

# First Things First

▶ LEE COUNTY LIVING '09 HITS THE STREETS. With features, short articles and a photo essay covering the broad spectrum of local life, this year's edition of Lee County Living was introduced in April with a rollout celebration sponsored by the Committee of 100 and hosted in downtown

Sanford by the Steele Street Coffee and Wine Bar. The award-winning annual magazine is produced by The Sanford Herald and Sanford Area Chamber of Commerce. Copies are available from the chamber at 143 Charlotte Avenue.

▶ SANFORD POTTERY FESTIVAL ANOTHER SUCCESS. Despite an ailing economy, between 6,500 and 7,000 visitors descended on the Dennis A. Wicker Civic Center the weekend before Mother's Day for the eighth annual Sanford Pottery Festival. This year's installment featured the work of nearly 100 pottery artists along with a new feature — a wine tasting that drew more than 600 to sample selections from 10 vineyards scattered throughout North Carolina.

## Inside this issue

2 "TURBO-TOURISM," says Patrick Mason, brings in far more than revenue from the trips alone.

3 FOUR LOCAL PROJECTS are receiving money from the federal "stimulus" legislation.

No. 31 ■ SPRING 2009

# 100 Economic Indicators

## baiting the tourist trap

debate kicks in every now and then about whether we should create a convention and visitor's bureau to attract more tourists.

Chatham has one, as do a growing number of Tar Heel locales trying to cash in on one of the state's largest industries.

Travelers spend \$16.5 billion annually across the state, according to the most recent figures published by the North Carolina Department of Commerce, and that number's been rising steadily for more than a decade. Traveler spending generated more than \$2.5 billion in tax receipts, too, with the average overnight travel party spending about \$479.

But with no beach or mountain in sight, does a visitor's bureau make sense here?

### lee as a destination

Eventually, the community will have a tourism office, predicts Patrick Mason, who studies tourism as cofounder of the Center for Carolina Living. It's the trend everywhere in the Carolinas, he says, and keeps the lucrative traveler from passing by one community, stopping at another.

He understands why many areas simply don't see themselves as tourist destinations. But, he says, that's because they take their assets for granted.

Among our local attractions:

- Temple Theatre
- Tobacco Road Golf Club
- Art and pottery studios
- Jordan Lake
- Sanford Pottery Festival
- Sanford Criterium bicycle race
- Live music and musical groups



- San-Lee and Raven Rock parks
- North Carolina Veterans' Memorial
- House in the Horseshoe
- The coming greenway project. Trails, Mason says, are a top attraction.

"Even though you don't think you're having visitors, you really do," Mason says. "The question is how to get them to stay longer. How to get the next tank of gas, meal or buck out of them."

### benefits of tourism

Direct income from travel-related spending is one obvious benefit, but there are others as well.

Mason says tourism serves as an introduction for visitors, exposing a community to industry executives who may want to locate a business and affluent families that might want to relocate (an economic trend he explains on page two).

"It's out of that visitor experience that they start to say, 'I could live here,'" he says. "After all, how do you know it's a good place to stay if you've never visited?"





**PATRICK MASON**  
The “Turbo-Tourist”

A burgeoning economic development strategy is to include tourism as the *birthmother* of another huge Carolina economic engine called the “in-migration industry.”

Tourism and destination marketing organizations define this travel segment, estimated to be 6 million visitors exploring the Carolinas annually, as “Turbo-Tourists.” These highly-beneficial tourists are affluent, educated families visiting various destinations. On average, Turbo-Tourists reserve way in advance, spend more, stay longer and return more frequently.

Beyond a \$2,000 to \$10,000 vacation, there’s a “turbo-effect” when families acquire a second home or relocate here, investing \$250,000 to over \$1 million in the first year. Then, the “turbo-effect” kicks in *again*, as they begin entertaining, on average, six friends and family groups a year. Some of whom, like birds-of-a-feather, will also visit frequently and relocate.

Thoughtful estimates suggest the in-migration industry annually generates \$15 to \$20 billion in fresh cash to the North Carolina economy, thanks in part to smart, aggressive and sustained state tourism marketing campaigns. And, of course, another estimated \$25 million spent by private sector residential community developers across the Carolinas to generate families to “tour” their properties. Whew!

Does Lee County want its fair share of this growing industry?

*Patrick Mason is cofounder of the Center for Carolina Living and speaker for the C100 luncheon on June 4.*

**STIMULUS** and you

lots of spending and a seismic policy shift

Despite a global recession, the economy’s not nearly as bad as media reports suggest, according to Ron Wainwright, who told the Committee of 100 in April not to buy into the hype run amok.

