



Lexington Economic Development Strategic Plan

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CREATIVE ECONOMIC DEVELOPMENT CONSULTING, LLC

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Executive Summary

Lexington is making strategic public investments that will support long-term, sustainable economic growth. The city has a vision for the Depot District evolving into an entertainment, cultural, and retail hub. It is investing in amenities like the splash park and skate park that not only are attracting visitors, but also new citizens. These and other projects are changing the live, work, play environment of the city. This strategic planning process capitalizes on these investments and city's vision for the future.

The economic development planning process was sponsored by ElectriCities of N.C., Inc., as a service to its member communities. ElectriCities knows that companies and people invest in communities that invest in themselves. This strategic plan encourages Lexington to continue to make planned investments that will result in a stronger, more sustainable economy.

The strategic planning process included community engagement, SWOT Analysis, and economic and demographic research. An asset-based approach to strategic planning was used, building goals, strategies, and action steps around the city's assets and future opportunities. Lexington's strengths include uptown, young entrepreneurs, location, and a collaborative partnership with many agencies. The city's challenges include socioeconomically challenged demographics, perception of school system, and low educational attainment. The most significant opportunity is the Depot District and how it can evolve into an entertainment and cultural hub. Most of the threats identified are things that Lexington will need partners to change, such as "brain-drain," housing options, and lack of overall resources for economic development.

The Lexington Economic Development Strategic Plan outlines strategies in amenity development, business recruitment and retention, residential development, entrepreneurship, marketing, and education. The economic development goals, strategies, and action steps are summarized on the next page. We encourage a full read of this report to understand the context of the strategic plan.

Lexington city leaders are progressive and passionate about the community. More importantly, they are willing to invest in a vision they know can transform the city. Citizens are supportive of the city's investments in economic development because they have seen the successful track record. Outside investors are beginning to make investments in the city – a sign that there is confidence in the economy. Lexington has charted an ambitious path for renewal and redevelopment that we believe can be achieved.

Economic Development Strategic Plan Summary

Goal: Continue to Develop Amenities that Create a Sense of Place

- **Strategy: Create a Critical Mass of Unique Places to Make a Unique Destination**
- **Strategy: Retail Recruitment –Maintain Lexington's Retail Hub Status**
- **Strategy: County Partnership for Greenways and Connectivity**

Goal: Recruit and Retain Businesses that will Provide Quality Jobs

- **Strategy: Industrial Site and Building Development**
- **Strategy: Existing Business Retention and Expansion**
- **Strategy: Provide the Most Up-to-Date Information for Businesses**

Goal: Support Residential Developments that will Attract New Residents

- **Strategy: Uptown Housing for Young Professionals**
- **Strategy: Capitalize on Top 25 Places to Retire**
- **Strategy: Continue Demolition in Blighted Areas**
- **Strategy: Residential Development Incentives**

Goal: Enhance the Entrepreneurial Ecosystem

- **Strategy: Most Business-Friendly City in NC**
- **Strategy: Incubator or Co-Work space in Depot District focused on Craftsmanship**

Goal: Market Lexington to Attract People, Visitors, and Business

- **Strategy: Develop a Collaborative, Cross-Marketing and Communications Plan with Partner Agencies**
- **Strategy: Promote the Lexington One-Stop-Shop**

Goal: Support Innovation in Education and Workforce Development

- **Strategy: Set the Lexington School System Apart with K-12 Signature Programs**
- **Strategy: Recruit a Satellite Campus of Higher Education to Uptown**

SWOT Analysis

A SWOT (strengths, weaknesses, opportunities, and threats) Analysis is used as a foundational building block for the strategic plan. The most effective economic development strategies build upon the assets a community has and the assets they can develop. The SWOT was developed from information gathered during research, interviews, and a community survey and then vetted with the leadership team.

Summary

Strengths

- Uptown
- Access to highways
- Central location to urban areas
- One-stop shop for economic development
- Active visitor center
- BBQ and history
- Young entrepreneurs
- Collaborative
- Partner agencies

Weaknesses

- Lack of hotels
- Socioeconomically challenged demographics
- Perception of school system
- Low educational attainment
- Obstacles to residential development
- No Class A or B office stock
- Homeless shelter in uptown
- Lack of clustering of retail/commercial
- Perception of urban gravity of Winston-Salem

Opportunities

- Small urban area transitioning from rural
- Momentum of clustering effect in uptown
- Ambiance is improving
- Develop unique places like the Depot District
- Amphitheater
- Old post office building
- Performing arts theater and a theater district
- Creativity with infrastructure and city flexibility

Threats

- "Brain drain"
- Public housing growth
- Succession plan for business
- Opioid crisis
- Economic downturn
- Livable wages
- Lack of resources for economic development

STRENGTHS

Strengths are assets that support business development, attract tourists, and provide residents with quality of life. Many assets reported in interviews and the community survey centered on revitalized uptown, cooperation among agencies, location, and quality of life features. Citizens also cite the investments made by the city in amenities such as the amphitheater and splash park. Lexington is well-known across the state (and outside the state) for barbeque because of its famous festival.

- ⦿ Uptown: shops, restaurants, locally-owned, beautiful, walkable
- ⦿ Access to highways
- ⦿ Central location to urban areas that are growing toward Lexington
- ⦿ Tax rate
- ⦿ One-stop shop for economic development, utilities, and resources
- ⦿ Active visitor center
- ⦿ BBQ and history
- ⦿ Embracing past but rebranding with a business look
- ⦿ People are welcoming
- ⦿ Collaborative
- ⦿ Partner agencies: EDC, DCCC, and entrepreneurs
- ⦿ City council is not a roadblock
- ⦿ Quality of life
- ⦿ Leadership
- ⦿ A sense of place to build upon
- ⦿ Influx of young entrepreneurs
- ⦿ Davidson County Community College Small Business Center
- ⦿ Top 25 places to retire
- ⦿ Rail services
- ⦿ High Rock Lake
- ⦿ Tourism draws: BBQ, Main Street, amphitheater, Timberlake, cidery, splash park
- ⦿ Cost of living, cost of doing business
- ⦿ Affordable housing
- ⦿ Revitalization momentum
- ⦿ Great chamber
- ⦿ Commitment from city-county on growth
- ⦿ Work ethic
- ⦿ Health care and access to regional retirement care
- ⦿ Access to regional labor pool
- ⦿ Picked itself up from industry loss
- ⦿ Revitalization of vacant plants
- ⦿ Community resources and access
- ⦿ Available land for development

WEAKNESSES

Weaknesses are obstacles to growth that deter business expansion and negatively impact quality of life. Lexington has many weaknesses that are similar to other small towns: housing stock, attracting young people, meeting space, and lack of office space. Some weaknesses that are unique to Lexington include the perceptions of the city school system, low educational attainment, lack of arts and music infrastructure, and some division between local governments. The strategic plan will need to address these capacity building blocks.

- ⊙ Lack of hotels
- ⊙ Public transportation
- ⊙ Socioeconomically challenged demographics impacting business development
- ⊙ Low educational attainment
- ⊙ School system with a lower performing perception
- ⊙ Obstacles to residential development
- ⊙ Lack of housing stock and variety of mid and upper level homes
- ⊙ No class A or B office stock
- ⊙ Lack of building space
- ⊙ Homeless shelter in uptown district
- ⊙ Uptown businesses coordinating for longer hours
- ⊙ Need more people living uptown
- ⊙ Need better restaurants, there is a lack of diversity
- ⊙ Lack of clustering of retail/commercial
- ⊙ Need to draw from outside the market
- ⊙ Perception of urban gravity of Winston-Salem in northern Davidson County
- ⊙ Housing uptown needed: multi-family for younger people
- ⊙ Not attracting young people
- ⊙ Three school systems reduce resources
- ⊙ Entertainment improved but still needed
- ⊙ Arts and music infrastructure lacking
- ⊙ Lack of jobs for professionals
- ⊙ Invisible arts organizations
- ⊙ Incubator space
- ⊙ No meeting/event space for arts/music
- ⊙ Lost corporate class/middle management
- ⊙ Philanthropy
- ⊙ Less growth in large companies
- ⊙ Economies of scale in utilities
- ⊙ Turnover in workforce
- ⊙ Sustaining wages
- ⊙ Drug addictions
- ⊙ Failure to look outside for best practices
- ⊙ Lexington/Thomasville division and lack of county unity

OPPORTUNITIES

The citizens and leadership of Lexington see opportunities to ride the wave of momentum that is leading to revitalization. They envision a community with more cultural arts facilities and programs, destinations that will attract visitors and more residents, and budding entrepreneurs. They are optimistic about the future. City investments have shown people how the city can change now they want more from both the city and the private sector.

- ⊙ Predictable uptown business hours
- ⊙ Capture opportunities of a small urban area, transitioning from rural
- ⊙ Build on the momentum of clustering effect of uptown
- ⊙ Ambiance is improving
- ⊙ Develop unique places like the Depot District
- ⊙ Amphitheater
- ⊙ Critical mass of unique places to make a destination
- ⊙ Old post office building
- ⊙ Performing arts theater and a theater district to attract visitors
- ⊙ Skate park
- ⊙ Capturing outside dollars
- ⊙ People are becoming believers
- ⊙ International draw
- ⊙ Partner with surrounding schools
- ⊙ Creativity with infrastructure and city flexibility
- ⊙ Creating a niche in the workforce
- ⊙ Passenger rail station with connections to urban areas
- ⊙ Continue beautification projects like the greenways
- ⊙ Availability of second strong development in uptown
- ⊙ Infill-development leading to higher and better use of properties
- ⊙ Upper story residential
- ⊙ County parks and recreation
- ⊙ Development zone around edges vs. concentrated growth
- ⊙ Distribution centers because of the central NC location
- ⊙ Incubator arts studio (ex: AFAS building in Winston Salem)
- ⊙ Native American Museum
- ⊙ Call center tenants
- ⊙ Promote weekend trips for arts and outdoors
- ⊙ Retail diversification
- ⊙ Attracting young people back to spur growth
- ⊙ Joint chamber planning
- ⊙ Business plan competition
- ⊙ Talented crafts people
- ⊙ Leadership Davidson County
- ⊙ An "idea" incubator

THREATS

Threats must be identified and mitigated in an economic development strategy. Most of Lexington's threats are common among small towns (workforce, housing, livable wages). However, there are a few that do stand out as unique, such as the future of the Timberlake Gallery and First National Bank building, tension between cities, and the opioid crisis. The latter is a threat across the nation, but the Piedmont Triad region of North Carolina is disproportionately affected.

- ⦿ "Brain drain"
- ⦿ Public housing growth
- ⦿ Succession plan for businesses
- ⦿ Opioid crisis (clinic)
- ⦿ Missed opportunities
- ⦿ Economic downturn
- ⦿ Cost of capacity growth and willingness to fund growth
- ⦿ Lack of housing
- ⦿ Competition
- ⦿ Understanding demographic differences in the workforce
- ⦿ Future of Timberlake Gallery and First National Bank building
- ⦿ Lack of resources for economic development
- ⦿ Tension between cities
- ⦿ Large manufacturing base for jobs
- ⦿ Livable wages
- ⦿ Economic diversification
- ⦿ Work ethic and skill sets

WHAT IS ONE THING THAT LEXINGTON DOES BETTER THAN OTHER TOWNS?



