**Person County, NC:**
Planning for Economic and Fiscal Health
Report and Suggested Next Steps
Building Blocks for Sustainable Communities Program

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**Introduction**

Pursuant to our technical assistance award with Person County, this Memorandum constitutes Smart Growth America’s final report summarizing the workshop on Planning for Fiscal and Economic Health and suggesting possible next steps the county could take to craft a vision for Person County’s future development.

Representatives from Smart Growth America (SGA) met with county and municipal leaders and residents on December 2 and 3, 2014 to provide assistance under the Planning for Fiscal and Economic Health tool, supported by a grant from the U.S. EPAs Building Blocks for Sustainable Communities program.

The first day of the workshop featured a presentation open to the public that provided an overview of the fiscal and economic impacts of different development patterns, focusing the fact that some development patterns do a better job of supporting community economic development goals and can be served more efficiently by local government.

The second day of the workshop brought together an invited group of over 50 stakeholders. The group included diverse representatives from the city, county, nonprofit and private sector. From Roxboro, the mayor, city manager and assistant city manager attended. Leadership from the following city departments and agencies also attended:

- City Planning Board
- Economic Development Commission
- Planning Department
- Police Department
From Person County, the county manager, assistant county manager and three of the county commissioners were present. Leadership from the following county departments and agencies also attended:

- Department of Inspections
- District Attorney
- Economic Development Department
- Finance Department
- Health Department
- Human Resources Department
- IT Department
- Parks and Recreation Department
- Person County Schools
- Planning Board
- Planning Department
- Public Library
- Tourism Development Authority

Other key stakeholders with leadership in attendance included:

- City of Greensboro
- Kerr-Tar Regional Council of Governments
- Local private sector (banks, real estate, small business)
- North Carolina Cooperative Extension Service
- North Carolina State Senator
- North Carolina State University
- Person County Democratic Party
- Person County Republican Party
- Person County United Way
- Piedmont Community College
- PSNC Energy
- Research Triangle Regional Partnership President/CEO
- Timmons Group

The invited group viewed additional presentations and also participated in facilitated brainstorming sessions to more deeply identify challenges and opportunities associated with encouraging the development and redevelopment of key sites in the city and county.

Through the two-day program, Person County leadership was able to engage community stakeholders around the ways in which development patterns, design and strategic infrastructure investments can make the county and the City of Roxboro more competitive and reduce taxpayer burdens. The intent of the workshop was neither for Smart Growth America to create a plan nor bind the community to any particular course of action, but to assist community efforts to create a more vibrant, successful region, consistent with the goals of their adopted plans.
Need for assistance

Person County applied for assistance from SGA to explore how smart growth strategies could help them achieve synergies in planning for anticipated residential growth and encouraging economic development. In particular, County leadership were interested in evaluating opportunities and challenges associated with three targeted development sites, namely:

- Uptown Roxboro/Madison Boulevard
- Timberlake/Old Helena School District/U.S. Route 501
- A 1,350-acre potential business park site outside Roxboro

The built environment and fiscal and economic health

Communities around the nation are always concerned about their fiscal and economic health. By fiscal health, we mean a local government’s bottom line: Does the life-cycle cost of new development—upfront infrastructure, ongoing service provision and eventual repair and maintenance—cost more than it brings in tax revenue? By economic health, we mean the general economic well-being of the community: How does new growth and development add to or detract from the creation of delivery of services, economic competitiveness, fiscal efficiency and sustainability, jobs, jobs access, retail sales, and wealth?

In approaching these questions in Person County, as in any part of the country today, it is important to bear three trends in mind:

Our nation’s demographics are changing in a way that is profoundly affecting the housing market.

Demographic trends are moving the housing market strongly away from conventional suburban housing. The two biggest demographic groups in the nation – retiring Baby Boomers and so-called Millennials (18-30-year-olds) are both expressing a strong preference for a more walkable, urban/village lifestyle, as we found in Uptown Roxboro and its surrounding residential neighborhoods. Indeed, a growing percentage of Millennials prefer to live without cars altogether or to live a “car-lite” lifestyle. The vast majority of net new households being formed have no children at home, and most of them are one and two-person households – which are much more likely to prefer a walking lifestyle. Furthermore, the number of vehicle miles traveled (VMT) has fallen below population growth, while the demand for public transportation has been rising steadily. These trends are a complete departure from those experienced for decades in the 20th century.

