to achieve job growth through a well-developed network of services for business and industrial parks, multi-jurisdictional opportunities for investment by the public and private sector, and economic development financing (tax-incremental financing) to spur private and public investment.

Part B-Transportation Network:

To create a plan for rapid and distance transit to "Greater Hickory" that includes air, rail and highway for the purpose of attracting businesses, tourism and new residents. The plan would develop a regional transportation network/system in our area. This system would make Greater Hickory more easily accessible to outlying areas like Asheville, Charlotte, Greensboro and Greenville/Spartanburg, SC. The transportation network would thus position "Greater Hickory" as a potential "satellite/bedroom community" for these larger cities and enable the region to reap the economic benefits associated with servicing this "bedroom community."

2A. Plan to achieve the goal

The process would begin by engaging local business and government leaders to commission a study/feasibility plan that would lead to a recommended action plan. The top infrastructure and transportation needs for "Greater Hickory" would be determined by the feasibility study. Some different elements to be considered in the feasibility study include:

- A. Air – establish the Hickory Regional Airport as a viable, jet serviced, public facility linked to one or more major cities – to include Atlanta, Chicago, Washington D.C., and/or Philadelphia. The anchor airline should be a carrier other than US Airways to ensure success vs. Charlotte. The new airline should be promoted to people in the Charlotte area as a cheaper alternative to flying US Air out of Charlotte, but with a driving distance much closer than the Greenville, SC or Greensboro airports.
- B. Rail – participate in a frequent and dependable commuter/tourist friendly rail system linking major cities within NC. The system would begin by utilizing existing rail right-of-way and carriers – e.g. – Amtrak and NCRR. The plan would also call for the

economic study and implementation of system upgrades and expansion by the NC railroad authorities as profitable usage dictates.

- C. Highway – accelerate the completion of the East/NE Hickory loop, the NC 16 corridor, and (to the best of our political ability) the West/NW I-485 loop.

The most critical projects would receive a “Most Favored Infrastructure Project” or MFIP rating (similar to Most Favored Nation or MFN) and would thus receive extra attention to make sure they are accomplished expeditiously.

2B. Ways to finance the plan

The projects would be financed mostly through a combination of federal and state funding. Some local funds may also be required. An aggressive lobbying campaign to state and national legislators will thus be required to accomplish the goal. The passage of the Coldfelter (Economic Development Financing) bill for NC counties could also help provide some of the funding needed to accomplish the plan.

3. Who does the work to accomplish the goal?

To a greater or lesser degree this work is already underway by the appropriate public sector organizations within the County (EDC, City of Hickory, Catawba County Government, Unifour Metropolitan Planning Organization and Unifour Rural Planning Organization). It is the recommendation of this Task Force that the focus in this area be dramatically increased and accelerated. Support from local business leaders is also essential. A committee formed out of the FORESIGHT Leadership and Political Action Task Force could also be helpful in lobbying efforts with members of the state legislative delegation.

4. How to Measure Success

Qualitative measurement of success:

By 2010, Greater Hickory has a fully integrated and functional transportation system that includes air, rail and highway, which provide a dramatically improved capability of moving people to and from our region and is designed with future scalability in mind.

Quantitative measurements of success:

- 1) The multi-phased action plan is underway by no later by January 2005.
- 2) Within seven years, the NCDOT accelerates the building schedule/funding of major projects in the area by 25%. This would include airport access, railway, and bridge/highway system improvements.
- 3) By December 2004, the Hickory Airport should a major airline (such as Delta, United or American) as an anchor tenant.
- 4) Hickory should be serviced daily by Amtrak to Asheville and Salisbury by 2007 (current NCDOT plan).

- 5) Passage of any potential infrastructure bond referendum with voter turnout higher than the state average.
- 6) A 10% increase in commuting to Catawba County in the 2010 Census compared to the number of commuters in the 2000 Census.
- 7) A 10% increase in paved road mileage between 2003 and 2010.
- 8) Business and job creation is more than the state average and ideally is more than double the state average.

Job Creation Goal 2:

Initiate a feasibility study to determine the viability of establishing a four-year state-supported university in “Greater Hickory.”

1. What is the goal?

Lobby all pertinent parties such as education foundations and the state legislature in order to establish a 4-year public-supported university in “Greater Hickory” for the purposes of job creation, building a strong economic base and increasing educational attainment. The four-year university would generate its own employment, plus support new and existing industries through research and training. The 4-year university would be independent but complementary of Lenoir-Rhyne College (L-R), Catawba Valley Community College (CVCC) and the Hickory Metro Higher Education Center.

2A. Plan to achieve the goal

The process would begin by lobbying state government and the state university system to underwrite a feasibility study of establishing a four-year public university in “Greater Hickory.” The Catawba County Chamber may be able to assist in the lobby effort. The feasibility study should focus on the following:

- 1) Could a four-year public university help to alleviate overcrowding at existing state university campuses?
- 2) Research on upcoming trends in what will be needed in terms of education required for new growth industries, for example, in the technology, engineering and medical/aging fields. Particularly look at degrees related to niche industries that no present programs serve. The study should also look at existing industry needs not being served by other programs in the region.
- 3) An analysis of previous university start-up efforts across the country.
- 4) An examination of several possible scenarios for creating the 4-year public university including:
 - a. Converting unoccupied buildings into school facilities.
 - b. Creating a branch of an existing university (for example, Appalachian State, Charlotte or Western Carolina).
 - c. Developing a new site off of US Highway 321 or Interstate 40.
- 5) The economic impact including job creation that a four-year public university would have on the “Greater Hickory” area.

2B. Ways to finance the plan

If the feasibility study shows the need for a four-year state supported university, the next step is figure out how to generate the necessary funds to establish the institution. Such an undertaking will most certainly require a tremendous amount of financial support from a variety of sources including the federal government, state government, local governments and private sources. The land/buildings for the university would have to be purchased unless

a land donation could be arranged. Other funding possibilities include bond referendums, grants, sales tax increases and tuition and fees for classes and university programs. A public/private partnership could also be formed that would be committed to establishing the university.

3. Who does the work to accomplish the goal?

A task force would be created to lobby in Raleigh for the four-year state-supported university. It should contain a cross section of business, government, education and private citizens. Suggestions for task force members include staff from ASU, Chamber, CVCC, EDC, local endowments, LR and WPCOG. Elected officials and local education leaders would also be considered as members of the task force. Leroy Lail, who currently serves on the UNC Board of Governors, could also be a valuable asset in obtaining a four-year state-supported university.

4. How to Measure Success

Qualitative measurement of success:

A four-year state university is established in "Greater Hickory" with a functional specialty that achieves growth and recognition in line with other NC state supported schools. The establishment of a four-year university, in turn, increases the importance of education to the community as well as providing stability during difficult economic times.

Quantitative measurements of success:

- 1) Feasibility study of the university should be completed no later than 2006.
- 2) If the feasibility study shows the need for a four-year university in "Greater Hickory", a plan to create a four-year state-supported university in "Greater Hickory" should be completed by no later than 2010.
- 3) By 2012 or 2013 the university would be established with its first graduates in at least 10 different disciplines by 2016 or 2017.
- 4) The university would eventually grow to at least 3,000 to 5,000 students with major research projects taking place by no later than 2020.
- 5) The university would employ at least 750 persons by 2015.
- 6) Another 500 jobs are created as a result of support businesses around the new university.
- 7) Educational attainment ranking for "Greater Hickory" should improve from worst in the state in 2000 to the top 50% of North Carolina MSAs by 2010.
- 8) Sales tax collections should grow by at least 3% per year.

Job Creation Goal 3:

Providing government tax incentives to attract new businesses.

1. What is the goal?

To utilize tax, land use, utility and other local and state government controlled incentives to make “Greater Hickory” the most competitive location for businesses and industries that Catawba County wishes to target. These incentives would increase the number of new industries and businesses moving to Catawba County in order to provide new jobs for its residents and improve the County’s tax base.

2A. Plan to achieve the goal

Other parts of the United States and Canada have extensive tax incentives plans. These plans are in part causing companies to locate outside the Greater Hickory area. As part of our drive to identify and recruit high pay and high growth businesses to our area, the industry growth plan will link the power of local governments to provide an array of incentives to ensure that Greater Hickory offers the most attractive package possible to targeted entities.

Determination of industries eligible for incentives:

Targets that Catawba County would actively pursue should be no less than the “best of the best.” These so called “Most Favored Industries” or MFI are in sectors that pay above the county wage, predicted to have positive employment growth in the future, and projected to have increasing revenues. It is assumed that the industries would bring high paying jobs to the area and would be less susceptible to cyclical declines as is occurring with several industries located in the County. A preliminary analysis of 69 manufacturing and service industries is included in the FORESIGHT Jobs and Economy Task Force report. More thorough research of all potential manufacturing and service growth industries would later be done in conjunction with the EDC, the Task Force, and beyond, when a local private sector venture capital group is established. Industries with “MFI” status would be eligible for tax incentives and other benefits.

Some possibilities for incentives include:

- 1) Special incentives for businesses that move into existing manufacturing or business sites, particularly those that have been vacant for over 24 months. These incentives would be determined on a case-by-case basis.
- 2) Special tax exempt status for expenditures to remodel an existing building or construct a new one. These incentives would be determined on a case-by-case basis.
- 3) Particular consideration for certain types of industries that are helping to protect the environment such as those building pollution control devices, or energy saving devices. These incentives would be determined on a case-by-case basis.
- 4) Assess certain new industry assets at a lower rate to decrease tax liability and to encourage larger investments.

- 5) Evaluate electricity and water usages by new industries. Consider rate reduction incentives to encourage new industry. These incentives would be determined on a case-by-case basis.
- 6) Provide incentives for companies who pay for continuing education for their workers. These incentives would be provided on a case-by-case basis.

2B. Ways to finance the plan

The bottom line with local incentives is that they are paid by current and future taxpayers and thus require a willingness to trade some of today's benefits for a brighter and sustainable tomorrow. Receiving better state incentives will require an aggressive lobbying campaign with federal and state officials that will also need the support of local business and government leaders. Other ideas to pay for incentives include tax increases on alcohol and/or cigarettes, or using receipts from a state lottery.

3. Who does the work to accomplish the goal?

- 1) A focus board or task force on the issue perhaps appointed by the County Commissioners and the EDC board.
- 2) An ongoing committee made of the 5 or 6 prominent business leaders in the community.
- 3) A team comprised of local and state political leaders along with local business leaders.
- 4) The WPCOG takes the lead role in completing the target industry analysis.

4. How to Measure Success

Qualitative measurement of success:

Successful recruitment and establishments of new businesses over the course of the next 7 years based on the proposed selection criteria and the incentives granted.

Quantitative measurements of success:

- 1) Not less than a 10% CAGR over the five year period commencing after inception of this initiative.
- 2) Funding assistance is available to persuade businesses to the Greater Hickory area.
- 3) Success is a minimum of 500 new jobs, three new industries introduced to the County, five new enterprises recruited based on the target industry analysis by 2010.
- 4) An overall reduction in unemployment by 50% (or less than 5%) by 2010.
- 5) Greater Hickory and Catawba County business creation and expansion is more than the state average and ideally is more than double the state average.
- 6) Sales and property tax collections should grow by at least 3% per year.
- 7) Yearly growth in nonresidential building permit activity exceeds the state average by 2010.

Job Creation Goal 4:

Define and close the “gaps” – e.g. education/training of existing workforce for potential growth industries.

1. What is the goal?

To identify and address (or eliminate) job skill weaknesses in order to create opportunities for improvement of Catawba County’s workforce that would increase the probability of attracting businesses/industries to “Greater Hickory.”

2A. Plan to achieve the goal?

The feasibility plan would first determine what opportunities exist among our current economic environment for job creation and assessing what unmet needs exist in our market by evaluating our current situation versus statistical norms—by example, if we have four coffee shops and most markets our size have seven, there exists the opportunity for three more shops—and many more jobs. This process will require an intense regional examination via GIS and other demographics looking at such factors as rooftops, traffic patterns, income levels, etc. for both manufacturing and service/retail opportunities. This part of the plan could also be intertwined with Catawba County Industry Growth Analysis described in sustained economic growth Goal 3.

The second part of feasibility plan would identify and develop solutions to reduce educational/training gaps between Catawba County’s workforce and the skills required in high growth, high paying industries. The process would begin by establishing and conducting a survey of educational needs by business or industry. CVCC and perhaps the Higher Education Center would then take the lead role in matching its workforce development programs with the skills needed in the fastest growing industries. Some classes could even be offered to adults at area public schools.

The Jobs and Economy Task Force, along with the Education Task Force, also supports the idea of encouraging persons of all ages to go beyond high school and get a 2 or 4 year degree, as many jobs in high growth, high paying industries will require such degrees. This idea could be promoted by selling the equation to the public that “education equals economic survival.”

2B. Ways to finance the plan

The feasibility study would most likely be funded by the State, the County, local municipalities, CVCC and/or the EDC. Federal and state grants could also be sought to complete work on the project. The implementation of the plan would come from varied state and local tax and bond revenues.

3. Who does the work to accomplish the goal?

1) Staff of the WPCOG Data Center would complete the feasibility study.

- 2) An alternative to the WPCOG is to hire consultants managed by a small cross regional task force comprised of government and business leaders.
- 3) Another alternative is to form a committee made of varied businesses along with the EDC, CVCC and WPCOG to that would complete the implementation.
- 4) CVCC and the Higher Education Center would play primary roles in workforce education and training.

4. How to Measure Success

Qualitative measurement of success:

The process identifies workforce “gaps” that were previously not known or recognized. The plan identifies needs in the current workforce and forecasts future needs. The market analysis also assists the County in recruiting manufacturing and non-manufacturing to “Greater Hickory.”

Quantitative measurements of success:

- 1) A fully developed plan is completed assessing job creation opportunities in retail, service and manufacturing areas.
- 2) The plan also includes an exhaustive list of gaps with corresponding action plans to address the gaps.
- 3) The process helps to bring in 10 new employers (who will hire at least 50 workers each) to area by 2010.
- 4) Greater Hickory and Catawba County business creation and expansion is more than the state average and ideally is more than double the state average.
- 5) Catawba County educational attainment levels improve by 25% between 2000 and 2010. Educational attainment ranking for the Hickory MSA should improve from worst in the state in 2000 to no worse than sixth in 2010.
- 6) The number of workers completing retraining programs should grow by 25% between 2003 and 2010.

Catawba County Industry Growth Analysis

The Catawba County Industry Growth Analysis identifies industries paying above the County's average weekly wage that are expected to grow nationally over the next ten years. These industries may be currently present in Catawba County, or could potentially come to the area (i.e., drug manufacturing). As stated under Goal 3 of the Jobs and Economy Task Force action plan for achieving sustained economic growth (create new sources of economic development funding in Catawba County), these "most favored industries" would become targets for economic development and might be eligible to receive incentives to attract them to Catawba County. The results could also be used for achieving job creation Goal 4 (analyzing "gaps" in education/training of existing workforce to potential growth industries).

Industries that pay below the County average and are expected to decline over the next ten years would not be considered as economic development targets. These industries have the potential to lay off workers and may not increase the overall standard of living of the County's residents.

For the pilot project, a total of 33 manufacturing sectors and 36 service sectors were selected. A more comprehensive study is needed to examine all possible industries that could locate in Catawba County. Currently the model does not take into account any environmental indicators nor does it connect the existing skills of the County's workforce with job requirements of potential growth industries to the County. This analysis would be needed to fully meet sustained economic growth Goal 3 and job creation Goal 4.

Table 1 (page 27) shows the size of a particular manufacturing industry in Catawba County, its wages compared to the County average and its potential employment growth over the next 10 years (as projected by the Bureau of Labor Statistics). Table 2 (page 31) shows the size of a particular service industry in Catawba County, its wages compared to the County average and its potential growth over the next 10 years. Industries that are in the "Green" zone, such as computer and electronic equipment manufacturing, pay workers above the average County weekly wage and are expected to grow nationally over the next ten years. Industries that are in the "Red" zone, such as textile mill products, pay below the average County wage and are expected to decline over the next 10 years. Industries that in the "Yellow" zone either pay above the County average, but are expected to decline over the next ten years, or are expected to grow over the next ten years, but pay wages below the County average. Manufacturing and service sectors seen in Tables 1 and 2 are classified by NAICS (North American Industrial Classification System) codes. Detailed NAICS code definitions of all industries used in the analysis are located in Appendix F.

Figures 1 through 6 (displayed on pages 29, 30, 31, 33, 34 and 35) graphically display the results of the analysis. Industries in the "Green" zone appear in the upper right quadrant of the graph since these sectors pay above the County average and are predicted to grow in employment. Industries in the "Red" zone are displayed in the lower left quadrant since these sectors pay less than the County average and are predicted to decline in employment over the next decade.

Table 1. Catawba County Manufacturing Industries and US Projected Industry Growth

NAICS Code	Name	Employees (2nd Qtr. 2002)	Weekly Average Wage	% of Average	Projected Yearly Growth	Zone	Figure
311	Food Manufacturing (1)	1,057	\$472	87.9%	-0.3%	Red	1
313	Textile Mills (2)	4,336	\$534	99.4%	-1.3%	Red	1
314	Textile Product Mills (3)	952	\$360	67.0%	0.0%	Red/Yellow	1
314110	Carpets and Rugs (4)	0	\$533	99.3%	1.1%	Yellow	1
315	Apparel (5)	2,122	\$455	84.7%	-2.8%	Red	1
316	Leather (6)	10	\$364	67.8%	-4.7%	Red	1
3211	Wood Products-Sawmills (7)	90	\$346	64.4%	0.0%	Red/Yellow	1
32191	Wood Products-Mill Work (8)	457	\$463	86.2%	0.7%	Yellow	1
32199	Wood Products-Mobile Homes & Wooden Buildings (9)	0	\$570	106.1%	3.4%	Green	1
322	Paper Manufacturing (10)	1,002	\$641	119.4%	-0.5%	Yellow	1
323	Printing (11)	142	\$556	103.5%	-0.3%	Yellow	1
3254	Drug Manufacturing (12)	0	\$1,238	230.5%	2.2%	Green	2
3252	Chemicals-Resins and Synthetic Fibers (13)	381	\$532	99.1%	-1.7%	Red	2
3255	Paint, Coating and Adhesives (14)	72	\$797	148.4%	0.7%	Green	2
3261	Plastics Product Manufacturing (15)	1,439	\$539	100.4%	1.9%	Green	2
3262	Rubber Product Manufacturing (16)	922	\$583	108.6%	0.0%	Yellow/Green	2
327	Nonmetallic Mineral Product Manufacturing (17)	530	\$575	107.1%	0.0%	Yellow/Green	2
331	Primary Metal Manufacturing (18)	121	\$764	142.3%	-0.7%	Yellow	2
332	Fabricated Metal Product Manufacturing (19)	1,456	\$473	88.1%	0.8%	Yellow	2
33272	Turned Products & Screws, Nuts and Bolts (20)	*	\$823	153.3%	1.4%	Green	2
3328	Coating, Engraving and Heat Treated Metal (21)	*	\$614	114.3%	2.7%	Green	2
332911	Industrial Valves Manufacturing (22)	*	\$672	125.1%	1.7%	Green	2
3335	Metalworking Machinery Manufacturing (23)	289	\$568	105.8%	0.0%	Yellow/Green	3
33312	Construction Machinery Manufacturing (24)	*	\$904	168.3%	1.7%	Green	3
3334	Refrigeration and Service Equipment (25)	*	\$754	140.4%	1.3%	Green	3
334	Computer and Electronic Equipment (26)	609	\$628	116.9%	0.6%	Green	3
3391	Medical and Surgical Equipment (27)	40	\$569	106.0%	1.6%	Green	3
335921	Fiber Optic Cable Manufacturing (28)	3,801	\$866	161.3%	-0.2%	Yellow	3
336	Transportation Equipment Manufacturing (29)	433	\$889	165.5%	1.1%	Green	3
3364	Aircraft/Aerospace Manufacturing (30)	0	\$836	155.7%	1.7%	Green	3
3371	Household and Institutional Furniture (31)	11,576	\$509	94.8%	-0.4%	Red	3
3372	Office Furniture and Fixtures (32)	1,073	\$425	79.1%	2.9%	Yellow	3
33992	Sporting and Athletic Goods Manufacturing (33)	*	\$538	100.2%	0.5%	Green	3

Codes: Red= Negative Job Growth and Below Average Wages Green=Positive Job Growth and Above Average Wages

Yellow= Negative Job Growth and Above Average Wages or Positive Job Growth and Below Average Wages

* Number of Employees not Disclosed

Source: NCEC, 2003; BLS, 2003; WPCOG Data Center, 2003.

Bubble chart

Bubble chart

Bubble chart

Table 2. Catawba County Service Industries and US Projected Industry Growth

NAICS Code	Name	Employees (2nd Qtr. 2002)	Weekly Average Wage	% of Average	Projected Yearly Growth	Zone	Figure
42	Wholesale Trade (1)	3,455	\$719	133.9%	1.2%	Green	4
44	Retail Trade (2)	9,971	\$415	77.3%	1.3%	Yellow	4
484	Truck Transportation (3)	2,372	\$653	121.6%	1.8%	Green	4
493	Warehousing and Storage (4)	36	\$488	90.9%	3.8%	Yellow	4
511	Publishing Industries (5)	177	\$411	76.5%	0.0%	Red/Yellow	4
517	Telecommunications (6)	248	\$847	157.7%	1.2%	Green	4
518	Internet and Data Processing (7)	76	\$1,126	209.7%	6.4%	Green	4
52	Finance and Insurance (8)	1,563	\$707	131.7%	0.9%	Green	4
53	Real Estate (9)	615	\$451	84.0%	1.7%	Yellow	4
5411	Legal Services (10)	265	\$756	140.8%	2.9%	Green	4
5412	Accounting and Bookkeeping (11)	249	\$677	126.1%	3.0%	Green	4
5413	Architectural and Engineering Services (12)	190	\$587	109.3%	2.7%	Green	4
5415	Computer Systems Design (13)	71	\$770	143.4%	6.4%	Green	5
5416	Management and Technical Consulting (14)	178	\$885	164.8%	3.6%	Green	5
5417	Scientific Research and Development (15)	12	\$862	160.5%	3.3%	Green	5
55	Management of Companies and Enterprises (16)	2,427	\$927	172.6%	3.6%	Green	5
5613	Employment Services (17)	2,097	\$334	62.2%	2.8%	Yellow	5
5614	Business Support Services (18)	116	\$282	52.5%	3.7%	Yellow	5
5617	Services to Businesses and Dwellings (19)	602	\$296	55.1%	1.2%	Yellow	5
562	Waste Management and Remediation Services (20)	173	\$597	111.2%	3.7%	Green	5
61	Educational Services (21)	1,000	\$633	117.9%	2.1%	Green	5
621	Ambulatory Health Care Services (22)	2,814	\$929	173.0%	3.4%	Green	5
622	Hospitals (23)	3,000	\$743	138.4%	1.2%	Green	5
623	Nursing and Resident Care Facilities (24)	1,335	\$411	76.5%	3.5%	Yellow	5
6241	Individual and Family Social Services (25)	161	\$449	83.6%	2.6%	Yellow	6
6244	Child Care Services (26)	331	\$270	50.3%	3.6%	Yellow	6
7111	Performing Arts Companies (27)	139	\$128	23.8%	2.2%	Yellow	6
7112	Spectator Sports (28)	117	\$602	112.1%	1.7%	Green	6
712	Museums, Parks and Historic Sites (29)	55	\$322	60.0%	2.4%	Yellow	6
713	Amusement and Recreation (30)	606	\$291	54.2%	3.0%	Yellow	6
721	Accommodation (31)	536	\$231	43.0%	1.3%	Yellow	6
722	Eating and Drinking Places (32)	5,661	\$224	41.7%	1.7%	Yellow	6
811	Repair and Maintenance (33)	605	\$470	87.5%	2.0%	Yellow	6
812	Personal and Laundry Services (34)	574	\$397	73.9%	0.8%	Yellow	6
813	Membership Organizations and Associations (35)	417	\$218	40.6%	1.0%	Yellow	6
	Government (36)	9,352	\$638	118.8%	0.8%	Green	6

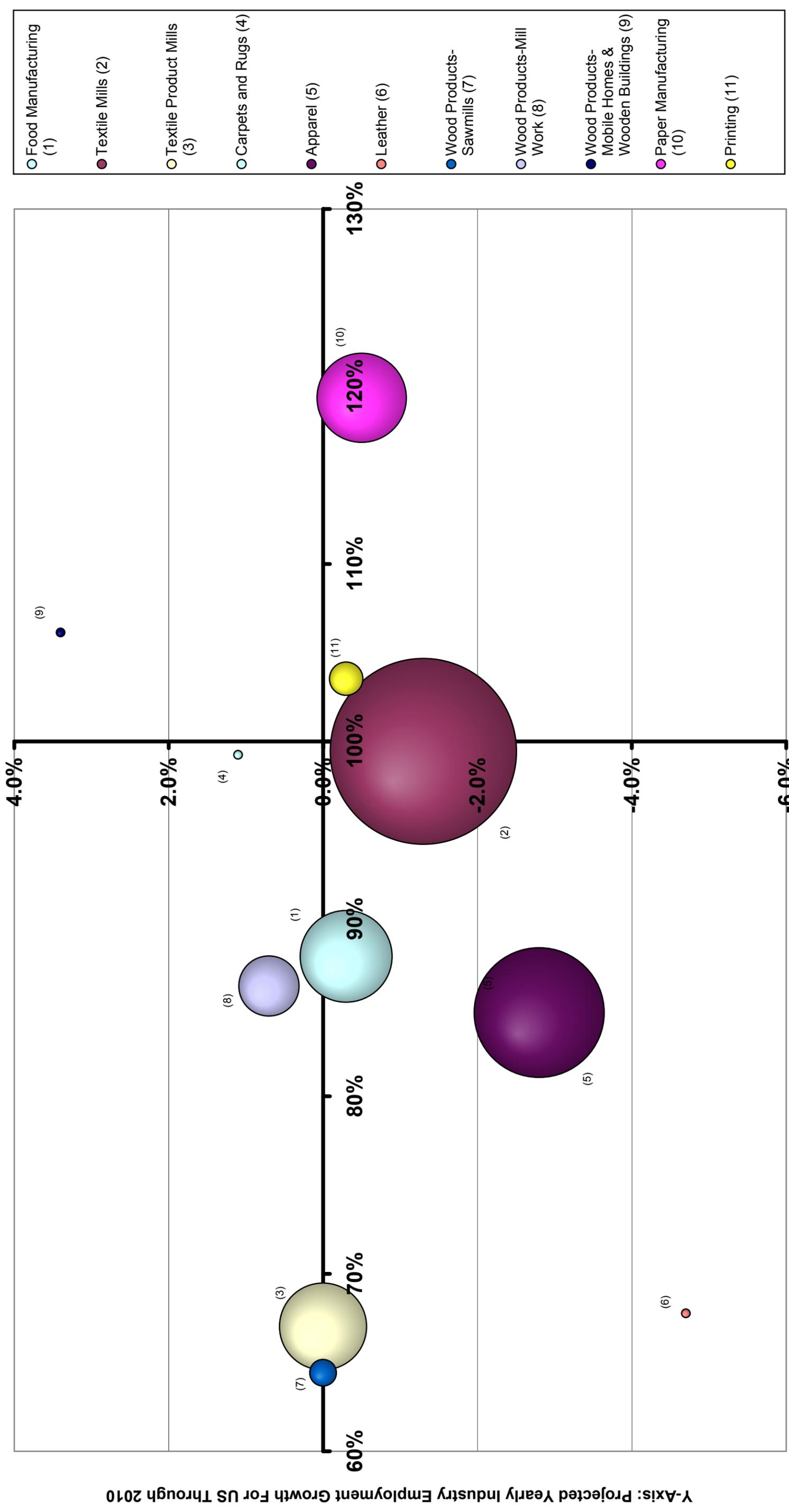
Codes: Red= Negative Job Growth and Below Average Wages Green=Positive Job Growth and Above Average Wages

Yellow= Negative Job Growth and Above Average Wages or Positive Job Growth and Below Average Wages

* Number of Employees not Disclosed

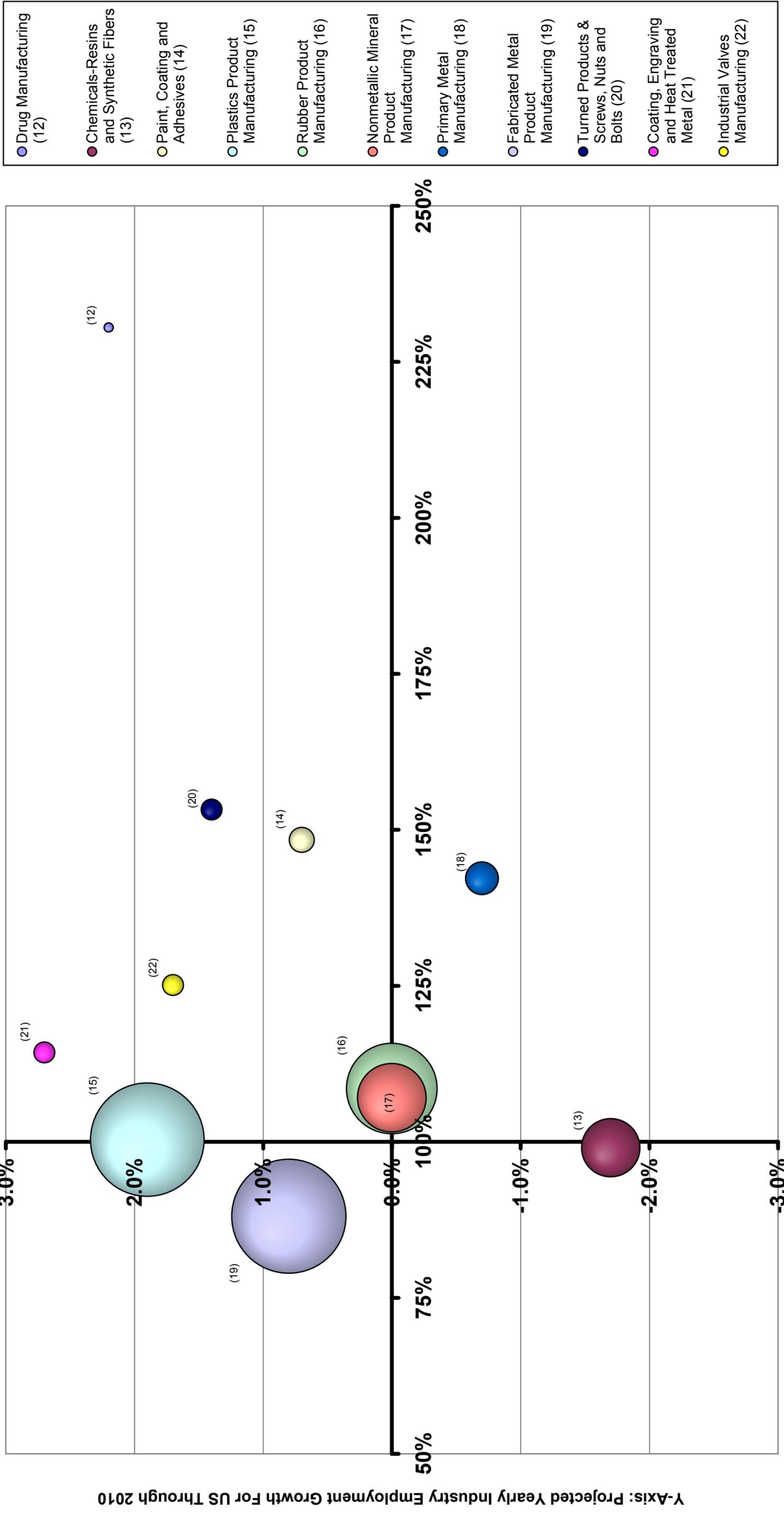
Source: NCEC, 2003; BLS, 2003; WPCOG Data Center, 2003.

Figure 1. Catawba County Manufacturing Employment and Projected US Industry Employment Growth Through 2010 (Part One)



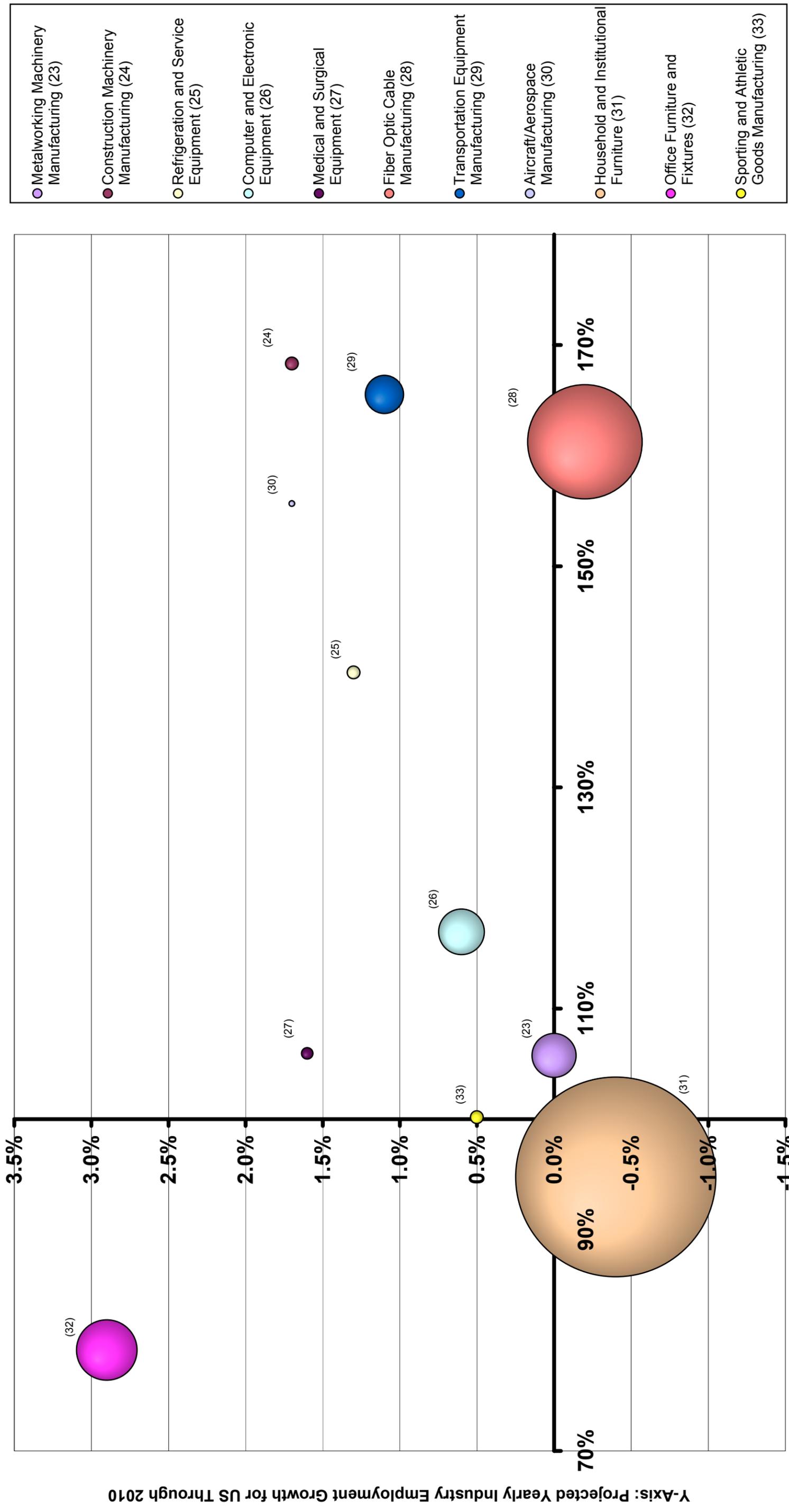
X-Axis: Percentage of Average Catawba County Weekly Wage (\$537 a Week)

Figure 2. Catawba County Manufacturing Employment and Projected US Industry Employment Growth Through 2010 (Part Two)



X-Axis: Percentage of Average Catawba County Weekly Wage (\$537 a Week)

Figure 3. Catawba County Manufacturing Employment and Projected US Industry Employment Growth Through 2010 (Part Three)



X-Axis: Percentage of Average Catawba County Weekly Wage (\$537 a Week)

Figure 4. Catawba County Service Employment and US Projected Industry Employment Growth Through 2010 (Part One)

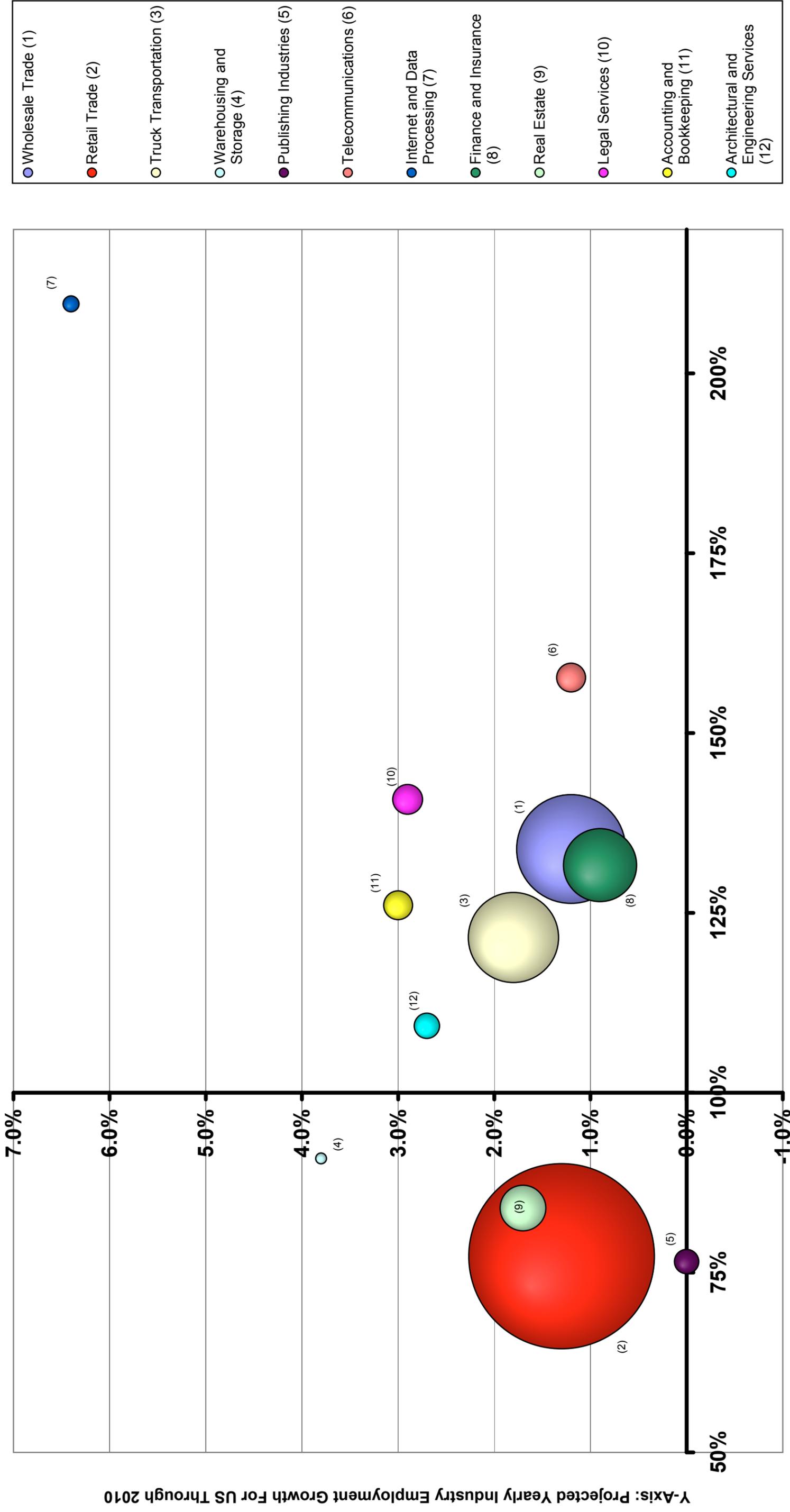


Figure 5. Catawba County Service Employment and US Projected Industry Employment Growth Through 2010 (Part Two)