Economic and Demographic Profile

The consulting team analyzed economic and demographic data to get a snapshot of how Lexington is changing. The full data set can be found in Appendix A. The main take-away from this research is that the city needs an aggressive economic development program. Higher paying jobs are needed to raise income, support higher educational attainment, and drive housing development.

Summary

- ◎ The 2016 population of Lexington is 18,532. Over the last five years, the population has had a small amount of growth, faster than Davidson County, while the region and state have seen significant population increases.
- ◎ Lexington has more young workers, aged 20 - 34, than the county and region. The median age in the city has decreased from 37.4 to 35.5 from 2010 to 2015, and is below the regional (38.7) and state (37.4) averages.
- ◎ Lexington is more racially and ethnically diverse than the county and region. Its figures more closely mirror the state, with the exception of twice as many people of Hispanic origin.
- ◎ Lexington's population has much lower educational attainment than Davidson County, the region, and state. Only 70% of the population over age 25 reports having a high school degree or higher. The county, region, and state all report figures higher than 80%. The SAT scores of the city school system were 1,271 in 2016 compared to scores above 1,400 for the county, state, and U.S.
- ◎ Per capita and median household incomes fall below the regional and state averages. Per capita income was at \$15,497 and median household income at \$28,235 in 2015.
- ◎ Homes are more affordable in Lexington and Davidson County than in the region, making Lexington a good location for lower and middle-income home buyers. The housing stock lacks in professional and management level housing.
- ◎ The Davidson County labor force growth is relatively flat, and was at 79,600 in June 2017. The unemployment rate is declining and is the same as the regional unemployment rate, 4.1%. The declining unemployment rate is a positive sign of economic growth; however, the rate is so low that many jobs are going unfilled.

Median age ↓
from 37.4 to
35.5

Lower
educational
attainment than
County

Homes
More
affordable than
County

- ◎ Most people are employed in Manufacturing, Trade, Transportation and Utilities, and Professional and Business Services. The highest paying sectors are Information, Manufacturing, and Professional and Business Services. It is important to note that two of the largest employment sectors are also two of the highest paying sectors. The average weekly wage in Davidson County is \$717.
- ◎ Approximately 85% of all Davidson County businesses have less than 10 employees, making small business development an important part of the economic development strategy.
- ◎ Retail sales and collections of sales and use tax have been increasing, indicating that Lexington remains a retail hub. The retail leakage report shows there is not any significant leakage, another indicator that Lexington is a retail hub. The largest retail sectors are Grocery Stores, General Merchandise, and Building Materials.
- ◎ A quality of life feature of Lexington is that more people have a shorter commute than in the county and region. Approximately 41% commute less than 14 minutes.
- ◎ The tourism industry has seen growth in total expenditures, payroll, and employment. Travel related employment is up to 1,000 and total payroll exceeds \$22 million.
- ◎ The index crime rate in Davidson County has been decreasing since 2011, 25% over the five-year period.

\$717.29
avg. weekly
wage

Crime Rate ↓

For the full economic analysis, see Appendix A.







Economic Development Strategic Plan

Lexington is a leader among small cities in North Carolina. It is a leader because of its commitment to investing in projects that can be leveraged by the private sector and partner agencies. It is also not afraid to invest in transformational projects such as the Depot District, splash park, and skate park. These destinations attract visitors and new residents, and support a quality of life desired by businesses for their employees.

Due to its success, the city is often asked to lead many initiatives. However, clearly defining its role in economic development will allow the city to focus its limited resources for the greatest impact. The 2013 Business Development Consortium defined the City of Lexington's role in business development as:

- Business Recruitment
- Business Assistance and Resources
- Business Site Inventory and Development
- Entrepreneurial Ecosystem Planning
- Data/Mapping
- Referrals
- Cross Marketing
- Marketing of Lexington
- Service Referrals to LBC Partners

This planning process identified five primary goals for Lexington's economic development efforts:

-  **Continue to Develop Amenities that Create a Sense of Place**
-  **Recruit and Retain Businesses that will Provide Quality Jobs**
-  **Support Residential Developments that will Attract New Residents**
-  **Support Innovation in Education and Workforce Development**
-  **Enhance the Entrepreneurial Ecosystem**
-  **Market Lexington to Attract People, Visitors, and Business**

Goal: Continue to Develop Amenities that Create a Sense of Place

One survey respondent said, "The City is relentless in its pursuit of critical infrastructure for the future of Lexington." We agree. What will set Lexington apart is unique amenities that will draw people – residents and visitors – as well as businesses.

Strategy: Create a Critical Mass of Unique Places to Make a Unique Destination

Action Steps:

- Continue Depot District Development & Passenger Rail Station – The city has a vision for the development of the Depot District. It needs funding.
 - Explore the ¼-cent sales tax passed by Orange County. A portion is allocated to economic development, and within that allotment a portion is allocated to infrastructure. This would take county partners, but each community could benefit.
 - The City of Sanford passed a streetscape bond that is allowing investments in downtown revitalization.
 - Several years ago, Burke County passed an economic stimulus package that added 1¢ to the tax rate for a specific number of years, and funds were allocated to three economic development-related projects.
 - Project Development Financing (Tax-Increment Financing in other states) could be used as a tool for public investments associated with private developments.
 - We recommend the city create a full or part-time position for a grant writer. There are many projects and departments that would benefit from a grant writer. The city will more than re-coup the cost of the position.
- An obvious evolution and extension of the Depot District is art and music venues, creating a cultural arts district and facilities. The AFAS (Art for Art's Sake) in Winston-Salem was offered as an example for art venue development.
- Place an emphasis on design in the city as a whole, and especially the Depot District. Distinct design elements create a differentiated visual experience. Companies invest in communities that invest in themselves. One way to show this is through the investment and emphasis placed on design.
 - Public art is a visual way to set Lexington apart from other communities. The painted pigs are one example. Explore a public art program, such as the one in Asheville. Some cities fund public art through small fees associated with development projects.

- Take leaders on a field trip to a city with design standards that Lexington would like to emulate, and discuss their ordinances and regulations.
- Continue to pursue the skate park project. It is a visionary project that will set Lexington apart from other communities trying to attract sports-related development. It will appeal to a younger and different market than other amenities currently in and nearby the city.

Strategy: Retail Recruitment – Maintain Lexington’s Retail Hub Status

Lexington knows how to tell its story, as evidenced by the recruitment of Chick-fil-A. It is a retail hub, drawing people into the southern part of the county from neighboring counties. What is lacking is the ability to draw northern Davidson County into Lexington. The Business Consortium listed as city activities: recruiting retailers, developing a franchise operator pool, maintaining a list of available properties, providing incentives, and managing demographic data.

Action Steps:

- Show market opportunities through data. A review of overall data shows that Lexington does not have retail leakage, so it appears that there are limited market opportunities; however, the market is divided. Segment the market to show dollars that leave the northern part of the county as a market opportunity to be captured by Lexington.
- Implement the recommendations from the Consortium:
 - Franchise Operator Pool – 1) host a seminar through the Small Business Center – “How to start a franchise business,” to determine interest from would-be entrepreneurs; and 2) create a database of current franchise owners that are interested in a second venture.
 - Available Properties – Maintain the list on the website for promotion.
 - Incentives – Explore unique incentives such as Wilson’s Pedestrian-Oriented Rent Subsidy (currently tabled).
- Update market data on the city’s website (2011 Nielsen Claritas). ElectriCities and Retail Strategies should be able to assist with this information.
- Continue to work retail development leads from Retail Strategies.

Strategy: County Partnership for Greenways and Connectivity

Action Steps:

- Through a joint planning effort, create a master plan for greenways and connectivity between Lexington and recreational venues in the county.
 - Roanoke, VA, used the location of Deschutes Brewery to advance a greenway from downtown to the brewery location. Grant funding was available because of the association with capital investment/job creation project. Seek similar opportunities to connect the city and county when locating industrial and large commercial projects.
- The sports complex on the bond referendum could provide leverage points for the city.

Goal: Recruit and Retain Businesses that will Provide Quality Jobs

An overarching goal of the economic development strategic plan is to raise income and education levels. Attracting quality jobs that pay higher wages, require higher skill levels, and support furthering education and training will support this goal. The Consortium report assigns the city the task of assessing expansion opportunities and evaluating spin-off opportunities. Most of these activities will be done in partnership with Davidson County EDC.

Strategy: Industrial Site and Building Development

Lexington has one building listed on EDPNC's website: Carolina Drawers, 80,000 SF, but it is not a modern manufacturing building. There is one site listed, LBC Sites at 34 acres. It is adjacent to Lexington Business Park which is almost full. The business park has only one 1-acre site remaining. Lexington has a critical need to develop sites and buildings that will attract companies.

Site	Acreage	Water	Sewer	Certified	Rail
LBC Sites	34.62	Yes	Yes	No	No

Action Steps:

- The city completed a land use inventory last year. The next step is to prioritize potential industrial sites and create a development plan for the top sites.
 - Use Davidson County EDC expertise to rank order potential industrial sites.
 - For the top sites:

- Inventory existing due diligence and determine a budget to complete due diligence (Phase 1, wetlands identification, geotech, etc.)
- Seek interest from landowners in a public-private partnership for development and long-term control.
- Complete a conceptual site plan and high-level development cost estimates.
- Consider site certification through the state. If certification is not sought, follow the due diligence steps in the program which is a useful guide for site qualification.
- Identify opportunities for infill development. Create an inventory and request that Davidson County EDC review, vet, and prioritize the opportunities.
- Seek county partnerships for site development outside the city. Burke County implemented a multi-jurisdictional park development within the county. Each town and the county contributed funds to develop a revenue-sharing park. This type of partnership creates a superior product rather than every municipality developing a park with limited resources. This could build a stronger bond with Davidson County, Thomasville, and other municipalities.
- Create a dedicated funding stream for industrial site development through a net new revenue program. Set aside a percentage of revenue from every economic development project (new location and expansion) into a site fund. For example, set aside 10% of the net new revenue. Over time, the fund will grow and can be used for site development. This could be done at the county level too.

Strategy: Existing Business Retention and Expansion

Action Steps:

- In partnership with Davidson County EDC, conduct a supply chain study. This will identify targets for business recruitment as well as help existing businesses find local opportunities. For smaller businesses, this could be part of the economic gardening approach described below.
- As part of an EDC team, regularly visit with top employers, high growth potential, at-risk, and target sector companies to assess expansion potential and risk for contraction.
- Ensure that existing businesses receive more incentive assistance when expanding by lowering investment and job creation thresholds and boosting incentive grant percentages.

Strategy: Provide the Most Up-to-Date Information for Businesses

Action Steps:

- Ask partners like Davidson County EDC and the Chamber to review the “Doing Business” section of the city’s website and provide updates.
 - Updates needed on NC Incentives, Market Data, and Economic Development Partners (add EDPNC).

Goal: Support Residential Developments that will Attract New Residents

Strategy: Uptown Housing for Young Professionals

Action Steps:

- Use the Business and Community Development Department to help developers understand historic tax credits to redevelop housing for young professionals.
- Explore assistance through the UNC Development Financing Initiative and use their expertise to counsel developers and property owners.

