



## City of Shelby Economic Development Strategic Plan

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CREATIVE ECONOMIC DEVELOPMENT CONSULTING, LLC

# Table of Contents

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Executive Summary	2
SWOT Analysis	4
Economic and Demographic Analysis	10
Strategic Plan	12
Appendices	
A: Economic and Demographic Profile	24
B: Community Survey Results	35
C: Study Sponsor and Consultant Information	40

# Executive Summary

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Shelby is a good role model for city revitalization. The city has made, and continues to make, substantial investments in infrastructure and quality of life amenities. There is currently \$30 million in capital improvement projects under construction and another \$35 million in planning. The city and county have jointly developed sites, parks, buildings, and other economic development assets to attract jobs. Allies such as Uptown Shelby and the Small Business Center are working in partnership with the city to redevelop uptown and support entrepreneurs. Shelby also has the most important ingredient for success – leadership. Throughout this planning process, city, county, and community leaders were cited for cooperation and collaboration.

This economic development strategic 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 brings together several investment strategies currently being implemented by Shelby, and adds specific action steps for economic development.

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 Shelby's assets and future opportunities. Shelby's strengths include Uptown Shelby, a pro-business climate, transportation assets, the community college, Foothills Commerce Center, and city and county leaders. Shelby is missing large scale employers who can offer quality jobs and wages that will attract more people to live and work in the city. It also struggles with poverty, workforce issues, and retail diversity. The most significant opportunities are strategies already on the city's radar: Uptown development, housing, amenities, and industrial development. We provide recommendations to mitigate those threats that can be impacted locally, such as shifting the age demographics through residential development.

The Shelby Economic Development Strategic Plan outlines strategies in population growth, business recruitment and retention, sites and buildings, entrepreneurial development, place-making, marketing, and education. These strategies complement and build upon the city's long-range plans.

Shelby has proven itself to be a leader among small towns in North Carolina. One key to its success has been the consistency of investment and strategic implementation. This economic development plan will only support the good work already being done.

## Shelby Economic Development Strategic Plan Summary

### **Goal: Population Growth**

- **Strategy: Attract and Retain People through Residential Development**

### **Goal: New Business Recruitment & Infrastructure Investments**

- **Strategy: Align City's Development Programs with Target Sectors**

### **Goal: Space Available for Business**

- **Strategy: Continue to work with Partners to Create Space for Industry and Business**

### **Goal: Support Entrepreneurial Development**

- **Strategy: Wayfinding for Entrepreneurs**

### **Goal: Place-making**

- **Strategy: Attract and Retain People through Placemaking**

### **Goal: Internal Marketing**

- **Strategy: Develop and Tell the Shelby Story**

### **Goal: Business Retention and Expansion**

- **Strategy: Integrate Key Accounts into the BRE Program**

### **Goal: Education and Workforce Development**

- **Strategy: Increase Visibility and Access to Higher Education**

# SWOT Analysis

A strengths, weaknesses, opportunities, and threats analysis was developed using information from interviews and a community survey (Appendix B), along with staff and leadership input. Altogether more than 110 people had input into the strategic plan. Shelby citizens tout uptown, recreation, venues like the Don Gibson Theater, and investments made in economic development like Foothills Commerce Center. As outsiders, the consulting team made note of the high level of city-county collaboration, which is not found in many communities. Shelby does have weaknesses to overcome. Quality jobs that pay a wage to attract young people are needed, along with housing and workforce preparation. In Shelby, the opportunities outweigh the threats and citizens are eager for the city and county to make investments that will support long-term growth.

## SWOT Summary

### Strengths

- Uptown Shelby
- Pro-business
- Transportation Access
- CCC
- Amenities
- Foothills Commerce Center
- City and county leaders

### Weaknesses

- Large-scale employers
- Quality jobs and wages that will attract people
- Poverty
- Retail options
- Workforce availability and skills
- Residential growth in the City
- Public schools-families opting for other school systems or private schools

### Opportunities

- Business recruitment
- Workforce training and education
- Residential development, Uptown housing
- Recruitment and retention of young people
- Filling vacant stores
- Uptown development including a hotel
- Expand recreation, entertainment

### Threats

- Lack of quality jobs
- Lack of resources to invest in economic development
- Workforce availability, skills, education
- Aging population
- Lack of awareness of Uptown, events, business opportunities

## STRENGTHS

Strengths and assets are the foundational building blocks of a sound economic development strategy. Strengths are the reasons why businesses and people locate in a community. They are also the key marketing attributes of a community. The strengths and opportunities listed in the community survey far outweighed the weaknesses and threats.

- ⊙ Uptown Shelby revitalization: locally owned businesses, unique shops, restaurants, Newgrass Brewing, entertainment, Farmer's Market
- ⊙ Pro-business climate including local incentive grants, creative city willing to explore options and put together packages for business recruitment
- ⊙ Educational system and Cleveland Community College
- ⊙ Hwy 74 and proximity to I-85
- ⊙ Foothills Farmers' Market
- ⊙ Renovation of Earl Scruggs Center
- ⊙ Don Gibson Theater and music heritage
- ⊙ Cleveland County Economic Development Partnership
- ⊙ Foothills Commerce Center
- ⊙ Low tax rate
- ⊙ Public safety
- ⊙ Investment in infrastructure upgrades and to attract business
- ⊙ Workforce and training programs
- ⊙ Welcoming community
- ⊙ People want to make this a better community
- ⊙ Young entrepreneurs
- ⊙ The potential for development and technology.
- ⊙ Quality of life: recreation, entertainment, public safety, small town atmosphere
- ⊙ Recreation facilities
- ⊙ Willingness of city and county leaders to be proactive and collaborate
- ⊙ Location near mountains
- ⊙ Le Grand Center
- ⊙ Low cost of living is attractive to professionals escaping gentrification in other regions
- ⊙ City is in good financial shape

## WEAKNESSES

This comment was pulled from the community survey and summarizes many of the responses.

“This city, compared to surrounding cities such as Gastonia, is under-developed. There is a significant absence of big businesses in Shelby which prompts residents to travel outside of Shelby. When this occurs, it affects the city economically because income is being spent outside of the city and county.”

- ⊙ Not enough retail options (chain businesses and restaurants) and grocery options
- ⊙ Attracting new, large-scale employers with quality jobs
- ⊙ Lack of job opportunities
- ⊙ Workforce availability and skills development
- ⊙ Lack of residential growth within the city limits, no young professional housing
- ⊙ Empty store fronts in areas such as the main connection between downtown and the hospital, vacant, run-down buildings and boarded up houses
- ⊙ Areas of distress and poverty in parts of the city parking
- ⊙ Public transportation
- ⊙ Navigating Hwy 74 in Shelby
- ⊙ Economic development funding to attract industry
- ⊙ Public school system, families opt for Charlotte/Gastonia/Belmont instead of living in Shelby even if they work in Shelby, outdated high schools in the entire county
- ⊙ No university nearby
- ⊙ Getting people involved in the community
- ⊙ Adequate infrastructure to support growth
- ⊙ Tourism, more parks and trails to attract visitors
- ⊙ Lack of private funding/ investment
- ⊙ We need diversity and more opportunities to integrate the entire community.
- ⊙ Perception that it costs more to live in the city
- ⊙ Night life options to keep younger people in town
- ⊙ Not enough young people
- ⊙ Mental health and health of the population in general
- ⊙ Keeping Shelby’s small town feel while expanding
- ⊙ Funding for and resources for small businesses

## OPPORTUNITIES

Much of the input from citizens and leaders focused on the need for more jobs, specifically jobs that pay a wage that will raise the standard of living. Here is one comment as an example: “The city needs more manufacturing jobs and more new housing developments in order to attract young families and economic growth to the area.”

- ⊙ Recruiting and growing businesses that pay a wage to attract college graduates
- ⊙ Working in conjunction with Cleveland Community College to offer degrees and training for jobs in areas that are growing
- ⊙ To expand current businesses and cultivate new businesses: retail, commercial, and industrial
- ⊙ Multifamily residential
- ⊙ Uptown hotel
- ⊙ Workforce skills, education, and focus on youth skills development
- ⊙ Filling vacant stores with small/local businesses, retail or otherwise
- ⊙ Younger generation input
- ⊙ Bypass completion
- ⊙ More jobs and industry
- ⊙ Entertainment to attract tourists and out of town patrons
- ⊙ Continued growth and redevelopment of Uptown Shelby, arts, dining options
- ⊙ Pedestrian-friendly cross walks
- ⊙ Support locally owned businesses
- ⊙ Marketing Shelby
- ⊙ Healthy restaurant options
- ⊙ Close proximity to Charlotte and Hwy 74 bypass
- ⊙ Rail to Trail Corridor in Uptown Shelby, expand recreational facilities
- ⊙ Make Shelby a convention destination
- ⊙ Become a destination for job growth in the rural region
- ⊙ Foothills Commerce Center along with other available land and buildings
- ⊙ Remodeling of Uptown housing, short-term rentals for extended stays rather than day trips
- ⊙ Tourism, marketing what is here, like the Earl Scruggs Center and vibrant Uptown
- ⊙ Capitalizing on the unique geographic location, drink and food scene, and boasting bluegrass background
- ⊙ Attracting 21-35 age group

## THREATS

Threats are potential obstacles to economic growth. A community should be aware of threats to progress in order to identify and mitigate them early on. Some threats are external, such as another recession. However, there are threats such as not investing in education that can be mitigated locally.

- ⊙ Perception of being too rural with a high crime rate and impoverished areas
- ⊙ Low paying jobs that do not raise the standard of living
- ⊙ Retaining industry
- ⊙ Lack of investments in education
- ⊙ Lack of awareness of Shelby, location and Uptown vitality
- ⊙ Distance of major transportations arteries
- ⊙ Not cleaning up the slums
- ⊙ Aging population
- ⊙ Resources -- money to invest in sites/buildings and infrastructure
- ⊙ Lack of skilled, trained workforce and educational levels
- ⊙ Uptown parking and good safe walking areas
- ⊙ Lack of jobs for young people - college graduates do not tend to return to the area due to the lack of opportunities
- ⊙ Lack of restaurant variety
- ⊙ Not thinking regionally
- ⊙ Non-acceptance of change, complacency
- ⊙ Losing our excellent team of economic development experts
- ⊙ Health and education of the local populace
- ⊙ Workforce availability
- ⊙ Not having effective leadership in place to encourage and "capture" growth opportunities
- ⊙ Drugs, companies have openings they cannot fill because people can't pass drug tests
- ⊙ Lack of diversity
- ⊙ Increasing costs to residents and businesses: taxes, utilities
- ⊙ The new bypass could potentially leave Shelby a ghost town
- ⊙ Lack of resources for new businesses
- ⊙ Lack of new single family market rate housing within city limits

## WHAT IS ONE THING THAT SHELBY DOES BETTER THAN OTHER CITIES?



# Economic and Demographic Profile

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An economic and demographic profile was created to analyze how Shelby is growing and changing quantitatively. This information, along with the SWOT Analysis, was part of the foundational building blocks for the strategic plan. Please review Appendix A for charts and graphs that show the data used in the analysis.

