

APPENDICES

Appendix A: Economic evaluation

- Peer city review
- Employer/employee scorecards

Appendix B: Economic forecast

- Forecast
- Barriers to job creation
- Unleveraged advantages

Appendix C: Discussion agenda

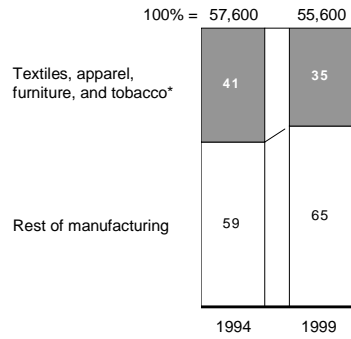
- "No-regrets" moves and initiatives

Appendix

APPENDIX A

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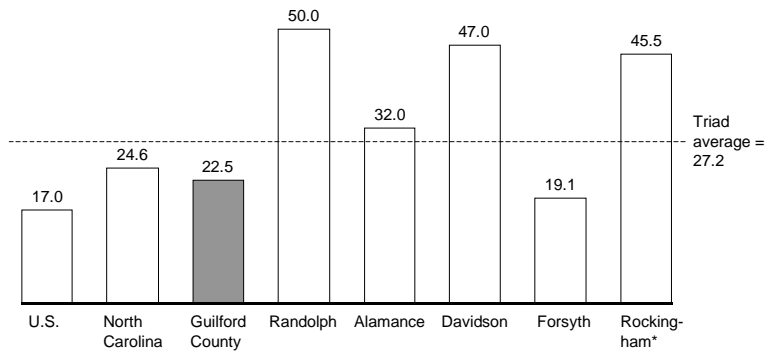
GUILFORD COUNTY MANUFACTURING EMPLOYMENT
Percent



* Tobacco from 1997
Source: Bureau of Labor Statistics

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MANUFACTURING EMPLOYMENT
Percentage of total private employment, third quarter 1999



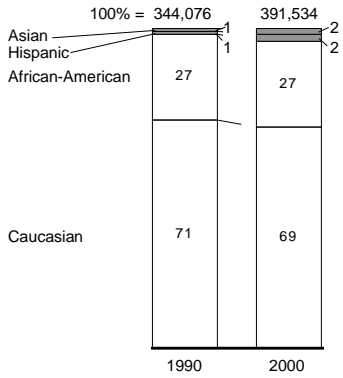
* Rockingham County borders Guilford County, but is not included in Triad MSA
Source: North Carolina Employment Security Commission

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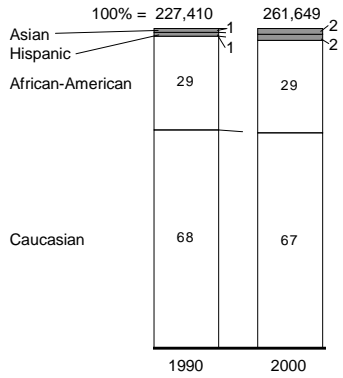
DEMOGRAPHIC CHANGES – 1990-2000

Percent

Guilford County



Greater Greensboro



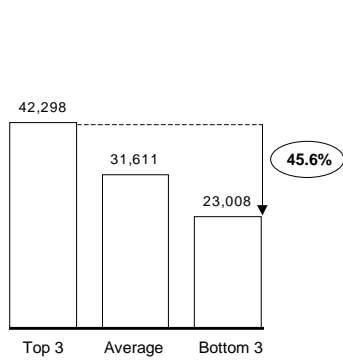
Source: Applied Geographic Solutions; team analysis

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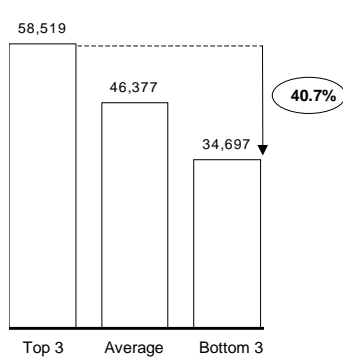
INCOME DISPARITY IN GREATER GREENSBORO