Strategy: Capitalize on Top 25 Places to Retire

Action Steps:

- Use the recognition in marketing and promotional materials.
- Explore the state’s Certified Retirement Community program benefits. Communities are marketed on RetireNC.com. Currently the only city in the Winston-Salem region is Jamestown/High Point. Lexington would stand out as a choice location in the western Piedmont.

Strategy: Continue Demolition in Blighted Areas

Action Steps:

- Quantify the need by inventorying vacant and substandard housing.
- Review the City of Shelby’s best practice of funding demolition of blighted homes each fiscal year.

Strategy: Residential Development Incentives

Action Steps:

- The City of Morganton used to have a low-cost financing program for developers of housing targeted to “active adult.” Explore the sources of their financing program. They also provided a \$10,000 grant to market and promote developments to “active adults.”

Goal: Enhance the Entrepreneurial Ecosystem

The city identifies entrepreneurs and refers them to partner agencies for support. The city also identifies business opportunities by analyzing retail leakage. The Business Development Consortium specifically mentions “create an entrepreneurial-friendly ecosystem.”

Strategy: Most Business-Friendly City in NC

Action Steps:

- Name the Director of Business and Community Development the city's Small Business Liaison. The position acts in that role currently and assists businesses with a wide range of needs. Naming this position the Small Business Liaison communicates internally and externally that this is the single point of contact for business. It also denotes a tone of advocacy for small business.
- Add to the “Doing Business” menu on the website: How to Start a Business. There are examples of “how to start a business” starter kits on city websites. One of our favorites is <https://businessportal.sfgov.org/start/starter-kits>.
- Survey businesses in the city every two to three years about the business climate to gauge how the city is doing. Ask about regulatory process, ease of doing business, and city support. Consider it similar to a customer satisfaction survey.
- Economic gardening is a concept originating from Littleton, CO, and employs market research to help small businesses grow. Explore bringing this program to Lexington, possibly through a grant opportunity.

Strategy: Incubator or Co-Work space in Depot District focused on Craftsmanship

Action Steps:

- Explore the redevelopment of Loray Mill in Gastonia and the support provided by the City of Gastonia. They guaranteed to lease office square-footage to help get the project off the ground. The space could have been an incubator.
- Whereas most think of an incubator as focused on technology companies, Lexington could focus on craftsmanship. A good example could be the Penland School of Crafts. Instead of recreating the idea, seek an existing art/craft development organization that may want to expand or offer management and start-up assistance.
- Investigate the location of the Small Business Center of Davidson County Community College in the Depot District as part of an incubator or co-work space.

Goal: Market Lexington to Attract People, Visitors, and Business

The City recently hired a Communications Specialist to market and promote the city, raise brand awareness, and communicate city information. Through that role and the Business Consortium, Lexington can bring together and leverage the many organizations and agencies that promote Lexington.

Strategy: Develop a Collaborative, Cross-Marketing and Communications Plan with Partner Agencies

Action Steps:

- Use the Business Consortium to bring together agencies and organizations that promote Lexington to develop a cross-marketing and communications plan.
 - Include grassroots marketing initiatives to attract people with a personal connection to Lexington. Examples include high school alumni Facebook pages and LinkedIn groups for existing businesses.
 - Coordinate messages and talking points on key destinations and events.
 - Use a tool like SocialToaster to create a digital ambassadors group. If leveraged through contacts of the Consortium it could be very powerful and boost e-communications and social media.

Strategy: Promote the Lexington One-Stop-Shop

Action Steps:

- The one-stop-shop in Lexington brings value to business. Include in marketing materials that Lexington provides water, sewer, gas, and electric services. Through its partners, it can connect businesses to state financing, incentives, and grant programs, along with workforce training and development.

Goal: Support Innovation in Education and Workforce Development

Strategy: Set the Lexington School System Apart with K-12 Signature Programs

Action Steps:

- Encourage the school system to launch a marketing campaign. Families have many options in education today: private schools, homeschooling, online, etc. Public school systems are finding that for the first time they need to market their programs in order to attract and retain students.
- Explore the Abbeville, SC, initiative to make a community college education free to all high school graduates. They are raising an endowment that will allow every high school graduate two years at the technical college for free. Based on research, it is estimated that 35% of the graduating class will take advantage of the program.
 - A program such as this would give Lexington a unique marketing advantage and attract young families to live within the school district.
- Market the Yadkin Valley Regional Career Academy as a unique program.

Strategy: Recruit a Satellite Campus of Higher Education to Uptown

Action Steps:

- Research best practices in public partnerships with universities for downtown locations. Pfeiffer University satellite campus in downtown Albemarle and Wingate University campus in downtown Hendersonville are two examples.

Implementation Guide

This strategic plan is meant to be implemented over a three-year period. Each year, we recommend Lexington identify a few action steps to work on. We also recommend that the city revisit the strategic plan annually to update and make course corrections. Below is a suggested outline for implementation of action steps.

01

- Explore funding sources for Depot District development
- Emphasis on design
- Skate park project
- Retail property inventory
- Prioritize industrial sites
- BRE program
- Website updates
- Small Business Liaison
- Cross-Marketing and Communications plan

02

- Retail data
- Franchise operator database
- Infill sites
- Site development fund
- Supply chain study
- Uptown housing assistance
- How to Start a Business toolkits
- Business climate survey
- Feasibility of Craftsmanship Incubator
- School system marketing campaign
- Recruit satellite higher ed campus

03

- County greenway connectivity
- Multi-jurisdictional park development
- Certified Retirement Community
- Demolition of blighted areas
- Residential incentives
- Economic gardening
- Free community college program

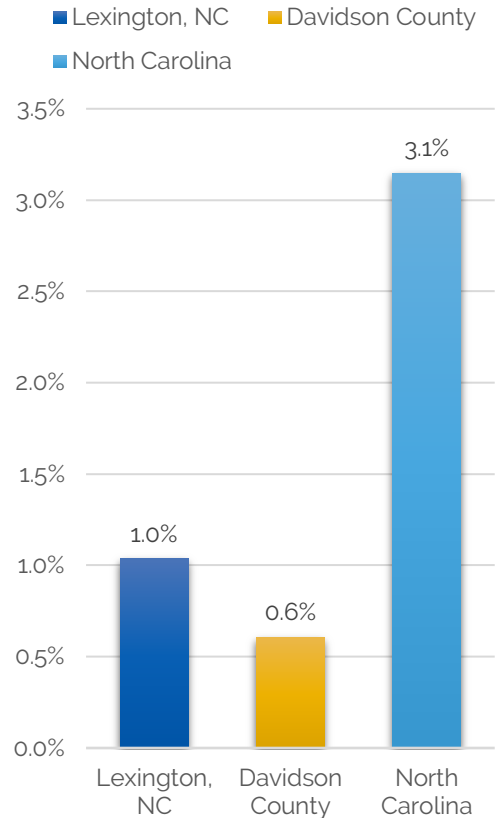
Appendix A: Economic and Demographic Profile

The economic and demographic profile paints a quantitative picture of how Lexington is growing and changing. That picture was analyzed along with the qualitative data gathered from surveys and interviews.

Population	2010	Most current 2015	% Change 2010 - most current
Lexington, NC	18,931	19,129	1.0%
Davidson County	162,878	163,867	0.6%
Winston-Salem, NC MSA	477,717	651,630*	26.7%
North Carolina	9,535,483	9,845,333	3.1%
Source: www.census.gov			

Age	Lexington, NC		Davidson County		Winston-Salem MSA	North Carolina
Age Groups	2010	2015	2010	2015	2010	2010
Total population	18,931	19,129	162,878	163,867	477,717	9,535,483
Under 5 years	8.0%	6.6%	6.1%	5.6%	6.5%	6.6%
5 to 9 years	6.8%	8.2%	6.7%	6.5%	6.7%	6.7%
10 to 14 years	6.0%	7.5%	6.9%	6.8%	13.0%	6.6%
15 to 19 years	6.3%	7.7%	6.5%	6.2%	7.4%	6.9%
20 to 24 years	6.9%	6.5%	5.1%	5.7%	6.4%	6.9%
25 to 34 years	13.0%	12.6%	11.2%	11.0%	12.1%	13.1%
35 to 44 years	13.2%	13.3%	14.6%	13.3%	13.6%	13.9%
45 to 54 years	13.4%	12.4%	15.6%	15.4%	14.9%	14.4%
55 to 59 years	5.9%	5.6%	6.6%	7.5%	6.5%	6.3%
60 to 64 years	5.3%	5.3%	6.2%	5.9%	5.8%	5.6%
65 to 74 years	7.4%	8.2%	8.3%	9.6%	7.6%	7.3%
75 to 84 years	5.2%	4.0%	4.5%	4.9%	4.5%	4.1%
85 years and over	2.4%	2.1%	1.5%	1.7%	1.7%	1.5%
Median Age	37.4	35.5	40.3	41.5	38.7	37.4
Source: www.census.gov						

Population % Change 2010 - most current

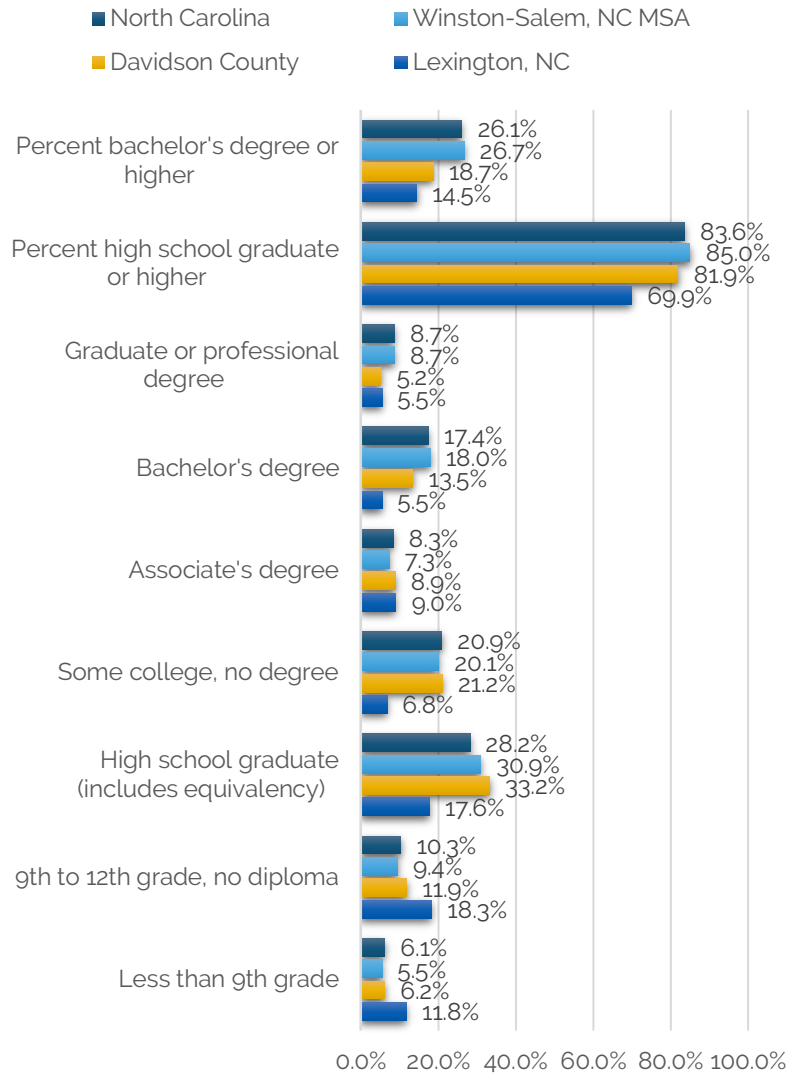


Source: www.census.gov

Race	Lexington, NC		Davidson County		Winston-Salem, NC MSA	North Carolina
Race	2010	2015	2010	2015	2010	2010
White Alone	54.7%	65.9%	84.3%	86.6%	69.6%	65.3%
Black Alone	28.4%	25.8%	8.9%	9.3%	20.3%	21.2%
American Indian Alone	0.7%	0.4%	0.5%	0.5%	0.4%	1.1%
Asian Alone	2.9%	3.6%	19.6%	1.3%	1.5%	2.2%
Pacific Islander Alone	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Some Other Race Alone	10.7%	1.3%	3.6%	1.1%	6.2%	0.2%
Two or More Races	2.6%	2.9%	1.5%	1.2%	2.0%	1.6%
Hispanic Origin	16.3%	16.6%	6.4%	6.6%	10.3%	8.4%

