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# INTRODUCTION

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Places are produced and constructed. They do not simply exist; instead, they are dynamically “made” across time and space. Places are defined by the features of their physical geographies, the characteristics of human activity, and the intersection of these two spheres. As places are constructed within a natural and social sense, they are tangled into a network of meanings and values. In order to better understand the process of “making” a place, this thesis examines how one place in North Carolina – Rutherford County – is being produced and marketed through strategies of local economic development.

There are many ways to define Rutherford County, North Carolina. First, Rutherford can be understood in terms of its basic physical location and boundaries (See Appendix A, Figure 1). Located in the foothills of North Carolina, the county is home to 67,810 people, occupies 566 square miles of space, and has an average population density of 120 people per square mile (U.S. Census 2010). The place may also be defined within a cultural sense. The county, for instance, embraces the motto of “small town friendly” through its many towns and miles of main streets. The local Tourism Development Agency has also recently coined the phrase “the front porch of the Blue Ridge” to describe the area’s physical landscape (Rutherford Tourism 2014). A historical lens provides a different understanding of place. Like other places, Rutherford County is rich in history. The county’s history includes historic church buildings, textile mills and their accompanying towns, and contested claims of being the birthplace of Abraham Lincoln (Rutherford County Heritage Council 2005).

The place of Rutherford County is also produced through economic statistics. According to the United States Bureau of Economic Analysis (BEA), for instance, Rutherford County has

experienced small population increases alongside more dramatic declines in employment over the past several years (U.S. Dept. of Commerce 2013, “Interactive Data”). Unemployment statistics have come to define the county, which in 2012 had a 13.3% rate of unemployment (Employment Security Commission 2013). Rutherford County can also be understood through its construction by agents outside of a local scale. The state of North Carolina, for example, has classified the county as one of its eighty-five rural counties and one of the forty most distressed county economies in the state (NC Dept. of Commerce 2013).

Although place-making occurs in various forms and through different mechanisms, there are certain moments in which it is most evident. One of these moments is the case of local economic development and the use of place marketing. Entangled in the idea of place marketing is the notion that a place may be awarded importance and worth through the decision of an external actor. The commonly used phrase “put us on the map” is an indicator of the power relations embedded into the process of place marketing. The phrase reduces the varied characteristics of a place, which are essential for creating its value, to a single moment or agent. Characteristics of a place develop just as much from everyday processes and daily life as they emerge from key events. Place marketing, though, positions a singular economic activity to grant a place its prominence and its position “on the map.”

In respect to this thesis, the act of putting Rutherford County on the map is closely tied to the recruitment of such investments as Facebook and Horsehead Corporation. Facebook, a social networking giant, and Horsehead, a leader in zinc production, announced their decisions to locate in Rutherford County between November 2010 and September 2011. These decisions reflect the work of longer practices directed by government agencies and private sector groups to manufacture a place to be marketed and made attractive to business. Facebook and Horsehead

are relevant case studies because although the two companies represent different industries, both decided to locate in the same place of Rutherford County. A clearer picture of place marketing emerges when examining how such distinct facilities as a data center and a zinc processing plant were attracted by the same place marketing strategy.

The examination of these two firms' interests, however, must be preceded by the question of why Rutherford County would seek these investments. A return to the ways in which the county has been defined economically, both in its past and in its present state, provides a basis for understanding Rutherford's place marketing strategy. The current meaning of place points backwards and forwards to Rutherford County's economic history and the goals for its future. Much of the county is still recovering from the effects of textile departures during the late 1990s and early 2000s. Over a six year period from 1998 to 2004, nineteen major textile layoffs or closings occurred in Rutherford (Barth and Murrell 2004, 8). More recently, between 2003 and 2012, nearly 4,200 Rutherford County employees experienced layoffs or permanent job losses (Greenfield 2013, 11). Although this number represents various employers, 50% of jobs lost between 2003 and 2005 were from textile operations, including Stonecutter Mills, Cone Mills, and International Textiles (Greenfield 2013, 11-12). Unemployment rates fluctuated throughout this period, but beginning in November 2008 the monthly rate of unemployment became a double digit number ranging from 10.0% to 18.9%. The rate did not drop into a single digit number until five years later when in November 2013 unemployment was recorded at 9.3% (Bureau of Labor Statistics 2014).

During this period, Rutherford County was not only experiencing a moment of economic crisis, but also was encountering a crisis of place identity. The textiles and manufacturing base that had previously put the county "on the map" were being abandoned. Vacated mills and empty

commercial buildings were redefining economic development for the county as a distressed economy became the new means by which to attract industry. As the meanings of Rutherford County changed so did its place marketing strategies. A place must, then, be understood within a dynamic and fluid sense. It is not a static creation, but a conception dependent upon long-term, historical processes. When examining the current conditions by which Rutherford County was marketed to Facebook and Horsehead Corporation, it is important to consider the history and culture weaved throughout the conception of Rutherford County as a place.

This thesis is centrally composed around three place-based arguments which are derived from the analysis of how government, business, and community stakeholders are involved with place-making and place marketing processes. The first argument is that place is actively being assessed and marketed in Rutherford County by both government and private sector actors. This argument is reviewed in the second chapter and begins to unveil how places and governments, as opposed to firms, are competing for investment in the capitalist economy. Rutherford County government officials and the state of North Carolina pursue the investment of businesses in order to meet public expectations of job creation and economic growth. Throughout the process of recruiting a company, these government officials are likely to have the most information about a company and its plans for investment. However, during early stages in the process of place marketing, government officials typically have access to incomplete and limited information about a firm's identity. Governments are thus enabled to direct marketing strategies, but not always with complete knowledge of who is consuming their place marketing schemes.

In the third chapter, I present my second argument that the developed place marketing scheme is validated and affirmed as it is consumed by businesses. A review of Facebook and Horsehead and their site selection processes supports this assertion. Facebook and Horsehead's

interests in place stem from the needs of their facilities, which involve such qualities as low cost utilities, the proximity of a river, or the availability of affordable property. Because of the promise of jobs and million dollar investments, Facebook and Horsehead are positioned to determine what is most valuable about Rutherford County and how the county might reappear “on the map.” Essentially, place becomes a commodity granted greatest worth for its existence within an economic value system. As Facebook and Horsehead consume the place marketing of Rutherford County, the definition of place defined by this economic development strategy is reinforced.

Lastly, I will argue in the fourth chapter that businesses should not simply be understood as existing in space, but also as living in place. This argument emerges from a discussion of community members’ perspectives, an analysis of where different ideas of place intersect, and an examination of how community members may participate in economic development decision-making. The fourth chapter also considers how place is currently being negotiated in order to represent both business and community interests. The community arguably holds the least amount of power during the process of place marketing. While a company is recruited, its identity remains a secret and the community does not become fully aware of the process until the company announces its decision. As the new business begins construction and operation of its facility, however, community members are able to negotiate what values and meanings are attached to place, presenting their stake in the health and well-being of Rutherford County. Through this negotiation, community members are also able to begin the process of undoing place’s understanding as a commodity, translating the newly constructed idea of place into lived experience.

Before investigating these three arguments, I review the relevant literature and also provide a more detailed structure of the thesis in the first chapter. The literature demonstrates how the perspectives of these three different stakeholders can be understood together within the framework of place marketing in Rutherford County. The literature review also presents the conceptual foundation for understanding how the space of a capitalist crisis is transformed through the practice of local economic development into a place where values and meanings are negotiated between various actors.



# CHAPTER 1

## **The context of place marketing in Rutherford County:**

### A literature review

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Like any place, the meaning for Rutherford County is relational, constantly changing, and developed from personal perspectives. Despite this dynamic sense of meaning, identifiable moments in longer processes of place-making demonstrate how meaning is constructed and value is manufactured. Place identity has been defined as partially inherited and partially shaped by actions (Hague, Hague, and Breitbach 2011, 254). These actions that shape a place's identity are of primary concern for this thesis and for understanding how processes of local economic development define Rutherford County.

The use of place marketing in Rutherford County is particularly useful for studying the construction of the place's identity. Place marketing refers to selling certain qualities of a place to a target audience of potential 'customers' while also differentiating that place from its competition (Hague et al. 2011, 267). Facebook and Horsehead Corporation's decisions to locate in Rutherford County highlight an important instance of place marketing, providing cases from which this process can be examined. The process for attracting these two companies involves a number of stakeholders entangled in a set of power relations. The government, the businesses, and the community are three of the most significant actors.

The existing literature supplies three apparent themes to consider in relation to each of these stakeholders. In this chapter, I review three literature themes: capitalism and its relation to space, cultural politics and the occurrence of meaning-making and place-making, and the practice of local economic development. Through the literature review, this chapter begins to

situate the practice of local economic development in Rutherford County into a larger theoretical context. Two arguments should remain at the forefront when reviewing the literature. The first recognizes structural causes for development processes. The second understands human agency as a primary motivator for development. Although the locating of Facebook and Horsehead in Rutherford County reflects the influence of such larger structures as a capitalist society, a place-making argument requires the analysis of active actors. In this thesis, the case of place marketing in Rutherford County is largely understood through the recognition of human agents that define a place through local economic development processes.

### **Literature theme: Capitalism and space**

Peter Vandergeest (2003) asserts that “all development projects involve reorganizing the meaning and control of space” (47). Definitions for development exist on a wide spectrum, from concerns about economic productivity to recognizing development as freedom. The actual projects of development can also vary. Development may, for instance, be represented by dam construction in one place and the emergence of a prominent financial center in another. Vandergeest’s assertion, however, demonstrates the very spatial component of development that expands across these ranges. The idea that development may reorganize what space means and also who controls that space largely stems from the literature involving capitalism’s ability to configure space. David Harvey (1990), for instance, writes that capitalism is “a constantly revolutionary force in world history, a force that perpetually re-shapes the world into new and often quite unexpected configurations” (188). Capitalism, then, can be understood through its ability to organize space and produce spatial meanings. Similarly, space may be understood as a site for capital accumulation.

Neil Smith (1984) offers critical perspective regarding the subject of space and its intersection with capitalism. He argues that the concept of space is often taken for granted. Its meaning is viewed as being “unproblematic” when, in fact, the concept of space is vague, with multiple, and occasionally contradictory, meanings (66). In order to curb this tendency, Smith proposes the consideration of a relative conception of space. This recognizes that space does not exist separately from matter, but instead spatial relations are dependent upon associations between “specific pieces of matter” (Smith 1984, 68). This implies that the movement of matter, whether it is humans, commodities, or industrial production, creates the spatial relations that are commonly construed in vague terms.

Capitalism is thus evident in how we understand and explain space. The relationship between space and capitalism should be understood as two-directional. Both affect how the other is valued. Marx, for instance, argues that when a commodity’s “spatial existence is altered” so is its use-values (Smith 1984, 81). Similarly, Smith asserts that space is not an “accident of matter but a direct result of material production” (78). Space therefore does not only organize our perception of commodities, but also develops as a commodity in itself. As Smith argues, capitalism “produces certain distinct spatial scales of organization” (87). This organization creates certain patterns of accumulation and identifiable place commodities such as the urban, financial center or the Third World source of cheap labor. It is also important to note how capitalism employs ‘spatial fixes’ in order to respond to a crisis or slowing growth (Harvey 1990). Spatial fixes can occur by producing new space or by organizing within existing space. A spatial fix implies that space becomes an industrial input used to revitalize production. The idea further situates space as a commodity.

Understanding space as constructed through relations and processes of capitalism serves as a guide from which to analyze business activity. When a business decides to locate in a particular area, certain qualities of a place are reflected through the site selection process. The decision, though, also determines what type of spatial relations will result in the future. When considering Rutherford County and the locating of Facebook and Horsehead to the area, the spatial components of development are essential for a proper evaluation. These specific cases, though, also add to this literature, which is mainly concerned with an overlying process and structure. Facebook and Horsehead represent examples that can be understood beyond this type of structural argument focused on an identifiable pattern of capitalism. The two cases allow for an assessment of the deliberate and strategic decisions made by businesses while also recognizing the agency of firms to alter spatial relations. Neither space nor capitalism simply exists; rather, they are both constructed from human action (Massey 1995; Dumont 1977). Chapter three provides more insight into how Rutherford County serves as a case by which this structural argument is questioned and business is recognized as an active place-maker.

### **Literature theme: Cultural politics, place-making, and meaning-making**

Recognizing capitalism's ability to organize space allows for a questioning of how space and place are constructed within certain meanings. Place is constructed through forces and agents rather than occurring as a simple matter of coincidence. An explanation involving meaning-making and place-making exists, for example, for why an industry locates where it does and why a group may protest such movement. Doreen Massey (1995) argues that "geographies of power" determine how people and events are perceived (194). Although Massey is concerned with migration and the movement of people, her ideas are also applicable at a more general level. For instance, Massey asserts that social space is composed of different relations to place and power

(195). This implies that socio-economic groups relate differently to a place and its associated power, as do businesses and governments. These multiple sets of relations are what form social space, creating contestation through the contrasting ways in which place is given meaning. Doreen Massey (1995), however, is explicit in her belief that such places and geometries of power are products of our own creation. “We have some responsibility for them,” she writes in reference to our actions through voting practices, cultural imaginaries, and patterns of daily life (202). Understanding place in terms of its relation to power and recognizing how places are created by actions, policies, and discourses are two important considerations when analyzing processes that occur within a local dynamic.

Place-making and meaning-making are clearly activated at the local scale. Through zoning and land use policies, local governments are able to directly impact how space is organized and how place is perceived and lived in. Localities are also the spaces upon which daily life plays out and thus are arguably the spaces where meaning is most likely to be attached to place. Eugene J. McCann (2002) uses cultural politics to understand local economic development and the subsequent processes of place-making and meaning-making. He develops his analysis in the context of urban politics in Lexington, Kentucky. McCann uses a perspective from cultural politics, which he defines as “a set of discursive and material practices in and through which meanings are defined and struggled over, where social norms and values are naturalized, and by which ‘common sense’ is constructed and contested” (387). A framework based on cultural politics allows for the consideration of the discourse associated with economic development. Local economic development is often associated with such positive terms as increased jobs, a growing tax base, and million dollar investments. It becomes “common sense” to accept development projects that promise these results. However, economic development

processes, such as place marketing strategies, are actually the sources of these meanings and values. If we are to recognize the active role of place-makers, we must begin with acknowledging the ability of local economic development to construct what a place means.

Essential to McCann's (2002) argument is the recognition that culture and economy are not naturally separate spheres, but instead are "intertwined, socially constructed processes" (388). Inserting the spatial components of both culture and economy adds to the understanding gleaned from Massey's argument that places and power are created. It is also critical to identify the different actors involved in the process of local economic development, recognizing that how place is interpreted informs how a development project is perceived by various stakeholders.