## SUMMARY

- ◎ The 2015 population of Shelby is 20,245. Over the last five years, the population has remained relatively flat, while the region and state have seen significant population increases. Stagnant population growth is a concern to economic development. However, some of the lack of growth could be attributed to minimum housing code enforcement, which will reap benefits in the future.
- ◎ In Shelby 12% of workers are aged 25 – 34, more than the county. The median age in the city has fallen from 41.4 to 40.1 from 2010 to 2015. It is a positive sign that the city is attracting younger workers.
- ◎ Shelby is more racially diverse than the county and the region, with almost 40% of the population African American. The Hispanic population is less than the region and state.
- ◎ Shelby and Cleveland County have fewer people with bachelor's and graduate degrees; however, 30% have an associate's degree or some college, which will support the attraction of mid-skilled jobs. The SAT scores of the county are still significantly below the state and national averages.
- ◎ Per capita and median household incomes fall below the regional and state averages. This is why Shelby's goal is to recruit jobs that pay above the average wage – to boost overall income levels in the city.
- ◎ Home values are lower in Shelby and Cleveland County, meaning that housing is more affordable than in the region. However, it also reflects the small inventory of professional housing.
- ◎ The labor force is growing and the unemployment rate is declining. Both are positive signs of economic growth.
- ◎ Most people are employed in Trade, Transportation, and Utilities, Manufacturing, and Education and Health Services sectors. The highest-paying sectors are Information, Manufacturing, and Construction. It

*12%: number  
of workers age  
25-34*

*30% have an  
associate's  
degree or some  
college*

*Labor force*



*\$711.19 avg.  
weekly wage*

is important to note that one of the largest employment sectors, Manufacturing, is also one of the highest paying sectors. The overall average weekly wage is \$711.19.

- ⦿ Approximately 82% of all Cleveland 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.
- ⦿ A quality of life feature of Shelby is that more people have a shorter commute than in the county and the region. Approximately 25% commute less than 10 minutes.
- ⦿ The tourism industry has seen growth in total expenditures, payroll, and employment. Likely contributors are the city park complex, Scruggs Center, Gibson Theater, and American Legion World Series.
- ⦿ Crime has been decreasing in Shelby since 2000. Violent crime has decreased 20% and property crime has decreased 26% since 2010.

*82% of Cleveland  
County businesses  
have less than 10  
employees*

# Economic Development Strategic Plan

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The Shelby community ranked new business recruitment, existing business support, and education and workforce development as the top three economic development strategies. Following this top group, retail and commercial development, infrastructure improvements, and small business entrepreneur support were ranked next. Citizens want to see these strategies result in local job creation, better paying jobs, economic diversification, and increased business-start-ups.

The **goals** of the strategic plan are:

- ⊙ Population Growth
- ⊙ New Business Recruitment & Infrastructure Investments
- ⊙ Space Available for Businesses
- ⊙ Support Entrepreneurial Development
- ⊙ Placemaking
- ⊙ Internal Marketing
- ⊙ Business Retention and Expansion
- ⊙ Education and Workforce Development

## Goal: Population Growth

Shelby has an aggressive program to eliminate blight. The city averages demolishing between 20-25 homes per year. What has been lacking is private sector investment into new residential developments. Retail and commercial development follow the demographics of rooftops and income. Shelby must change its market profile to attract the level of retail development desired by citizens.

### Strategy: Attract and Retain People through Residential Development

#### Action Steps:

- ⊙ Shelby already has one residential incentive program - cost sharing the cost of paving new residential streets. We recommend exploring the Morganton DIG (Development Incentive Grant) Program. It targets specific areas of the city with specific redevelopment goals. The program can be applied to residential development.
- ⊙ There are examples of communities providing incentives to people who relocate to a community. Some are not allowable in North Carolina; however, Shelby could be a leader in developing programs that will attract new residents. A college promise initiative, mentioned below, is one example.
- ⊙ It is mentioned below under workforce and education; however, a free tuition/scholarship program such as the Greenwood Promise will encourage people to live in Shelby.
- ⊙ Explore the use of synthetic TIFs to support amenities associated with residential development. Promote to developers that the city could support parking, greenspace, or other enhancements will make the development more attractive.

## Goal: New Business Recruitment & Infrastructure Investments

Cleveland County Economic Development Partnership (CCEDP) is the lead business recruitment organization for Cleveland County. This does not make Shelby a bystander. To the contrary, city management and staff were highly praised for their aggressive recruitment of new business. Once a prospect is identified for a site or building in Shelby, CCEDP, the city, and the county work as a seamless team to land the project. Business recruitment was cited as the #1 investment the city should make to support long-term, sustainable economic growth.

### Strategy: Align City's Development Programs with Target Sectors

#### Action Steps:

- ⊙ CCEDP has identified the following key industries: automotive, energy, data centers, heavy manufacturing, aerospace and defense, consumer goods, textiles, and distribution. Given the city's goals of raising income levels and recruiting utility customers, we recommend the city focus on all sectors except data centers and distribution. The former is more likely to locate closer to specific infrastructure and the latter does not typically pay above average wages, employ lots of people, and be a significant user of utilities. Citizens identified local jobs and better paying jobs as the top two goals of economic development.
- ⊙ Continue to follow the asset management plan. Whereas CCEDP is the lead external recruiter for Shelby, the city takes the lead on infrastructure development to support the attraction of new business. The city has an asset management plan in place and is making substantial investments in replacing old, inefficient infrastructure as well as extending infrastructure to development areas. Infrastructure was ranked #2 in the list of investments citizens support.
- ⊙ The city's website is woefully lacking in information for new businesses and economic development in general. We recommend:
  - Under the Business tab, change *City of Shelby* to *Locate in Shelby*.
  - Redesign this page so it includes a marketing pitch to locate in Shelby.
  - Subpages can include the Start a Business information currently on the site, along with links to Foothills Commerce Center and sites, and link to the business advantages listed on the CCEDP website. It could also include recent announcements, lists of existing businesses, target clusters, etc. Make this group of pages a mini-economic development site within the city website.

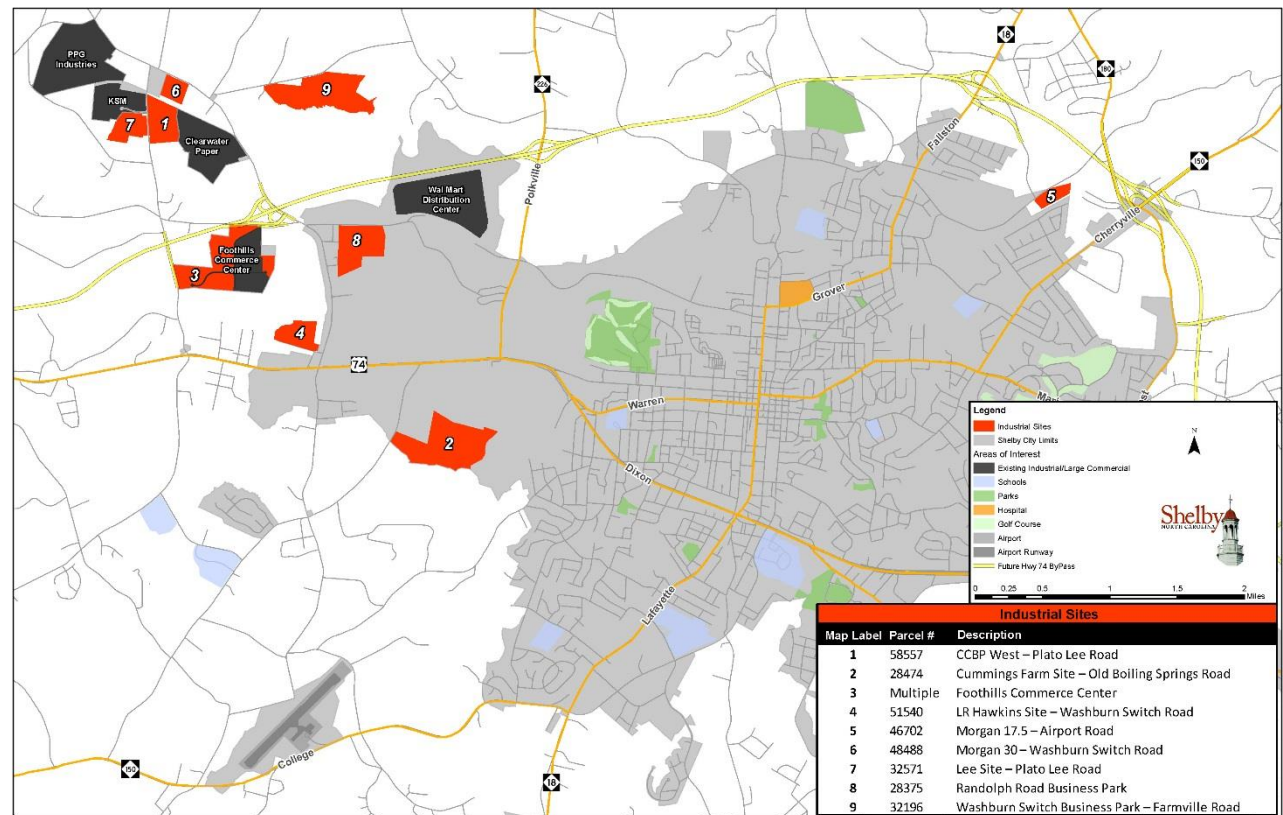
## Goal: Space Available for Businesses

The majority, approximately 80%, of all new and expanding businesses prefer to expand into an existing building. Although data is not available for small business, it is our estimation that the percentage is much higher for small businesses. Space needs range from industrial to commercial to retail and across the city from the bypass to uptown.

## Strategy: Continue to Work with Partners to Create Space for Industry and Business

### Action Steps:

- ① Continue the collaborative partnership with Cleveland County to develop industrial sites, certify sites, and develop spec buildings. Shelby has been very successful in business recruitment and the retention of existing business expansions because of its investments in industrial product development. Specifically, the shell building program has attracted lots of prospects to the city and county.