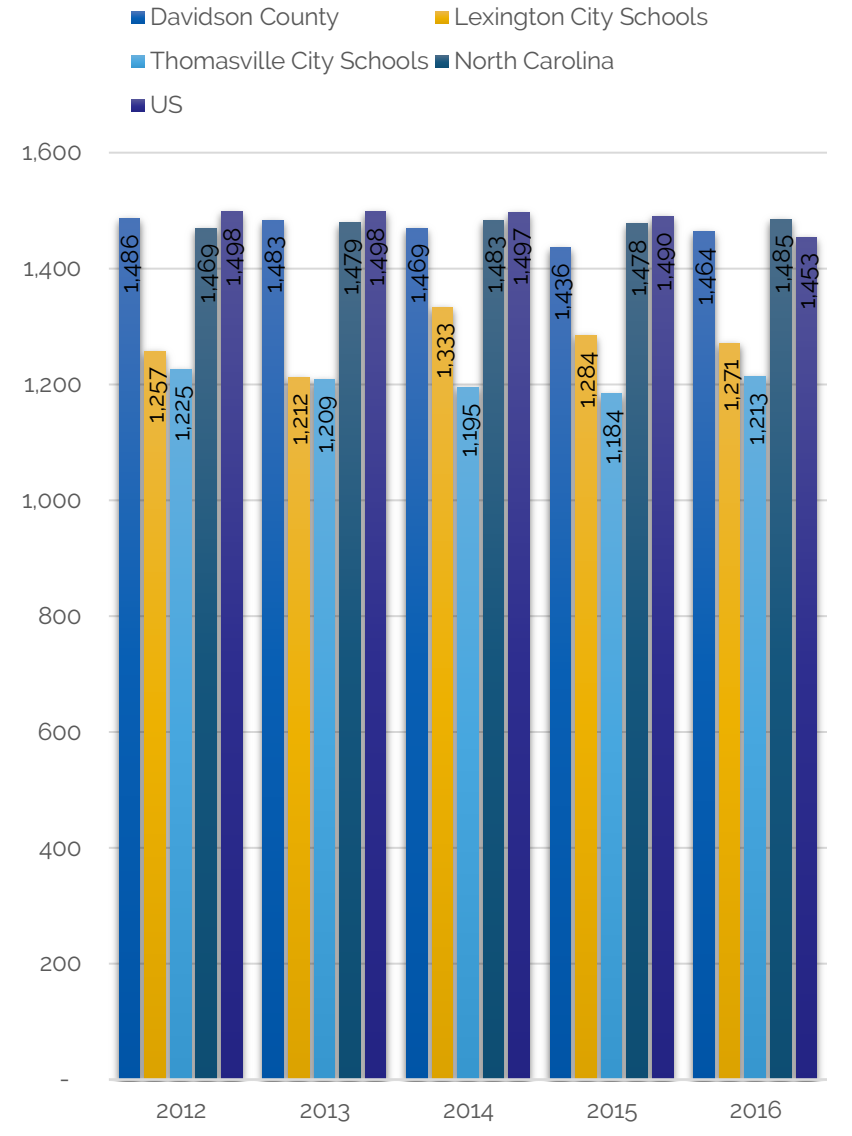
Source: www.census.gov

Educational Attainment 25 Years & Older



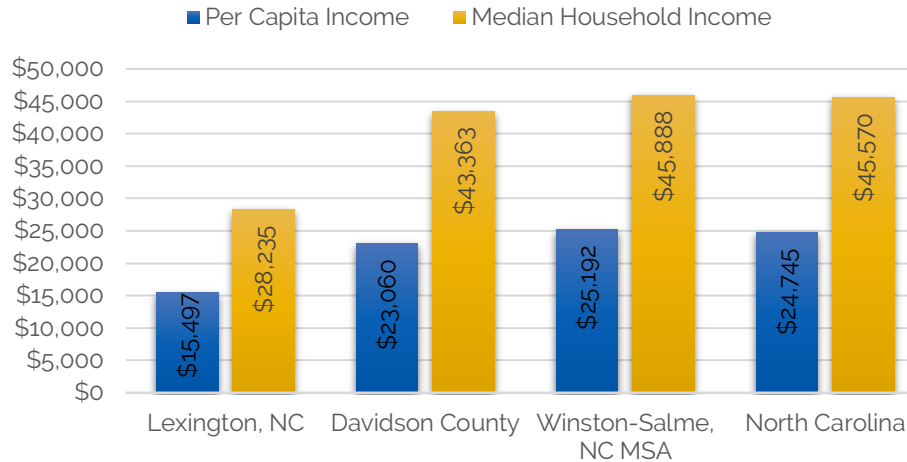
Source: www.census.gov

SAT Scores



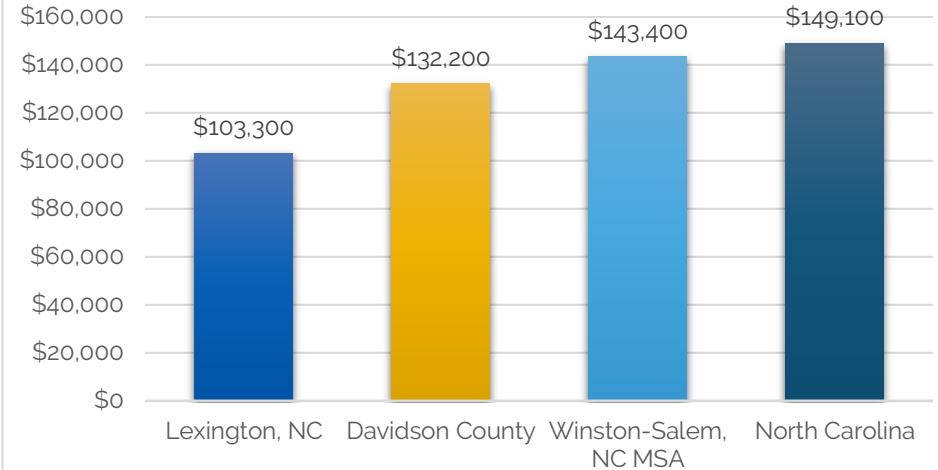
Source: North Carolina Department of Public Instruction