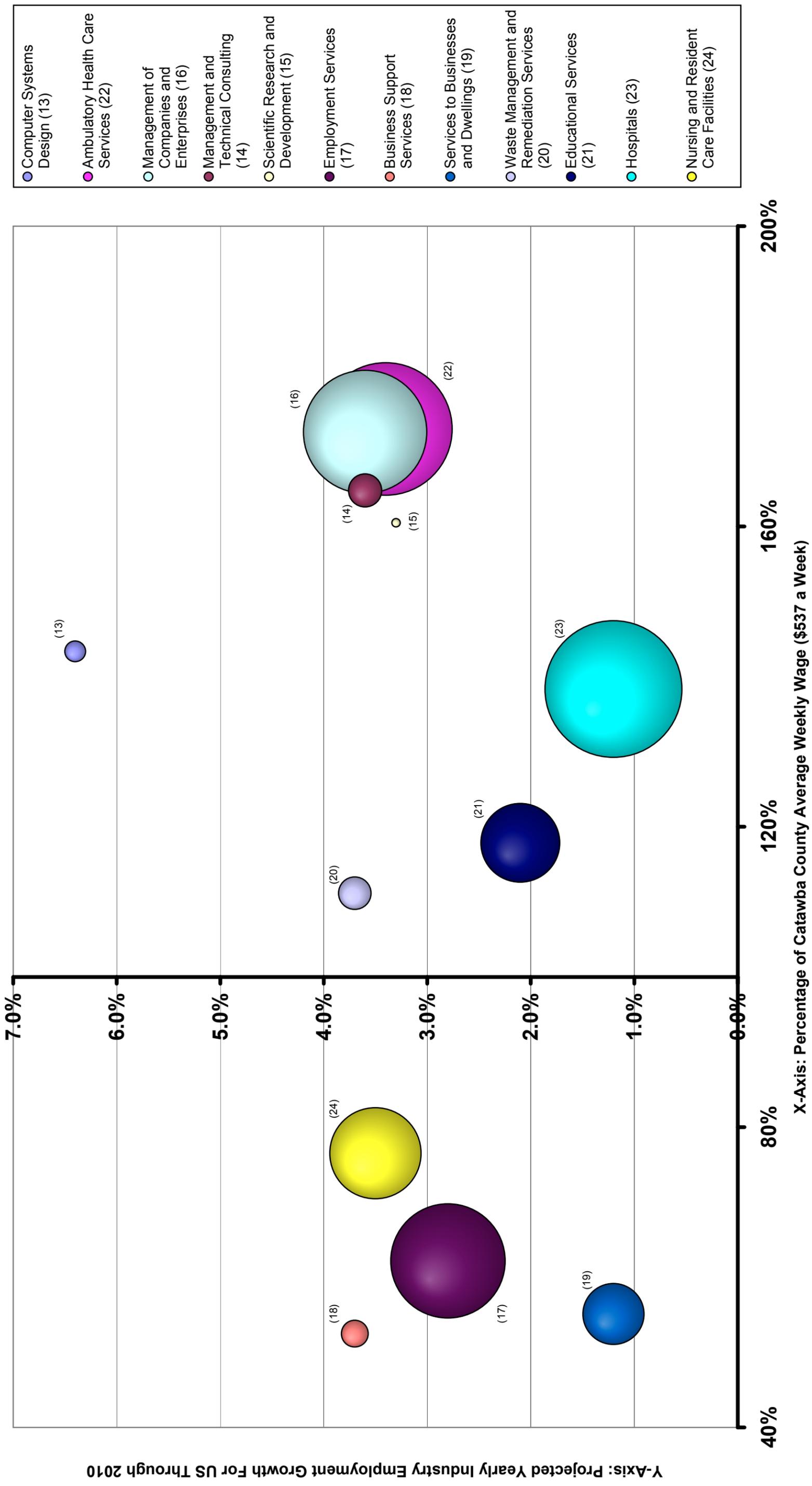
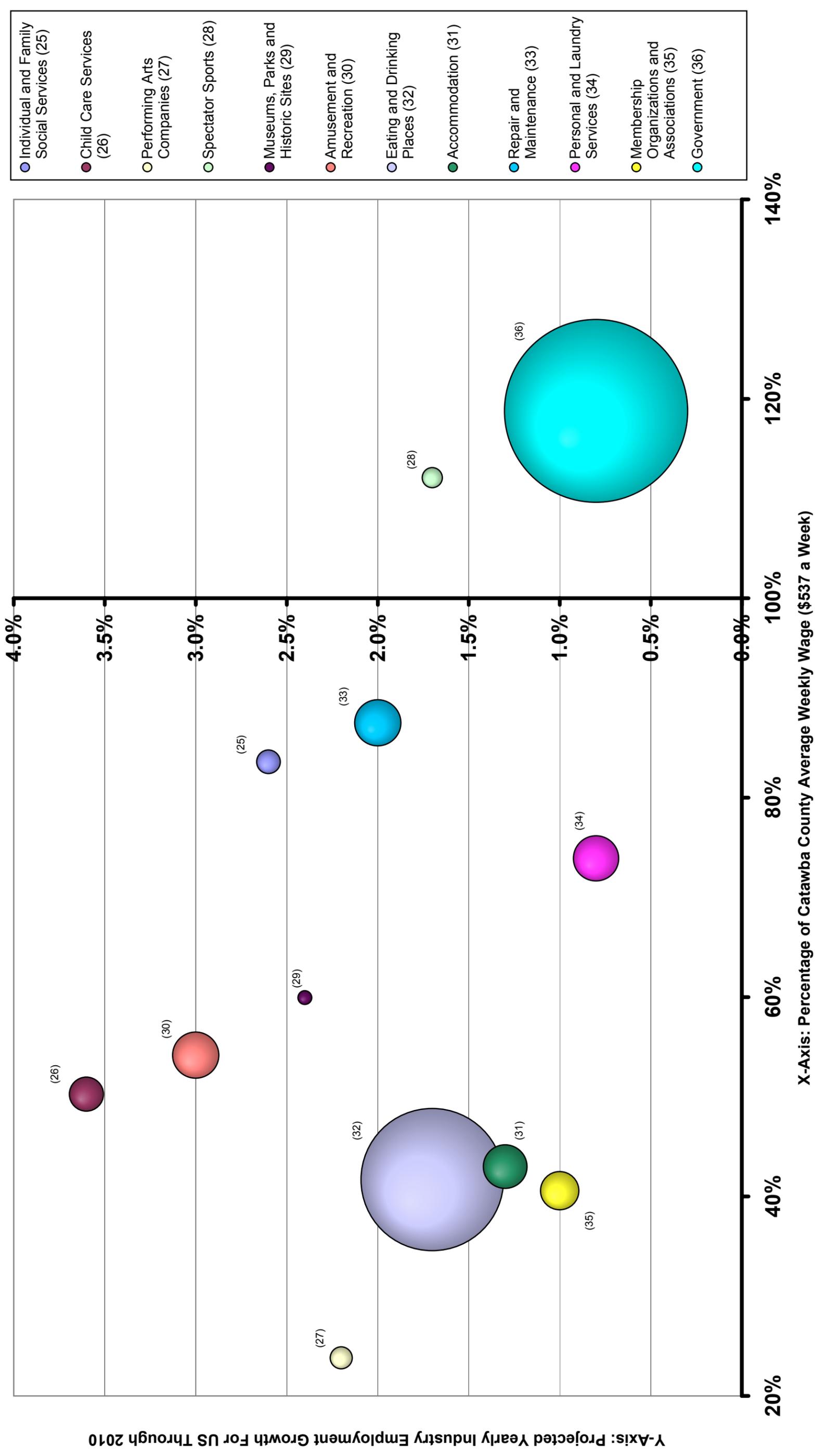


Figure 6. Catawba County Service Employment and US Projected Industry Employment Growth Through 2010 (Part Three)



Catawba County Employment/Average Weekly Wages and Employment Growth Trends-Results of the Analysis:

Manufacturing Sector:

The following manufacturing industries pay workers above the average County weekly wage and are expected to grow nationally over the next 10 years:

- 1) NAICS Code 32199: Wood Products-Mobile Homes and Wooden Buildings
- 2) NAICS Code 3254: Drug Manufacturing
- 3) NAICS Code 3255: Paint, Coating and Adhesives
- 4) NAICS Code 3261: Plastics Product Manufacturing
- 5) NAICS Code 33272: Turned Products & Screws, Nuts and Bolts
- 6) NAICS Code 3328: Coating, Engraving and Heat Treated Metal
- 7) NAICS Code 332911: Industrial Valves Manufacturing
- 8) NAICS Code 33312: Construction Machinery Manufacturing
- 9) NAICS Code 3334: Refrigeration and Service Equipment
- 10) NAICS Code 334: Computer and Electronic Equipment
- 11) NAICS Code 3391: Medical and Surgical Equipment
- 12) NAICS Code 336: Transportation Equipment Manufacturing
- 13) NAICS Code 3364: Aircraft/Aerospace Manufacturing
- 14) NAICS Code 33992: Sporting and Athletic Goods Manufacturing

Service Sector:

The following service industries pay workers above the average County weekly wage and are expected to grow nationally over the next 10 years:

- 1) NAICS Code 42: Wholesale Trade
- 2) NAICS Code 484: Truck Transportation
- 3) NAICS Code 517: Telecommunications
- 4) NAICS Code 518: Internet and Data Processing
- 5) NAICS Code 52: Finance and Insurance
- 6) NAICS Code 5411: Legal Services
- 7) NAICS Code 5412: Accounting and Bookkeeping
- 8) NAICS Code 5413: Architectural and Engineering Services
- 9) NAICS Code 5415: Computer Systems Design
- 10) NAICS Code 5416: Management and Technical Consulting

- 11) NAICS Code 5417: Scientific Research and Development
- 12) NAICS Code 55: Management of Companies and Enterprises
- 13) NAICS Code 562: Waste Management and Remediation Services
- 14) NAICS Code 61: Education Services
- 15) NAICS Code 621: Ambulatory Health Care Services
- 16) NAICS Code 622: Hospitals
- 17) NAICS Code 7112: Spectator Sports

Other Industry Growth Analysis:

Besides comparing Catawba County employment with average weekly wages and projected industry growth, a study of US industry employment and US average weekly wages were also conducted. The purpose of the analysis is to identify industries that pay above the US average and are expected to grow over the next ten years. These industries may be currently present in Catawba County, or could potentially come to the area (i.e., drug manufacturing). These “most favored industries” would become targets for economic development and might be eligible to receive incentives to attract them to Catawba County.

Industries that pay below the US average and are expected to decline over the next ten years would not be considered as economic development targets. These industries have the potential to lay off workers and may not increase the standard of living of the County’s residents.

United States Employment/Average Weekly Wages and Employment Growth Trends-Results of the Analysis:

Manufacturing Sector:

The following manufacturing industries pay workers above the average US weekly wage and are expected to grow nationally over the next 10 years:

- 1) NAICS Code 3254: Drug Manufacturing
- 2) NAICS Code 3255: Paint, Coating and Adhesives
- 3) NAICS Code 332: Fabricated Metal Product Manufacturing
- 4) NAICS Code 33272: Turned Products & Screws, Nuts and Bolts
- 5) NAICS Code 332911: Industrial Valves Manufacturing
- 6) NAICS Code 33312: Construction Machinery Manufacturing
- 7) NAICS Code 3334: Refrigeration and Service Equipment
- 8) NAICS Code 334: Computer and Electronic Equipment
- 9) NAICS Code 3391: Medical and Surgical Equipment
- 10) NAICS Code 336: Transportation Equipment Manufacturing

11) NAICS Code 3364: Aircraft/Aerospace Manufacturing

Service Sector:

The following service industries pay workers above the average US weekly wage and are expected to grow nationally over the next 10 years:

- 1) NAICS Code 42: Wholesale Trade
- 2) NAICS Code 517: Telecommunications
- 3) NAICS Code 518: Internet and Data Processing
- 4) NAICS Code 52: Finance and Insurance
- 5) NAICS Code 5411: Legal Services
- 6) NAICS Code 5412: Accounting and Bookkeeping
- 7) NAICS Code 5413: Architectural and Engineering Services
- 8) NAICS Code 5415: Computer Systems Design
- 9) NAICS Code 5416: Management and Technical Consulting
- 10) NAICS Code 5417: Scientific Research and Development
- 11) NAICS Code 55: Management of Companies and Enterprises
- 12) NAICS Code 562: Waste Management and Remediation Services
- 13) NAICS Code 621: Ambulatory Health Care Services
- 14) NAICS Code 622: Hospitals
- 15) NAICS Code 7112: Spectator Sports

Some potential industries pay higher wages than the County average, but lower wages than the national average, such as Truck Transportation and Educational Services. Detailed tables and “bubble-charts” depicting the US industry employment/average weekly wage and employment growth analysis are located in Appendix D (page 42).

Besides analyzing wages and employment, an analysis of industry outputs (revenues) and wages was also conducted. The purpose of this analysis was to do determine which industries have wages that pay above the national average and are expected to have rapidly growing revenues. These industries are likely to hire more workers and be less likely to suffer as badly during economic downturns. For purposes of the analysis, any industry that was expected to have more than 3% yearly output growth in the next decade was considered a rapidly growing industry.

United States Employment/Average Weekly Wages and Industry Output Growth Trends-Results of the Analysis:

Manufacturing Sector:

The following industries pay workers above the average US weekly wage and are expected have output growth of greater than 3% per year over the next 10 years:

- 1) NAICS Code 3254: Drug Manufacturing
- 2) NAICS Code 3252: Chemicals-Resins and Synthetic Fibers
- 3) NAICS Code 3255: Paint, Coating and Adhesives
- 4) NAICS Code 3262: Rubber Product Manufacturing
- 5) NAICS Code 332: Fabricated Metal Product Manufacturing
- 6) NAICS Code 33272: Turned Products & Screws, Nuts and Bolts
- 7) NAICS Code 332911: Industrial Valves Manufacturing
- 8) NAICS Code 33312: Construction Machinery Manufacturing
- 9) NAICS Code 3334: Refrigeration and Service Equipment
- 10) NAICS Code 334: Computer and Electronic Equipment
- 11) NAICS Code 335921: Fiber Optic Cable Manufacturing
- 12) NAICS Code 336: Transportation Equipment Manufacturing
- 13) NAICS Code 3364: Aircraft/Aerospace Manufacturing
- 14) NAICS Code 3391: Medical and Surgical Equipment

Service Sector:

The following industries paid above the County average and are expected to grow nationally over the next 10 years:

- 1) NAICS Code 42: Wholesale Trade
- 2) NAICS Code 517: Telecommunications
- 3) NAICS Code 518: Internet and Data Processing
- 4) NAICS Code 5411: Legal Services
- 5) NAICS Code 5412: Accounting and Bookkeeping
- 6) NAICS Code 5413: Architectural and Engineering Services
- 7) NAICS Code 5415: Computer Systems Design
- 8) NAICS Code 5417: Scientific Research and Development

Detailed tables and bubble charts depicting US industry employment/average weekly wage and industry output analysis are located in Appendix E (page 50).

Appendix A-List of Other Ideas for the Jobs and Economy Task Force Vision Statement

- 1) Promote current and future entertainment and recreational activities.
- 2) Safeguard our existing manufacturing companies.
- 3) Encourage “retirement areas”.
- 4) Encourage entrepreneurship in quality specialty businesses.
- 5) Exploit and leverage the opportunity to attract state and federal facilities.
- 6) Become the #1 County in NC for new business growth.
- 7) Do a peer assessment of like-size cities we compete with to compare our attraction and retirement assets.
- 8) Increase investment in workforce development.
- 9) Focus growth around families (family activities, school, facilities and recreation).
- 10) Plan a community road system.
- 11) Develop specialized business clusters.
- 12) Revitalize downtowns.
- 13) Recruit more technical and medical jobs.
- 14) Maintain small-town personality of Hickory.
- 15) Facilitation of physical infrastructure.
- 16) Development of specialized buildings.
- 17) Encourage expansion of the medical sector.
- 18) Encourage and attract venture capital expansions.
- 19) Expand and grow economic base while protecting our way of life and natural resources.

Appendix B-List of Other Ideas for Achieving Sustained Economic Growth

- 1) Exploit opportunities for new government facilities.
- 2) Increase access to information about Catawba County.
- 3) Use two hospitals in Catawba County as core strength.
- 4) Work for an increase of cigarette taxes.
- 5) Develop guidelines to structure economic incentives.
- 6) Establish an economic focus on the higher education center.
- 7) Maximize furniture industry for tourism.
- 8) Create a center for accreditation, licensure and skill development.
- 9) Exploit Catawba County's proximity to other areas, such as Asheville, Boone and Charlotte.
- 10) Establish a Hickory zoo.
- 11) Build a religious convention center.
- 12) Establish a children's theme park.
- 13) Establish rail service from Hickory to Caldwell County with "virtual purchasing" of goods, such as furniture.
- 14) Build a state-of-the-art public golf course.
- 15) Establish Catawba County as a go-to place for specialized medical items.
- 16) Affiliate with a national medical clinic.
- 17) Increase advertising of the Hickory Metro Area through AARP, talk radio, and a Florida campaign.
- 18) Provide incentives for retirement-based businesses.
- 19) Lobby for tax incentives for people 65+.
- 20) Keep the cost of living in Catawba County as low as possible.
- 21) Increase senior recreation opportunities.

Appendix C-List of Other Ideas for Achieving Job Creation

- 1) Encourage small business growth and success by creating a small business incubator.
- 2) Nurture existing business and support their expansion by providing a well-trained workforce.
- 3) Add political clout to assist with job creation.
- 4) Expansion of current businesses.
- 5) Selling the size of the MSA.
- 6) Exploit opportunities in the homeland security and defense sectors.
- 7) Establish a marketing campaign of local manufactured products.
- 8) Establish “cross industry” global marketing.
- 9) Analyze “success stories” of other regions to see what can be copied in our region.
- 10) Refocus economic development agencies toward job creation and less toward increasing the tax base.
- 11) Match potential incoming industries with existing future educational opportunities.
- 12) Attract supporting industries for current industries.
- 13) Attract industries that fit our natural resources.
- 14) Create jobs that support our aging demographic.
- 15) Create an environment to attract creative independent thinkers/workers.
- 16) Foster an educational environment to attract young people to come to the area.
- 17) Encourage “adaptive reuse” of existing buildings/facilities.
- 18) Link infrastructure with economic development.
- 19) Better support of the Hickory’s furniture retail markets in order to be more competitive with High Point.
- 20) Encourage a strong tax base to increase tax options for economic development.
- 21) Encourage greater hospitality toward tourists.
- 22) Encourage a more retiree-friendly environment.

Appendix D-US Industry Employment/Average Weekly Wages and Projected Employment Growth

Table 3. US Manufacturing Industries and Projected Industry Growth

NAICS Code	Name	US Employees (2nd Qtr. 2002)	Weekly Average Wage	% of Average	Projected Yearly Growth	Zone	Figure
311	Food Manufacturing (1)	1,554,605	\$615	88.2%	-0.3%	Red	7
313	Textile Mills (2)	330,072	\$575	82.5%	-1.3%	Red	7
314	Textile Product Mills (3)	203,341	\$509	73.0%	0.0%	Red/Yellow	7
314110	Carpets and Rugs (4)	54,717	\$576	82.6%	1.1%	Yellow	7
315	Apparel (5)	426,027	\$444	63.7%	-2.8%	Red	7
316	Leather (6)	59,571	\$550	78.9%	-4.7%	Red	7
3211	Wood Products-Sawmills (7)	124,681	\$594	85.2%	0.0%	Red/Yellow	7
32191	Wood Products-Mill Work (8)	153,920	\$578	82.9%	0.7%	Yellow	7
32199	Wood Products-Mobile Homes & Wooden Buildings (9)	110,456	\$560	80.3%	3.4%	Yellow	7
322	Paper Manufacturing (10)	577,030	\$880	126.3%	-0.5%	Yellow	7
323	Printing (11)	765,258	\$702	100.7%	-0.3%	Yellow	7
3254	Drug Manufacturing (12)	280,665	\$1,392	199.7%	2.2%	Green	8
3252	Chemicals-Resins and Synthetic Fibers (13)	125,351	\$1,103	158.2%	-1.7%	Yellow	8
3255	Paint, Coating and Adhesives (14)	74,598	\$944	135.4%	0.7%	Green	8
3261	Plastics Product Manufacturing (15)	694,602	\$656	94.1%	1.9%	Yellow	8
3262	Rubber Product Manufacturing (16)	200,199	\$773	110.9%	0.0%	Yellow/Green	8
327	Nonmetallic Mineral Product Manufacturing (17)	543,042	\$738	105.9%	0.0%	Yellow/Green	8
331	Primary Metal Manufacturing (18)	569,917	\$866	124.2%	-0.7%	Yellow	8
332	Fabricated Metal Product Manufacturing (19)	1,668,100	\$720	103.3%	0.8%	Green	8
33272	Turned Products & Screws, Nuts and Bolts (20)	98,197	\$747	107.2%	1.4%	Green	8
3328	Coating, Engraving and Heat Treated Metal (21)	164,410	\$640	91.8%	2.7%	Yellow	8
332911	Industrial Valves Manufacturing (22)	25,201	\$848	121.7%	1.7%	Green	8
3335	Metalworking Machinery Manufacturing (23)	247,820	\$637	120.1%	0.0%	Yellow/Green	9
33312	Construction Machinery Manufacturing (24)	71,829	\$913	131.0%	1.7%	Green	9
3334	Refrigeration and Service Equipment (25)	182,982	\$716	102.7%	1.3%	Green	9
334	Computer and Electronic Equipment (26)	1,748,134	\$1,243	178.3%	0.6%	Green	9
3391	Medical and Surgical Equipment (27)	311,064	\$847	121.5%	1.6%	Green	9
335921	Fiber Optic Cable Manufacturing (28)	20,094	\$924	132.6%	-0.2%	Yellow	9
336	Transportation Equipment Manufacturing (29)	1,924,338	\$974	139.7%	1.1%	Green	9
3364	Aircraft/Aerospace Manufacturing (30)	506,002	\$1,162	166.7%	1.7%	Green	9
3371	Household and Institutional Furniture (31)	416,997	\$519	74.5%	-0.4%	Red	9
3372	Office Furniture and Fixtures (32)	170,937	\$652	93.5%	2.9%	Yellow	9
33992	Sporting and Athletic Goods Manufacturing (33)	65,821	\$644	92.4%	0.5%	Yellow	9

Codes: Red= Negative Job Growth and Below Average Wages Green=Positive Job Growth and Above Average Wages

Yellow= Negative Job Growth and Above Average Wages or Positive Job Growth and Below Average Wages

Source: NCEC, 2003; BLS, 2003; WPCOG Data Center, 2003.

Figure 7. US Manufacturing Employment and Projected US Industry Employment Growth Through 2010 (Part One)

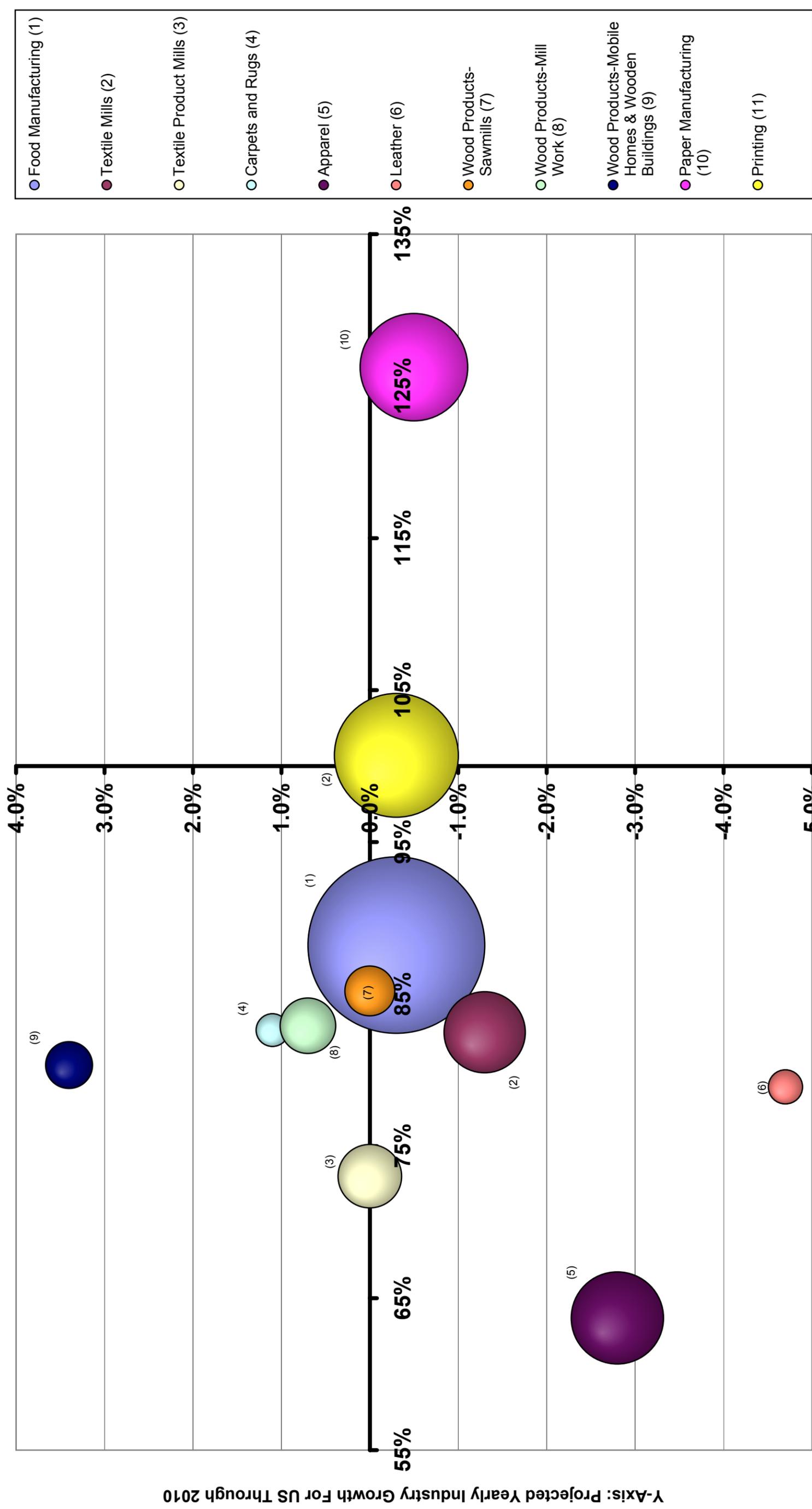


Figure 8. US Manufacturing Employment and Projected US Industry Employment Growth Through 2010 (Part Two)

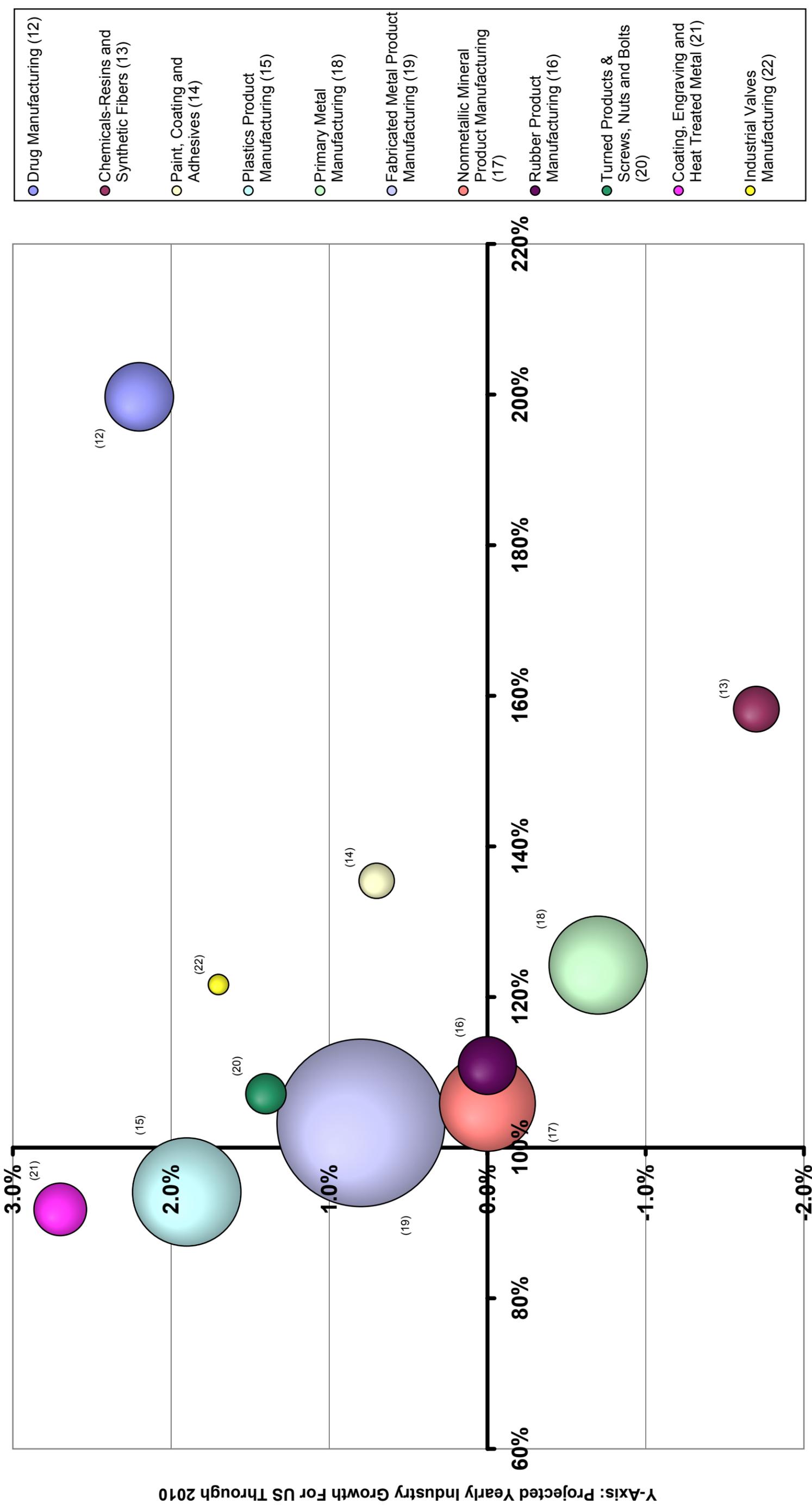
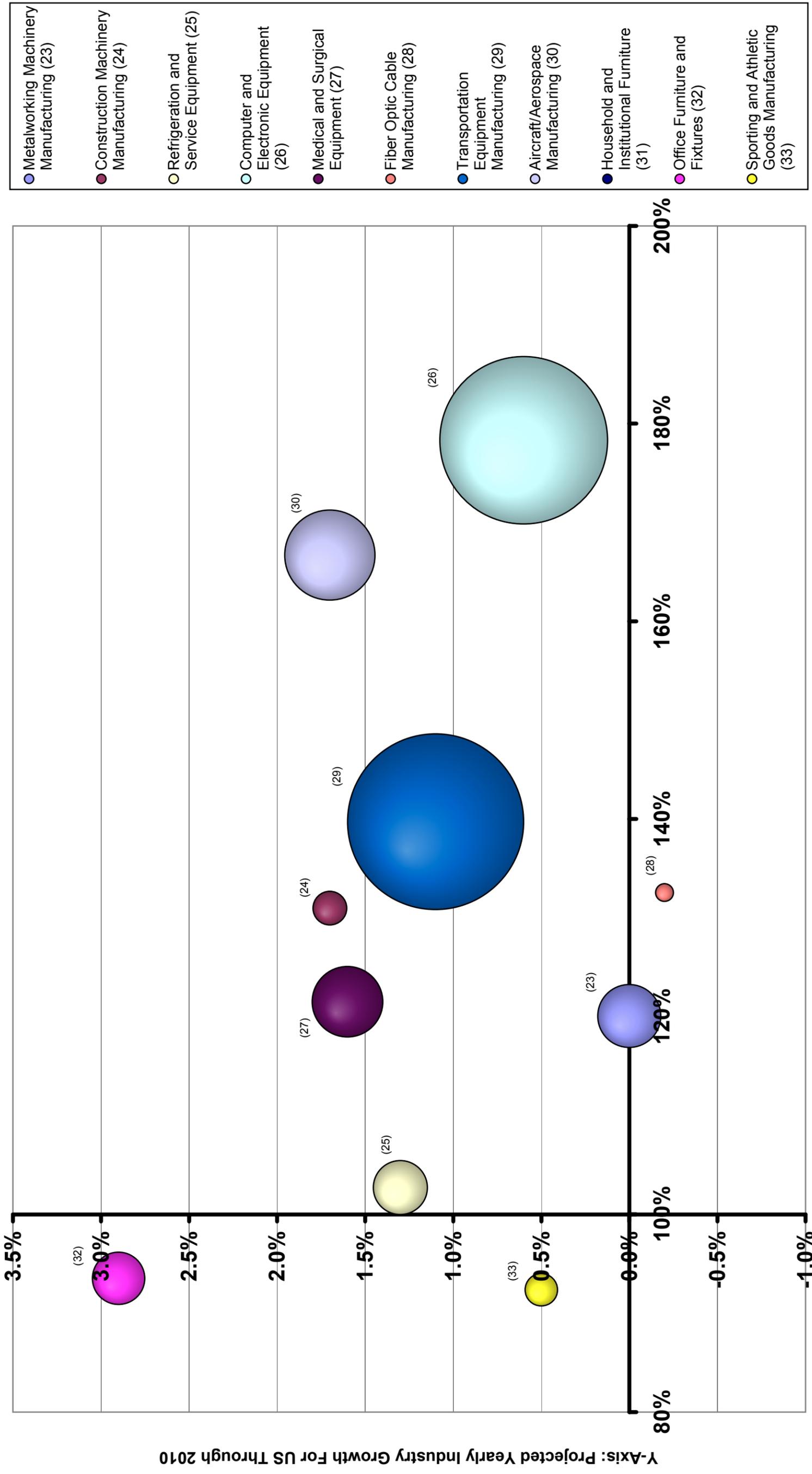


Figure 9. US Manufacturing Employment and Projected US Industry Employment Growth Through 2010 (Part Three)



X-Axis: Percentage of US Average Weekly Wage (\$697 a Week)

Table 4. US Service Industries and US Projected Industry Growth

NAICS Code	Name	US Employees (2nd Qtr. 2002)	Weekly Average Wage	% of Average	Projected Yearly Growth	Zone	Figure
42	Wholesale Trade (1)	5,730,294	\$938	134.6%	1.2%	Green	10
44-45	Retail Trade (2)	15,179,753	\$436	62.6%	1.3%	Yellow	10
484	Truck Transportation (3)	1,382,991	\$660	94.7%	1.8%	Yellow	10
493	Warehousing and Storage (4)	510,640	\$617	88.5%	3.8%	Yellow	10
511	Publishing Industries (5)	1,014,282	\$1,154	165.6%	0.0%	Yellow/Green	10
517	Telecommunications (6)	1,292,342	\$1,086	155.8%	1.2%	Green	10
518	Internet and Data Processing (7)	486,654	\$1,256	180.2%	6.4%	Green	10
52	Finance and Insurance (8)	5,642,689	\$1,225	175.8%	0.9%	Green	10
53	Real Estate (9)	2,036,285	\$632	90.7%	1.7%	Yellow	10
5411	Legal Services (10)	1,087,701	\$1,184	169.9%	2.9%	Green	10
5412	Accounting and Bookkeeping (11)	878,482	\$897	128.7%	3.0%	Green	10
5413	Architectural and Engineering Services (12)	1,268,354	\$1,076	154.4%	2.7%	Green	10
5415	Computer Systems Design (13)	1,278,831	\$1,439	206.5%	6.4%	Green	11
5416	Management and Technical Consulting (14)	748,920	\$1,229	176.3%	3.6%	Green	11
5417	Scientific Research and Development (15)	530,832	\$1,306	187.4%	3.3%	Green	11
55	Management of Companies and Enterprises (16)	1,716,130	\$1,326	190.2%	3.6%	Green	11
5613	Employment Services (17)	3,411,728	\$418	60.0%	2.8%	Yellow	11
5614	Business Support Services (18)	771,005	\$522	74.9%	3.7%	Yellow	11
5617	Services to Businesses and Dwellings (19)	1,607,056	\$362	51.9%	1.2%	Yellow	11
562	Waste Management and Remediation Services (20)	315,523	\$778	111.6%	3.7%	Green	11
61	Educational Services (21)	1,883,564	\$617	88.5%	2.1%	Yellow	11
621	Ambulatory Health Care Services (22)	4,453,597	\$826	118.5%	3.4%	Green	11
622	Hospitals (23)	4,007,430	\$691	99.1%	1.2%	Yellow	11
623	Nursing and Resident Care Facilities (24)	2,657,817	\$407	58.4%	3.5%	Yellow	11
6241	Individual and Family Social Services (25)	721,648	\$396	56.8%	2.6%	Yellow	12
6244	Child Care Services (26)	698,485	\$280	40.2%	3.6%	Yellow	12
7111	Performing Arts Companies (27)	126,879	\$570	81.8%	2.2%	Yellow	12
7112	Spectator Sports (28)	132,495	\$1,429	205.0%	1.7%	Green	12
712	Museums, Parks and Historic Sites (29)	114,796	\$458	65.7%	2.4%	Yellow	12
713	Amusement and Recreation (30)	1,291,406	\$325	46.6%	3.0%	Yellow	12
721	Accommodation (31)	1,827,321	\$390	56.0%	1.3%	Yellow	12
722	Eating and Drinking Places (32)	8,273,315	\$235	33.7%	1.7%	Yellow	12
811	Repair and Maintenance (33)	1,249,565	\$650	78.9%	2.0%	Yellow	12
812	Personal and Laundry Services (34)	1,250,104	\$370	53.1%	0.8%	Yellow	12
813	Membership Organizations and Associations (35)	1,272,987	\$482	69.2%	1.0%	Yellow	12
	Government (36)	7,041,074	\$773	110.9%	0.8%	Green	12

Codes: Red= Negative Job Growth and Below Average Wages Green=Positive Job Growth and Above Average Wages
 Yellow= Negative Job Growth and Above Average Wages or Positive Job Growth and Below Average Wages
 Source: NCEC, 2003; BLS, 2003; WPCOG Data Center, 2003.