McCann (2002) defines local economic development policy as "a struggle to fix meanings, define values, and (re)shape place through discourse" (389). Although McCann focuses his attention on local forces, this definition is also useful when considering top-down, global structures. James Ferguson and Arturo Escobar have both recognized that development, which is often defined by a larger governmental structure, determines how certain places are represented. Ferguson (1994), for instance, aims to differentiate between development discourse and academic discourse in order to discuss how the portrayal of a place, Lesotho, in a government document differs from reality. Ferguson's concern is with a development apparatus and the development industry. He argues that development agents use "facts" to present Lesotho as a promising candidate for a particular intervention. Critical to Ferguson's argument is the assertion that a least developed country, LDC, must be constructed (28). Although development and its associated discourse are often accepted as a given, Ferguson argues that both must be recognized as deliberate constructions of knowledge that influence the processes of meaning-making and place-making. Escobar's (1995) argument follows suit with this discussion. He

argues that the Third World has been produced through “the articulation of knowledge and power” from the development discourse (12). Through Escobar and Ferguson’s global examples, it is illustrated that a number of agents and structures exert influence on the processes of meaning-making and place-making.

This theme of the literature is important to consider across all three stakeholders, but particularly relates to the community’s perspective. The appreciation of place and its associated meanings are potential spaces of contestation for community members. How a place is defined and how it is presented for development often occurs through government structures. The discourse that emerges from the different scales of government and agencies must be evaluated against the spatial realities experienced by businesses and residents. Objects, whether they are industrial facilities or humans, do not simply exist in space but instead live in place. Place, then, becomes the point of negotiation between different meanings. Chapter four will review how place and its associated meanings have been negotiated in Rutherford County.

### **Literature theme: The practice of local economic development**

Policymakers and local officials are responsible for highlighting locational advantages and for marketing places as profitable sites for investment. Organizations associated with development policy exist at various scales – the state, the region, the county, or the town. The perception of a place is likely to exist within different interpretations, influenced by scale and reflected in the presentation of a particular location’s benefits. An economic development agency often exists in some form as the primary agent of these policies at the local level. Recent research highlights the need to consider the intersection of place and policy and analyze the moments in which a place is marketed for the purpose of local economic development. A recent study surveying government-supported Economic Development Corporations (EDCs) in Texas cities

found an association between the presence of an EDC and lower unemployment (Jarmon et. al 2012). These local economic development agencies tend to be associated with stimulating economic growth, strengthening the environment for small businesses, and reducing unemployment. Such responsibilities may overshadow the actual processes undertaken by these agencies, disguising place advantages as policy initiatives, or vice versa. In research exploring whether “place luck” or policy could explain an area’s economic prosperity, it was found that features of a place mattered, but policies could still impact an area’s economic health regardless of certain place advantages or disadvantages (Reese and Minting 2011). The conditions by which a place is to be marketed therefore must involve human agents constructing both a place and its most appropriate economic use.

David Harvey (1993) offers four reasons for how place has become a competitive feature in processes of economic development. First, Harvey references the restructuring of capitalism and spatial relations in the 1970s to argue that the meaning of place becomes a concern because of its association with a sense of security. When spatial relations are altered by a shift in capitalism, the meaning of a place is essentially threatened along with the security that meaning offers. Second, since finance capital has become more “geographically mobile,” the marginal differences between places in regards to resources and costs has been enhanced. Third, places are increasingly engaged with activities to differentiate themselves and remain competitive, presenting themselves as attractive “packages” for capital investment. Fourth, Harvey argues that banking institutions have engaged in “overinvestment in real estate development” by selling places through emphasizing specific qualities (1993, 6-7). These four assertions provide the context from which the actions of local agencies can be recognized as part of a larger, structural change in the economy by which marketing place has become increasingly necessary.



Harvey's four points for why place has become more important direct the discussion towards place marketing and processes of local economic development. Local economic development is often described in terms of marketing a place. Malizia and Feser (1999), for instance, define local economic development as "a technique-dominated field concerned with increasing jobs and the tax base, primarily by marketing the location to prospective and existing employers" (xi). Important to this definition is the prominent positioning of human agency and the belief that people make development happen (Malizia and Feser 1999, 18). Place marketing results from targeted actions by a small team of experts. Towns and places have been promoted throughout U.S. history, but the rate at which place marketing occurs has increased due to the growth of competition between places. Place marketing strategies involve "re-imaging" and seek to halt the departure of people and jobs and encourage the entrance of new business and employment (Hague et al. 2011, 247).

Place marketing strategies must speak to both internal and external audiences, but a new image of a place is likely to produce tensions between conflicting interests due to different senses of place identity (Hague et al. 2011, 249). Place marketing can be summarized in three main points. First, experts as opposed to local residents are typically directing this process. Second, location is essential to the actual marketing, but different businesses will always require different sites. Lastly, territorial competition, as embraced by place marketing, reveals that scale should not be assumed as stable but instead revealed through policies and actions (Hague et al. 2011). These three points inform the discussion of place marketing in Rutherford County. Local government officials are tasked with presenting the county as a viable place of investment while also managing the perception of place maintained by community members.

The understanding of the practice of local economic development is especially relevant for engaging with the government's perspective. Government actions should not only be understood in terms of practice, but also in relation to the theory that motivates such practice. Moving forward, this literature will be critical to understanding how government agencies pursue local economic development and in what ways they influence the understanding of a place. Place marketing may not be formally recognized or named by a local agency, but many local practices and actions are likely to engage with this concept. Because Facebook and Horsehead were "recruited" by state and local government officials, place marketing is especially important when analyzing economic development in Rutherford County. Location's role in the process is also essential for understanding why an area chooses to pursue certain businesses. Chapter two considers the perspectives of Rutherford County government officials and other related agencies in order to examine how place marketing techniques are used to attract investment.

### **Intersection of themes: Place marketing in Rutherford County**

Where the literatures of these three themes intersect is where the instance of place marketing in Rutherford County must be analyzed. Although it is necessary to understand each specific theme in relation to its relevant literature, the locating of business in Rutherford requires a synthesis of the literature. This type of analysis is essential to fully recognizing the motivations and consequences of local economic development processes and revealing how place is being made through the different stakeholders involved with economic development.

By examining different themes of the literature, this thesis structures conversation between authors of various perspectives. One particularly significant conversation is the understanding of how David Harvey and Doreen Massey are both relevant to the study of place marketing and place making. Harvey and Massey, though, are each relevant at certain, distinct

moments during the process. Place marketing can be understood through David Harvey's conceptualization of capitalist crises and his explanation for how capitalism drives spatial relations. In Rutherford County, for instance, a distressed economy provided the means from which place could be marketed to prospective businesses like Facebook and Horsehead. Place developed into a commodity valued for its worth to local economic development.

Doreen Massey (1994), however, argues that understanding space solely through a capitalist framework is "insufficient" since other forces like race and gender also determine our experience of space and place (147). Massey's sense of experiencing place becomes most applicable to the idea of place marketing with the introduction of the community perspective. Community members are most involved in place marketing after a company's location decision has been announced. The place marketing narrative therefore shifts once a business decides to locate in a place. The business transitions from simply a capitalist entity seeking to exist in new space to a "neighbor" living in place and transforming the everyday lived experiences of residents.

This thesis seeks to not only bridge the literature themes and respective authors, but also aims to address some of the apparent gaps in the literature. Discussions of local economic development often privilege urban environments. An implied definition of rural economic development emerges from this bias and may limit approaches to understanding these processes. Cities have become the primary unit of analysis for most of the research, especially in studies of economic development. Malizia and Feser (1999), for example, believe that basic assumptions underlie the understanding of the local economy. One of these assumptions is that metropolitan areas are the "most appropriate" unit of analysis "because they represent meaningful economic entities and functional economic areas" (19). Such an assumption produces two sorts of biases.

First, it directs researchers to focus their attention on urban areas and large labor markets.

Second, it implies the economic contribution of more rural areas is unimportant. This thesis will argue against this assumption by presenting how a rural economy is actively pursuing investment and why this matters in the larger scope of understanding place marketing and the economy.

Economic development is typically viewed as either a consequence of structural change or motivated by human agency. Each perspective is evident in the literature. David Harvey and Neil Smith discuss capitalism as a type of structure that manipulates spatial relations. James Ferguson and Arturo Escobar also recognize a structural source for development with their reliance on a discourse to explain and frame development practices. Doreen Massey, on the other hand, explicitly states that agents construct a place's meanings. Literature from the planning perspective, which is concerned with the practice of local economic development, asserts that "economic development does not just happen," but "people make development happen" (Malizia and Feser 1999, 18). This thesis engages the debate over how place and meaning are constructed by arguing that the idea of place marketing relies on a human agent. A place's meaning should not be accepted as given, but instead as constructed by human agents. Structures, however, are involved. The practice of local economic development follows a framework and a set of rules. A structure, or as Ferguson (1994) calls it a "development apparatus," is influencing and directing the actions of local officials and business representatives.

Recognizing the agents and structures involved in the process of local economic development is important for the remainder of the thesis. Place marketing is the critical component of this thesis's argument. An analogy to marketing may be useful to consider in regards to how the rest of the thesis is organized. The state and local governments along with their related agencies are the primary 'marketers' of Rutherford County as an economic place.

This will be reviewed in the second chapter and will engage with how local officials define development for the county. The businesses, which in this case are Facebook and Horsehead Corporation, are the ‘consumers’ of the marketing techniques. They may also be defined as the external audience and the means by which the place can reappear “on the map.” The third chapter will consider why Facebook and Horsehead chose to locate in Rutherford County. It will also discuss what type of role policy played in this decision. Lastly, the community, which is roughly defined as residents of Rutherford County, will be considered in the fourth chapter. The community is difficult to define in the marketing analogy as residents may be viewed as both consumers and marketers of Rutherford County. This complication, however, accurately describes the space for tension produced by place marketing and asserts why place marketing demands more critical attention in the local economic development literature.

### **Summary of methods**

Before transitioning to the analysis of these three perspectives, it is essential to review the methods that directed the course of research for this thesis. Interviews and a structured questionnaire were the principal means by which primary data was collected. Interviews were conducted over the phone, via email, and in-person. Nine semi-structured interviews were completed with local government officials, community members, and company management. The interviews with local government officials were particularly useful for gauging the government perspective. Because secondary sources are limited regarding Rutherford County, interviews with local experts provided locally based and reliable information. Economic development is also a complex process that involves information not typically privy to the general public’s knowledge. Interviews with local officials supplied an “insider’s” perspective to local economic development issues. Although references to these interviews appear throughout

the thesis, they are particularly relevant to the data presented in chapter two. Semi-structured interviews were also conducted with Facebook management, the editor of the local newspaper, and neighbors of Horsehead and Facebook. Attempts were made to contact Horsehead management, but a response was never received.

In addition to these interviews, I analyzed government documents, newspaper articles, and a recently completed strategic market study to collect information and confirm data received during the interviews. I reviewed government documents in order to obtain information surrounding incentives, unemployment, and environmental permits. Newspaper articles were particularly useful for expanding my understanding of how the community has been allowed to participate in the Facebook and Horsehead projects. I also evaluated the Economic Development Strategic Study completed in May 2013. The study was conducted by Greenfield, a consulting firm, at the request of the Rutherford County government and provides a specific moment by which to analyze how local officials are marketing place to potential investors.

In order to better capture a community perspective, I administered a 25-question questionnaire between December 20, 2013 and January 10, 2014. The questionnaire was available online through UNC Qualtrics and was also available in printed copy. A link to the survey was circulated through email networks, predominantly those of the Town of Forest City and Isothermal Community College (ICC), and was also advertised in the local newspaper, *The Daily Courier*, through a letter to the editor. Printed questionnaires were administered at Mooneyham Public Library, which is located in Forest City, and also through other in-person interactions. Close to 77% of the surveys were completed online. Since the survey was administered through different means and in different places, I staggered the dates of administration in order to better control for any forms of response bias. A total of 106 individuals

participated in the survey. The conclusions from the survey are discussed in greater detail in the fourth chapter.

## **CHAPTER 2**

### **Agents of local economic development:**

Understanding the roles of government and the private sector

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The local government is one of the most prominent actors in economic development and also one of the most influential place-makers. In Rutherford County this is evident through the Economic Development Commission (EDC), an agency devoted to recruiting and maintaining industrial activity throughout the county. The EDC was critical during the recruitment of Facebook and Horsehead. Although the local government may be the most visible force, local economic development is in fact entangled within structures established by the state of North Carolina and interests presented by the private sector. In this chapter, I will first examine how the state acts as a place-maker in local places, defining the possibilities for development. Next, I will analyze the perspective of the local governments in Rutherford County. Data for this section were collected through interviews with five local government officials. Lastly, I will study how the lines between public and private interests are blurred by the introduction of such private sector actors as Duke Energy and consulting firms.

#### **Examining the state's role in local processes**

Although the process of locating Facebook and Horsehead Corporation in Rutherford County may be considered place-bound and local in nature, larger governmental structures cannot be separated from these actions. When analyzing local economic development processes, the state plays a particularly important role. Even though the federal government is likely to be involved in some fashion whether via an agency or through a grant, the state remains a more distinctive place-maker at the local level. North Carolina has designated the Department of



Commerce as the leader for the state's economic development. This department serves the entire state and therefore influences the economic development for all 100 counties and for the state's more than 9 million residents. The department's mission reflects the scale of its work as it aims "to improve the economic well-being and quality of life for all North Carolinians" (N.C. Dept. of Commerce 2013b, "About Our Department").

Although the Department of Commerce's mission appears concerned with North Carolina's citizens, who are presented as the beneficiaries of the department's actions, the strategic plan presents a different focus – one that largely involves the presentation of the state as a space for investment. The three primary points of the strategic plan are: to keep North Carolina competitive through recruiting and expanding industry; to ensure North Carolina is an attractive location in a global economy; and to target economic improvement towards people and places not currently experiencing prosperity (N.C. Dept. of Commerce 2013b, "About Our Department"). The strategic plan may be viewed as the means while the department's mission can be understood as the end-goal. It is important, then to question whether the plan which appears primarily concerned with engaging in place competition and place marketing will actually enhance the "economic well-being and quality of life" of all of the state's citizens.

Incentives and tax credits are used by the Department of Commerce to achieve the three objectives of its strategic plan. The ways in which the incentive and tax credit programs have been structured demonstrate moments of place-making and meaning-making. The state has devised a three tier system used to allocate tax credits and incentives. Rutherford County belongs to the first tier, which represents the forty most economically distressed counties in the state (See Appendix A, Figure 2). The second tier includes the next forty distressed economies while the third tier denotes the twenty least distressed counties (N.C. Dept. of Commerce 2013, 5). Tax

credits and incentives are dependent upon this tier system. When crediting job creation, for instance, the state offers a \$12,500 credit per job for a company creating at least five jobs in a tier one county. If at least ten jobs are created in a tier two county, the state offers a \$5,000 credit per job; if at least fifteen jobs are created in a tier three county, a \$750 credit per job exists (N.C. Dept. of Commerce 2013, 4). Through this system of ranking, the state of North Carolina has linked an investment incentive with a spatial designation and has begun to construct a hierarchy of meaning and value for place. Such an action helps to construct a county's meaning as the state declares a county as belonging to a certain tier which influences how companies receive incentives for locating in an area.

