

SITE Selection ONLINE

TOP MICROPOLITANS OF 2007

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Newcomer Claims Checkered Flag

**Thomasville-Lexington unseats entrenched incumbent to become
the nation's No. 1 Micropolitan Area for corporate projects.**

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For **Richard Childress Racing**, winning the Daytona 500 happens not just at a Florida speedway on Sunday. It occurs Monday through Friday as race teams research, develop and produce the technological advancements needed to give their drivers the winning edge.

The fact that RCR engineers and technicians do most of that work at an industrial facility in the small North Carolina town of Welcome is no accident. Just like the meticulous strategy that RCR employs to enter Victory Lane, economic developers in Davidson County use innovative methods to win corporate expansion projects.

In 2007, these economic developers did their job so well that they propelled the Thomasville-Lexington Micropolitan Area to the No. 1 spot in *Site Selection's* annual ranking of small towns. By capturing 30 corporate real estate projects that meet the criteria for inclusion in the Conway New Plant Database, the Thomasville-Lexington micro area beat out every other small town in the nation to claim the checkered flag.



Richard Childress Racing is expanding both its corporate headquarters and manufacturing plant in Welcome, N.C.



Top States with Most Top Micros

Rank	State	Count
1	North Carolina	11
2	Ohio	10
3	Tennessee	9
4	Illinois	8
T5	Kansas	6
T5	Kentucky	6
T5	New York	6
T5	Alabama	6
T9	Indiana	5
T9	Minnesota	5

Source: Conway Data Inc.'s New Plant Database

Davidson County, home base of this micro area just an hour north of Charlotte, is also home to Welcome, the little city that's home to one of NASCAR's biggest and most successful race teams: RCR.

In 2007, RCR announced two significant projects in the area: an \$8-million expansion of its corporate headquarters and Sprint Cup shop, adding 55 employees and 93,000 sq. ft. (8,640 sq. m.), and a \$1-million expansion of its manufacturing plant, adding 20 workers and 25,000 sq. ft. (2,323 sq. m.).

Based in Welcome since 1986, RCR now occupies 500,000 sq. ft. (46,450 sq. m.) of shop space on site. "This is basically where Richard Childress was born and raised, just outside the Winston-Salem area," RCR spokesman David Hart says. "He just wants to give back to the local community."

Being located in a county of just 157,000 people makes sense for many reasons, Hart notes. "People want to be here and they make an effort to be here. Rolling your

tool chest from one race shop to another just doesn't happen here," he says. "Being pretty much the only major race team in town helps our security and guards our trade secrets. You are not going to the same places for lunch as the other race teams."

The expansion is designed to consolidate what were once 15 separate buildings on site and to make room for the addition of a fourth racing team in 2009. RCR currently fields three teams in NASCAR's premier division, the Sprint Cup series: the crews of drivers Kevin Harvick, Clint Bowyer and Jeff Burton. RCR also fields three race teams in the NASCAR Nationwide Series.

Harvick, the 2007 Daytona 500 champion, anchors a team that has earned more than 150 victories and 10 NASCAR championships, including six in the former NEXTEL Cup series with the late Dale Earnhardt Sr.

Job One: Win Championships

Hart says the growth is aimed at putting more RCR drivers in the winner's circle. Since 1999, the firm has either built a new building or renovated an existing facility in all but one year. The company recently purchased additional land, increasing its footprint from 35 to 50 acres (20 hectares), to allow room for more expansions.

While RCR is the racing team juggernaut in the Thomasville-Lexington market, Hart says the motorsports industry is growing rapidly throughout the county. "Rohrig, which makes shocks and suspensions, just moved here, and JKS Motorsports just moved to Lexington from Winston-Salem," he says.

Located just 45 minutes from the famed Lowe's Motor Speedway in Concord, RCR is always only a short drive away from one of the best "test tracks" in the business.