Figure 10. US Service Employment and Projected US Industry Employment Growth Through 2010 (Part One)

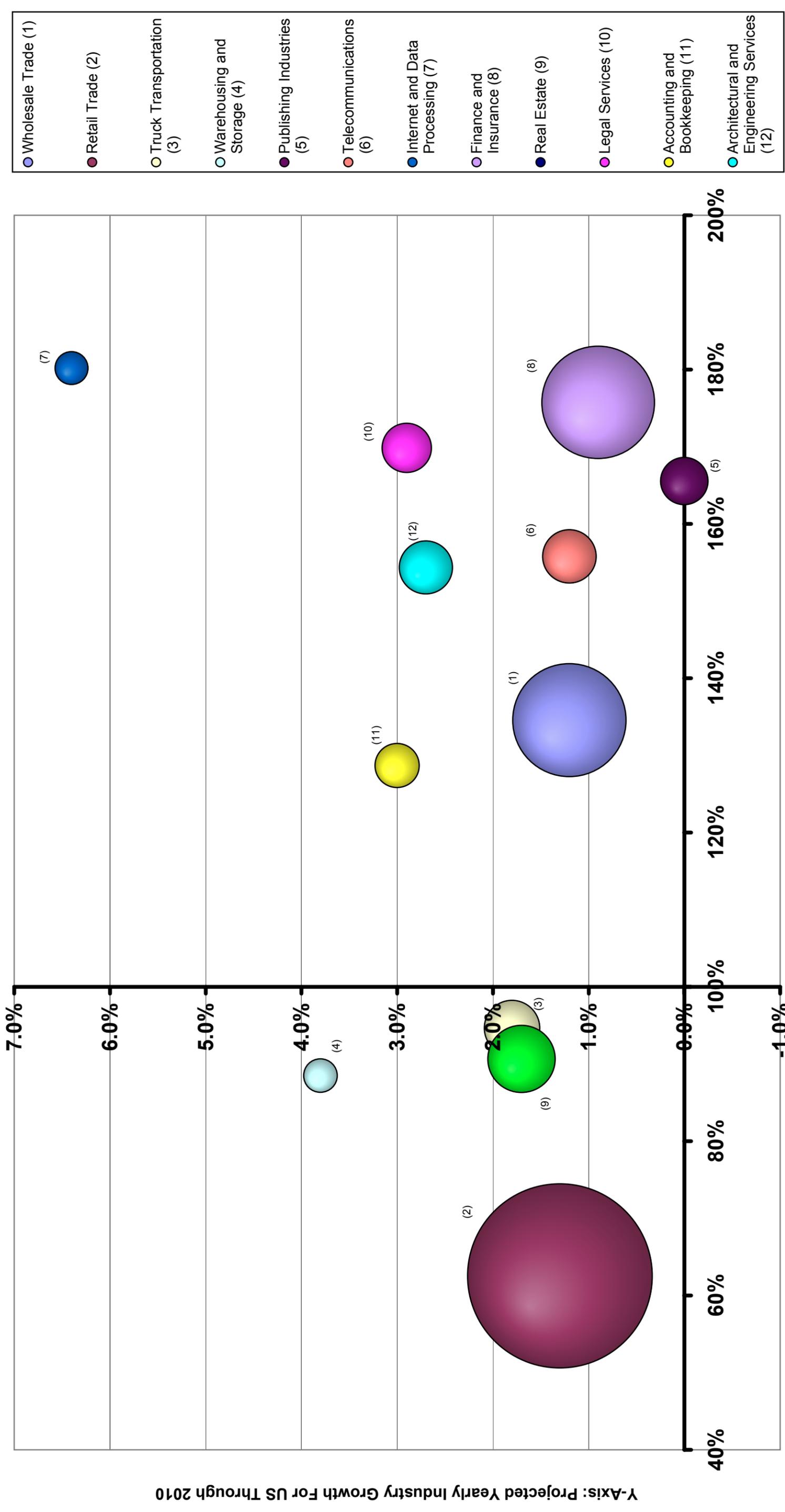


Figure 11. US Service Employment and Projected US Industry Employment Growth Through 2010 (Part Two)

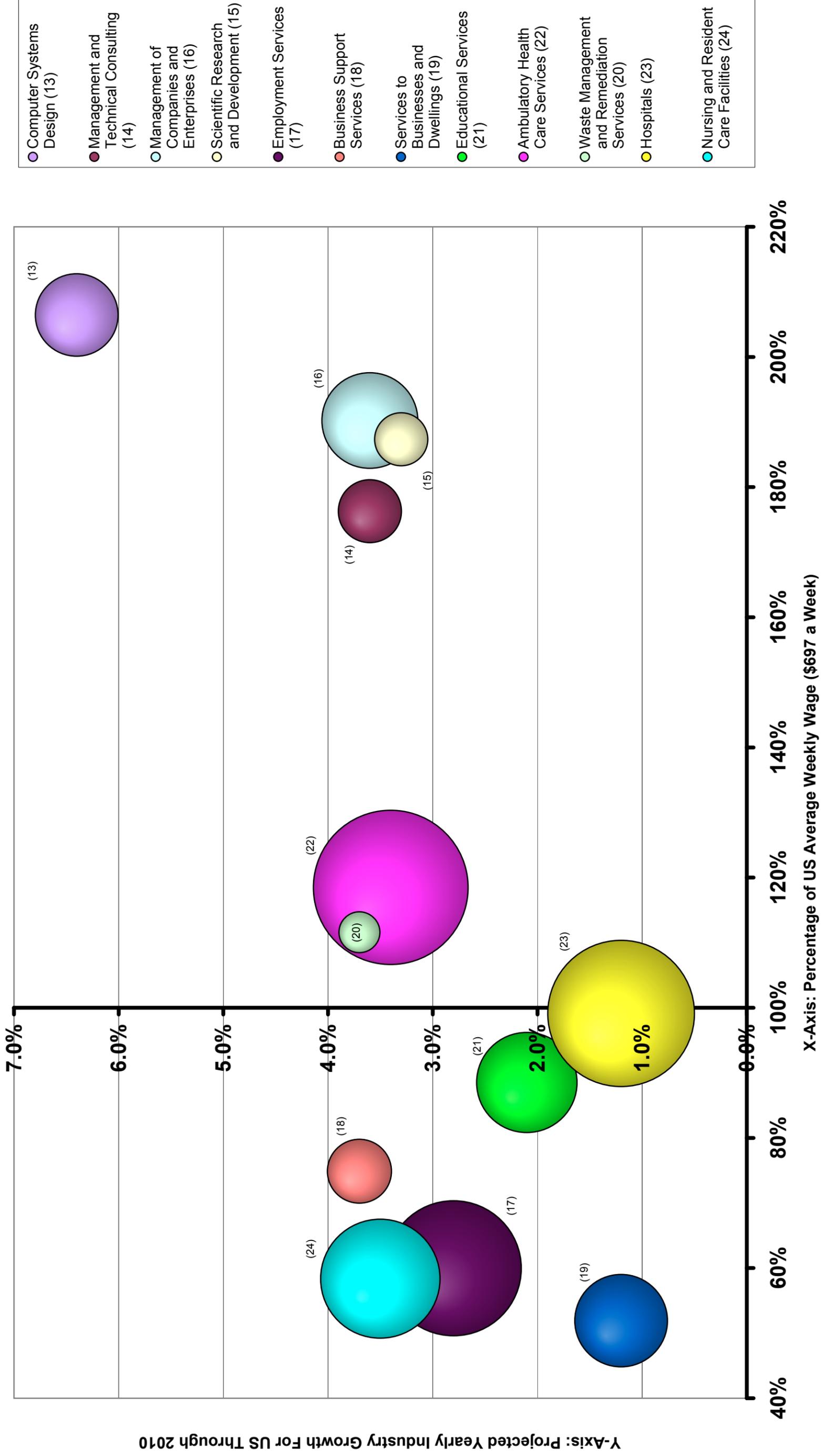
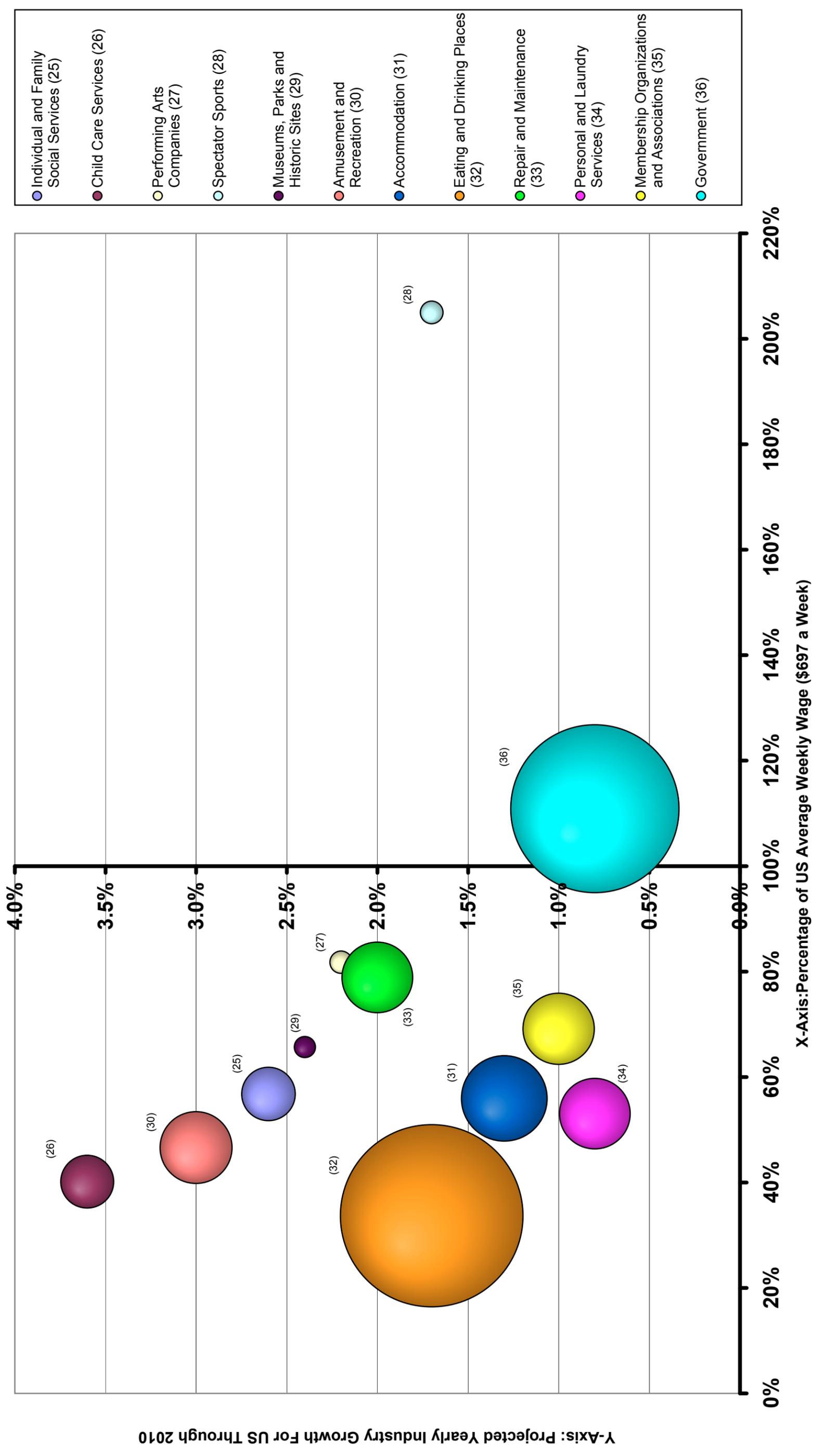


Figure 12. US Service Employment and Projected US Industry Employment Growth Through 2010 (Part Three)



Appendix E-US Industry Employment/Average Weekly Wages and Projected Industry Output Growth

Table 5. US Manufacturing Industries and US Projected Industry Output* Growth

NAICS Code	Name	(2nd Qtr. 2002) US Employees	Weekly Average Wage	% of Average	Projected Yearly Output* Growth	Zone	Figure
311	Food Manufacturing (1)	1,554,605	\$615	88.2%	0.8%	Red	13
313	Textile Mills (2)	330,072	\$575	82.5%	0.4%	Red	13
314	Textile Product Mills (3)	203,341	\$509	73.0%	1.7%	Red	13
314110	Carpets and Rugs (4)	54,717	\$576	82.6%	1.2%	Red	13
315	Apparel (5)	426,027	\$444	63.7%	1.3%	Red	13
316	Leather (6)	59,571	\$550	78.9%	-6.3%	Red	13
3211	Wood Products-Sawmills (7)	124,681	\$594	85.2%	2.6%	Red	13
32191	Wood Products-Mill Work (8)	153,920	\$578	82.9%	2.1%	Red	13
32199	Wood Products-Mobile Homes & Wooden Buildings (9)	110,456	\$560	80.3%	5.1%	Yellow	13
322	Paper Manufacturing (10)	577,030	\$880	126.3%	1.5%	Yellow	13
323	Printing (11)	765,258	\$702	100.7%	1.1%	Yellow	13
3254	Drug Manufacturing (12)	280,665	\$1,392	199.7%	5.6%	Green	14
3252	Chemicals-Resins and Synthetic Fibers (13)	125,351	\$1,103	158.2%	4.0%	Green	14
3255	Paint, Coating and Adhesives (14)	74,598	\$944	135.4%	3.8%	Green	14
3261	Plastics Product Manufacturing (15)	694,602	\$656	94.1%	4.2%	Yellow	14
3262	Rubber Product Manufacturing (16)	200,199	\$773	110.9%	4.0%	Green	14
327	Nonmetallic Mineral Product Manufacturing (17)	543,042	\$738	105.9%	1.7%	Yellow	14
331	Primary Metal Manufacturing (18)	569,917	\$866	124.2%	1.8%	Yellow	14
332	Fabricated Metal Product Manufacturing (19)	1,668,100	\$720	103.3%	2.9%	Yellow	14
33272	Turned Products & Screws, Nuts and Bolts (20)	98,197	\$747	107.2%	5.0%	Green	14
3328	Coating, Engraving and Heat Treated Metal (21)	164,410	\$640	91.8%	6.8%	Yellow	14
332911	Industrial Valves Manufacturing (22)	25,201	\$848	121.7%	3.7%	Green	14
3335	Metalworking Machinery Manufacturing (23)	247,820	\$837	120.1%	3.0%	Yellow/Green	15
33312	Construction Machinery Manufacturing (24)	71,829	\$913	131.0%	3.9%	Green	15
3334	Refrigeration and Service Equipment (25)	182,982	\$716	102.7%	3.2%	Green	15
334	Computer and Electronic Equipment (26)	1,748,134	\$1,243	178.3%	5.3%	Green	15
3391	Medical and Surgical Equipment (27)	311,064	\$847	121.5%	3.4%	Green	15
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336	Transportation Equipment Manufacturing (29)	1,924,338	\$974	139.7%	3.7%	Green	15
3364	Aircraft/Aerospace Manufacturing (30)	506,002	\$1,162	166.7%	1.7%	Yellow	15
3371	Household and Institutional Furniture (31)	416,997	\$519	74.5%	2.9%	Red	15
3372	Office Furniture and Fixtures (32)	170,937	\$652	93.5%	4.3%	Yellow	15
33992	Sporting and Athletic Goods Manufacturing (33)	65,821	\$644	92.4%	8.4%	Yellow	15

*Output is Defined as the Value of Manufactured Product or Service Less Expenses

Codes: Red= Below Average Output Growth (Less than 3% a Year) and Below Average Wages

Green=Above Average Output Growth (More than 3% a Year) and Above Average Wages

Yellow= Below Average Output Growth (Less than 3% a Year) and Above Average Wages or Above Average Output Growth (More than 3% a Year) and Below Average Wages

Source: NCEC, 2003; BLS, 2003; WPCOG Data Center, 2003.

Figure 13. US Manufacturing Employment and Projected US Industry Output Growth Through 2010 (Part One)

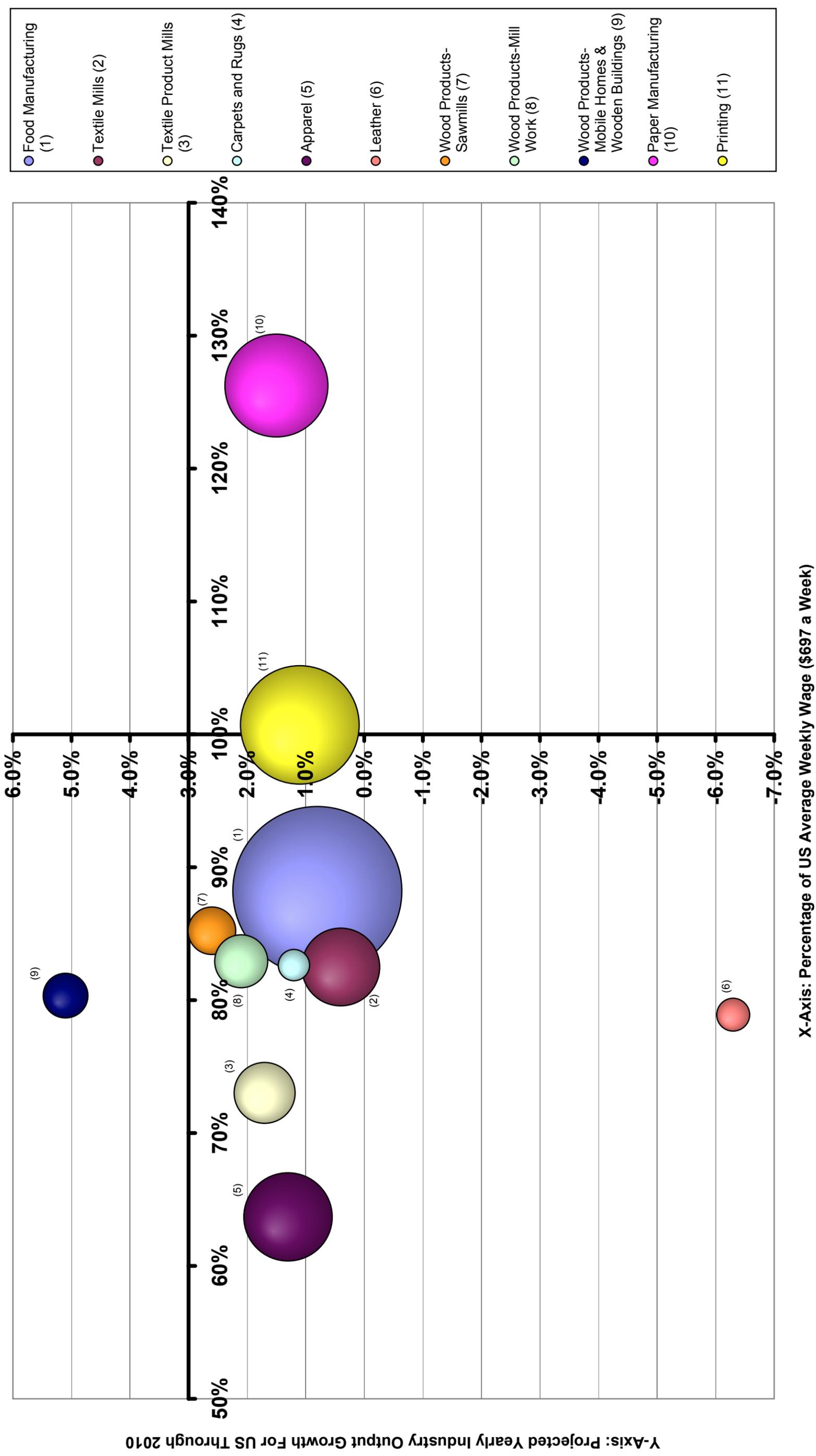
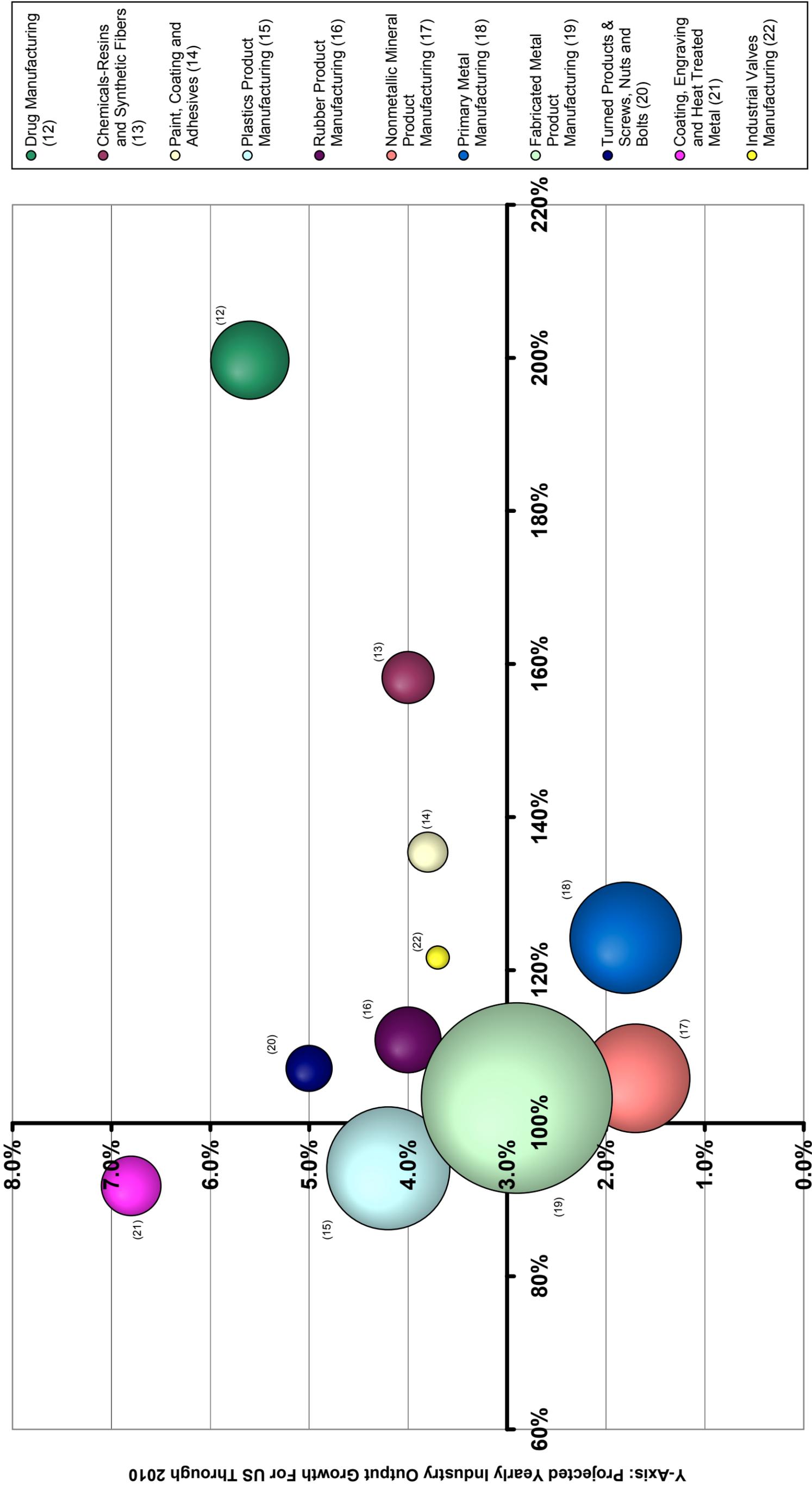


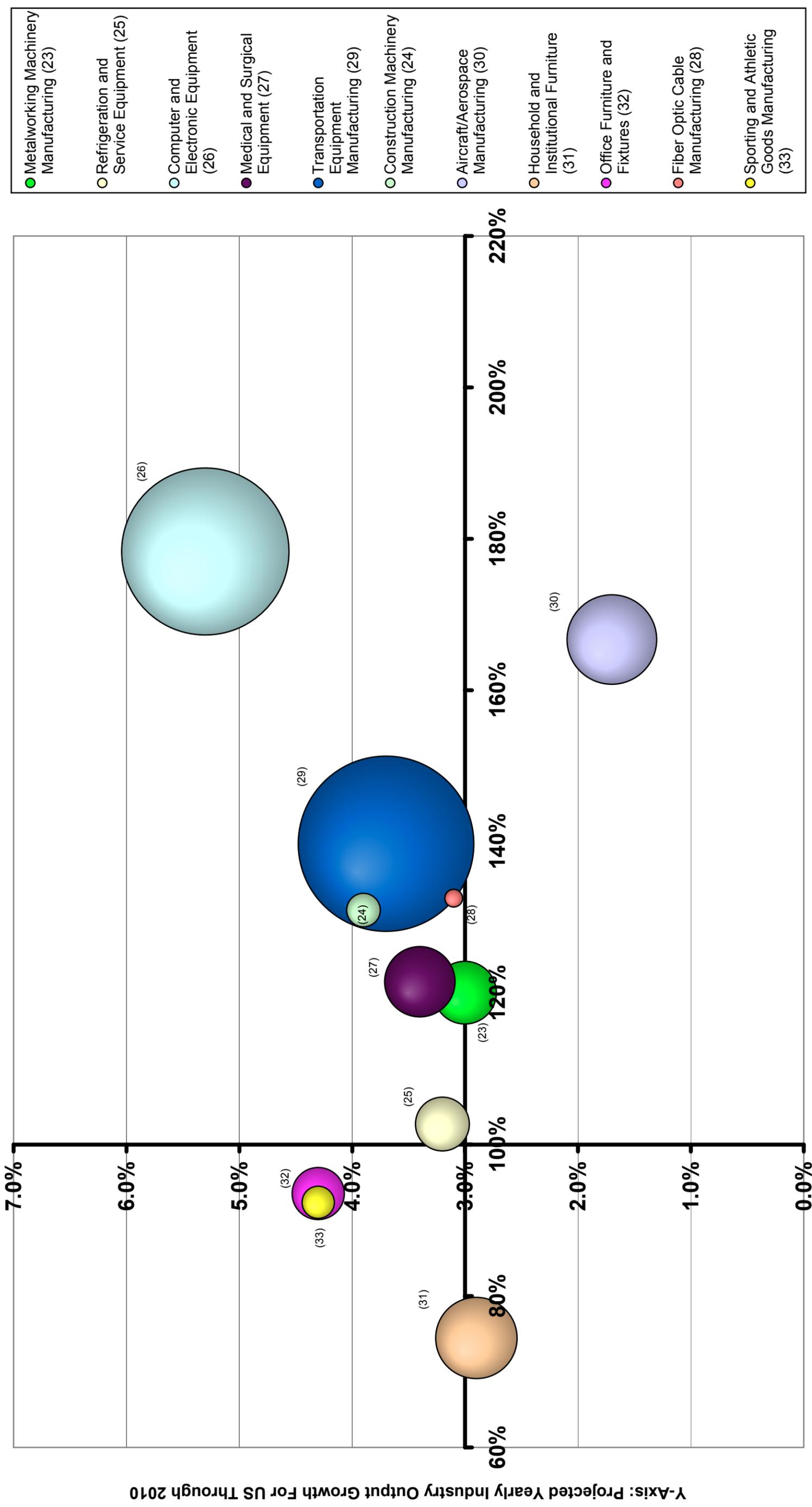
Figure 14. US Manufacturing Employment and Projected US Industry Output Growth Through 2010 (Part Two)



X-Axis: Percentage of US Average Weekly Wage (\$697 a Week)

Y-Axis: Projected Yearly Industry Output Growth For US Through 2010

Figure 15. US Manufacturing Employment and Projected US Industry Output Growth Through 2010 (Part Three)



X-Axis: Percentage of US Average Weekly Wage (\$697 a Week)

Table 6. US Service Industries and US Projected Industry Output* Growth

NAICS Code	Name	(2nd Qtr. 2002) US Employees	Weekly Average Wage	% of Average	Projected Yearly Output* Growth	Zone	Figure
42	Wholesale Trade (1)	5,730,294	\$938	134.6%	4.4%	Green	16
44	Retail Trade (2)	15,179,753	\$436	62.6%	2.9%	Red	16
484	Truck Transportation (3)	1,382,991	\$660	94.7%	4.2%	Yellow	16
493	Warehousing and Storage (4)	510,640	\$617	88.5%	7.2%	Yellow	16
511	Publishing Industries (5)	1,014,282	\$1,154	165.6%	1.1%	Yellow	16
517	Telecommunications (6)	1,292,342	\$1,086	155.8%	6.5%	Green	16
518	Internet and Data Processing (7)	486,654	\$1,256	180.2%	8.0%	Green	16
52	Finance and Insurance (8)	5,642,689	\$1,225	175.8%	3.0%	Yellow/Green	16
53	Real Estate (9)	2,036,285	\$632	90.7%	2.9%	Red	16
5411	Legal Services (10)	1,087,701	\$1,184	169.9%	3.2%	Green	16
5412	Accounting and Bookkeeping (11)	878,482	\$897	128.7%	3.8%	Green	16
5413	Architectural and Engineering Services (12)	1,268,354	\$1,076	154.4%	4.7%	Green	16
5415	Computer Systems Design (13)	1,278,831	\$1,439	206.5%	8.0%	Green	17
5416	Management and Technical Consulting (14)	748,920	\$1,229	176.3%	2.8%	Yellow	17
5417	Scientific Research and Development (15)	530,832	\$1,306	187.4%	4.9%	Green	17
55	Management of Companies and Enterprises (16)	1,716,130	\$1,326	190.2%	2.8%	Yellow	17
5613	Employment Services (17)	3,411,728	\$418	60.0%	4.8%	Yellow	17
5614	Business Support Services (18)	771,005	\$522	74.9%	4.7%	Yellow	17
5617	Services to Businesses and Dwellings (19)	1,607,056	\$362	51.9%	3.6%	Yellow	17
562	Waste Management and Remediation Services (20)	315,523	\$778	111.6%	4.7%	Yellow	17
61	Educational Services (21)	1,883,564	\$617	88.5%	2.3%	Red	17
621	Ambulatory Health Care Services (22)	4,453,597	\$826	118.5%	1.7%	Yellow	17
622	Hospitals (23)	4,007,430	\$691	99.1%	0.8%	Red	17
623	Nursing and Resident Care Facilities (24)	2,657,817	\$407	58.4%	2.1%	Red	17
6241	Individual and Family Social Services (25)	721,648	\$396	56.8%	5.1%	Yellow	18
6244	Child Care Services (26)	698,485	\$280	40.2%	5.2%	Yellow	18
7111	Performing Arts Companies (27)	126,879	\$570	81.8%	2.7%	Red	18
7112	Spectator Sports (28)	132,495	\$1,429	205.0%	1.9%	Yellow	18
712	Museums, Parks and Historic Sites (29)	114,796	\$458	65.7%	4.6%	Yellow	18
713	Amusement and Recreation (30)	1,291,406	\$325	46.6%	4.4%	Yellow	18
721	Accommodation (31)	1,827,321	\$390	56.0%	2.3%	Red	18
722	Eating and Drinking Places (32)	8,273,315	\$235	33.7%	2.9%	Red	18
811	Repair and Maintenance (33)	1,249,565	\$550	78.9%	5.6%	Yellow	18
812	Personal and Laundry Services (34)	1,250,104	\$370	53.1%	3.8%	Yellow	18
813	Membership Organizations and Associations (35)	1,272,987	\$482	69.2%	2.4%	Red	18
	Government (36)	7,041,074	\$773	110.9%	3.8%	Green	18

*Output is Defined as the Value of Manufactured Product or Service Less Expenses

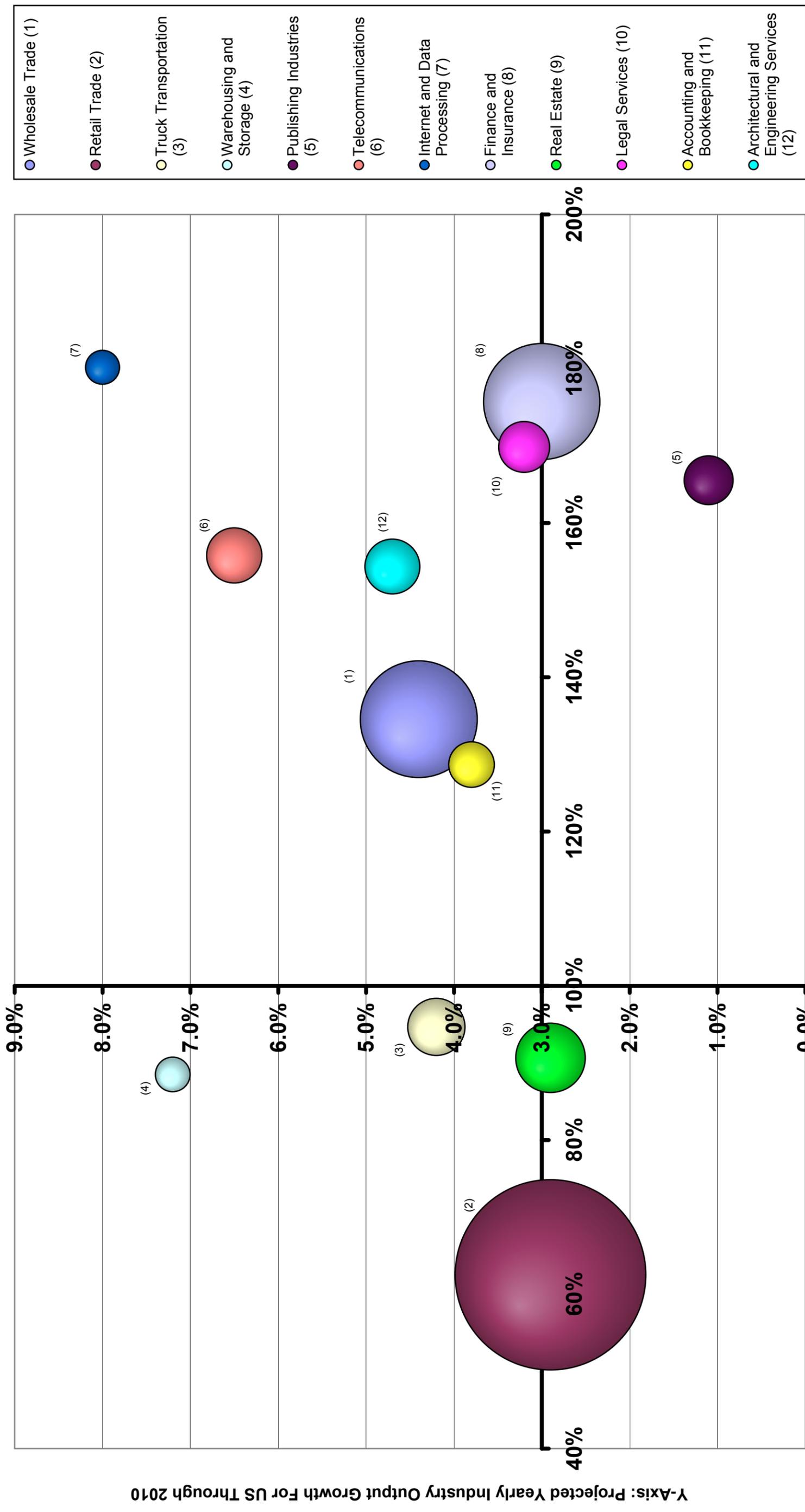
Codes: Red= Below Average Output Growth (Less than 3% a Year) and Below Average Wages

Green=Above Average Output Growth (More than 3% a Year) and Above Average Wages

Yellow= Below Average Output Growth (Less than 3% a Year) and Above Average Wages

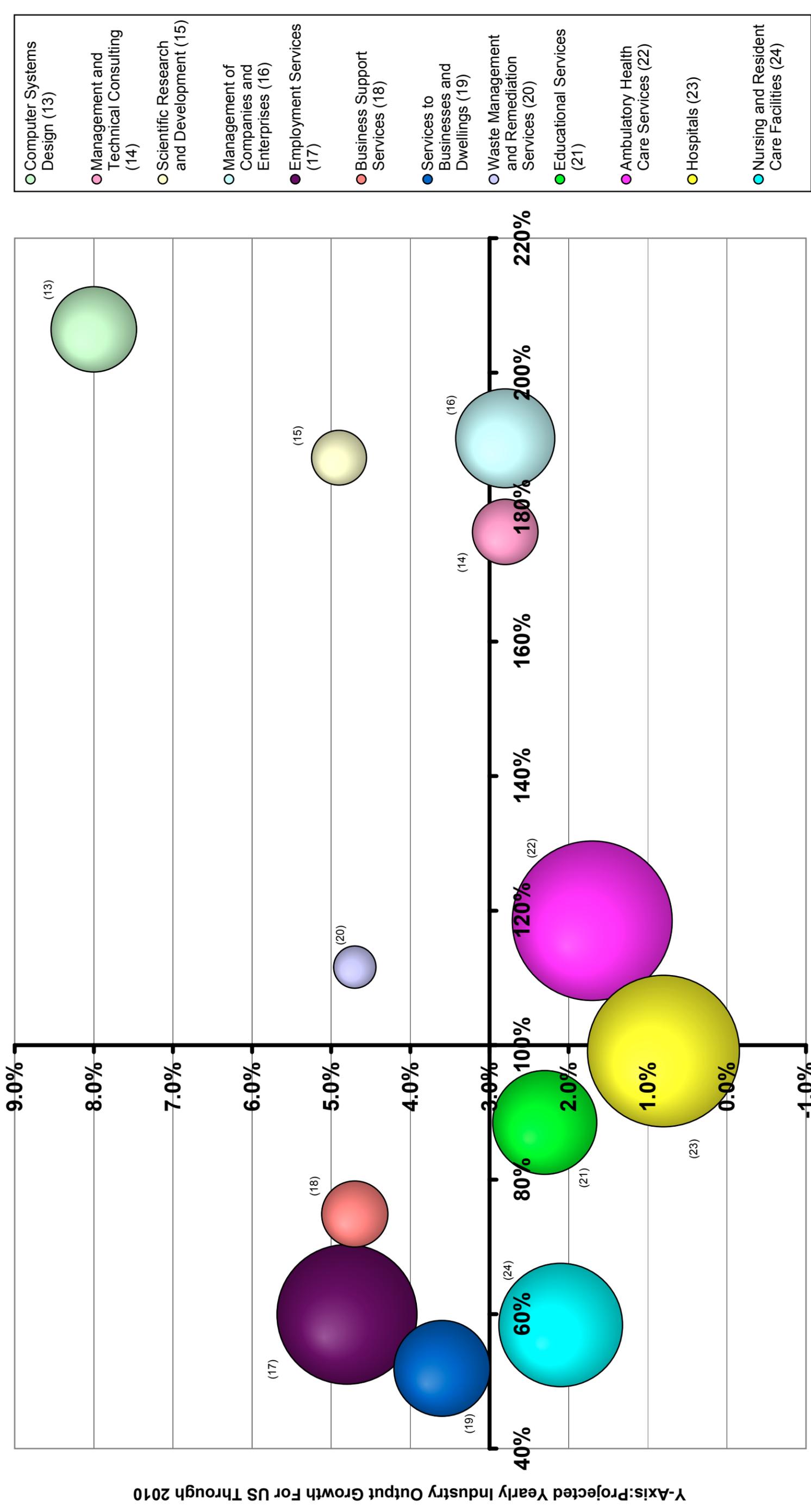
Source: NCEC, 2003; BLS, 2003; WPCOG Data Center, 2003.