Median household income in nominal dollars

1990



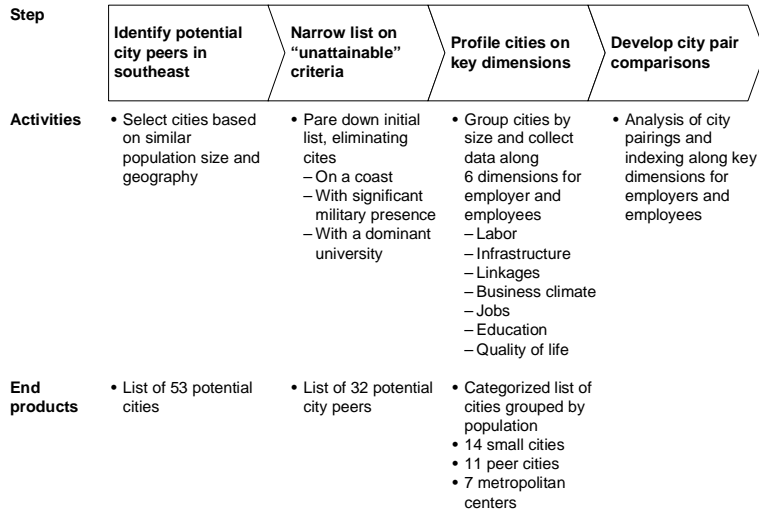
2000



Source: Applied Geographic Solutions; team analysis

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CITY PEER GROUPING PROCESS



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CITY PEER GROUPING

Bold Cities meeting attainable criteria

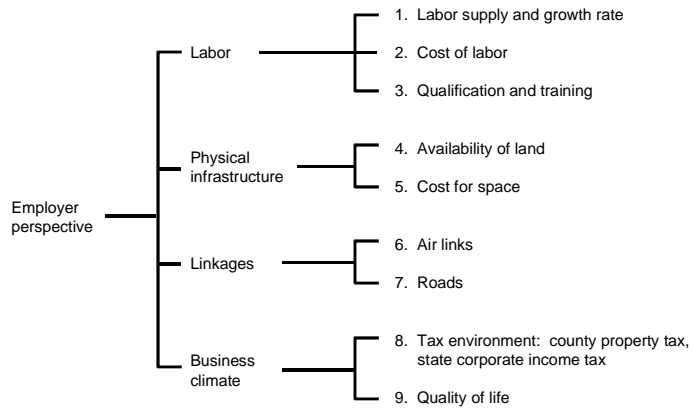
Alabama	Georgia	Florida	North Carolina
<ul style="list-style-type: none"> • Huntsville • Birmingham • Montgomery • Mobile • Dothan 	<ul style="list-style-type: none"> • Columbus • Atlanta • Macon • Albany • Savannah • Augusta 	<ul style="list-style-type: none"> • Tallahassee • Jacksonville • Gainesville • Ocala • Melbourne • Tampa • St. Petersburg 	<ul style="list-style-type: none"> • Asheville • Charlotte • Hickory • Winston-Salem • Burlington • Chapel Hill • Durham • Raleigh • Fayetteville • Wilmington • Rocky Mount • Cary
Tennessee	Virginia	South Carolina	
<ul style="list-style-type: none"> • Memphis • Jackson • Columbia • Murfreesboro • Nashville • Chattanooga • Knoxville • Oak Ridge • Johnson City 	<ul style="list-style-type: none"> • Danville • Lynchburg • Roanoke • Petersburg • Richmond • Charlottesville • Norfolk • Hampton Roads • Virginia Beach • Newport News • Harrisonburg 	<ul style="list-style-type: none"> • Charleston • Florence • Columbia • Greenville • Spartanburg • Anderson 	

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EVALUATION POOL

Small cities (county size <200,000 people)	Peer cities (county size 200,000-450,000 people)	Metropolitan city centers (county size >450,000 people)
<ul style="list-style-type: none"> • Hickory, NC • Burlington, NC • Rocky Mount, NC • Albany, GA • Macon, GA • Johnson City, TN • Jackson, TN • Columbia, TN • Anderson, SC • Florence, SC 	<ul style="list-style-type: none"> • Winston-Salem, NC • Durham, NC • Ocala, FL • Chattanooga, TN • Columbia, SC • Spartanburg, SC • Greenville, SC • Montgomery, AL • Huntsville, AL • Mobile, AL • Knoxville, TN 	<ul style="list-style-type: none"> • Raleigh, NC • Charlotte, NC • Atlanta, GA • Melbourne, FL • Memphis, TN • Birmingham, AL