- ⊙ Continue the commitment to site preparation including certified sites and grading sites. Shelby has used the ElectriCities' Smart Sites Program to qualify sites ready for development. The Randolph Road Industrial Park is designated as a Smart Site.
- ⊙ The table below shows that there are only two parks served by both city electricity and gas. Both are shovel-ready. These two parks have a total of 154 acres available. That is not much space in the inventory. We recommend identifying future sites for development and qualifying sites.
  - Shelby should have sites in each stage of development: identified, under assessment, controlled (landowner agreement, option, or ownership), and shovel-ready. Most prospects prefer an industrial park setting. That is one of the reasons Foothills Commerce Center has been so successful. Search for a 'Foothills Commerce Center II.' That park has been a model development: City-controlled, thorough assessments, certification, and spec building development.
  - Some of the sites served only by city gas could be qualified in the Duke Energy Site Readiness Program or the NC Certified Site Program.
  - Funding recommendations for site preparation: ElectriCities and Duke Energy Programs, public-private partnerships, and keeping an eye on the state effort to create a zero-interest loan pool for product development.

Industrial Sites in Shelby				
	City Electric	City Gas	Acreage Available	Notes
CCBP	N	Y	47	
Cummings Farm Site	N	Y	120	
Foothills Commerce Center	Y	Y	90	Certified Site
LR Hawkins – 41 acre	N	Y	41	
Morgan 17.5	N	Y	18	
Morgan 23	N	Y	23	
Morgan 40	N	Y	40	
Plato Lee-30 acre site	N	Y	30	
Randolph Road Industrial Park	Y	Y	64	ElectriCities Smart Site
Washburn Switch Business Park	N	Y	108	Duke Energy Certified Site, CSX Select Site

- ◎ The Center City Master Plan recommends the development of co-work space. Freelancers, now 34% of the workforce, are projected to be between 40%-60% of the workforce by 2025. Developing the freelance economy aligns with Shelby and Cleveland County's focus on entrepreneurship. Even though the Center City Master Plan recommends the co-work space be targeted to musicians, we suggest appealing to a general audience at least in the beginning. Ways that Shelby can support the development of co-work space:
  - Identify buildings in uptown that would be ideal for a co-work facility and reach out to developers in Charlotte and Greenville to make them aware of opportunities in Shelby.
  - Consider a partnership with a developer of co-work space whereby the city may partially fund a feasibility study and/or building assessments. The study/assessments would be valuable to other projects if the co-work space did not go forward. The City of Gastonia guaranteed to lease a portion of space in a mixed-use development to get it kick-started. Shelby could do the same in a co-work building.
  - The City could encourage its small business partner, the Small Business Center, to hold training seminars in the co-work space.
- ◎ Comments about dilapidated buildings were consistent in the survey and interviews. Shelby has an aggressive program to address dilapidated housing (demolishing 20-25 homes a year); we suggest similar programs for commercial and industrial buildings.
  - Implement a vacant building revitalization grant program like the state's program for industrial buildings. The state's grant amount is based on job creation; Shelby's could be based on taxable investment. The grant reimburses a portion of renovation cost.
  - Investigate a program of demolishing severely dilapidated buildings. Shelby could identify properties that have some reclamation value to offset the cost of demolition. Some demolition companies will demolish structures for the deed.
- ◎ Retail development is another central theme from community input. Shelby is using Retail Strategies for retail recruitment. That program focuses on chain retailers. Citizens specifically cited the desire for local, unique shops. Promote the concept of a retail "incubator." A building in uptown could serve as an incubator-style location for start-up retailers. The building would have kiosk style space for lease. The benefits to retail start-ups are low rent, shared staff, and management support. The benefit to Shelby and uptown is that as retailers grow out of the incubator, they will fill uptown spaces. The project could be taken on by a non-profit group like a merchant's association or chamber of commerce.

## Goal: Support Entrepreneurial Development

Shelby is part of the Cleveland County Certified Entrepreneurial Community® initiative. As part of their certification process, Cleveland County has developed a resource directory to help guide entrepreneurs to local, regional, and state resources, a website, and a network of service providers.

### Strategy: Wayfinding for Entrepreneurs

#### Action Steps:

- ⊙ Designate a city staff person as the *business concierge or liaison*. This person will be the primary contact for all new and expanding businesses at the city. The concierge will connect the business to the right people at Cleveland County EDC and/or the Small Business Center. The concierge will continually circle back to the business to make sure their needs are being met by the city's partners. Although larger than Shelby, Winston-Salem, Columbus, OH, San Diego, and San Antonio are a few cities that have a small business liaison/concierge. These cities have full-time staff in the role; whereas, Shelby could name an existing staff position.
- ⊙ Create "starter kits" for new businesses and place on the city's "starting a new business" web page. This project could be in conjunction with Cleveland County and the CEC® program. Small businesses often have a difficult time navigating local government regulatory processes. Starter kits typically include the steps a person would take to open a specific business. Many cities include starter kits for food truck, restaurant, day care, hair salon, retail, and other service businesses. We like the examples on this website: <http://businessportal.sfgov.org/start/starter-kits>.
- ⊙ Capitalize on the work done in the CEC® program. Link to the Cleveland County CEC® website, encourage small businesses to use the resource directory, and post the CEC® informational brochure on the website.
- ⊙ We heard that there are a growing number of young entrepreneurs. Ask the Small Business Center to investigate the viability of a Young Entrepreneurs Network as a way to foster synergy among the group.
- ⊙ We heard conflicting reports about how easy it is to navigate the local regulatory process. We suggest that a question about local regulations be asked on the business climate survey recommended below in the BRE program.
- ⊙ Develop an incentive policy that encourages small business development. The City of Asheville's incentive grant program for small business has a threshold for investment of \$250,000. Some cities address small business incentives in the general incentive policy with lower thresholds, while others have a separate policy.

## Goal: Placemaking

Millennials will make up 75% of the workforce by 2025. Generally, this age group will identify a place to live first, and then look for employment. At the same time, Baby Boomers are downsizing and choosing places for their next phase in life. Both groups have similar location criteria: recreation, entertainment, shopping, restaurants, cultural arts, and lifelong learning opportunities.

### Strategy: Attract and Retain People through Placemaking

#### Action Steps:

- ⊙ Uptown Shelby was rated as the second highest asset, second only to Cleveland Community College. Our recommendations for Uptown are to stay the course and continue to invest in the Center City Master Plan and its vision for uptown. One example is pursuing the certification as Bike Friendly, designated by the League of American Bicyclists.
- ⊙ LP Shelby is a public art program sponsored by the Don Gibson American Music Foundation. Artistic “records” are placed around the city to increase awareness in Gibson’s music. The city’s contribution has been to provide a space for the artwork.
  - We recommend Shelby develop a formal public art policy whereby the city is a partner in arts development. The partnership could continue to provide space and maintenance or it could go beyond to providing matching grants for murals or other art works.
  - Some communities partner with student art programs to provide artwork that is on temporary exhibit. For example, Shelby could designate a space in uptown as an art garden. Students from CCC visual arts programs can display works there.
  - Charlotte and Asheville set aside 1% of construction costs in all capital improvement projects into a public art account. Hickory funds theirs through a public-private partnership.
- ⊙ There were many comments from citizens about appearance and beautification. The city does a good job with code enforcement and sponsors the Keep Shelby Beautiful program, which is the city’s appearance commission. A next step is to encourage the commission to explore aesthetic and design standards. There is a continuum of design standards from having none to being so restrictive that redevelopment/development costs sky-rocket. Shelby must decide where on the continuum it wants to be.

- ⊙ From our interviews, we learned that uptown redevelopment is attracting private investment. If Shelby desires additional incentive for private investment, Historic Downtown Wilson has a comprehensive package for downtown redevelopment: architectural, rent subsidy, building improvement, infill, façade, loans, and tax credits.
- ⊙ Many of Shelby allies organize festivals and events that bring people together. The Center City Master Plan reinforces the farm-to-fork experience for uptown. Some communities are hosting alfresco dining experiences at their farmers' markets once a month during the summer.
- ⊙ Shelby is investing in the rail trail system with plans for extensions and a new trail head. Several recommendations are in the Center City Master Plan.

## Goal: Internal Marketing

One of our favorite sayings from an economic developer is, "Tell your story. Tell it often. Tell it so often that others begin to tell it for you." Shelby has an amazing story to tell. It is a story of redevelopment, job creation, placemaking, and forward-thinking leaders.

### Strategy: Develop and Tell the Shelby Story

#### Action Steps:

- ⊙ Create a Public Information and Marketing Director position. In FY 2017-18 expand the contract with the social media firm and/or designate an existing staff person to act as a PIO. Seek funding in FY2018-19 for a full-time Public Information and Marketing Director position. The purpose is to coordinate the Shelby story through various outlets. Currently, several departments maintain social media sites. The new staff person can develop stories to be distributed via these and other channels. Also, since residential recruitment is a key component of economic development for Shelby, the Director can push out the city's brand to encourage more people to move to Shelby.
- ⊙ Include a recent news section on the new economic development pages on the city website.
- ⊙ The Shelby story is amazing. As outsiders, the consulting team was surprised at the level of development and redevelopment. The story needs to be told:
  - Develop a standard presentation on the Shelby story that council members and senior management can give at community and civic meetings.

- Publish an “annual report” type of document on the website so citizens can learn about accomplishments.
- Seek out a partner (uptown, chamber, etc.) to hold a state of the city annual event to showcase the positive changes in the city.

### Goal: Business Retention and Expansion (BRE)

Between 65%-80% of all new investment and job creation come from existing businesses. Shelby relies on CCEDP to proactively engage with existing businesses to ensure that opportunities are not lost.

### Strategy: Integrate Key Accounts into the BRE Program

#### Action Steps:

- ⊙ Train city staff to identify increases or decreases in water, wastewater, electric, and gas services to target those companies for business services. The company may be expanding or contracting and need a range of economic development services.
- ⊙ A regular business climate survey can serve multiple purposes for the BRE program. First, it will identify areas where the city needs to improve services. Second, it lets businesses know the city values their input. We recommend a business climate survey be done every two years. Shelby can partner with the Cleveland County Chamber and/or EDP to distribute the survey. What you learn from the survey can be integrated into the BRE and key accounts program.
- ⊙ We suggest the city manager establish a periodic business breakfast meeting with area businesses. The goal is two-fold – learn how the city can better meet their needs and share the good things that are happening and planned in Shelby. The City of Roanoke instituted this initiative a few years ago and it has been very successful in business retention.

## Goal: Education and Workforce Development

Workforce is the number one concern of all new and expanding businesses, no matter the industry or size. Companies are concerned about retaining talented workers, recruiting new people, and ongoing training to keep pace with technology and market changes.