Figure 16. US Service Employment and Projected US Industry Output Growth Through 2010 (Part One)



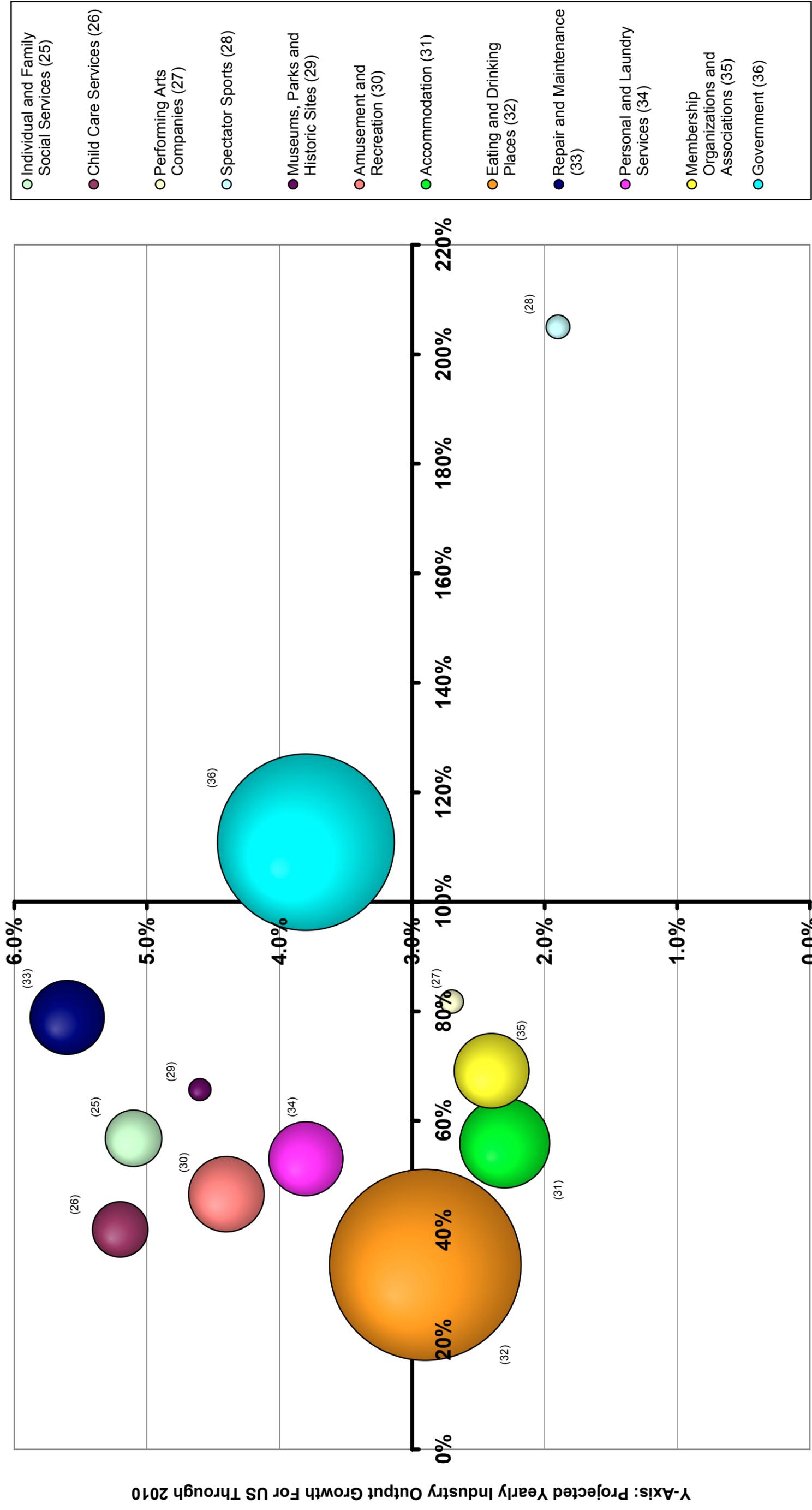
X-Axis: Percentage of US Average Weekly Wage (\$697 a Week)

Figure 17. US Service Employment and Projected US Industry Output Growth Through 2010 (Part Two)



X-Axis: Percentage of US Average Weekly Wage (\$697 a Week)

Figure 18. US Service Employment and Projected US Industry Output Growth Through 2010 (Part Three)



X-Axis: Percentage of US Average Weekly Wage (\$697 a Week)

Appendix F-NAICS Code Definitions

311 Food Manufacturing

Industries in the Food Manufacturing subsector transform livestock and agricultural products into products for intermediate or final consumption. The industry groups are distinguished by the raw materials (generally of animal or vegetable origin) processed into food products.

The food products manufactured in these establishments are typically sold to wholesalers or retailers for distribution to consumers, but establishments primarily engaged in retailing bakery and candy products made on the premises not for immediate consumption are included.

Establishments primarily engaged in manufacturing beverages are classified in Subsector 312, Beverage and Tobacco Product Manufacturing.

313 Textile Mills

Industries in the Textile Mills subsector group establishments that transform a basic fiber (natural or synthetic) into a product, such as yarn or fabric, that is further manufactured into usable items, such as apparel, sheets towels, and textile bags for individual or industrial consumption. The further manufacturing may be performed in the same establishment and classified in this subsector, or it may be performed at a separate establishment and be classified elsewhere in manufacturing.

The main processes in this subsector include preparation and spinning of fiber, knitting or weaving of fabric, and the finishing of the textile. The NAICS structure follows and captures this process flow. Major industries in this flow, such as preparation of fibers, weaving of fabric, knitting of fabric, and fiber and fabric finishing, are uniquely identified. Texturizing, throwing, twisting, and winding of yarn contains aspects of both fiber preparation and fiber finishing and is classified with preparation of fibers rather than with finishing of fiber.

NAICS separates the manufacturing of primary textiles and the manufacturing of textile products (except apparel) when the textile product is produced from purchased primary textiles, such as fabric. The manufacturing of textile products (except apparel) from purchased fabric is classified in Subsector 314, Textile Product Mills, and apparel from purchased fabric is classified in Subsector 315, Apparel Manufacturing.

Excluded from this subsector are establishments that weave or knit fabric and make garments. These establishments are included in Subsector 315, Apparel Manufacturing.

314 Textile Product Mills

Industries in the Textile Product Mills subsector group are establishments that make textile products (except apparel). With a few exceptions, processes used in these industries are generally cut and sew (i.e., purchasing fabric and cutting and sewing to make nonapparel textile products, such as sheets and towels).

314110 Carpet and Rug Mills

This industry comprises establishments primarily engaged in (1) manufacturing woven, tufted, and other carpets and rugs, such as art squares, floor mattings, needlepunch carpeting, and door mats and mattings, from textile materials or from twisted paper, grasses, reeds, sisal, jute, or rags and/or (2) finishing carpets and rugs.

315 Apparel Manufacturing

Industries in the Apparel Manufacturing subsector group establishments with two distinct manufacturing processes: (1) cut and sew (i.e., purchasing fabric and cutting and sewing to make a garment), and (2) the manufacture of garments in establishments that first knit fabric and then cut and sew the fabric into a garment. The Apparel Manufacturing subsector includes a diverse range of establishments manufacturing full lines of ready-to-wear apparel and custom apparel: apparel contractors, performing cutting or sewing operations on materials owned by others; jobbers performing entrepreneurial functions involved in apparel manufacture; and tailors, manufacturing custom garments for individual clients are all included. Knitting, when done alone, is classified in the Textile Mills subsector, but when knitting is combined with the production of complete garments, the activity is classified in Apparel Manufacturing.

316 Leather and Allied Product Manufacturing

Establishments in the Leather and Allied Product Manufacturing subsector transform hides into leather by tanning or curing and fabricating the leather into products for final consumption. It also includes the manufacture of similar products from other materials, including products (except apparel) made from "leather substitutes," such as rubber, plastics, or textiles. Rubber footwear, textile luggage, and plastics purses or wallets are examples of "leather substitute" products included in this group. The products made from leather substitutes are included in this subsector because they are made in similar ways leather products are made (e.g., luggage). They are made in the same establishments, so it is not practical to separate them.

The inclusion of leather making in this subsector is partly because leather tanning is a relatively small industry that has few close neighbors as a production process, partly because leather is an input to some of the other products classified in this subsector and partly for historical reasons.

3211 Sawmills and Wood Preservation

This industry group comprises establishments whose primary production process begins with logs or bolts that are transformed into boards, dimension lumber, beams, timbers, poles, ties, shingles, shakes, siding, and wood chips. Establishments that cut and treat round wood and/or treat wood products made in other establishments to prevent rotting by impregnation with creosote or other chemical compounds are also included in this industry group.

32191 Millwork

This industry comprises establishments primarily engaged in manufacturing hardwood and softwood cut stock and dimension stock (i.e., shapes); wood windows and wood doors; and other millwork including wood flooring. Dimension stock or cut stock is defined as lumber and worked wood products cut or shaped to specialized sizes. These establishments generally use woodworking machinery, such as jointers, planers, lathes, and routers to shape wood.

32199 All Other Wood Product Manufacturing

This industry comprises establishments primarily engaged in manufacturing wood products (except establishments operating sawmills and wood preservation facilities; and establishments manufacturing veneer, plywood, engineered wood products, millwork, wood containers, or pallets). Are Included in the category is mobile home manufacturing.

322 Paper Manufacturing

Industries in the Paper Manufacturing subsector make pulp, paper, or converted paper products. The manufacturing of these products is grouped together because they constitute a series of vertically connected processes. More than one is often carried out in a single establishment. There are essentially three activities. The manufacturing of pulp involves separating the cellulose fibers from other impurities in wood or used paper. The manufacturing of paper involves matting these fibers into a sheet. Converted paper products are made from paper and other materials by various cutting and shaping techniques and includes coating and laminating activities.

The Paper Manufacturing subsector is subdivided into two industry groups, the first for the manufacturing of pulp and paper and the second for the manufacturing of converted paper products. Paper making is treated as the core activity of the subsector. Therefore, any establishment that makes paper (including paperboard), either alone or in combination with pulp manufacturing or paper converting, is classified as a paper or paperboard mill. Establishments that make pulp without making paper are classified as pulp mills. Pulp mills, paper mills and paperboard mills comprise the first industry group.

Establishments that make products from purchased paper and other materials make up the second industry group, Converted Paper Product Manufacturing. This general activity is then subdivided based, for the most part, on process distinctions. Paperboard container manufacturing uses corrugating, cutting, and shaping machinery to form paperboard into containers. Paper bag and coated and treated paper manufacturing establishments cut and coat paper and foil. Stationery product manufacturing establishments make a variety of paper products used for writing, filing, and similar applications. Other converted paper product manufacturing includes, in particular, the conversion of sanitary paper stock into such things as tissue paper and disposable diapers.

An important process used in the Paper Bag and Coated and Treated Paper Manufacturing industry is lamination, often combined with coating. Lamination and coating makes a composite material with improved properties of strength, impermeability, and so on. The laminated materials may be paper, metal foil, or plastics film. While paper is often one of the components, it is not always. Lamination of plastics film to plastics film is classified in the

NAICS Subsector 326, Plastics and Rubber Products Manufacturing, because establishments that do this often first make the film. The same situation holds with respect to bags. The manufacturing of bags from plastics only, whether or not laminated, is classified in Subsector 326, Plastics and Rubber Products Manufacturing, but all other bag manufacturing is classified in this subsector.

Excluded from this subsector are photosensitive papers. These papers are chemically treated and are classified in Industry 32599, All Other Chemical Product and Preparation Manufacturing.

323 Printing and Related Support Activities

Industries in the Printing and Related Support Activities subsector print products, such as newspapers, books, labels, business cards, stationery, business forms, and other materials, and perform support activities, such as data imaging, platemaking services, and bookbinding. The support activities included here are an integral part of the printing industry, and a product (a printing plate, a bound book, or a computer disk or file) that is an integral part of the printing industry is almost always provided by these operations.

Processes used in printing include a variety of methods used to transfer an image from a plate, screen, film, or computer file to some medium, such as paper, plastics, metal, textile articles, or wood. The most prominent of these methods is to transfer the image from a plate or screen to the medium (lithographic, gravure, screen, and flexographic printing). A rapidly growing new technology uses a computer file to directly "drive" the printing mechanism to create the image and new electrostatic and other types of equipment (digital or nonimpact printing).

In contrast to many other classification systems that locate publishing of printed materials in manufacturing, NAICS classifies the publishing of printed products in Subsector 511, Publishing Industries (except Internet). Though printing and publishing are often carried out by the same enterprise (a newspaper, for example), it is less and less the case that these distinct activities are carried out in the same establishment. When publishing and printing are done in the same establishment, the establishment is classified in Sector 51, Information, in the appropriate NAICS industry even if the receipts for printing exceed those for publishing.

This subsector includes printing on clothing because the production process for that activity is printing, not clothing manufacturing. For instance, the printing of T-shirts is included in this subsector. In contrast, printing on fabric (or grey goods) is not included. This activity is part of the process of finishing the fabric and is included in the NAICS Textile Mills subsector in Industry 31331, Textile and Fabric Finishing Mills.

3252 Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing

This industry includes establishments primarily engaged in one or more of the following: (1) manufacturing synthetic resins, plastics materials, and nonvulcanizable elastomers and mixing and blending resins on a custom basis; (2) manufacturing noncustomized synthetic resins; and (3) manufacturing synthetic rubber. Also included are establishments primarily engaged in (1) manufacturing cellulosic (i.e., rayon and acetate) and noncellulosic (i.e., nylon,

polyolefin, and polyester) fibers and filaments in the form of monofilament, filament yarn, staple, or tow or (2) manufacturing and texturing cellulosic and noncellulosic fibers and filaments.

3254 Pharmaceutical and Medicine Manufacturing

This industry comprises establishments primarily engaged in one or more of the following: (1) manufacturing biological and medicinal products; (2) processing (i.e., grading, grinding, and milling) botanical drugs and herbs; (3) isolating active medicinal principals from botanical drugs and herbs; and (4) manufacturing pharmaceutical products intended for internal and external consumption in such forms as ampoules, tablets, capsules, vials, ointments, powders, solutions, and suspensions.

3255 Paint, Coating, and Adhesive Manufacturing

This industry comprises establishments primarily engaged in (1) mixing pigments, solvents, and binders into paints and other coatings, such as stains, varnishes, lacquers, enamels, shellacs, and water repellent coatings for concrete and masonry, and/or (2) manufacturing allied paint products, such as putties, paint and varnish removers, paint brush cleaners, and frit.

3261 Plastics Product Manufacturing

This industry group comprises establishments primarily engaged in processing new or spent (i.e., recycled) plastics resins into intermediate or final products, using such processes as compression molding; extrusion molding; injection molding; blow molding; and casting. Within most of these industries, the production process is such that a wide variety of products can be made.

3262 Rubber Product Manufacturing

This industry group comprises establishments primarily engaged in processing natural, and synthetic or reclaimed rubber materials into intermediate or final products using processes such as vulcanizing, cementing, molding, extruding, and lathe-cutting.

327 Nonmetallic Mineral Product Manufacturing

The Nonmetallic Mineral Product Manufacturing subsector transforms mined or quarried nonmetallic minerals, such as sand, gravel, stone, clay, and refractory materials, into products for intermediate or final consumption. Processes used include grinding, mixing, cutting, shaping, and honing. Heat often is used in the process and chemicals are frequently mixed to change the composition, purity, and chemical properties for the intended product. For example, glass is produced by heating silica sand to the melting point (sometimes combined with cullet or recycled glass) and then drawn, floated, or blow molded to the desired shape or thickness. Refractory materials are heated and then formed into bricks or other shapes for use in industrial applications. The Nonmetallic Mineral Product Manufacturing subsector includes establishments that manufacture products, such as bricks, refractories, ceramic products, and glass and glass products, such as plate glass and containers. Also included are cement and concrete products, lime, gypsum and other

nonmetallic mineral products including abrasive products, ceramic plumbing fixtures, statuary, cut stone products, and mineral wool. The products are used in a wide range of activities from construction and heavy and light manufacturing to articles for personal use.

Mining, beneficiating, and manufacturing activities often occur in a single location. Separate receipts will be collected for these activities whenever possible. When receipts cannot be broken out between mining and manufacturing, establishments that mine or quarry nonmetallic minerals, beneficiate the nonmetallic minerals and further process the nonmetallic minerals into a more finished manufactured product are classified based on the primary activity of the establishment. A mine that manufactures a small amount of finished products will be classified in Sector 21, Mining. An establishment that mines whose primary output is a more-finished manufactured product will be classified in the Manufacturing Sector.

Excluded from the Nonmetallic Mineral Product Manufacturing subsector are establishments that primarily beneficiate mined nonmetallic minerals. Beneficiation is the process whereby the extracted material is reduced to particles that can be separated into mineral and waste, the former suitable for further processing or direct use. Beneficiation establishments are included in Sector 21, Mining.

331 Primary Metal Manufacturing

Industries in the Primary Metal Manufacturing subsector smelt and/or refine ferrous and nonferrous metals from ore, pig or scrap, using electrometallurgical and other process metallurgical techniques. Establishments in this subsector also manufacture metal alloys and superalloys by introducing other chemical elements to pure metals. The output of smelting and refining, usually in ingot form, is used in rolling, drawing, and extruding operations to make sheet, strip, bar, rod, or wire, and in molten form to make castings and other basic metal products.

Primary manufacturing of ferrous and nonferrous metals begins with ore or concentrate as the primary input. Establishments manufacturing primary metals from ore and/or concentrate remain classified in the primary smelting, primary refining, or iron and steel mill industries regardless of the form of their output. Establishments primarily engaged in secondary smelting and/or secondary refining recover ferrous and nonferrous metals from scrap and/or dross. The output of the secondary smelting and/or secondary refining industries is limited to shapes, such as ingot or billet, that will be further processed. Recovery of metals from scrap often occurs in establishments that are primarily engaged in activities, such as rolling, drawing, extruding, or similar processes.

Excluded from the Primary Metal Manufacturing subsector are establishments primarily engaged in manufacturing ferrous and nonferrous forgings (except ferrous forgings made in steel mills) and stampings. Although forging, stamping, and casting are all methods used to make metal shapes, forging and stamping do not use molten metals and are included in Subsector 332, Fabricated Metal Product Manufacturing. Establishments primarily engaged in operating coke ovens are classified in Industry 32419, Other Petroleum and Coal Products Manufacturing.

332 Fabricated Metal Product Manufacturing

Industries in the Fabricated Metal Product Manufacturing subsector transform metal into intermediate or end products, other than machinery, computers and electronics, and metal furniture or treating metals and metal formed products fabricated elsewhere. Important fabricated metal processes are forging, stamping, bending, forming, and machining, used to shape individual pieces of metal; and other processes, such as welding and assembling, used to join separate parts together. Establishments in this subsector may use one of these processes or a combination of these processes.

The NAICS structure for this subsector distinguishes the forging and stamping processes in a single industry. The remaining industries, in the subsector, group establishments based on similar combinations of processes used to make products.

The manufacturing performed in the Fabricated Metal Product Manufacturing subsector begins with manufactured metal shapes. The establishments in this sector further fabricate the purchased metal shapes into a product. For instance, the Spring and Wire Product Manufacturing industry starts with wire and fabricates such items.

Within manufacturing there are other establishments that make the same products made by this subsector; only these establishments begin production further back in the production process. These establishments have a more integrated operation. For instance, one establishment may manufacture steel, draw it into wire, and make wire products in the same establishment. Such operations are classified in the Primary Metal Manufacturing subsector.

33272 Turned Products and Screw, Nut, and Bolt Manufacturing

This industry comprises establishments primarily engaged in (1) machining precision turned products or (2) manufacturing metal bolts, nuts, screws, rivets, and other industrial fasteners. Included in this industry are establishments primarily engaged in manufacturing parts for machinery and equipment on a customized basis.

3328 Coating, Engraving, Heat Treating, and Allied Activities

This industry comprises establishments primarily engaged in one or more of the following: (1) heat treating metals and metal products; (2) enameling, lacquering, and varnishing metals and metal products; (3) hot dip galvanizing metals and metal products; (4) engraving, chasing, or etching metals and metal products (except jewelry; personal goods carried on or about the person, such as compacts and cigarette cases; precious metal products (except precious plated flatware and other plated ware); and printing plates); (5) powder coating metals and metal products; (6) electroplating, plating, anodizing, coloring, and finishing metals and metal products; and (7) providing other metal surfacing services for the trade. Establishments in this industry coat engravings and heat treat metals and metal formed products fabricated elsewhere.

332911 Industrial Valve Manufacturing

This U.S. industry comprises establishments primarily engaged in manufacturing industrial valves and valves for water works and municipal water systems.

33312 Construction Machinery Manufacturing

This industry comprises establishments primarily engaged in manufacturing construction machinery, surface mining machinery, and logging equipment.

3334 Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equipment Manufacturing

This industry comprises establishments primarily engaged in manufacturing ventilating, heating, air-conditioning, and commercial and industrial refrigeration and freezer equipment.

334 Computer and Electronic Product Manufacturing

Industries in the Computer and Electronic Product Manufacturing subsector group include establishments that manufacture computers, computer peripherals, communications equipment, and similar electronic products, and establishments that manufacture components for such products. The Computer and Electronic Product Manufacturing industries have been combined in the hierarchy of NAICS because of the economic significance they have attained. Their rapid growth suggests that they will become even more important to the economies of all three North American countries in the future, and in addition their manufacturing processes are fundamentally different from the manufacturing processes of other machinery and equipment. The design and use of integrated circuits and the application of highly specialized miniaturization technologies are common elements in the production technologies of the computer and electronic subsector. Convergence of technology motivates this NAICS subsector. Digitalization of sound recording, for example, causes both the medium (the compact disc) and the equipment to resemble the technologies for recording, storing, transmitting, and manipulating data. Communications technology and equipment have been converging with computer technology. When technologically-related components are in the same sector, it makes it easier to adjust the classification for future changes, without needing to redefine its basic structure. The creation of the Computer and Electronic Product Manufacturing subsector will assist in delineating new and emerging industries because the activities that will serve as the probable sources of new industries, such as computer manufacturing and communications equipment manufacturing, or computers and audio equipment, are brought together. As new activities emerge, they are less likely therefore, to cross the subsector boundaries of the classification.

335921 Fiber Optic Cable Manufacturing

This U.S. industry comprises establishments primarily engaged in manufacturing insulated fiber-optic cable from purchased fiber-optic strand.

336 Transportation Equipment Manufacturing

Industries in the Transportation Equipment Manufacturing subsector produce equipment for transporting people and goods. Transportation equipment is a type of machinery. An entire subsector is devoted to this activity because of the significance of its economic size in all three North American countries.

Establishments in this subsector utilize production processes similar to those of other machinery manufacturing establishments - bending, forming, welding, machining, and assembling metal or plastic parts into components and finished products. However, the assembly of components and subassemblies and their further assembly into finished vehicles tends to be a more common production process in this subsector than in the Machinery Manufacturing subsector.

NAICS has industry groups for the manufacture of equipment for each mode of transport - road, rail, air and water. Parts for motor vehicles warrant a separate industry group because of their importance and because parts manufacture requires less assembly, and the establishments that manufacture only parts are not as vertically integrated as those that make complete vehicles.

Land use motor vehicle equipment not designed for highway operation (e.g., agricultural equipment, construction equipment, and materials handling equipment) is classified in the appropriate NAICS subsector based on the type and use of the equipment.

3364 Aerospace Product and Parts Manufacturing

This industry comprises establishments primarily engaged in one or more of the following: (1) manufacturing complete aircraft, missiles, or space vehicles; (2) manufacturing aerospace engines, propulsion units, auxiliary equipment or parts; (3) developing and making prototypes of aerospace products; (4) aircraft conversion (i.e., major modifications to systems); and (5) complete aircraft or propulsion systems overhaul and rebuilding (i.e., periodic restoration of aircraft to original design specifications).

3371 Household and Institutional Furniture and Kitchen Cabinet Manufacturing

This industry group comprises establishments manufacturing household-type furniture, such as living room, kitchen and bedroom furniture and institutional (i.e., public building) furniture, such as furniture for schools, theaters, and churches.

3372 Office Furniture (including Fixtures) Manufacturing

This industry comprises establishments primarily engaged in manufacturing office furniture and/or office and store fixtures. The furniture may be made on a stock or custom basis and may be assembled or unassembled (i.e., knockdown).

3391 Medical Equipment and Supplies Manufacturing

This industry comprises establishments primarily engaged in manufacturing medical equipment and supplies. Examples of products made by these establishments are laboratory apparatus and furniture, surgical and medical instruments, surgical appliances and supplies, dental equipment and supplies, orthodontic goods, dentures, and orthodontic appliances.

33992 Sporting and Athletic Goods Manufacturing

This industry comprises establishments primarily engaged in manufacturing sporting and athletic goods (except apparel and footwear).

42 Wholesale Trade

The Wholesale Trade sector comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing.

The wholesaling process is an intermediate step in the distribution of merchandise. Wholesalers are organized to sell or arrange the purchase or sale of (a) goods for resale (i.e., goods sold to other wholesalers or retailers), (b) capital or durable nonconsumer goods, and (c) raw and intermediate materials and supplies used in production.

Wholesalers sell merchandise to other businesses and normally operate from a warehouse or office. These warehouses and offices are characterized by having little or no display of merchandise. In addition, neither the design nor the location of the premises is intended to solicit walk-in traffic. Wholesalers do not normally use advertising directed to the general public. Customers are generally reached initially via telephone, in-person marketing, or by specialized advertising that may include Internet and other electronic means. Follow-up orders are either vendor-initiated or client-initiated, generally based on previous sales, and typically exhibit strong ties between sellers and buyers. In fact, transactions are often conducted between wholesalers and clients that have long-standing business relationships.

This sector comprises two main types of wholesalers: merchant wholesalers that sell goods on their own account and business to business electronic markets, agents, and brokers that arrange sales and purchases for others generally for a commission or fee.

(1) Establishments that sell goods on their own account are known as wholesale merchants, distributors, jobbers, drop shippers, and import/export merchants. Also included as wholesale merchants are sales offices and sales branches (but not retail stores) maintained by manufacturing, refining, or mining enterprises apart from their plants or mines for the purpose of marketing their products. Merchant wholesale establishments typically maintain their own warehouse, where they receive and handle goods for their customers. Goods are generally sold without transformation, but may include integral functions, such as sorting, packaging, labeling, and other marketing services.

(2) Establishments arranging for the purchase or sale of goods owned by others or purchasing goods, generally on a commission basis are known as business to business electronic markets, agents and brokers, commission merchants, import/export agents and brokers, auction companies, and manufacturers' representatives. These establishments operate from offices and generally do not own or handle the goods they sell.

Some wholesale establishments may be connected with a single manufacturer and promote and sell the particular manufacturers' products to a wide range of other wholesalers or retailers. Other wholesalers may be connected to a retail chain, or limited number of retail chains, and only provide a variety of products needed by that particular retail operation(s). These wholesalers may obtain the products from a wide range of manufacturers. Still other wholesalers may not take title to the goods, but act as agents and brokers for a commission.

Although, in general, wholesaling normally denotes sales in large volumes, durable nonconsumer goods may be sold in single units. Sales of capital or durable nonconsumer goods used in the production of goods and services, such as farm machinery, medium and heavy duty trucks, and industrial machinery, are always included in wholesale trade.

44-45 Retail Trade

The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and nonstore retailers.

1. Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. In general, retail stores have extensive displays of merchandise and use mass-media advertising to attract customers. They typically sell merchandise to the general public for personal or household consumption, but some also serve business and institutional clients. These include establishments, such as office supply stores, computer and software stores, building materials dealers, plumbing supply stores, and electrical supply stores. Catalog showrooms, gasoline services stations, automotive dealers, and mobile home dealers are treated as store retailers.

In addition to retailing merchandise, some types of store retailers are also engaged in the provision of after-sales services, such as repair and installation. For example, new automobile dealers, electronic and appliance stores, and musical instrument and supply stores often provide repair services. As a general rule, establishments engaged in retailing merchandise and providing after-sales services are classified in this sector.

The first eleven subsectors of retail trade are store retailers. The establishments are grouped into industries and industry groups typically based on one or more of the following criteria:

(a) The merchandise line or lines carried by the store; for example, specialty stores are distinguished from general-line stores.

(b) The usual trade designation of the establishments. This criterion applies in cases where a store type is well recognized by the industry and the public, but difficult to define strictly in terms of commodity lines carried; for example, pharmacies, hardware stores, and department stores.

(c) Capital requirements in terms of display equipment; for example, food stores have equipment requirements not found in other retail industries.

(d) Human resource requirements in terms of expertise; for example, the staff of an automobile dealer requires knowledge in financing, registering, and licensing issues that are not necessary in other retail industries.

2. Nonstore retailers, like store retailers, are organized to serve the general public, but their retailing methods differ. The establishments of this subsector reach customers and market merchandise with methods, such as the broadcasting of "infomercials," the broadcasting and publishing of direct-response advertising, the publishing of paper and electronic catalogs, door-to-door solicitation, in-home demonstration, selling from portable stalls (street vendors, except food), and distribution through vending machines. Establishments engaged in the direct sale (nonstore) of products, such as home heating oil dealers and home delivery newspaper routes are included here.

The buying of goods for resale is a characteristic of retail trade establishments that particularly distinguishes them from establishments in the agriculture, manufacturing, and construction industries. For example, farms that sell their products at or from the point of production are not classified in retail, but rather in agriculture. Similarly, establishments that both manufacture and sell their products to the general public are not classified in retail, but rather in manufacturing. However, establishments that engage in processing activities incidental to retailing are classified in retail. This includes establishments, such as optical goods stores that do in-store grinding of lenses, and meat and seafood markets.

Wholesalers also engage in the buying of goods for resale, but they are not usually organized to serve the general public. They typically operate from a warehouse or office and neither the design nor the location of these premises is intended to solicit a high volume of walk-in traffic. Wholesalers supply institutional, industrial, wholesale, and retail clients; their operations are, therefore, generally organized to purchase, sell, and deliver merchandise in larger quantities. However, dealers of durable nonconsumer goods, such as farm machinery and heavy duty trucks, are included in wholesale trade even if they often sell these products in single units.

484 Truck Transportation

Industries in the Truck Transportation subsector provide over-the-road transportation of cargo using motor vehicles, such as trucks and tractor trailers. The subsector is subdivided into general freight trucking and specialized freight trucking. This distinction reflects differences in equipment used, type of load carried, scheduling, terminal, and other networking services. General freight transportation establishments handle a wide variety of general commodities, generally palletized, and transported in a container or van trailer. Specialized freight transportation is the transportation of cargo that, because of size, weight, shape, or other inherent characteristics require specialized equipment for transportation.

Each of these industry groups is further subdivided based on distance traveled. Local trucking establishments primarily carry goods within a single metropolitan area and its adjacent nonurban areas. Long distance trucking establishments carry goods between metropolitan areas.

The Specialized Freight Trucking industry group includes a separate industry for Used Household and Office Goods Moving. The household and office goods movers are separated because of the substantial network of establishments that has developed to deal with local and long-distance moving and the associated storage. In this area, the same establishment provides both local and long-distance services, while other specialized freight establishments generally limit their services to either local or long-distance hauling.

493 Warehousing and Storage

Industries in the Warehousing and Storage subsector are primarily engaged in operating warehousing and storage facilities for general merchandise, refrigerated goods, and other warehouse products. These establishments provide facilities to store goods. They do not sell the goods they handle. These establishments take responsibility for storing the goods and keeping them secure. They may also provide a range of services, often referred to as logistics services, related to the distribution of goods. Logistics services can include labeling, breaking bulk, inventory control and management, light assembly, order entry and fulfillment, packaging, pick and pack, price marking and ticketing, and transportation arrangement. However, establishments in this industry group always provide warehousing or storage services in addition to any logistic services. Furthermore, the warehousing or storage of goods must be more than incidental to the performance of services, such as price marking.

Bonded warehousing and storage services and warehouses located in free trade zones are included in the industries of this subsector.

511 Publishing Industries (except Internet)

Industries in the Publishing Industries (except Internet) subsector group establishments engaged in the publishing of newspapers, magazines, other periodicals, and books, as well as directory and mailing list and software publishing. In general, these establishments, which are known as publishers, issue copies of works for which they usually possess copyright. Works may be in one or more formats including traditional print form, CD-ROM, or proprietary electronic networks. Publishers may publish works originally created by others for which they have obtained the rights and/or works that they have created in-house. Software publishing is included here because the activity, creation of a copyrighted product and bringing it to market, is equivalent to the creation process for other types of intellectual products.

In NAICS, publishing the reporting, writing, editing, and other processes that are required to create an edition of a newspaper is treated as a major economic activity in its own right, rather than as a subsidiary activity to a manufacturing activity, printing. Thus, publishing is classified in the Information sector; whereas, printing remains in the NAICS Manufacturing sector. In part, the NAICS classification reflects the fact that publishing increasingly takes place in establishments that are physically separate from the associated printing establishments. More crucially, the NAICS classification of book and newspaper publishing is intended to portray their roles in a modern economy, in which they do not resemble manufacturing activities.

Music publishers are not included in the Publishing Industries (except Internet) subsector, but are included in the Motion Picture and Sound Recording Industries subsector. Reproduction of prepackaged software is treated in NAICS as a manufacturing activity; on-line distribution of software products is in the Information sector, and custom design of software to client specifications is included in the Professional, Scientific, and Technical Services sector. These distinctions arise because of the different ways that software is created, reproduced, and distributed.

The Publishing Industries (except Internet) subsector does not include establishments that publish exclusively on the Internet. Establishments publishing exclusively on the Internet are

included in Subsector 516, Internet Publishing and Broadcasting. The Publishing Industries (except Internet) subsector also excludes products, such as manifold business forms. Information is not the essential component of these items. Establishments producing these items are included in Subsector 323, Printing and Related Support Activities.

517 Telecommunications

Industries in the Telecommunications subsector include establishments providing telecommunications and the services related to that activity. The Telecommunications subsector is primarily engaged in operating, maintaining, and/or providing access to facilities for the transmission of voice, data, text, sound, and video. A transmission facility may be based on a single technology or a combination of technologies. Establishments primarily engaged as independent contractors in the maintenance and installation of broadcasting and telecommunications systems are classified in Sector 23, Construction.

518 Internet Service Providers, Web Search Portals, and Data Processing Services

Industries in the Internet Service Providers, Web Search Portals, and Data Processing Services subsector group include establishments that provide: (1) access to the Internet; (2) search facilities for the Internet; and (3) data processing, hosting, and related services. The industry groups (Internet Service Providers and Web Search Portals, Data Processing Hosting, and Related Services) are based on differences in the processes used to access information and process information. The Internet Service Providers and Web Search Portals industry group includes establishments that are providing access to the Internet or aiding in navigation on the Internet. The Data Processing, Hosting, and Related Services industry group includes establishments that process data. These establishments can transform data, prepare data for dissemination, or place data or content on the Internet for others. In addition, the shared use of computer resources is included in the Data Processing, Hosting, and Related Services industry group.

Establishments that are publishing exclusively on the Internet are included in Subsector 516, Internet Publishing and Broadcasting and establishments that are retailing goods using the Internet are included in Sector 44-45, Retail Trade.

52 Finance and Insurance

The Finance and Insurance sector comprises establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions. Three principal types of activities are identified:

1. Raising funds by taking deposits and/or issuing securities and, in the process, incurring liabilities. Establishments engaged in this activity use raised funds to acquire financial assets by making loans and/or purchasing securities. Putting themselves at risk, they channel funds from lenders to borrowers and transform or repackage the funds with respect to maturity, scale, and risk. This activity is known as financial intermediation.
2. Pooling of risk by underwriting insurance and annuities. Establishments engaged in this activity collect fees, insurance premiums, or annuity considerations; build up reserves; invest

those reserves; and make contractual payments. Fees are based on the expected incidence of the insured risk and the expected return on investment.

3. Providing specialized services facilitating or supporting financial intermediation, insurance, and employee benefit programs.

In addition, monetary authorities charged with monetary control are included in this sector.

The subsectors, industry groups, and industries within the NAICS Finance and Insurance sector are defined on the basis of their unique production processes. As with all industries, the production processes are distinguished by their use of specialized human resources and specialized physical capital. In addition, the way in which these establishments acquire and allocate financial capital, their source of funds, and the use of those funds provides a third basis for distinguishing characteristics of the production process. For instance, the production process in raising funds through deposit-taking is different from the process of raising funds in bond or money markets. The process of making loans to individuals also requires different production processes than does the creation of investment pools or the underwriting of securities.

Most of the Finance and Insurance subsectors contain one or more industry groups of (1) intermediaries with similar patterns of raising and using funds and (2) establishments engaged in activities that facilitate, or are otherwise related to, that type of financial or insurance intermediation. Industries within this sector are defined in terms of activities for which a production process can be specified, and many of these activities are not exclusive to a particular type of financial institution. To deal with the varied activities taking place within existing financial institutions, the approach is to split these institutions into components performing specialized services. This requires defining the units engaged in providing those services and developing procedures that allow for their delineation. These units are the equivalents for finance and insurance of the establishments defined for other industries.

The output of many financial services, as well as the inputs and the processes by which they are combined, cannot be observed at a single location and can only be defined at a higher level of the organizational structure of the enterprise. Additionally, a number of independent activities that represent separate and distinct production processes may take place at a single location belonging to a multilocation financial firm. Activities are more likely to be homogeneous with respect to production characteristics than are locations, at least in financial services. The classification defines activities broadly enough that it can be used both by those classifying by location and by those employing a more top-down approach to the delineation of the establishment.

Establishments engaged in activities that facilitate, or are otherwise related to, the various types of intermediation have been included in individual subsectors, rather than in a separate subsector dedicated to services alone because these services are performed by intermediaries, as well as by specialist establishments, the extent to which the activity of the intermediaries can be separately identified is not clear.

The Finance and Insurance sector has been defined to encompass establishments primarily engaged in financial transactions; that is, transactions involving the creation, liquidation, change in ownership of financial assets; or in facilitating financial transactions. Financial

industries are extensive users of electronic means for facilitating the verification of financial balances, authorizing transactions, transferring funds to and from transactors' accounts, notifying banks (or credit card issuers) of the individual transactions, and providing daily summaries. Since these transaction processing activities are integral to the production of finance and insurance services, establishments that principally provide a financial transaction processing service are classified to this sector, rather than to the data processing industry in the Information sector.

Legal entities that hold portfolios of assets on behalf of others are significant and data on them are required for a variety of purposes. Thus for NAICS, these funds, trusts, and other financial vehicles are the fifth subsector of the Finance and Insurance sector. These entities earn interest, dividends, and other property income, but have little or no employment and no revenue from the sale of services. Separate establishments and employees devoted to the management of funds are classified in Industry Group 5239, Other Financial Investment Activities.

53 Real Estate and Rental and Leasing

The Real Estate and Rental and Leasing sector comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services. The major portion of this sector comprises establishments that rent, lease, or otherwise allow the use of their own assets by others. The assets may be tangible, as is the case of real estate and equipment, or intangible, as is the case with patents and trademarks.

This sector also includes establishments primarily engaged in managing real estate for others, selling, renting and/or buying real estate for others, and appraising real estate. These activities are closely related to this sector's main activity, and it was felt that from a production basis they would best be included here. In addition, a substantial proportion of property management is self-performed by lessors.

The main components of this sector are the real estate lessors industries; equipment lessors industries (including motor vehicles, computers, and consumer goods); and lessors of nonfinancial intangible assets (except copyrighted works).

Excluded from this sector are real estate investment trusts (REITS) and establishments primarily engaged in renting or leasing equipment with operators. REITS are classified in Subsector 525, Funds, Trusts, and Other Financial Vehicles, because they are considered investment vehicles. Establishments renting or leasing equipment with operators are classified in various subsectors of NAICS depending on the nature of the services provided (e.g., transportation, construction, agriculture). These activities are excluded from this sector because the client is paying for the expertise and knowledge of the equipment operator, in addition to the rental of the equipment. In many cases, such as the rental of heavy construction equipment, the operator is essential to operate the equipment.

5411 Legal Services

This industry comprises offices of legal practitioners known as lawyers or attorneys (i.e., counselors-at-law) primarily engaged in the practice of law. Establishments in this industry

may provide expertise in a range or in specific areas of law, such as criminal law, corporate law, family and estate law, patent law, real estate law, or tax law.

5412 Accounting, Tax Preparation, Bookkeeping, and Payroll Services

This industry comprises establishments primarily engaged in providing services, such as auditing of accounting records, designing accounting systems, preparing financial statements, developing budgets, preparing tax returns, processing payrolls, bookkeeping, and billing.

5413 Architectural, Engineering, and Related Services

The following industries are included in this category:

1. Establishments primarily engaged in planning and designing residential, institutional, leisure, commercial, and industrial buildings and structures by applying knowledge of design, construction procedures, zoning regulations, building codes, and building materials.
2. Establishments primarily engaged in planning and designing the development of land areas for projects, such as parks and other recreational areas; airports; highways; hospitals; schools; land subdivisions; and commercial, industrial, and residential areas, by applying knowledge of land characteristics, location of buildings and structures, use of land areas, and design of landscape projects.
3. Establishments primarily engaged in applying physical laws and principles of engineering in the design, development, and utilization of machines, materials, instruments, structures, processes, and systems. The assignments undertaken by these establishments may involve any of the following activities: provision of advice, preparation of feasibility studies, preparation of preliminary and final plans and designs, provision of technical services during the construction or installation phase, inspection and evaluation of engineering projects, and related services.
4. Establishments primarily engaged in drawing detailed layouts, plans, and illustrations of buildings, structures, systems, or components from engineering and architectural specifications. This industry comprises establishments primarily engaged in providing building inspection services.
5. Establishments that typically evaluate all aspects of the building structure and component systems and prepare a report on the physical condition of the property, generally for buyers or others involved in real estate transactions. Building inspection bureaus and establishments providing home inspection services are included in this industry.
6. Establishments primarily engaged in gathering, interpreting, and mapping geophysical data. Establishments in this industry often specialize in locating and measuring the extent of subsurface resources, such as oil, gas, and minerals, but they may also conduct surveys for engineering purposes. Establishments in this industry use a variety of surveying techniques depending on the purpose of the survey, including magnetic surveys, gravity surveys, seismic surveys, or electrical and electromagnetic surveys.
7. Establishments primarily engaged in performing surveying and mapping services of the surface of the earth, including the sea floor are included. These services may include surveying and mapping of areas above or below the surface of the earth, such

as the creation of view easements or segregating rights in parcels of land by creating underground utility easements.

