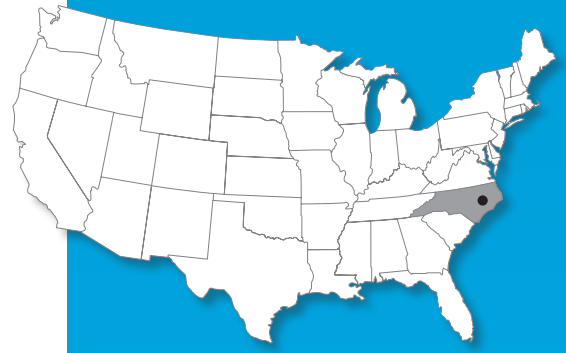


Farmville, North Carolina



	Farmville
Population (2000)	4,300
Municipal budget (2006)	\$12.8 million ¹³⁰
Per capita income (2000)	\$20,600
Median household income (2000)	\$29,200
Poverty rate (2000)	21%
Minority population (2000)	53%
Proximity to urban center	15 miles to Greenville, N.C.
Proximity to interstate highway	25 miles
Strategic approach	Industrial development Business retention & expansion Residential development Organizational development
Time frame	1998-2007

In 2004, Farmville was a finalist in the National Civic League's *All American City* competition. Residents of this small rural community boast about their town's big-city amenities, which include an active cultural scene with live performing arts, a bustling Main Street and an innovative four-campus public school. Farmville's recent success has not come without hard work and innovative thinking. Facing declines in traditional industry, this small town – once at the center of the national tobacco industry – diversified and expanded its economy to an extent that makes it the envy of much larger urban neighbors. Through an intensive branding and marketing campaign, coupled with aggressive support for existing businesses, Farmville has become a beacon of hope in the golden leaf tobacco country of eastern North Carolina.

The community and its history

Farmville is a small town in eastern North Carolina situated within close reach of Greenville and Wilson. Even so, Farmville has managed to maintain its individuality and small town feel in the face of growth from these more sizable neighbors. According to the mayor, Farmville is not a bedroom community, but rather a "family room community." Residents tend toward gloating when asked what they like best about Farmville, whether it is the general warmth and safety of town or the ease of living in such a friendly small community. Reflecting the extent to which local residents love their town, several years ago the citizens of Farmville gave

A historically tobacco-dependent community, Farmville ensures its long-term vitality through diversification. Today, furniture, health care, construction, warehousing and service industries can all be found thriving in this small North Carolina town. Farmville invests in local businesses and schools, and markets itself to new industries and residents.

¹³⁰Interview with Richard Hicks, Farmville town manager, March 22, 2007.

a gift to the town. They raised money for and constructed a \$165,000 fountain at the main entrance to town hall. Rather than being a gift *from the town* to the citizens, this was a gift *from the citizens* to the town. Farmvillians are proud of Farmville.

The area surrounding modern-day Farmville was first settled in the mid 1760s, but the town was not formally incorporated until 1872. The first quarter of the 20th century was a period of incredible growth, as the town became a commercial center for the region's booming tobacco industry. At the time, two railroads linked Farmville to the major tobacco markets in Wilson and Durham, and a number of large tobacco processing and warehousing operations set up in town. In the 1920s Farmville was called "the friendliest little town in the state." Through the late 1960s, tobacco sales, processing and warehousing, as well as agribusiness support services, remained central to Farmville's growth and stability. In 1956 Farmville formed the Economic Development Council to begin the hard work of economic diversification. The council was primarily concerned with industrial development.

Today, the historic Main Street in Farmville is hopping with activity. A new restaurant, the Buzz Around Café, recently opened in a refurbished storefront on Main Street. On warm sunny days at lunch time, tables are full and outdoor seating brings activity street-side. Linda Burti owns and operates a jewelry store on Main Street. "Business is great, both from local clients as well as from out-of-town visitors," she said. The downtown Paramount Theater is home to Farmville's Community Arts Council, which stages three or four live performances each year, as well as holding art exhibits and concerts. In terms of downtown merchants, the Main Street anchor is Farmville Furniture, which has been downtown for 100 years. The store has clients across the Southeast, as well as in the Middle East and Europe. These connections – between a small furniture store on Main Street in Farmville and international clients – can be traced back to Farmville's history as an international destination for the tobacco business.

Given its strategic location, 13 miles from the world-class medical facilities at East Carolina University, it is no surprise that health care and social assistance comprise the largest employment sector in Farmville. In addition, the town is home to a large number of construction subcontracting businesses, warehousing and distribution facilities, and a significant service industry. Farmville also has maintained its grasp on several major manufacturing operations, including the North American headquarters for Alliance One, an international tobacco processing operation with 500 employees in its local plant and another 200 in sales and management. A local manufacturer of gas space heaters, Mestec, employs 300.