2015 Income Data



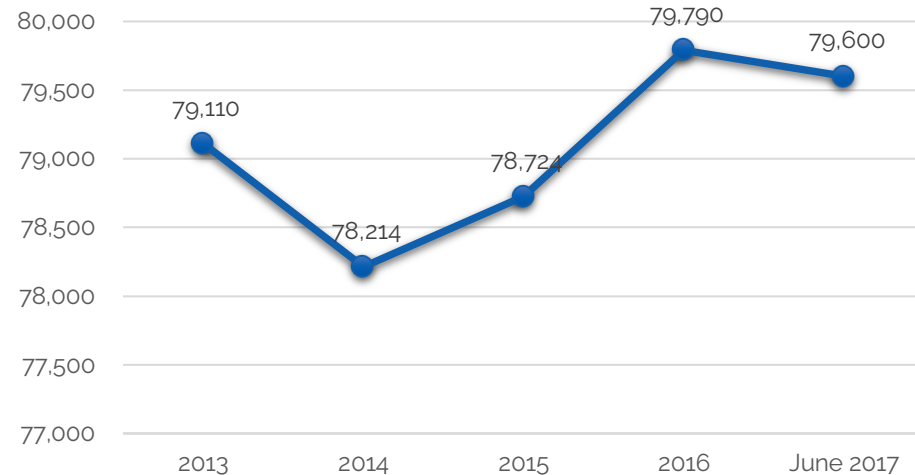
Source: www.census.gov

Median Home Value



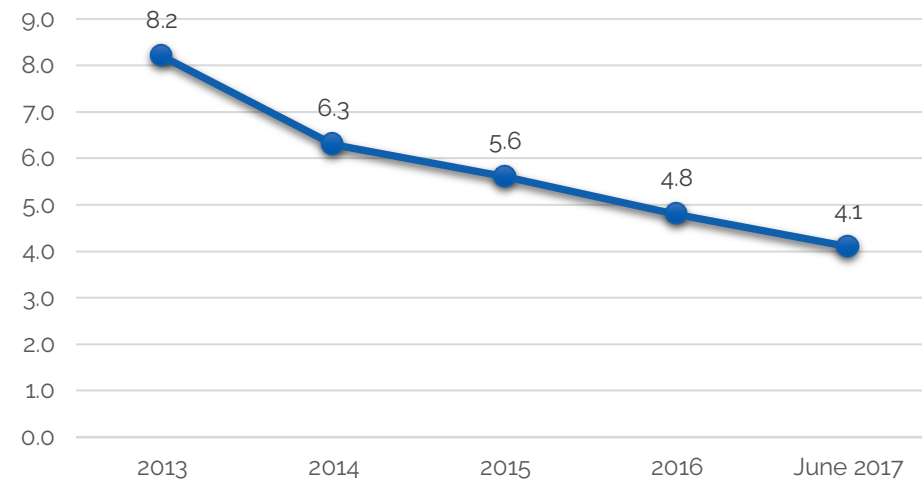
Source: www.census.gov

Davidson County Labor Force



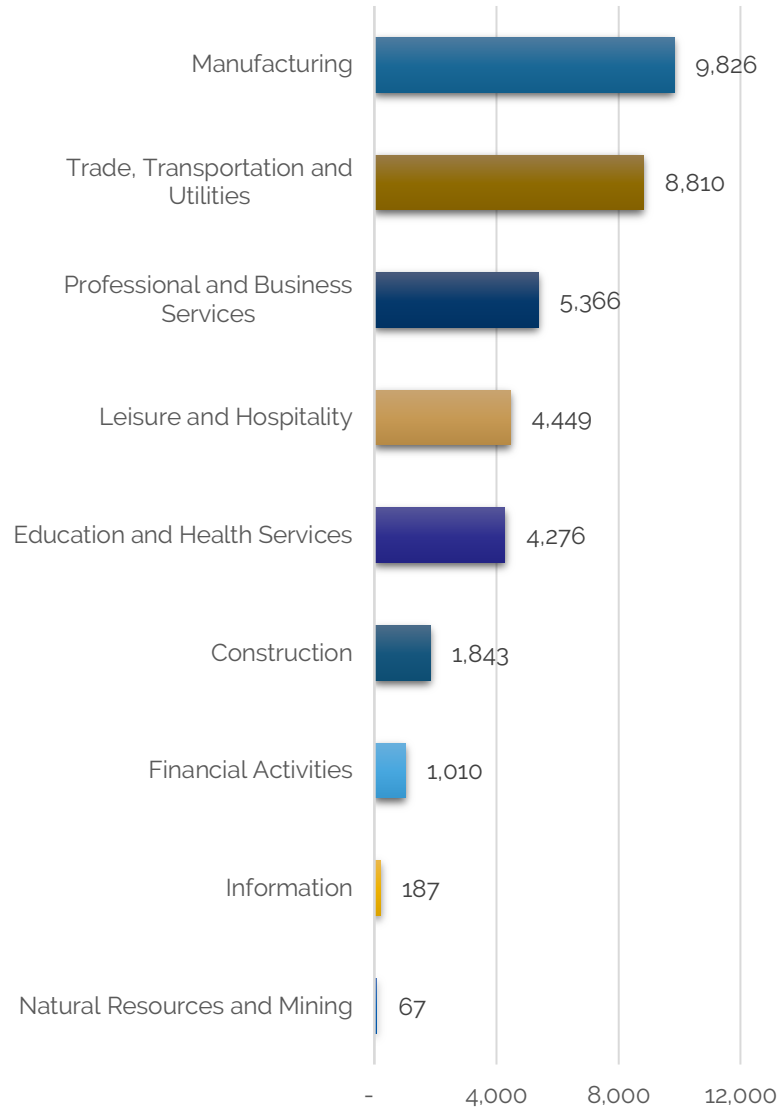
Source: Bureau of Labor Statistics

Davidson County Unemployment



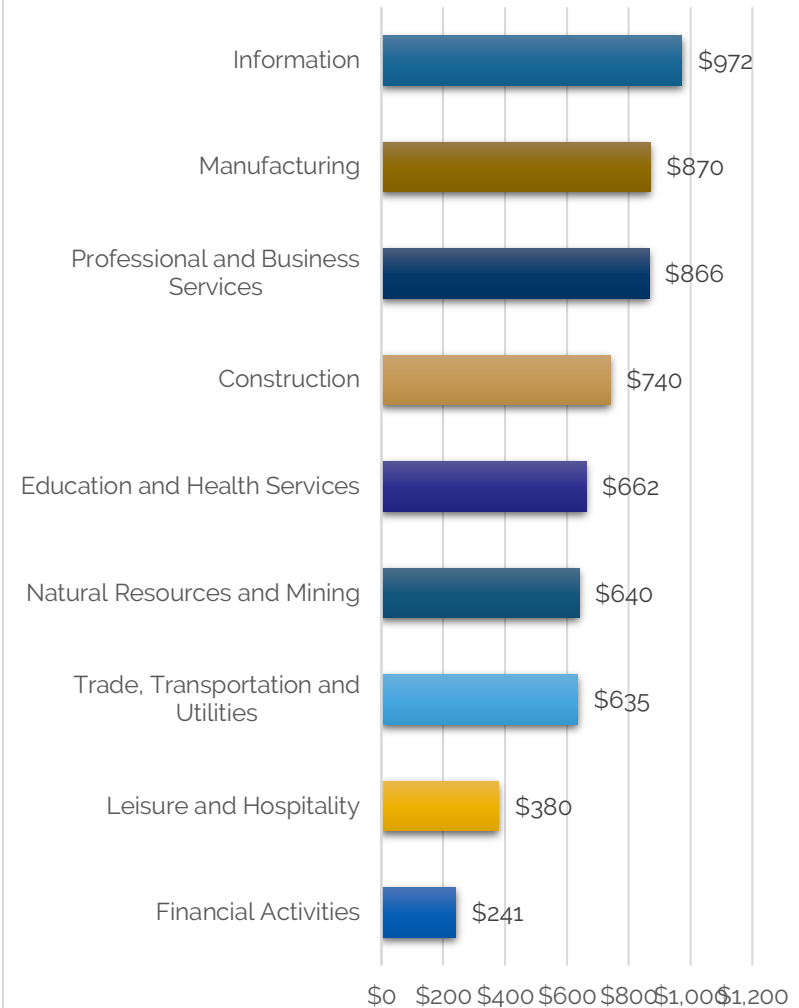
Source: Bureau of Labor Statistics

Employment by Industry



Source: Bureau of Labor Statistics

2016 Davidson County Average Weekly Wage by Sector

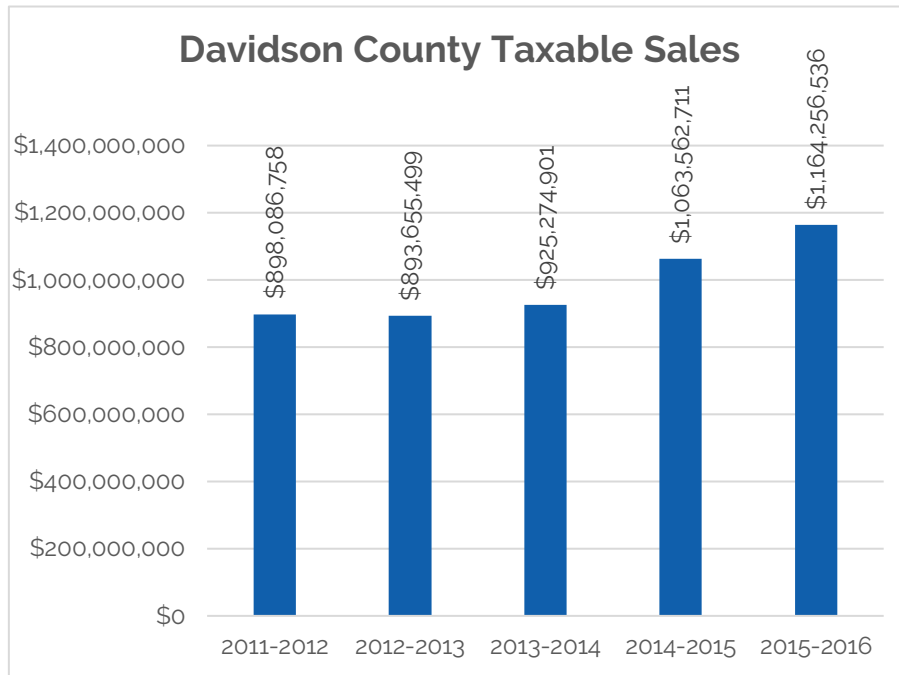


Source: Bureau of Labor Statistics

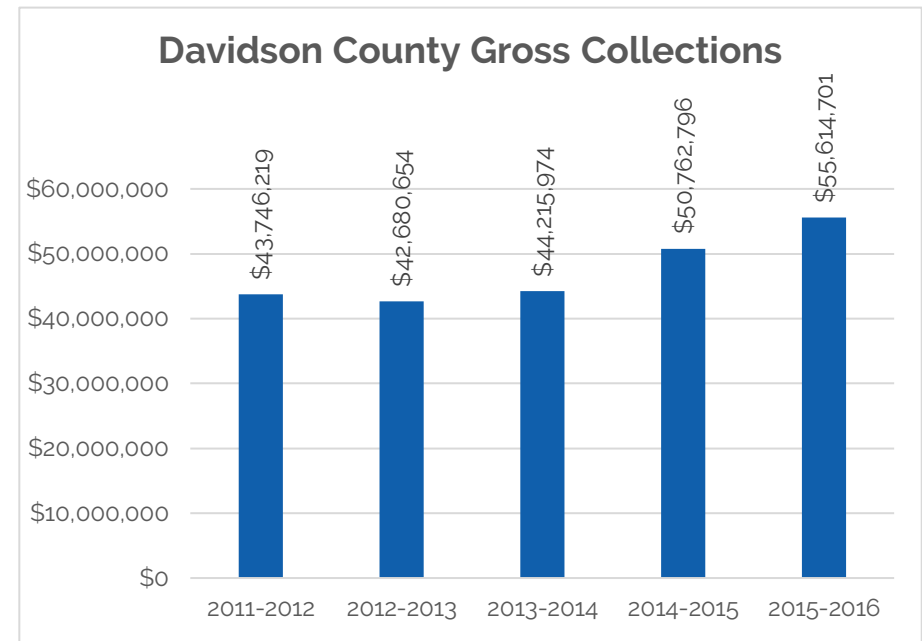
Davidson County Top Employers			
Rank	Company Name	Industry	Employment Range
1	Davidson County Board of Education	Education & Health Services	1000+
2	Atrium Windows and Doors Inc.	Manufacturing	500-999
3	County of Davidson	Public Administration	500-999
4	Bradley Personnel Inc.	Professional & Business Services	500-999
5	Old Dominion Freight Line Inc.	Trade, Transportation, & Utilities	500-999
6	Wal-Mart Associates Inc.	Trade, Transportation, & Utilities	500-999
7	Food Lion	Trade, Transportation, & Utilities	500-999
8	Davidson County Community College	Education & Health Services	500-999
9	Wake Forest University Baptist	Education & Health Services	500-999
10	Lexington City Schools	Education & Health Services	250-499
11	Asco Power Technologies Lp	Trade, Transportation, & Utilities	250-499
12	Jeld-Wen	Manufacturing	250-499
13	Thomasville City Schools	Education & Health Services	250-499
14	Rcr Race Operations LLC	Leisure & Hospitality	250-499
15	Vitacost Com Inc.	Trade, Transportation, & Utilities	250-499
16	City of Lexington	Public Administration	250-499
17	United Church Homes and Services	Education & Health Services	250-499
19	Pergo LLC	Manufacturing	250-499
19	Leggett & Platt Incorporated	Manufacturing	250-499
20	Lowes Home Centers Inc.	Trade, Transportation, & Utilities	250-499
21	PPG Industries Inc.	Manufacturing	250-499
23	City of Thomasville	Public Administration	250-499
23	Cook Out Office	Leisure & Hospitality	250-499
24	Facility Logistic Services Inc	Trade, Transportation, & Utilities	250-499
25	Chesapeake	Manufacturing	250-499
Source: North Carolina Department of Commerce			

Davidson County 2012-2016 Employment Stages				
ESTABLISHMENTS	2012	% of TOTAL	2016	% of TOTAL
ALL	8,955	100	8,087	100
Self-Employed (1)	1,452	16.2	1291	16
Stage 1 (2-9)	6,303	70.4	5,590	69.1
Stage 2 (10-99)	1,111	12.4	1114	13.8
Stage 3 (100-499)	82	0.9	85	1.1
Stage 4 (500+)	7	0.1	7	0.1