COMPARATIVE INDICATOR TREE: EMPLOYER

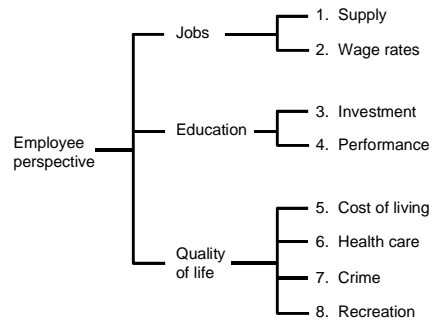


EMPLOYER SCORECARD DEFINITIONS BY COUNTY

Labor	Labor supply	Unemployment rate, April 2000
	Labor force growth	Labor force growth from 1990-99
	1/average services wage	$\frac{\text{Total service payroll from SIC, 1999}}{\text{Average employment services, 1999}}$
	1/average manufacturing wage	$\frac{\text{Total manufacturing payroll from SIC, 1999}}{\text{Average employment manufacturing, 1999}}$
	Advanced degree holders per capita	$\frac{\text{Number of masters degree holders and Ph.D.s}}{\text{Population citizens >25 years old}}$
	Bachelor's degree holders per capita	$\frac{\text{Number of bachelors degrees}}{\text{Population citizens >25 years old}}$
	High school graduation rate	$\frac{1}{\text{High school dropout rate, 1998}}$
Overall linkages	Domestic air destinations served	Number of destinations served by flights originating at captive airport, July 1, 2000
	Transportation index*	<i>Places Rated Almanac 1999</i> rating on roads, rail, mass transit, air destinations, congestion, and geographic proximity
Physical infrastructure	Class "A" rental space	2 private sector surveys of southeast rental space, 2Q 2000
	1/cost of rental space per square foot	
Business climate	1/corporate tax burden	Midpoint of county, commercial, property taxes, and state corporate income taxes
	1/total crime	FBI national crime index 1999

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COMPARATIVE INDICATOR TREE: EMPLOYEE



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EMPLOYEE SCORECARD DEFINITIONS BY COUNTY

Jobs	1/average unemployment	$\frac{1}{\text{Average unemployment, April 2000}}$
	Median household income growth	Median household income growth from 1998 to 1999
	Median household income	Median household income, 1999
Education	Average standardized test score by school system	$\frac{\text{SAT or ACT average, 1998}}{\text{National SAT or ACT average, 1998}}$
	High school graduation rate	$\frac{1}{\text{High school dropout rate, 1998}}$
	Teacher-to-student ratio	Department of Education teacher-to-student ratio, 1999
	Expenditure pre pupil	Department of Education estimate spending per pupil, 1999
Quality of life	1/personal crime	$\frac{1}{\text{FBI personal crime index, 1999}}$
	Housing affordability	Median home price, 1999
	1/ACCRA cost of living index	$\frac{1}{\text{ACCRA COL index, 2Q 2000}}$
	Health care index	<i>Places Rated Almanac 1999</i> , healthcare quality, access, and outcomes
	Recreation index	<i>Places Rated Almanac 1999</i> 13 measures of recreation
	1/personal tax burden	Tax foundation analysis of personal tax burden by state and midpoint of county personal property taxes

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ENTREPRENEURIAL PERSPECTIVE

● High
○ Low

	Necessary conditions	Greensboro	Assessment
Capital	<ul style="list-style-type: none"> Cash to finance future growth Active role in financing current and future rounds Risk comprehension of investment in start-ups 		<ul style="list-style-type: none"> Risk tolerance of banks and investors "is lower than in other geographic areas" Considerable amount of venture capital available and active, however, little of it is local Local venture capital is often exported to other, more active regions in the country
Connections	<ul style="list-style-type: none"> Network of management talent, strategic partners, customers, and information 		<ul style="list-style-type: none"> Lack of lawyers, accountants, and bankers that understand venture capital funding process Difficult to gain access to network of funding sources Few social outlets for aspiring entrepreneurs
Coaching	<ul style="list-style-type: none"> Experience with start-ups in relevant sector Access to supporting experts Relevant industry experience 		<ul style="list-style-type: none"> Few high-tech companies to supply senior talent Network of seasoned executives and funders not formally established or well known
Credibility	<ul style="list-style-type: none"> Stamp of approval for access to customers, partners, and people 		<ul style="list-style-type: none"> Few nationally known venture capital investment funds for high-growth companies Successful local efforts are relatively unknown

Source: McKinsey research; interviews; team analysis

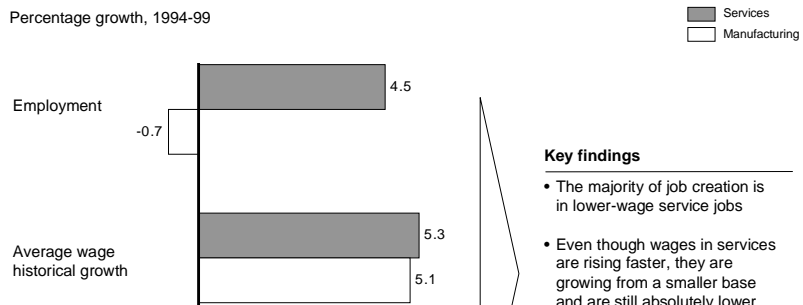
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APPENDIX B