Other state-level actors also influence the construction of place in Rutherford County. Recent changes by the Governor and General Assembly of North Carolina, however, have altered the impact of certain agencies. The North Carolina Rural Economic Development Center, which sought to promote the economies of the state's rural communities, is no longer funded by the state following an audit in the summer of 2013. Programs for the state's eighty-five rural counties will now be operated through the Rural Economic Development Division of the Department of Commerce (Curliss 2013). Advantage West, which serves the 23 counties in the western part of the state and seeks "to market the North Carolina mountains," is a nonprofit, public-private partnership that was chartered by the General Assembly in 1994 but has recently lost state funding (Advantage West Economic Development Group 2011, "About Us"). Governor Pat McCrory announced in April 2013 a plan to restructure the state's Department of Commerce so as to include more involvement by the private sector. This proposal was named "Partnership for Prosperity" (Office of the Governor 2013). In the following month, the N.C.

Senate embraced the Governor's idea for restructuring and passed a bill to defund Advantage West and similar organizations in other regions of the state (Neal 2013).

The recent actions by the North Carolina state government reveal the ways in which state-level forces influence local processes. By defunding certain agencies, the state is affecting how economic development is achieved at the local scale. The Rural Center has served as an engine for generating grants while Advantage West has acted as another recruiter of business for Rutherford County. By defunding these agencies, the state has altered the ways in which economic development is pursued. Although each proposed reform is linked to various evaluations and analyses ranging from improper use of state funds to arguments of whether or not these agencies actually make a difference in rural economies, the restructuring is likely to have larger impacts on rural communities like Rutherford County with smaller budgets to devote to local economic development. Hence, state agencies help to condition the possibilities for economic development in Rutherford County while also acting as a significant place-maker.

#### **At the local level: Economic development in Rutherford County**

The most visible scale at work in the process of economic development in Rutherford County is the local government and its related agencies. The Economic Development Commission (EDC) is a "county owned organization" staffed by three individuals and directed by a board of ten members appointed by the Rutherford County Board of Commissioners (Economic Development Commission 2009, "About Us"). A director, development specialist, and administrative assistant compose the full-time, professional staff (Classen 2013). The EDC is concerned with industrial development, making it responsible for collecting and presenting data about available sites and buildings to potential investors. The EDC often partners with county and town officials when discussing and completing economic development projects (Classen

2013; Johnson 2013). When researching how the local government influences economic development in Rutherford County, it becomes important then not only to consider how the EDC directs the county's development but also how relevant government officials influence the process.

Interviews with five local government officials illustrate how place is being valued, how development is being defined, and how industry is being recruited. John Condrey, Rutherford County's former manager and Forest City's current town manager, and Carl Classen, the current county manager for Rutherford, provided perspectives privileged to that of the county manager. Julie Scherer, who served as the Finance Director for the county when Facebook was recruited and currently is employed as the Finance Director for the Town of Forest City, supplied insights on the companies' relationships with local governments. Finally, Tom Johnson, Rutherford County's EDC Director during Facebook and Horsehead's recruitments and the current Executive Vice President for Advantage West, and Matt Blackwell, the current EDC Director for Rutherford County, contributed unique perspectives about the economic development process.

Interviewees were asked similar questions and also asked different questions that reflected their positions in the process of local economic development. Throughout the rest of the chapter, references will be made to these interviews.

Particular themes reappeared throughout the interviews. All interviewees, for instance, provided similar responses for why Facebook and Horsehead chose to locate in Rutherford County. These understandings begin to indicate how place is being valued in the process of local economic development and how Rutherford County is being marketed. Utilities played a major role for attracting both companies. County Manager Carl Classen noted "the smokestacks in Cliffside," in reference to Duke Energy's power plant in the county, when discussing Facebook

and Horsehead's decisions to locate in Rutherford (2013). Facebook in particular was in need of a reliable source of electricity, and the county's rural qualities assisted in guaranteeing reliability and redundancy due to a lower population density (Blackwell 2013; Johnson 2013). Site location and proximity to transportation networks were also consistently noted as an important factor. The "combination of rail and river" was critical to Horsehead's decision (Condrey 2013). Rail was essential for the transport of raw materials while a river was desired for both intakes and discharges of large amounts of water (Condrey 2013). In the case of Facebook's site, it was "the right size, accessible from a main highway, and ready for construction" while also neighboring North Carolina's state data center (Scherer 2013; Johnson 2013).

These evaluations of place demonstrate how value has been awarded to locations based on the needs of the involved companies. Place marketing thus appears within the context of these assigned values as county officials attempt to present Rutherford as the best fit for both data centers and zinc recycling facilities. Rutherford County's current interest in place marketing emerges out of a longer history of development and recent employment struggles. Rutherford County has consistently struggled with unemployment problems and is one of many counties in North Carolina still recovering from the departure of textiles and other industries. When asked to define development for Rutherford, County Manager Carl Classen responded that it is "not where we want it to be" before explaining that such challenges as the physical geography, the labor market pool, and structural problems are present. John Condrey referred to the county's manufacturing past when considering the current development trajectory, stating that the county "suffers socio-economically" and "must work through this transition period." Both of these comments are confirmed by the existence of industrial spaces and vacant buildings that are from a "different manufacturing era," meaning they are not site ready and cannot easily attract new

industry (Classen 2013). These problems are not hidden when marketing Rutherford County. Instead they are embraced as either an opportunity or understood as a weakness that allows for strategic targeting of certain businesses. Horsehead, for instance, needed an available workforce (Scherer 2013). Higher unemployment combined with the capacity for the local community college to provide training transformed this challenge into an opportunity.

Industry is recruited through a process of marketing locational advantages while also recognizing an area's particular history and the challenges it may present for businesses. Although there is not a set way for attracting a business to an area, local officials indicated that a general framework is at work. The state, largely through the Department of Commerce, acts in a primarily supportive role, initiating leads and granting the means to close prospective deals (Blackwell 2013). The state or another recruiter, such as Advantage West or a private consulting firm, receives a lead about an expanding business and sends a request for information (RFI) to the county. The county responds with information that meets the needs of the request (Classen 2013; Johnson 2013). Sites are often narrowed down before the business becomes directly involved. This process may occur through a private consulting firm or within a company. Horsehead, for instance, used Insite Consulting from Greer, South Carolina. Insite Consulting sent out the RFIs and then chose three viable sites before Horsehead entered into any direct deals (Johnson 2013).

As a site advances in the selection process, local officials gain more information about the business and are able to tailor their descriptions of place to the interests of the particular business. In the initial stages of a lead, a description of the business is provided but often the identity remains hidden. The projects are given code names and only a handful of individuals are aware of the company's actual name (Johnson 2013; Blackwell 2013). The process of recruiting

a business is complex and complicated. The Facebook and Horsehead recruitment projects both lasted for approximately twelve months and involved a number of actors (Johnson 2013).

Although local economic development is concentrated within the realm of government, actors from the private sector play prominent roles within the different steps of attracting new business to an area.

### **Understanding private sector actors**

As noted earlier, low cost utilities helped to market Rutherford County as a prospective site for both Facebook and Horsehead. Duke Energy, however, did not serve as simply the supplier of electricity; instead, Duke and its economic development team were critical to the actual process of recruiting Facebook and Horsehead, originally bringing the two companies to Rutherford (Condrey 2013). Duke's economic development team consists of experts in various industries such as data centers, the automotive sector, and general manufacturing. Team members visit trade shows and company headquarters to encourage businesses to locate in an area served by the utility company. Duke sends any leads gathered from these trips to the state, which then contacts county officials with RFIs (Johnson 2013).

As Duke engages with place marketing, the company is also marketing itself. On its website, aptly titled "Consider the Carolinas," information about utility rates, national rate comparisons, and power's relation to economic development is provided (Duke Energy 2013, "Consider the Carolinas"). Duke Energy is also known for its site readiness program, which evaluates sites with potential for industrial development. These sites tend to accommodate hundreds of acres of land (Duke Energy 2013, "Site Readiness Program"). Sharon Decker, North Carolina Commerce Secretary, has asserted that megasites are needed for the state's economic

recovery (Carlock 2013). Duke Energy's stake in North Carolina's economic development is likely to be strengthened by such a claim.

Duke Energy's role in local economic development raises concerns about who is actually benefitting from development projects and also who is allowed to participate in economic development decisions. Facebook and Horsehead are valued by Duke for their potential as customers. Although local governments have interest in collecting taxes and utility compensation, the public interest remains an important aspect of any economic development project as indicated by the Department of Commerce's mission to improve the lives of "all North Carolinians." Involvement by private sector actors, however, opens questions about public participation in economic development decisions. Duke's economic development program arose, in fact, due to the financial loss that seemed inevitable with the weakening of manufacturing as an economic base in North Carolina (Carlock 2012, 1). In an interview with *The Business Journal* John Geib, a director of Duke's economic development program, stated that economic development "more than pays its way" and "the return on investment is very attractive" (Carlock 2012, 1). It is not unusual for a private utility company to seek profit; it is, however, significant when considering the private interest associated with a development project related to government processes.

Other private sector actors also appear in local economic development. Private consulting firms are especially important to consider. As discussed earlier, Horsehead Corporation worked with a private consulting firm based in South Carolina in order to survey potential sites. The consultants remained in contact with local officials on behalf of Horsehead. This was indicated by the interview with Tom Johnson who was the EDC Director at the time. Johnson recalled, for instance, receiving a thirty page questionnaire from Insite Consulting. The questionnaire was



used by the firm to select three viable sites for Horsehead to consider. Answers to the questions were limited to the given space. If a question required a yes or no answer, Johnson was required to select yes or no despite his desire to provide additional explanation. This example provides insight into how private consulting firms operate within the context of local economic development and how place is being characterized by both a firm's questions about place and an official's responses. Through the use of a private consulting firm, Horsehead has outsourced its need to find a location for new facilities and Rutherford County has recognized its need to bridge contact with groups privy to information about expanding businesses. Insite Consulting is privileged in its role as a mediator between the EDC and Horsehead, accruing power by its access to confidential information and its ability to produce knowledge.

### **Analyzing the basis for place marketing: A strategic market study**

The public and private sectors are deeply entangled through local economic development processes as private consulting is used by both firms and the government to outsource certain activities. In May 2013, a consulting firm named Greenfield was hired by local officials to complete an economic development strategic plan for Rutherford County. Greenfield is a "full service economic development consulting firm" that assists businesses in the site selection process and aids economic development organizations with tasks difficult to complete in-house (Greenfield 2007). The fact that firms such as Greenfield exist demonstrates how economic development has been valued and prioritized in society and also underlines the significance of place marketing as a practice. Greenfield's completed strategic plan is a nearly one hundred page document including statistics, analysis of existing buildings and sites, and recommendations for Rutherford County's economic development. The study allows for an analysis of the means by which Rutherford County is likely to be marketed.

Greenfield considers the study to embrace both a science and an art, as data analysis is required but a “subjective nature” also exists during the decision-making process (Greenfield 2013, 3). This is an important point to consider when analyzing the document in terms of place marketing. As referenced in the first chapter, a place’s identity is partially inherited and partially shaped by actions (Hague et. al 2011, 254). There are inherent qualities of a place, then, that make it viable for certain types of industry. Arguably, a science exists to locating these places and arranging for a company to build in the area. An art, however, also underlies the process. As indicated through the various interviews, local officials, and in particular the EDC Director, must persuasively and competitively argue that Rutherford County is the best place for business. The basic components for such an argument are outlined by Greenfield’s study. Through its consideration of a place in terms of its strengths and weaknesses, Greenfield has engaged with the making of Rutherford County as a place for particular economic activity, valuing certain qualities over others.

Like local officials, Greenfield’s study remarks on the prominence of utilities in the county as an attractive asset, stating that local strengths for Rutherford lie in “unusual infrastructure capabilities” (2013, 91). The study notes in particular the electrical capacity provided by Duke Energy’s plant in the southeastern part of the county. Fiber optics, water and sewer services, and the Broad River are also identified as valuable assets (Greenfield 2013, 27-29). The weaknesses described in the study are also similar to those mentioned by interviewees. Greenfield completed a comprehensive analysis of buildings and sites in the county. Many of the buildings were not functionally useful and lacked access to certain services, particularly an interstate highway (Greenfield 2013, 29). A defined place emerges within this discussion of strengths and weaknesses. Place marketing requires that a place offers a generalizable utility for

many firms while also differentiating itself from its competition (Hague et al. 2011, 267).

Rutherford County's strengths are methods by which the place can be differentiated, but its weaknesses must be addressed when attempting to sell the place to a company. In the following chapter, the ways in which these strengths and weaknesses were managed in the recruiting of Facebook and Horsehead will be reviewed more closely.

Greenfield's study demonstrates that evaluating a place in terms of its usefulness for economic development and for business expansion creates the need for a targeting method in which certain markets are prioritized over others. This has several implications for both an area's development and how meaning is attached to place. Although this is arguably a smart form of economic development, it is also a limiting form. Recognizing the capacity of an area to support businesses that utilize a place's strengths and are not impaired by a place's weaknesses appears to be a reasonable strategy. This strategy, however, defines a particular trajectory for development that may restrict Rutherford County, making it a place only attractive to certain kinds of investment and constructing it as a place externally defined and valued.

Greenfield offers recommendations on a range of topics, varying from targeted market sectors to the organization of Rutherford's EDC. Seven target markets are recommended. Among them are data centers and advanced materials which are the sectors for Facebook and Horsehead. Such recommendations were made under the rationale that Rutherford County's strengths would allow it to be considered in these sectors' search geographies, but its weaknesses would not eliminate the county from any initial searches (Greenfield 2013, 47-48). As discussed above, these recommendations target economic development in a strategic manner, but place and meaning are also, perhaps unintentionally, being constructed through this process.

Greenfield also makes recommendations for how the county can market itself. The study asserts that the county should “piggyback, to the greatest extent possible, on the marketing and branding efforts” of other organizations including North Carolina’s Department of Commerce, Advantage West, Duke Energy, and even Upstate South Carolina Alliance, a regional development group in the neighboring state (Greenfield 2013, 63). This perspective is interesting to consider. It is important to recognize that the other organizations operate at either the scale of the region or the state and may not provide the targeted method recommended previously. It is also significant that Greenfield believes Rutherford is not large enough “to make its brand well-known in the corporate world” (Greenfield 2013, 63). Such a statement confers with the previous review of the literature that places cities at the forefront of economic development. Although Greenfield recognizes the ability for Rutherford County to market itself, the study also demonstrates that the space for rural areas in the economic development arena is not only limited in the literature but also in practice.

Lastly, Greenfield recommends that the EDC develop itself into a non-profit corporation capable of accepting public and private funds (Greenfield 2013, 94). This recommendation demonstrates the complication of analyzing local government actions without acknowledging the role of the private sector. Economic development at the local level remains a complex process and the boundary between private and public interest is often blurred. Greenfield makes the non-profit recommendation out of concern for the ability of Rutherford’s EDC to fund and market itself. Funding enables an organization to engage with the competitive world of economic development and place marketing. This recommendation, however, threatens that the general public and broader community will be further minimized in economic development decisions as actors with private interests become more involved with local marketing and recruiting. Such an

action would ultimately limit the power by which citizens are recognized as members of a place and shapers of a place's identity.