Residents of Farmville exhibit a strong commitment to volunteerism and community service. In 2004, Gov. Mike Easley recognized the Farmville Area Coming Together for Schools organization, which supports various local school initiatives, for outstanding volunteer service. The local school system is also a major asset. In fact, Farmville is at the forefront of the movement to create neighborhood schools. The local schools, grades kindergarten through 12, sit adjacent to one another, a convenience that is not lost on local residents. "You can drop your children

off in kindergarten and pick them up 12 years later in almost the exact same location,” Lori Drake said. In addition to the convenience, the arrangement facilitates the use of shared resources, and it adds to the feeling of community cohesiveness.

Farmville Municipal Library is one of the few fully town-funded public libraries in North Carolina. Approximately 20 percent of Farmville’s municipal budget goes toward supporting the library, which houses a 24-station, state-of-the-art computer lab. “Our library is very important to this community, and we support it as such,” Mayor Robert Evans said. Further, the town is fortunate to have more than adequate water and wastewater infrastructure. In 1975, Farmville built a new wastewater plant, which has since been upgraded. As of 2007, the facility is operating at only 30 percent of capacity, leaving ample room for expanded operation.

A lot of hard work brought Farmville its progress in community and economic development. In 1996, Farmville was facing a series of threats that are common to small, rural communities. Until the early 1990s, the town’s sole focus in economic development was on industrial recruitment. Although the town had managed to attract and retain a number of manufacturing facilities in tobacco and textiles, these industries were declining. At the same time, Farmville’s closest urban neighbor, Greenville, was growing rapidly and beginning to encroach on Farmville from the east. In addition, the local organizations were not coordinated in working to bring Farmville into the next century. “Economic development has changed,” Evans said. “As the mayor of a small town, I can’t just put somebody in a car and say ‘go find us an industry.’ That is not how things work anymore.”

The strategy

In 1998, Farmville put in place an innovative structure to facilitate economic development. A group of public and private sector leaders recognized the need for a single point of contact for economic development to avoid duplication of effort. They created the Farmville Development Partnership to be an umbrella organization for three existing organizations: the Economic Development Council (established in 1956), the Chamber of Commerce (formed in 1936) and the Downtown Partnership (created in 1994). The concept, Lori Drake said, was “to create a single economic development office that would efficiently use office space, staff, management expertise and funding.”

The Farmville Development Partnership’s governing board is made up of three members each from the Town of Farmville, the Economic Development Council, the chamber and the Downtown Partnership. The town provides \$200,000 annually (in addition to in-kind office space), which is supplemented by chamber and council dues, donations and state/federal grants. All three organizations share an office and a staff of three full-time employees. In conjunction with the town manager’s office, the FDP – through its subordinate institutions – coordinates all of Farmville’s economic development efforts and provides the town with a substantial amount of local capacity.

Given this capacity, Farmville's strategy is to support existing businesses through a coordinated visitation program, small business incubation and an incentive program for residential development; to recruit large and small businesses in a range of sectors with creative incentive programs; and to enhance its support for economic growth with an intensive marketing and branding campaign.

Supporting existing business

Farmville recognizes that, in the words of the town manager, "more than 80 percent of the new jobs and investment in our community comes from businesses that are already here." The town works hard with existing businesses, large and small, to ensure their long-term viability in Farmville. Working with economic developers from Pitt County, the partnership's Lori Drake coordinates a comprehensive business visitation program. Drake ensures that every business in Farmville – large, small, manufacturing, service or retail – gets a visit from FDP. The town hosts an annual industry appreciation banquet and golf tournament. FDP hosts regular Business After Hours events to provide networking opportunities for existing business leaders. In addition, the town is negotiating with Pitt Community College to develop a satellite campus in Farmville to boost local workforce development.

A small business incubator helps entrepreneurial companies reach their potential. In addition to providing businesses space, FDP organizes training opportunities (through Pitt Community College) for companies that locate in the incubator. EMI, a heating and cooling contractor, started in Farmville's incubator before moving into a larger facility across town. It had grown from one employee to eight in just eight months. "The small business incubator is a fantastic thing for a small business owner and for a community," EMI's founder said. "It shows Farmville's dedication to growing and expanding, providing jobs and contributing to the quality of life in the community."