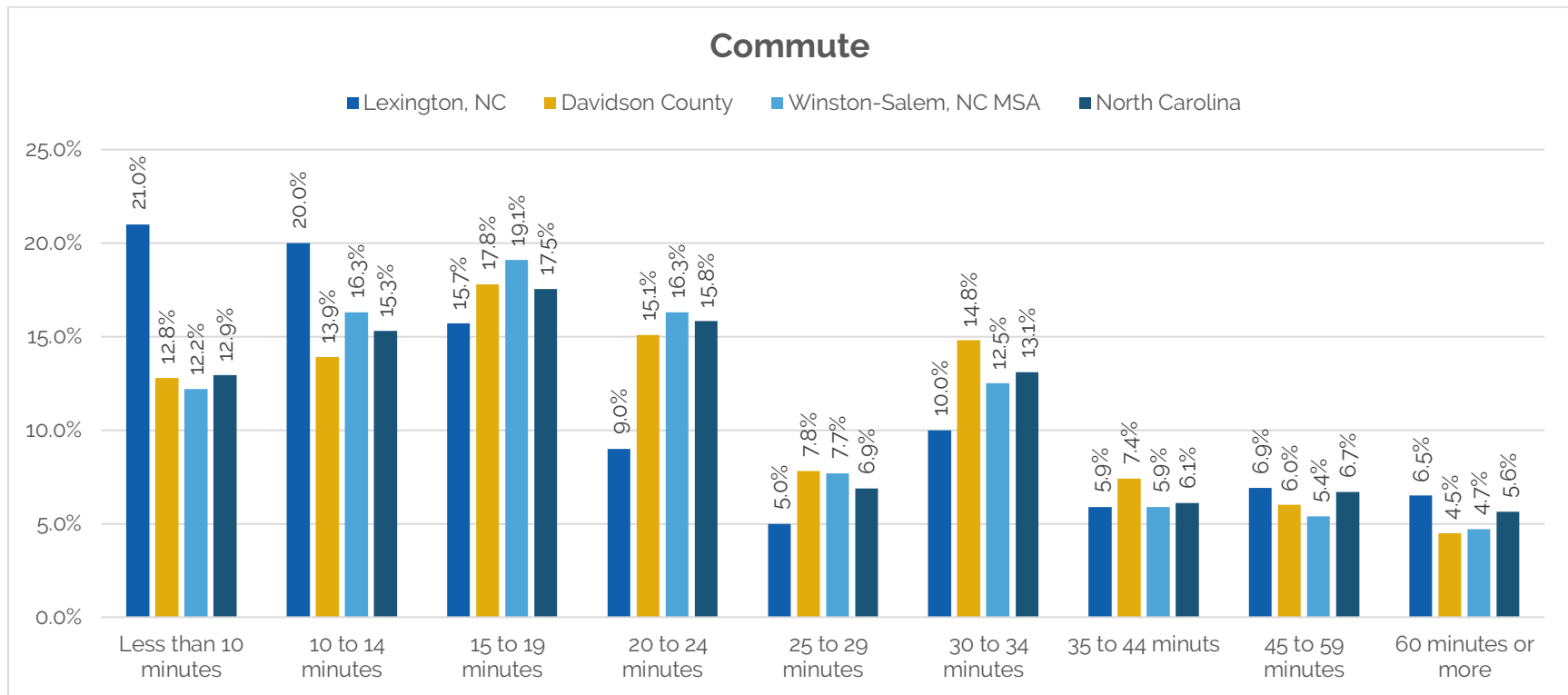
Source: Your Economy Data



Source: North Carolina Department of Revenue



Source: North Carolina Department of Revenue



Source: U.S. Census

Retail Market Place Profile

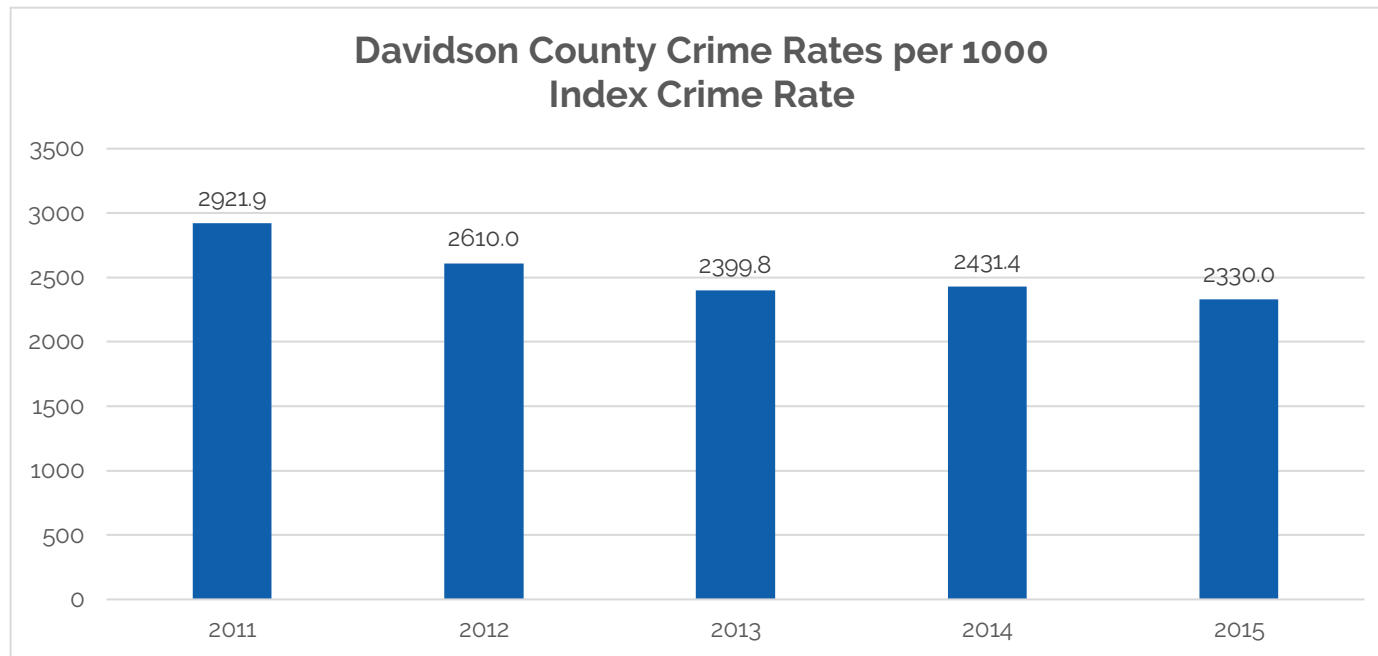
Summary Demographics

2017 Population	19,355
2017 Households	7,460
2017 Median Disposable Income	\$26,187
2017 Per Capita Income	\$18,793

Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage / Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$174,812,050	\$530,221,716	-\$355,409,666	-50.4	290
Total Retail Trade	44-45	\$159,111,245	\$475,681,127	-\$316,569,882	-49.9	208
Total Food & Drink	722	\$15,700,805	\$54,540,589	-\$38,839,784	-55.3	82
NAICS Industry Group		Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage / Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$35,381,517	\$51,228,449	-\$15,846,932	-18.3	27
Automobile Dealers	4411	\$29,171,296	\$39,194,553	-\$10,023,257	-14.7	12
Other Motor Vehicle Dealers	4412	\$2,849,284	\$0	\$2,849,284	100.0	0
Auto Parts, Accessories & Tire Stores	4413	\$3,360,937	\$12,033,896	-\$8,672,959	-56.3	15
Furniture & Home Furnishings Stores	442	\$5,672,802	\$40,854,947	-\$35,182,145	-75.6	13
Furniture Stores	4421	\$3,518,039	\$37,124,175	-\$33,606,136	-82.7	8
Home Furnishings Stores	4422	\$2,154,763	\$3,730,772	-\$1,576,009	-26.8	5
Electronics & Appliance Stores	443	\$4,441,976	\$2,821,792	\$1,620,184	22.3	9
Bldg Materials, Garden Equip. & Supply Stores	444	\$11,020,487	\$68,246,293	-\$57,225,806	-72.2	14
Bldg Material & Supplies Dealers	4441	\$10,287,964	\$67,622,001	-\$57,334,037	-73.6	13
Lawn & Garden Equip & Supply Stores	4442	\$732,523	\$624,292	\$108,231	8.0	1
Food & Beverage Stores	445	\$27,947,753	\$100,101,964	-\$72,154,211	-56.3	31
Grocery Stores	4451	\$26,061,781	\$92,294,992	-\$66,233,211	-56.0	21
Specialty Food Stores	4452	\$1,019,050	\$2,933,465	-\$1,914,415	-48.4	6
Beer, Wine & Liquor Stores	4453	\$866,922	\$4,873,507	-\$4,006,585	-69.8	4
Health & Personal Care Stores	446,4461	\$10,258,728	\$24,980,747	-\$14,722,019	-41.8	14
Gasoline Stations	447,4471	\$17,908,730	\$46,365,652	-\$28,456,922	-44.3	16
Clothing & Clothing Accessories Stores	448	\$6,850,812	\$8,795,149	-\$1,944,337	-12.4	18
Clothing Stores	4481	\$4,576,165	\$6,662,751	-\$2,086,586	-18.6	14
Shoe Stores	4482	\$1,113,609	\$1,429,609	-\$316,000	-12.4	2
Jewelry, Luggage & Leather Goods Stores	4483	\$1,161,038	\$702,789	\$458,249	24.6	2
Sporting Goods, Hobby, Book & Music Stores	451	\$3,981,337	\$6,711,060	-\$2,729,723	-25.5	12
Sporting Goods/Hobby/Musical Instr Stores	4511	\$3,357,355	\$6,376,227	-\$3,018,872	-31.0	10
Book, Periodical & Music Stores	4512	\$623,982	\$334,833	\$289,149	30.2	2
General Merchandise Stores	452	\$25,620,405	\$77,353,816	-\$51,733,411	-50.2	19
Department Stores Excluding Leased Depts.	4521	\$18,188,676	\$65,619,081	-\$47,430,405	-56.6	7
Other General Merchandise Stores	4529	\$7,431,729	\$11,734,735	-\$4,303,006	-22.5	12
Miscellaneous Store Retailers	453	\$7,259,371	\$13,347,287	-\$6,087,916	-29.5	30
Florists	4531	\$212,061	\$123,312	\$88,749	26.5	2
Office Supplies, Stationery & Gift Stores	4532	\$1,359,178	\$848,549	\$510,629	23.1	5
Used Merchandise Stores	4533	\$738,537	\$3,257,584	-\$2,519,047	-63.0	13
Other Miscellaneous Store Retailers	4539	\$4,949,595	\$9,117,842	-\$4,168,247	-29.6	10

Nonstore Retailers	454	\$2,767,327	\$34,873,971	-\$32,106,644	-85.3	5
Electronic Shopping & Mail-Order Houses	4541	\$1,861,868	\$31,124,932	-\$29,263,064	-88.7	3
Vending Machine Operators	4542	\$151,431	\$0	\$151,431	100.0	0
Direct Selling Establishments	4543	\$754,028	\$3,749,039	-\$2,995,011	-66.5	2
Food Services & Drinking Places	722	\$15,700,805	\$54,540,589	-\$38,839,784	-55.3	82
Special Food Services	7223	\$146,979	\$466,673	-\$319,694	-52.1	3
Drinking Places - Alcoholic Beverages	7224	\$991,812	\$1,896,396	-\$904,584	-31.3	3
Restaurants/Other Eating Places	7225	\$14,562,014	\$52,177,520	-\$37,615,506	-56.4	76

