



HOME GROWN TOOLS

for ECONOMIC DEVELOPMENT

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Homegrown Tools tells the story of small towns that have successfully stimulated private investment and job creation. The tool is meant to connect public officials, practitioners, and researchers to successful small town economic development strategies and inspire small towns to leverage their unique assets. Homegrown Tools is managed by NCGrowth, an EDA University Center at UNC Chapel Hill, in partnership with the UNC School of Government, the Federal Reserve Bank of Richmond, the NC Rural Center, and the UNC Department of City and Regional Planning.



Sanford (Lee County), North Carolina

BY THE NUMBERS

Sanford	
Population (2018):	29,917
County budget (2019):	\$77,170,272
Per capita income (2017):	\$21,767
Median household income (2018):	\$45,417
Poverty rate (2017):	20%
Minority population (2016):	42.5%
Proximity to urban center:	42.6 miles
Proximity to interstate highway:	38 miles

INTRODUCTION

In the late 1960s, similar to many parts of rural North Carolina, traditional jobs in textiles and tobacco continued to decline in Sanford, NC (located in Lee County). At this time, local leadership began to intentionally strategize how they would replace those jobs. Sanford and Lee County leaders have worked to recruit industries to the area over time, including those in manufacturing—industries that continue to grow and economically support the community. Overall, Sanford’s specific strategy has been diverse industry recruitment, strategic partnerships developed between the local government, the community college, area businesses, and existing manufacturing companies, and intentional leadership.

THE COMMUNITY AND ITS HISTORY

Sanford, NC is a small town located in a small county right in the middle of the state. “If you ask people in Lee County, they’d probably say that we’re the smallest county in North Carolina, but we’re not, not by a long shot,” Economic Development Executive Director, Bob Joyce, shares, “We’re actually the 9th smallest.” Back in the horse and buggy days, people in the community grew tired of riding their horses to the nearby Chatham County Seat, so they proposed creating their own county. Lee County was then established in 1907 from parts of Moore and Chatham Counties.

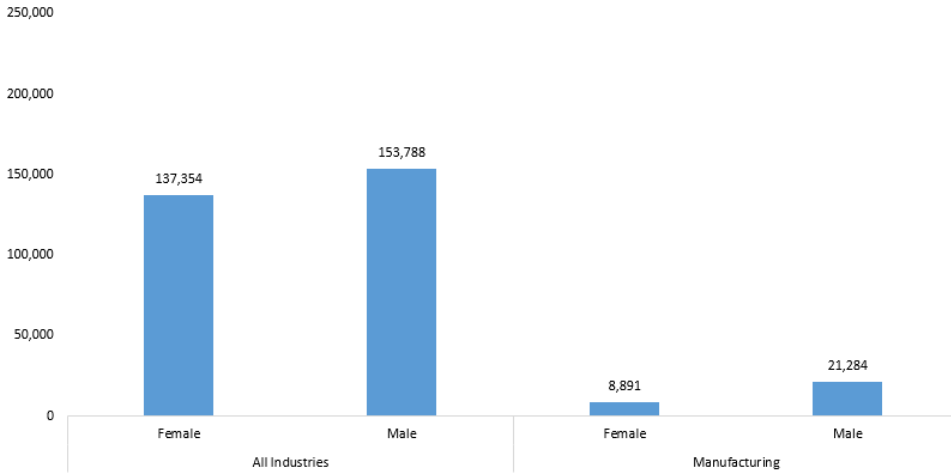
Historically, Sanford had small, similarly sized farms, and most were middle class. However, if a resident grew tobacco and also had a job outside of that, they could do pretty well. Joyce says, “We were [like Great Britain]... a ‘nation of shopkeepers’ in a positive way—we were actually a ‘community of shopkeepers.’” In the period after the Civil War, the county grew dramatically due to Sanford being the crossroad of the Western and Chatham Railroads. This positioning brought commerce and the area became a job hub for all the areas around it. People would come to Sanford to work, then shop—the area then became a regional commercial center in the late 1800s and early 1900s. 1925 is what they call “Sanford’s Golden Year.” In that year, the town added more than a dozen buildings that still exist today, including two hotels.