Appendix

PER CAPITA IMPLICATIONS

Percentage growth, 1994-99



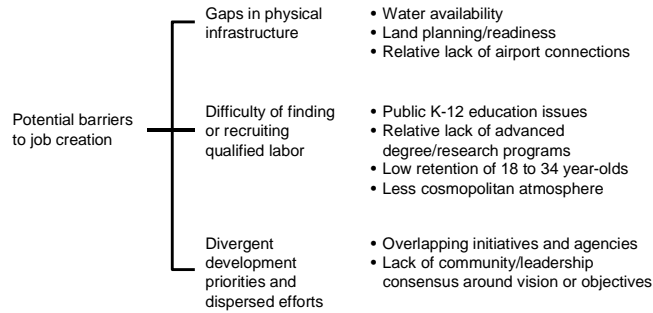
Key findings

- The majority of job creation is in lower-wage service jobs
- Even though wages in services are rising faster, they are growing from a smaller base and are still absolutely lower than wage rates in the manufacturing jobs Greensboro is shedding
- Therefore, there is a risk of per-capita income stagnation

Wages as a percentage of overall average	1994	1999
	(\$25,021)	(\$31,588)
Services	84	86
Manufacturing	128	130

B - 2

HIGH-LEVEL ASSESSMENT OF BARRIERS TO JOB CREATION



B - 3



PHYSICAL INFRASTRUCTURE

Issue

Water availability	<ul style="list-style-type: none"> • Daily demand of ~46 MGD outstrips Greensboro supply of ~36 MGD, with remainder brought in from Reidsville • Randleman Dam project may resolve this issue • "It creates a bad impression when you have water warnings in the newspaper. If the dam isn't built, then we might have a problem again"
Land planning	<ul style="list-style-type: none"> • Incorporation of surrounding cities could impact the amount of available land • Not all available land is serviced by water and sewer • Survey/project under way on land use planning • "Roads are built around here with little thought to future development"
Airport connections	<ul style="list-style-type: none"> • Perceived relative paucity/high price of direct airport connections • "We can't get many places as often as we need to" • "We feel the airport is more expensive than other options in the state"

Source: Interviews

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QUALIFIED LABOR SOURCING AND RECRUITMENT

Issue

K-12 public education issues	<ul style="list-style-type: none">• Despite slightly higher per-capita expenditures, uneven performance has led to overcrowding at some schools and subpar performance as measured by test scores and graduation rates• The most frequently mentioned constraint on recruiting talent was the education system• Visible leadership struggle has reinforced perceptions<ul style="list-style-type: none">– “The pathetic state of K-12 infrastructure is our biggest obstacle when recruiting key, mid-level talent”– “The decline in the county school system has led to a hollowing out of the school, as people who can afford it send their kids to private school”
Relative lack of advanced degree/ research programs	<ul style="list-style-type: none">• High-tech industries often colocate with cutting-edge research capability, which is not extensively developed in Greensboro. Greensboro has relatively fewer advanced degrees than many of its peers• “Technical employees want an academic support network for continued training and advancement that isn’t present in this city”• “The universities graduate relatively few science Ph.D.s and engineers, which increase the time and cost of our recruiting efforts”
Retention of 18 to 34 year-olds	<ul style="list-style-type: none">• Loss of this critical supply of new workers and of cultural vibrancy creates difficulty in recruitment but also adds to perception of Greensboro as a “slow” town• “When we hire a young, single professional, we know that we are going to lose them, because there is nothing for them to do around here”
Less cosmopolitan atmosphere	<ul style="list-style-type: none">• “After 5:00 p.m., the downtown dies. What Greensboro needs is a Franklin Street or a College Street to get a concentrated number of young people together”• “The lack of cultural events and limited opportunities for fine dining has been a barrier in recruiting top-level managerial talent”• “Sometimes to find good shopping, our employees travel to D.C., Atlanta, or New York City”

Source: Interviews

B – 5

GOVERNMENT ATTITUDES IN GUILFORD COUNTY

- “Government officials are more interested in attracting new big businesses to town than they are in helping the businesses they already have to grow”
- “Some cities are easy to do business in, others are hard. This city is a hard city”
- “Regulators don’t want to work with businesses trying to expand. We have to shepherd everything through city departments”
- “Greenville, SC has 11 people assisting in economic development. We’ve got one guy”
- Our legislature delegation doesn’t respond to business problems promptly. If Greensboro businesses have a problem with the North Carolina Department of Transportation, for example, they have to fight it themselves”