### Strategy: Increase Visibility and Access to Higher Education

#### Action Step:

- ⊙ The way education is delivered is changing rapidly. Many colleges and universities are placing small satellite campuses in rural communities and small towns. Wingate University recently located healthcare programs in downtown Hendersonville. We recommend Shelby reach out to colleges and universities in North Carolina, beyond the immediate region, to check for interest in an uptown location. A higher educational institution in downtown will bring more young people and add another energy level to uptown. In Hendersonville, the city donated the land, the county built the building, and the lease to Wingate University covered the debt service. Pfeiffer University is locating a satellite campus in downtown Albemarle.
- ⊙ Greenwood Promise in Greenwood County, SC. Greenwood Promise is an endowment that funds enough scholarships to pay for every high school graduate to attend Piedmont Technical College for two years. Similar programs can be found in Wythe County and the Roanoke Region in Virginia, as well as Laurens County, SC. Such a scholarship fund will transform the workforce, the key ingredient to economic development success. Another reason we recommend this for Shelby is it could encourage families to move to the city to qualify for the scholarship.
  - There programs are primarily funded through a private sector fundraising initiative. In partnership with Cleveland Community College's foundation, the city can explore the potential of raising funds for a college promise program.

# Implementation Guide

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

01

- Developer and Realtor Awareness of Residential Opportunities
- Market to Target Sectors
- Website Updates
- Continue Site Preparation
- Starter Kits for New Businesses on Website
- Small Business Incentive Policy
- Public Information and Marketing Director Position
- Internal Marketing
- City Manager Meetings with Existing Businesses

02

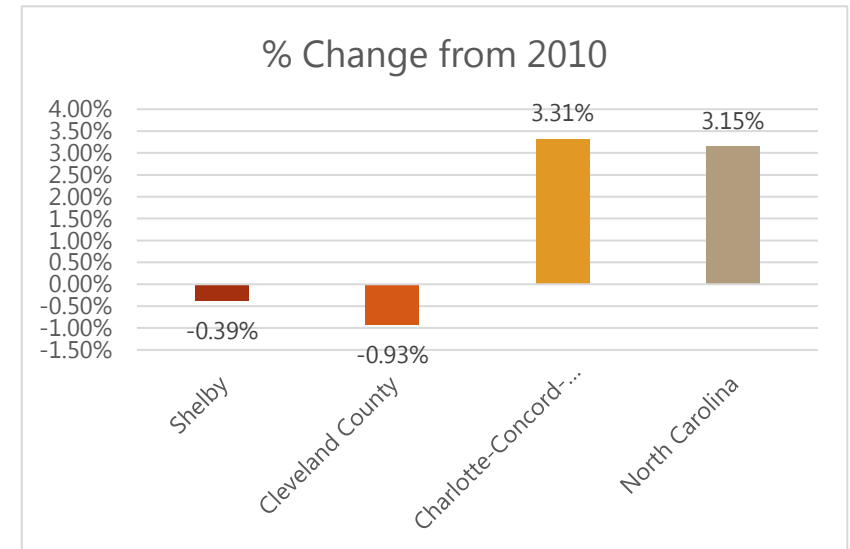
- Residential Incentive Program
- Future Sites for Development
- Demolition Program for Commercial and Industrial
- Vacant Building Revitalization Grant
- City Business Liaison
- Young Entrepreneurs Network
- Review Additional Uptown Incentives
- Business Climate Survey

03

- College Promise Program
- Co-Work Space
- Retail Incubator
- Bike Friendly Certification
- Public Art Program
- Explore Appearance Standards
- Recruit a Satellite University Campus

# Appendix A: Economic and Demographic Profile

Population	2010	2015	% Change 2010 - 2015
Shelby	20,323	20,245	-0.39%
Cleveland County	98,078	97,178	-0.93%
Charlotte-Concord- Gastonia	2,261,321	2,338,792	3.31%
North Carolina	9,535,483	9,845,333	3.15%



Source: [www.census.gov](http://www.census.gov) (American Fact Finder 2010 and 2015 & American Community Survey Data)

Age Distribution	Shelby		Cleveland County		Charlotte-Concord-Gastonia	North Carolina
Age Groups	2010	2015	2010	2015	2015	2015
Total population	20,323	20,245	98,078	97,178	2,338,792	9,535,483
Under 5 years	6.48%	8.80%	5.93%	5.57%	6.53%	6.63%
5 to 9 years	6.27%	6.39%	6.35%	6.39%	7.07%	6.67%
10 to 14 years	6.39%	4.75%	6.77%	6.43%	7.10%	6.62%
15 to 19 years	7.00%	5.71%	7.45%	6.85%	6.65%	6.92%
20 to 24 years	5.63%	7.02%	6.06%	6.87%	6.40%	6.94%
25 to 34 years	10.83%	12.24%	10.62%	10.67%	13.60%	13.07%

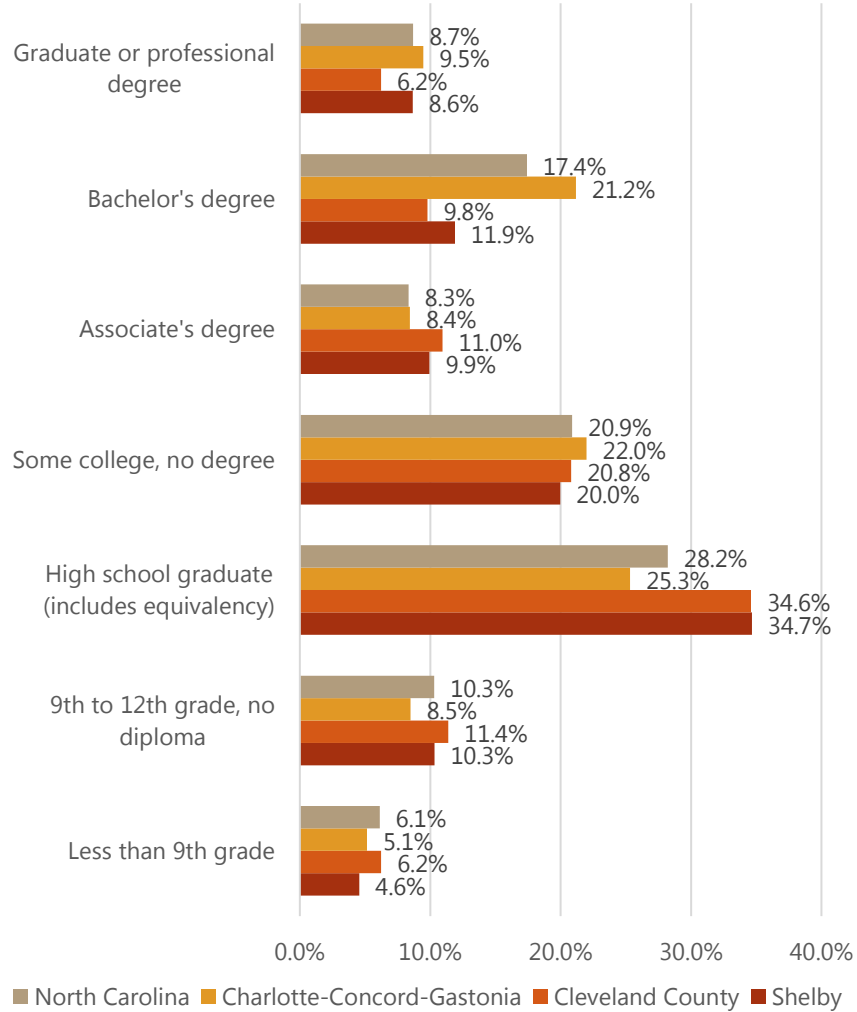
<b>35 to 44 years</b>	12.24%	12.12%	13.41%	12.30%	14.68%	13.92%
<b>45 to 54 years</b>	14.32%	12.55%	15.03%	14.64%	14.45%	14.35%
<b>55 to 59 years</b>	6.87%	6.94%	6.93%	6.95%	6.25%	6.30%
<b>60 to 64 years</b>	6.26%	6.39%	6.48%	6.65%	5.28%	5.64%
<b>65 to 74 years</b>	8.91%	9.57%	8.52%	9.86%	7.21%	7.32%
<b>75 to 84 years</b>	6.35%	4.97%	4.81%	4.93%	3.47%	4.08%
<b>85 years and over</b>	2.45%	2.56%	1.63%	1.89%	1.32%	1.55%
<b>Median Age</b>	<b>41.4</b>	<b>40.1</b>	<b>40.3</b>	<b>41.4</b>	<b>36.9</b>	<b>37.4</b>

Source: [www.census.gov](http://www.census.gov) (American Fact Finder 2010 and 2015 & American Community Survey Data)

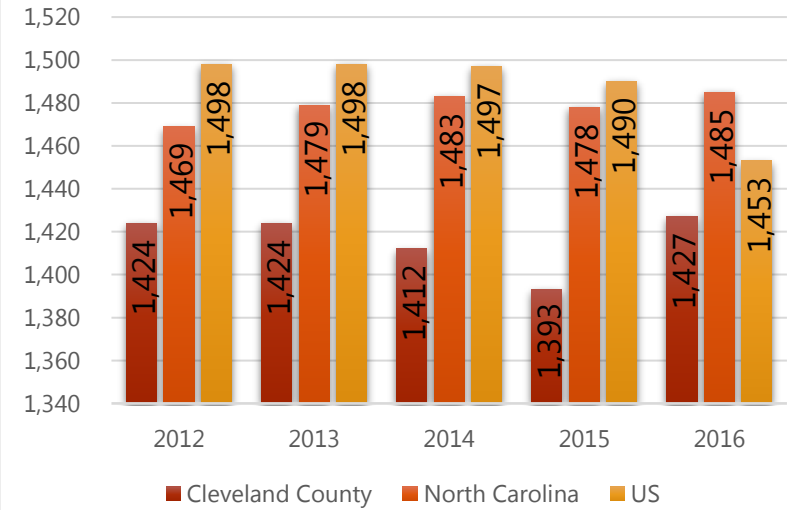
<b>Race Distribution</b>	<b>Shelby</b>		<b>Cleveland County</b>		<b>Charlotte-Concord-Gastonia</b>	<b>North Carolina</b>
	<b>2010</b>	<b>2015</b>	<b>2010</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>
<b>White Alone</b>	53.14%	53.42%	74.22%	73.62%	63.99%	65.27%
<b>Black Alone</b>	41.03%	39.21%	20.63%	20.65%	21.63%	21.18%
<b>American Indian Alone</b>	0.27%	0.04%	0.20%	0.25%	0.32%	1.14%
<b>Asian Alone</b>	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Pacific Islander Alone</b>	0.03%	0.00%	0.02%	0.00%	0.04%	0.06%
<b>Some Other Race Alone</b>	0.07%	0.10%	0.08%	0.14%	0.19%	0.16%
<b>Two or More Races</b>	1.49%	0.73%	1.29%	1.30%	1.72%	1.63%
<b>Hispanic Origin</b>	3.15%	4.73%	2.81%	3.08%	9.28%	8.39%

Source: [www.census.gov](http://www.census.gov) (American Fact Finder 2010 and 2015 & American Community Survey Data)