8. Establishments primarily engaged in performing physical, chemical, and other analytical testing services, such as acoustics or vibration testing, assaying, biological testing (except medical and veterinary), calibration testing, electrical and electronic testing, geotechnical testing, mechanical testing, nondestructive testing, or thermal testing are included in the category. The testing may occur in a laboratory or on-site.

5415 Computer Systems Design and Related Services

This industry comprises establishments primarily engaged in providing expertise in the field of information technologies through one or more of the following activities: (1) writing, modifying, testing, and supporting software to meet the needs of a particular customer; (2) planning and designing computer systems that integrate computer hardware, software, and communication technologies; (3) on-site management and operation of clients' computer systems and/or data processing facilities; and (4) other professional and technical computer-related advice and services.

5416 Management, Scientific, and Technical Consulting Services

The following industries are included in this category:

1. Establishments primarily engaged in providing advice and assistance to businesses and other organizations on management issues, such as strategic and organizational planning; financial planning and budgeting; marketing objectives and policies; human resource policies, practices, and planning; production scheduling; and control planning.
2. Establishments primarily engaged in providing advice and assistance to businesses and other organizations on environmental issues, such as the control of environmental contamination from pollutants, toxic substances, and hazardous materials. These establishments identify problems (e.g., inspect buildings for hazardous materials), measure and evaluate risks, and recommend solutions. They employ a multidisciplinary staff of scientists, engineers, and other technicians with expertise in areas, such as air and water quality, asbestos contamination, remediation, and environmental law. Establishments providing sanitation or site remediation consulting services are included in this industry.
3. Establishments primarily engaged in providing advice and assistance to businesses and other organizations on scientific and technical issues (except environmental).

5417 Scientific Research and Development Services

This industry group comprises establishments engaged in conducting original investigation undertaken on a systematic basis to gain new knowledge (research) and/or the application of research findings or other scientific knowledge for the creation of new or significantly improved products or processes (experimental development). The industries within this industry group are defined on the basis of the domain of research; that is, on the scientific expertise of the establishment.

55 Management of Companies and Enterprises

The Management of Companies and Enterprises sector comprises (1) establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or (2) establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decisionmaking role of the company or enterprise. Establishments that administer, oversee, and manage may hold the securities of the company or enterprise.

Establishments in this sector perform essential activities that are often undertaken, in-house, by establishments in many sectors of the economy. By consolidating the performance of these activities of the enterprise at one establishment, economies of scale are achieved.

Government establishments primarily engaged in administering, overseeing, and managing governmental programs are classified in Sector 92, Public Administration. Establishments primarily engaged in providing a range of day-to-day office administrative services, such as financial planning, billing and recordkeeping, personnel, and physical distribution and logistics are classified in Industry 56111, Office Administrative Services.

5613 Employment Services

This industry comprises establishments primarily engaged in listing employment vacancies and in referring or placing applicants for employment. The individuals referred or placed are not employees of the employment agencies.

5614 Business Support Services

This industry group comprises establishments engaged in performing activities that are ongoing routine business support functions that businesses and organizations traditionally do for themselves such as mass copying of materials or telemarketing activities.

5617 Services to Buildings and Dwellings

The following industries are included in this category:

1. Establishments primarily engaged in exterminating and controlling birds, mosquitoes, rodents, termites, and other insects and pests (except for crop production and forestry production). Establishments providing fumigation services are included in this industry.
2. Establishments primarily engaged in cleaning building interiors, interiors of transportation equipment (e.g., aircraft, rail cars, ships), and/or windows.
3. Establishment that are primarily engaged in (1) providing landscape care and maintenance services and/or installing trees, shrubs, plants, lawns, or gardens and/or (2) providing these services along with the design of landscape plans and/or the construction (i.e., installation) of walkways, retaining walls, decks, fences, ponds, and similar structures.
4. Establishments primarily engaged in cleaning and dyeing used rugs, carpets, and upholstery.

562 Waste Management and Remediation Services

Industries in the Waste Management and Remediation Services subsector group establishments engaged in the collection, treatment, and disposal of waste materials. This includes establishments engaged in local hauling of waste materials; operating materials recovery facilities (i.e., those that sort recyclable materials from the trash stream); providing remediation services (i.e., those that provide for the cleanup of contaminated buildings, mine sites, soil, or ground water); and providing septic pumping and other miscellaneous waste management services. There are three industry groups within the subsector that separate these activities into waste collection, waste treatment and disposal, and remediation and other waste management.

Excluded from this subsector are establishments primarily engaged in collecting, treating, and disposing waste through sewer systems or sewage treatment facilities that are classified in Industry 22132, Sewage Treatment Facilities and establishments primarily engaged in long-distance hauling of waste materials that are classified in Industry 48423, Specialized Freight (except Used Goods) Trucking, Long-Distance. Also, there are some activities that appear to be related to waste management, but that are not included in this subsector. For example, establishments primarily engaged in providing waste management consulting services are classified in Industry 54162, Environmental Consulting Services.

61 Educational Services

The Educational Services sector comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated. They may also offer food and accommodation services to their students.

Educational services are usually delivered by teachers or instructors that explain, tell, demonstrate, supervise, and direct learning. Instruction is imparted in diverse settings, such as educational institutions, the workplace, or the home through correspondence, television, or other means. It can be adapted to the particular needs of the students, for example sign language can replace verbal language for teaching students with hearing impairments. All industries in the sector share this commonality of process, namely, labor inputs of instructors with the requisite subject matter expertise and teaching ability.

621 Ambulatory Health Care Services

Industries in the Ambulatory Health Care Services subsector provide health care services directly or indirectly to ambulatory patients and do not usually provide inpatient services. Health practitioners in this subsector provide outpatient services, with the facilities and equipment not usually being the most significant part of the production process.

622 Hospitals

Industries in the Hospitals subsector provide medical, diagnostic, and treatment services that include physician, nursing, and other health services to inpatients and the specialized

accommodation services required by inpatients. Hospitals may also provide outpatient services as a secondary activity. Establishments in the Hospitals subsector provide inpatient health services, many of which can only be provided using the specialized facilities and equipment that form a significant and integral part of the production process.

623 Nursing and Residential Care Facilities

Industries in the Nursing and Residential Care Facilities subsector provide residential care combined with either nursing, supervisory, or other types of care as required by the residents. In this subsector, the facilities are a significant part of the production process and the care provided is a mix of health and social services with the health services being largely some level of nursing services.

6241 Individual and Family Services

The following industries are included in this category:

1. Establishments primarily engaged in providing nonresidential social assistance services for children and youth. These establishments provide for the welfare of children in such areas as adoption and foster care, drug prevention, life skills training, and positive social development.
2. Establishments primarily engaged in providing nonresidential social assistance services to improve the quality of life for the elderly, persons diagnosed with mental retardation, or persons with disabilities. These establishments provide for the welfare of these of individuals in such areas as day care, nonmedical home care or homemaker services, social activities, group support, and companionship.
3. Establishments primarily engaged in providing nonresidential individual and family social assistance services (except those specifically directed toward children, the elderly, persons diagnosed with mental retardation, or persons with disabilities).

6244 Child Day Care Services

This industry comprises establishments primarily engaged in providing day care of infants or children. These establishments generally care for preschool children, but may care for older children when they are not in school and may also offer prekindergarten educational programs.

7111 Performing Arts Companies

This industry group comprises establishments primarily engaged in producing live presentations involving the performances of actors and actresses, singers, dancers, musical groups and artists, and other performing artists.

7112 Spectator Sports

This industry comprises (1) sports teams or clubs primarily participating in live sporting events before a paying audience; (2) establishments primarily engaged in operating racetracks; (3) independent athletes engaged in participating in live sporting or racing events before a paying audience; (4) owners of racing participants, such as cars, dogs, and horses,

primarily engaged in entering them in racing events or other spectator sports events; and (5) establishments, such as sports trainers, primarily engaged in providing specialized services to support participants in sports events or competitions. The sports teams and clubs included in this industry may or may not operate their own arena, stadium, or other facility for presenting their games or other spectator sports events.

712 Museums, Historical Sites, and Similar Institutions

Industries in the Museums, Historical Sites, and Similar Institutions subsector engage in the preservation and exhibition of objects, sites, and natural wonders of historical, cultural, and/or educational value.

713 Amusement, Gambling, and Recreation Industries

Industries in the Amusement, Gambling, and Recreation Industries subsector (1) operate facilities where patrons can primarily engage in sports, recreation, amusement, or gambling activities and/or (2) provide other amusement and recreation services, such as supplying and servicing amusement devices in places of business operated by others; operating sports teams, clubs, or leagues engaged in playing games for recreational purposes; and guiding tours without using transportation equipment.

This subsector does not cover all establishments providing recreational services. Other sectors of NAICS also provide recreational services. Providers of recreational services are often engaged in processes classified in other sectors of NAICS. For example, operators of resorts and hunting and fishing camps provide both accommodation and recreational facilities and services. These establishments are classified in Subsector 721, Accommodation, partly to reflect the significant costs associated with the provision of accommodation services and partly to ensure consistency with international standards. Likewise, establishments using transportation equipment to provide recreational and entertainment services, such as those operating sightseeing buses, dinner cruises, or helicopter rides, are classified in Subsector 48-49, Transportation and Warehousing.

The industry groups in this subsector highlight particular types of activities: amusement parks and arcades, gambling industries, and other amusement and recreation industries. The groups, however, are not all inclusive of the activity. The Gambling Industries industry group does not provide for full coverage of gambling activities. For example, casino hotels are classified in Subsector 721, Accommodation; and horse and dog racing tracks are classified in Industry Group 7112, Spectator Sports.

721 Accommodation

Industries in the Accommodation subsector provide lodging or short-term accommodations for travelers, vacationers, and others. There is a wide range of establishments in these industries. Some provide lodging only; while others provide meals, laundry services, and recreational facilities, as well as lodging. Lodging establishments are classified in this subsector even if the provision of complementary services generates more revenue. The types of complementary services provided vary from establishment to establishment.

The subsector is organized into three industry groups: (1) traveler accommodation, (2) recreational accommodation, and (3) rooming and boarding houses. The Traveler Accommodation industry group includes establishments that primarily provide traditional types of lodging services. This group includes hotels, motels, and bed and breakfast inns. In addition to lodging, these establishments may provide a range of other services to their guests. The RV (Recreational Vehicle) Parks and Recreational Camps industry group includes establishments that operate lodging facilities primarily designed to accommodate outdoor enthusiasts. Included are travel trailer campsites, recreational vehicle parks, and outdoor adventure retreats. The Rooming and Boarding Houses industry group includes establishments providing temporary or longer-term accommodations, which for the period of occupancy, may serve as a principal residence. Board (i.e., meals) may be provided but is not essential.

Establishments that manage short-stay accommodation establishments (e.g., hotels and motels) on a contractual basis are classified in this subsector if they both manage the operation and provide the operating staff. Such establishments are classified based on the type of facility managed and operated.

722 Food Services and Drinking Places

Industries in the Food Services and Drinking Places subsector prepare meals, snacks, and beverages to customer order for immediate on-premises and off-premises consumption. There is a wide range of establishments in these industries. Some provide food and drink only; while others provide various combinations of seating space, waiter/waitress services and incidental amenities, such as limited entertainment. The industries in the subsector are grouped based on the type and level of services provided. The industry groups are full-service restaurants; limited-service eating places; special food services, such as food service contractors, caterers, and mobile food services; and drinking places.

Food services and drink activities at hotels and motels; amusement parks, theaters, casinos, country clubs, and similar recreational facilities; and civic and social organizations are included in this subsector only if these services are provided by a separate establishment primarily engaged in providing food and beverage services.

Excluded from this subsector are establishments operating dinner cruises. These establishments are classified in Subsector 487, Scenic and Sightseeing Transportation because those establishments utilize transportation equipment to provide scenic recreational entertainment.

811 Repair and Maintenance

Industries in the Repair and Maintenance subsector restore machinery, equipment, and other products to working order. These establishments also typically provide general or routine maintenance (i.e., servicing) on such products to ensure they work efficiently and to prevent breakdown and unnecessary repairs.

The NAICS structure for this subsector brings together most types of repair and maintenance establishments and categorizes them based on production processes (i.e., on the type of repair and maintenance activity performed, and the necessary skills, expertise, and

processes that are found in different repair and maintenance establishments). This NAICS classification does not delineate between repair services provided to businesses versus those that serve households. Although some industries primarily serve either businesses or households, separation by class of customer is limited by the fact that many establishments serve both. Establishments repairing computers and consumer electronics products are two examples of such overlap.

The Repair and Maintenance subsector does not include all establishments that do repair and maintenance. For example, a substantial amount of repair is done by establishments that also manufacture machinery, equipment, and other goods. These establishments are included in the Manufacturing sector in NAICS. In addition, repair of transportation equipment is often provided by or based at transportation facilities, such as airports, seaports, and these activities are included in the Transportation and Warehousing sector. A particularly unique situation exists with repair of buildings. Plumbing, electrical installation and repair, painting and decorating, and other construction-related establishments are often involved in performing installation or other work on new construction as well as providing repair services on existing structures. While some specialize in repair, it is difficult to distinguish between the two types and all have been included in the Construction sector.

Excluded from this subsector are establishments primarily engaged in rebuilding or remanufacturing machinery and equipment. These are classified in Sector 31-33, Manufacturing. Also excluded are retail establishments that provide after-sale services and repair. These are classified in Sector 44-45, Retail Trade.

812 Personal and Laundry Services

Industries in the Personal and Laundry Services subsector group establishments that provide personal and laundry services to individuals, households, and businesses. Services performed include: personal care services; death care services; laundry and drycleaning services; and a wide range of other personal services, such as pet care (except veterinary) services, photofinishing services, temporary parking services, and dating services.

The Personal and Laundry Services subsector is by no means all-inclusive of the services that could be termed personal services (i.e., those provided to individuals rather than businesses). There are many other subsectors, as well as sectors, that provide services to persons. Establishments providing legal, accounting, tax preparation, architectural, portrait photography, and similar professional services are classified in Sector 54, Professional, Scientific, and Technical Services; those providing job placement, travel arrangement, home security, interior and exterior house cleaning, exterminating, lawn and garden care, and similar support services are classified in Sector 56, Administrative and Support, Waste Management and Remediation Services; those providing health and social services are classified in Sector 62, Health Care and Social Assistance; those providing amusement and recreation services are classified in Sector 71, Arts, Entertainment and Recreation; those providing educational instruction are classified in Sector 61, Educational Services; those providing repair services are classified in Subsector 811, Repair and Maintenance; and those providing spiritual, civic, and advocacy services are classified in Subsector 813, Religious, Grantmaking, Civic, Professional, and Similar Organizations.

813 Religious, Grantmaking, Civic, Professional, and Similar Organizations

Industries in the Religious, Grantmaking, Civic, Professional, and Similar Organizations subsector group establishments that organize and promote religious activities; support various causes through grantmaking; advocate various social and political causes; and promote and defend the interests of their members.

The industry groups within the subsector are defined in terms of their activities, such as establishments that provide funding for specific causes or for a variety of charitable causes; establishments that advocate and actively promote causes and beliefs for the public good; and establishments that have an active membership structure to promote causes and represent the interests of their members. Establishments in this subsector may publish newsletters, books, and periodicals, for distribution to their membership.

LEADERSHIP
AND
POLITICAL ACTION

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Introduction

The FORESIGHT process, initiated by the Catawba County Board of Commissioners, asked business and community leaders to make recommendations to the Commissioners for action and change to bolster the County's economy. The FORESIGHT Steering Committee studied a broad range of components integral to the local economy and chose four critical areas for further in-depth examination by selected Task Forces of citizen leaders.

Leadership and Political Action was identified as one of four areas vital to the economic future of the area. Both government and the private-sector depend on leadership to ensure that Catawba County exerts its full potential of political influence on state and federal governments to expand economic viability and improve quality of life. The FORESIGHT Steering Committee felt that the Task Force needed to review and evaluate the current local efforts to cultivate leadership and increase political action. The FORESIGHT Steering Committee charged the Leadership and Political Action (LPA) Task Force with the following Mission Statement.

Mission Statement

The Leadership and Political Action Task Force should develop strategies to identify, develop and harness future political, civic and economic leadership in Catawba County and develop short- and long-term political influence for Catawba County at state and federal levels. The Leadership and Political Action Task Force should (but is not limited to):

- *Examine the development of current and future leadership in the County and identify methods to encourage greater citizen commitment to leadership roles;*
- ***Identify ways in which the County might position itself for strategic funding of key local facilities and programs from any existing or new federal, state, or regional initiatives;***
- *Develop a framework that will allow bi-partisan coalitions to work together to achieve the goals of the Leadership and Political Action Task Force;*
- *Review current regional economic relationships (e.g. Carolinas Partnership and Advantage West) and the potential for new regional economic alliances;*
- *Establish a process to identify a local resource pool of leaders for potential appointment to statewide boards and commissions;*
- *Contrast and compare local leadership training efforts with other established regional and statewide programs;*
- *Develop ways and means to encourage additional corporate participation in public service and community initiatives.*

Task Force Process

After a careful review and discussion of the Mission Statement, the Task Force organized into four issue areas and assigned a separate subcommittee to examine and develop recommendations regarding each issue. The four issues were:

- (1) Local Leadership Cultivation;
- (2) Statewide Leadership Cultivation;
- (3) Political Action and;
- (4) Regional Partnerships.

Once each subcommittee finished its work, the entire Task Force reviewed, refined and approved recommendations and presented a Leadership and Political Action Task Force Report in February 2004.

The Task Force also held two special meetings aimed at discussing issues with elected officials and the local media. The first meeting involved North Carolina legislators representing Catawba County including Senator Austin Allran, Representative Mitchell Setzer and Representative Mark Hilton. Senator James Forrester and Representative Karen Ray were also invited, but could not attend. The second meeting included the editors of the *Hickory Daily Record*, *Charlotte Observer Catawba Valley Neighbors*, *Observer News Enterprise*, *Hickory News* and *El Hispano*. Another Hispanic newspaper was also invited, but their editor could not attend. These meetings produced lively and interesting discussions that resulted in positive recommendations.

The Report's Organization

The FORESIGHT Steering Committee presents the following report based on input from the *Leadership and Political Action Task Force Report* and subsequent Steering Committee deliberations and revisions. The report includes detailed discussions of the four goals, 11 strategies that the Steering Committee proposes in order to enhance leadership skills within the community and maximize the County's political effectiveness at the state and federal levels. The four goals of the report are:

- 1) Generate greater commitment to leadership roles in the public and private sectors
- 2) Maximize the number of Catawba County citizens on statewide boards and commissions for strategic economic and political objectives.**
- 3) Increase Catawba County's ability to influence actions at the state and federal levels.**
- 4) Optimize Catawba County's participation in regional economic partnerships.**

Local Leadership Cultivation

Goal 1: Generate greater commitment to leadership roles in the public and private sectors.

Based on staff research and observations, several vehicles for local leadership development have existed in Catawba County for the last twenty years. Two notable efforts include the programs and activities of the local Jaycees organization and the *Leadership Catawba* program of the Catawba County Chamber of Commerce. The cities of Hickory and Newton also offer local leadership programs that focus on civic involvement. Since the beginning of the Chamber's *Leadership Catawba* program in 1979, it has provided the most consistent and recognizable opportunity for local leadership training with over 365 program participants. Many of these people have gone on to further community leadership service. After graduating from one of these programs, however, local leadership candidates typically conclude their training, due to a lack of local options.

Online research and interviews performed by staff indicate that leadership programs across the country exist with a wide variety of purposes and goals and can be generally categorized into three main areas: political/public service, community/non-profit and corporate/management. Staff identified, evaluated and compared the Chamber's *Leadership Catawba* program to 26 notable leadership programs (see attached listing and selected program descriptions in Appendix A, pages 16-17).

***Leadership Catawba* is currently providing a basic local orientation and exposure to Catawba County; however, the program selects eligible participants from business and industry membership only. This narrowly focused pool of eligible participants needs to be expanded to provide leadership opportunities to the diversifying cross section of citizens in our County. This leadership experience also needs to be enhanced to include more skill-based training in communications, management and personal development.**

The FORESIGHT Steering Committee further concluded that in addition to this basic leadership experience, *Leadership Catawba* graduates and other potential citizen leaders need a more advanced leadership opportunity, with exposure to broader regional, state and national challenges and issues.

Besides analyzing leadership programs, the FORESIGHT Steering Committee also felt that relatively few opportunities exist to formally recognize community contributions and efforts by corporate and business volunteers. Although not easily substantiated with facts and statistics, the group further felt that the corporate zeal for volunteerism was not as prevalent as in previous years.

Strategy 1A: The Catawba County Chamber of Commerce should re-invent the *Leadership Catawba* program.

What are you trying to accomplish through this strategy? Provide leadership candidates with a program that develops skills such as political involvement and leadership, written and oral communication, conflict resolution and negotiation. Ensure a diverse pool of men, women and minority applicants that represent the County's diversifying population.

What are the obstacles to accomplishing this strategy? Reaching an agreement on the new program objectives with the Catawba County Chamber of Commerce. The Chamber may be perfectly comfortable and justified with a goal of serving only its membership. Should the Chamber decide to continue serving membership candidates only, *see alternate Strategy 1B below.*

What is the plan to achieve it, including financing? Ask for, schedule and participate with Chamber staff and board members in a roundtable discussion on the merits of revamping the existing program. Reach a consensus as to what the Chamber feels comfortable doing in light of this request. Program costs should be funded by participants' course fees and sponsor funding. Scholarship opportunities (a total of at least \$1500 annually) should be established by financial sponsors and awarded based on and financial need by the Chamber, sponsors and local governments in Catawba County.

Who does the work? Catawba County government elected and appointed officials and selected FORESIGHT Steering members meeting with current Chamber Board and staff.

How will it be measured? What does success "look like"? Chamber decides to enhance *Leadership Catawba* program or not. Program content enhanced to reflect more skill-based activities curriculum. Recruit and graduate a *Leadership Catawba* Class of 2005 (20-25 candidates) with a gender and racial profile reflecting current County demographics. As part of the revamped *Leadership Catawba* Program, the Chamber will develop an annual survey and tracking program of graduates to keep abreast of their careers, community activities and volunteerism.

When will this be started? Roundtable discussions with Chamber officials need to take place in fall 2004. If Chamber agrees to revamp its leadership program, a class with the new curriculum could begin as soon as spring 2005.

Strategy 1B: If Strategy 1A is not possible, all local governments in Catawba County, in cooperation with community organizations, should establish a County-wide leadership program.

What are you trying to accomplish through this strategy? Annually provide a group of candidates with a leadership program that develops skills such as political involvement and leadership, written and oral communication, conflict resolution and negotiation, education on strategic regional issues. Ensure a diverse pool of men, women and minority applicants that represent the County's diversifying population.

What are the obstacles to accomplishing this strategy? Getting program concept buy-in and generating start-up energy from local government and educational institution participants.

Competition from existing local leadership efforts. Catawba County should consider including local educational institutions in designing and establishing this effort. This is a single county strategy and does not include other metro counties, their local governments and educational institutions.

What is the plan to achieve it, including financing? Local government officials in Catawba County and staff, selected FORESIGHT Steering Committee members and other interested County agencies and groups should meet to discuss the merits of this proposal and establish basic program goals, objectives and guidelines. Research about outstanding leadership models from across the country can be drawn on in designing this new initiative.

Program costs should be funded by participants' course fees and sponsor funding. Scholarship opportunities (a total of \$1500 annually based on an average \$500 course fee) should be created and established based on ethnicity and financial need by the local governments and sponsors. Initial marketing and program costs should be borne by the founding entities.

Who does the work? Western Piedmont Council of Governments staff could be the coordinating agency with potential cooperation from the faculties of Lenior-Rhyne College and Catawba Valley Community College, Hickory Metro Higher Education Center and selected guest experts.

How will it be measured? What does success "look like"? Successfully develop course curriculum, plan course schedule, reserve needed facilities, recruit and schedule course instructors/guest lecturers by January 2005. Recruit the Charter class of 2005 (20-25 candidates) by June 2005. Graduate the Charter class with a gender and racial profile reflecting current area demographics by June 2006. As part of this "new" county-wide leadership program, the coordinating agency will develop an annual survey and tracking program of graduates to keep abreast of their careers, community activities and volunteerism. By 2011, after five class graduations, the program should be evaluated to determine the level of success and how program graduates are contributing to the local social, business and political communities. In addition an evaluation should be made as to the suitability of opening this program up to candidates from the other three metro counties and increasing regional and statewide emphases in the curriculum.

When will this be started? Begin Charter class In September 2005.

Strategy 2: Create a Catawba County *Leadership Fellows* Program to provide an opportunity for advanced leadership training for promising leaders who have successfully completed a basic leadership course curriculum.

What are you trying to accomplish through this strategy? The purpose of the Catawba County *Leadership Fellows* Program further cultivates, educates and motivates a diverse group of emerging local leaders by offering advanced opportunities for leadership training focusing on regional, state and national perspectives.

What are the obstacles to accomplishing this strategy? Getting program concept by-in and generating start-up energy from local governments and private sector sponsors. Finding a local entity/agency to do the start-up organizing and operation of the program. Raising the funding annually for scholarships, estimated to be approximately \$7500.

What is the plan to achieve it, including financing? *Leadership Fellows* would be chosen through a competitive and selective process. Eligible candidates from local area leadership programs (e.g. *Leadership Catawba*) and other local leaders who have applied for the *Leadership Fellows* Program must have demonstrated an interest in continuing leadership training. Recommendations and financial support from a sponsor group and an applicant's time commitment would be required. A volunteer board of directors, chosen from the founding entity(s), should be established. This *Leadership Fellows* board would determine policy, program goals and oversee the start-up and annual operation, as well as, review the applications and select the annual *Leadership Fellow* awardees. Three \$2,500 scholarships would be awarded in the initial program year. The *Leadership Fellow* awardees would choose an advanced leadership program from a potential list of regional, state and national training opportunities. (See Appendix A, pages 16-17.) Additional costs beyond \$2,500 are paid by the sponsor/applicant.

Who does the work? Discussions with agencies such as the Catawba County Chamber of Commerce, the Western Piedmont COG, financial institutions and local foundations need to be conducted in order to determine a home organization and operational responsibility for the program.

How will it be measured? What does success "look like"? A *Leadership Fellows* Board is established involving the local governments, community organizations and private sector businesses by January 2005. Funding for the first class of *Leadership Fellows* (three individuals) is raised by June 2005. The first class is selected by July 2005 and completes its respective training by December 2006. An annual survey of graduates will be done to keep abreast of their careers, community activities and volunteerism. By 2011, after five class graduations, the program should be evaluated to determine the level of success and how program graduates are contributing to the local social, business and political communities.

When will this be started? The first class is selected by July of 2005.

Strategy 3: Initiate an awards program that recognizes a “Corporate Citizen of the Year” for Catawba County

What are you trying to accomplish through this strategy? The purpose of the program would be to stimulate and recognize significant private sector manpower and time contributions to community service. The awards program would identify a business whose collective staff made the greatest contribution to the community as volunteers on boards and committees or involvement in schools and community organizations in the previous year.

What are the obstacles to accomplishing this strategy? The Catawba County Chamber has several annual awards they present to outstanding businesses; however, this proposed award is not intended to duplicate or replace any of these existing awards. Getting a host entity to agree to sponsor, select and present this new award for outstanding volunteer time investment is a key obstacle.

What is the plan to achieve it, including financing? The entity agreeing to host the award would need to organize an effort to outline and define the criteria (total staff hours dedicated to community service, for example), publicize the existence of the award, complete the nomination process and select the first year’s recipient. The hosting agency would recruit sponsors for the costs of the award’s presentation and donate staff time to organize the award program.

Who does the work? FORESIGHT Steering Committee meets with local institutions such as the Catawba County Chamber of Commerce, the Western Piedmont Workforce Development Board, and The Charlotte Observer to seek a host for this awards program.

How will it be measured? What does success “look like”? The award program will be organized and implemented within the next 12 months. Once the program is initiated, data on corporate hours dedicated to community service will be collected. Success will occur if community hours logged by businesses increases 25% by 2010 compared to base year of 2005.

When will this be started? Begin recruitment of a host agency immediately. FORESIGHT Steering members and staff can contact potential hosts to test interest and discuss the concept of the “Corporate Citizen of the Year” with the goal of presenting the first award in January 2006.

Statewide Leadership Cultivation

Goal 2: **Maximize the number of Catawba County citizens on statewide boards and commissions for strategic economic and political objectives.**

An effective, locally organized and bi-partisan effort to identify and promote citizens from Catawba County for statewide posts and boards is essential to the County's future economic development. Economic initiatives and opportunities often depend on local representation on statewide boards and commissions. In order to ensure Catawba County voices are heard in the various committees that effect economic decision-making, we must successfully choose and support local leaders for statewide appointment. The results of an assessment of the existing state, regional and local processes was considered and, after significant discussions, the following objective and strategy is proposed to insure that this most critical effort be carefully developed, carried out and sustained. (See Appendix B for current Catawba County appointments to statewide boards and commissions)

Strategy 4: **Establish a process to identify a local resource pool of leaders for potential appointments to statewide boards and commissions.**

What are you trying to accomplish through this strategy? Strengthen Catawba County's influence and input in decision-making at the state level.

What are the obstacles to accomplishing this strategy? Getting cooperation, coordination and agreement among the local political parties. Identifying and recruiting qualified candidates for service.

What is the plan to achieve it, including financing? In order to identify and maintain a list of qualified candidates, as well as promote local consensus on candidate recommendations, an unofficial Subcommittee should be established (not necessarily composed of only of Chamber members) which would act in a voluntarily capacity to prepare and promote selected candidates for appointment opportunities. In order for this committee to act in a timely manner, it is anticipated that candidates need to be identified according to the vacancy cycle of boards and commissions with a possible two-year lead-time. State legislators should be made aware of this local selection process and encouraged to work with both the Catawba County Republican and Democratic Party leaders for successful appointments.

This unofficial Subcommittee will need on-going staff assistance. Staff would be assigned to monitor existing lists of North Carolina Boards/Commission members as maintained by the Governor's Appointments Secretary. Staff would also have the responsibility for compiling, organizing and maintaining a list of potential Catawba County citizens with unique qualifications for appointment to strategically identified Boards and Commissions. Further, the unofficial Subcommittee should coordinate its efforts with the ongoing Western North Carolina Local Government Caucus (<http://www.wnccaucus.com/>) initiative to avoid conflicts.

Who does the work? The Catawba County Chamber of Commerce should be approached to consider assuming the role and responsibility of coordinating this effort to identify a local resource pool of leaders for potential appointment to statewide boards and commissions.

How will it be measured? What does success “look like”? Success will be measured annually by the number of new Catawba County citizens appointed to targeted boards and commissions. A goal of 10 new appointments by 2010 should be realized.

When will this be started? The Chamber should begin work to achieve this strategy in fall 2004.

Political Action

Goal 3: Increase Catawba County's ability to influence decisions at the state and federal levels.

The FORESIGHT Steering Committee believes that local governments in Catawba County need to expand efforts in communicating local economic needs and priorities to the public and elected officials in order to strengthen our ability to obtain state and federal funding. It is critical during the current economic downturn and vitally important as a stabilizing element in the future to maximize the County's ability to secure state and federal revenues for facilities, continuing programs and individual grant projects. To that end the Steering Committee believes that efforts to seek new methods for briefing local legislative delegations on funding projects and priorities, as well as monitoring their voting records on local issues. Finally, educate the public on the importance of participating in government and hold locally elected officials accountable for their actions are needed to improve overall public awareness of the political process. The FORESIGHT Steering Committee proposes the following four strategies to achieve Goal 3:

Strategy 5. Enhance communications between Catawba County's local governments and state and federal agencies regarding grant priorities and funding.

What are you trying to accomplish through this strategy? To ensure that all local governments in Catawba County are capitalizing on state and federal funding programs to help finance their current and proposed projects.

What are the obstacles to accomplishing this strategy? A lack of understanding about the amount of grant writing currently occurring in Catawba County. Funding required for additional staff to write grants.

What is the plan to achieve it, including financing? For several decades Catawba County local governments and the WPCOG have been extremely successful in obtaining state and federal funding for needed projects and programs. Successful efforts in obtaining hundreds of millions of dollars in state and federal funding have been achieved, for example, through the Appalachian Regional Commission, Rural Development, US Department of Housing and Urban Development, US Environment Protection Agency, US and NC Departments of Transportation, Small Business Administration, US and NC Departments of Labor and the North Carolina Department of Environment and Natural Resources.

Building on past successes, the plan calls for greater local knowledge of existing state and federal grant opportunities, as well as better education of state and federal officials (both elected and staff) of local priorities and needs. Numerous groups of local elected and appointed officials meet regularly to discuss programs and projects that need funding from state and federal grant programs. The addition of a committee whose purpose is to meet twice a year with state and federal elected officials (see Strategy 7 for further details) is also proposed in the Report to help acquire more state and federal funds.

Giving the current level of staff involvement, and following discussions with local grant writing professionals, additional opportunities exist across a broad spectrum of federal and state grant programs. A lack of dedicated staff time, however, could prohibit local governments from receiving a greater share of benefits from state and federal grant programs. The plan therefore proposes an additional two grant writing professions to concentrate on new grant initiatives with funding provided by participating Catawba County local governments at a total cost of \$125,000. While participating local governments may have to invest some cost upfront, the potential return to the County could far exceed the cost of hiring two new staff positions.

Who does the work? Participating local governments.

How will it be measured? What does success “look like?” Staff generates an additional \$2 to \$3 million in grant funding per year to local governments in Catawba County by 2010.

When will this be started? Additional staff should be hired no later than July 2005.

Strategy 6. Educate the public of the importance of participating in government affairs and holding elected officials accountable for their actions.

What are you trying to accomplish through this strategy? Increase public awareness of pending issues important to Catawba County and the Hickory Metro area by forming a committee to increase communication with local media outlets and developing a web site with voting records of local officials.

What are the obstacles to accomplishing this strategy? Overcoming public apathy to political involvement and participation will be extremely difficult. Convincing the local media to cover in-depth political activity in Raleigh and Washington DC will also be a daunting challenge.

What is the plan to achieve it, including financing? Several initiatives are required to educate the public on the importance of participating in government as well as holding our elected officials accountable for their actions. The first step in the process is to ask the press to increase coverage of North Carolina House, Senate and US Congressional activities and the voting records of our legislators. This task would be accomplished by the WPCOG forming a committee of 20 to 25 members who would meet with the publishers and editorial staffs of the various press outlets 2 to 4 times a year to make them more aware of legislative activity that could impact Catawba County. Members of the committee would also be encouraged to send editorials to area newspapers to increase public awareness of pending issues important to the citizens of Catawba County. Committee members should be broadly representative of the major sectors of our community to including the demographic sectors of gender, race and national origin; the private business sector; government agencies; non-profits and the faith community.

A second part of the plan would be to develop and maintain a website which would show voting records of local elected officials, state legislators, and US congressmen. The website could also include information on issues important to Catawba County. The website would need to be publicized so citizens would be aware of its existence. One possibility is through

links provided via local government, economic development, Chamber, and public education websites.

Who does the work? The WPCOG Policy Board would form the committee to meet with the local media outlets. The website should be a joint local government-Chamber initiative.

How will it be measured? What does success “look like?” The committee would meet with newspaper publishers and editors at least twice a year. By 2006 the website should be receiving 2000-5000 hits annually. Since it is generally accepted that increase political awareness of the general public results in more participation in the political process, success could also be measured by a 15% increase in election voter turnout by 2010.

When will this be started? The WPCOG Policy Board would appoint members to the committee in January 2005. First meeting with the legislators would occur in April 2005 with a second meeting scheduled for fall 2005. The web site should be developed and implemented by July 2005.

Regional Partnerships

Goal 4: Optimize Catawba County's participation in regional economic partnerships.

The Regional Partnerships Subcommittee met with Scott Millar, President of the Catawba County EDC, and Bruce Eckard, Conover Mayor and Catawba County's representative to the Carolinas Partnership, to discuss issues pertaining to regional economic partnerships. The discussion included Catawba County's current involvement and satisfaction with the Carolinas Partnership, the viability of forming a more localized economic partnership and major hurdles for recruiting industry into the County.

After much discussion, it was determined that the lack of size and national prominence of the Hickory Metro area greatly limited the viability of it creating and sustaining its own regional economic partnership. In addition, the term "Unifour" currently hampers the area's efforts to achieve this national prominence because of its non-distinguishable, generic nature.

Based on discussions with economic developers and local officials, the Foresight Steering Committee proposes three strategies to achieve goal 4.

Strategy 7: Ensure region-wide acceptance and adoption of the "Greater Hickory Metro" branding initiative.

What are you trying to accomplish through this strategy? Better marketing and recognition of the region through widespread use of the brand "Greater Hickory Metro."

What are the obstacles to accomplishing this strategy? Reluctance of the public and private sector to change marketing name from "Unifour" to "Greater Hickory Metro." Even in light of the success of the "Greater Hickory Classic" golf tournament in 2003, only a relatively small number of institutions and private businesses are currently employing the new "Greater Hickory Metro" logo. Reluctance to use "Hickory" as the only geographic identifier in the brand.

What is the plan to achieve it, including financing? The WPCOG, TDA, Caldwell County and City of Hickory are already using the "Greater Hickory Metro" logo in their public documents. Many businesses, local governments and public institutions, however, have yet to formally adopt and employ the brand. A public awareness campaign shall be organized to further promote of the "Greater Hickory Metro" brand. This can be accomplished by getting commitments from businesses, non-profits, and other regional institutions to use the "Greater Hickory Metro" brand in the public communications and displays. The brand should also be central in promoting economic development in the region. Examples include using the logo in flyers, all public events, marquees, broadcasts. Local media outlets should be encouraged to use the "Greater Hickory Metro" brand in their news articles and promotional campaigns. Local officials need to encourage Charlotte media outlets to refer to the region as the "Greater Hickory Metro."

Who does the work? The lead agency in promoting brand acceptance would be the Convention and Visitors Bureau. Supporting agencies would include all local governments, EDCs, Chambers, TDA, business organizations and the WPCOG.

How will it be measured? What does success “look like?” Commitment to the brand could be measured in several ways. By summer 2005, 25 to 28 of local governments in the metro area would adopt resolutions supporting the “Greater Hickory Metro” brand. By the end of 2005 local and Charlotte media outlets would refer to the region as the “Greater Hickory Metro.” Area Chambers, EDCs and business organizations would also adopt “Greater Hickory Metro” by 2005.

When will this be started? Work should begin during summer 2004, especially during the 2004 Greater Hickory Classic.

Strategy 8: Use the Carolinas Partnership to make Catawba County more competitive globally.

What are you trying to accomplish through this strategy? Use the Carolina Partnership to better market Catawba County within the United States and globally.

What are the obstacles to accomplishing this strategy? The perception that the regional partnership headquartered in Charlotte is primarily interested in Mecklenburg County economic development and not Catawba County’s. The notion that Catawba County is less urban than other parts of the greater Charlotte area (Cabarrus and Union Counties, for example).

What is the plan to achieve it, including financing? For decades Catawba County and its municipalities have been contributing members of the Carolinas Partnership. Catawba County’s participation has always been relative to the roles and influence of larger counties (e.g. Mecklenburg, Gaston, Cabarrus) within the Partnership. Our local representatives need to continue being active and aggressive in promoting the County in all Partnership endeavors.