*A small yet strong
manufacturing
community
grows through
diverse industry
recruitment,
strategic
partnerships,
and intentional
leadership in Lee
County, NC.*

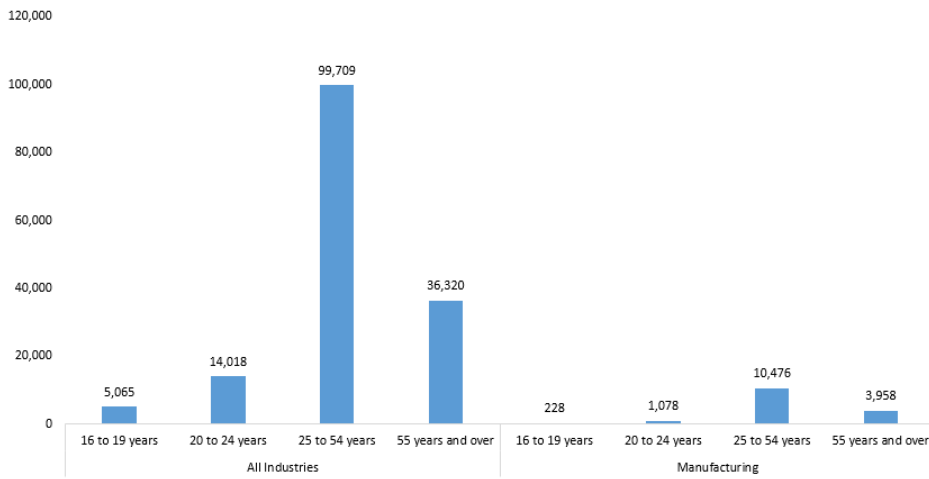
The fact that Lee County is right on the fall line has also influenced area growth. Changes in the soil can be seen as one moves through the county; one-third is sandy flats while the northern two-thirds is hard, rocky brownstone. This combination is ideal for brickmaking. In fact, “as recently as a half century ago, roughly one-tenth of bricks produced in America were made in Sanford.” In addition, since Lee County has other natural resources such as timber, Sanford became a community of craftspeople. The building that now houses joint city and county offices (such as the Sanford Area Growth Alliance for economic development), was once the Sanford Buggy Company—used to manufacture horse-drawn buggies. Although Lee County was one of the last areas of the state to be fully developed, it became a manufacturing hub early on.

Today, Joyce points out that the base created in the late 1800s/early 1900s is still strong: “We continued to grow in manufacturing when jobs in textiles and tobacco declined. We replaced those jobs. Now, 6,000 people drive in to work. In fact, more people drive in to work than out—you’d think it would be opposite!” Below is a visual overview of Sanford’s current composition and relationship to manufacturing according to gender, age, and race and ethnicity.