The formula for economic growth is changing.

Business growth used to be driven by large corporations that operated in a fashion that was both private and linear. In the past, new research breakthroughs occurred in sealed research laboratories controlled by the companies. Manufacturing and other business processes occurred in assembly-line situations. These conditions led to communities that featured large, sealed-off
campuses and tended to be linear in their arrangements.

Today, business growth is driven by collaboration among many types of entities – private companies, research institutions, universities, and others – that must interact frequently and work together creatively. This trend requires cities and communities that encourage interaction and collaboration – the opposite of the older model just described. How communities are designed directly impacts their ability to create interactive and collaborative environments.

Most significantly, the “Knowledge Economy” depends heavily on skilled workers. The companies that are driving innovation are pursuing highly educated talent, especially among the ‘Millennial’ generation. Increasingly, companies find it necessary to locate in places that the workforce wants to live in; and this means walkable communities.

Similarly, the market for retail is changing. The suburban shopping malls and “power centers” that thrived for decades are struggling as a result of oversupply, and a shift in preferences. With online buying playing a bigger role for consumers (especially for bargain hunters), many are looking for a more “authentic” experience when they shop in person. This is bringing new value to traditional walkable Main Streets.

**Suburban development patterns are making it more difficult for local governments to balance their budgets.**

Suburban development patterns require extensive investments in capital infrastructure and ongoing service delivery. Low-density development requires more infrastructure to serve fewer people and requires service providers such as firefighters and school buses to travel farther. More compact development patterns reduce both life-cycle infrastructure costs and operating costs.

A 2013 study by Smart Growth America, *Building Better Budgets: A National Examination of the Fiscal Benefits of Smart Growth Development*, concluded that, compared to conventional suburban development, smart growth patterns can save up to one-third in upfront infrastructure cost and 10% annually in ongoing operating expenses. Smart growth development patterns can generate approximately 10 times more revenue on a per-acre basis.

Not all of these trends will be completely relevant in every situation. But it is important to bear all three in mind in considering the fiscal and economic health of any community.

**Participant viewpoints**

The concepts described above were elaborated upon in the presentation portion of the workshop, which was followed by a general discussion session among all participants. For this discussion, the point of departure was the following workshop objective (as expressed by the County on planning worksheet):

“To help local leaders and community members identify how Person County can manage growth and economic development in such a way that our strategies for these two issues complement one another and both contribute to the vision set forth for Person County in the Person Futures Strategic Plan.”
Participants engaged in a robust dialogue and offered their thoughts on opportunities and obstacles that may impede progress in the region. Discussion occurred first in plenary, followed by small-group brainstorming. There were nine groups, with three focused on each of the targeted development areas (Uptown Roxboro/Madison Boulevard; Timberlake/Old Helena School District/U.S. Route 501; and a 1,350-acre potential business park on an unspecified site outside Roxboro).

Across the tables focused on each target area, a number of issues and possible action plans emerged.

**Discussion of issues and possible action plans**

**Uptown Roxboro/Madison Boulevard:**

- Need for enhanced connectivity and pedestrian infrastructure.
- Importance of improved sidewalks and crosswalks, way-finding features, and other elements to support the walkable environment.
- How to market Uptown Roxboro as a destination, to bring in more customers to support local businesses, and generate more revenue for the community.
- Additional specific ideas included establishing a senior center, a youth center (or some combination), making Wi-Fi available in all public spaces and buildings, and improving fiber optic infrastructure.