In order to promote the County’s image and role within the Partnership, greater efforts are needed to educate other partnership members of the importance of Catawba County with respect to the Charlotte region. This could be accomplished by scheduling visits to Catawba County with other Partnership members. These trips would educate members to the reality that Catawba County is not a just rural outlier of the Charlotte region, but has metropolitan aspects attractive to businesses.

Who does the work? Catawba County EDC and local government representatives.

How will it be measured? What does success “look like?” At least one event per year should be scheduled in Catawba County with other representatives of the Partnership.

When will this be started? The first event/tour should be scheduled during summer or fall 2004. The 2004 Greater Hickory Metro Golf Classic could be an ideal opportunity to schedule the first visit.

Strategy 9: Promote economic “regionalism” throughout the four county area.

What are you trying to accomplish through this strategy? Empower the region to act more effectively in economic development endeavors.

What are the obstacles to accomplishing this strategy? Centralizing economic development activities to serve the entire Greater Hickory Metro area instead of individual counties or municipalities. The notion that the placement of a new industry in one county does not benefit other counties in the region.

What is the plan to achieve it, including financing? The plan calls for convening a meeting of economic development agencies to explore the advantages and disadvantages of consolidating economic development efforts across the region. To be truly “regional,” all four County governments would have to agree to the concept. Support from municipal governments should also be obtained.

Who does the work? EDCs, Chambers, and local governments.

How will it be measured? What does success “look like?” If the concept of a “regional economic development organization” is agreed to, the agency should be functional by 2010.

When will this be started? Meeting of area agencies/local governments should occur no later than summer 2005.

APPENDIX A Leadership Training Programs

Center for Creative Leadership
One Leadership Place
Post Office Box 26300
Greensboro, NC, USA 27438-6300
Phone: 336 545 2810
Fax: 336 282 3284
info@leaders.ccl.org
<http://www.ccl.org>

Citizen Leadership Institute
Division of Lifelong Learning
Gulf Coast Community College
5230 West U.S. Highway 98
Panama City, FL 32401
Phone: (850) 872-3814
Fax: (850) 747-3258
<http://lll.gulfcoast.edu/leader/>

City of Bellevue (WA)
Neighborhood Networks
PO Box 90012
Bellevue, WA 98009-9012
Phone: 425-452-6800
www.cityofbellevue.org

City of Eugene (OR)
Neighborhood Leaders Council
777 Pearl St
Eugene, OR 97401
Phone: 541-682-5009
www.ci.eugene.or.us/neighbor/nlc.htm

Community Leadership & Economic Development
(CLEED)
Louisiana Cooperative Extension Service – LSU
PO Box 25100
Baton Rouge, LA 70894-5100
Phone: 225-388-2266
Fax: 225-388-2478
www.lsuagcenter.com/economic/cled.asp

CORO Center for Civic Leadership
425 Sixth Avenue, 17th Floor
Pittsburgh, PA 15219-1819
Phone: 412-201-5772
Fax: 412-201-0672
Email: cccl@coro.org
www.coro.org

The Council of State Government
P.O. Box 11910
Lexington, KY 40578-1910
Phone: 859-244-8000
Fax: 859-244-8001
www.csg.org

EXCEL
State Community Leadership
University of Missouri
223 Gentry Hall
Columbia, MO 65211-7040
Phone: 573-882-3978
Fax: 573-882-5127
www.communitydevelopment.missouri.edu

FOCUS St. Louis
1910 Pine Street, Suite 200
St. Louis, MO 63101
Phone: 314-622-1250
Fax: 314-622-1279
www.focus-stl.org

Heartland Center for Leadership Development
941 'O' Street, Suite 920
Lincoln, Nebraska 68508
Phone: (800) 927-1115 (402) 474-7667
Fax: (402) 474-7672
Email: info@heartlandcenter.info
www.heartlandcenter.info

Institute of Political Leadership
Westside Hall
601 S. College Rd.
Wilmington, NC 28403-5962
Phone: 910.962.7585
Fax: 910.962.7578
email: IOPL@uncwil.edu

JW Fanning Institute for Leadership
The University of Georgia
1234 S Lumpkin Street
Athens, GA 30602-3552
Phone: 706-542-1108
Fax: 706-542-7007
Email: information@fanning.uga.edu
www.fanning.uga.edu

Leadership America – NC
4179 Brandywine St NW
Washington, DC 20016
Email: info@leadershipamerica-nc.org

Leadership Middle Tennessee
Middle Tennessee State University
MTSU Box 101
N217E Business & Aerospace Building
Phone: 615-904-8207
Email: leadmt@mtsu.edu
www.mtsu.edu/leadmt

APPENDIX A

Leadership Training Programs

Leadership North Carolina
711 Hillsborough Street
Raleigh, NC 27603
Phone: 919-890-6250
Fax: 919-890-6255
Email: info@leadershipnc.org
www.leadershipnc.org

LeadershipPlenty
Southern Growth Policies Board
P.O. Box 12293
Research Triangle Park, NC 27709
Phone: (919) 941-5145
Fax: (919) 941-5594
Email: info@southern.org
www.southern.org

Leadership Santa Barbara County
P.O. Box 90727
Santa Barbara, CA 93190-0727
Phone: 805-564-6839
Email: info@leadsb.org
www.leadsb.org

Leadership Tomorrow Seattle
1301 5th Avenue, Suite 2400
Seattle, WA 98101-2611
Phone: 206-389-7267
Fax: 206-903-3464
www.leadershiptomorrowseattle.org

LeadNet
C/o Lela Vandenberg
Room 11 Agriculture Hall
Michigan State University
East Lansing, MI 48824
Phone: (517) 353-1898
Fax: (517) 432-1048
email: vandenbl@msue.msu.edu
www.msue.msu.edu

NC A&T University
Community Voices: Leadership Development for
Community Decision Making
NC Cooperative Extension Program
PO Box 21928
Greensboro, NC 27420-1928
Phone: 336 334-7956
Fax: 336 334-7207
Email: clsmith@ncat.edu

NC Rural Economic Development Center
4021 Carya Drive
Raleigh, NC 27610
Phone: 919-250-4314
Fax: 919-250-4325
E-Mail: pulver@ncruralcenter.org
info@ncruralcenter.org

Neighborhood Leadership Academy
Public Policy Research Center
University of Missouri St. Louis
362 Social Science Business Building
8001 Natural Bridge Road
St. Louis, MO 63121
Phone: 314-516-5273
<http://pprc.mslu.edu>

Ohio State University Leadership Center
109 Agricultural Administration Building
2120 Fyffe Road
Columbus, OH 43210
Phone: 614-292-3114
Fax: 614-292-9750
www.comdev.ohio-state.edu/index.html

Palmetto Leadership
Clemson University
248 Barre Hall
Clemson, SC 29634-0355
Telephone: 864-656-0196
FAX: 864-656-5776
E-mail: csvrds@clemson.edu
www.clemson.edu/cled/palmettoleadership.htm

Southern Rural Development Center
PO Box 9656
Mississippi State, MS 39762
Phone: 662-625-3207
Fax: 662-325-8912
<http://ext.msstate.edu/srdc/>

The National League of Cities
1301 Pennsylvania Ave NW, Suite 550
Washington, DC 20004
Phone:(202) 626-3000
Fax:(202) 626-3043
www.nlc.org

UNC School of Government:
CB# 3330 Knapp Building
UNC-Chapel Hill
Chapel Hill, NC 27599-3330
919-966-5381, Fax: 919-962-0654
www.ioq.unc.edu

**North Carolina Appointed Boards/Commissions
Representatives In or Near Catawba County
2004**

Entries in **BOLD** indicate a representative from CATAWBA County

NC Board/Commission	Catawba Co. Representative	County of Residence	Term	Date Next Opening	Meetings	Award Funds	Appointed By
Arts Council	C. Jane Johnson • All members at-large	Catawba	3 years	2004	Twice per Year	Yes	Governor
Board of Science and Technology	Norman Cohen and Freda Nicholson • All members at-large	Mecklenburg	4 years	NA	Quarterly	No	Governor, etc.*
Clean Water Management Trust Fund Board of Trustees	Ron Beane (closest) • All members at-large	Caldwell	4-yr Staggered	2 Current Vacancies	10 times per Year	Yes	Governor, etc.*
Economic Development Board	Mike Fulenwider (closest) • All members at-large	Burke	4 year	January 2005	Quarterly	No	Governor, etc.*
Environmental Management Commission	Freddie Harrill • All members at-large	Cleveland	2-yr or 6-yr	July 2004	2 nd Thursday of each month	No	Governor, etc.*
Furnishings Export Council	Bob Maricich (Century Furniture) • All members at-large • Others: Bernhardt, Broyhill And Hickory Springs	Catawba	NA	NA	Twice a year	No	Governor
Golden L.E.A.F. Inc. Board of Directors	Michael Almond and Julius Chambers (closest) • All members at-large	Mecklenburg	4 year	2004	Once a Month	Yes	Governor, etc.*

**North Carolina Appointed Boards/Commissions
Representatives In or Near Catawba County
2004**

Entries in **BOLD** indicate a representative from CATAWBA County

NC Board/Commission	Catawba Co. Representative	County of Residence	Term	Date Next Opening	Meetings	Award Funds	Appointed By
Governor's Advisory Council on Hispanic/Latino Affairs	Daniel Gutierrez (closest) <ul style="list-style-type: none"> All members at-large 	Burke	NA	NA	Quarterly	No	Governor
Industrial Commission	Multiple Members	Wake	4 year	July 2004	Twice a Month	No	Governor
Natural Heritage Trust Fund Board of Trustees	Thomas W. Reese	Catawba	6-yr Staggered	December 2005	Twice a Year	Yes	Governor, etc.*
Parks and Recreation Authority	Jimmy Jacumin (closest) <ul style="list-style-type: none"> All members at-large 	Burke	2 year	July 2004	Quarterly	Yes	Governor, etc.*
State Board of Community Colleges	Chester Middlesworth (Region 2) <ul style="list-style-type: none"> Burke, Catawba, Iredell, Rowan, Alexander, Caldwell, Surry, Yadkin, Wilkes, Ashe, Alleghany, Watauga, Avery, Mitchell, Yancey Regional and at-large members 	Iredell	6 year	1 Current Vacancy	Once a month	No	Governor, etc.*
Travel and Tourism Board	Wayne Abele (closest) <ul style="list-style-type: none"> All members at-large 	Burke	2 year	January 2005	Quarterly	No	Varies Greatly

**North Carolina Appointed Boards/Commissions
Representatives In or Near Catawba County
2004**

Entries in **BOLD** indicate a representative from CATAWBA County

NC Board/Commission	Catawba Co. Representative	County of Residence	Term	Date Next Opening	Meetings	Award Funds	Appointed By
Board of Transportation	Robert Collier (District 12) <ul style="list-style-type: none"> Iredell, Alexander, Catawba, Lincoln, Gaston & Cleveland 	Iredell	4 year	District: 2007 At-large: 2005	Once a Month	Yes	Governor
State Board of Education	Robert Speed (7 th District) <ul style="list-style-type: none"> Alexander, Alleghany, Ashe, Avery, Burke, Caldwell, Catawba, Davie, Iredell, Rowan, Surry, Watauga, Wilkes, Yadkin 	Watauga	8 year	April 2005	Once a month	No	Governor
	Phillip Kirk, Jr. (at large)	Rowan					
	John Tate (at large)	Mecklenburg					
Utilities Commission	Sam Ervin, IV (closest) <ul style="list-style-type: none"> All members at-large 	Burke	8 year	July 2005	Varies	No	Governor

*Governor, Senate Pro Tempore and Speaker of the House

Environment

Acknowledgements

The following individuals served on the FORESIGHT Environment Task Force:

William Pekman, M.D., Chair

Gerald Kamp, Vice Chair

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The Western Piedmont Council of Governments (WPCOG) provided the following staff for the Environment Task Force:

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Introduction

From air and water quality, to land use patterns and government regulations, the environment has a profound effect on every employment sector as well as on the County's quality of life. The natural environment warranted its own Task Force in the 1990-1992 FORESIGHT effort. Catawba County's growth rate during the past decade increased environmental pressures on the County. The wide range of issues included in this subject affect citizens' lives every day and cannot be overlooked. The FORESIGHT Steering Committee charged the Environment Task Force with the following Mission Statement.

Mission Statement

The FORESIGHT Steering Committee recognized the impact our natural environment has on Catawba County's economy and quality of life. As a result, the Steering Committee created the Environment Task Force and charged its members through the following Mission Statement:

As we begin the 21st century, our quality of life depends more critically on the decisions we make about how we use and protect our land, our water, our air. The Environment Task Force is assigned the responsibility of examining and evaluating the community and region's collective environmental policies and their implications on the County's economy and quality of life. The Environment Task Force should consider (but is not limited to) the following issues:

- *How local, regional, state and federal decisions on land use, water and sewer lines, and transportation improvements impact the environment;*
- *The implications of excessive plant infestation and sedimentation in the County's natural resources of Lake Hickory and Lake Norman;*
- *How water quality in the region impacts drinking, industrial and recreational uses; how the FERC re-licensing application of Duke Power will affect the future of the Catawba River Basin;*
- *How citizens, government and the private sector can work together to prevent or mitigate a "non-attainment" designation by the US Environmental Protection Agency.*

Task Force Process

The Environment Task Force's Mission Statement consists of four separate bullet points. The Task Force addressed each bullet point and developed recommendations for each issue after a thorough review and discussion. Task Force members were also asked to present any additional environmental issues they felt were important but were not included in the Mission Statement. The issue of stormwater treatment was added and reviewed. The Task Force placed each issue under one of five separate categories, which were:

- (1) Land Use
- (2) Air Quality
- (3) Duke Power Relicensing
- (4) Water Quality and Recreation
- (5) Stormwater

The Task Force spent nine months reviewing these issues and developing its final report. During this time members heard from local government representatives, planners, engineers and environmental professionals. The Task Force completed the Environment Task Force Report in October 2003 and presented it to the FORESIGHT Steering Committee in February 2004.

The FORESIGHT Steering Committee submits the following report based on input from the *Environment Task Force* Report and subsequent Steering Committee deliberations and revisions. The Report includes the six environmental goals listed below.

- Goal 1. Protect the natural environment from the impacts of land use and development decisions.**

- Goal 2. Improve air quality in Catawba County to protect public health and quality of life, and to prevent negative economic impacts of non-attainment designation from the Environmental Protection Agency (EPA).**

- Goal 3. Ensure Catawba County and its citizens obtain maximum public benefit from Duke Power during its relicensing process.**

- Goal 4. Protect Catawba County waters from pollution.**

- Goal 5. Enhance and market Catawba County's recreational opportunities.**

- Goal 6. Increase options for stormwater treatment in an effort to improve both water quality and economic development.**

Land Use

Goal 1. Protect the natural environment from the impacts of land use and development decisions.

The Task Force first reviewed the population, infrastructure, housing and environment sections of the *FORESIGHT Data Book* to acquire a foundation of information to use during its review of the environment. Following this initial review, land use issues including growth management, public water and sewer services, septic systems and stormwater regulations were studied.

Although there is little leadership or activity at the state level, Catawba County and the municipalities within it are currently or have recently been involved in long-range planning projects to better facilitate growth and development. Examples include Catawba County's small area planning process and Hickory's land development code, *Hickory By Choice*.

Catawba County faced issues of overcrowding schools during the 1990s, with the County's school system enrollment increasing by 2,130 students (28.9%) and Hickory and Newton-Conover's enrollment growing by 427 students (6.9%) and 23 students (3.6%) respectively from 1991 to 2001. The County temporarily changed its subdivision approval system in September 1999 to give it time to plan for future growth. The sliding scale system for new residential subdivisions approves lot sizes based on the availability of multiple services. The most essential services used to determine lot sizes in this system are school capacity, public sewer and public water. If a proposed subdivision has all three of these services, the minimum lot size can range from 7,000 square feet to one acre. If a proposed subdivision has school capacity and public water, but no public sewer, the minimum lot ranges from one to two acres. In all other scenarios the minimum lot size is two acres. In this sliding scale process, school capacity increasingly became the crucial factor determining lot size in new residential subdivisions.

Once the temporary subdivision regulations were adopted, the County began a "Small Area Planning" process. All areas outside of municipal planning jurisdictions are included in one of seven areas with a Commissioner-appointed committee to study key issues in their community. The seven planning areas are 1) Mountain View, 2) Sherrills Ford, 3) St. Stephens/Oxford, 4) Balls Creek, 5) Catawba, 6) Startown, and 7) Plateau. This grass roots effort leads to a Small Area Plan created by and for the community's citizens. The Mountain View, Sherrills Ford, St. Stephens/Oxford, Balls Creek and Catawba Small Area Plans have been adopted. The Startown Small Area Plan is currently underway and Plateau Small Area Plan is scheduled to begin in summer 2004. Density and recommended lot sizes, as well as proposed rezonings to preserve rural character and limit the placement of manufactured homes, have been controversial SAP recommendations.

The Planning Board reviews each plan and makes recommendations to the Board of Commissioners. The Board of Commissioners has the final authority to add, delete, or

alter sections of the plan before adoption. Once each plan is completed and adopted by the County Commissioners, they will be combined with existing zoning and subdivision ordinances into a revised, single plan called a Unified Development Ordinance (UDO). Additionally, the sliding scale subdivision approval system will phase out upon the adoption of the UDO.

The County recognizes the distinct relationship between the extension of public water or sewer lines and new development, as shown by its ongoing planning efforts. When water or sewer lines are extended into areas outside of municipal planning jurisdictions, these public utilities, coupled with lower property taxes, encourage new development. This development, however, can strain other services such as schools, roads, police, fire and emergency response. It also depletes the County of valuable open space and pulls development away from areas that have adequate existing infrastructure. By building even further away from workplaces, shopping, schools and other destinations, this growth pattern creates more and longer vehicle trips, which increases air pollution. This development pattern is also known as “sprawl.”

The City of Hickory is the major producer and distributor of water in the County. Directly or indirectly, Hickory provides water to each municipality in the County, excluding Newton and Long View. While municipalities own the majority of water lines in the County, Catawba County also owns several lines that distribute water outside municipal limits. Municipalities, however, own the water being distributed through those lines and are contracted to maintain the lines. The vast majority of sewer lines in the County are within municipal planning jurisdictions because higher usage is required by sewer lines to recoup the costs of construction and operations.

Local governments in Catawba County currently have no formal input on water or sewer expansions by other local governments in the County. Considering the impact new water or sewer lines have on a community and the services they require, some form of collaboration should be encouraged among all Catawba County local governments to plan for appropriate extensions. There currently is some collaboration through the Catawba County Utility Technical Advisory Committee (UTAC), which began as an informal discussion group of utility professionals in the County. The UTAC focuses mostly on engineering aspects of utility systems and extensions.

When development occurs in areas without public sewer, septic systems or on-site disposal systems are permitted. According to the Catawba County Health Department, nearly 13,000 septic systems were either installed or repaired since 1991. The average system age for failing systems during this time period was 27.5 years. While most systems are designed for thirty years, new technologies and better public education about maintenance can greatly increase the life of a system. Eventually, however, systems will fail and require an alternative. This fact further supports the concept of encouraging development where there is adequate existing infrastructure.

An alternative to septic systems is non-point discharge, community-based sewer systems. These systems consist of one large drain field that collects waste from each

unit in a development. By not requiring a separate system on each lot, better maintenance can occur and lot sizes can be smaller, preserving open space. In addition, developments using this system can be more easily transferred to a public sewer system once lines are extended.

Strategy 1. Establish a process to provide water and sewer service in Catawba County based on cost-benefit analysis and land use planning.

What are we trying to accomplish?

The objective is to ensure a cooperative, well-planned, cost-effective method of distributing water and sewer in the County.

Obstacles to achieving the goal

The most significant obstacle is political resistance to power-sharing, knowledge-sharing and cooperation in matters of water and sewer facilities.

How to achieve the strategy

1. Local Governments in Catawba County should initiate a process designed to form a Water and Sewer Authority using the following framework:
 - a. Meet to discuss the principles and logistics of creating the Authority;
 - b. Continue the discussions for a “reasonable” amount of time in an effort to obtain 100% participation;
 - c. Once an acceptable level of participation is achieved, the member governments should develop an organizational framework;
 - d. The Catawba County Water and Sewer Authority should officially incorporate within two years after acceptable participation is achieved.
2. If the creation of a Water and Sewer Authority proves unattainable, local governments should cooperatively form a Sewer and Water Advisory Committee (SWAC) to review and make recommendations on all new significant expansions of water and sewer facilities within Catawba County. This committee should consist of engineers, land use planners, health and economic development officials to ensure a wide range of issues are reviewed.

Who does the work?

This strategy requires the work and full cooperation of each or as many local governments as possible in the County.

How to finance the strategy

Funding for the Authority would be provided by water and sewer revenues. The SWAC would require no additional funding.

How to measure success

Success is achieved when the Catawba County Water and Sewer Authority or Sewer and Water Advisory Committee (SWAC) is officially established within five years.

When to start the strategy

Work should begin on the Authority in spring 2005. The “reasonable” time for discussions should be between one year and three years. If an Authority is deemed unattainable during that time, work should begin immediately on forming the Sewer and Water Advisory Committee.

Strategy 2. Direct development to areas with existing infrastructure including public water and sewer, school capacity and transportation capacity.

What are we trying to accomplish?

The objective is to promote more efficient land development, such as in-fill development, and the mitigation of negative impacts of development in areas that may not be suitable. These impacts include the loss of open space, loss of rural character and the generation of more and longer vehicle trips resulting in greater impacts on air pollution, water pollution and road conditions.

Obstacles to achieving the goal

The most significant obstacles are issues of inter-governmental cooperation, pressure from the development community and an unwillingness to change current development practices.

How to achieve the strategy

1. The Catawba County Board of Commissioners should approve and implement Small Area Planning (SAP) strategies aimed at protecting the rural character of the County and guiding development. Examples of these strategies include:
 - a. Single-family homes (in higher-density developments) should be developed at a maximum of 2 units per acre if public water is not available. (St. Stephens SAP)
 - b. Designate a “Mountain Protection District” on Anderson Mountain requiring new major subdivisions to follow a planned development process. (Balls Creek SAP)
 - c. Density bonuses will be offered for (lower-density) development that provides additional open space above the minimum 30% requirement. (Mountain View SAP)
2. Local governments should create financial incentives, such as reduced fees and density bonuses, for development in areas with existing infrastructure (water, sewer, school and transportation). In addition, disincentives, such as impact

fees, should be created to discourage development in areas without existing infrastructure.

3. Local governments should cooperate to ensure that County and municipal land use regulations for areas along jurisdictional borders serve common goals. This task may be accomplished through cooperative zoning strategies, infrastructure policies and other means to discourage inefficient development.

Who does the work?

The County must work to implement SAP strategies and, since most areas within municipalities have existing infrastructure, the County should be the most active in directing development towards existing infrastructure. However, the County and municipalities must be willing to work cooperatively on common land use issues.

How to finance the strategy

These strategies require little to no funding.

How to measure success

Success includes the adoption and implementation of SAP strategies, the creation of infrastructure-based incentives, such as reduced fees and density bonuses, and a 50% reduction in the number of approved subdivision lots per year in areas without adequate infrastructure over the next five years.

When to start the strategy

This strategy should begin in fall 2005.

Strategy 3. Local governments and school boards in Catawba County should adopt environmentally efficient policies.

What are we trying to accomplish?

Local governments should set examples for local developers by reviewing the land use implications and using environmentally efficient design for new facilities to reduce environmental impacts and operational costs.

Obstacles to achieving the goal

The most significant obstacles are educating elected officials and overcoming the lack of will to change development practices.

How to achieve the strategy

1. Catawba County should incorporate its planning staff into the decision making process for expansion of public facilities (schools, water and sewer lines) in the County's jurisdiction to ensure that land use implications are fully reviewed before new projects are approved.
2. Catawba County local governments should use environmentally efficient design in the construction of new facilities, such as schools and office

buildings, to

reduce environmental impacts and operational costs. Local governments should also create financial incentives to encourage the use of environmentally efficient design in private developments. These design concepts include:

- a. Day Lighting: This process uses natural light for indoor illumination that is designed to increase productivity of students and workers;
 - b. The Living Machine: An on-site wastewater treatment process eliminates the need for public sewer and can be used as a learning tool by schools; and
 - c. Stormwater Collection: Filtered rainwater from rooftops is used for non-consumption purposes, such as bathroom uses and watering lawns.
3. All Catawba County local governments should adopt a Pedestrian and Bicycle Plan to evaluate, improve and increase alternate transportation choices for their citizens.
 4. The Catawba County Unified Development Ordinance (UDO) should recognize and encourage community-based sewer systems for developments in appropriate areas that do not have existing public sewer service.

Who does the work?

This strategy requires work from County and municipal governing boards and the three local Boards of Education.

How to finance the strategy

Involving planning staff in facilities planning and amending the UDO requires no local government investment. Environment-friendly design often slightly increases construction costs and would require an initial investment by the local government. However, these strategies are proven to reduce operational costs over time, quickly recouping the added construction costs. Additionally, the NC State Energy Office offers low-interest loans of up to \$500,000 to help cover the initial costs of implementing energy efficient design principles in new buildings. The state also offers grants to some governments that cover 80% of the cost of developing a Pedestrian and Bicycle Plan. Otherwise, each local government could develop the plan with current staff or through an outside consultant.

How to measure success

A Catawba County local government builds an environmentally efficient facility within five years, each local government adopts a Pedestrian and Sidewalk Plan within two years and Catawba County to recognize and encourage community-based sewer systems in its UDO by fall 2005.

When to start the strategy

Planning staff should be incorporated into the decision-making process for expansion of public facilities immediately. The other strategies should begin in 2005.

Air Quality

Goal 2. Improve air quality in Catawba County to protect public health and quality of life, and to prevent negative economic impacts of non-attainment designation from the Environmental Protection Agency (EPA).

The Unifour discovered in January 1999 that it would not meet the Environmental Protection Agency's (EPA) new 8-hour standard for ozone. Exceeding standardized ozone levels would result in the area being designated "non-attainment" in mid-2003. This non-attainment status would significantly affect the Unifour by requiring vehicles to use low-sulfur gasoline, establishing new rules for fuel-burning industries (leading to higher electricity costs) and requiring a new transportation plan every three years. The transportation plan requirement would make it more difficult for new road projects to be approved and would increase costs for new industries moving into the area.

The Catawba County Air Quality Committee (CAQC), coordinated by the Western Piedmont Council of Governments, formed in November 1999 to begin developing strategies to reducing ozone in the County. To date, the CAQC has accomplished multiple tasks, including:

- Held first public hearing in western North Carolina on non-attainment;
- Successfully lobbied for the Hickory Ozone Forecast;
- Assisted Catawba County and Hickory in developing Air Quality Action Plans;
- Established Air Quality Education in Schools Program; and
- Expanded the Catawba County Air Quality Committee into the Unifour Air Quality Committee (UAQC).

In an effort to postpone the restrictions associated with the non-attainment designation, the Unifour Early Action Compact (EAC) was formed in December 2002. The Compact is an agreement among local governments (Catawba County, Alexander County, Caldwell County, Burke County, Hickory, Newton, Conover, Taylorsville, Lenoir, Morganton), the North Carolina Department of Environment and Natural Resources and the federal EPA.

The agreement requires these Unifour local governments to take steps to meet specific milestones as they work to decrease ozone levels. If these milestones are met and the Unifour's ozone level drops to an appropriate range (below .085) by December 2007, the Unifour will avoid non-attainment status. The first milestone was a list of "Local Control Measures" to help reduce ozone, which was officially adopted by the Unifour Air Quality Committee on February 24, 2004. The list is one component of the Early Action Plan, which must be adopted by December 31, 2004. While several control measures are already underway, the Early Action Compact requires implementation of the entire list by December 31, 2005.

Strategy 4. Cooperate with the Environmental Protection Agency to prevent economic sanctions against Catawba County due to its non-attainment status for ozone.

What are we trying to accomplish?

The objective is to avoid the negative economic impacts of receiving sanctions for non-attainment ozone designation.

Obstacles to achieving the goal

The most significant obstacle is making certain all local governments fully implement each required strategy of the Early Action Compact to ensure that the ozone level indeed drops below the .085 level within the given time frame.

How to achieve the strategy

1. Follow the Unifour Early Action Compact's (EAC) 14 specific Emission Reduction Strategies to drop the Unifour's ozone level below the .085 level, avoiding a non-attainment status. A brief description of these strategies is listed below. Appendix A lists the strategies in greater detail.

EAC Emission Reduction Strategies

- 1) Local governments join and participate with the private sector in the NC Air Awareness Program.
- 2) Enhanced Ozone Awareness (Outreach-Communication): assign a local agency to develop and implement an aggressive program to educate and motivate individuals and businesses/organizations, to take actions to minimize ozone pollution. Can include a wider distribution of educational materials, increased media alerts, promoting NC Air Awareness program, etc.
- 3) Evaluate the benefits of participation in the Clean Cities program.
- 4) City and County Energy Plan (Energy Conservation Plan): An energy plan could be developed that directs city and county departments to reduce energy use. This could include new construction standards for new buildings, retrofitting city/county buildings, schools, and street lights for energy efficiency, and energy renewable sources, i.e. Sustainable Building Design Standards. "Energy Star" Program, white roofs, etc., promoting transportation alternatives, and encouraging recycling and composting.
- 5) Assign staff to become air quality contact.
- 6) Adopt a local clean air policy and appoint a stakeholder group to identify and recommend locally feasible air improvement actions.

- 7) Landscaping Standards: Planted trees and vegetative landscaping reduce the need for air conditioning, reduce the heat island effect in urban areas, and reduce energy usage. Landscaping and tree ordinances could be drafted to establish minimum tree planting standards for new development; and to promote strategic tree planting, street trees, and parking lot trees: "Urban Forests Program."
- 8) Implement Smart Growth, mixed use, and infill development policies.
- 9) Develop plans to encourage bicycle and pedestrian usage.
- 10) Discourage Open Burning on Ozone Action Days (Pledge Program).
- 11) Support Coordination of Metropolitan Planning Organization (MPO) and Rural Planning Organization (RPO) efforts.
- 12) Encourage the use of compressed work weeks or flexible work hours, which help reduce traffic congestion during the peak driving hours by spreading out the number of vehicles on the roadway over a longer period of time.
- 13) Expand Transit and Ridesharing programs (carpooling/vanpooling). These are options where employees living in the same area agree to ride to work together rather than to drive their individual vehicles to work.
- 14) Improve traffic operational planning, engineering and maintenance for existing and future transportation infrastructure.

Who does the work?

All Unifour local governments, the general public and the private sector should work together to implement the emission reduction strategies and reduce ozone levels.

How to finance the strategy

These strategies require no additional funding.

How to measure success

Catawba County and other members of the EAC follow EPA recommendations and bring the ozone level below .085 within the given time frame and avoid the sanctions for non-attainment status.

When to start the strategy

The strategy is currently being implemented by EAC members and should continue to be implemented to achieve full success.

Fine Particulate Matter (FPM) is another air pollutant that can significantly affect people's health. Unlike ozone, which is only created at certain points in summer days, FPM can affect air quality year round, night and day. The majority of FPM in Catawba County is produced from development activities, furniture factories and the Marshall Steam Plant.

The EPA directed each state to recommend areas that did not meet the new fine particulate matter guidelines. North Carolina currently operates about 35 monitors across the state. On February 17, 2004 North Carolina recommended Catawba and Davidson Counties for non-attainment based on monitor readings in Hickory and Lexington, respectively. The EPA will make the final determination of which areas to designate non-attainment by December 31, 2004. In the past the EPA has preferred to use entire MSAs for designations. If this trend continues Alexander, Burke, Caldwell and Catawba Counties could be designated non-attainment.

Strategy 5. Prevent Catawba County from receiving a non-attainment status for fine particulate matter from the Environmental Protection Agency.

What are we trying to accomplish?

The objective is to avoid the negative economic impacts of receiving a non-attainment designation for fine particulate matter.

Obstacles to achieving the goal

The most significant obstacles are the lack of public knowledge of the negative impacts of a non-attainment status, negotiating with EPA on issues of monitor placement and accuracy and determining the local causes of fine particulate matter.

How to achieve the strategy

A subcommittee of the Unifour Air Quality Committee was formed in February 2004 to develop strategies specifically to avoid non-attainment designation for fine particulate matter, although ozone-related issues were also reviewed. Several months of work resulted in a "Unifour Air Quality Strategy." Appendix B includes the full text of the strategy.

The major recommendations in this strategy are to:

1. Retain an environmental attorney to explore options and formulate a legal strategy;
2. Hire a full time WPCOG staff person to handle regional air quality;
3. Hire an environmental consultant to establish a scientific basis for remediating our air quality and fund six new specialized monitors and

scientific interpretation of the resulting data; and

4. Initiate data collection, analysis and recommendations of the economic impact of a non-attainment designation on the region.

Who does the work?

All Unifour local governments since each could potentially be affected by non-attainment status.

How to finance the strategy

Funding for certain strategies, such as the economic impact study, could be obtained from EPA and state grants. The remaining strategies require funding from Unifour local governments.

How to measure success

Success is achieved by avoiding non-attainment status for fine particulate matter.

When to start the strategy

Implementation should begin immediately. However, this is an ongoing effort that may take years to thoroughly study and analyze.

Strategy 6. Request that EPA establish an “Ozone Study Test Site” in the Hickory Metro to research the causes (local and regional), nature and methods of abating ozone.

What are we trying to accomplish?

The objectives are to avoid sanctions from EPA due to ozone non-attainment and to extend research on ozone-related issues nationwide to help ensure the accurate determinations of causes and appropriate mitigation strategies.

Obstacles to achieving the goal

The most significant obstacle is persuading EPA to begin the new study program in the Hickory Metro and to defer any sanctioning due to ozone non-attainment while the study is in progress.

How to achieve the strategy

1. The UAQC should approach local universities with adequate research capabilities, such as Appalachian State University, Western Carolina University and the University of North Carolina at Charlotte, to determine an interest in participating in a possible ozone study program in the Hickory Metro area.
2. The UAQC, with support from a local university, should formally petition EPA, requesting the Hickory Metro be designated an “Ozone Study Test Site” to specifically study:
 - a. The sources of ozone and ozone-forming materials in the area;

- b. The percentage make-up of each source;
- c. The effectiveness of currently used mitigation strategies on reducing ozone in the area; and
- d. Additional mitigation strategies that may reduce ozone levels in the area and nation.

Who does the work?

Considering that the non-attainment designation affects all local governments in Alexander, Burke, Caldwell and Catawba Counties, cooperation is essential, through the UAQC, to petition EPA for the new study program.

How to finance the strategy

The strategy would require little or no local government financing. The study would be funded through state, federal and nonprofit organizations.

How to measure success

The Hickory Metro is designated by EPA as an "Ozone Study Test Site" and non-attainment sanctions are deferred for as long as the study program is in place. In addition, the results and implementation of study recommendations could help the Hickory Metro in reducing its ozone level below the .085 level.

When to start the strategy

This strategy should begin immediately.

Duke Power Relicensing

Goal 3. Ensure Catawba County and its citizens obtain maximum public benefit from Duke Power during its relicensing process.

The relicensing of Duke Power's 13-hydro Catawba-Wateree system by the Federal Energy Regulatory Commission (FERC) is a major issue currently facing residents of both Carolinas. It's important to note that although the license permits Duke Power to continue using the water from the Catawba River for hydroelectric production, the water itself belongs to the public. The relicensing impacts important areas of public concern regarding public access, safety, water quality, water quantity, wildlife habitat and recreation. Specific examples include the quality of our drinking water, the cost of electricity and adequate lake levels for boating and fishing.

Duke Power's current license expires in 2008, which required the utility to begin the process in 2003. FERC allows either a "Traditional" or "Alternative" relicensing process. The traditional process includes limited FERC staff involvement and public input. Conversely, the alternative process includes early involvement by FERC staff and greater public input.

Duke Power is instead proceeding with an "Enhanced Traditional" relicensing process, which is a hybrid of the two typically used processes. The enhanced traditional process allows for early involvement of FERC staff, as well as a fair amount of public input, although not to the extent of the alternative process. And unlike the alternative process, Duke Power is not legally required to consider public input in its relicensing application.

The public's input comes through two State Relicensing Teams (one in North Carolina and one in South Carolina), which oversee four regional advisory groups made up of representatives of affected citizens, stakeholder groups and local governments. Two of these advisory groups, the NC Foothills Advisory Group and the NC Metro Advisory Group, split the North Carolina section of the Catawba River Basin. The boundary of these two advisory groups runs through Catawba County, giving the County representatives on both groups. Duke Power's ultimate goal for this process is to reach a comprehensive agreement with local communities on relevant issues and submit a license application by August 2006.

Another form of public input was "study requests" to Duke Power. Any citizen, organization or local government could request that Duke Power conduct specific studies to address certain issues such as animal habitat, water quality, recreation and more. Duke Power is currently evaluating the hundreds of study requests, with significant requests being forwarded to the State Relicensing Teams.

One important citizen-based, public interest group already exists to monitor the Duke Power re-licensing effort: the Catawba-Wateree Relicensing Coalition (CWRC) organized in 1998. The CWRC initially consisted of mostly local

government officials but now includes a wide circle of stakeholders including local governments, state and federal agencies, environmental organizations, land trusts and others. CWRC's main objective is to inform, educate and encourage citizens to participate in the relicensing process. Considering that the new Duke Power license will cover a period of 30 to 50 years, it is extremely important that citizens understand this opportunity and express their concerns before the license is issued.

Catawba County shares this view and is active in the relicensing process. The County's involvement includes initiating fourteen separate study requests concerning land use, recreation and water quality; representation by no less than twelve County and Unifour citizens and officials on both North Carolina Advisory groups, and educating and informing the public through speaking to civic and other groups by County Planning Department staff.

Strategy 7. Ensure Duke Power addresses Catawba County's concerns regarding water flow, environmental protection, wildlife protection, land use, public access, safety and recreation during its relicensing process.

What are we trying to accomplish?

The objective is to clearly express Catawba County's issues to Duke Power and to have each issue adequately addressed.

Obstacles to achieving the goal

The most significant obstacle is the fact that while there is an organized process for discussions with Duke Power concerning its relicensing, it is not legally bound to take any specific actions.

How to achieve the strategy

1. The Catawba County government and County citizens have multiple seats on each of the two relicensing advisory groups in North Carolina. It is imperative that these representatives attend all meetings and aggressively express their concerns and ideas. More specifically, Catawba County government representatives should ensure that Duke Power adequately addresses issues raised in the 13 study requests submitted by the County. These study requests are listed in detail in Appendix B.
2. Catawba County Commissioners and municipal council members should stay up to date on the relicensing process through monthly staff reports, reports from citizens who are members of the advisory groups and attending public meetings.
3. All Unifour governments should use every means possible to make citizens aware of the Duke Power relicensing process, the serious issues involved in the process and options for public input. This aim may be achieved through local media, special mailings, public workshops, presentations to civic groups and other means.

4. Catawba County should seriously consider its legal option to intervene in the relicensing process and be prepared to take action if Duke Power does not adequately address the public's concerns.

Who does the work?

Advisory Group members must aggressively work to make their voices heard at their meetings. Catawba County and other local governments must work to educate themselves and their citizens to maximize citizen input to Duke Power.

How to finance the strategy

These strategies, excluding informational mailings to citizens and businesses, require no new funding. Local governments should work together to fund the special mailings.

How to measure success

Success is achieved when Duke Power adequately addresses the public's concerns about water quality, water quantity, wildlife, land use, recreation and other issues during its relicensing process.

When to start the strategy

Some of these strategies are already underway. The remaining strategies should be implemented as soon as possible since the relicensing process is following a strict time line.

Water Quality and Recreation

Goal 4. Protect Catawba County waters from pollution.

Catawba County's water quality is significant not only to its economic health but also to its quality of life. The County's vast water resources and abundance of streams and creeks annually attract new industry, water-dependant business and residents to the area. The protection of the County's water resources is vital to maintain these industrial, business, domestic and recreational uses.

