



SPECIAL MEETING  
CITY COUNCIL

January 22, 2021  
8:15 a.m.  
Council Chamber

Ronnie Thompson, Mayor

Sally W. Sandy, City Manager  
Louis E. Vinay, Jr., City Attorney

Wendy Cato            )  
Christopher Hawkins ) Council  
Chris Jernigan        )  
Butch McSwain        )

I. Call to Order in the Council Chamber at City Hall at 8:15 a.m. – The Mayor called the meeting to order in accordance with N.C.G.S. 143.318.12(b)(2). He stated the reason for the meeting is to receive information on the IT Strategic Plan from consultant Tom Johnson.

II. IT Strategic Plan Report

Tom Johnson, a consultant with Sanford Holshouser Economic Development Consulting, presented “A Feasibility Study for Attracting Information Technology Companies to Morganton, North Carolina.”

Tom Johnson gave a brief historic overview of employment in our area, saying the majority of people in Burke County used to be employed in manufacturing and government. He stated that there are now many more information technology jobs in the area. He stated he had done a similar study in a city in Tennessee when he began thinking about how recruiting jobs in the IT field would be a good fit for Morganton, especially because of CoMPAS and with the opening of NCSSM in Morganton.

Johnson began by looking at connectivity. He worked with Greg Branch, Director of IRMS/CoMPAS, to find that the City has ample capacity. He stated he was surprised to learn that over 350 businesses in Morganton use CoMPAS and that there were plans to build a hub in the Broughton area, which will improve/increase connectivity.

Johnson summarized the various educational opportunities in the area and Western North Carolina that offer IT programs stating there are many opportunities for internships in Burke County. He said currently every teacher and student in Burke County Public Schools has a technology device. He stated that Western Piedmont Community College has a couple of programs in the IT field and they are looking at starting network and cybersecurity programs. Johnson also shared programs from area Community Colleges including Caldwell, Isothermal, Catawba Valley, as well as Appalachian State, Lenoir-Rhyne, UNC-Asheville and Charlotte.

Johnson stated that prior to COVID-19 the unemployment rate in Burke County was about 3%. Johnson pointed out the number of commuters in the Morganton-Hickory-Lenoir MSA saying employment is now regional with many employees commuting into and out of the area and that trend is expected to continue. Johnson stated that quality of life is important and that Morganton and Burke County have many assets and amenities that employers look for when relocating to an area.

Johnson explained a focus group meeting was held with a select group of local business people to talk about the idea of a shared space facility. The group shared concerns that shared space caters to start-up operations which don't always come to fruition. The focus group was made up of local younger property and/or business owners who are investing in the area. The City Manager stated it was a really positive group who felt like the City needed to find a way to market CoMPAS and what CoMPAS has to offer so companies know what is available.

Johnson stated he has interviewed various large and small technology companies asking what they are looking for when expanding or relocating. Answers included connectivity, workforce, and quality of life. Johnson stated a problem area in Burke County is housing availability.

Johnson listed various companies with data centers in the surrounding area. He then stated it has been about 10 years since the last large data center has relocated in this area. He believes recruiting data centers is not a valid path, but the number of centers in the area make other recruiting opportunities viable.

Johnson stated that shared space has grown in popularity and in the technology arena, shared space seems to be increasing. Johnson talked about a recent visit, along with City staff, to Johnson City, Tennessee, which has a shared space. He says this type of facility has great promise in Morganton. The City Manager stated that more people are working from home; but working from home can be inconvenient because of distractions. A shared space could offer an affordable place to go to get work done without distraction.

Johnson stated that the expansion or relocation of existing IT facilities or a satellite operation of a major company would be interested in Morganton because of wages, labor market, and commuting time. He stated that research shows 34% of companies

offer remote jobs and while offices will not go away they won't be as large as pre-COVID-19. Johnson stated that the City has connectivity and workforce, which are two attributes desired by companies. He believes the workforce includes some of those commuters who currently leave for IT type work.

Johnson stated the recommendations to the City include a need to encourage WPCC and their efforts to join the other community colleges in the Mechatronics proposal as well as add networking and cyber security programs; to coordinate with NCSSM regarding internship opportunities; begin looking for a satellite operation of existing major companies; to develop a marketing program that is concise to be presented to companies. He said we should first work to develop materials that shows what the City has to offer and then begin work on a shared space facility. Once the shared space has been identified the City should go after satellite companies.

Johnson stated he would welcome the opportunity to work with the City.

The City Manager says she believes a shared space can be done in Morganton. She suggested talking with Bob Canham to partner with the City for space in Morganton Trading Center. There was further general discussion regarding whether this would work in our area.

Councilwoman Cato questioned if this would be step one toward attracting larger companies. Johnson stated he thought it would be a good step toward recruiting other companies.

The City Manager stated that it is important for the City to encourage all the educational opportunities to help attract companies to our area.

Councilman McSwain asked about the prices being charged for shared space in Johnson City, TN and if they would compare to what might be charged in Morganton. Johnson felt the prices for space would be comparable.

Councilman Hawkins stated that a shared space would help those people who want to be social while working.

Greg Branch stated the City has done a lot of advertising and received many calls from County residents expressing the need for high-speed internet. A shared space could be a place for people who don't currently have adequate access to come to access internet for work and/or school.

The City Manager stated that the City needs both print and online marketing materials.

Councilman Jernigan asked what was the square footage in the Johnson City space. Johnson stated it started smaller but because of use they moved to another location which is about 3,000 square feet. Councilman Jernigan asked if there would be enough

parking if this were to come to Morganton Trading Company. The City Manager stated that would be a question, among others, to be worked out with Bob Canham.

The City Manager asked if this is an idea that Council would like staff to continue to pursue. Councilman Jernigan stated he was in favor of the idea. The other Council members were in agreement.

Johnson stated in Rutherford County they were able to bring in a company but didn't think they could find 30 people to hire. He said the first 30 people they hired were from Rutherford County who had been commuting to other places.

Johnson thanked the Council for the opportunity to share the information. He stated he would begin working on a proposal for the next phase and would send it to the City Manager. Johnson also offered to schedule a tour to see the Johnson City site if Council was interested.

Upon motion by Councilwoman Cato, seconded by Councilman Jernigan, and carried unanimously, the Council approved accepting the report ("A Feasibility Study for Attracting Information Technology Companies to Morganton, North Carolina.") from Sanford Holshouser.

III. Adjournment – There being no other items, the Mayor adjourned the meeting at 9:38 a.m.

Preparation of Minutes. These minutes were prepared by Mikela D. Russell, Assistant City Clerk. Copies of all resolutions, ordinances and orders referenced in these minutes are intended to be incorporated into these minutes as if fully set forth herein. Prior to including them into the official minute book, the minutes have been read and approved by the City Manager and the City Attorney, then distributed to each member of the City Council for further review and final approval, at a subsequent Council Meeting.

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Mayor

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Assistant City Clerk