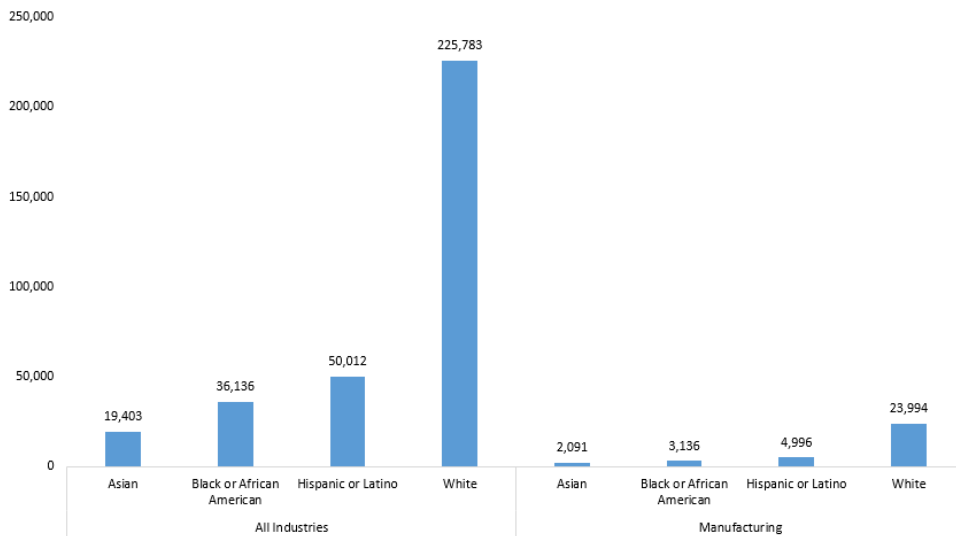
Gender



Age

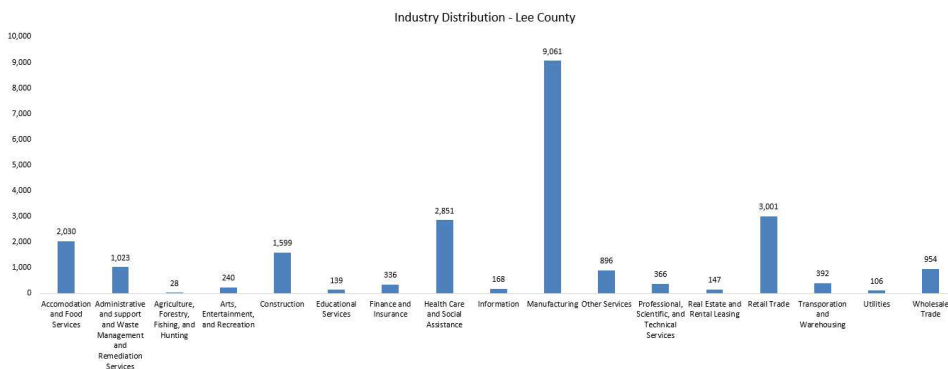


Race and Ethnicity



THE STRATEGY

Today, out of 23,337 employees in Lee County, those in manufacturing far outnumber those in other industries:



To reach this point, Bob Joyce describes the Sanford community as being very intentional about how they replaced the traditional jobs that began to disappear in the 1960s. They aimed to be as diverse as possible in the industries they attracted to the area over time. This included recruiting global beauty product and Fortune 500 company, Coty US, LLC., in the late 1960s. Coty’s largest U.S. manufacturing facility is now located in Sanford. In addition, Caterpillar, the world’s largest construction equipment manufacturer, was recruited to open a facility in Sanford that produced the first A-Series skid steer loader in 1999. Other recruited manufacturing firms have included those in plumbing, pharmaceutical, automotive, commercial printing, and various others:

Snapshot of Recruited Manufacturing Firms in Lee County, NC	Industry
Pfizer	Biotech & Pharmaceuticals
Caterpillar, Inc.	Industrial Manufacturing
Coty US, LLC.	Branded Beauty Products
Tyson Foods, Inc.	Food Production
Pilgrim's Pride	Food Production
Through6 (incoming)	Textile Manufacturing
Audentes Therapeutics (incoming)	Gene Therapy Manufacturing

As community leaders worked to create a team in the 1980s that would have the capability to continue effectively recruiting manufacturers from diverse industries, they looked to foster both new and existing partnerships. First, Joyce shares that business owners in the area were unselfish about talking with incoming firms. For example, when Sanford recruited Coty, Inc. in the 1960s, local business owners could have viewed the company as potentially stealing existing jobs. However, that's not how Sanford business leaders saw it. They talked with Coty Inc. and shared advice about working in the area, believing in the phrase, "a rising tide lifts all boats." Today, the Coty workforce in Lee County is composed of "more than 750 employees, as well as several hundred contractors."¹