Non-native species of aquatic plants are an increasing problem in the Catawba River system. These plants can restrict recreational activities, clog water intakes, provide cover for pests, diminish aesthetics and potentially reduce property values. Parrotfeather, a non-native species, became established in Lake Hickory in 2002. Over the next year, the greatest growth of the plant was near the US Highway 321 bridge. There are concerns that the vegetation could clog the municipal water intakes of Hickory and Long View, located in this area. Since parrotfeather is now so well established and the location of the entire infestation isn't known, destroying it is not an option.

Maintaining parrotfeather includes several factors: existing regulations, cost of treatment and the treatment's compatibility with other lake uses. Hickory and Long View are currently working closely with Duke Power and the state to identify appropriate herbicides, rates and application times for treating this plant. Hickory currently plans to use a copper-based herbicide safe for use in waters designated for public water supply to control the plant.

Sediment, North Carolina's most common water pollutant, is a more critical issue facing the County's streams and lakes. Over an entire watershed, row-crop agriculture is usually the largest sediment contributor. On a per acre basis, however, development activities contribute the most sediment. The actual amount of sediment in Lake Hickory is not precisely known, but an estimated 20% of the Lake's original water storage capacity has been lost to sediment.

Several state and local regulations are aimed at preventing further sediment from entering the County's waters. The NC Environmental Management Commission at its July 2003 meeting adopted permanent buffer rules along the main stem of the Catawba River based on the existing temporary rules. The Division of Water Quality will continue to administer the temporary rules until August 2004 when the permanent rules are scheduled to go into effect. These rules establish a two-tier, 50-foot buffer with more stringent rules on preserving existing vegetation in the first 25 feet of land along the Catawba River. While these buffers help prevent sedimentation from the shoreline, they do not address the major issue of sedimentation from streams emptying into the lakes.

The state also attempts to limit sedimentation through its Sedimentation and Erosion Control program. All developments that disturb over an acre of land are required to submit a sedimentation and erosion control plan that must be approved by the Division of Land Quality (DLQ). The DLQ administers this

program in separate regions across the state. Catawba County falls in a region that is based in Mooresville and includes eleven other counties. However, the Mooresville DLQ office currently has only six inspectors to review plans and development sites across this twelve-county region.

As an alternative, local governments can petition the state to transfer its sedimentation and erosion control authority to the local government. If approved, the local government is eligible for a one-time start-up grant from the state to help begin the program. While nearly fifty local governments across the state have taken over this program, the City of Newton is the only Unifour government to do so. Catawba and Caldwell Counties have examined taking over the program, but neither have any taken any action on this matter at this time.

Regulating developments that disturb over an acre still leaves many smaller lots unchecked. Hickory currently has sedimentation and erosion control requirements for developments disturbing less than one acre as part of their stormwater regulations. Inspections, however, are only performed after complaints are received.

The major hurdle to better inspection and enforcement of sedimentation and erosion controls is lack of staff or staff time. The Task Force discussed the possibility of incorporating building inspectors into the enforcement of these controls. This idea seems plausible based on several factors. First, building inspectors already must visit development sites multiple times during the construction process. Second, the City of Hickory and Catawba County recently consolidated the two building inspections departments into one County department. Lastly, building inspectors wield significant authority through building permits and certificates of occupancy. Countywide sedimentation and erosion control regulations are another factor that would benefit both developers and inspectors by simplifying and streamlining the review and approval process.

Strategy 8. Protect County waters from sedimentation.

What are we trying to accomplish?

The objective is to reduce the amount of sediment entering Catawba County waters from development sites.

Obstacles to achieving the goal

The most significant obstacles include funding a local sedimentation and erosion control program and adjusting Catawba County's Building Inspections Department's current range of responsibilities.

How to achieve the strategy

1. Catawba County should petition the state to take over the Sedimentation and Erosion Control program for development of properties over one acre, and include provisions for development on properties under one acre. Plan review and inspections should be handled by the Building Inspections Department. The program should

include any Catawba County local governments without existing sedimentation and erosion control programs which wish to participate.

2. Catawba County should set up a Sedimentation and Erosion hotline for citizens to report runoff complaints.

Who does the work?

Catawba County would implement the reviewing and permitting components of its sedimentation and erosion control program through its Permit Center. The Building Inspections Department would conduct the actual inspections.

How to finance the strategy

The County can recoup the cost of extra staff time through new and increased review, permit and inspection fees.

How to measure success

Success is achieved when Catawba County takes over the state's sedimentation and erosion control program and begins implementation through its Building Inspections Department. Additionally, the number of sedimentation and erosion events catalogued the first year using the hotline should decrease during each of the next five years. Unfortunately, detailed monitoring of lakes and streams for sediment is both costly and problematic.

When to start the strategy

This strategy should be started in fall 2005.

Goal 5. Enhance and market Catawba County's recreational opportunities.

The Task Force also discussed the issue of viewing Catawba County's natural resources, such as Bakers Mountain, Lake Hickory, the Catawba River and rural open space, as an economic asset. The rapid commercial and residential development of the past two decades has put a premium on open space and recreation. While numerous other regions market their recreational opportunities and open spaces in recruitment and tourism, Catawba County has yet to do this in a significant way. Investing more heavily in open space, parks, lake accesses, greenways, trails and other recreational facilities will increase citizens' quality of life and could help foster economic development.

Strategy 9. Preserve and market the County's natural and recreational resources.

What are we trying to accomplish?

The objective is to protect existing natural resources and provide more recreational opportunities for citizens and visitors.

Obstacles to achieving the goal

The most significant obstacle is obtaining the funding to purchase, staff and maintain additional lands for recreational purposes.

How to achieve the strategy

1. Catawba County should develop a greenway connecting Bakers Mountain Park and the Henry River Recreational Complex, as proposed in the Mountain View Small Area Plan.
2. Catawba County should develop a greenway along Lyle Creek connecting the Bunker Hill Covered Bridge and the Catawba River, as proposed in the Catawba Small Area Plan.
3. Catawba County should develop a new active or passive recreation park within the next ten years to increase citizens' and visitors' recreational opportunities. If possible, this park should be linked to an existing County or municipal park by trail or greenway.
4. Local governments with lakefront jurisdictions should require access for the general public in new lakefront developments.
5. Catawba County's UDO should require the use of "conservation design" principals in areas without public water and sewer to preserve and protect existing streams, farmland, forests, wildlife habitat and other significant natural features.
6. Catawba County should conduct a natural resources marketing campaign as proposed in the FORESIGHT Jobs and Economy Report to increase tourism.

Who does the work?

Since five of the six specific actions listed above specifically refer to Catawba County, it would do the majority of the recreational and ordinance work. However, municipalities and the Tourism Development Authority would also be involved in achieving the overall strategy.

How to finance the strategy

Local governments should work with Duke Power during its relicensing process to secure land along the Catawba River for future recreational facilities. In addition, local governments should work with private land owners to encourage more land donations, conservation easements and other forms of land preservation.

How to measure success

Success is achieved when a new park is established, total Catawba County parks visitors increase by 25%, public access lots are required in all new lakefront developments and the marketing campaign is complete.

When to start the strategy

The strategy should begin in Fall 2004.

Stormwater

Goal 6. Increase options for stormwater treatment in an effort to improve both water quality and economic development.

The Task Force determined that the issue of stormwater regulations merited review. Stormwater runs over the land and carries pollutants such as sediment, oil and pesticides into water bodies. The EPA, Army Corps of Engineers and NC Department of Environment and Natural Resources (DENR) all regulate how stormwater is handled on development sites. EPA and Army Corps regulations are in effect nation-wide, while DENR regulations apply statewide. Landforms, topography, soils and hydrology, however, vary across the state and nation. In addition, these regulatory agencies are not consistent in some areas. This results in certain areas being more heavily affected by regulations than others. Regulations for “in-stream treatment” are an example of this scenario.

In-stream treatment of stormwater is a method of treating stormwater that controls a stream’s flow at a certain point to allow sediment and pollutants running off a site to settle in a small pond behind that point. A box is placed just above that release point to capture sediment and can easily be emptied. This method can serve multiple sites and preserve land since each site wouldn’t need its own stormwater retention system. It can also create additional shoreline, improving the aquatic habitat in some areas.

While not appropriate for larger streams, in-stream treatment would be a valuable tool for developers in areas like Catawba County, where rolling topography and an abundance of small streams can heavily impact development size and cost. In-stream treatment, however, may not be necessary in other areas of North Carolina, like the coastal plain, where flat terrain and fewer streams result in fewer complications in stormwater retention. Considering the changing dynamics of stormwater retention in different areas of the state, statewide stormwater regulations that fail to consider regional environments may not be appropriate.

Strategy 10. Catawba County local governments should lobby for state legislation to permit in-stream stormwater treatment in appropriate situations.

What are we trying to accomplish?

The objective is to develop realistic standards for stormwater treatment based on topography that can have positive environmental impacts without hindering economic development.

Obstacles to achieving the goal

The most significant obstacles are convincing regulatory agencies to alter their existing regulatory practices that limit in-stream stormwater treatment and getting the state legislature to approve proposed changes.

How to achieve the strategy

1. Local government officials should meet with developers, North Carolina Division of Water Quality staff and elected state officials to discuss thoroughly the issue of in-stream stormwater treatment.
2. Local government officials should work with an elected state representative to introduce legislation to permit in-stream stormwater treatment in environmentally-appropriate situations.

Who does the work?

This strategy requires Catawba County local governments to initiate the discussion for an elected state representative to introduce and support the legislation.

How to finance the strategy

This strategy requires no funding.

How to measure success

Success is achieved when legislation is approved to permit in-stream stormwater treatment in environmentally-appropriate situations.

When to start the strategy

New legislation should be approved by 2006.

Strategy 11. Catawba County local governments should work with environmental regulatory agencies to ensure consistent regulations based on science.

What are we trying to accomplish?

The objective is to ensure that environmental regulations are consistent between the Environmental Protection Agency, Army Corps of Engineers and the North Carolina Department of Environment and Natural Resources. Additionally, these regulations should be based on solid science and have clear, positive environmental implications.

Obstacles to achieving the goal

The most significant obstacle is negotiating with three separate regulatory agencies to achieve a common objective.

How to achieve the strategy

Catawba County local governments should work with the private sector to educate state and federal elected officials on the negative environmental and economic impacts of unclear, inconsistent regulations.

State and federal elected officials should work within their government bodies to increase the validity of certain environmental regulations by ensuring they are consistently based on sound science.

Who does the work?

Catawba County, municipalities and the private sector should work together to educate and influence state and federal elected officials.

How to finance the strategy

No funding is required for this strategy.

How to measure success

Success is achieved when environmental regulatory agencies make their regulations more consistent and based on the same scientific interpretation.

When to start the strategy

This strategy should begin in fall 2005.

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Unifour Early Action Compact Emission Reduction Strategies						
Emission Reduction Strategy	Description and analysis of how the strategy will be implemented	Estimate of emission reductions (if available/details on status)	Date of Implementation	Resource Concerns/Constraints	Geographic area and/or local government	
1. Local governments join and participate with the private sector in the NC Air Awareness Program	Division of Air Quality (DAQ) and WPCOG will encourage local governments and the private sector to join the Air Awareness Program.	Not quantifiable, but effective	2003/ongoing	Need the Division of Air Quality's support and coordination assistance	Unifour Area All stakeholders	
2. Enhanced Ozone Awareness (Outreach-Communication): assign a local agency to develop and implement an aggressive program to educate and motivate individuals and businesses/ organizations, to take actions to minimize ozone pollution. Can include a wider distribution of educational materials, increased media alerts, promoting NC Air Awareness program, etc.	All EAC members will coordinate program.	Not quantifiable, but effective	2003/ongoing	WPCOG will need education materials	Unifour Area All stakeholders	
3. Evaluate the benefits of participation in the Clean Cities program	WPCOG will coordinate program if UAQC desires to participate	Not quantifiable, but effective	2003/ongoing	None	Unifour Area All stakeholders	
4. City and County Energy Plan (Energy Conservation Plan): An energy plan could be developed that directs city & county departments to reduce energy use. This could include new construction standards for new buildings, retrofitting city/county buildings, schools, & street lights for energy efficiency, and energy renewable sources i.e. Sustainable Building Design Stds. "Energy Star" Program, white roofs, etc., promoting transportation alternatives, and encouraging recycling & composting.	Local governments will develop their own energy plan (possibly involve Cooperative Extension Service)	Not quantifiable, but effective	2005/ongoing	Need outside expertise to develop plans	Unifour Area All stakeholders	
5. Assign staff to become air quality contact	Local governments will designate staff member as air quality contact person	Not quantifiable, but effective	2003/ongoing	None	Unifour Area All stakeholders	
6. Adopt a local clean air policy & appoint a stakeholder group to identify & recommend locally feasible air improvement actions	Unifour Air Quality Committee (UAQC) will continue to serve as this group	Not quantifiable, but effective	2003/ongoing	None	Unifour Area All stakeholders	

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7.	<p>Landscaping Standards: Planted trees and vegetative landscaping reduce the need for air conditioning, reduce the heat island effect in urban areas, and reduce energy usage. Landscaping and tree ordinances could be drafted to establish minimum tree planting standards for new development; and to promote strategic tree planting, street trees, and parking lot trees "Urban Forests Program"</p> <p>Implement Smart Growth, mixed use, and infill development policies.</p> <p>Develop plans to encourage bicycle and pedestrian usage.</p> <p>Discourage Open Burning on Ozone Action Days (Pledge Program)</p>	<p>All local governments should develop tree and landscaping ordinances. Local governments should educate and encourage citizen participation with tree and other vegetative plantings. Riparian buffer regulations should also be supported</p>	<p>Not quantifiable, but effective</p>	<p>2005 (Some in 2003)</p>	<p>None</p>	<p>Unifour Area All stakeholders</p>
8.	<p>Encourage compact development to reduce travel and promote Smart Growth concepts and redevelopment activities</p>	<p>Encourage compact development to reduce travel and promote Smart Growth concepts and redevelopment activities</p>	<p>Not quantifiable, but effective</p>	<p>2005 (Some in 2003)</p>	<p>None</p>	<p>Unifour Area All stakeholders</p>
9.	<p>Each EAC member will develop plans within a regional context.</p>	<p>Each EAC member will develop plans within a regional context.</p>	<p>Not quantifiable, but effective</p>	<p>2005 (Some in 2003)</p>	<p>None</p>	<p>Unifour Area All stakeholders</p>
10.	<p>Request all major land development and grading businesses to sign pledges to not engage in open burning activities on high ozone days.</p>	<p>Request all major land development and grading businesses to sign pledges to not engage in open burning activities on high ozone days.</p>	<p>Will survey participants for # of days that open burning did not occur</p>	<p>2003/ongoing</p>	<p>None</p>	<p>Unifour Area All stakeholders</p>
11.	<p>Support Coordination of Metropolitan Planning Organization (MPO) and Rural Planning Organization (RPO) efforts</p> <p>Encourage the use of compressed work weeks or flexible work hours, which helps reduce traffic congestion during the peak driving hours by spreading out the number of vehicles on the roadway over a longer period of time</p>	<p>MPO and RPO will coordinate transportation and air quality planning efforts</p> <p>MPO and RPO will promote benefits of telecommuting, flexible work hours and staggered work schedules</p>	<p>Not quantifiable, but effective</p>	<p>2003/ongoing</p>	<p>None</p>	<p>Unifour Area All stakeholders</p>
12.	<p>Expand Transit and Ridesharing programs (carpooling/vanpooling). These are options where employers living in the same area agree to ride to work together rather than to drive their vehicles to work.</p>	<p>MPO and RPO will promote benefits of telecommuting, flexible work hours and staggered work schedules</p>	<p>Will determine # of participants and estimate reduction in VMT</p>	<p>2004/ongoing</p>	<p>None</p>	<p>Unifour Area All stakeholders</p>
13.	<p>Improve traffic operational planning, engineering and maintenance for existing and future transportation infrastructure.</p>	<p>MPO and RPO and local governments will educate and promote these benefits. Produce Maps to locate employees to assist with ridesharing programs</p>	<p>Will determine # of participants and estimate reduction in VMT</p>	<p>2004/ongoing</p>	<p>None</p>	<p>Unifour Area All stakeholders</p>
14.	<p>MPO, RPO, NCDOT, and municipalities, will expand traffic operational and engineering technologies (signal timing, signing, message boards, etc., and other intelligent transportation strategies)</p>	<p>MPO, RPO, NCDOT, and municipalities, will expand traffic operational and engineering technologies (signal timing, signing, message boards, etc., and other intelligent transportation strategies)</p>	<p>Not quantifiable, but effective</p>	<p>2004/ongoing</p>	<p>None</p>	<p>Unifour Area Municipalities & NC DOT</p>

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Unifour Air Quality Committee
Proposed Regional Air Quality Strategy

We suggest a two pronged approach. First we work toward minimizing the economic fallout in the short term and second we work toward solving the problem in the long term.

- 1. Minimize the economic fallout in the short term.**
 - a. We use all our political devices, US House and Senate delegations, President, Governor, NC General Assembly, NCDENR, local elected officials, etc., to request that the non-attainment designations not be made until June 2005, so that all of calendar 2004 data can be included (which should take us into attainment) and to request that the non-attainment boundaries be set on as small a geographic area as possible to reduce the economic impact. We should also point out that there are many federal and state air quality initiatives coming online in coming years that will address these issues (i.e. industry MACT standards, clean smokestacks, low sulfur diesel, reduction in traditional industry production, local "smart-growth"/"anti-sprawl" initiatives, end of the three-year drought, etc..)

ACTION Items:

1. Draft a letter to cover these points to be sent by UAQC, local governments and grass roots activists to raise the level of political pressure on state and federal elected officials and environmental and commerce administrators.
2. A meeting will be held March 30 to brief local elected leaders and municipal managers on the issues and our strategy to address them.
3. Local county commissioners visited our delegation in Congress at the end of February and raised the concerns.

COST ESTIMATE: \$ no new funding required

- b. We explore our legal options. If an environmental group challenges 8-Hour Ozone level Early Action Compacts, as Southern Environmental Law Center is indicating they will, and they include PM 2.5 as their letter indicates they will, what can we do and what should we do from a legal standpoint to defend our EAC, respond to the legal challenge and try to force the federal EPA (a party to the contractual agreement, the EAC) to stand with us in defense of the EAC. What can the NC EAC's do together legally to defend them. Also, do we have any recourse to bring legal action against the EPA for the designations they make for 8-Hour Ozone and PM 2.5 non-attainment areas if we think that makes any sense down the road.

ACTION Items:

1. Retain an environmental attorney to advise us of our current options and actions we should be taking and help formulate a legal strategy on ways to challenge some of the designations and present our scientific finds and results after they are done.

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2. Approach the other EAC's and see if they are interested in sharing the cost of an attorney to defend the EAC's and approach Davidson County to see if they are interested in sharing cost to defend us on PM 2.5

COST ESTIMATE: \$25,000 (rough estimate)

- c. We seek regulatory change or legislative action (whichever needed) to make sure that non-attainment designations are reviewed as often as possible so that when an area falls back into attainment, it gets the credit right away and not several years down the road.

ACTION Items:

1. Ascertain where the change needs to be made.
2. If regulatory rule changes are needed, launch political effort to affect that.
3. If legislation changes are needed, lobby Congress and General Assembly as appropriate to introduce the legislation.

COST ESTIMATE: \$ no new funding required

- d. We educate the public using all the media we can get on just what the size of the problem is, what the science is, or isn't, proving, what the economic ramifications are and what we are trying to do about it for our long term benefit (both economically and health wise).

ACTION Items:

1. Do press releases that explain the problem, and describe why we need to fix it (health and economics)
2. Hold public forums to discuss the problem, educate the public on what they can do to help and what our strategy is to fix the problem
3. Develop a tool box similar to the tool box of Ozone control measures that illustrates we have no idea what to do about PM 2.5

COST ESTIMATE: \$10,000 (public meetings, publication of pamphlets or flyers, and possible advertising costs)

- e. Staff for regional air quality efforts. This would be an air quality specialist who would be funded by local money, through the WPCOG, to handle all air quality efforts for the Greater Hickory Metro Area. This person would have responsibility for all on-going programs, for example, provide staff support for the UAQC, and serve as liaison with elected officials and environmental administrators on behalf of the EAC and the UAQC.

ACTION Items:

1. Hire a full-time staff person based at the WPCOG to handle regional air quality for at least the four counties in the Greater Hickory Metro.

COST ESTIMATE: \$100,000 (first year, salary, fringe, office)

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- f. Seek DOT, CMAQ (Congestion Management for Air Quality) and T21 grant monies for installation of traffic light signalization controls which electronically coordinate signals and reduce idling times of traffic on major thoroughfares.

ACTION Items:

1. Make new grant applications for monies now that we face non-attainment designation
2. Lobby General Assembly for legislation similar to NC Go that passed in the long session last year to let DOT use monies for that purpose.

COST ESTIMATE: \$ no new funding required

2. Work toward solving the problem in the long term.

- a. We establish a scientific basis for remediating our air quality. We fund additional monitors and scientific study to base our approach to fixing the problem on sound science and real solutions. It makes more sense for us to figure out what causes the problem and how to fix the problem rather than how to avoid the designation.

1. We would strategically place monitors around the Greater Hickory Metro region (the four counties of Caldwell, Burke, Alexander and Catawba) at locations that meet the EPA site specifications, but also logically are in the spots we expect to have the highest readings and that would give us the greatest geographical area covered. Thereby we would have real data that we could use to lower the levels at our worst locations as well as across our four-county region. These would be speciated monitors that will tell us what the particles are at what times of day. We suggest at least four, maybe six new monitors.
2. Using the data collected from the monitors placed around the region, we would hire an independent source to analyze the data for us. They would be charged with finding out:
 - A. What the specific causes of our problem are regionally and by individual counties/municipalities (whatever the placement of monitors can reasonably show us) including specific particles and sources of those particles.
 - B. What are the possible external sources of our problem based on the data and probable locations of specific particles we find at monitoring?
 - C. What can we infer from the data from the monitors about wind and weather patterns, comparing weather history, traffic patterns, economic changes, and any other factors that logically would have an impact on the collected particles to help us understand what is causing this.

ACTION Items:

1. Hire on a consulting basis an environmental scientist/engineer who will advise us on a placement strategy and types of new monitors, what kind

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of data to collect for analysis, analyze the data and recommend strategies to correct the problem.

2. Be prepared to fund up to six new speciated monitors (maybe to include ozone as well) and the monitoring costs for those monitors for the foreseeable time frame, at least next 10 years. (We should seek state and federal funds for the monitors and the monitoring, but if that fails we need to be prepared to pay for them ourselves).

COST ESTIMATE: \$25,000 annually (four years) consulting environmental engineer

COST ESTIMATE: \$108,000 - 6 monitors (\$18,000 each)

COST ESTIMATE: \$112,000 annually for monitoring (2 @ \$35K plus 60% benefits)

- b. Study economic impact of air quality issues. This would include projecting what types of industry we expect to be coming to the region and which ones we expect to be growing, what road projects need to be done and what transportation plans have been made, what non-manufacturing economic development we expect to be coming and what residential growth we expect to be happening. This on-going study would help us understand the potential economic effects of being designated "non-attainment" (or remaining so designated) and how to target our various development efforts away from non-compliant schemes and ameliorate current deficient conditions.

ACTION Items:

1. Identify study methodology that fits the intended purpose and designate WPCOG staff to perform the on-going data collection, analysis and recommendations. Establish the study.

COST ESTIMATE: \$ 45,000 year one, \$90,000 year two

- c. Create regional authority to manage air quality program. This authority would ideally be housed and operated under the auspices of the WPCOG and would have responsibility for operating a local environmental program. This program would include monitoring and enforcement of a regional effort to address at least PM 2.5 and Ozone, and possibly water quality and other components (sediment reduction programs, wetland buffer regulations, etc.)

ACTION Items:

1. Study other area authorities, Charlotte, Forsyth, and others to find best practices, structure and initiatives
2. Negotiate an authority to include at least the local EAC partners, but ideally all the municipal governments in the four Greater Hickory Metro counties.
3. Establish the legal structure needed to create such an authority and establish it.

COST ESTIMATE: \$ 20,000

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- d. UAQC will partner with the local elected officials on a on-going basis to provide input and advisory support level technical and strategic advice on future actions necessary.

ACTION Items:

1. Establish a formal reporting schedule for UAQC to make periodic status reports to the elected bodies, either as part of or in addition to the regional environmental authority's reports. Perhaps annual reports that would outline current issues and efforts as well as completed projects and upcoming issues.

COST ESTIMATE: \$ no new funding required

APPENDIX C
**CATAWBA COUNTY STUDY REQUESTS
TO DUKE POWER**

1. LAND USE ISSUES

- a. ***Inventory of existing adopted land use plans and natural heritage inventories in the basin.*** An inventory of existing adopted plans will help Duke to fully understand the values and goals of the surrounding communities with regard to shoreline uses. The County's Small Area Plans would be reviewed to identify areas which address specific lake issues and development requirements.
- b. ***Identification of corporate land ownership, including Duke Power, Crescent Resources and Carolina Centers, LLC and designated gameland areas.*** An inventory of land ownership will be used to determine the feasibility of aggregating desirable parcels for parks, open space, recreation and habitat preservation. Duke Power has few parcels left in Catawba County but if these are put together with Crescent Resources and the gameland areas, this could make future recreation sites available or provide for habitat preservation areas.
- c. ***Evaluate the effectiveness of Duke's current Shoreline Management Plan (SMP).*** The SMP identifies areas for future shoreline development but has not taken into consideration locally-adopted land use plans in its residential and commercial recommendations. Conflicts could exist between Duke's SMP and locally-adopted, community-supported land use plans.
- d. ***Develop a predictive model for a build-out scenario if all undeveloped lands are developed according to Duke's existing SMP classifications.*** This model will determine how much development would exist around the lakes if development is approved based on the SMP.
- e. ***Use information from build-out scenario to identify impacts to the lakes.*** This study would address the impacts of the SMP build-out scenario on shoreline development (piers, bank stabilization, etc.), water quality, loss of open space, carrying capacity of the lakes and loss of woody debris for fish habitats.

APPENDIX C

2. RECREATION ISSUES

- a. ***Develop a Recreational Needs Assessment Study.*** Duke is required to provide access to the lakes because these waters are a public resource. The extent of the access will be determined by the amount of public demand over the terms of the next license. This is typically done through a recreational needs assessment study. This study should not only take into consideration the recreational needs but also the economic development potential for proposed recreation improvements in the region. This would allow us to present our requests for an additional portage point on Lookout Shoals Lake as mid-point between Riverbend Park and Duke's Lookout Access area and a portage area around Oxford Dam.
- b. ***Evaluate Duke's operating flow regime of the lakes.*** This study would look at Duke's current flow releases on the lakes and its impacts on recreational opportunities such as safe boating, fishing, swimming, etc. This is especially important at the Riverbend Park site where high volume releases can affect the safety of fisherman and the stability of the fishing piers. Also requested would be a warning system at the Oxford Dam so park staff and fisherman can move to high ground when flows are being released (see also Water Quality/Quantity study request below).
- c. ***Evaluate Duke's Access Area Initiative and its effectiveness in providing a variety of recreational opportunities on the lakes.*** This study would focus on the needs of non-lake users for bank-fishing, camping and picnic opportunities near the lakes.
- d. ***Maintain and enhance Duke Power's existing program to control aquatic nuisance weeds, such as parrot feather and hydrilla.*** The overabundance of aquatic weeds can cause boating navigation problems in coves and are not aesthetically pleasing. Hydrilla and parrot feather are of particular concern on Lookout Shoals Lake as the population is spreading to approximately 300 acres in size in the upper portion of the lake.

3. WATER QUALITY/QUANTITY ISSUES

- a. ***Study non-point source runoff impacts on the lakes based on the build-out scenario of Duke's Shoreline Management Plan.*** This study could include recommendations for shoreline buffers when property owner requests are made to Duke for constructing piers or shoreline stabilization. This may help to fill the gap of the State's buffer rules which exempt existing development. Also included in this could be a recommendation that Duke participate in a sedimentation and erosion control public education program for lakefront property owners to help minimize impacts of development on the lakes. This will help us meet the public education component of EPA's Stormwater Rules - Phase II.
- b. ***Study the impacts of runoff from Duke's lake access areas and other lakefront commercial development, such as marinas, on water quality.*** Develop and construct mitigation strategies, such as bio-retention areas, to

APPENDIX C

minimize water quality effects of runoff at these sites. The County required Duke to install a bio-retention area at its Lookout Shoal Access area but this should be retrofitted into all their sites, especially the Oxford Access area.

- c. **Conduct water quality studies at the tail races of dams, such as Oxford.** This would identify the temperature and dissolve oxygen content of the water in terms of overall water quality and its potential impact on fisheries.
- d. **Develop a balanced-flow study.** This study would address the balance of flow in the lakes to maintain adequate public water supply with flow requirements for other uses such as fish and wildlife, power generation, recreational needs, etc.

EDUCATION

Acknowledgements

The following individuals served on the FORESIGHT Education Task Force:

Corky Upchurch, Chair

Marty Salwen, Vice Chair

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Beth Brandes

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INTRODUCTION

The FORESIGHT Steering Committee chose Education in 2002 as one of four key issues affecting Catawba County's economic achievement, just as their predecessors did in two previous FORESIGHT Strategic Planning efforts. The Committee delegated the challenge of studying educational data and creating strategies to improve education in Catawba County to a 20-person Education Task Force. The FORESIGHT Steering Committee issued the Education Task Force this Mission Statement:

Education Task Force: Mission Statement

The Education Task Force is commissioned to develop strategies to produce a family, school and community commitment to K-12 public education, which will provide opportunities to all students for an education meeting their needs and produce schools measurably among the best in the nation. The FORESIGHT Education Task Force should recommend (but is not limited to) ways to:

- ***Increase the importance of education in each family and community;***
- ***Enhance the value and appreciation placed on teachers and administrators;***
- *Set achievement goals for students in all three local school systems that are measurable and attainable;*
- *Provide the necessary financial and community educational resources to meet these specified achievement goals;*
- *Promote successful strategies currently used in communities with high educational achievement, and*
- *Recruit and retain highly qualified and effective professionals into teaching.*

The Task Force Process

Task Force members met 16 times from February 2003 through March 2004 to consider the Mission Statement and other key issues related to the level of excellence of our County's schools. For most of those months, the Task Force met once, but twice-monthly meetings were scheduled in August, September and October. Attendance for the meetings averaged 60%.

Task Force considerations began with an exploration of appropriate sections from the FORESIGHT *Data Book* and differing testing standards required by North Carolina ("The ABC's of Public Education") and the federal government ("No Child Left Behind"). Introductory meetings included an enlightening and lively visit by John Dornan, Executive Director of the Public School Forum of North Carolina. Most of the remaining meetings examined in spirited discussions the educational priorities of Task Force members, which led to reshaping the Mission Statement into a set of goals. As part of this process, members met

in small groups over three meetings to refine the goal statements and create strategies to bring these goals to reality. The *Education Task Force Report* was approved at the group's last meeting in March 2004.

Key Task Force Discussions

Task Force members discussed these topics, among others:

- **A significant portion of the community may not value education. The Hickory Metro area has the lowest educational attainment level among urban areas in North Carolina, according to the 2000 Census. Over the past several decades, manufacturing jobs were plentiful and workers did not need a high level of academic achievement to work in these industries. In the new economy, that is no longer the case. Task Force members agreed that a cultural change is needed to increase parental involvement and support for students in the community.**
- **An insistence that all children are able to read by third grade and that the needs of individual children be creatively addressed to ensure that all students are competent in basic math and reading before they move to middle school.**
- **Language and cultural barriers are present among some Hispanic and Asian students and their families.**
- **An “achievement gap” exists between test scores of white students and those of minority children. Low-income students also demonstrate lower test scores than students from higher income families.**
- **Students’ needs are growing while resources are becoming more limited.** For example, in the Hickory system, for the 2002-03 school year, Title I funding for “No Child Left Behind” (NCLB) was increased by \$131,000 while state and local funding was cut by \$440,000.
- **The discrepancy between Catawba County’s financial resources (its “ability to pay”) and the amount of local funding dedicated to the education of each student.**
- **The issue of consolidating the County’s three school systems. After considerable discussion, the Task Force concluded that supporting school consolidation, as two previous FORESIGHT plans have done, continues to be a divisive issue. Task Force members considered instead the merits of a joint school calendar and suggested that the school systems continue their efforts to work together in a variety of arenas.**

The *Report’s* Organization

Following this Introduction, the FORESIGHT *Education Report* is divided into three sections: a Problem Statement, or description of the need; Vision and Goal Statements; and a detailed discussion of the four goals and the strategies that FORESIGHT proposes in order to achieve its vision and goals for education in Catawba County.

PROBLEM STATEMENT

During the 20th century, the majority of Catawba County's population and its leadership assumed that the area's economy would thrive on a mixture of textile and furniture companies requiring minimally educated, semi-skilled workers. The arrival of more technically-oriented companies in the last two decades, seeking more skilled and higher paid employees, seemed to sweeten the mix, making the County's economic future appear bright.

Over the past five years, however, the textile and furniture industries have moved jobs overseas, and the cable industry has undergone a severe recession. The County has lost 12,600 jobs, about one in eight positions, between January 2001 and March 2003. More telling is the loss of 9,700 manufacturing jobs, or 25% of all manufacturing employment, the majority of which may never return. The County now faces the daunting challenge of attracting new industries to provide additional employment opportunities. These industries will require workers with higher-level skills.

The Education Task Force has found the educational system of the County unprepared to meet the challenge because of decades of under-funding and a failure to recognize the fact that semi-skilled jobs would disappear and be replaced by positions requiring a more educated workforce. Quick and radical action is required to change the educational system to produce a more highly educated workforce attractive to businesses looking to expand or relocate to the County in the next decades.

Consider these facts:

- The current level of educational attainment among workers age 25 or older in the Hickory MSA is the *lowest* among NC's 11 MSAs in the percent of both high school and college graduates, according to the 2000 US Census. Low educational attainment hampers recruiting of new employers to the area.
- In Catawba County, 75% of persons over age 25 have a high school diploma (vs 78% in NC and 80% across the nation).
- Only 17% of Catawba residents age 25 or older have a bachelor's degree or higher, compared to 23% of North Carolinians and 24% of US citizens. These percentages are increasing twice as fast among NC and US residents compared to Catawba County's residents. In other words, the gap is widening.

Without jobs and higher education skills, the children of our undereducated population will face a much bleaker economic future than their parents who managed to be economically self-sufficient in better times. If we do not make radical changes, we will be training our children for unemployment.

Catawba County also faces dramatic changes in its school age population. Since 1991, schools have seen minority enrollments increase. How well are schools providing the knowledge and skills this increasingly diverse student population will need for high school graduation and postsecondary education?

Consider:

- Among minority and low-income students, achievement scores at all grade levels lag *unacceptably* behind the scores of higher-income and white students in local schools.
- Between 2000 and 2003, low-income elementary and middle school students scored 57% to 72% in basic competency, compared to scores of 82% to 92% for higher-income students.
- In 2003, low-income high school students scored 49% to 66% in basic competency, compared to scores of 74% to 81% for higher-income students.
- Competency scores in reading and math (end-of-grade tests) for minority elementary and middle school students from 2000-2003 range from
 - 53% -- 65% for African-Americans,
 - 60% -- 78% for Asian students,
 - 53% -- 74% for Latinos, *compared to*
 - 81% -- 89% for white students.
- On end-of-course competency scores, minority high school students scored between
 - 43% -- 64% for African-Americans,
 - 65% -- 79% for Asian students,
 - 46% -- 67% for Latinos, *compared to*
 - 76% -- 85% for white students.

Finally, consider the County's standing in providing sufficient funding to ensure the best possible education for all its children:

- In fiscal year 2002, Catawba County's funding of \$1,052 per pupil expenditure (PPE) for current expenses ranked 66th, or in the *lowest third* of NC's 100 counties.
- The ten counties with per capita incomes most similar to Catawba's averaged \$418 more in PPE than Catawba County (Catawba County's per capita income in 2001 was ranked 15th highest of all NC counties at \$27,381).
- For the current fiscal year, the County's property tax rate is 0.48 per \$100, 8th lowest among NC's 100 counties.

From the data, we conclude that raising educational achievement levels to prepare students for the jobs of the future must begin in the earliest grades. Significant progress must be made to close the gap between low-income and more affluent children, and between minority and white youth. We conclude that the County should use available resources to allocate local per pupil expenditures that reflect more directly its per capita income and property tax base.

VISION and GOAL STATEMENTS

The Education Task Force spent considerable time and energy discussing the six bullet items in the Mission Statement issued by the FORESIGHT Steering Committee. These thorough discussions resulted in reframing the bullet statements into goals that essentially captured the intentions of the original points of the Mission Statement.

During this process, the Task Force thought carefully about the complex issues that education presents for parents, students, teachers, administrators, and elected school and County officials. Task Force members worked in small groups, including additional meetings beyond the regularly scheduled monthly meeting sessions, to develop specific action strategies for the proposed goals. Those goals were then re-organized to reflect a central concern, or a Vision Statement, with four goals that can help bring this vision to reality (see Figure on the following page).

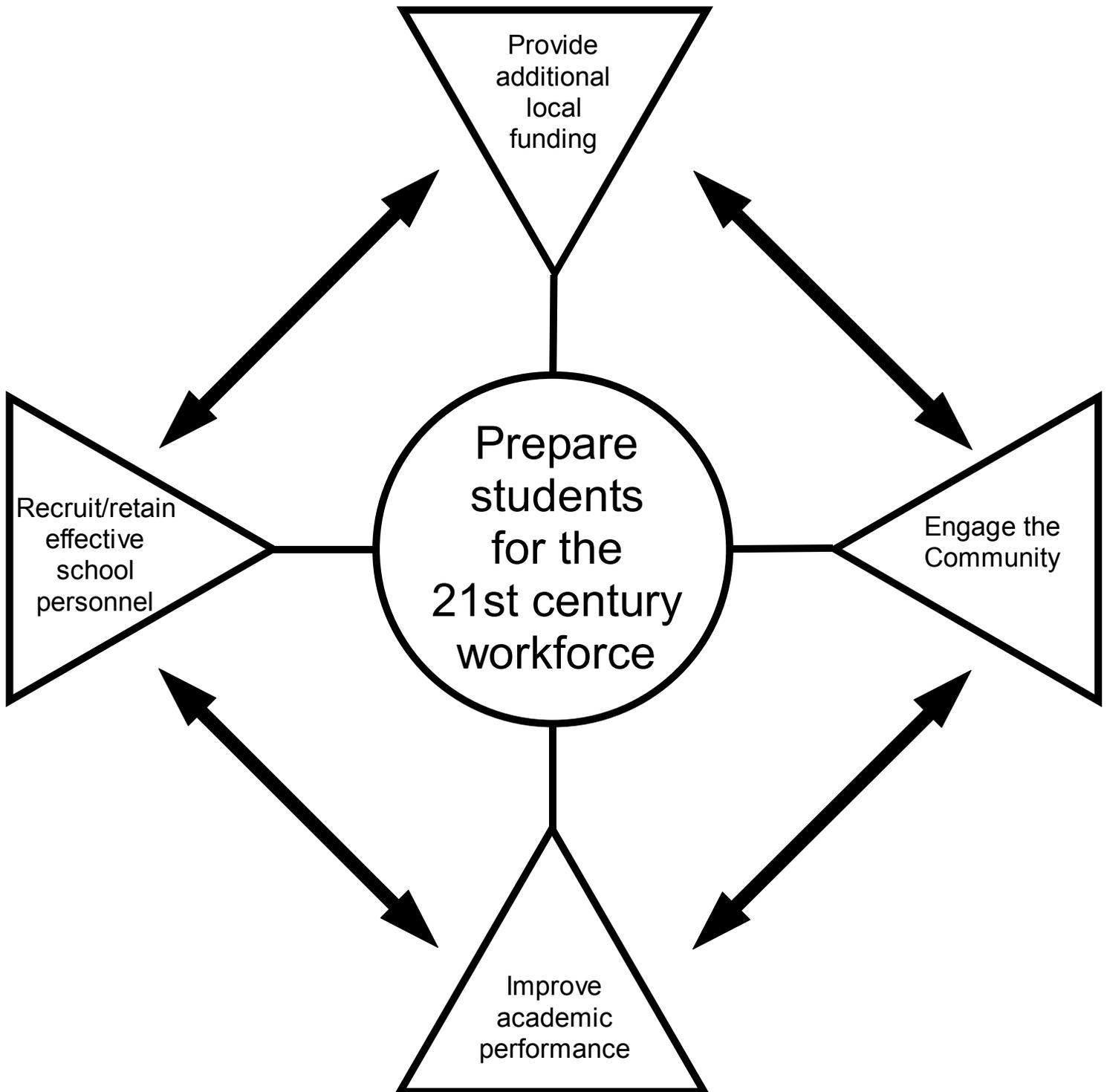
The Task Force feels strongly that the Vision consists of students ready to enter the highly trained workforce of this new century after thorough preparation beyond the secondary level. The Vision Statement reads:

Enhance student preparation for the 21st century workforce.