Source: Interviews

B – 6



GREENSBORO'S INFRASTRUCTURE ADVANTAGES

Roads


- 2 interstates (I-40 and I-85)
- 2 more coming soon (I-73 and I-74), providing point-to-point access to Detroit and Charleston
- New ring road (Painter Blvd.)
 - Fully funded, 35% under construction

Rail

- On rail trunk lines, leaving Raleigh to Charlotte with connections to New York

Airports*

- 51+ domestic destinations served daily
- Added new flights monthly
- 3 international destinations served daily**
- 2.7 million passengers last year, comparable to Birmingham, AL, and Knoxville, TN
- 81,000 metric tons of cargo



Greensboro is well suited for distribution and provides ample transportation linkages

* Airport compares favorably to peer cities' air infrastructure

** Flights originate in Greensboro through Atlanta to Mexico

Source: OAG; ACI North America; interviews

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EDUCATIONAL ASSETS

Post-secondary/professional resources

- Center for Creative Leadership is one of the premier leadership training programs in the world and brings over 2,000 mid- and senior-level managers to Greensboro each year
- Greensboro has one of the largest populations of African-American Ph.D.s in the country
- Numerous other leadership training businesses have co-located or affiliated with the center

Colleges and universities

- The colleges and universities collectively bring a population of well over 20,000 17 to 24 year-olds to the city
- A&T is the largest minority engineering school in the country
- A&T graduates a significant number of minority business students from the College of Economics and Business
- UNCG's Bryan School of Business attracts potential employers from throughout the region with its students who have specialized in its IT curriculum
- UNCG is one of the largest teacher's college in the state of North Carolina
- Greensboro graduates more young people with baccalaureate degrees than many of its peer cities
- UNCG has prominent faculty in biological sciences

Source: Interviews; National Science Foundation; team analysis

B – 8



QUALITY OF LIFE

People

- Friendly culture is "nice change of pace from other parts of the country"
- Employers locate customer care facilities in and around Greensboro because employees have better manners and better work ethic
- Greensboro has a history of "greater racial and religious tolerance than other cities in the Southeast"
- "Once people, especially married people, move here, they stay"

Low-hassle lifestyle

- "Small-city feel with most large-city amenities available around the corner"
- Greensboro has relatively lower crime rates than its peers in the Southeast
- "20-minute city" makes daily errands and chores easier for residents, since most services are readily accessible
- "You don't have to worry about your kids playing out in the yard." Most places in the city "don't feel very threatening"
- The health care system is "high quality and easy to access"

Recreation

- "Greensboro is a great place for outdoor recreation . . ."
- . . . has several outstanding golf courses, beautiful parks, and a location close to the mountains and the coast"
- The city shares North Carolina's mild, 4-season climate
- "The Piedmont is one of the more beautiful places to grow up . . . if you like the outdoors, there is little Greensboro can't offer"
- "Greensboro is a great place to raise a family"

Source: Interviews

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APPENDIX C

Appendix



POSSIBLE “NO-REGRETS” MOVES

FOR DISCUSSION

Potential initiative	Rationale
Improve brand/image of Greensboro	Focus on negatives of Greensboro prevents coalescing around positive attributes and creating energy around a vision
Leveraging the unique educational resources of the city	Resources of colleges and universities could help K-12, race relations, and uptown/downtown excitement factor
Improve business friendliness of city government	Unresponsive or onerous city requirements discourage job creation
Retain and grow the corporate base	Significant headquarters bring decision-making ability, top talent, and more resources to the city and should be encouraged to stay
Improve K-12 education	Performance and infrastructure of public schools discourages job creation and impedes recruitment of talent
Foster improved race relations	Racial divisions impede communication and consensus on development initiatives



- Do we agree that these are critical issues?
- What are the potential steps or approaches to improving these areas?

C – 2

OVERVIEW OF POTENTIAL FUTURE GOALS

1. Business creation
 - Improve city response to new business creation
 - Formalize entrepreneur and capital networking
 - Make a particular effort to foster minority-owned business creation
2. Cluster-focused growth
 - A. Guide transformation of traditional sector
 - Develop a strategy to retain and revitalize incumbent clusters
 - Textiles
 - Tobacco
 - Furniture
 - B. Foster incipient/create new clusters around transportation
 - Develop a strategy to identify and foster potential clusters across existing infrastructure
3. Regional center
 - Develop a strategy to become the preferred southeastern city for regional corporate centers, operations, and distribution activities for regional and national corporations

C – 3