In addition, the local community college was a key asset for the strategy. Historically, Central Carolina Community College began as the Lee County Industrial Education Center when first instituted in 1961, and was one of the first community colleges in North Carolina. The original goal: to provide vocational training for students in the area. CCCC President, Lisa Chapman, points out that, even today, "We have continued to maintain that focus. We are a comprehensive community college. We offer transfer programs, adult

¹ http://growsanfordnc.com/edc_press/article/coty-inc.-to-grow-its-lee-county-operations-adding-25-new-manufacturing-pos

learning, etc.—but everything is focused on addressing workforce needs in the community.”

The college has also offered the ability to train industry employees. For example, when Caterpillar launched a Sanford facility in the late 1990s, they trained their workforce at CCCC while the plant was under construction. The company was able to immediately begin production when the plant opened its doors in 1999. A number of years ago, the college also engaged in conversation with the company that eventually became Pfizer. Early on, company leadership reached out to the college and said that they needed a program specifically designed to support employees in the manufacturing of their products. In response to this need, CCCC leaders, including Dr. Lisa Chapman, began developing what is now the Bioprocess Technology program for the entire community college system. The curriculum is geared toward preparing students to work as process operators in biological products manufacturing facilities.² CCCC was the first community college in North Carolina to provide this type of program—and actually one of the first of its kind in the nation. The college also offered bootcamp training for the local company. Today, CCCC continues to develop its curriculum through collaborative conversations/ongoing interaction with local governments, industries, etc.

The City of Sanford proved to be another valuable partner during strategy implementation. For manufacturers to thrive, Joyce notes that an area must be “livable; have quality streets, wastewater infrastructure, etc.,” adding that, “our community has always been a community that has planned ahead.” For example, back in the day, Sanford was getting community water out of an impound lake; when the lake dried up in the late 1960s, they were convinced that they needed to add a water treatment plant from a single surface water source, the Cape Fear River. Now the city has the capacity to produce twice as much water as they use—a potential attraction for incoming industries. Joyce points to this infrastructural capacity as a significant benefit of city leaders having the foresight to plan ahead.

² <https://www.cccc.edu/curriculum/majors/bioQuality/>

One specific partnership within the city is the Sanford Area Growth Alliance: a public-private partnership and merger of the Lee County Economic Development Corporation (EDC) and Sanford Area Chamber of Commerce. SAGA is designed to “broaden the economic development program of Lee County and capitalize on the synergies and strengths of each organization.”³ In short, Sanford is a “community ready for growth” and SAGA helps to facilitate this goal. For example, SAGA hosts a yearly program called Leadership Sanford. Program topics include learning about political leadership by meeting local and state government leaders and better understanding economic development in the area through a tour of select industries in Lee County, including Caterpillar and Coty, Inc.

Overall, Leadership Sanford through SAGA demonstrates the positives of developing programs that work to build community knowledge of economic development, create opportunities for networking among partners (including manufacturing industries), and foster diverse and creative leaders in the community.

THE OUTCOMES

- 1 in 4 people are employed in manufacturing in Lee and Chatham counties⁴
- Manufacturing jobs in Lee County currently total 9,061
- Small Sanford businesses are supported by larger industries; two new breweries have opened with a third on the way
- Revitalized downtown area, including improved sidewalks and outdoor spaces
- Community trust in local leadership is high, thanks in part to programs provided by the Sanford Area Growth Alliance
- In September 2018, manufacturing company, Caterpillar, announced a new pre-assembly plant in Sanford, adding 40 jobs and an investment of \$15 million⁵
- Pharmaceutical company, Pfizer, announced plans this year for a \$500 million facility expansion in Sanford; the expansion is expected to add 300 jobs to the local workforce