**Timberlake/ Old Helena School District/ US Route 501 Corridor:**

- Relative proximity to Durham suggests the possibility of increasing development demand in coming years. This raises questions of the capacity of the transportation system.
- Need to explore the nature of the development mix: What will the market support, and what does Person County desire?
- Clear need to explore market opportunities in relation to the potential role of the airport.
- Need to further study The Old Helena School District as a distinct location that could potentially be developed as a “village” area.
- Need to explore the long-term role of agriculture in the area, with a preservation of farm uses a possible goal. In part, this reflected recognition of increasing interest in high-quality, locally produced food. (In this sense, increased “urbanization” – in the form of revitalized, and perhaps intensified town centers – and revitalized rural areas – in the form of restored and diversified local farming – can go hand-in-hand. Access to fresh foods being an attraction to new, younger town dwellers.)

**Potential 1,350-acre business park:**

- Strengths like access to water and high-quality electric power could provide the potential for the recruitment of an advanced manufacturing facility, which could bring jobs and revenue to the County, and perhaps promote secondary businesses.
- Need for a master plan to guide any such development and connect it to other key centers of activity.
- Need to identify what industries would be desirable to accommodate, as well as distinguishing the impact of different job types, such as those that may be temporary (i.e., facility construction-related) and those that represent permanent or long-term employment.
• Explore value of possible expansion of “Green” industry in the County.
• Certain desirable types of business, successful recruitment and retention could depend on better education of the workforce.
• Need for marketing the area to potential firms; not only the value of the business site, but the ways in which quality of life could be connected to a decision to locate in Person County. This would mean tying in the lakes and other amenities the area has to offer.

Recommendations

Person County has many strengths on which to draw in planning for future growth and development. The County made a good start with the Person Futures Strategic Plan adopted in 2010. Now, as it prepares an economic development strategic plan, it seeks to deal with the twin pressures of rising demand for residential growth in the south end, and the need to foster new commercial development to provide employment and strengthen the tax base. The economic strength of Durham and the Research Triangle area to the south of the County presents both pressures and opportunities for Person. The challenge is to tap into the opportunities, while not being overwhelmed.

As is the case in most growing communities, the biggest challenge in managing growth is to avoid haphazard, sprawling development that is ultimately unsustainable. The key to development that is sustainable (economically and environmentally) is to focus growth in a limited number of areas, emphasizing compact form and walkable design to the greatest extent possible. While it may seem paradoxical, the fact that Person County has so much land that could potentially be re-developed is one of the difficulties that must be faced. Establishing development priorities, and aligning all policies with those priorities is a both a technical and political challenge for any community. The County should consider strategic investments to enhance existing development to capitalize on the fiscal and service efficiencies associated with compact development and to maximize the utilization of existing infrastructure. Redeveloping vacant and abandoned buildings in existing developed areas provides a great opportunity for economic expansion and enhanced local government revenue.

In thinking about those priorities, the key importance of Uptown Roxboro for the long-term success of the Person County economy cannot be overemphasized. It represents a unique asset that, properly positioned, can be the leveraged to take advantage of market trends to attract the skilled professional workforce that firms are looking for in considering business locations, and to boost travel and tourism.

It is important to recognize that there can be tension between efforts to foster a revitalized downtown as the anchor of future economic growth and fiscal health, and continued emphasis on peripheral development based on highway-visibility. For best outcomes, it will be important to anticipate those tensions in whatever next steps Person County takes to improve its economic base.
General recommendations

Focus your effort.

Work to make one small area (not more than 25-75 acres) a success. Pick an area with promise; create a development program using some of the actions discussed and start working on its implementation. Bring all tools to bear to make it a near-term success. This could include pooling funding resources and channelizing them toward relevant actions and the outlined development program components. Long-term vision is very important, but its ultimate achievement requires a strategy for near-term successes.

This does not necessarily mean working on ‘one-and-only-one’ place within the County. However, a common mistake made by many communities is to pursue economic development in too many places at once. In fact, most counties have too many “opportunities,” not too few. That is to say, they have many more targets for potential development than the pace of economic growth is likely to support. By trying to accommodate all of them, they tend to dilute efforts to create high-value places. As a result, they may never achieve the benefits (in terms of government revenue generation and more efficient expenditures, quality of life, and long-term economic prosperity) that development based on placemaking promises. Thus, it is important to prioritize development locations and devote significant, coordinated and concerted effort to making at least one work.