“Some say it’s the worst market since the depression,” the tax member for the Dixon Hughes accounting firm said during his extensive presentation. “The reality is this is a misperception in the market. Yes, there is a recession . . . . But, we’re not anywhere close to the Great Depression.”

He pointed to the lowest interest rates in five decades. And while unemployment had crept up to 8.5 percent at the time of his presentation, he noted the figure topped 20 percent in the 1930s.

What the \$787 billion “stimulus bill” was designed to do, he said, was keep unemployment from getting any higher — by increasing jobs and jump-starting the economy. The highly-partisan, pork-laden bill should work, he concluded, though spending wasn’t always targeted correctly.

And, Wainwright says, it’s probably not enough cash to do the job. In fact, more installments were already working their way through Congress.



Ron Wainwright makes a point during the C100 luncheon in April.

Some other general observations about the “stimulus”:

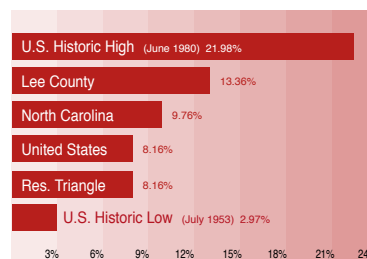
- ▶ It marks a significant change in government policy, which is now designed to redistribute wealth in the United States.
- ▶ It includes \$300 billion in short-term tax relief along with significant spending on infrastructure, state and local programs, and unemployment and other federal benefits.
- ▶ It reshapes corporate tax policy to promote presidential priorities (for example, reducing tax benefits for the oil and gas industry to promote alternative fuels) limit Wall Street and punish companies with international operations.

Slides from the presentation are available at [lcedc.com/media/](http://lcedc.com/media/) under the heading “Local Economic Reports.”

**CURRENT MISERY INDEX**

**MEASURING ECONOMIC “PAIN”**

Created as a gauge of general economic discomfort, the “Misery Index” — now 8.16 percent nationally and 10.99 percent in Lee County — combines the unemployment and inflation rates (-0.74 percent). The high was 21.98 percent in June 1980. *Sources: U.S. Department of Labor, N.C. Employment Security Commission and InflationData.com.*



**Economic Indicators**

*Economic Indicators* is a quarterly newsletter of the Lee County Committee of 100, an organization of business leaders committing their time, energy and resources to enhance the economic well-being of Lee County and its citizens.

For information about membership, contact the Lee County Committee of 100 Inc., P.O. Box 4846, Sanford, N.C., 27331-4846. 919.774.8439 (phone). 919.775.5410 (fax). [info@lcedc.com](mailto:info@lcedc.com) (e-mail). News and letters for *Economic Indicators* may be sent to the editor at [news@lcedc.com](mailto:news@lcedc.com).

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# China plants its flag in Sanford

Sanford may seem like an unlikely place to study Chinese language and culture, but that's exactly what will happen beginning this fall, when Central Carolina Community College becomes the first community college in the nation to have a Confucius Classroom.

Developed with the Confucius Institute at North Carolina State University, the classroom will offer curriculum and continuing education courses taught by an instructor from China.

Classes will be open to college and high school students, business leaders and the public. The classroom also plans to host visitors and businessmen from China, who will meet with students, participate in cultural events and visit local businesses.

College president Bud Marchant believes the Confucius Classroom will give local students an advantage in the business world and, perhaps, attract new companies.

"Chinese is second only to English as an international language of business in the world," he says. "Knowledge of the Chinese language, as well as China's cultural and business practices, will enable our students to compete in an increasingly international business environment."

## LEEdership Sanford wraps its '09 session

Ten local business leaders are now finishing LEEdership Sanford, a seven-month professional development program sponsored by the Sanford Area Chamber of Commerce.

The 2008-09 class includes

## A LOOK AT THE STIMULUS



CONGRESSMAN BOB ETHERIDGE (D-Lillington), left, talks with Scott Swindell of Adcock and Associates after the Sanford Area Chamber of Commerce Annual Banquet in February. Etheridge took the podium to promote The American Recovery and Reinvestment Act of 2009, more commonly known as the "stimulus" legislation, which had just been signed into law.

Zhyra Barber, CCCC Small Business Center; Stacey Craft, Lee County YMCA; Nickie Davis, BB&T; Stephon Hall, Lee County Partnership for Children; Kelly Klug, Lighthouse Documentation and Training; Charles Mitchell, Wyeth; Thad Morgan, Capital Bank; Tina Poltrock, Lee County Schools; Cathy Swindell, Central Carolina Community College; and Melanie West, Lee County Schools.

A graduation social is scheduled for August, when the next class will begin.

## 'Stimulus' cash lands in greenway and highways

Four local projects will get a jump start with money provided under the federal "stimulus" legislation passed in February.

