

The HEALTH *of Lee County*

One Perspective



LEE COUNTY TODAY

A Wake-Up Call

Population growth across the Research Triangle Region is spiraling out of control, right?

Well, maybe not.

Though growth has certainly strained Raleigh and other communities in the area, the rate of growth actually peaked last decade and is expected to decline through 2030. And the same thing's happening in Lee County, which grew 18.5 percent last decade, but is projected to grow at a more modest 14 percent from 2020 to 2030.

True, it doesn't mean the region won't grow at all — just at a slower rate. But that's not the commonly-accepted wisdom among many casual observers.

Today, Hispanic influence is strong locally, representing 7.3 percent of the population, more than double the regional proportion of 3.1 percent. The figures are expected to remain steady through 2008. This alone means Lee County will continue to look different than many other sections of the Research Triangle.

So, what's the point? We must constantly

check our conventional wisdom to make sure it's actually true, and have a solid understanding of where the county is now and how it compares with others in the region. If not, any plans to enhance our economic health may be based on a false foundation.

WHAT'S IMPORTANT?

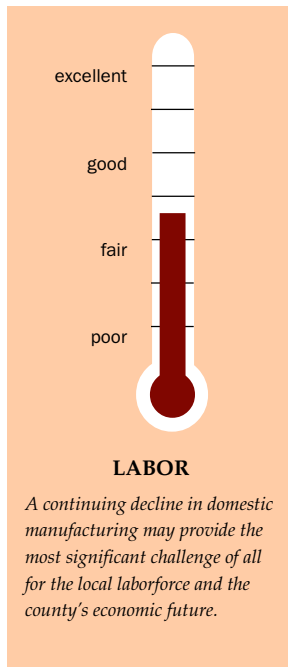
Economic health depends on having growing and vibrant businesses, and there's no mystery what companies look for when searching for a place to relocate or open new facilities.

Every year, *Area Development* magazine surveys corporate chief executive officers and other business leaders to determine what factors they consider most important. While some are obviously more essential than others, they basically boil down to these categories: labor, infrastructure, finance and quality of life.

So, the big question is this: How does Lee County stack up against the broader region on what's important?

LABOR

Manufacturing Forever?



For better or worse, the local economy is tied to the fate of manufacturing.

Four out of every 10 local residents work in manufacturing, far more than the 15 percent employed in that sector throughout the Research Triangle Region.

Overall in the area, services are king, employing 40 percent of workers across the region to just 24 percent locally.

In good times, that's served Lee County well, since manufacturing wages are significantly higher than those paid to service workers — even though manufacturing pays the average local worker about \$23,000 less per year than it does regionwide.

With the decline of textiles and other manufacturing in North Carolina and throughout the nation, the question is whether Lee County should remain yoked to manufacturing forever. After all, while

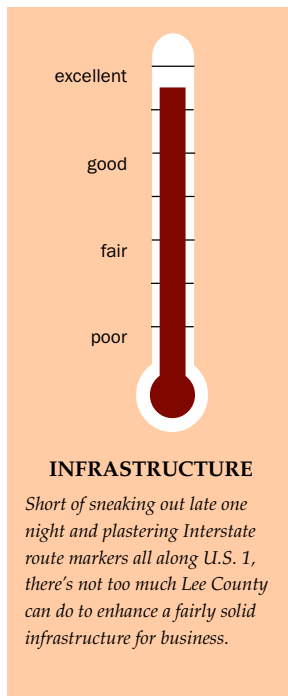
jobs in the Research Triangle declined just one year in the last five, Lee experienced three lean years when the number of jobs actually fell. And, the local unemployment rate, while dropping, consistently remains a point and a half to two points higher than the region as a whole.

Should Lee County move toward an economy based on professional services, it is likely that educational attainment will become even more important for employers. That could present a challenge, since only 46 percent of local residents has achieved more than a high school education, compared to 60 percent across the region.

Admittedly, regional figures are bolstered by those attracted to work at an unusually large number of exceptional universities, but the disparity still places Lee County at a competitive disadvantage.

INFRASTRUCTURE

Everything But an Interstate Exit!



With three major Interstates crisscrossing the region, how is it that Lee County missed them all? Many businesses strongly prefer direct access to an Interstate highway and the region has been blessed with the confluence of I-40, I-85 and I-95, not to mention a couple supplemental routes, I-440 and I-540.

But while Lee County does not have the prized Interstate exit, it does have excellent highway access, thanks to U.S. Highways 1, 15, 501 and 421, which provide connections to markets and Interstates nearby.