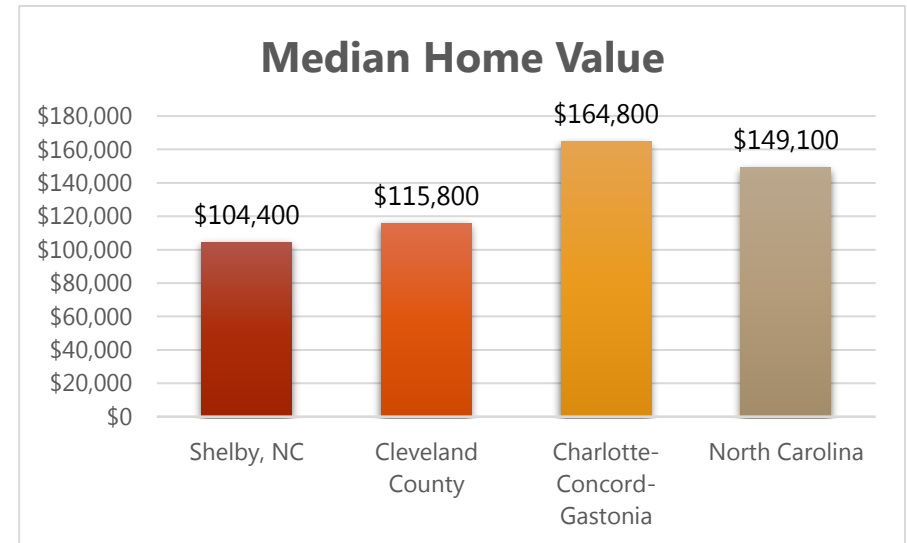
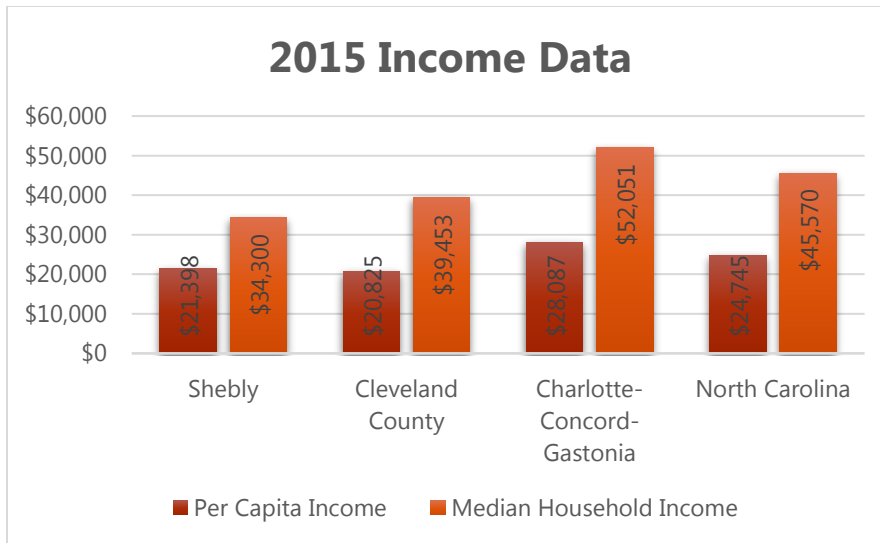
### Educational Attainment 25 Years & Older



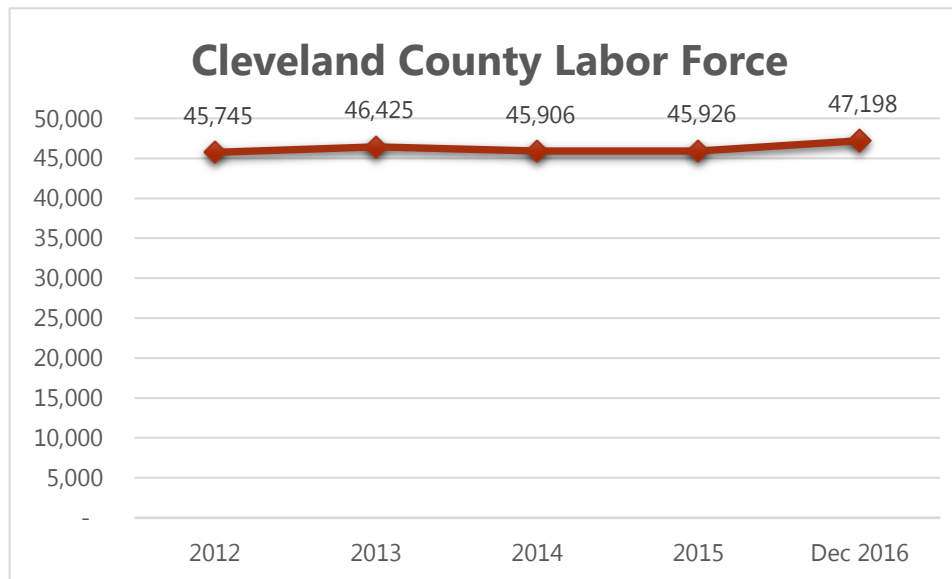
### SAT Scores



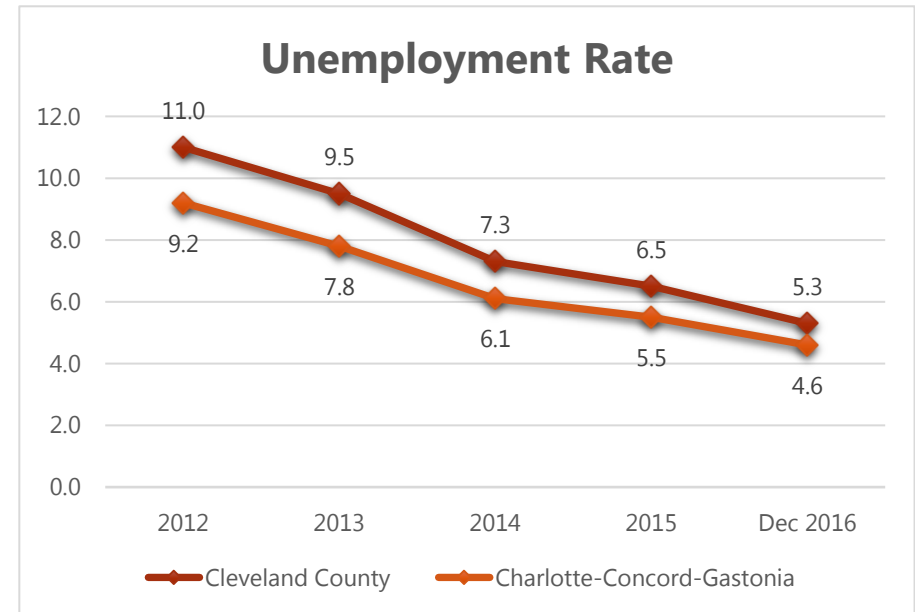
Source: [www.census.gov](http://www.census.gov) (American Fact Finder 2010 and 2015 & American Community Survey Data)



Source: [www.census.gov](http://www.census.gov) (American Fact Finder 2010 and 2015 & American Community Survey Data)



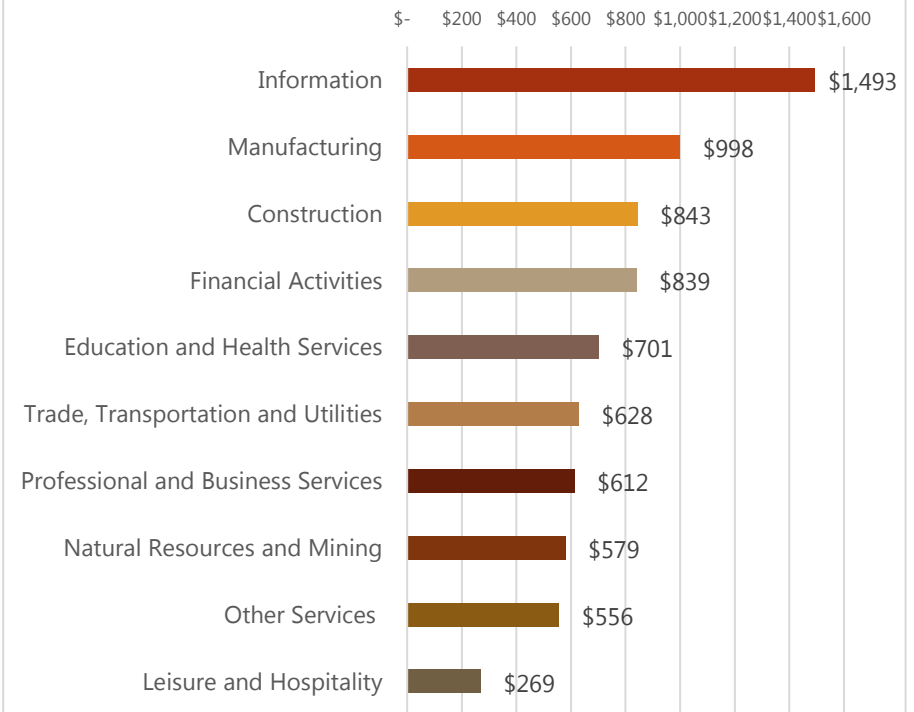
Source: Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov))



## Cleveland County Employment by Industry



## 2016 Cleveland County Average Weekly Wage by Sector



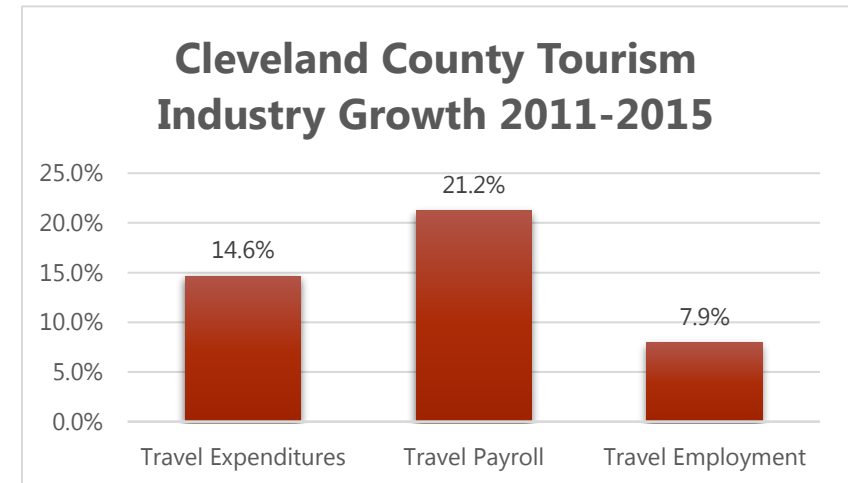
Source: Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov))