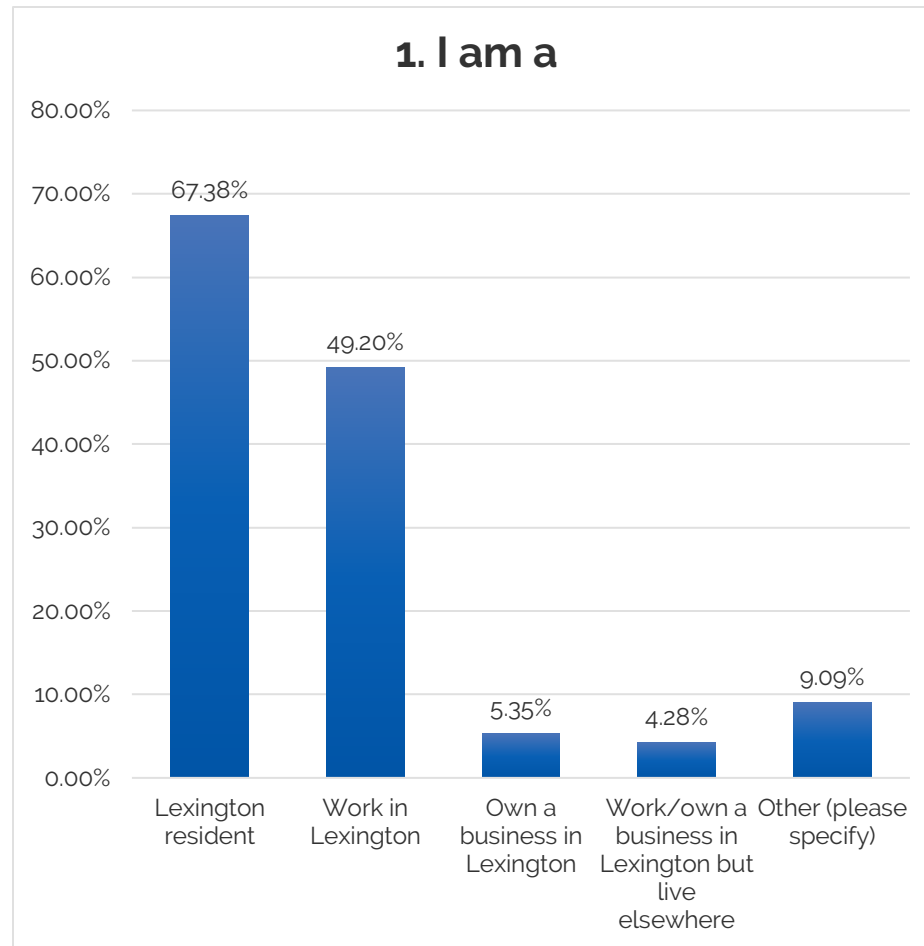
Source: Esri and Infogroup. Retail MarketPlace 2017. Copyright 2017 Infogroup, Inc. All rights reserved.



Source: North Carolina Department of Justice

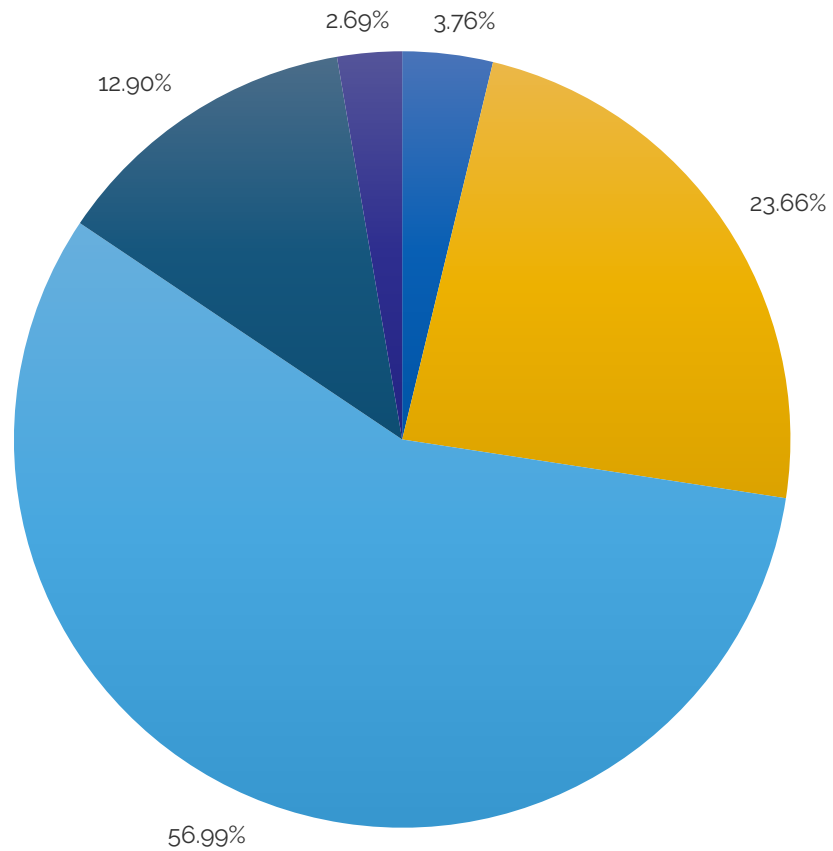
Appendix B: Community Survey Results

188 citizens responded to the online survey. Most are Lexington residents, and about half work in Lexington. The survey information informed the SWOT Analysis and was used in the development of the strategic plan.

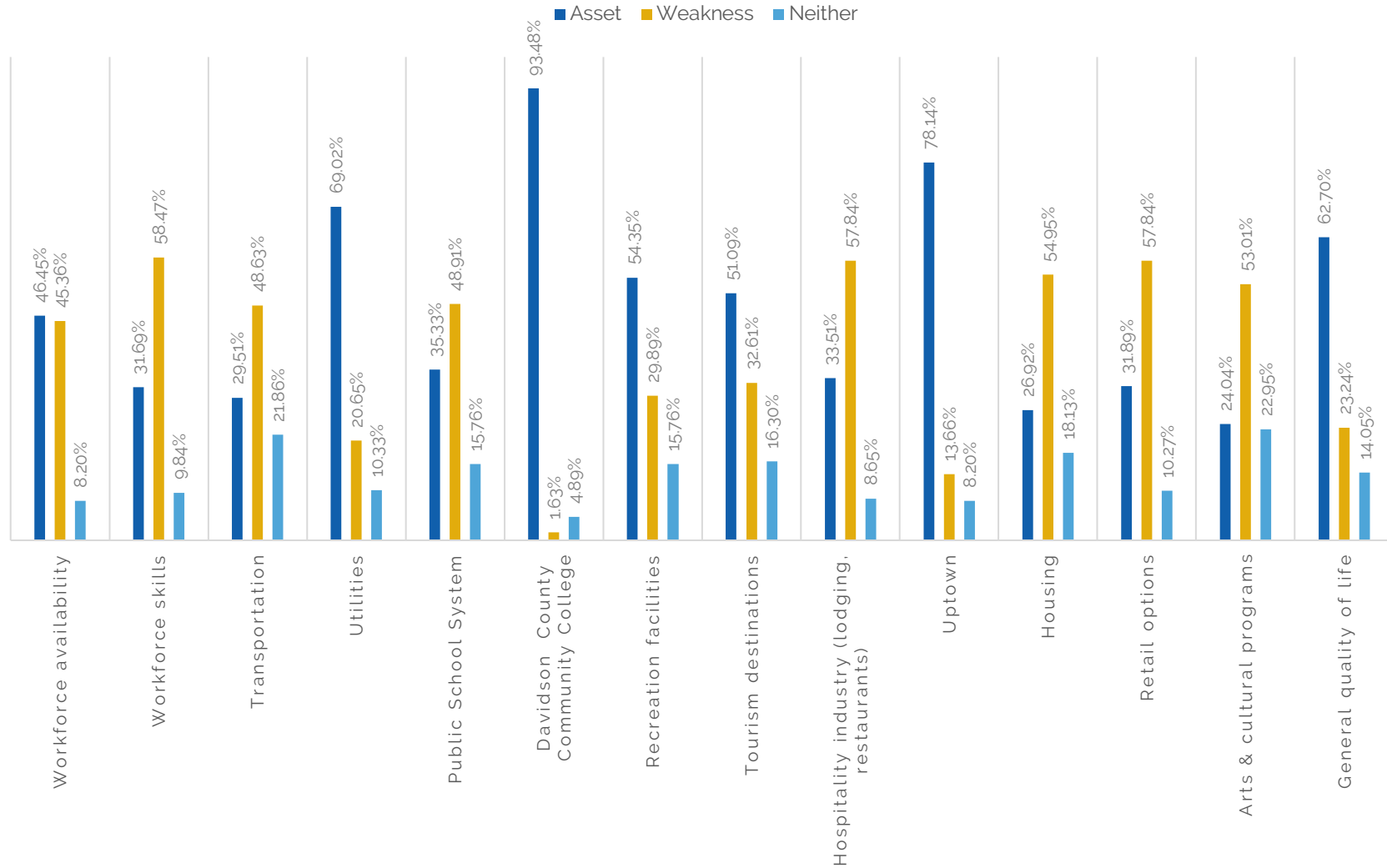


Other (please specify)
Retired
Live in Linwood; shop, eat and use Lex. city resources
Serve on board with Lexington Housing CDC
own property in Lexington
Children attended LC Schools
Retired, but did work in the city
Retired
Attempted to work with Lexington to open another business, had one and closed
I live just outside of the city limits in Davidson county.
Former Lexington Resident
Resident of Davidson County
Frequent visitor of Lexington
Davidson County homeowner
Live in the county but have a Lex address and shop in town
Property owner
Have house but don't live there
LOVE the small town feel of Lexington, and as such this city is frequently the subject of my photography