To ensure the town's long-term livability, Farmville provides incentives for a mix of affordable and high-end residential development. Under this program, the town reimburses developers for 40 percent of the total cost of streets, water, sewer, curbs, gutters and storm drainage after a subdivision is completed. "If a new development has 10 lots, after the first house was built and occupied, we would pay two-tenths of our 40 percent share to the developer," explained Richard Hicks, town manager. "After 51 percent of the total lots are built and occupied, we would have reimbursed the developer for our 40 percent." The idea is to create residential infrastructure for local workers to live in Farmville and to attract higher-income residents from Greenville.

Marketing and incentives to recruit new business

The most intense element of Farmville's strategy is to create a brand identity for the town and to market the livability of Farmville – all in an effort to entice new residents and businesses. In 1999, the partnership led a group of citizens through a visioning exercise and chose Farmville's gazebo, a popular landmark, as the image for a new logo. The logo is incorporated into all of

Farmville's marketing materials, banners on Main Street, a community-owned billboard on U.S. 264 and a variety of print advertisements. Farmville's tagline, "Experience our community," also is printed on its marketing materials. In addition, the town invested in a modern and well-designed website. "We believed that because a great deal of preliminary research by business site consultants is now being done online, it was important that we create a portal to Farmville that was convenient, catchy and easy to use," Drake said.

The town has worked hard to build strategic partnerships to distribute its message. Because the Pitt County Economic Development Commission is the primary point of contact for state-level business recruitment leads, Farmville makes sure the town's marketing materials are adequately represented when the commission works with statewide business prospects.

Farmville actively recruits industries in two main categories (1) traditional industries that pay wages above those in the service industry and (2) medical services and retail. The town tailors incentives packages for the situation. To lure Alliance One, the town offered \$5,000 for each new job created, a moderate amount of relocation assistance to certain levels of staff, \$2,500 toward the purchase of new homes for executives and some travel expenses for visiting managers. In another case, Farmville provided a moderate amount of rental assistance to a new small business that moved into a vacant property in town. The town also has a package of retail incentives for businesses on Main Street and a facade grant program for downtown buildings. The incentives serve several ends, from the creation of jobs and tax base to property revitalization and residential development.

Internal marketing – or keeping residents of the community up-to-date about economic development activities – is yet another element of Farmville's success. The town and FDP reach out to residents through local and regional media, the distribution of Farmville's annual report, and sponsorship of local events and celebrations. The town and FDP sponsor an annual Christmas parade, the Dogwood Festival and Hometown Halloween. Events and celebrations give residents a way to celebrate their community, but also draw tourists and, implicitly at least, promote the advantages of living in Farmville. Proceeds from events support a fund for downtown building facade renovations.

The outcomes

Outcomes that can be attributed to Farmville's economic development strategy include:

- From 1998 to 2003, Farmville welcomed 64 new businesses to town (380 new jobs), including small shops and large industries.
- Since 2005, Farmville welcomed six new businesses (with 20 jobs) to Main Street.
- In 2004, Farmville was a finalist in the All American City competition, which is judged on criteria relating to civic engagement, effective community problem-solving and inclusive community leadership.

- From 2000 to 2003, Farmville’s population expanded by 3.8 percent.¹³¹
- From 2001 to 2003, Farmville’s average wage rate grew by 6.8 percent.¹³²
- In 2005, Farmville landed the North American headquarters for Alliance One (450 manufacturing jobs and 200 in sales/logistics).
- Since 1998, local incentives for residential development have resulted in more than 350 new homes that range from affordable to expensive, with corresponding increases in property tax revenues.
- Volunteerism and community participation are rising. The Farmville Development Partnership has an active registry of more than 400 volunteers, and 60 residents serve on town government advisory boards.

How and why the strategy is working

Farmville’s apparent success with its intensive support and marketing approach to small town economic development leads to the question of how and why has this small town in eastern North Carolina been so successful? First, the town put in place an efficient institutional structure to oversee and coordinate economic development activities. At the same time, leaders in Farmville were deliberate about soliciting local support for their efforts, and they have a long history of working hard to diversify their local economy. Finally, Farmville is blessed with strong local leadership that is active in terms of integrating newcomers into the community.

Institutional structure minimizes duplication. FDP – the umbrella organization for the Chamber of Commerce, Economic Development Council and Downtown Partnership – is the single point of contact for any economic development project in Farmville, eliminating duplication of effort. Efficiency is enhanced through a single board that oversees the activities of all four organizations. The town government and FDP coordinate public and private sector resources being directed toward development goals.

Local involvement in economic development strategy formulation. Farmville’s process for devising an economic development strategy involved a cross-section of public, private and nonprofit interests. In 2002, the town manager’s office commissioned the firm Sanford Holschouser to develop a strategic economic development plan. Once the consultants completed their initial analysis, which included dozens of interviews and focus groups with local residents, the town manager called hundreds of residents together for an economic summit. Town residents were divided into subgroups that corresponded to the report’s six main areas of focus: (1) marketing, (2) existing business support, (3) business recruitment, (4) incentives, (5) residential development and (6) retail development. In the process, residents and local officials had an opportunity to shape and refine the town’s strategy.