Motorsports, ironically, is a big reason why Thomasville-Lexington unseated North Carolina's Statesville-Mooresville from the top spot of the micropolitan rankings this past year. Just a little over an hour away, the Iredell County micro known as Race City USA had won the *Site Selection* ranking for three consecutive



2007 Top Micropolitans by Number of Projects

Rank	Micropolitan Area	Count	Rank	Micropolitan Area	Count
1	Lexington-Thomasville N.C.	30	T38	Cortland N.Y.	4
2	Statesville-Mooresville N.C.	21	T38	Lumberton N.C.	4
3	Wooster Ohio	17	T38	Defiance Ohio	4
T4	Daphne-Fairhope Ala.	14	T38	Grants Pass Ore.	4
T4	Tupelo Miss.	14	T38	Pendleton-Hermiston Ore.	4
6	Findlay Ohio	11	T38	Newberry S.C.	4
T7	Effingham Ill.	10	T38	Cookeville Tenn.	4
T7	Ottawa-Streator Ill.	10	T38	Greeneville Tenn.	4
9	Batavia N.Y.	9	T38	Watertown-Ft Atkinson Wis.	4
T10	Alexandria Minn.	8	T62	Scottsboro Ala.	3
T10	Moses Lake Wash.	8	T62	Charleston-Mattoon Ill.	3
T12	Keokuk-Fort Madison Iowa-Mo.	7	T62	Sterling Ill.	3
T12	Angola Ind.	7	T62	Huntington Ind.	3
T12	Grand Island Neb.	7	T62	Clinton Iowa	3
T12	Watertown-Fort Drum N.Y.	7	T62	Newton Iowa	3
T12	Fremont Ohio	7	T62	Emporia Kan.	3
T12	Wapakoneta Ohio	7	T62	Garden City Kan.	3
T12	Pottsville Pa.	7	T62	Winfield Kan.	3
T19	Cullman Ala.	6	T62	Frankfort Ky.	3
T19	Talladega-Sylacauga Ala.	6	T62	Madisonville Ky.	3
T19	LaGrange Ga.	6	T62	Mayfield Ky.	3
T19	Ogdensburg-Massena N.Y.	6	T62	Morgan City La.	3
T19	Plattsburgh N.Y.	6	T62	Adrian Mich.	3
T19	Forest City N.C.	6	T62	Fergus Falls Minn.	3
T19	Kinston N.C.	6	T62	Red Wing Minn.	3
T19	Zanesville Ohio	6	T62	Mexico Mo.	3
T19	Humboldt Tenn.	6	T62	Fremont Neb.	3
T28	Rochelle Ill.	5	T62	Washington N.C.	3
T28	Parsons Kan.	5	T62	Wilson N.C.	3
T28	Manhattan Kan.	5	T62	Sidney Ohio	3
T28	Glasgow Ky.	5	T62	Guymon Okla.	3
T28	Paducah Ky.-Ill.	5	T62	McAlester Okla.	3
T28	Columbus Miss.	5	T62	Ponca City Okla.	3
T28	Laurel Miss.	5	T62	Roseburg Ore.	3

years. In 2007, Statesville-Mooresville placed second, albeit with a still-strong showing of 21 corporate facility projects.

Steve Googe, executive director of the Davidson County Economic Development Commission, says success in recruiting racing technology companies has led local officials to make a bold play for an even bigger prize in the world of cars and trucks.

"We are diligently working to create a mega-site that we would like to market to an automotive assembly facility," Googe tells *Site Selection*. "We want in five years to have an automotive plant here in our area, as well as the groups of suppliers that come with such an operation. Along with focusing on our core strengths, including advanced manufacturing and wood products, we think that automotive, metal fabrication and electronic assembly will grow here."

For nearly a century, Thomasville and Lexington built their names by making and selling furniture to the world. The two cities still do a lot of that, but Googe says industrial diversification is well under way.

thers Are Saying

ultz, author of *Boomtown USA*, on the ville-Lexington Micropolitan Area: "The message of both this community and Statesville- is that both succeeded in the long run because ped a strong manufacturing base. Companies :able going there because of the strong work ommunities have to continually reinvent You can't rest on your laurels ... You always ceed as though you are on the bottom of the

aire Tice, chair of the Mooresville-South Iredell Economic Development Corp., the organization g the No. 2 micropolitan area for 2007: "Our e seems to be our No. 1 benefit that we enjoy ave one of the lowest *ad valorem* tax rates in ina. We strive to provide the best benefits at ost, and that is pleasing to our larger

ider, president of the Wayne County (Ohio) nic Development Council, the organization g the No. 3 micropolitan area for 2007: "It ost like a cliché, but there is a level of that exists here that I haven't seen in other has a lot to do with businesses feeling : in locating here. The second part is that