Greenfield's study demonstrates how place is being actively assessed and marketed in Rutherford County by both government and private sector actors. Although the local EDC has been specifically charged with the job of industrial recruitment, many other actors at different scales and with varied interests are influencing Rutherford County's marketing strategy. The state of North Carolina, for instance, initiates recruitment leads and offers support through incentive programs. The Department of Commerce also helps shape how place is presented and how development is pursued by determining such classifications as the "distressed" status of Rutherford County's economy. Private sector actors are similarly influencing the process of local economic development. Duke Energy, for instance, seeks industries like Facebook and Horsehead to locate in North Carolina in order to obtain new customers. By participating in industrial recruitment, however, Duke is introducing private interests into the generally public sphere of local economic development. Ultimately when attempting to lift the veil surrounding the process of place marketing, a complex set of actors with both private and public interests is revealed.

## **CHAPTER 3**

### **The construction and consumption of a place's identity:**

#### **Why Facebook and Horsehead chose Rutherford County**

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Place marketing schemes developed by government entities and private sector actors are not validated until they are consumed by external sources. Facebook and Horsehead's decisions to locate in Rutherford County affirm the place marketing strategies discussed in the previous chapter. The site selection process completed by these two companies reveals how place is being valued in Rutherford County and also how firms are able to become significant place-makers through processes of local economic development. A firm's evaluation of place occurs within the context of both human construction and natural dimensions.

In this chapter, I will review Facebook and Horsehead's company structures and then analyze how the same place was important for the investment decisions of two very different companies. Some of the information for these sections was collected through interviews with officials and a tour of Facebook's Forest City data center. In this chapter, I will also return to the previously discussed Greenfield study in order to better understand why places and governments, as opposed to firms, are actually competing through the capitalist mode of development. This discussion leads into a consideration of incentives and their use in addition to place marketing strategies. Finally, I will examine how Facebook and Horsehead have been awarded significant power as place-makers in Rutherford County.

#### **Examining Facebook: Rural data centers, urban offices**

During his interview, Town of Forest City Manager John Condrey remarked "we have a billion visitors to the town every day" (Condrey 2013). Condrey was not referring to tourists, but instead was referencing the more than one billion users of Facebook. Facebook announced its

decision to operate a data center in Rutherford County in November 2010. Since the announcement, the company has constructed data centers on 153 acres of property that has since been annexed by the Town of Forest City (See Appendix A, Figure 3; Scherer 2013).

Facebook is described as a “social networking company” that enables its users to “connect, share, discover, and communicate” (Bloomberg Businessweek 2013, “Company Overview”). The company was founded in 2004 and is headquartered in Menlo Park, California. Currently, Facebook employs 5,794 individuals in its offices and data centers (Bloomberg Businessweek 2013, “Company Overview”). Facebook is a global company with offices in Hyderabad, India, Dublin, Ireland, and twenty-five other international cities. The company also has eighteen locations in North America (See Appendix A, Figure 4; Facebook 2013, “Careers at Facebook”). In its offices, Facebook engages with sales, operations, marketing, and advertising. In its data centers, Facebook stores and analyzes data and engineers data systems (Facebook 2013, “Careers at Facebook”).

Data centers contain the computing infrastructure necessary for companies like Facebook to function. These systems require large amounts of energy to operate servers and maintain cool environments, demonstrating why Duke Energy’s economic development team pursues data centers. Although data centers may be large consumers of energy, Facebook’s Forest City data center is 93% efficient and the building itself is LEED gold certified (McCammon 2013b). Any activity on the social media site is powered by Facebook’s data centers (McCammon 2013). A rural area with a reliable energy provider is an ideal location for a data center, which invests millions of dollars in its built structure. Facebook’s data center in Forest City accomplishes two main tasks: first, the buildings are designed to collect and cool air from the outside in order to provide an environment conducive to storing large amounts of technical equipment; second, the

data center maintains data servers and other equipment so as to ensure redundancy and safe storage of users' data. A tour (McCammon 2013b) of one of Facebook's buildings revealed how the data center buildings are structured to complete these two tasks. The second floor of the building serves as a type of filter and "pressurized vault" of outside air. Four long hallways of varying degrees of windiness and air pressure complete the process of preparing outside air to cool the data center. The data servers and related equipment are located on the bottom floor of the building in data halls. Each data hall contains between 23,000 and 27,000 servers that engage with the network traffic from the social media site.

The tour also provided a glimpse into how Facebook's offices in urban environments operate. According to Facebook's website, its offices are spaces for innovation (2013, "Careers at Facebook"). Facebook adopts an "open office" design concept to encourage this innovation. The open office design uses one large room to house employees' desks and computers as opposed to each employee having a single office. An open office is located on the first floor of the Forest City data center along with a movie room, which is also used for team meetings, and a cafeteria where meals are catered five days a week for employees (McCammon 2013b). In its urban offices, Facebook's staff enjoys similar perks as free food and recreational rooms. They are also encouraged by inspirational posters, wall art, and contemporary office designs (Kovach and Goodman 2013). Facebook's urban offices are thus primarily designed to attract people. A different marketing scheme, one that boasts an educated and youthful labor pool, emerges for an urban place attempting to recruit a Facebook office.

Facebook's data center and office locations construct a pattern that speaks to the general divide between urban and rural economic development. Facebook's data centers are located in smaller cities and towns while its offices occupy urban, global cities. What Facebook needs for



its data centers is different from what is needed for its offices. Place marketing reappears in this conversation about rural and urban development patterns. As indicated by Greenfield's study, a place's strengths and weaknesses strategically define what type of businesses a place should pursue. How such meaning is attached to place determines the economic trajectory of a community, which is shaped by place marketing strategies and firm location decisions.

Although Facebook is making rational decisions by locating where its company can most effectively profit from locational advantages, these decisions are still moments in which place and meaning are constructed. Facebook not only alters rural landscapes and urban environments, but also confirms how economic development agencies have marketed places, granting value to certain qualities of a place and the subsequent meanings attached to those qualities.

### **Examining Horsehead: The environment and economic development**

Nearly a year after Facebook's announcement to locate in Rutherford County, Horsehead Corporation, a zinc-recycling company, announced it would begin constructing facilities in the county. Horsehead bought nearly 200 acres of property in an unincorporated area called Mooresboro (Rutherford County GIS, 2014). More specifically, the company built in the Hicks Grove neighborhood which is located off of Highway 221, a major road that is currently undergoing an expansion project (See Appendix A, Figure 3). Since September 2011, the company has been constructing its facilities and is expected to begin full operation by 2014 (Horsehead Corporation 2013, "North Carolina Updates").

Horsehead describes itself as a zinc producer and "manufacturer of value-added zinc products" (Horsehead Corporation 2013, "This is Horsehead"). The corporation is a leader in the zinc industry and was formed in 2003. Its predecessor companies, though, were also in the zinc industry and began operating in the mid-1800s (Horsehead Corporation 2013, "This is

Horsehead”). Horsehead Corporation is headquartered in Pittsburgh, Pennsylvania and operates eight facilities in the United States (See Appendix A, Figure 5; Horsehead Corporation 2013, “Our Facilities”). These facilities are located near smaller and medium sized cities. Horsehead has announced, however, that it will close its facilities in Monaca, Pennsylvania with its new construction in North Carolina. Place thus becomes important to consider as one state gains and another loses from a firm’s expansion decision. Two hundred and fifty jobs are expected to be offered at the facility in Rutherford County. Five hundred and ten jobs will be lost with Horsehead’s closure in Monaca (Boselovic 2013). The movement from Pennsylvania to North Carolina also presents Horsehead with potential savings in regards to labor costs due to the existence of labor unions in Pennsylvania and North Carolina’s distinction of being a “right to work” state.

At its facilities, Horsehead completes a variety of processes related to zinc and metal production. The corporation recycles dust from electric arc furnaces (EAF), which are used to heat metals, at its facilities in South Carolina, Illinois, and Tennessee. At its facilities in Pennsylvania, Oklahoma, and North Carolina, Horsehead engages with processes more related to the production of zinc metal and zinc oxide (Horsehead Corporation 2013, “Our Facilities”). In order to fully capture how the facility in Rutherford County will benefit the area’s economic development, Horsehead’s facilities should be evaluated in terms of their effect on the environment. If economic development is to benefit the public, recruited industry should be assessed according to its impacts on the public’s health and a community’s environment. Horsehead is committed to an environmental policy in which it strives to be a valued member of the communities it operates within, especially since its recycling of industrial and hazardous

waste and its smelting of zinc presents room for environmental concern (Horsehead Corporation 2013, “Environment”).

The company’s history points towards these concerns. Horsehead Corporation was formerly known as the New Jersey Zinc Company (Horsehead Corporation 2013, “This is Horsehead”). The New Jersey Zinc Company engaged more readily with smelting and mining. Ultimately this activity resulted in the declaration of three Superfund sites by the EPA. These sites include De Pue, Illinois, Palmerton, Pennsylvania, and Eagle County, Colorado (Environmental Protection Agency 2012). All of these sites are in more rural areas. Although there are other reasons for Horsehead’s choice of a rural area, the environmental consequences of industry should be examined critically when considering how firms are recruited in order to pursue economic development for rural places.

Horsehead’s construction of facilities in Rutherford County has been accompanied by steps to ensure protection of both the health of the county’s people and its environment. Horsehead employees are trained about the plant’s processes and about safety procedures in different sections of the facility. Personal Protective Equipment (PPE) training has, for instance, helped guarantee that employees are minimally exposed to any dangers while at the Mooresboro facility (Rhinehart 2014). Horsehead is also building its facility to meet federal and state environmental standards. The Mooresboro facility is frequently referred to as “state-of-the-art” and is built to engage with new technology that should emit fewer greenhouse gases and require less energy (Gordon 2011). By addressing these issues, Horsehead is recognizing that although its facility may be appreciated as a boost to a local economy, the firm is still expected to minimize its impact on the environment and to maintain a safe working place.

## **How do firms evaluate Rutherford County?**

After reviewing what these companies “produce,” where else they are located, and how they are related to broader patterns of economic development, a clearer picture emerges for why Facebook and Horsehead Corporation chose to locate in Rutherford County, North Carolina. It is interesting to note how two such divergent industries as technology and heavy manufacturing viewed the same place of Rutherford County as a viable site for business. Greenfield identified both data centers and advanced materials as two target markets for the county in its strategic market study. Greenfield recommended its target markets based on Rutherford’s strengths and weaknesses, which is discussed in more detail in the section that follows. Facebook and Horsehead’s decisions to locate in the county indicate how the companies arrived at similar and different conclusions about the place’s strengths. Electrical capacity, for instance, was important for both companies while Facebook valued fiber optic connection more heavily than Horsehead, which was concerned about the availability of a river with discharge capability (Greenfield 2013, 48-49).

Perhaps more important to the understanding of how two different companies selected the same place is the ability for both companies to be affected in only minor ways by Rutherford’s weaknesses. The lack of an interstate highway in the county, for instance, is minimized in its affects on Horsehead which more frequently utilizes rail. The absence of buildings in good condition was similarly managed by Facebook, which desired affordable property to construct its own data centers. The attraction of these two distinct companies signals that through economic development, place can be made both generally attractive to a number of firms and also more specifically marketed to particular companies.

Facebook is not the only company to build a data center in North Carolina. Apple has a data center in Maiden, North Carolina while Google has data centers in Lenoir (Fehrenbacher 2012). Both of these locations are approximately fifty miles from Facebook's Forest City data center and are similarly described as resting in the Blue Ridge foothills (See Appendix A, Figure 6). There are a number of reasons why this region of North Carolina has attracted data centers. Duke Energy is one critical component since the utility company provides low cost power to these high energy consumers. The rural quality of these places secures that the energy is reliable and available while also guaranteeing large tracts of affordable property (Fehrenbacher 2012). Another important component involves the location and natural environment of North Carolina. The state is a viable location to handle East Coast Internet traffic and the region's climate and water sources are valued because of a data center's need for cooling systems (Fehrenbacher 2012). Incentives, clustering, existing infrastructure, and proximity to an airport are also important to data center locations (Fehrenbacher 2012).

Interviews with local officials confirm that Facebook found these and other strengths in Rutherford County. Tom Johnson reflected that the EDC had been seeking a data center for five years and had completed many dry runs with different firms (Johnson 2013). A major reason for Facebook's decision to locate in Forest City was the presence of the state of North Carolina's data center at the site. The state built a data center seven years ago after completing a lengthy process of finding the "perfect" location for a data center in North Carolina (Johnson 2013). The state's data center signaled to Facebook that strong connectivity, reliable electricity, and other infrastructure was available. It also proved that Rutherford County could offer a "shovel-ready" site where construction could easily occur (Scherer 2013; Condrey 2013; McCammon 2013). The interviews also indicated that there were certain characteristics of the location less-affected

by the human environment, but highly valued by Facebook. Nearly all of the interviewees, for instance, remarked upon the void of natural disasters in the area, particularly hurricanes, earthquakes, and tornadoes. All of these natural disasters would significantly damage the energy supply and limit Facebook's business. The factors influencing Facebook's decision to locate a data center in Rutherford County demonstrate that a place must be considered both within the context of human construction and natural dimensions.

Horsehead's attraction to Rutherford County shares similarities with Facebook's assessment of the area. Utilities, for instance, played a significant role in Horsehead's decision. Like Facebook, Horsehead's operations require large amounts of energy. Duke Energy, once again, provided a reliable and affordable source (Condrey 2013). The site location and property was also weighed heavily by Horsehead. Access to rail was essential as was locating alongside a river (Condrey 2013; Scherer 2013). Rail is a major mode of transportation for the raw and recycled materials Horsehead processes. A river is necessary because of the need to discharge hundreds of thousands of water every day from the industrial processes (Condrey 2013). Both of these features were available through CSX rail and the Broad River. The size and affordability of the property was also a factor in the decision (Classen 2013).

Improvements to the property, however, were still needed to guarantee the site would fit Horsehead's needs. During his interview, Tom Johnson reflected upon the process for ensuring the site was improved. The improvements required input from many state officials and departments along with the Town of Forest City, which is a major utility provider in Rutherford. In order to enhance the property, millions of dollars were secured to provide a road, a bridge, improved rail access, and modifications to existing bid plans for the expansion of Highway 221 (Johnson 2013). Bringing water, sewer, natural gas, and other services to this unincorporated

area of the county was also a feat. Tom Johnson asserted “economic development is a process” after discussing the effort to improve the site.

The availability of a workforce, the proximity to Horsehead’s facilities in South Carolina and Tennessee, and the presence of an active community college also impacted Horsehead’s decision to locate in Rutherford County (Scherer 2013; Blackwell 2013; Classen 2013). When evaluating Facebook’s decision, the collision of the natural and human environment provided an interesting perspective from which to examine a firm’s location decisions. Horsehead should also be examined within this framework. The Broad River provides the most obvious connection. A natural feature of the environment, the Broad River flows from western North Carolina into upstate South Carolina (NC Office of Environmental Education 2007, 1). This river is used recreationally and as a water supply. When selecting a location, Horsehead likely considered not only where rivers flowed but also what laws existed in regards to industrial discharge. The North Carolina Department of Environment and Natural Resources (NCDENR) produced a permit for Horsehead. The permit allows the company to discharge “adequately treated and managed” stormwater into the Broad River (NCDENR 2013, 4). The permit also includes a pollution prevention plan in which monitoring procedures are outlined along with preventive maintenance (NCDENR 2013). This instance demonstrates that although natural features of a place may be valued by a firm, human influence is still at work.