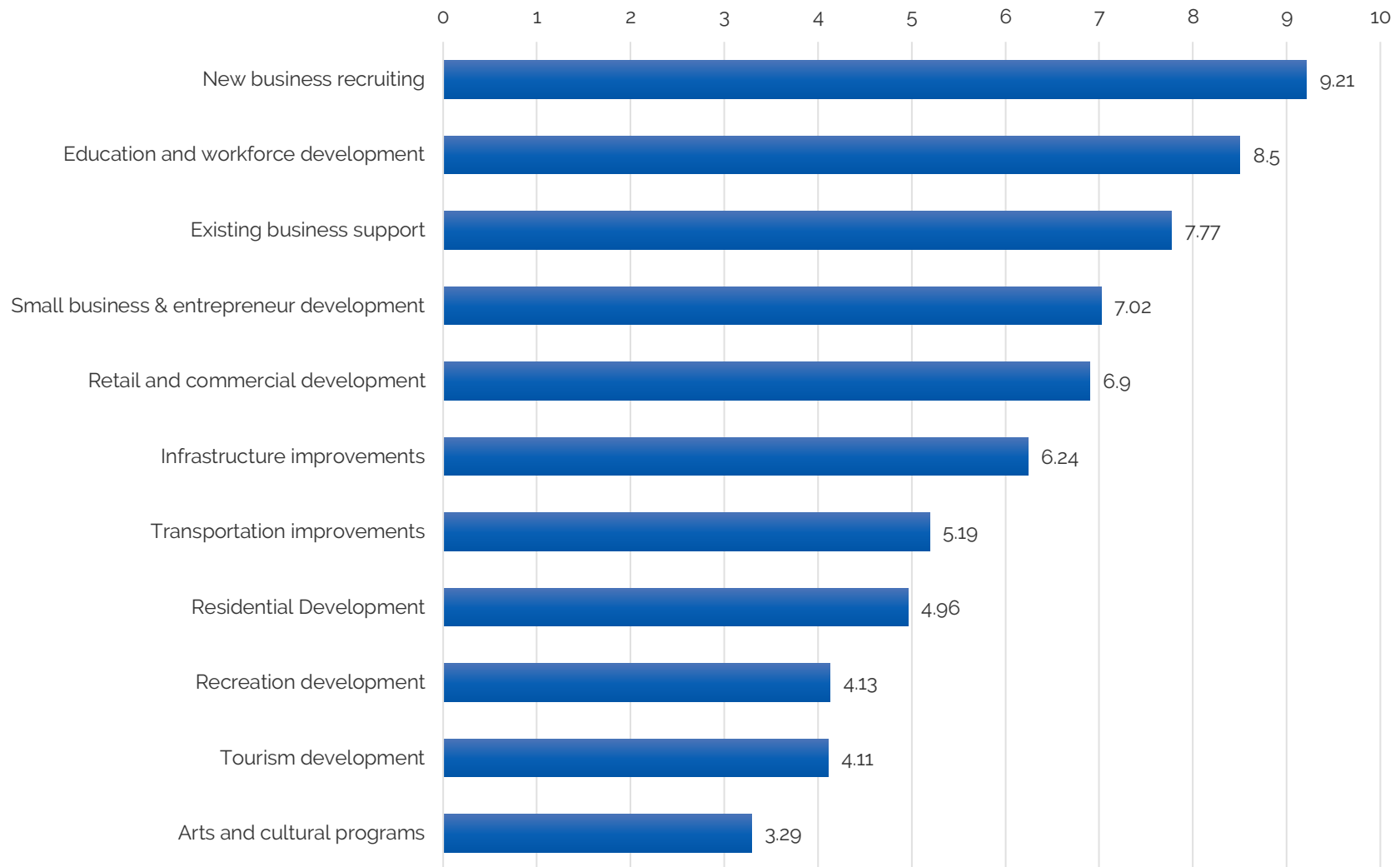
2. On a scale of 1 to 5, with 5 being highest, how do you rate the current business climate of the area?



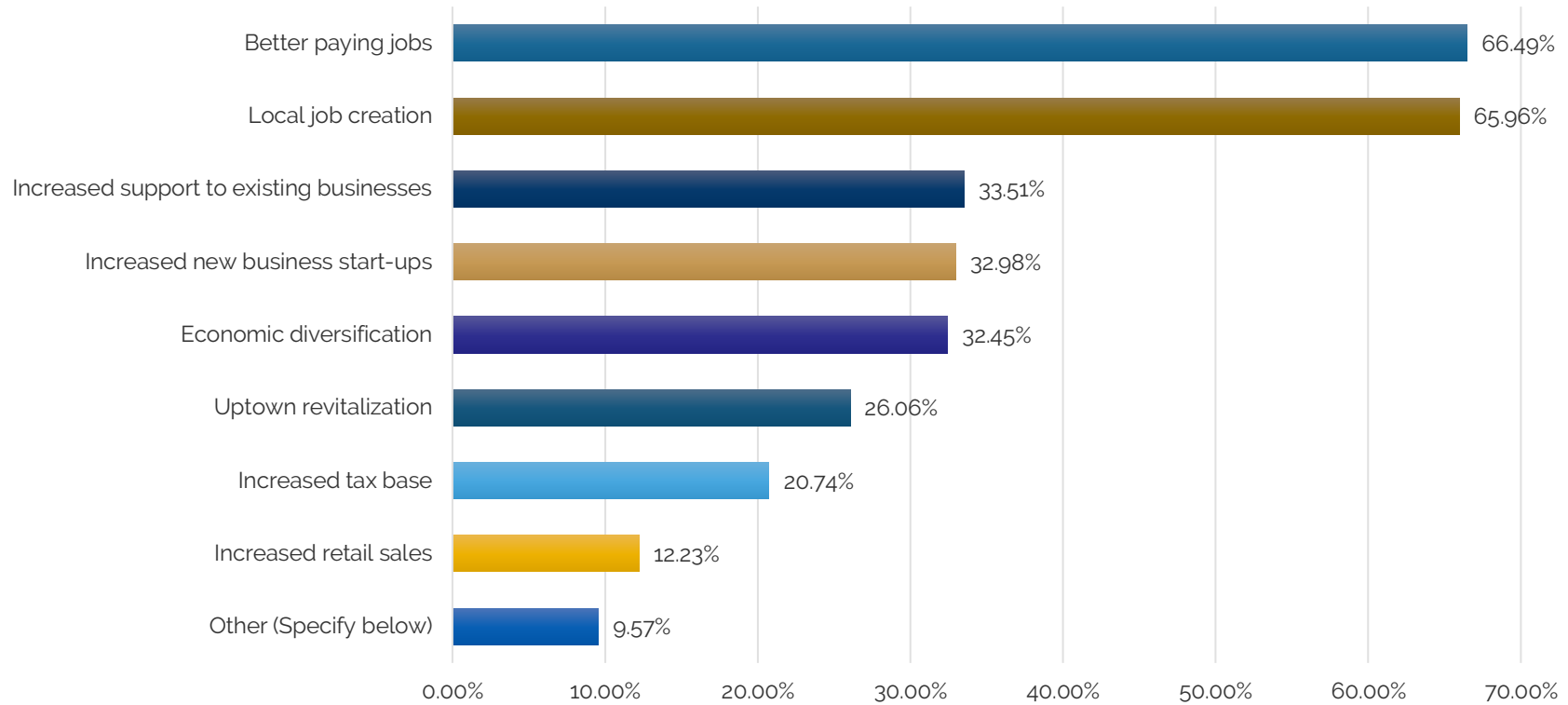
3. Rate the following as an asset supporting economic development or a weakness hindering economic growth or neither.



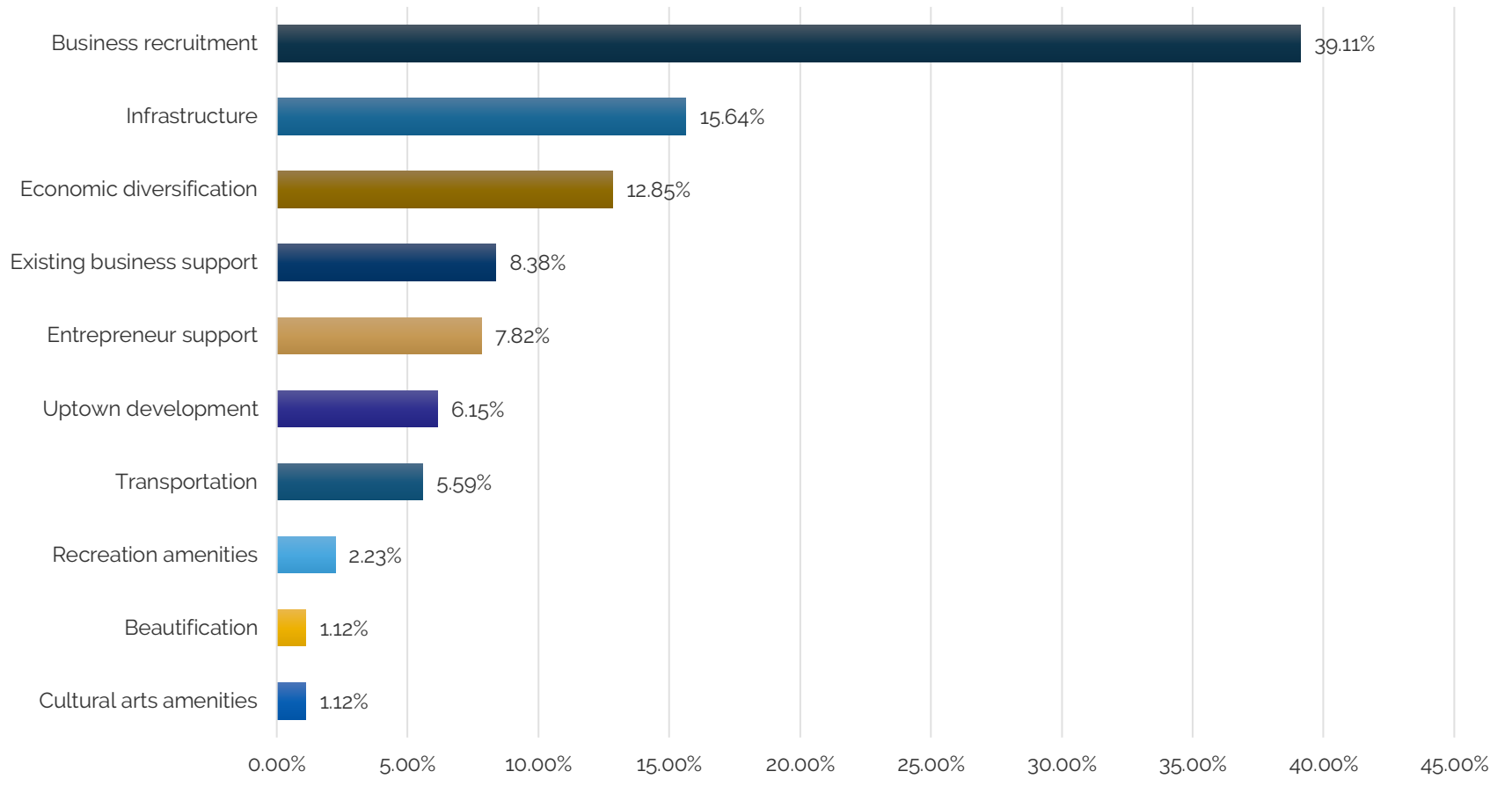
4. Rank order the following economic development strategies in order of importance with 1 being the most important.



5. What should be the top three goals of the city's economic development strategic plan?



7. What is the most important investment the city could make to ensure long-term, sustainable economic growth?



Appendix C: Study Sponsor and Consultant



ElectriCities of N.C. Inc., sponsored the City of Lexington Economic Development Strategic Plan. ElectriCities offers a variety of services to promote NC Public Power communities to businesses and economic developers. They help communities recruit business and industry by providing:

- ⊙ Target Marketing
- ⊙ Marketing/Collateral Assistance
- ⊙ Aerial Photography
- ⊙ Proposals for Prospects/Clients
- ⊙ Advertising Opportunities
- ⊙ Target Sectors
- ⊙ Trade Show Opportunities
- ⊙ Direct Marketing
- ⊙ Retail/Commercial Developments

www.electricities.com



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