Cleveland County Top Employers			
Rank	Company	Industry	Employment Range
1	Cleveland County board of Education	Education & Health Services	1000+
2	Charlotte Mecklenburg Hospital	Education & Health Services	1000+
3	Wal-Mart Associates Inc.	Trade, Transportation, & Utilities	1000+
4	County of Cleveland	Public Administration	1000+
5	Gardner-Webb University	Education & Health Services	500-999
6	Hanesbrands, Inc.	Manufacturing	500-999
7	Ingles Markets Inc.	Trade, Transportation, & Utilities	500-999
8	Baldor Electric Company	Manufacturing	500-999
9	PPG Industries Inc.	Manufacturing	500-999
10	City of Shelby	Public Administration	250-499
11	Eaton Corporation	Manufacturing	250-499
12	Cleveland Community College	Education & Health Services	250-499
13	Curtiss Wright Flight Systems Inc.	Manufacturing	250-499
14	Firestone Fibres & Textiles, LLC.	Manufacturing	250-499
15	White oak Manor, Inc.	Education & Health Services	250-499
16	Cleveland County Family YMCA Inc.	Leisure & Hospitality	250-499
17	STI	Manufacturing	250-499
18	Wipro Limited	Information	250-499
19	Personnel Services Unlimited	Professional & Business Services	250-499
20	Telerx Marketing Inc.	Professional & Business Services	250-499
21	Greenheck Fan Corporation	Manufacturing	100-249
22	Fas Controls Inc.	Manufacturing	100-249
23	GCA Services Group	Professional & Business Services	100-249
24	City of Kings Mountain	Public Administration	100-249
25	NC Dept of Transportation	Public Administration	100-249

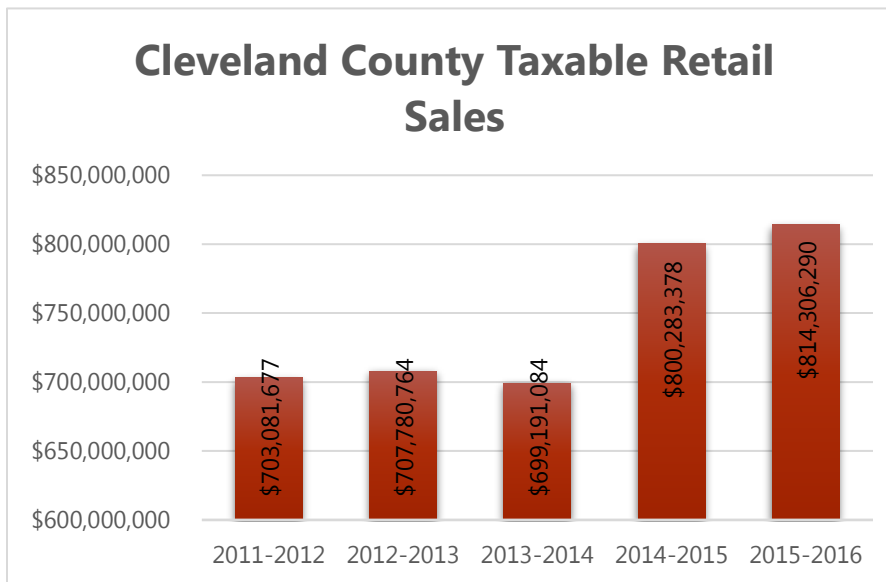
Source: North Carolina Department of Commerce ([www.nccommerce.com](http://www.nccommerce.com))

Cleveland County 2011-2015 Employment Stages				
ESTABLISHMENTS	2011	% of TOTAL	2015	% of TOTAL
ALL	3,756	100%	4,095	100%
Self-Employed (1)	599	15.9%	546	13.3%
Stage 1 (2-9)	2,459	65.5%	2,816	68.8%
Stage 2 (10-99)	650	17.3%	674	16.5%
Stage 3 (100-499)	46	1.2%	56	1.4%
Stage 4 (500+)	2	0.01%	3	0.1%

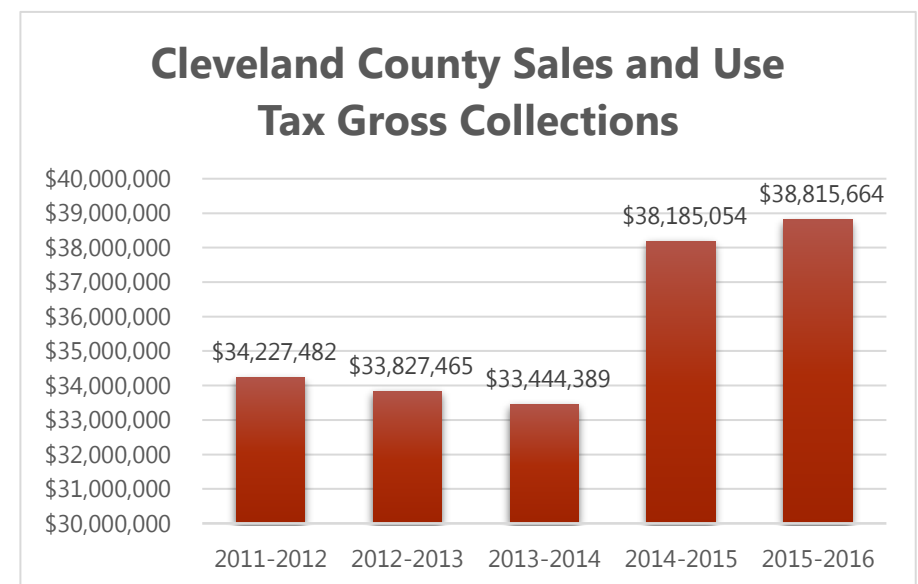
Source: YourEconomy.Org

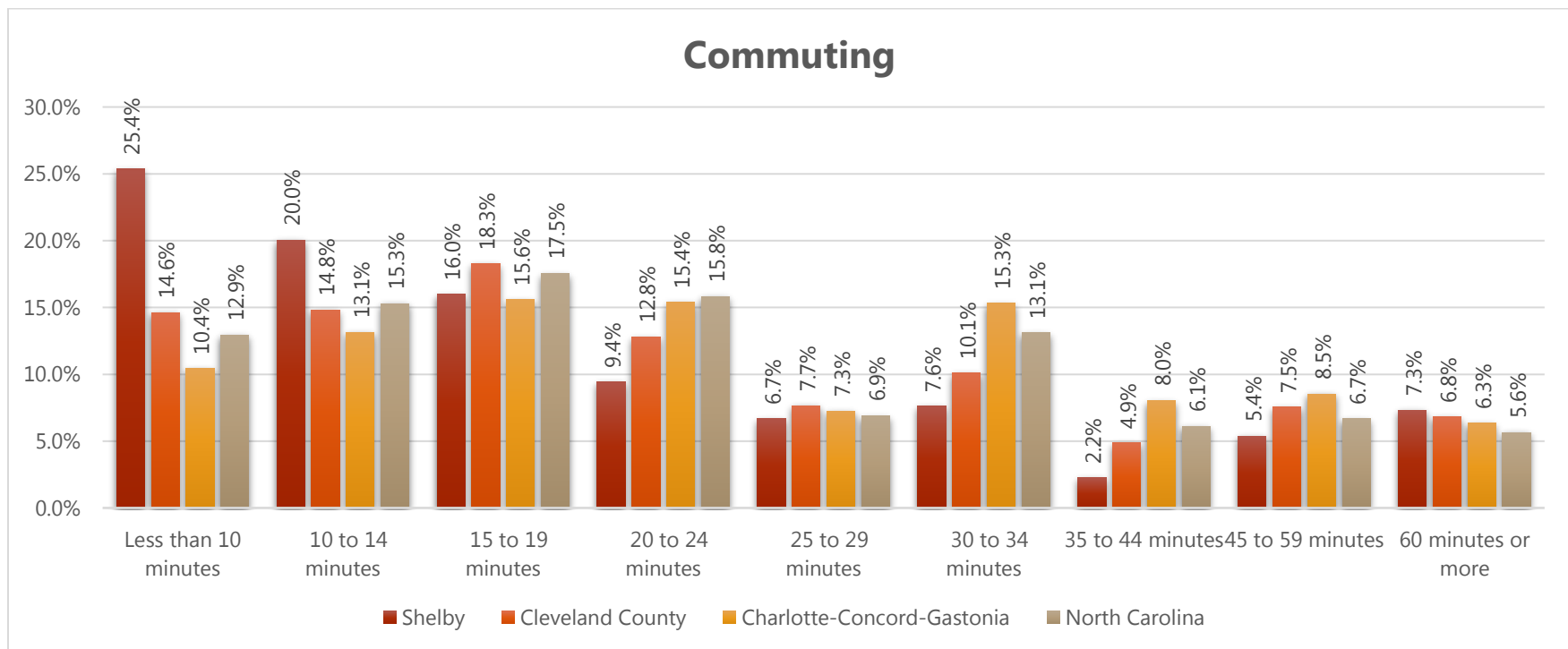


Source: North Carolina Office of State Budget and Management

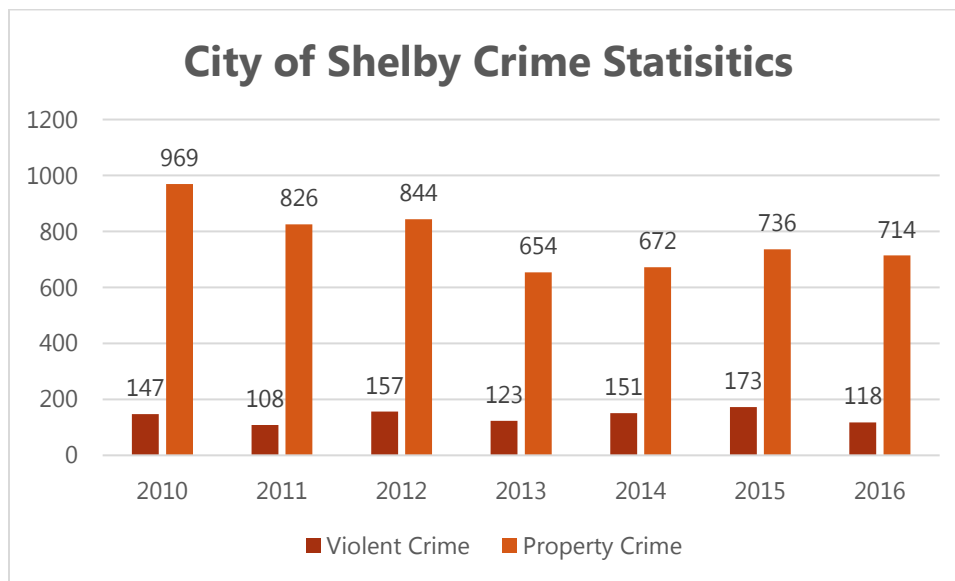


Source: North Carolina Department of Revenue ([www.dornc.com](http://www.dornc.com))





Source: U.S. Census ([www.census.gov](http://www.census.gov) American Fact Finder/American Community Survey)