### **Greenfield’s SWOT analysis**

Horsehead and Facebook are not the only actors evaluating place during site selection processes. As discussed previously, Greenfield’s economic development strategic plan for Rutherford County produces an instance of place-making. Included in this report is a SWOT analysis of the county. SWOT is an acronym for strengths, weaknesses, opportunities, and

threats. The analysis ultimately affects how business searches are completed for Rutherford County. A successful search will utilize the place's strengths and not be limited by the place's weaknesses (Greenfield 2013, 5). The SWOT analysis identifies similar strengths for the county that attracted Facebook and Horsehead. Electrical capability and cost, sewer capacity, and fiber availability are all identified as infrastructure assets (Greenfield 2013, 38). The Broad River and its current ability to withstand intake and discharge is considered an environmental advantage. Local government support, proximity to regional airports, existing business, and the manufacturing heritage of the workforce are also deemed strengths (Greenfield 2013, 38). Once again this assessment recognizes qualities of the natural and human environment that, in turn, construct a place's identity.

In terms of weaknesses for Rutherford County, the most severe include the lack of functional buildings, the absence of an interstate, and issues of topography imposed upon site development (Greenfield 2013, 39). Opportunities are especially apparent in marketing efforts. Given the county's proximity to Charlotte and Greenville-Spartanburg, which are all located less than eighty miles from Rutherford, and its inclusion in the western region of North Carolina, Rutherford has the opportunity to gain from multiple place-marketing exercises (Greenfield 2013, 39-40). The document only identifies one significant threat, which is funding issues for road improvements (Greenfield 2013, 40). This could be a serious problem since connectivity and transportation is a likely requirement for most industry.

The ways firms evaluate geographies and the ways local and state officials present and market their geographies speaks to the idea that capitalism is not limited to competition between firms; instead, competition between places and between local and state governments is also significant. As discussed in the first chapter, sensitivity to place has grown since the 1970s



(Harvey 1993). Greenfield's SWOT analysis for Rutherford County demonstrates how local governments capitalize on a place's qualities when competing for economic development investments. Rutherford County, for example, was one location among many vying for Facebook and Horsehead's investments. The evaluation of Rutherford County as a viable location for Facebook's data center and Horsehead's state-of-the-art zinc facility does not exist in isolation. Instead, this type of evaluation occurs with many locations and comparative analyses of places lead the decision-making process. Officials are aware of this geographic competition as indicated by a state's marketing efforts and its willingness to emphasize minute differences and to offer incentive packages.

### **The influence of incentives: An addition to place marketing strategies**

During his interview Matt Blackwell, Rutherford County's current EDC Director, recalled a statement commonly heard in the economic development community: "Incentives do not make a bad project good, but a good project better." The quote indicates that a firm always has specific requirements for any location decision and these requirements cannot be overshadowed by a massive incentive package. A clear example is the obvious difference between an urban place and a rural place. Facebook, for instance, would not be successful if its data centers were in urban areas and its offices were in rural areas even if the incentives were overwhelming. An urban place offers Facebook assets for its offices that a rural place cannot replace with grants or tax credits. Neither is an urban place likely to sway the company to construct a data center through incentives unattached to such place-based qualities as large tracts of property or redundant energy supplies. Smart incentives exist to boost a location, perhaps bettering a place's strengths or compensating for its weaknesses (Lowe and Lester 2012).

Nonetheless, incentives must be understood in terms of how they influence a firm's location decision and how they assist governments with place marketing.

According to a 2012 *New York Times* piece, states, cities, and small towns are in competition with one another throughout the United States (Story 2012, Part 1). Whether motivated by politics, by the need to spur job growth, or by the desire to strengthen a community's tax base, political leaders and economic development specialists are utilizing incentives as a way to encourage firms to locate in their respective places. Although it is difficult to record every incentive governments and related agencies give to businesses, North Carolina spends at least \$660 million per year on incentives. This equates to \$69 per capita and \$0.03 per dollar of the state budget (Story 2012, "Explore the Data"). This spending, however, is moderate when compared to other states. Texas, for instance, spends \$19.1 billion per year on its incentive program, amounting to \$759 per capita and \$0.51 per dollar of the state budget. Michigan, Pennsylvania, California, and New York are the next highest spenders with each state devoting more than \$4 billion to incentives (Story 2012, "Explore the Data").

The story of incentives is important to consider as a part of the place marketing strategy. If Facebook and Horsehead located in Rutherford County for the reasons identified in the SWOT analysis, the influence of incentives on such place-based decisions must be carefully examined in order to better understand just how significant a role place plays in economic development. When studying incentives, it is also necessary to return back to the state's role in local economic development processes since the state government and its related agencies structure the discourse surrounding North Carolina incentives. According to the previously referenced *New York Times* article, Facebook received \$11.4 million from the state of North Carolina (Story 2012, "Explore the Data"). Facebook was awarded two primary grants for locating its data center in Rutherford

County. The first grant is the personal property tax grant, which awards Facebook a grant equivalent to 95% of the assessed value on the company's personal property. The grant is contingent upon Facebook's investment of its committed \$450 million. The second grant involves Facebook's real property and equals 85% of taxes on the assessed value of Facebook's real property (Blackwell 2014).

Horsehead's incentive package occurred primarily through a tax credit and infrastructural improvements. A number of organizations and government agencies worked together to fund bridge and road construction and improve rail service on Horsehead's site. Over \$4.7 million was offered by the Golden Leaf Foundation, the Department of Transportation, Rutherford County government, the Town of Forest City, and other groups to complete these infrastructure projects (Blackwell 2014). In addition, once Horsehead begins operation in Mooresboro it will pursue a corporate income tax offered by the state of North Carolina for recycling facilities (Office of the Governor 2011). Knowledge of the incentives received by Facebook and Horsehead allow for further examination of the centrality of place in local economic development processes. The study of how incentives are attached to place allows for a better understanding of how places are marketed and how place has become a competitive feature in the economy.

Horsehead provides an example from which the relationship between incentives and place marketing can be further examined. Rutherford County was in competition with a town in Tennessee for Horsehead's new facility. Tennessee had offered an incentive appropriation that would be difficult for the county to compete against, and ultimately the state "put more money on the table" than North Carolina (Johnson 2013). Despite this fact, Horsehead still decided to locate in Rutherford County. Horsehead's decision to select North Carolina over Tennessee cannot be completely attributed to place marketing, but this case does illustrate that incentives

should not be considered the backbone of an economic development project but instead an addition to a place's evaluation.

### **The making of place and the power of companies**

The site selection process reviewed in this chapter demonstrates that value is ascribed to a place via the qualities it has to offer a business. The local and state governments work to identify a place's strengths and weaknesses in order to market the place as a potential site for investment. When a company like Facebook or Horsehead selects its location, the company affirms the place marketing strategy employed by government entities. Because companies are awarded the choice of where to locate, they are also awarded a significant amount of power to influence what a place means. As firms promising jobs and investment, Facebook and Horsehead hold a powerful position in the described "distressed" economy of Rutherford County. Through the site selection process, this power allows the two companies to become primary forces in the construction of what Rutherford County means and how it is valued.

Julie Scherer, an interviewee with experience in county and town finances, noted that Facebook "has helped put Rutherford County on the map" when asked how the area has benefited from the company's presence. Carl Classen, the Rutherford County Manager, used the same "put us on the map" phrase when asked a similar question about Horsehead and Facebook. These comments affirm Facebook and Horsehead's positions as significant place-makers in Rutherford County. The "put us on the map" phrase, however, also asserts that the company rather than the government or the county's citizens are responsible for making Rutherford County a place worth attention. Such an idea obscures what already exists within the place's boundaries and asserts that the presence of the companies is of primary importance to understanding what Rutherford County means as a place. Other agents, however, specifically

community members and neighbors of Facebook and Horsehead, are also defining what place means in Rutherford County.

## CHAPTER 4

### **Negotiating what place means:**

#### How a community participates in economic development

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If a government's role is to market a place and a company's role is to consume this marketing scheme, what then is a community's role? Community members play an interesting part in local economic development, acting as both the producers and the consumers of place. Community members help to create the local institutions used to market a place but also are limited in their ability to plan for and anticipate economic development projects. Similarly, community members are able to construct what a place means through their daily lives, but they also must negotiate this meaning of place with business and development goals.

In this chapter, I will discuss how the community is able to participate in local economic development processes in Rutherford County. I will also examine how citizens of Rutherford County perceive the county's general economic development, Facebook, and Horsehead. Throughout the chapter references will be made to a survey I administered and also to interviews I conducted with local government officials and community members. Place is significant throughout the analysis of survey and interview data, revealing that new industry does not simply exist in space but rather lives in place. New businesses must be able to coexist with community members so as to negotiate the meanings and values attached to place.

#### **A community survey: Method description and analysis**

In order to gain a community perspective, I administered a survey in Rutherford County asking about the county's economic development in general and also about more specific questions related to Horsehead and Facebook (See Appendix B for complete questionnaire). As discussed in the first chapter, I circulated the questionnaire through local email networks and I

also administered the questionnaire in-person at a local library and advertised it in the local newspaper. Because the survey was only made available to certain email networks and in certain public settings, not everyone in Rutherford County was aware of the opportunity to complete the questionnaire. Comparing the survey sample to the actual population of Rutherford County demonstrates that the sample approximates the population. There are some important areas of discrepancy, though. The age of the survey sample, for instance, is older than the median age recorded in the 2010 U.S. Census. According to Census data the median age in Rutherford County is 42.5 (U.S. Census Bureau 2010, “Age”). The median age of survey respondents, however, was closer to 50. The survey sample was also different from the population in terms of education and race. Approximately 86% of Rutherford County residents are white, 10% black, 3.5% Hispanic, and 0.4% Asian (U.S. Census Bureau 2010, “Race”). The survey, however, recorded a sample of 93% white, 4% black, 2% Hispanic, and 1% Asian.

Education, though, may be more skewed. According to recent data from the American Community Survey, nearly 75% of the population in Rutherford County has obtained less than an Associate’s degree in education (U.S. Census Bureau 2010, “Educational attainment”). Forty-five percent of questionnaire respondents, however, held a Bachelor degree or higher; while, 46% described their education as “some college” or “Associates degree.” Out of the survey sample only 10% indicated a high school degree or less (See Appendix C, Table 1). This discrepancy is most likely created from the use of email networks at places of employment. Both the Town of Forest City and Isothermal Community College (ICC) are among the top 25 employers for Rutherford County, and using the latter’s email network accounts for a disproportionate number of respondents with degrees higher than a Bachelor’s. Respondents from the Town of Forest City were likely to be more diverse, although most would likely have

some college. Mooneyham Public Library provided greater educational diversity, but only 16 out of the 106 surveys were completed at this location.

Given these issues of representativeness, any conclusions drawn from survey data must be understood within the context of a sample indicating higher education, less racial diversity, and a higher median age than Rutherford County's actual population. Despite this, the opinions shared through the questionnaire and the data gathered still speak to how citizens of Rutherford County perceive local economic development projects. The survey method served as a meaningful way to capture a community perspective. The questionnaire was dominated by structured questions with categorical responses, but it also included five sections where respondents could include their own commentary. This design allows for both quantitative and qualitative analysis and asserts the collective opinion of a community and also the individual perceptions of a community's members.

In addition to the survey, more intensive interviews were conducted with neighbors of Facebook and Horsehead. Bob Stoltz, a retired Executive Vice President with BP and an Eastwood neighbor for 28 years, met for an interview on December 28, 2013 to discuss Facebook and how his neighborhood has responded to the noise produced from the data center's generators. Two neighbors of Horsehead, who chose to remain anonymous, met for an interview on January 2, 2014 to discuss how Horsehead has been perceived by the community and how the company is behaving as a neighbor. Matthew Clark, the editor of the local newspaper *The Daily Courier*, also participated in an interview and provided insight he has gained from reporting on Facebook and Horsehead's presence in the community. Throughout this chapter references will also be made to interviews with the local government officials introduced in the second chapter



of this thesis. Many of these officials were asked to describe the community's role in economic development during their interviews.

### **Where does the community belong?**

“Project Lucy” and “Project Chrysalis” were largely directed behind closed doors with only a few individuals who were knowledgeable of the identities behind the project code names (Johnson 2013). Project Lucy refers to Facebook while Horsehead chose Chrysalis as its code name. Although the decision to hide their identities may have been based on legal and business issues, the project code names also signify the inability of citizens to fully participate in this aspect of local economic development. When local officials and community members were asked about the community's role in economic development, there was a tendency to answer the question in two ways.

The first tendency was to refer to the democratic process of electing the area's leaders. This rationale is based on the idea that citizens are able to elect the officials who will be involved in what the local newspaper's editor referred to as the “hush-hush” processes of economic development decisions (Clark 2013; Blackwell 2013). Community members may not be directly involved, but their voices are essentially present through the elected official. This reasoning also assumes that it is the citizen's duty to participate. An individual is responsible for voting and also for participating in the public hearings that are organized in regards to such issues as economic development (Stoltz 2013).

The second way interviewees explained the community's role was to reference how community institutions influence a company's decision to locate in Rutherford County. Because employees are likely to live in the same community as their business, companies examine school systems, crime rates, and other “quality of life” indicators (Johnson 2013). The community, then,

is appreciated by local officials for its ability to represent certain qualities and offer a company something more than affordable water, sewer, and electrical rates (Clark 2013).

The rationale that the community serves as an asset for Rutherford County's recruiting efforts adds to the previously defined concept of place marketing. The previous examination of why Horsehead and Facebook chose to locate in Rutherford County appeared dominated by components related to economics, the physical setting, and the business climate. The community and its institutions, however, might also be evident. ICC, for instance, was referenced in nearly every interview with a local government official because of the college's capacity to provide training for employees. Recognizing the community as an asset for attracting economic development projects demonstrates that in order for a place to be marketed, its people and its human construction must also be considered.

### **Understanding community members' participation**

According to Rutherford's Economic Development Strategic Plan, public hearings are not required to "allow" an industry to use a site. This occurs because the county lacks a county-wide zoning ordinance (Greenfield 2013, 32). Public hearings, however, do occur in some fashion due to the attachment of incentives with most projects. If local incentives are offered by county or municipal governments or if infrastructure grants are proposed, a public hearing is required to approve the use of these funds (Blackwell 2013b). These hearings are advertised in local newspapers and other media outlets and members of the community may speak at the meetings. Often, these public hearings occur when the identity of the company is still confidential (Blackwell 2013b). Associated code names, such as Project Lucy or Project Chrysalis, are used to describe the type of project considering Rutherford County. The description of a potential business may include the number of jobs, the capital investment, and

the chosen location (Blackwell 2013b). Although these meetings may not represent full disclosure of economic development projects, the hearings do describe a moment in which community members are able to participate in planning for local economic development.