Work begins soon on widening Tramway Road to three lanes along a 2.5-mile segment between Southern Lee High School and U.S. 1.

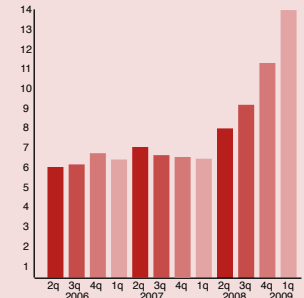
Later this year, construction will begin on the southernmost segment of the Sanford Bypass (U.S. 421). The 1.8-mile freeway runs from NC 42, near Coty, to NC 87 near Walmart and the Shoppes at Sanford.

The combined cost of the highway projects is estimated at \$32 million, all paid from federal dollars spent as part of the "stimulus" plan.

Another \$2.2 million from the legislation will be used to make improvements at the Sanford water plant and \$500,000 will be used to help fund a greenway from Kiwanis Park in Sanford to the new Endor Iron Furnace in Cummock.

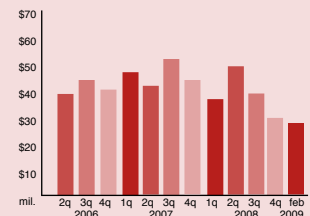
## Economic Indicators

### unemployment



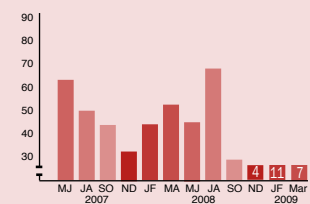
Lee County unemployment dipped from 15.1 percent in February to 14.1 percent in March, the most recent report. The labor force estimate stands at 26,982. The state's seasonally-unadjusted rate is now 10.5 percent, with the regional figure at 8.9. Data listed from the last month of each quarter.

### taxable sales



Taxable sales for Lee County were estimated at \$34.27 million in February, the latest report, down from \$55.08 from the year before. For Sanford in February: \$29.02 million. Figures reported from last month of each quarter.

### building permits



Lee County issued 11 building permits for new residential construction in January and February combined and seven in March, continuing a decline. Changes in the way county permits are reported may have affected some estimates. Figures are for permits issued over a two-month period for new home construction.

### area industrial closings

**Harnett.** Energy Conversion System, Dunn, motor components, closed effective May, 165 affected.  
**Lee.** Trans-Matic, Sanford, metal stampings, local plant closed effective April, 18 affected.

**June 2009**

**4 COMMITTEE OF 100 PRESENTS “DRAWING THE DOUGH.”** Patrick Mason, cofounder of the Center for Carolina Living, explains how communities can attract a share of the 420,000 “very affluent” newcomers arriving each year in the Carolinas. Based on 23 years of research, he’ll explain what drives the “in-migration” industry and why these new families are so important to the market share and profitability of every enterprise in our region and state. noon. Chef Paul’s Café, 610 E. Main Street, Sanford. \$15 includes lunch, \$10 for members. Contact Jane Haber, 919.774.8439 or info@lcedc.com.

**10 RTRP Economic Developers Assoc.** 10 a.m. 1000 Trade Drive, RDU International Airport. Contact Jane Haber, 919.774.8439 or info@lcedc.com.

**11 Central Carolina Society for Human Resources Management.** Monthly meeting. 11:30 a.m. to 1 p.m. Chef Paul’s Café, 610 E. Main Street, Sanford. Contact Jane Haber, 919.774.8439 or info@lcedc.com.

**24 Lee County Economic Development Board.** 4 p.m. Lee County EDC Office, 226 Carthage Street, Sanford. Contact Jane Haber, 919.774.8439 or info@lcedc.com.

**July 2009**

**1 RTRP Economic Developers Association.** 10 a.m. 1000 Trade Drive, RDU International Airport. Contact Jane Haber, 919.774.8439 or info@lcedc.com.

**7 Downtown Sanford Inc. Board.** 8 a.m. Lee County EDC Office, 226 Carthage Street, Sanford. Contact David Montgomery, 919.775.8332 or downtown@sanfordnc.net.

**9 Central Carolina Society for Human Resources Management.** Monthly meeting. 11:30 a.m. to 1 p.m. Chef Paul’s Café, 610 E. Main Street, Sanford. Contact Jane Haber, 919.774.8439 or info@lcedc.com.

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**FOCUS on Industrial Sites**

The recently-available Trans-Matic Building features 30,000 square feet with a 21-foot-clear ceiling on five acres. Space is expandable to 60,000 square feet and additional acreage is available. For other available sites in Lee County, visit [www.lcedc.com](http://www.lcedc.com), click on “Buildings & Sites,” and select either buildings or sites.

# Economic Indicators

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