HOW AND WHY THE STRATEGY IS WORKING

Intentional leadership matters. In addition to recruiting diverse manufacturers to the area since the late 1960s, Meg Moss, Chamber of Commerce Executive Director, says that local leadership has intentionally worked in other ways to grow the town and county. “We have worked extremely hard to get a tourism development authority in Lee County,” she says, “We’ve brought in businesses and tourism, and have also expanded the civic center.” In addition, there is

3 http://growsanfordnc.com/about_us/our_mission

4 <http://growsanfordnc.com/chamberBlog/article/celebrating-manufacturing>

5 <https://businessfacilities.com/2018/09/caterpillar-investing-15m-sanford-north-carolina/>

now a campaign to renovate the historic railroad depot into a Welcome Center: one central location for tourists to come and shop, eat at nearby local restaurants, etc.

Don't underestimate positive partner relationships. Sanford's Existing Industry Development Manager, Jimmy Randolph, works with the local industrial community, so he has been able to see the success of these firms over time. He notes that, in addition to community leaders recruiting companies to the area, "Once you have the business here, it has to be profitable," and the manufacturing firms in Lee County are demonstrating just that. For example, pharmaceutical company, Pfizer, recently announced plans for a \$500 million facility expansion at their Sanford location, projected to add 300 jobs to the local workforce. This decision to expand did not happen overnight. The original company has been in Sanford since '86. Pfizer purchased the company within the last decade, and now has 650 employees after downsizing from 1500 after the Great Recession. This had a dramatic impact from a tax base perspective, but Pfizer assured leaders in the community that the downsizing was necessary, and this proved to be true. As Randolph shares, "We're now the beneficiary of their decision to expand." In addition, the local site leader for Pfizer said that with the vaccines franchise, he expects to add another 200 jobs in the next few years.

Support community partners. The manufacturing community also has a positive impact on smaller businesses in Lee County. Meg Moss adds that the small Sanford businesses are supported by larger industries who gain local, quality service: "For example, we have four to five print shops that are printing materials for manufacturers such as businesses cards, etc. Our janitorial business also wouldn't be around without the larger industries." Thanks in part to these relationships, Sanford has been able to completely revitalize downtown with improved sidewalks, outdoor spaces, and a historic preservation program. Within the past two years, two breweries have also sprung up in Lee County, bringing in many additional visitors—and now there is a third brewery on the way.

Value strategic partnerships. As mentioned, the Sanford Area Growth Alliance (SAGA) has been a significant asset for the community with the Lee County Economic Development Corporation and Sanford Area Chamber of Commerce all being housed under one umbrella. SAGA offers opportunities to build local leadership and strengthen the local economy through programs such as Leadership Sanford. In addition, SAGA recently partnered with CCCC and Downtown Sanford, Inc. to launch Real Investment in Sanford Entrepreneurs (RISE), an 8-week course which will be offered for entrepreneurs interested in starting a local business. After the course, potential grant money for rent and utilities will be available for the business that presents the best business plan.

LESSONS LEARNED FROM THE STORY

Find community leaders that facilitate trust. Bob Joyce points out, "If there's one strategy that has set us apart over the last ten years, it's leadership." He acknowledges that finding community champions who have shouldered the load has been pivotal to economic development in the area. For example, Leadership Sanford "tells people how things

work in the community. Our community leadership has pushed ahead by explaining to citizens where we're going and how we're getting there. We might have to raise taxes, but it will be worth it, because it will be a more prosperous community. Our local folks believe it."

Create opportunities for partnership networking. Through programs like Leadership Sanford, the Sanford Area Growth Alliance has created professional connections among partners such as smaller, local businesses and manufacturing industries.

Understand the benefit of community-supported industries. In response to the more recent multi-million dollar expansions announced by both Caterpillar and Pfizer, Jimmy Randolph emphasizes the value of positive community partnerships: "If the community does everything it can to uphold its end of the bargain (taking into account the ups and downs in the economy in both the near and long-term), and control the things they can as a community, the outcome will be positive."

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