The announcements of Facebook and Horsehead's decisions to locate in the county did include public hearings. On October 30, 2010, *The Daily Courier* wrote an article declaring that a company would be investing \$450 million in the county (Gordon 2010). The identity of the company remained confidential, although the article disclosed that the company would be operating some form of a data center, call center, or other related facilities (Gordon 2010). At the same time the article was published, a public hearing notice was printed in the newspaper's Classifieds section. The public hearing was set to occur on November 10<sup>th</sup> after the company's identity was announced and more formal details were provided. The article, though, provided basic information about the company, describing its purchase of 153 acres of land off U.S. 74 and Old Caroleen Road, its pledge of more than \$200,000 to community groups, and its projection of an 18-month construction period. Also revealed was the potential impact on the local economy, including a "substantial number of full-time jobs," an enhancement of the tax base, and a diversification of the county's economy (Gordon 2010). The article and public hearing advertisement preceded the formal announcement of Facebook's decision by twelve days.

Horsehead made its formal announcement on September 19, 2011. Following its announcement, a public hearing was held in which incentives and infrastructure grants were approved by local leaders (Gordon 2011b). Accompanied with such phrases as "250 jobs" and "\$360 million investment," the Horsehead project represented the "single largest manufacturing project" in Rutherford County's history (Gordon 2011b). When leaders reflected upon this

project at the hearing, they noted the corporation's need for rail, river, and accessibility. They also recognized the effort put forward by numerous individuals to guarantee that challenges, such as limited access to public utilities and the presence of infrastructure more suited to a residential area, could be managed and addressed (Gordon 2011b).

These infrastructure challenges seemingly occurred because Horsehead's site is located in the "backyard" of residents of the Hicks Grove community. The facilities sit across from Hicks Grove Baptist Church's cemetery and less than half a mile from many homes (Anonymous 2014). Because Horsehead processes zinc, many members of the Hicks Grove community were concerned for the environment, specifically the health of the Broad River (Gordon 2012). Horsehead organized "town hall meetings" to discuss these concerns. The meetings were held in the fellowship hall at Hicks Grove Baptist Church and were well attended, but those who did attend were mostly from the surrounding neighborhood (Gordon 2012). One neighbor who attended these meetings commented on how Horsehead created an "open house, open floor atmosphere," inviting community members to ask questions, enjoy refreshments, and take part in a bus ride tour of the site (Anonymous 2014).

Although Facebook, Horsehead, and local governments expressed interest in including the community in discussions about economic development projects, most of these conversations occurred after the company had already decided to locate in the county. Instead of the impacted community deciding if a given economic development project is good for the area, the government seeks and the company is heralded as the means to acquiring jobs and boosting the local economy. Community members are asked to accommodate a new neighbor, to accept a project with potentially unknown consequences.

In the questionnaire discussed earlier, community members were asked to reflect upon their ability to participate in local economic development processes. According to survey data, members of the community would like to have the option to participate in economic development planning although there is uncertainty about whether or not community members are currently able to participate (See Appendix C, Table 2). When asked if a public hearing should be required for all economic development projects, sixty-three percent of survey respondents answered yes. A majority of respondents, therefore, believe public input should accompany the discussion of new industry for the county.

Regarding their perception of the current state of citizen participation in planning for the county's economic development, questionnaire respondents did not demonstrate a consensus. Thirty-nine percent of respondents expressed some level of agreement that community members were able to participate in economic development planning. Another 39% of respondents, however, expressed some level of disagreement with the same statement. The varied responses may indicate different understandings of how local government functions or may also reveal political preferences. The second question on the survey asked respondents to select a statement that best described the local government's response to Rutherford County's economic situation. Government was not specifically defined, but many comments indicated that respondents were considering the scale of county government. Thirty-nine percent of respondents believe the government's efforts are effective but could be improved while 45% believe that the local government's attempts are not effective. Another 14% of respondents asserted that the local government's response was incorrect.

In addition to these figures, many supplementary comments expressed disagreement with current government practices. For instance, one respondent commented on the need for county

commissioners to understand “the importance of incentives” while another respondent believes leadership is missing from county government. When cross-tabulated with the questions of participation and a public hearing, those respondents who asserted some disapproval with the current government response, were more likely to disagree that community members were able to participate in economic development planning and were also more likely to agree that a public hearing should be required (See Appendix C, Table 3). Local politics, then, could be exerting pressure on how individuals perceive local economic development.

It is possible that the previously mentioned issues of representativeness, particularly the education and age of survey participants, may also be enacting influence on the statistics gathered from questionnaire responses. Since only seven respondents did not describe themselves as white, conclusions about how race may influence opinions are difficult to glean from this survey data. In terms of education, the desire for a public hearing decreased with increases in education. The category of “higher than a bachelor’s degree” was the only group to have more respondents answer “no” to a public hearing requirement (See Appendix C, Table 4). This correlation may be explained by the likelihood that higher educated individuals are more aware of government processes and thus potentially more inclined to view democratic procedures, such as public hearings, as a hindrance rather than a benefit to local-level policies.

Age also appeared to have some effect on respondent’s agreement with a public hearing. A greater percentage of survey participants in the two youngest categories believed a public hearing should be required while respondents in the older categories were more likely to disagree with such a requirement (See Appendix C, Table 4). The explanation for why older respondents were more likely to disagree with a public hearing may be similar to the understanding for why higher educated respondents did not favor a public hearing. As individuals age, they may

develop negative opinions about the public's willingness to attend meetings and may also view public hearings as a formality that simply slows down government progress. It is important to consider how these individual characteristics influence respondents' attitudes towards economic development because, as Doreen Massey (1994) argues, how we perceive and experience place and power is directed by who we are.

### **Why place matters: How the community perceives Facebook and Horsehead**

Public participation in economic development projects is important to consider because community members inherit the benefits and costs associated with local economic policy. The phrase "development" in itself implies a certain level of "progress," "maturing," or "change" (McMichael 2008). When development is attached to economic, the phrase becomes about growth, advancement, and promoting an economy's health. If growth or change is to occur, both benefits and costs should be examined alongside an analysis of how a community experiences and responds to social change.

Survey respondents were asked to share their opinions about Rutherford County's current economic situation and were also asked about their perceptions of Facebook and Horsehead. Nearly 80% of survey respondents expressed some level of dissatisfaction with the current state of Rutherford County's economy. The county, which experienced a peak of unemployment in January 2010 at 18.9%, held an unemployment rate of 9.3% in November 2013 (Bureau of Labor Statistics 2014). During the questionnaire, respondents were asked to rank elements of economic development projects according to their importance. The two topics that were ranked the most important included the number of jobs and the average wage for employees. These items were ranked against such topics as environmental impact, plans for future growth, community involvement, and type of company (See Appendix C, Table 5). The

ranking of elements for economic development projects represents the dissatisfaction with employment opportunities in the county and also asserts that community members tend to value projects that can help answer the county's unemployment problem. As one respondent commented, "Job creation with major retention is needed in Rutherford County." Moving forward, this ranking question for development projects can be thought of as a metric by which to evaluate Facebook and Horsehead's impact on the community.

Generally, the community views both Facebook and Horsehead Corporation positively. When asked to comment on why Facebook and Horsehead were beneficial to Rutherford County, respondents often referred to job growth, tax base expansion, and the potential for attracting more industry to the area. Facebook, however, was viewed more favorably than Horsehead despite offering fewer jobs for residents. Eighty-three percent of respondents either agreed or strongly agreed that Facebook's location in the county is beneficial. Besides jobs and tax base expansion, Facebook also garnered comments in favor of its global recognition and the "high profile exposure" it brings to Rutherford County. Facebook's global brand is one likely explanation for why respondents favored Facebook over Horsehead. Respondents may also be more comfortable with Facebook since its data center has been operating since April 2012 whereas Horsehead has yet to begin operations at its facility.

Some concern, however, was expressed regarding Facebook's presence in Rutherford County. Thirteen percent of respondents indicated concern over Facebook's facilities. Most of these respondents compared the number of jobs to the size of the facility and the size of the incentive package used to attract Facebook, arguing that few jobs have been created since construction of the facilities ended. A discrepancy exists between how many employees community members believe Facebook has or will hire and what the company itself estimates.



Facebook estimates that 80 employees work at the data center full-time and another 80 are employed part-time (Gordon 2014). In discussion with different community members, however, most believed the data center would only support 40 to 50 jobs (Stoltz 2013; Clark 2013). The difference between these estimates illustrates the heightened importance surrounding job creation as citizens express their concerns with lower estimates and Facebook offers reassurance with a higher estimate.

Although only a few survey respondents expressed concern over the noise produced by Facebook's facility, one of the major impacts Facebook has had on the surrounding neighborhood is the noise created by the data center's back-up generators. Bob Stoltz, a member of the Eastwood neighborhood that is less than one mile from Facebook, met for an interview to discuss Facebook and the neighborhood's noise complaint. According to Mr. Stoltz, the noise from Facebook's generators mimicked the sound of large, commercial lawn mowers. In response to the noise, neighbors organized a petition presenting their concern that "Facebook may be impairing the natural resource of 'Quietude'" (Citizens of Eastwood Neighborhood 2013, Exhibit A). The neighbors also composed a letter addressed to Keven McCammon, manager of Facebook's Forest City data center. In the letter neighbors asserted that the neighborhood was being exposed to "severe and recurrent noise events" and then proceeded to describe the noise level problem, offer suggestions, and assert their respect for Facebook (Citizens 2013, Exhibit B).

Following the letter, a meeting was arranged with Keven McCammon to discuss the noise issues which had recently been the subject of a news story on WLOS, a local news station (Citizens 2013, Exhibit C). Although the data center's management responded to the complaints by hiring an engineering firm, the hired firm believed little could be done to mitigate the problem

(Stoltz 2013). Eastwood neighbors then wrote a letter to Mark Zuckerberg, Facebook's CEO.

The letter resembled the letter sent to Keven McCammon and reassured Mr. Zuckerberg that the neighborhood believed Facebook wanted to be a "good neighbor" (Citizens 2013, Exhibit D).

According to Mr. Stoltz, Facebook has since responded well to the neighborhood's request and is now utilizing sound baffles, planting trees, and staggering the schedule for operating the back-up generators. Mr. Stoltz expressed that he has always been happy that Facebook decided to locate in Forest City, and based on the company's response to its neighbors, he believes Facebook will continue to be a good neighbor.

The issue of noise demonstrates the value of understanding processes of local economic development in terms of place. When Facebook management was asked how they responded to the challenge of noise complaints, they commented: "We live here too, and we strive to be a good neighbor" (McCammon 2013). This assertion demonstrates that Facebook is not simply an industry occupying and organizing spatial relations. Instead, Facebook is making place, "living" in a small town, and interacting with a local neighborhood. The infringement on the "quietude" of the Eastwood Neighborhood is also deeply rooted in the idea of place. Neighbors still expect to relate to this local, particular area with the same "sense of place" from which their homes existed prior to Facebook. Different senses of place have essentially developed for the same place. These senses will undoubtedly continue to collide as the Facebook data center and the Eastwood Neighborhood accommodate the values and meanings each "neighbor" applies to the place.

Horsehead's location has also sparked place-based concerns. As mentioned earlier, Horsehead is located in a more residential area and is particularly proximate to Hicks Grove Baptist Church. Horsehead's facilities are in Mooresboro, an unincorporated area of Rutherford

County. The corporation's processing of zinc and its need to discharge industrial stormwater into the Broad River has produced community concern about the company's environmental impact. During Horsehead's town hall meetings, for instance, the 80-member audience mostly asked questions regarding the environment and the safety of the river. One woman asked if her children could still eat fish caught from the river (Gordon 2012). Horsehead representatives reassured the audience that the company's main concern is "not to damage the environment" and permits from the state had been received and were being seriously and carefully considered (Gordon 2012).

Survey data also revealed community concern regarding Horsehead's presence in Rutherford County. Seventy-four percent of respondents either agreed or strongly agreed that Horsehead is beneficial to Rutherford County. When asked to describe why Horsehead is beneficial, "jobs" was the most frequent answer. Thirty-six percent of respondents expressed concern for Horsehead's location. When asked to explain their concern, almost every respondent referenced the potential for a negative impact on the environment. One respondent wrote: "Horsehead jobs are very dangerous and may negatively impact the environment." Although a number of respondents expressed concern over the environmental impact of Horsehead, only 15 individuals ranked "environmental impact of the company" in their top two topics for evaluating economic development projects. A tradeoff appears to be occurring between the number of jobs and the environmental impact. One respondent, for instance, expressed concern over "the chemicals and other potential harmful materials used" but also recognized that Horsehead was "providing more jobs and not requiring high tech degrees for many positions."

When asked if they would like to see more companies like Horsehead locate in Rutherford County, respondents also expressed the conflicting nature of accepting hundreds of jobs alongside the potential for environmental issues. Sixty-five percents of respondents agreed

or strongly agreed that they would like to see more companies like Horsehead locate in the area. This is nine percentage points lower than the percentage of respondents who believed Horsehead's location is beneficial to Rutherford County. Although the difference is not excessive, when compared to Facebook, the difference between responses remains meaningful. As indicated earlier, 83% of respondents believe Facebook is beneficial for the county; while, 81% of respondents would like to see more companies like Facebook locate in the area. It is once again interesting to note that although Horsehead offers more jobs than Facebook, and respondents generally agreed that the number of jobs was one of the most important features for an economic development project, respondents prefer companies that favor Facebook instead of companies that resemble Horsehead.

Given that Horsehead's location generates greater concerns about the environment, it is likely that the community may be cautious in its acceptance of a similar company, weighing the potential for environmental costs as greater than the benefits from job growth. The discussion of economic development and environmental impacts also reveals the vulnerability of place, especially in relation to marketing strategies. As industry is attracted to place, the ways in which that place is marketed will change. The presence of Horsehead, for instance, alters the means by which the Broad River can be marketed for development projects in the future.

The question of environmental impact most directly affects citizens who are neighbors of Horsehead. When designing the questionnaire, I hypothesized that distance would influence how respondents perceived the two companies, believing that as distance increases, community members would view the two companies with greater favor. I constructed a question that asked respondents if their home was in the same county, in the same zip code, or in the same neighborhood, which was defined as one mile from Facebook and Horsehead facilities. Although

a reasonable number of respondents lived in the same zip codes as the two companies, only a few responses were gathered from actual neighbors. Because of the limited number of responses, I was unable to test the hypothesis.

In order to gain insight from neighbors and enrich survey results, I conducted intensive interviews with two Horsehead neighbors who can easily see the facility from their yards. The neighbors participated in Horsehead's town hall meetings and are aware of many of the steps the company is taking to respond to the community's concerns about the environment's health. The interviews were particularly useful in understanding how the corporation's presence in citizens' "backyards" affects the sense of place. Interviewed neighbors expressed that they initially disapproved of the Horsehead project because of its proximity to their homes and the potential for such disruptions as pollution and noise. However, these neighbors believe Horsehead has devoted a number of resources to address such challenges. For instance, Horsehead has hired a full staff of environmental consultants and operates a 24/7 testing lab. The corporation is very meticulous in its engagement with waste control and as a plant that recycles zinc, the company encourages its employees to engage in recycling behavior (Anonymous 2014). The interviewed neighbors, however, did not feel like community input was allowed in the economic development process since the community voiced opinion against the facility and yet it still came (Anonymous 2014). However, both neighbors foresee a positive future and are curious to witness how Horsehead may assist with resolving Rutherford County's struggle with unemployment.