With regard to the three identified focus areas, it might be possible to have a target in each. The point is to recognize that each of the three areas is quite large. If efforts and initiatives are too dispersed, the necessary synergies may not be realized. Concentrating efforts in a particular target location will make success more likely.

This should be especially considered in utilizing funds set aside for economic development incentives.

Base your plans for implementation on the best information.

Two types of analysis may be valuable in the near term.

Fiscal analysis. Consider commissioning a fiscal study to analyze the relative contribution to revenues (on a per-acre basis) of different areas of the County in order to better inform policy and investment decisions. An analysis of this type will often reveal tremendous disparities in “return on investment” of tax dollars. Specifically, it will be of interest (and possibly surprising) to examine the current performance of parts of Roxboro and the US 501 corridor.

Market studies. Commission additional market studies – both focused and big picture. Focus on the potential of specific sites under consideration, and of the kind of activity you want to attract. (E.g., advanced manufacturing; housing for young professional families; airport uses; etc.) For the big picture, get a realistic assessment of the likely scenarios for economic growth in the region. Ask how much of projected regional growth Person County would have to win in order to realize all the goals of its development plans. (Alternatively, generate a forecast for the annual absorption that Person County is likely experience, and ask how many years it would take to achieve plan goals.)
**Make it easy.**

Look for ways to make it easier for businesses and developers to do what you want done. Simplify the process for desired outcomes. Consider changes to administrative processes, local development codes, and related ordinances. Explore process re-engineering for things like permit approval. The City’s ongoing Unified Development Ordinance process is an excellent opportunity to “make it easy.”

An active downtown district or main street can become a valuable destination, generating a large net tax benefit to local government. In general, such areas produce a high return in taxes per acre, while demanding comparatively little in services, like public school costs. The more attractive the district is (both visually and in terms of the availability of amenities), the more it draws activity, the greater the return to both private land owners and the governments to whom they pay taxes. These are reasons to allow a more active, pedestrian-generating mix of uses, with some higher densities and greater height, in target areas. The creation of such an environment is, however, often impeded by local ordinances.

Existing zoning codes often force development into suburban, car-oriented patterns, rather than the walkable environment needed for an attractive town center. Inappropriate setback and parking requirements are typically major problems. They can sometimes be relaxed through site-specific granting of exceptions, but this can be cumbersome and discourage applications from developers. One option increasingly used in communities around the country is the substitution, or overlay, of a form-based code. This lets citizens, landowners and developers know what is expected, and it simplifies the approval process for everyone.

As another example, many communities have ordinances regulating commercial signage that may be too restrictive. Inappropriate regulation can be a significant problem, especially for the small, entrepreneurial businesses that are important to generate active street life and create the sense of place that you are trying to establish. This includes things like the amount of signage allowed per building, the placement of business names on awnings, and the use of A-frame signs placed outside of shops. Some local codes may not prohibit sidewalk restaurant seating, but may make it very difficult in practice. Some restrict the appearance of product names on the umbrellas used to provide shade for outdoor seating. It is probably worth asking businesses what regulations are most inhibiting and asking yourself how important those regulations really are to the well-being of the community.

On the administrative side, the process for permitting in many localities can be difficult, time-consuming, and unnecessarily costly, raising the cost for development that the city desires. Opening a dialogue with affected stakeholders may reveal areas where improvement can be made that maintain the city’s obligation to protect health and safety (that is, the reasons for having permit requirements in the first place), while easing compliance for developers.

**Specific recommendations**

1. **Take further steps toward a revitalized uptown for Roxboro.**

The establishment of a vibrant, prosperous uptown is a long-term proposition, involving both public and private investment. Roxboro has some good infrastructure already in place, notably a well-laid out street grid, with a number of valuable legacy buildings, as well as blocks ready to receive new
development when that becomes economically viable.

*Complete Streets.* Give attention to the streets; deploy the “Complete Streets” concept throughout the focus areas. Ensure quality sidewalks, safe crossings, amenities like street trees and lighting, minimal curb cuts for traffic, provisions for bicycles, etc. Seek funding for improvements consistent with Complete Streets principles through existing formula and competitive grant programs.