The access will become even stronger in coming years, when the U.S. 421 bypass is completed, opening southern Lee County for easy trucking.

In fact, transportation is one of the county's strengths. Air has become particularly attractive with completion of the new, expandable Sanford-Lee County Regional Airport and easier access than

many other area counties to Raleigh-Durham International Airport, the region's only major facility. And, freight rail service is available locally from both CSX Transportation and Norfolk Southern, the two biggest rail providers in the region.

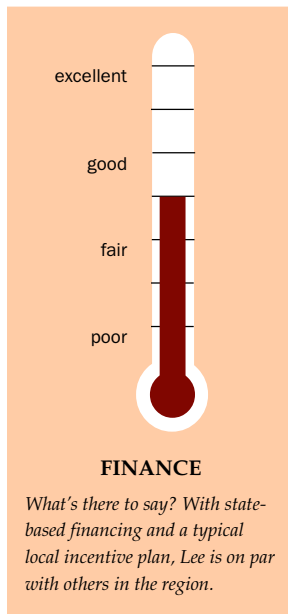
The county has no passenger rail service and no access to the planned regional rail service linking Durham, Raleigh, Cary and the Research Triangle Park.

But with passenger rail service dying everywhere except along the Washington to New York commuting corridor and serious questions about whether the planned regional rail service will be effective, neither seems to place Lee County at any significant disadvantage.

On other infrastructure factors, including telecommunications and utilities, Lee County holds its own with other similar communities across the Research Triangle region.

FINANCE

Meeting the Status Quo



Job Development Investment Grants. Awards from the One North Carolina Fund and Industrial Development Fund. Industrial Revenue Bonds. Community Development Block Grants. Funds from the William S. Lee Quality Jobs and Expansion Act.

Nearly all major financing options available to industry are provided through state-operated programs that are available in Lee ... or any of the other 99 Tar Heel counties.

Lee County does offer local incentives for

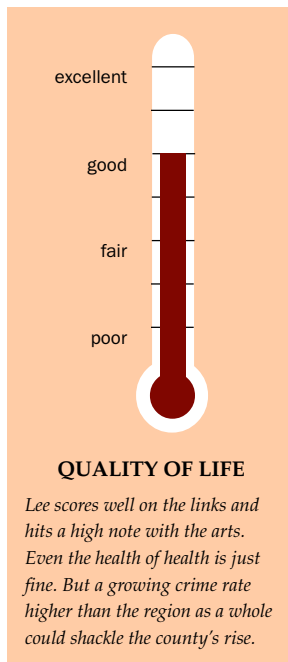
companies making a new capital investment of at least \$5 million. Or for expanding businesses making an additional capital investment of at least \$1 million. Incentives can be as much as 50 percent of the annual property taxes paid over a five-year period.

But the local program is fairly typical of what's offered by similar counties.

As a result, the local climate for finance preserves the status quo, creating neither an advantage nor disadvantage compared to others in the region.

QUALITY OF LIFE

Good News and Bad



How does the old cliché go: “Do you want the good news first or the bad?”

Let's start with the bad, and that means crime.

Last year, Lee County had significantly more crimes committed per 100,000 inhabitants than the broader Research Triangle region — 7,000 to 4,500, according to the State Bureau of Investigation. What's more, while rates were holding steady or dropping across the region, they actually rose steadily in Lee since hitting a low three years ago.

And then there's poverty. Almost 13 percent of Lee County residents live in poverty, compared with 11 percent throughout the region.

Education is critical, not only for the quality of life but for building a solid workforce. Locally, it's a mixed bag, with scores on the Scholastic Aptitude Test ahead of some counties, behind others. Per pupil expenditures are lower here, but that's not necessarily an indicator of educational quality. But remember: A smaller proportion

in Lee County residents have graduated from high school or gone beyond. That doesn't help.

The good news? Health care, culture and golf. In each case, Lee County fares well for a community its size and benefits from close proximity to world-renowned facilities elsewhere in the region.

In health care, that means having a 137-bed facility locally, but also being near exceptional programs at FirstHealth Moore Regional Hospital and world-class hospitals at Duke and the University of North Carolina.

For culture, it means a professional theater, community orchestra, renowned pottery festival and countless other amenities not always found in places the size of Lee County — along with state-operated museums not far up U.S. 1.

And then there's chasing the little white ball. Lee has its own jewels, such as Tobacco Road, and is closer to world-renowned courses in Pinehurst than every other county in the region. Except, of course, for Moore, where they're all located.