The neighborhood surrounding Horsehead has experienced large amounts of change in recent years, largely due to the expansion of Highway 221 from a two-lane roadway into a four-lane. Improved roadways and new business are generally viewed as positive activities for an area. However, as an interviewed neighbor commented, "Everyone wants progress, but not in

their backyard” (Anonymous 2014). Place is at the center of this conversation. Like Facebook, Horsehead is not operating within a solely capitalist organization of space. Instead, Horsehead has become a member of the Hicks Grove community. Its operations are occurring in its neighbors’ backyards. Its operations are also producing some concern throughout the whole of Rutherford County. These concerns do not simply arise from the company’s choice of location but instead they arise in contrast to how place is currently appreciated. As place is marketed to attract investment, to spur job growth, and to provide living space for industry, the meaning and the values associated with such places are contested and transformed.

### **From place as a commodity to place as lived experience**

By introducing the community into the discussion of place marketing, the understanding of place as a commodity is translated into an understanding of place as lived experience. Place is not simply a site where economic value can be derived and made attractive to business. Place is also a site of negotiation where the interests of different stakeholders coexist. The cases of Facebook and Horsehead in Rutherford County allow for an examination of how place is first produced as a commodity and then deconstructed to be understood as lived experience. The process of marketing place and recruiting business involves a number of government and private sector actors. During the process, place is valued for what it offers business and becomes appreciated as a commodity. An idea of Rutherford County highlighting certain qualities of the place was essentially sold to Facebook and Horsehead. As the two companies consumed the marketing strategy, they affirmed the values that had been applied to place. But at the points where the community becomes directly involved in the process of place marketing, a new idea of place emerges. The values and meanings attached to a place begin to be negotiated as businesses are understood not only as existing in space, but also as living in place.

## **CHAPTER 5**

### **Putting Rutherford County on the map:**

#### **Concluding thoughts**

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##### **Thinking about development in terms of place**

Throughout this thesis, place has been central to the conversation about local economic development in Rutherford County. A place is defined both by its natural dimensions and human construction. When thought of in the context of economic development, place should not be considered as simply a bounded, particular area in space but rather a constructed process by which meanings and values are asserted and contested. In the current economic development literature, references to the idea of place as a dynamic process are limited. Place tends to enter into the discussion in either the form of place-based community development or in debates over economic strategies that invest in place over people. This thesis considers place in a different sense of local economic development through the concept of place marketing. The idea of place marketing, though, has largely been limited to belonging to and within the city. By contrast, this thesis describes the occurrence of place marketing in a rural area.

Not only scholars, but planners and boosters tend to privilege urban areas in discussions of place marketing. Most recently, the International Place Marketing Forum has demonstrated the centrality of cities in place marketing discussions. The forum was held in October 2013 in southern France and included speakers, debates, and research presentations (Perlut 2013). Among participants at the forum were co-founders of Rally Saint-Louis, a project seeking to involve residents of St. Louis in promoting and marketing the city (Perlut 2013). Rally St. Louis is one of many projects that the forum referenced as a successful example of place marketing.

Other celebrated projects include OnlyLyon, Goteborg & Co, and beBerlin (Perlut 2013). These campaigns attempt to attract business, events, and tourists to their respective cities.

The centrality of the city in the forum implies various meanings for place marketing in non-urban areas. Urban campaigns signal the growing importance of place and the desire to use place as a competitive feature for the economic development of an area. If organized marketing schemes by global cities are the only instance of place marketing recognized by practice and by academic literature, however, other moments of place marketing, and their implications, are likely to be ignored. Non-urban places are also competitive features of the global economy. With a literature biased towards metropolitan places, though, the scope of place marketing is limited in its understanding.

Rutherford County serves as an example from which place marketing can be understood in a more rural area and from various perspectives including those of local government, business, and community. By examining why Facebook and Horsehead Corporation chose to locate in the county, why the government chose to pursue these companies, and how the community perceives the county's development, this thesis constructs an understanding of how place influences local economic development and why place marketing is an essential concept for analyzing current development patterns. As place develops within the context of economic development and capitalist relations, however, it still remains largely defined by other associations and values. David Harvey (1993), for instance, has applied Martin Heidegger's concept of dwelling to the understanding of place, proposing that place is often attached to a sense of 'rootedness' (10). Doreen Massey (1994), in her assertion of a progressive sense of place, has recognized place as a process and as a construction of social relations. The potential discrepancy between how place is



constructed within a social sense and how it is constructed within a capitalist sense presents the need to examine the implications of place marketing.

### **Place as a commodity**

To market a place for economic development purposes objectifies a “sense” or “experience.” Place does not simply exist, but is instead created. A place emerges through historical processes, developing cultural significance and associated meanings. The experience of a place is also quite subjective, as individuals produce different meanings and understandings of the same place according to their own characteristics and own attachments. Doreen Massey (1994) has argued that although capitalism has been asserted as the object by which our understanding of space and place has been determined, other social markers such as race and gender are equally important (147). Capitalism is a transformative and powerful force in space and society, but our appreciation of place should not be limited to a purely capitalist view. Instead, place must be understood as a product of multiple values and experiences. Place marketing, though, threatens this understanding through its commodification of place.

Place’s commodification is evident in how local government officials have marketed Rutherford County to Facebook and Horsehead Corporation. In chapter two, I examine how different actors, such as the state’s Department of Commerce, the local EDC, and private businesses like Duke Energy, are actively marketing place in Rutherford County in order to attract investment and encourage economic development. Although rarely recognized as place-makers, these governmental bodies and private sector actors are constructing what Rutherford County means and for what it should be valued. The reasons why Facebook and Horsehead decided to locate in Rutherford County also demonstrate how a place marketing strategy for local economic development positions certain actors to have primacy in determining the values of a

place. By consuming place as a commodity constructed by marketing, Facebook and Horsehead are affirming what has been identified as Rutherford County's strengths. As reviewed in the third chapter, many of these strengths result from a convergence of natural circumstances and human constructions. The Broad River, for instance, is a product of Rutherford County's physical environment; yet, its value to Horsehead stems as much from its natural existence as it does from the local and state government providing the corporation with permits to discharge into the river.

Facebook and Horsehead's decisions to build facilities in Rutherford County also speak to a larger literature of understanding spatial relations in terms of capitalism. Neil Smith (1984) has argued that in order to explain space, we must adopt a relative conception of it that recognizes how spatial relations are dependent upon the existence and movement of matter (86). With regards to Rutherford County, spatial meaning can be interpreted in terms of how such objects as data centers, zinc processing plants, and residents relate to one another in space. It is important, however, not only to recognize Facebook and Horsehead as existing in space but also as living in a place. As Massey (1995) reminds us, we create places by allowing certain economies and politics to exist, by constructing cultural imaginaries, and by engaging with daily life (202).

Chapter four addresses the idea of businesses "living in place" by examining how community members perceive the two companies and the general economic development of Rutherford County. Community members can play multiple roles in the processes of economic development and place marketing. Members of the community both consume images and discourses about place and also produce meanings for place. An important aspect of both Facebook and Horsehead's locations is their proximity to residential neighborhoods. Such spatial juxtapositions elevate place as an even more significant reference point for this thesis. Place

should not only be understood as an object of marketing for local economic development. Place is also a point of potential struggle, an intersection of meanings, and a possible source for ensuring responsible business activity.

### **Moving forward: The implications of place marketing**

If place is to be accepted as a product of social and cultural relations, then its development within capitalist relations is problematic. Place marketing commodifies place, applying market and economic worth to an object of historical and cultural importance. While this thesis has focused on Facebook and Horsehead, an ongoing project in Rutherford County further demonstrates the transformation of values associated with place marketing. A site readiness plan was developed in December 2013 for 90 acres of land in Rutherford County known as the Daniel Road Project. A consulting group associated with Duke Energy is assisting with the plan. During a presentation about the site's plan, Mark Sweeney, principle of McCallum Sweeney Consulting, asserted that economic development must be understood as a business in which "you have to have a product, market it, and sell it as well as organization" (Clark 2013b). This quote indicates the dominating manner by which capitalist relations has consumed the "business" of economic development and thus the valuing and marketing of place.

Place is marketed to make it attractive to some external audience, but the internal audience must also be considered. Although both sets of audiences are bound to change, there is a certain level of disposability involved with marketing a place to an external audience. Through marketing, place becomes a tool available for use at the marketer's discretion. Doreen Massey (1994) emphasizes the notion that place should be understood as a dynamic process full of internal conflicts. External marketing, however, accelerates the means by which place can be reproduced and radically simplifies how place can be appreciated as a process. If the economy is

to undergo transitions and business is to change, will the technique for marketing place not also change with the investment it so desperately seeks? Understanding place marketing as a moment of place-making illustrates that changes in marketing strategies equate to changes in what place means. Place marketing essentially allows a place to become disposable on the basis of economic needs, threatening the less economic and varied meanings associated with a place.

But understanding place within the context of local economic development is not a completely cautionary tale. Place also provides a means by which to guarantee responsible business behavior. Facebook and Horsehead's locations in Rutherford County provide examples. Both companies have responded at a local level to address the needs of the neighborhoods they have joined. Concerns from neighbors about Facebook's noise and Horsehead's environmental impact have been actively addressed by both companies. The cooperation exhibited by the companies stems largely from the place conflicts resulting from the companies' locations in the "backyards" of Rutherford County residents. Place, then, becomes the means by which conflicts and struggles may be negotiated and the medium from which businesses can live alongside residences.

Place matters for the study of local economic development. It matters not only in how we understand economic development strategies, such as with place marketing, but also in how we examine the resulting relations of a company's new location. Although the making of place and meaning may not actively be recognized in the practice of local economic development, these processes become apparent through analysis of practices and discourses surrounding industrial recruitment. The idea that Facebook and Horsehead Corporation have put Rutherford County "on the map" is but one instance from which this can be examined. The "put us on the map" phrase reappeared throughout interview and survey data. The phrase unconsciously situates the

importance of place into the discussion of economic development. Awarding the businesses with the power to create value for a place, this phrase demonstrates the presence of a firm's location decision and the ability of that decision to construct meaning for a place. This particular phrase, along with the rest of this thesis, situates the importance of understanding economic development in terms of place. Considering place in the context of local economic development enables the study of power relations, reveals social constructions of meaning, and uncovers the local results of larger scale business activity.

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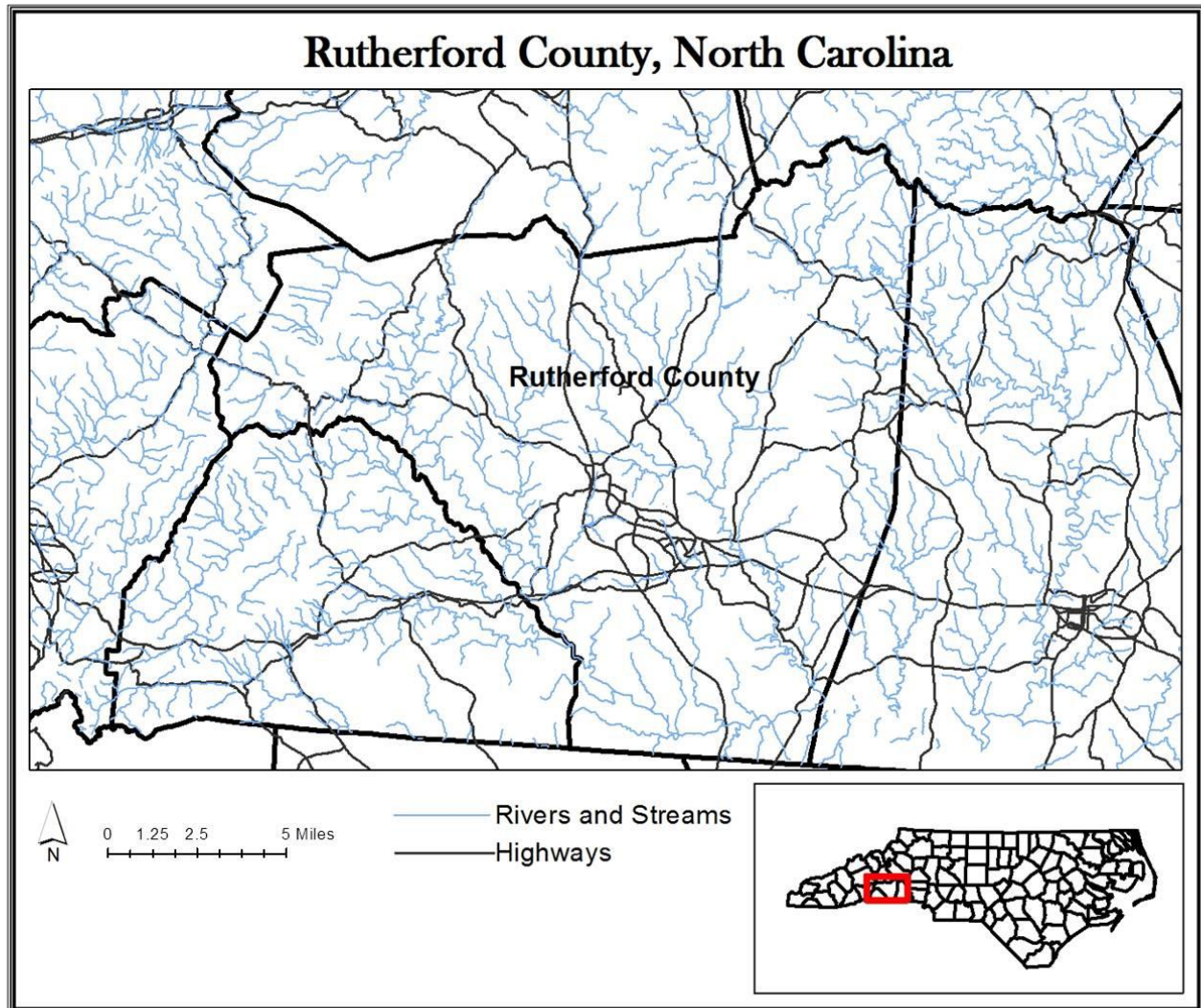
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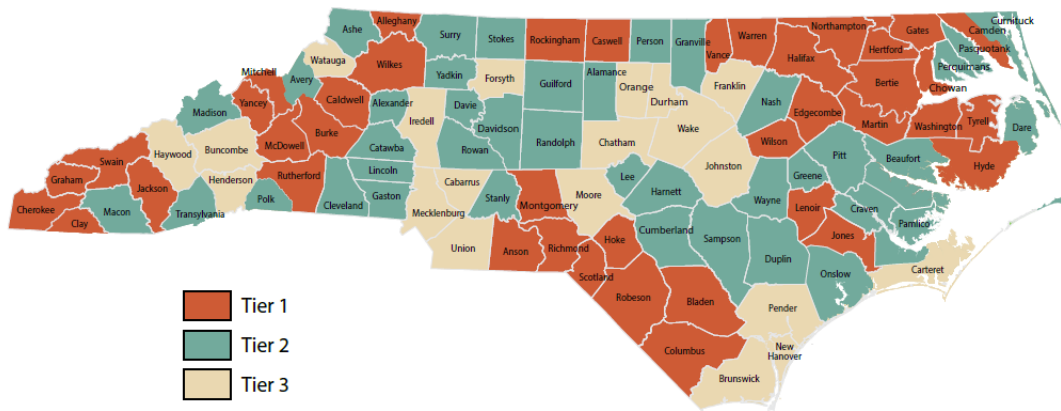
# APPENDIX A