Source: City of Shelby, NC

## Retail Market Place Profile-Shelby

### Summary Demographics

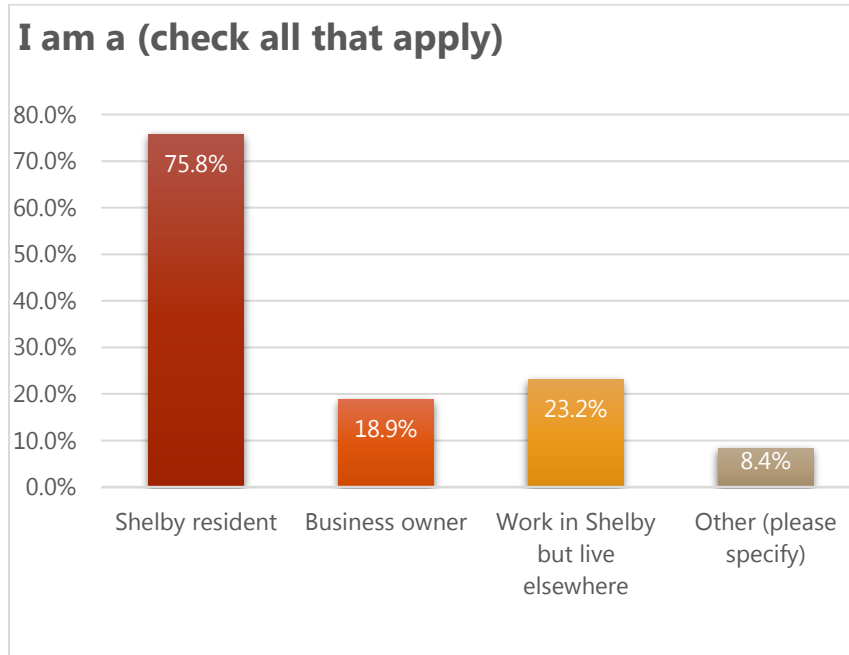
2017 Population	20,345
2017 Households	8,560
2017 Median Disposable Income	\$29,447
2017 Per Capita Income	\$21,959

NAICS Industry Summary		Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$220,661,745	\$471,082,443	-\$250,420,698	-36.2	313
Total Retail Trade	44-45	\$200,564,797	\$414,105,574	-\$213,540,777	-34.7	227
Total Food & Drink	722	\$20,096,948	\$56,976,869	-\$36,879,921	-47.9	86
NAICS Industry Group		Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$44,181,230	\$66,754,588	-\$22,573,358	-20.3	29
Automobile Dealers	4411	\$36,336,645	\$52,858,747	-\$16,522,102	-18.5	10
Other Motor Vehicle Dealers	4412	\$3,580,363	\$1,752,324	\$1,828,039	34.3	3
Auto Parts, Accessories & Tire Stores	4413	\$4,264,222	\$12,143,517	-\$7,879,295	-48.0	16
Furniture & Home Furnishings Stores	442	\$7,314,648	\$6,939,250	\$375,398	2.6	11
Furniture Stores	4421	\$4,477,343	\$4,079,418	\$397,925	4.7	4
Home Furnishings Stores	4422	\$2,837,305	\$2,859,832	-\$22,527	-0.4	7
Electronics & Appliance Stores	443	\$5,676,315	\$6,322,392	-\$646,077	-5.4	7
Bldg Materials, Garden Equip. & Supply Stores	444	\$14,277,922	\$22,288,113	-\$8,010,191	-21.9	11
Bldg Material & Supplies Dealers	4441	\$13,321,532	\$21,112,934	-\$7,791,402	-22.6	8
Lawn & Garden Equip & Supply Stores	4442	\$956,390	\$1,175,179	-\$218,789	-10.3	3
Food & Beverage Stores	445	\$35,031,469	\$44,809,950	-\$9,778,481	-12.2	23
Grocery Stores	4451	\$32,624,960	\$40,397,898	-\$7,772,938	-10.6	17
Specialty Food Stores	4452	\$1,275,874	\$872,939	\$402,935	18.8	3
Beer, Wine & Liquor Stores	4453	\$1,130,635	\$3,539,113	-\$2,408,478	-51.6	3
Health & Personal Care Stores	446,4461	\$13,059,276	\$58,230,868	-\$45,171,592	-63.4	27
Gasoline Stations	447,4471	\$22,149,023	\$68,714,853	-\$46,565,830	-51.2	21
Clothing & Clothing Accessories Stores	448	\$8,802,056	\$12,577,773	-\$3,775,717	-17.7	22
Clothing Stores	4481	\$5,840,056	\$6,275,169	-\$435,113	-3.6	14
Shoe Stores	4482	\$1,407,673	\$2,652,698	-\$1,245,025	-30.7	4
Jewelry, Luggage & Leather Goods Stores	4483	\$1,554,327	\$3,649,906	-\$2,095,579	-40.3	4
Sporting Goods, Hobby, Book & Music Stores	451	\$5,081,094	\$15,846,178	-\$10,765,084	-51.4	20
Sporting Goods/Hobby/Musical Instr Stores	4511	\$4,294,067	\$15,658,020	-\$11,363,953	-57.0	19
Book, Periodical & Music Stores	4512	\$787,027	\$188,158	\$598,869	61.4	1
General Merchandise Stores	452	\$32,401,968	\$93,074,715	-\$60,672,747	-48.4	22
Department Stores Excluding Leased Depts.	4521	\$23,096,084	\$77,700,444	-\$54,604,360	-54.2	7
Other General Merchandise Stores	4529	\$9,305,884	\$15,374,271	-\$6,068,387	-24.6	15
Miscellaneous Store Retailers	453	\$9,052,193	\$17,543,263	-\$8,491,070	-31.9	32
Florists	4531	\$288,310	\$704,951	-\$416,641	-41.9	4
Office Supplies, Stationery & Gift Stores	4532	\$1,746,595	\$3,801,532	-\$2,054,937	-37.0	7

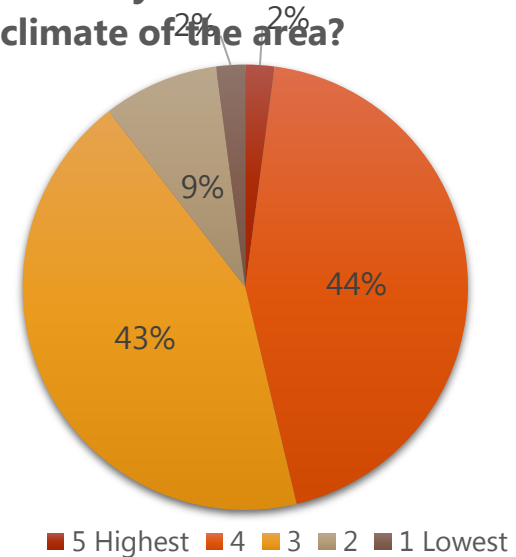
Used Merchandise Stores	4533	\$947,904	\$3,756,093	-\$2,808,189	-59.7	11
Other Miscellaneous Store Retailers	4539	\$6,069,384	\$9,280,687	-\$3,211,303	-20.9	10
Nonstore Retailers	454	\$3,537,603	\$1,003,631	\$2,533,972	55.8	2
Electronic Shopping & Mail-Order Houses	4541	\$2,387,977	\$0	\$2,387,977	100.0	0
Vending Machine Operators	4542	\$189,703	\$0	\$189,703	100.0	0
Direct Selling Establishments	4543	\$959,923	\$1,003,631	-\$43,708	-2.2	2
Food Services & Drinking Places	722	\$20,096,948	\$56,976,869	-\$36,879,921	-47.9	86
Special Food Services	7223	\$187,502	\$127,959	\$59,543	18.9	2
Drinking Places - Alcoholic Beverages	7224	\$1,323,494	\$491,140	\$832,354	45.9	2
Restaurants/Other Eating Places	7225	\$18,585,952	\$56,357,770	-\$37,771,818	-50.4	82