*Leverage existing assets.* A good example is the old theater that the county owns and is developing as a multi-purpose arts venue with gallery space and space for additional performing arts.

*Events.* Use events, especially in the early and intermediate stages of revitalization, to draw people to the target places, and as a basis for community organization, and to shift popular thinking about the place. Street festivals; outdoor movies; music and other live performances; sporting events and competitions: Coordinated, promoted, and packaged, they can contribute to an identity for the community, and help to support larger economic development goals. In partnership with local businesses, they can help to boost sales.

2. *Establish an on-going dialogue among stakeholders.*

To work towards success, there is a need to foster partnership across government, business, landowners, and citizens. It may be worthwhile to consider whether new partnership institutions should be established (or enhancement of those that may exist) that would bring together business and government, private agencies and non-profits, and citizen representatives. (These could be designated for each of the three focus areas, or for some fraction thereof. They need to be focused on an area small enough to generate real change and synergy, but large enough to have “critical mass.”)

A range of organizational types are found in communities around the US, from small downtown revitalization organizations run as non-profits (typically with some kind of joint sponsorship by government and the business community), to business improvement districts (BIDs) that have access to dedicated revenue sources (which may be derived from local taxes, such as a property tax add-on, approved by property owners within the district). Such groups help to bring focus to a downtown or main street district, ensure that its needs receive consistent attention, and help to provide a sense of identity for the target area.

These organizations could have several roles, including providing a non-threatening venue for different sectors to engage each other, thereby helping to improve communication and understanding across the sometimes contentious interests of local businesses, land owners, developers, neighborhoods and government; advocating on behalf of the district, both to the general public and in official processes; promoting local businesses; and perhaps most importantly of all, providing place management services. Place management services includes staging and promoting events (weekend festivals, lunchtime concerts, evening open-air movies, etc.); sponsoring ongoing activities (like farmers’ markets, “first Fridays”, etc.); and supporting cleanliness, maintenance and security within the district.

A question to be determined is whether the Roxboro Development Group might perform some or all of these functions, or whether other existing institutions might be utilized, or whether a new organization needs to be created. There isn’t necessarily one perfect approach; the important
thing is to agree on the specific functions, and get them assigned to one or more organizations, so that for each there will be "ownership."

3. Special considerations for the Timberlake site.

The Timberlake area has many diverse opportunities, and the need to focus the county’s energy is apparent. The Old Helena School and the airport are the largest public assets in the area, but are not close enough to support one another. Timberlake’s location as the part of the county most proximate to Durham, and thus most prone to suburban development, and the emerging local agricultural industry appear at first blush to be mutually exclusive.

An emerging trend in residential development is to develop around an agricultural amenity, much like neighborhoods used to be located around a water feature or a golf course. A potential opportunity the county might want to explore is blending the emerging local food movement with the demand for residential development. The area around the Old Helena School is already a village, and that settlement pattern could serve as a focus for value-added business supporting local agriculture. The old school could serve as a business incubator, perhaps with a focus on local food.

4. Special considerations for the potential 1,350-acre business park.

In planning for a possible advanced manufacturing facility, or any business/industrial “park”-type venture, it is essential to carefully consider and plan for the relationship and connections to Roxboro, and other centers of settlement and activity. Where will people who work at such a facility live, and how will they travel to and from their work? How can you make it easy for people who work at what may be a remote or isolated location to minimize the other travel in their daily lives? Can you use the development as an opportunity to create new transit options, so that it will not be entirely auto-dependent, and to reduce the demand on your highway infrastructure? Even – or especially – if it is successful, much planning and difficult policy decisions must be taken early on, if such a development is not to become an engine of sprawl, undermining its benefits to the County.


“Why urban demographers are right about the trend toward downtowns and walkable suburbs,” Kaid Benfield, bettercities.net, February 28, 2014.


“What to Do with Empty Big Box Stores,” Sarah Schindler, sustainablecitynetwork.com, February 12, 2014.


The full report can be downloaded at, http://www.smartgrowthamerica.org/building-better-budgets.