¹³¹ Sanford Holshouser Business Development Group. “Town of Farmville, North Carolina: Strategic Economic Development Plan.” December 2004.

¹³² Sanford Holshouser, 2004.

Foresighted and ongoing diversification of the local economy. Ever since the mid-1950s, Farmville's leadership has worked to diversify the economy beyond tobacco dependency. In 1956, the town created the Economic Development Council (one of the first in North Carolina), which was charged with attracting a diverse range of industries to Farmville. "Visionary leaders recognized that tobacco could not carry the area's economy indefinitely, and they created the council to help diversify the town's economy," Drake said. Farmville now has more than 2,100 industrial jobs – second most in the county – and a growing base of jobs in the medical and service industries.

Strong local leadership with a global perspective. "The secret of economic development lies with local leadership," said Tom Willis, an expert in economic development in eastern North Carolina and the first director of the Farmville Development Council. The current mayor, town manager, executive director of FDP and dozens of private volunteers form a network of leadership that is unrivaled in communities of similar size. Not only does Farmville have a surplus of dedicated community leaders, but the town has a history of leaders with a global perspective on their community's challenges and opportunities. "People from the tobacco industry traveled around the world as part of their jobs," Drake said. "The industry brought a sense of internationalization to this small town." The linkages between Farmville and the global marketplace are evident on Main Street (Farmville Furniture), in the restaurants and coffee shops (international business people) and in the intensity of the town's marketing effort. Farmville knows that to lure new investment, it must compete on a global scale.

Integration of new residents into the town's civic and social infrastructure. In Farmville, few barriers limit newcomers from integrating into the town's social and civic infrastructure. The mayor and town manager welcome newcomers with a new residents picnic each spring. All of Farmville's elected officials and public leaders attend. This encourages new residents to apply their fresh energy and vitality to civic life. Lori Drake, the leader of FDP, moved to Farmville from out of state a few years ago. Newcomer Charlotte Batton was elected to the town commission. Another newcomer, John Shepherd, directs the arts council. Incorporating newcomers into civic life brings fresh ideas and new perspectives to Farmville's challenges.

What are the lessons from this story?

Respond quickly to local business and industry. Leaders in Farmville, including the mayor, town manager and the executive director of FDP, respond promptly when industries ask for assistance. In 2006, Alliance One was struggling to hire a sufficient workforce. Managers from the company called the town manager and asked if he could help. By the next afternoon, the town had assembled a team of local, regional and state-level workforce resources to assist the company. A few days later, a regional job fair allowed Alliance One to fill its vacancies. "The town's response – and particularly the fact that busy people set aside whatever they were doing to help – demonstrated to us that the town cared about our business and could help," an Alliance One manager said.

Small towns can maintain their character in the face of growth pressures. According to Mayor Evans, the question that Farmville asks is: “How can we use the urban growth from Greenville to our advantage, rather than let it consume us?” Through aggressive marketing, events promotion and determination to develop on its own terms, Farmville has maintained its identity. The town has no interest in becoming a bedroom community. Rather than passively react to the growth from Greenville, Farmville supports and promotes local business growth while also working with residential developers to meet the growing demand for homes and neighborhoods.

Embrace change and evolve. Ever since the 1950s, Farmville has put itself on the front end of shifting economic circumstances. For example, local tobacco barons were willing to adapt and diversify at a time when such behavior was unheard of in other parts of eastern North Carolina. Over time, Farmville’s willingness and ability to change and evolve, rather than to get comfortable and stagnate, has allowed new and innovative approaches to local development to take root.

Never wait for help when you can help yourself. Farmville is not a town that waits around for help to come from the outside. For example, when Hurricane Floyd flooded a residential section of Farmville in 1999, the town purchased 16 residential properties and turned the area into a public park with trails, recreational amenities and exercise equipment. Farmville was the first community to take a proactive and long-term approach to responding to the disaster.

Use multiple tools to achieve multiple outcomes. Farmville employs a variety of incentive configurations that are customized to a particular project. The town will provide incentives for not only job creation, but retail locations on Main Street, facade/property upgrades and residential development. A diverse and customized incentive toolbox is ideal.

Contact information

Richard N. Hicks
Town Manger
Farmville, North Carolina
252-753-6700
rhicks@farmville-nc.com

Robert L. Evans
Mayor
Farmville, North Carolina
252-753-5116