

Halifax County Flourishes In an Economic Renaissance

(Printed in *Carolina Business Journal*, September, 2007)

By Meredith L. Norris

In the 1949 Orson Welles movie *The Third Man*, his character muses: "In Italy for 30 years under the Borgias they had warfare, terror, murder, and bloodshed, but they produced Michelangelo, Leonardo da Vinci and the Renaissance. In Switzerland, they had 500 years of democracy and peace, and what did that produce? The cuckoo clock."

One could look at Halifax County, N.C., and characterize the changes occurring as something of a renaissance. Having faced momentous challenges after having the lifeblood of their textile manufacturing-based economy disappear almost instantaneously, local leaders are leading a spirited revolution to reconstitute their financial base, and not let their town surrender to obsolescence.

Like many rural areas that once depended on a local industry now shuttered, Halifax County has seen its residential population intermittently recede. The local economy survived on two major industries for decades, and had admittedly become complacent in their economic development efforts. Then the worst happened. Seemingly overnight, their century-old textile mills shut down, and the paper mill slowed production and underwent numerous changes in ownership.

That was the wake-up call that local leaders needed. They were not content to manufacture only cuckoo clocks any longer. After dithering in a phlegmatic state in the immediate post-textile depression, local leaders examined their strengths, weaknesses, and hidden resources to strategize for their future. The Northeast Regional Economic Development Commission partnered with Halifax economic developers and escalated their efforts to breathe life into listless programs-of-work. Early economic development successes came when Halifax County attracted Reser's Fine Foods, Scotland Neck Industries, Window Fashion Resource, AAA Carolinas, and the landing of two mega big-box retailers. Still, growth was sluggish.

A Micro What?

When Roanoke Rapids debuted in 2004 in *Site Selection's* "micropolitan" list of the top small market economies in the U.S., it entered tied at 23, making the front page cover story of *USA Today's* Money section. In 2007, it tied for 17 with three other North Carolina communities.

John Cromartie of the USDA explained micropolitans as "designated micro areas using the same procedure as that for metro areas. Any non-metro county with an urban cluster of at least 10,000 persons or more becomes the central county of a micro area. As with metro areas, outlying counties are included if commuting into the central county is 25 percent or higher, or if 25 percent of the employment in

the outlying county is made up of commuters from the central county. Because they are county-based and include outlying areas, the total area population reaches well beyond 50,000 for many micro areas."

Veteran site consultant and tax expert Tammy Propst told *Site Selection* magazine that "North Carolina's history is built on manufacturing. However, it has been apparent for decades that textile and tobacco jobs were going to steadily decrease and that the outflow of those particular jobs couldn't be stopped. So, why do communities compete so aggressively? Good self-awareness coupled with good planning."

Halifax leaders agree with Propst's assessment and are implementing their diversification strategy through a combination of industry and tourism development. In addition to new and established businesses currently operating in Halifax County, there are 15 industrial development projects in the planning stages. The county has purchased land to develop a new industrial park to coincide with the opening of a new general aviation regional airport in 2008. Announcements introducing the development of new tourism attractions are expected. Residential development, both single-family and multi-family, is picking up as 3,000 to 5,000 new jobs are expected over the next five to 10 years. The City of Roanoke Rapids and the surrounding area has extensive water and sewer capacity to support all this growth and more.

What's in your economic development toolbox?

In 2007, the City of Roanoke Rapids became one of only seven cities in North Carolina to be granted an Urban Progress Zone designation. As part of North Carolina's Article 3J tax credits program, the UP Zone program provides economic incentives to stimulate new investment and job creation in economically distressed areas. That, coupled with its existing tax incentives as part of its Tier One designation, is making Halifax County an even more attractive place for new business. Halifax County has also joined the 21st Century Communities program that began in 2001 in response to factory closings and the loss of thousands of jobs in the manufacturing and textile sectors. The N.C. Department of Commerce reports that the program "has positively impacted the state's most challenged communities and helped jump start economic development. Through collaborations and creative partnerships, this program directs human and financial resources and provides technical assistance to targeted communities that support the expansion of broad-based, comprehensive economic development plans and initiatives."

Ronald D. Baker, Executive Director of the Halifax County EDC promotes Industrial Training on their website as a key tool industries can use. "Halifax Community

College is very active in providing training programs for both new and expanding industry," said Baker. "The content of such training programs is determined through joint planning by personnel from the company and the college. The versatility of the training is

<u>Hali-Facts</u>		
Civilian Workforce: 32,593 persons		
Unemployment Rate (July 2007): 7.4%		
Major	Employment	Sectors:
Government		(29%)
Whsle/Retail		(19%)
Services		(19%)
Manufacturing		(17%)
Finance/Ins/RE		(3%)
Agriculture		(3%)
Construction		(3%)
Transportation		(3%)
Source: <i>halifaxdevelopment.com and esc.state.nc.us</i>		

unlimited and services are available to any new or expanding employer. The training may continue for as long as the company creates new jobs. The college also offers customized training for existing employees in order to meet the changing needs of business and industry."

City and County leaders have used these economic development tools to arrest the declining population through an aggressive marketing and economic development program-of-work. In the last few years, a diverse collection of industries has taken advantage of the incentives and quality of life in Halifax County. Of the top 20 employers in the County, nine are governmental employers (school system, state of North Carolina, etc.) The following are private employers employing 500 – 999: *Kraft Paper*; employing 250 – 499: *AAA Carolinas, Wal-Mart, SafeLite, Inc.*; and employing 100 – 250: *Home Life Care Inc., Halifax Linen Service Inc., Patch Rubber Co. Inc., Holden Temporaries, Inc., Resers Fine Foods Inc., Interim Health Care Morris Group, Flambeau Inc., New Dixie Oil Corp., Food Lion LLC, Kindred Nursing Centers East LLC, Kennametal Inc., Angels of Mercy Home Healthcare Inc., and Hardee's.*

Many of Halifax County's industries have special stories behind their success such Enfield's family-owned Aunt Ruby's Peanuts which has shipped internationally to legume-lovers for generations.

PCB Piezotronics (PCB®) was one of the early success stories of the North Carolina Economic Investment Committee's Job Development Investment Grants program. PCB, a global leader in the design and manufacture of force, torque, load, strain, pressure, acoustic and vibration sensors came to the region after relocating from their long-time headquarters in New York. "They're here because of the hard work of Halifax County, the hard work of the Northeast Partnership and the hard work of Halifax Business Horizons," Governor Mike Easley said. "Everyone was working together." PCB announced intentions to invest more than \$5 million dollars and grow their workforce to near 500 within their first five years.

Scotland Neck worked hard to land Canadian AirBoss, a leading manufacturer of high-quality rubber based products, which helped bring its Canadian ally Carbon Products to Halifax County as well. "We believe [Carbon Products] is a great match for the town and we couldn't be more excited to welcome [them] into our community", stated Scotland Neck Mayor Robert Partin. "AirBoss has created opportunities we never imagined."

Last year, Governor Easley announced the addition of 81 new jobs and an investment of \$1.6 million dollars by existing Halifax Linen Service. The Governor declared, "Halifax Linen Service's decision to expand its operations in North Carolina is a testament to our state's excellent workforce and top-ranked business climate. We will continue to make the necessary investments in education, workforce development, and infrastructure so businesses can succeed and grow in our state."

Halifax County continues to mature and reinvent itself as its economic renaissance gains momentum. Using traditional industry recruitment, together with tourism development across a broad spectrum, the region should enjoy seeing its quality of life, and the outlook for the future, trending steadily upward.