T28	Lincolnton	N.C.	5	T62	Chambersburg	Pa.	3
T28	New Bern	N.C.	5	T62	New Castle	Pa.	3
T28	Tullahoma	Tenn.	5	T62	Corning	N.Y.	3
T38	Alexander City	Ala.	4	T62	Dunn	N.C.	3
T38	Selma	Ala.	4	T62	Shelby	N.C.	3
T38	Blytheville	Ark.	4	T62	Lancaster	S.C.	3
T38	Marion-Herrin	Ill.	4	T62	Orangeburg	S.C.	3
T38	Mount Vernon	Ill.	4	T62	Seneca	S.C.	3
T38	Kendallville	Ind.	4	T62	Athens	Tenn.	3
T38	Marion	Ind.	4	T62	Dyersburg	Tenn.	3
T38	Warsaw	Ind.	4	T62	Lawrenceburg	Tenn.	3
T38	Pittsburg	Kan.	4	T62	Lewisburg	Tenn.	3
T38	Danville	Ky.	4	T62	Newport	Tenn.	3
T38	Alma	Mich.	4	T62	Andrews	Texas	3
T38	Brainerd	Minn.	4	T62	Martinsville	Va.	3
T38	Mankato-N. Mankato	Minn.	4	T62	Staunton-Waynesboro	Va.	3
T38	Sedalia	Mo.	4	T62	Clarksburg	W. Va.	3
T38	Beatrice	Neb.	4	T62	Marinette	Wis.-Mich.	3

Count includes new and expanded facilities. Source: Conway Data Inc.'s New Plant Database.

"You have to look at history to determine where your future is," he says. "We were very reliant on major manufacturers that would employ 4,000 to 8,000 people in our county. Our community rode the back of the furniture industry for 80 years, and when that changed, it was quite a shock."

The Fast Track to Recovery

From 2000 to the end of 2006, the community lost about 7,500 jobs, most in the textile and furniture sectors. But out of loss came opportunity.

"Duke Energy and Norfolk Southern assisted us with time and personnel and money. Initially, we worked with a lot of very small companies to relocate them to 10 million sq. ft. (929,000 sq. m.) of old textile and furniture plants that had been sold to developers," Googe says. "Today, companies are moving into these spaces and leasing them at rates under \$3 per square foot. We have been able to occupy these buildings with distribution facilities, small manufacturers and incubators. Small businesses can get a very reasonable rate here. Plus, people are looking for skilled labor that's unemployed."

The result was a huge payoff in 2007, as 30 large corporate industrial projects were announced countywide. The largest capital investment came from **Unilin Flooring**, which announced a \$30-million factory expansion in Thomasville. The biggest employment generator was **U.S. Xpress Inc.**, which is creating 700 jobs in trucking and logistics at a new distribution center in Lexington.

The projects aren't coming just from American firms. "We have seen a tremendous amount of European and Asian companies coming to this area," says Googe. "**Arneg**, an Italian refrigeration company, is building a \$20-million plant and bringing 181 jobs to the county."

And what does Googe plan for 2008?

"We have had a tremendous number of prospect visits and inquiries

really value the work force here. We are not so
l from our agricultural heritage. The work force
give a hard day's work for a day's pay."

already this year," he notes. "Those projects typically take from 12 to 24
months to come to fruition. So for us, the real success will probably come
in 2009 and 2010."

In other words, around the time that Richard Childress fields yet another
team capable of winning the Daytona 500, look for the Thomasville-Lexington area to make another run at victory lane for
small towns.

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[TOP OF PAGE](#)

[Top of Page](#) | [Letter to Editor](#) | [Site Selection Online](#) | [SiteNet](#)

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