The four Goals which will make this Vision a reality are:

- 1) Educate, engage and involve the community in the commitment to better education for all students.**
- 2) Improve academic performance of all students.**
- 3) Recruit and retain highly qualified and effective school personnel.**
- 4) Use Catawba County's financial resources to increase the achievement levels of all students.**

Catawba County's Vision for Education



GOALS AND ACTION STRATEGIES

This examination of issues facing Catawba County's three school systems began with questions like "How good are our schools?" Eventually, Task Force members had to face more difficult issues like "How good are our schools compared to others in NC?" These issues raised questions about the dollars spent by school systems with higher test and SAT scores, lower dropout rates, higher teacher supplements and similar data.

School systems are committed to improving the test scores of all children, but seem caught between NC requirements which focus on school performance while "No Child Left Behind" (NCLB) standards center on children grouped in categories such as racial, economic or handicapped status. Community members, and especially parents, are confused by school banners proclaiming "NC School of Excellence," while under NCLB standards the same school did not meet yearly progress goals and is labeled a "failing school." This confusion occurs because the ABC standards stress school-wide achievement, while Federal legislation focuses on how different groupings of children fare on competency tests. (The legislation, after all, is called "No Child Left Behind.") Results for both the NC requirements and NCLB standards for all three systems are summarized in Table 1:

School System	North Carolina ABC Test Results (2002-03)		Federal NCLB Test Results (2002-03)	
	3rd-8th ABC End of Grade Composite Score (% of Students at/above Grade Level)	9th-12th ABC End of Course Composite Score (% of Students at/above Grade Level)	Number of Schools Meeting Annual Yearly Progress	Number of Schools Not Meeting Annual Yearly Progress
Catawba County	83.0	75.5	10	15
Hickory	77.2	71.1	3	6
Newton-Conover	78.7	79.8	2	4

Source: NC Department of Public Instruction, 2003.

Test results from 2002-03 show that elementary and middle school students ranged from 77% to 83% of all students performing at "competency levels" on reading and math tests. Results for all high school students were slightly lower, ranging from 71% to 80% competency in selected tests at course conclusions (Table 1).

One critical aspect of these test scores is the unacceptably low test scores for minority and low-income children when compared to white and higher income students (Tables 2 and 3).

School System	All Students	White	African American	Asian American	Hispanic	Free/Reduced Lunch	Not Free/Reduced Lunch
Catawba County	83.0	86.7	63.9	78.3	61.6	71.5	88.6
Hickory	77.2	88.5	63.3	68.9	63.1	64.6	92.4
Newton-Conover	78.7	85.9	64.7	75.8	66.3	67.1	87.9

Source: NC Department of Public Instruction, 2003.

School System	All Students	White	African American	Asian American	Hispanic	Free/Reduced Lunch	Not Free/Reduced Lunch
Catawba County	75.5	77.9	59.6	69.8	57.6	63.2	76.4
Hickory	71.1	82.7	44.1	65.1	51.7	49.1	73.8
Newton-Conover	79.8	85.1	62.1	79.1	67.4	66.1	80.8

Source: NC Department of Public Instruction, 2003.

Another crucial piece of data was the educational attainment levels of workers (adults age 25 and older) for our region compared to the 11 Metropolitan Statistical Areas (MSAs) in North Carolina (Table 4).

While this data includes all four counties in the Hickory-Morganton-Lenoir MSA, Catawba County data portrays a similar lag behind state and national levels for high school graduates and workers with four-year degrees. In Catawba County, 75% of persons over 25 have a high school diploma, compared to 78% in NC and 80% nationwide. Seventeen percent of residents over 25 have a bachelor's degree or higher in Catawba County, compared to 23% in NC and 25% in the US. The Task Force expressed concern about the inadequate education and training levels of our workers now and in coming decades.

MSA	% High School Degree or Higher	Ranking	% Bachelor's Degree or Higher	Ranking
Asheville	80.8	5	24.5	5
Charlotte-Gastonia-Rock Hill	80.8	6	27.1	2
Fayetteville	85.0	2	19.1	7
Goldensboro	77.2	9	15.0	8
Greensboro-Winston-Salem-High Point	78.6	8	22.9	6
Greenville	79.9	7	26.4	3
Hickory-Morganton-Lenoir	70.3	11	13.6	11
Jacksonville	84.3	3	14.8	9
Raleigh-Durham-Chapel Hill	85.4	1	38.9	1
Rocky Mount	71.8	10	13.9	10
Wilmington	83.7	4	26.1	4

Source: US Census Bureau, 2002.

A more powerful concern, however, stems from the realization that many of the traditional low-skill, relatively high-paying jobs have left the region and may not return. Workers will need additional technical skills in order to obtain new jobs requiring more technically-trained workers. The issue is clearly a long-term one, demanding a sustained community-wide commitment to provide the kinds of education and training for students and adult workers at the secondary school, associate degree and baccalaureate levels.

Some action on re-training and job creation is underway through efforts by the regional Workforce Development Board to obtain federal money for GED and job skills training for displaced workers. Substantial federal and state money is helping Catawba County and others in the 10th Congressional District craft strategies for attracting businesses in high tech industries and building on the region's natural and cultural treasures through the Future Forward process. The FORESIGHT Jobs and Economy Task Force also suggested a number of ways to move the County's economic downturn into an upward direction.

The educational levels of our County's workers and the need for new employment opportunities have prompted the FORESIGHT Steering Committee and the Education Task Force to emphasize greater community commitment to education for everyone in the County.

Goal 1: *Educate, engage and involve the community in the commitment to better education for all students.*

During discussions, it became clear to FORESIGHT that the entire community, not just parents and educators, must support efforts to improve our children's education. Too many citizens seem blissfully unaware of the real levels of competency skills of our young people and how unacceptably low these test results are at present. The strategies proposed here will raise citizen awareness of the importance of improving education for our economic prosperity and quality of life.

Perhaps the most significant obstacle to accomplishing this goal is the culture which places little value on high school completion and the personal and economic benefits of higher education. The Future Forward project is proposing a major marketing campaign to change these attitudes, but the cost will be high and the commitment long-term. Community involvement in the education of all children is a necessary component to raising the skill level of the local workforce. Parents, grandparents and citizens without children in school must understand that the County's and the region's economic stability depends on developing a more highly skilled workforce, better able to compete in the 21st century job market.

Strategy 1: Catawba County should hold an annual education forum to engage and sell businesses, parents and the public on the importance to this community of quality education, educators and schools.

What are we trying to accomplish through this strategy? To engage the community in Catawba County by holding a substantial (half day or evening) workshop annually on education issues. The workshop would also increase communication within the community on the importance of education to Catawba County's economy and quality of life. The forum should be aimed at a wide range of citizens, community leaders as well as parents who may have had little involvement in their children's classrooms.

What are the obstacles to accomplishing this strategy? Obstacles include identifying community leaders, making sure that it is a thorough, focused workshop, not just a two-hour luncheon, and choosing a date that will accommodate the greatest number of leaders from the education, business, minority, religious and non-profit communities.

What is the plan to achieve it, including financing? About 100 community leaders will be chosen by the Chamber of Commerce, school systems, County Commissioners or the FORESIGHT Steering Committee to attend the workshop. Part of the workshop would also be an open invitation to the public (similar to an education fair). Groups such as the NC Public School Forum would be invited to speak at the workshop on important educational issues such as academic performance, public outreach and school funding. Many of the

same speakers from Burke County's educational summit could also be asked to speak at Catawba County's meeting. The cost of the workshop is estimated at \$7,000 -- \$10,000.

Who does the work? Entities that could help include persons from the business community, churches, synagogues, Rotary Clubs and other civic organizations, the Chamber of Commerce, school systems and the proposed community partnership (see Strategy 2). The key is engaging a significant cross section of the entire community.

How will it be measured? What does success "look like"? Forum participants will be challenged to take on educational "assignments" like helping implementing FORESIGHT education strategies. Surveying will be used to gauge the Forum's effect in stimulating participant involvement in educational issues. The number of community leaders participating in the Forum will increase by 5% yearly; the number of parents who increase their involvement in school activities will increase by 5% yearly.

When will this be started? The first Forum would be held in fall 2005 and then each year thereafter.

Strategy 2: Create a community education partnership for all of Catawba County.

This strategy proposes to create a community education partnership different from, but complementary to, the existing Catawba Valley Education Foundation (CVEF), staffed by the Catawba County Chamber of Commerce since 1971. The Catawba Valley Education Foundation, a 501 (c) (3) organization, was established by Doctors Hugo Deaton and Robert Keppel to fund innovative projects in local public schools.

With a current endowment of nearly \$220,000, the CVEF has distributed an estimated \$325,000 to educators in the three Catawba County school systems over the past 33 years. It operates under the guidance of a 16-person Board of Directors with the assistance of Chamber staff. Annual grant applications are solicited in December, due in February and awarded in mid-March. This year the Foundation distributed a total of \$13,011 to 13 applicants from 11 schools in the Hickory and Catawba County systems. Grants focus on specific classroom projects which have a substantial impact on student learning and enrichment.

What are we trying to accomplish through this strategy? To improve educational achievement and increase community awareness of its importance, FORESIGHT proposes to create a community education partnership different in focus from the Catawba Valley Community Foundation. The new education partnership would serve two distinct roles:

- as a community advocate for education in Catawba County and
- as a "funder" of innovative, system-wide programs to improve the quality of education through leveraging its significant funding.

The education partnership will serve as a liaison between the community and the three school systems. Perhaps more importantly, it will keep before the community a vision of what our schools can accomplish and focus on strategies to provide the best educational opportunities for all children. Since the partnership will be an independent entity from the school systems yet a partner with them, it will be able to function as an objective vehicle for

evaluating school accomplishments. For schools to accomplish continued improvements in achievement testing, citizens and leaders must be aware of actual levels of student achievement and understand the differences in state and federal measurements. The foundation could provide an unbiased voice for evaluating results of both testing systems.

As a grant source for innovative school programs, the partnership would set an ambitious goal of raising several million dollars to provide real money to the schools to accomplish innovative programs, such as those as proposed in Strategy 3.

What are the obstacles to accomplishing this strategy? Developing a clear vision for the education partnership in its dual roles of educational advocacy, and fund raising and awarding grants will present challenges. It may also be difficult to acquire necessary funds during difficult economic times. Donors will need to understand how the new foundation's purpose and scope differ from those of the CVEF. The CVEF Board of Directors will need to be convinced that the new partnership's purpose complements rather than competes with its classroom-focused aims.

What is the plan to achieve it, including financing? The initial phase of the partnership would involve an initial goal of several million dollars, to be raised from local businesses, committed individuals and local and state foundations.

Who does the work? The FORESIGHT Steering Committee would decide how the education partnership is to be set up during the implementation phase of the FORESIGHT process. The foundation would have an unpaid board of directors to determine how funds are to be spent. Foundation board members should represent a cross section of the community including persons from the business community, minority organizations, churches and synagogues, civic organizations, the Chamber of Commerce and the leadership of the school systems. The key is engaging the entire community.

How will it be measured? What does success "look like"? The partnership should seek incorporation as a 501 (c) (3) non-profit organization under the Internal Revenue code. It will succeed when it is able to raise meaningful amounts of money for innovative programs that target FORESIGHT goals and strategies, not just supplementing existing programs. Its advocacy role, crucial to the partnership's success, is perhaps more difficult to measure.

When will this be started? FORESIGHT Committee should place this strategy on a fast-track for implementation. The partnership could be kicked off at the Education Forum in fall 2005.

Goal 2: Improve academic performance of all students.

As noted in the Problem Statement, the Hickory MSA has the lowest percentage of persons in NC over age 25 who have completed high school. It also has the lowest percentage of persons with education at the bachelor's level among NC's 11 MSAs. Catawba County's percentages of persons in these categories are also lower than the NC and US levels for persons with high school diplomas or bachelor's degrees. These facts influence the skill levels of current and future workers and the economic attractiveness of the County to potential new employers.

It's not just workers who need to boost their achievement levels. Students in our school systems, especially African-Americans, Asians, Latinos, and low-income children of all ethnicities, demonstrate lagging competency scores when compared to similar groups of students in the top school districts across North Carolina. Higher academic performance can result from the community's commitment to higher scores on children's achievement tests as measured by NC's ABC tests and the federally-designated "No Child Left Behind" standards.

Improved test scores, in turn, are likely to give students more confidence in their ability to succeed in college programs. If the academic performances of all students improve -- the average student and the underachiever, the "gifted and talented" student and the low-income child -- the educational attainment and skill levels of future workers will most certainly increase as well.

Strategy 3: Provide special funding to school systems to create flexible, creative solutions to accomplish higher academic achievement for all students.

What are we trying to accomplish through this strategy? A number of innovative strategies already exist that would allow schools to improve student achievement test results. Rather than propose one strategy for all systems, FORESIGHT suggests that school systems be given the flexibility to adapt the strategy or strategies to best help their students improve achievement scores and other measurable outcomes. FORESIGHT wants to jump start local efforts to improve academic achievement for all children. Efforts to enhance offerings for gifted and talented students should also be included under the special funding proposed here. Options should be chosen from concepts and programs with proven, research-based successes and might include these possibilities:

- Reduce classroom size from an average of 25 students to 15 students in grades 1-3, such as Burke County has done over the last ten years, resulting in achievement test levels above the state average (specifics on Burke County's successes are provided in Appendix A, p. 22);
- Increase the number of pre-school programs in local schools, modeled on successful existing programs such as Smart Start, More at Four and Head Start;
- Implement strategies to assure all students read by 3rd grade;
- Provide a number of specialized reading instructional programs, such as "First Steps" for beginning readers or other more specialized reading programs;
- Increase the use of technology at all grade levels;
- Evaluate the criteria for elementary student admission to GT programs; (the assumption here is that providing greater support and academic opportunities will encourage more students to aim for college graduation);
- Increase offerings for gifted and talented students by increasing AP courses in all systems;
- Study the feasibility of establishing an International Baccalaureate program;
- Provide additional staff training to increase awareness of flexible learning options for students who have difficulty learning in traditional ways, such as the "Schools Attuned" method which evaluates students' learning styles compared with teachers' instructional styles;
- Provide more small group and one-on-one settings for students who need this type of instruction.

What are the obstacles to accomplishing this strategy? The serious financial commitment of up-front money to school systems may present a philosophical obstacle for some officials. Funding at this level will need community resolve and a commitment of civic leaders to convince elected officials of the need for this strategy.

What is the plan to achieve it, including financing? School systems should be given the flexibility and the means to initiate innovative strategies to achieve academic improvements. FORESIGHT proposes that County Commissioners allocate \$100 per student to fund these efforts, estimated at approximately \$2.4 to \$2.5 million. These dollars are designed to give school systems the resources to impact significantly student achievement. This cost will be funded through the increased financial resources available from County funding and should be made available for a minimum of five years.

Who does the work? Funding to accomplish this strategy will come from the County Commissioners with the school systems responsible for implementation and accountability.

How will it be measured? What does success “look like”? Success will be measured after three years, when the results of pre- and post-program results can be compared with achievement scores. If schools are expected to use these funds to raise student achievement outcomes, funding will need to extend over several years.

When will this be started? Planning will be developed during the 2004-05 school year, and innovative strategies will be implemented in school systems by fall 2005. Funding should be available to accomplish this time line.

Strategy 4: Improve achievement scores in all three systems by increasing the number of specialists serving minority and low-income children.

What are we trying to accomplish through this strategy? The achievement scores and other education indicators (attendance, dropout rates, etc.) of minority and low-income children are often significantly lower than those of white, affluent children, as described in the “Problem Statement.” This lag in achievement scores is sometimes referred to as the “achievement gap.” One important way to improve these achievement levels is to increase the number of reading, mathematics and English-as-a-Second Language (ESL) specialists. These specialists are trained to assist children whose background or income status may inhibit them from reaching their academic potential. This strategy would increase local funding for these positions since they would require funding beyond state-provided staffing levels.

What are the obstacles to accomplishing this strategy? Obstacles include the need to increase funding, the importance of coordinating efforts across three school systems and remnants of community prejudices.

What is the plan to achieve it, including financing? Who does the work? School leaders should develop a plan to increase the number of staff professionals in the key areas of reading, math and ESL. The FORESIGHT Committee recommends that schools with the highest percent of “at-risk” children should rank high on priority lists for increased staffing in

order to increase the achievement scores of these children. To increase the number of specialists in these categories, we propose adding an additional 25 staff members to the three systems, allocated as the schools determine, at an initial cost of an estimated \$1.25 million. (We chose 25 staff members because that number would add one additional staff person per 1,000 students at an estimated \$50,000 per position.)

How will it be measured? What does success “look like”? Success will be measured by improved test scores of minority and low-income children (the gap in scores will be reduced 50% by 2010) and dropout rates (the dropout rate for minority children will also be reduced 50% by 2010).

When will this be accomplished? The planning for these additional staff positions should occur during the 2004-05 school year with the new personnel in place by fall 2005.

Strategy 5: Strengthen tutoring and mentoring programs to narrow the achievement gap and improve the academic performance of all students.

What are you trying to accomplish through this strategy? This strategy aims to bring below grade level students at least up to competency levels (Level 3 or higher). It proposes to use community members to interact with students on academic and professional levels to help them develop into young people with higher academic performance, good work habits, ethical behavior and involvement in civic and community issues.

What are the obstacles to accomplishing this strategy? Both immediate and long-term obstacles exist: a community culture that places little value on life-long learning, a lack of parental awareness of existing programs, and finding and training volunteer tutors and mentors. The economic downturn has caused many businesses and non-profits to curtail their volunteer community involvement. While many businesses are already highly engaged in community causes, others are not yet committed to working with students. Another major obstacle is the issue of funding for coordinators of volunteers in the three school systems.

What is the plan to achieve it, including financing? The plan would include developing a publicity campaign with information packets for civic groups and citizens and establishing a pilot program to place volunteer coordinators in all three school systems. This strategy proposes adding five positions, three in the County and one each in Hickory and Newton-Conover. The estimated cost of volunteer coordinators for the three systems is projected at \$250,000 annually, based on the expenses for a half-time volunteer coordinator currently employed by the Hickory system.

Who does the work? Interested citizens and business volunteers will be trained to tutor and mentor low-achieving students. System-based volunteer coordinators will work with community members to train the volunteers and coordinate scheduling, teacher input and student needs. Business, school and community leaders will need to develop ways of teaching students about responsibility, good work habits, decision-making skills, acceptable ways of resolving conflicts and traits of good citizenship. For example, business leaders might expand involvement with “their” students to include shadowing, internships and volunteering opportunities for elementary and middle school students.

How will it be measured? What does success “look like”? Success will be measured in two ways: an increase of 25% in the number of tutors and mentors (more adults volunteer to work with students) and pre- and post-testing to measure how students’ achievement scores have improved through sustained, focused tutoring and mentoring. The program should have an 80% success rate (4 out of 5 students should move to proficiency Level 3 within two years).

When will this be started? The program will begin in the 2004-05 school year and be ongoing thereafter.

Strategy 6: Provide support services to address the health, psychosocial and emotional needs of “at-risk students,” resulting in improved school attendance, greater parental involvement and increased academic achievement.

More than ever, schools are assigned the task of tackling many of our nation’s most difficult social problems. In previous decades, the issues seemed simpler, times were quieter, children appeared more innocent. Parents, watchful neighbors, community centers and religious institutions seemed able to teach and lead children by example and discipline. Times, issues and problems in the 21st century are more complex, faster moving and deadlier. Children who are hungry, unhealthy, neglected, abused, depressed or economically-deprived do not come to school ready to learn. They also often lack the parental support, opportunities and hope to succeed in the higher grades or seek post-secondary education. Parents who have had negative experiences with school themselves also need strong encouragement to participate in their children’s education.

The No Child Left Behind legislation requires that several at-risk groups achieve dramatic gains to meet federal standards. The economic downturn in Catawba County, low rate of adult educational attainment and increases in ESL populations present unprecedented challenges for our educational systems, in light of these No Child Left Behind targets.

Historically, the Department of Human Resources (DHR) teams in our elementary schools have shown positive outcomes: improved school attendance, improved immunization rates and preventative health services, higher end of grade testing results, heightened parental involvement, referrals for mental health and substance abuse treatment, and decreases in disciplinary actions. The current nursing, social work and mental health services in our County’s schools, however, are insufficient. Nine public health nurses serve nearly 25,000 students, at a ratio of 1: 2,800. Six and one-half social workers hired through the Department of Social Services and five social workers from Catawba County Schools serve 27 of 33 schools. The five social workers in the middle and high schools in Catawba County Schools serve approximately 7,700 students, a ratio of 1:1,500 students.

Hickory and Newton Conover systems have no social workers in their middle or high schools, except at Catawba Valley High School, the alternative school. Four psychologists, who were based at schools until 2000, now serve students county-wide and are centrally based at Counseling Services instead of working at school sites. Although NC Mental Health Reform may affect the provider network for these services, we would still recommend that the County

fund access to psychological consultation and interventions with high need children and ensure the number of psychologists remains at four.

What are we trying to accomplish through this strategy? In order to improve the academic performance of all children and engage their families in their education, children “at-risk of failure” need expanded services, which may include health and dental care, financial assistance, social work and mental health referrals, and family support services.

What are the obstacles to accomplish this strategy? In 2002, the County funded an additional three public health nurses. County funding for school social work services has decreased in recent years, although the school population and needs of students have continued to increase.

What is the plan to achieve it, including financing? The plan suggests a phased increase in the number of DHR professionals to ensure an equitable distribution of these services across all schools and the best use of combined DHR and school resources.

- Add four public health nurses, so the nurse to student ratio is decreased to fewer than 1:2,000 students;
- Add four social workers to middle/high schools (including Catawba Valley HS), so County-wide ratio becomes 1:1,300 students);
- Fund four school psychologists for schools.

Estimated cost of these 12 additional positions is approximately \$700,000 annually.

Who does the work? This strategy proposes to increase the existing level of integrated service delivery between school personnel (social workers, guidance counselors) and County human service providers (Departments of Social Services, Mental Health and Public Health). The use of County agencies in this school-based prevention effort may provide broader revenue sources to supplement services (such as NC Health Choice or Medicaid when appropriate).

How will it be measured? What does success look like? Improved academic performance will come from positive, measurable outcomes for such factors as improved school attendance, decreased high school dropout rates, increased parental involvement with the school and their student’s education, a decrease in disciplinary actions, an increase in healthy behaviors (nutrition, smoking cessation, abstinence from alcohol and drug use, less risk-taking), and increases in appropriate referrals for mental health, substance abuse treatment, educational assessments for special needs (learning disabilities, behavioral and emotional handicapped, and so on). This strategy will achieve “success” when additional positions for student needs are provided, as described in this strategy.

When will this be started? Planning for increased DHR professionals in schools should be made in the 2004-05 school year. Funding to be provided in the 2005-06 County and School Boards budgets. Continuation of funding levels will depend on successful achievement gains.

Strategy 7: Insure varied learning pathways for technical skill development at the elementary, middle, high school and college levels.

What are we trying to accomplish through this strategy? By providing a variety of learning options and strategies for students, the number of dropouts will be reduced. Students will become actively engaged in learning and will understand the changing needs of the workforce and the opportunities for students who possess those skills.

What are the obstacles to accomplishing this strategy? Obstacles include the available time of business/community leaders to provide shadowing, internship or apprenticeship options for students, equipment needs and the lack of distance learning options, such as no NC Information Highway classrooms in the Newton-Conover and Hickory systems.

What is the plan to achieve it, including financing? Since the idea of providing varied pathways focuses on real world learning, businesses should work with school officials to help students discover these real world pathways to improve their technical skills. Programs such as the “Futures for Kids” program under development by the Chamber of Commerce and the three school systems might be one way to accomplish this (see www.futuresforkids.org).

Another option might be adoption of a program such as the “Valuing Education, Honoring Choices” program, which seeks to prepare students for 21st century careers and postsecondary choices by strengthening academics and allowing for alternative routes to success. Some of the strategies of the program include changing the summer school experience to go beyond the classroom and into the business community.

A summer institute could focus on affective, cognitive and real world learning experiences. Other strategies in the “Honoring Choices” program might include alternative learning environments such as a middle college high school (the program would allow students to take courses at CVCC that would earn both high school and college credit), career academies on current high school campuses, and schools within schools (such as a 9th grade academy). The purpose of these innovative ideas is to allow students who do not function well in a traditional high school environment to excel in different educational settings. Funding might come from the proposed community partnership or other private sector sources (discussed in Strategy 2).

Who does the work? School system workforce development staff, already working extensively with local businesses, should be increased so additional businesses and students can be introduced to alternative ways of expanding their technical skills. Business and school alliances and partnerships should be expanded to facilitate these efforts.

How will it be measured? What does success “look like”? Success will be measured by lower dropout and higher graduation rates, more students planning to attend community colleges and a doubling of the number of alternate learning pathways available to students.

When will this be started? This effort should be planned during the 2004-05 school year and implemented in fall 2005.

Goal 3: Recruit and retain highly qualified and effective school personnel.

As student populations and the incentives for smaller class sizes continue to grow, the recruitment of quality teachers is becoming increasingly competitive. While Catawba County’s high quality of life is an incentive in the recruiting arena, quality of life alone may not be sufficient to attract the best available teachers from across North Carolina and the country. Discussions by Task Force members with school administrators revealed some concerns in recruiting the best school personnel, both teachers and administrators. Catawba County’s quality of life seems a major attraction for married teachers with young children, more so than for single or minority teachers looking for social options typically found in more urban areas.

Strategy 8: Increase the local teacher supplement to rank in the top 5% of NC schools within five years.

One recruitment tool at the disposal of the school systems is the “teacher supplement,” local funds that teachers are paid in addition to the state’s teacher pay scale. Higher teacher supplements, to a lesser degree, can also be a retention tool since they may prevent top quality teachers from moving to neighboring systems with higher supplements.

The 1989 “Catawba Compact” increased average teacher supplements to the top ten school systems in North Carolina. Since that time, however, no action to increase supplements has been taken. Local supplements have remained fixed at 7% of salaries for the past 15 years. Data in Table 5 show that the three Catawba County systems are no longer in the top 10 among the state’s 117 systems. While meeting the top average supplement in the highest ranking system (Chapel Hill-Carrboro) is probably unrealistic, raising the supplement to within the top 5%, represented by the Asheville City or Forsyth County systems does appear to be an achievable goal.

	Teachers with Supplement	Average Supplement	Rank
Chapel-Hill Carrboro	941	\$7,122	1
Charlotte-Mecklenburg	7,879	\$5,089	2
Wake Co.	7,296	\$5,055	3
Durham Co.	2,181	\$4,589	4
Asheville City	360	\$3,772	5
Forsyth Co.	3,390	\$3,746	6
New Hanover Co.	1,562	\$3,588	7
Guilford Co.	4,914	\$3,538	8
Cumberland Co.	3,457	\$3,117	9
Chatham Co.	548	\$2,888	10
Catawba Co.	1,100	\$2,610	15
Newton-Conover City	215	\$2,545	16
Hickory City	326	\$2,534	17

Source: NCDPI, 2004.

What are we trying to accomplish through this strategy? Strategy 8 proposes to increase the local teacher supplement to aid in recruiting top teachers to local systems. An increased local supplement, moreover, will show appreciation and recognition for the jobs current teachers perform for our students and the entire community. It will increase teacher morale and may aid in retaining skilled teachers. School Boards and funding officials should

devise a plan to increase the local supplement to rank in the top 5% of NC school systems within five years.

What are the obstacles to accomplishing this strategy? The chief obstacle is the perceived reluctance of elected officials to increase local spending for its educational staff.

What is the plan to achieve it, including financing? For the 2002-2003 school year, the average teacher supplement across the three school systems totaled \$2,586. The plan calls for an increase in average teacher supplements from 7% of base salary currently to 12% of base salary in 2009. The increase would occur in one year increments starting in FY 2005-06 (see Table below). FORESIGHT proposes that a portion of this increased supplement be allocated based on performance. Since this funding would consist of local allocations, DPI indicates they have no objections to this concept.

The proposed strategy would result in an increased cost for local supplements from the current \$4.3 million to an estimated \$7.8 million by FY 2009-10. Under this scenario, it seems likely that this increase in local spending would result in the County’s average supplement ranking among the highest in the state. The precise cost for the proposal will depend on the total number of teachers in the three school systems when the plan is implemented. This increase in annual expenditure might make political persuasion more difficult.

Change in Teacher Supplements Costs, FY 2002-03 -- FY 2009-10				
School Year	Number of Teachers	Supplement Rate	Avg. Supplement	Total Cost
2002-03	1641	7%	\$2,586	\$4,243,626
2003-04	1657	7%	\$2,586	\$4,285,002
2004-05	1674	7%	\$2,586	\$4,328,964
2005-06	1691	8%	\$2,955	\$4,997,632
2006-07	1708	9%	\$3,325	\$5,678,861
2007-08	1725	10%	\$3,694	\$6,372,650
2008-09	1742	11%	\$4,064	\$7,079,000
2009-10	1759	12%	\$4,433	\$7,797,911

Note: Table assumes the number of teachers increases by 1% annually.

Who does the work? Deciding how the additional local funds should be distributed among teachers should be left up to the Boards of Education and school administrators. The salary supplement should be reviewed annually to determine if local schools are reaching the FORESIGHT goal of ranking in the top 5% of school systems.

How will it be measured? What does success “look like”? Measurement will hinge on developing and implementing a plan over the next year to increase the local supplement. This level of supplement should make the three school systems more competitive with other school districts across North Carolina. Success is achieved when the County Commissioners approve the plan and commit to increasing the local teacher supplement by 1% annually for next five years. Increasing the supplement from 7% to 12% should put the three Catawba systems in the top 5% of school systems with respect to average supplements in North Carolina.

When will this be started? Planning for awarding an increased teacher supplement should be implemented during budget negotiations for the 2005-06 County and school budgets.

Goal 4: Use Catawba County's financial resources to increase the achievement levels of all students.

Strategy 9: Improve Catawba County's student achievement levels by creating "The INVESTMENT in Our Future," spelling out how additional local funding will succeed in raising student outcomes.

Since the focus of the FORESIGHT effort is public education, our concern has been with ways to improve the educational achievement levels of Catawba County's students and, eventually, raise the educational attainment levels of its adult workers. The Task Force examined key data comparing NC counties with similar population and per capita bases to Catawba's data (Public School Forum of NC, "2002 NC Local School Finance Study"). That data showed Catawba, with a 2002 population of 146,540, ranked 15th highest in per capita income but placed 66th in per pupil expenditure (PPE) of NC's 100 counties. This measurement gauges the local dollars allocated to school systems based on the number of pupils in each system. PPE measures local dollars allocated for operating expenses, not capital expenses, a significant cost in itself for which North Carolina counties are also responsible. In the comparison year (2001-02), Catawba's PPE was \$1,052, while the counties with per capita incomes comparable to ours spent \$418 more per student.

The result of this analysis compelled the FORESIGHT Committee to propose what some might consider a radical solution. FORESIGHT, however, makes this recommendation based on our obligation to provide students with the high quality education they deserve. In order for the County to prosper in the 21st century economy, the attitudes of former times that placed little value on education must be overcome and the education levels of its workers significantly improved. We expect this strategy, when enacted, will become the catalyst for County-wide involvement across all sectors of our communities.

FORESIGHT members feel strongly that current per pupil expenditures by Catawba County do not reflect our community's commitment to be among the best in education in North Carolina. The FORESIGHT Committee also discussed the public's justifiable expectation that increased investment of funds should result in an increase in measurable outcomes, including higher achievement on recognized federal and state benchmarks. These increased County allocations would result in improved outcomes at the elementary, middle and high school levels. We propose that a community-based group, consisting of teachers, administrators, elected officials, citizens and County staff, create "The INVESTMENT in Our Future," similar to the successful FORESIGHT-endorsed Compact enacted in the early 1990s.

The Task Force examined other funding mechanisms, such as a real estate transfer fee and a local sales tax increase. While used by some NC counties, both of these mechanisms depend on approval by the state legislature. Given the current political reality, it seems highly unlikely that either concept can win the necessary votes in Raleigh.

So the Task Force and FORESIGHT considered the other chief local funding option, the ad valorem or property tax. The Board of County Commissioners may be reluctant, perhaps even opposed, to raising property taxes, citing the number of people without jobs as an important reason not to increase taxes for unemployed workers and struggling businesses and industries. FORESIGHT, on the other hand, argues that this is precisely the time to increase our commitment to improving our children's education when we are so keenly aware of the consequences of not doing so. Accordingly, we propose to connect an increase in local property taxes to improved, measurable student outcomes.

What are we trying to accomplish through this strategy? This strategy suggests additional funding to meet the County's moral and strategic commitment to provide the best possible schools for its children. FORESIGHT concluded that Catawba County can and must increase its contribution to local school funding. The strategy proposes to tie an increase in local per pupil expenditure (PPE) for a number of strategies suggested here to higher achievement outcomes for all students.

These items include funding to improve achievement scores of all students by providing additional reading, math and English-as-a-Second Language (ESL) teachers and health and social service providers at schools. These staff efforts will also increase achievement scores of minority and low-income children and help close the achievement gap. FORESIGHT also suggests funding to implement innovative educational improvements in each system and higher teacher salary supplements. These financial commitments will result in higher achievement scores and students better prepared to take their place in the workforce of the 21st century. School officials will have the ultimate responsibility to develop their budgets based on specific ways of implementing the strategies of the FORESIGHT *Education Report*.

What are the obstacles to accomplishing this strategy? The major impediment to accomplishing this strategy is the reluctance of elected officials to increase the local per pupil expenditure. FORESIGHT believes that Catawba County's ability to pay is higher than officials are willing to acknowledge. An equally challenging obstacle is the sheer difficulty of raising achievement scores of all children in the County's school systems.

What is the plan to achieve it, including financing? In order for "*The INVESTMENT in Our Future*" to be accomplished, seed money must initially be made available to implement several strategies proposed in the *Report*. Other strategies will require no public funding, while funding for others could be implemented upon demonstrated positive results of "*The INVESTMENT*." Table 6 outlines the **public** funding required for implementation of the eight strategies proposed in this FORESIGHT *Education Report*.

Table 6 should be viewed as an estimate of implementation costs. Final funding for "*The INVESTMENT*" would be determined by the school systems, the public and the County Commissioners.

Table 6.	
Public Funding Required for FORESIGHT Education Implementation, 2005-2006	
Strategy	FY 2005-2006
1. Education Forum	\$ 0
2. Community Education Partnership	\$ 0
3. Innovative programs to improve academic performance for all students	\$2,400,000
4. Improve minority/low-income test scores thru more reading, math, ESL teachers	\$1,250,000
5. More tutoring/mentoring	\$250,000
6. More support services (nurses, mental health)	\$700,000
7. More varied learning pathways	\$ 0
8. Increased teacher supplement	\$700,000
Total	\$5,300,000

Table 6 shows that initial public commitment to “*The INVESTMENT in Our Future*” equals approximately \$6.1 million. Based on the current property value of Catawba County, a 4.5 to 5 cent property tax increase per \$100 property value would be required to begin implementation efforts of “*The INVESTMENT.*” The precise property tax increase will depend on property value at the time of implementation.

Who does the work? We propose that influential groups, such as the FORESIGHT Committee together with members of the Education Task Force and the Catawba County Chamber of Commerce, local Boards of Education and other community groups and individuals, begin the work of convincing local policy makers to adopt this strategy as a major commitment of the entire community. The Committee to design “*The INVESTMENT*” should consist of members from organizations such as those mentioned here plus, teachers, administrators and County Commissioners.

How will it be measured? What does success “look like”? This strategy proposes an increase in the local per pupil expenditure, in other words, more money directly allocated to students in our County’s classrooms. The proposed increase in County allocation will achieve success because students will attain higher academic outcomes, morale for teachers and administrative staff will improve, skills and education levels for our workforce over the long run will increase, and the value placed on education will rise for the entire community. The Board of Commissioners and Boards of Education will know that they are fulfilling their financial, strategic and moral obligations to provide the best possible education for our children even though it may entail short-term sacrifice on the part of County citizens.

An objective organization could provide an annual report evaluating the results of the additional financial commitment by the County Commissioners to determine whether the taxpayers and elected officials are getting their money’s worth by demonstrated results on specific measurable outcomes that gauge achievement.

When will this be started? The Committee to design “*The INVESTMENT in Our Future*” should develop the specifics of that proposal during the fall of 2004, so the agreement can be approved by County Commissioners and School Boards early in 2005 for inclusion in County planning for the 2005-06 budget.

Appendix A

Reducing Class Size in Grades 1-3: Burke County's Success

Reducing the number of students in classes is one way to improve achievement scores, as recent evidence from schools in the Southeast and elsewhere demonstrates. Burke County schools chose this strategy in the early 1990s, faced with the challenge of raising achievement scores for an increasingly diverse student population. The percent of students with limited English proficiency in Burke's schools rose from 2% in 1993 to 9% in 2000, at the same time that the percentage of students eligible for free and reduced lunch was also on the rise. Total enrollment increased 15.8% from 1992 to 2001.

Faced with these challenges, Superintendent David Burleson and the Burke County School Board decided to examine the feasibility of reducing class size from 24 students to 15 students in grades 1-3 to increase math and reading achievement. Key issues facing the Burke system were funding for more teachers, space for additional classes, and personnel (Burke decided not to use teacher assistants in these smaller classes, a controversial decision at the time). A pilot program involving four 1st grade classrooms began in 1991-92.

Table 7 presents clear evidence of the improvement in reading and math scores in grades 3, 4, and 5 from 1992-93 to 2000-01. Burke County students in 1993-94 scored at proficiency levels in the mid to high 60%, somewhat higher than scores for comparable students across NC. By 2000-01, however, Burke students not only continued to score above state levels but actually increased their proficiency levels to well over 80% proficiency. Success is particularly notable in 4th and 5th grade math where students scored at nearly 100%. Although NC students' scores statewide have also improved, results in Table 7 clearly show that Burke's initiative with smaller classes has resulted in dramatic improvements in achievement levels. By the time students in smaller classes reached the 8th grade in 2000-01, achievement scores on end-of-course tests increased to 89.4% in reading and 93.5% in math, according to Burke school officials.

Table 7.						
Burke County Achievement Results, 1993-94 to 2000-01						
	Proficiency Percentages				Gains in Proficiency	
	1993-1994		2000-2001		1993-94 thru	
	2000-01		2000-01		2000-01	
	Burke Co.	NC	Burke Co.	NC	Burke Co.	NC
3rd Grade Reading	65.6%	60.4%	81.3%	76.4%	+15.7%	+16.0%
3rd Grade Math	65.4%	61.6%	89.1%	73.6%	+23.7%	+12.0%
4th Grade Reading	68.9%	65.8%	80.5%	74.6%	+11.6%	+8.8%
4th Grade Math	72.4%	67.0%	97.1%	86.8%	+24.7%	+17.4%
5th Grade Reading	69.9%	65.5%	84.9%	82.7%	+15.0%	+17.2%
5th Grade Math	67.4%	63.9%	98.1%	86.7%	+30.7%	+22.8%

Source: "How Class Size Makes a Difference," Regional Educational Laboratory, UNC-Greensboro, 2002; Burke County School System, 2003.