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

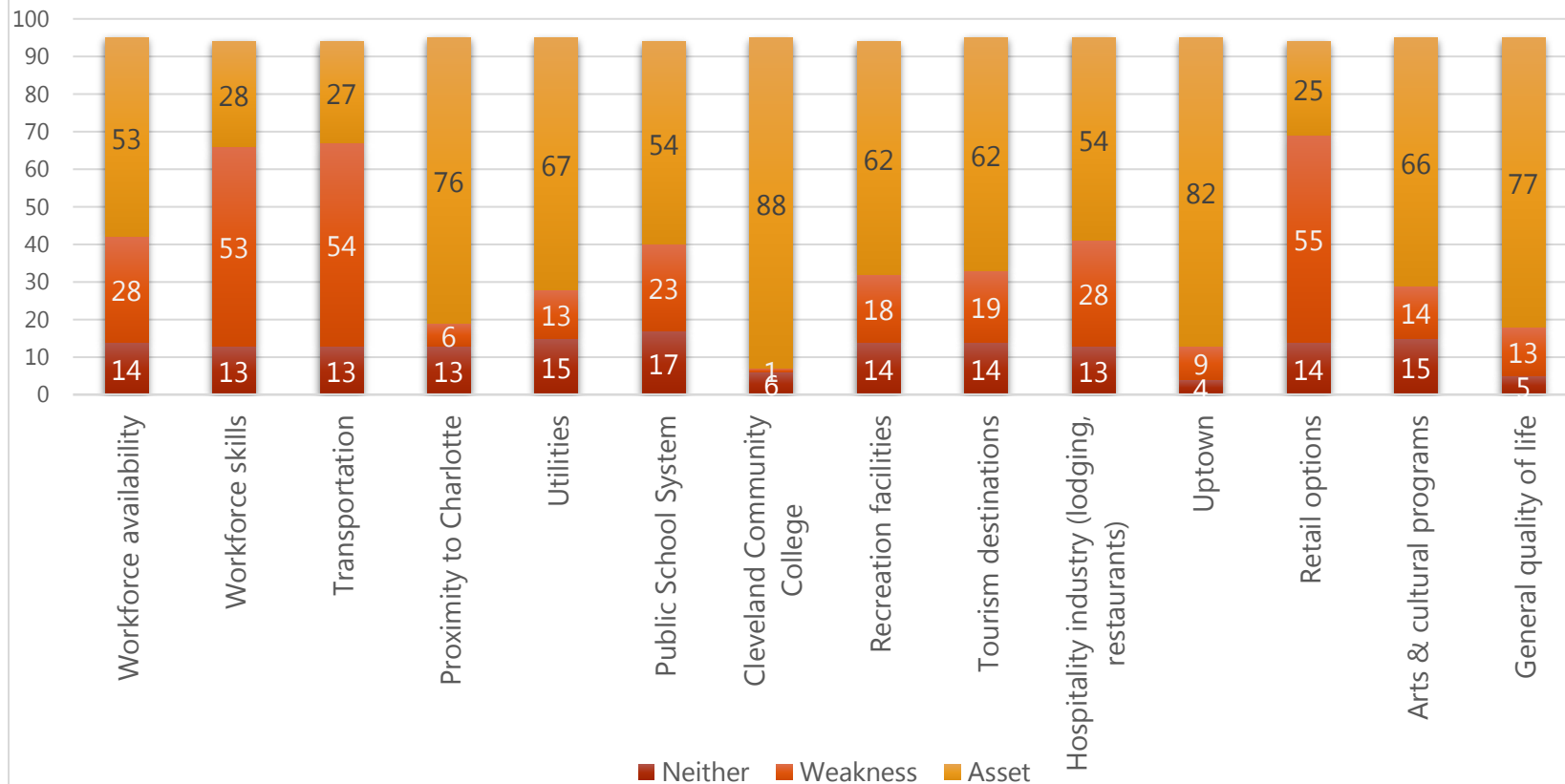
## Appendix B: Community Survey Results



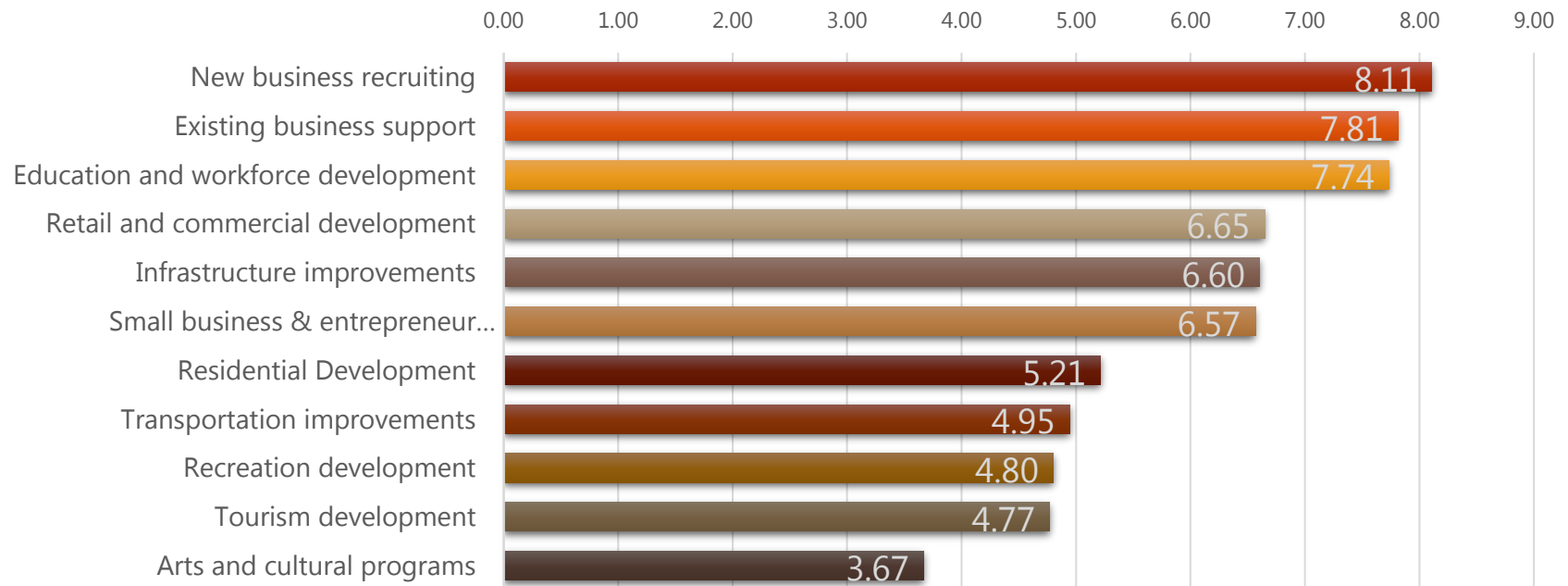
**On a scale of 1 to 5, with 5 being highest, how do you rate the current business climate of the area?**



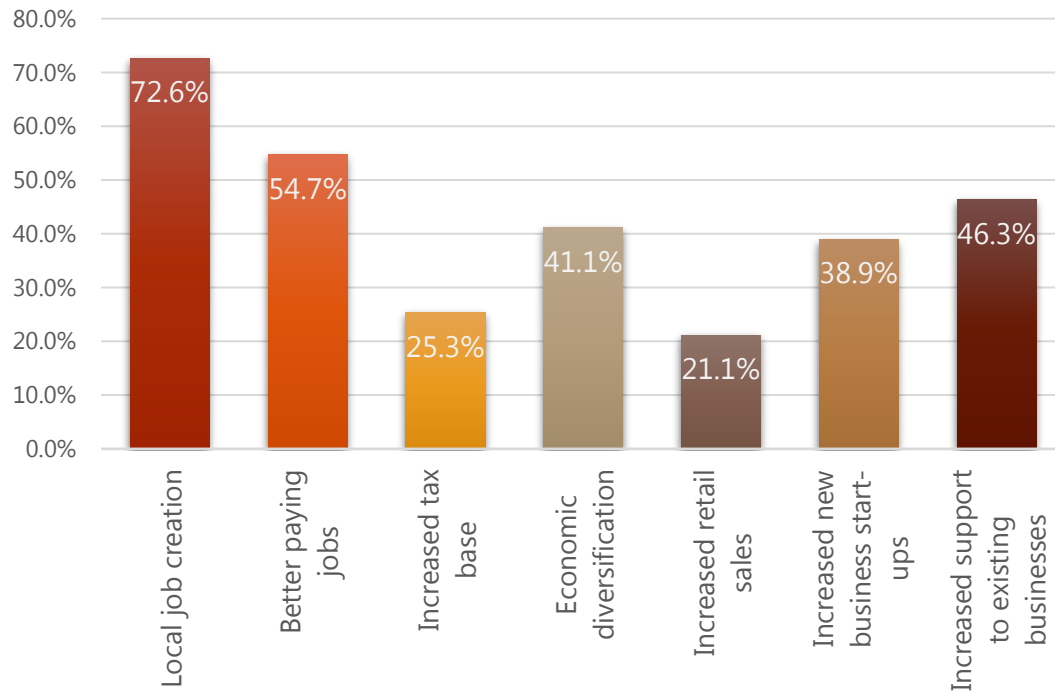
**Rate the following as an asset supporting economic development or a weakness hindering economic growth or neither.**



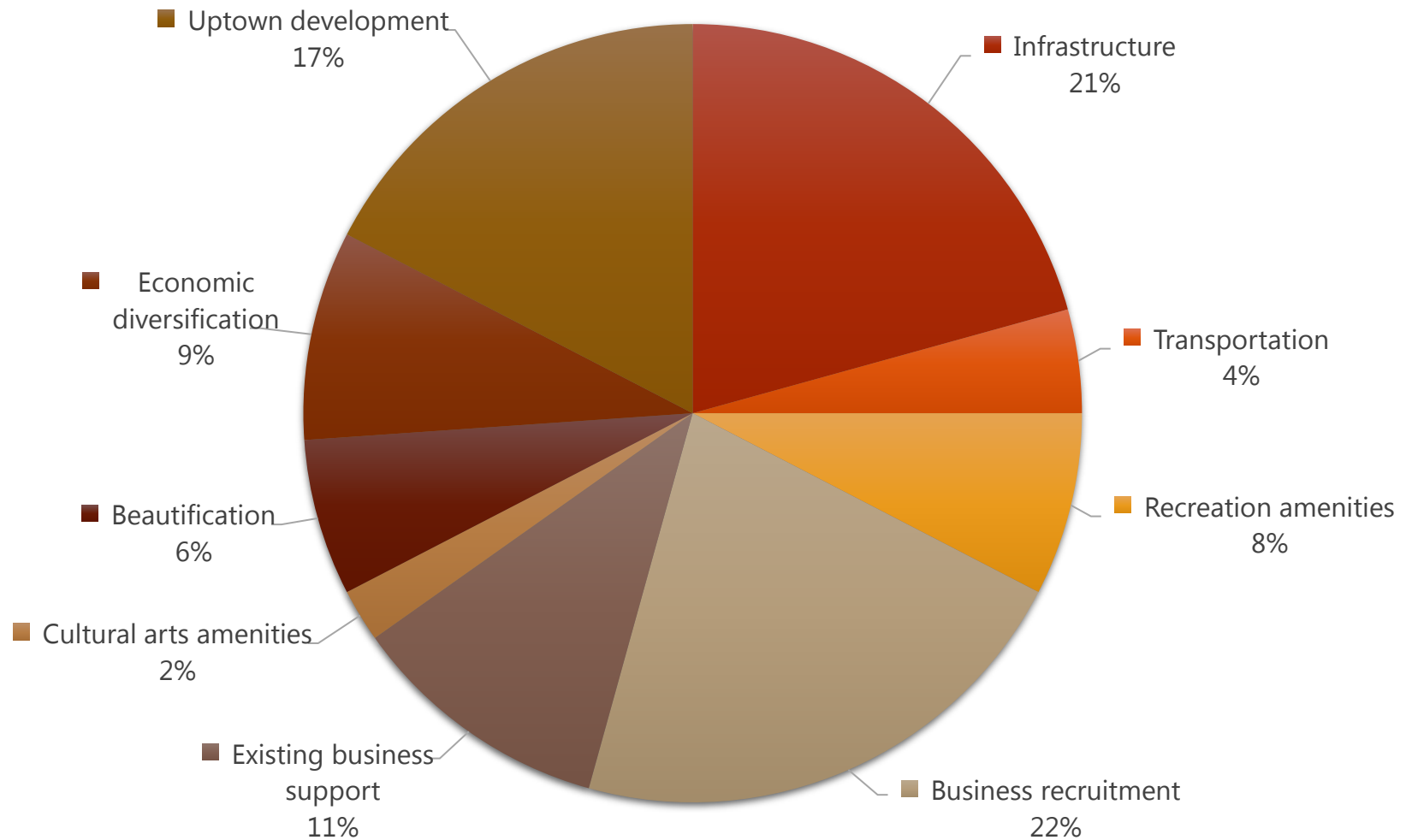
**Rank order the following economic development strategies in order of importance with 1 being the most important.**



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



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



# Appendix C: Study Sponsor and Consultant

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ElectriCities of N.C. Inc. sponsored the City of Shelby Economic Development Strategic Plan. ElectriCities economic development offers a variety of services to promote NC Public Power communities to businesses and economic developers. We 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



Creative Economic Development Consulting, LLC, provides strategic planning, product development, organizational development, social media, and economic impact analysis services to communities. Creative EDC is an innovative firm that owns three proprietary programs: Certified Entrepreneurial Community®, CreativeSiteAssessment.com, and Certified Industrial Buildings. Creative EDC supports ElectriCities economic development programs through strategic planning and the Smart Sites initiative.