## Figures and Maps

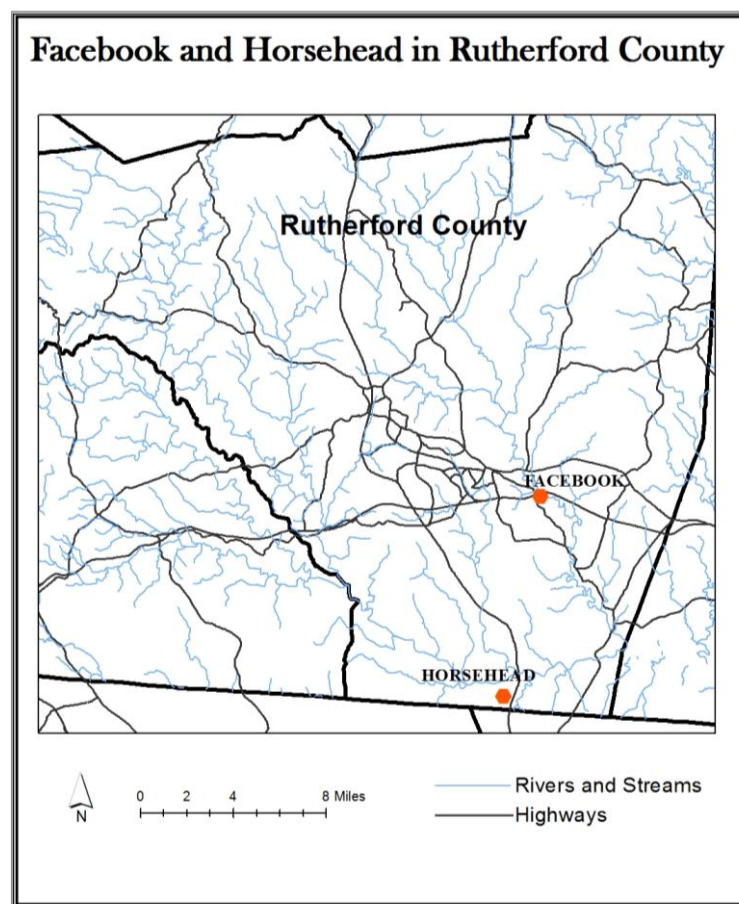


**Figure 1:** Map of Rutherford County

## 2013 N.C. Tier Designation



**Figure 2:** Department of Commerce's county tier designations (2013, 5)



**Figure 3:** Facebook and Horsehead locations in Rutherford County

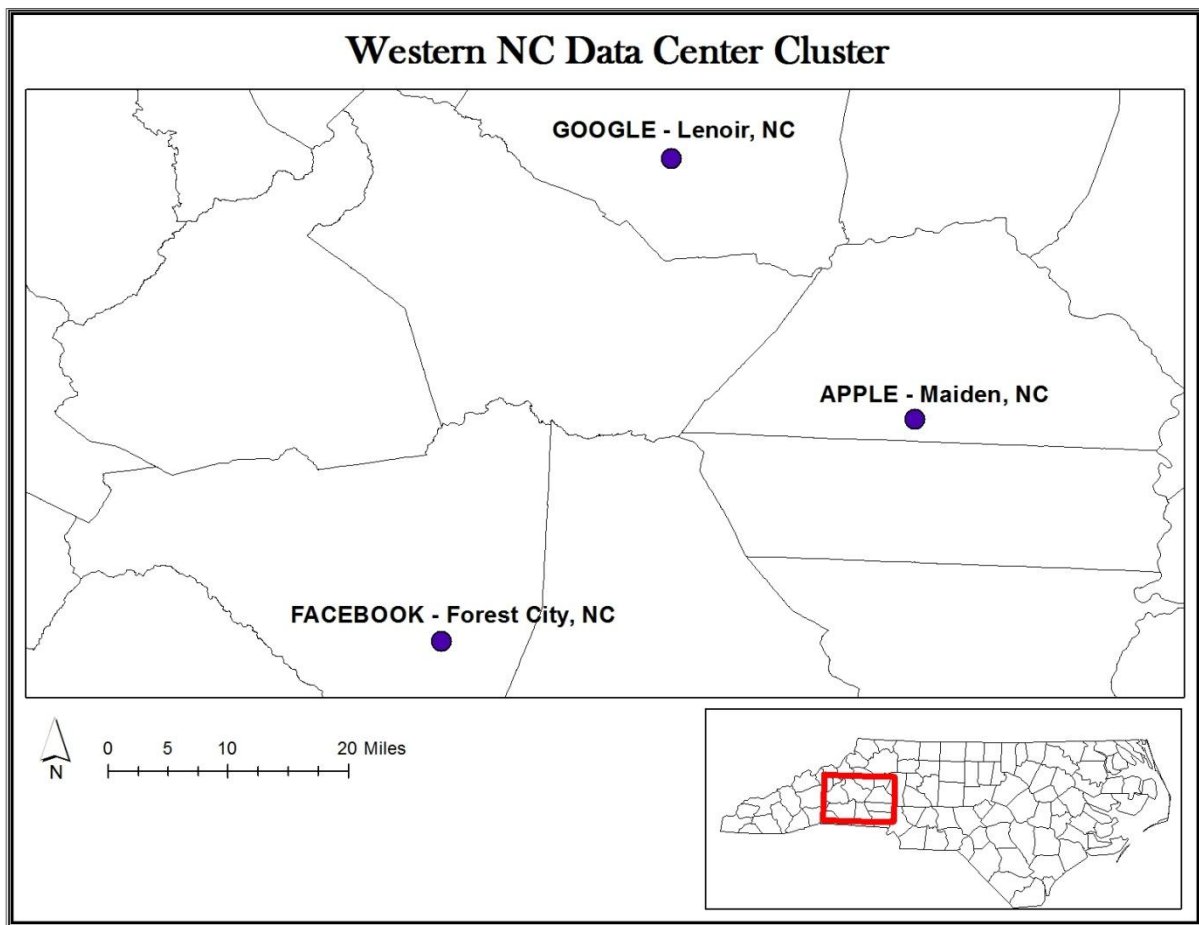


**Figure 4:** Facebook’s locations throughout the world (Facebook 2013, “Careers by Location”)



**Figure 5:** Horsehead’s North American locations (Horsehead 2013, “Our Facilities”)





**Figure 6:** Apple, Facebook, and Google data centers in North Carolina



# APPENDIX B

## Complete Questionnaire

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### Economic Development in Rutherford County

#### Community Survey

#### **Survey Instructions**

*Thank you for taking the time to complete this questionnaire. This questionnaire aims to understand how community members in Rutherford County feel about the county's economic development and also about Facebook and Horsehead's decisions to locate in the area. There are approximately 25 questions that will ask you about economic development, the two companies, and also general demographic information. Responses are completely voluntary and you are not required to answer any question. All questionnaires will be kept anonymous. This questionnaire will assist in research for a senior honors thesis at UNC-Chapel Hill.*

#### **Rutherford County's Economy**

1) How satisfied are you with the current state of the economy in Rutherford County?

- ☐ Very Satisfied
- ☐ Satisfied
- ☐ Somewhat Satisfied
- ☐ Neutral
- ☐ Somewhat Dissatisfied
- ☐ Dissatisfied
- ☐ Very Dissatisfied

2) How would you describe the local government's response to Rutherford County's current economic situation?

- ☐ Has addressed all of the local economy's needs
- ☐ Is effective but could be improved
- ☐ Attempts to address local economic needs but is not effective
- ☐ Incorrect and does not address the current economic needs

3) Please rank the following topics by their importance for economic development projects with 1 being the most important and 6 being the least important:

- \_\_\_\_\_ Number of jobs a company will bring
- \_\_\_\_\_ Average wage for employees
- \_\_\_\_\_ Type of company (manufacturing, retail, technology, etc.)
- \_\_\_\_\_ Environmental impact of the company
- \_\_\_\_\_ Involvement with the community (support of schools and nonprofits, grants, etc.)
- \_\_\_\_\_ The company's plans for future growth and/or expansion

4) Do you agree with the following statement?

"Members of the community are able to participate in economic development planning for Rutherford County."

- ☐ Strongly Agree
- ☐ Agree
- ☐ Somewhat Agree
- ☐ Neither Agree nor Disagree
- ☐ Somewhat Disagree
- ☐ Disagree
- ☐ Strongly Disagree

5) Do you think a public hearing should be required for all economic development projects in Rutherford County?

- ☐ Yes
- ☐ No

### **Facebook in Rutherford County**

6) What best describes your home's relationship to Facebook's location?

- ☐ In the same county (Rutherford)
- ☐ In the same zip code (Facebook's zip code is 28043)
- ☐ In the same neighborhood (less than 1 mile from facilities)
- ☐ I live outside of Rutherford County

*The next few questions will ask for your opinion about the benefits and costs of Facebook's location in Rutherford County.*

7) Do you agree with the following statement?

"Facebook's location in Rutherford County is beneficial for the area."

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree

8) If you agreed with the above statement, please describe why Facebook is beneficial for Rutherford County.

9) Do you have any concerns about Facebook's location in Rutherford County?

- ☐ Yes
- ☐ No

10) If you answered yes to the previous question, please explain why you are concerned.

11) Do you agree with the following statement?

"I would like to see more companies like Facebook locate in Rutherford County."

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree

## **Horsehead in Rutherford County**

12) What best describes your home's relationship to Horsehead's location?

- ☐ In the same county (Rutherford)
- ☐ In the same zip code (Horsehead's zip code is 28114)
- ☐ In the same neighborhood (less than 1 mile from facilities)
- ☐ I live outside of Rutherford County

*The next few questions will ask for your opinion about the benefits and costs of Horsehead's location in Rutherford County.*

13) Do you agree with the following statement?

"Horsehead's location in Rutherford County is beneficial for the area."

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree

14) If you agreed with the above statement, please describe why Horsehead is beneficial for Rutherford County.

15) Do you have any concerns about Horsehead's location in Rutherford County?

- ☐ Yes
- ☐ No

16) If you answered yes to the previous question, please explain why you are concerned.

17) Do you agree with the following statement?

"I would like to see more companies like Horsehead locate in Rutherford County."

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree

### **General Demographic Information**

18) Describe your age.

- ☐ 18-29 years old
- ☐ 30-49 years old
- ☐ 50-69 years old
- ☐ 70 years or older

19) Describe your race.

- ☐ White
- ☐ African American
- ☐ Hispanic or Latino
- ☐ Native American
- ☐ Asian or Pacific Islander
- ☐ Two or more races
- ☐ Other

20) Describe your education.

- ☐ Some high school
- ☐ High school diploma or GED
- ☐ Some college or training
- ☐ Associates degree
- ☐ Bachelors degree
- ☐ Higher than bachelors degree

21) Have you lived in Rutherford County for the majority of your life?

- ☐ Yes
- ☐ No

22) If you answered no to the previous question, how long have you lived in Rutherford County?

23) Have you experienced unemployment in the last two years?

- ☐ Yes
- ☐ No

24) If you answered yes to the previous question, approximately how long have you been/were you unemployed?

- ☐ 0-6 months
- ☐ 6-12 months
- ☐ 1-2 years
- ☐ More than 2 years

25) Please feel free to share any additional comments.

*You have completed the questionnaire. Thank you for your input!*

# APPENDIX C

## Survey Tables

#	Answer	Bar	Response	%
1	Some high school		1	1%
2	High school diploma or GED		9	9%
3	Some college or training		29	28%
4	Associates degree		19	18%
5	Bachelors degree		24	23%
6	Higher than bachelors degree		23	22%

**Table 1:** Description of survey respondents' education

4. Do you agree with the following statement? "Members of the community are able to participate in economic development planning for Rutherford County."

#	Answer	Bar	Response	%
1	Strongly Agree		4	4%
2	Agree		16	15%
3	Somewhat Agree		21	20%
4	Neither Agree nor Disagree		24	23%
5	Somewhat Disagree		21	20%
6	Disagree		14	13%
7	Strongly Disagree		6	6%
	Total		106	

5. Do you think a public hearing should be required for all economic development projects in Rutherford County?

#	Answer	Bar	Response	%
1	Yes		67	63%
2	No		40	37%
	Total		107	

**Table 2:** Responses to questions about community participation in economic development

		How would you describe the local government's response to Rutherford County's current economic situation?				
		Has addressed all of the local economy's needs	Is effective but could be improved	Attempts to address local economic needs but is not effective	Incorrect and does not address the current economic needs	Total
Do you agree with the following statement? "Members of the community are able to participate in economic development planning for Rutherford County."	Strongly Agree	0	1	2	1	4
	Agree	2	11	3	0	16
	Somewhat Agree	0	13	7	1	21
	Neither Agree nor Disagree	0	8	13	3	24
	Somewhat Disagree	0	7	13	1	21
	Disagree	0	0	10	5	15
	Strongly Disagree	0	1	2	4	7
	Total	2	41	50	15	108
Do you think a public hearing should be required for all economic development projects in Rutherford County?	Yes	2	21	35	10	68
	No	0	21	15	5	41
	Total	2	42	50	15	109

**Table 3:** Influence of politics on ideas of community participation



Do you agree with the following statement? "Members of the community are able to participate in economic development planning for Rutherford County."	Describe your age.					Describe your education.							
		18-29 years old	20-49 years old	50-69 years old	70 years or older	Total	Some high school	High school diploma or GED	Some college or training	Associates degree	Bachelors degree	Higher than bachelors degree	Total
	Strongly Agree	0	2	2	0	4	0	1	3	0	0	1	4
	Agree	0	4	8	3	15	0	2	3	3	4	2	14
	Somewhat Agree	1	9	11	0	21	1	2	7	3	3	5	21
	Neither Agree nor Disagree	4	13	7	0	24	0	3	6	6	5	4	24
	Somewhat Disagree	1	10	10	0	21	0	1	6	3	6	5	21
	Disagree	1	7	6	0	14	0	0	1	2	6	5	14
	Strongly Disagree	0	3	3	1	7	0	0	2	2	2	1	7
	Total	7	48	47	4	106	1	9	28	19	26	23	105

**Table 4:** Effects of age and education on perception of community participation

#	Answer	1	2	3	4	5	6
1	Number of jobs a company will bring	63	27	8	1	4	2
2	Average wage for employees	20	43	20	15	4	4
3	Type of company (manufacturing, retail, technology, etc.)	15	13	15	13	14	35
4	Environmental impact of the company	8	7	20	23	23	24
5	Involvement with the community (support of schools and nonprofits, grants, etc.)	6	5	11	28	34	21
6	The company's plans for future growth and/or expansion	8	8	29	24	19	16
	Total	120	103	103	104	98	102

**Table 5:** Response to question about important elements of economic development projects