

Siler City, North Carolina



	Siler City
Population (2000)	8,079
Municipal budget (2006)	\$4.9 million ¹¹⁴
Per capita income (2000)	\$13,950
Median household income (2000)	\$33,650
Poverty rate (2000)	15%
Minority population (2000)	49%
Proximity to urban center	36 miles to Greensboro, N.C.
Proximity to interstate highway	32 miles
Strategic approach	Entrepreneurship Downtown development Creative economy
Time frame	2000-2006

Siler City is working with the Central Carolina Community College (CCCC) to create an innovative arts-based small business incubator. Beginning in the late 1990s, Leon Tongret, the former small business director at CCCC, saw an opportunity to harness the energy of local artisans toward the revitalization of downtown Siler City. After securing financing, a portion of which came from the local government, Tongret renovated three buildings in downtown Siler City and gave birth to the North Carolina Arts Incubator. Since 2003, the incubator has triggered a minor renaissance. The North Carolina Arts Incubator has turned a loose collection of artisans into an economic sparkplug that is helping to revitalize downtown Siler City.

The community and its history

Siler City is located in rural Chatham County, within a one-hour drive of Raleigh and Greensboro. In recent years, the town has grown considerably. This growth, in large part, is attributed to Hispanic workers migrating into the community to work at the meat processing plants in and around Siler City. In addition to the processing plants, traditional textile and furniture manufacturers have tended to be the largest employers in Siler City.

Just a few minutes down the road from Siler City is the Central Carolina Community College (CCCC) in Sanford. In 2000, Leon Tongret was screening potential locations for a new CCCC business incubator. During

¹¹⁴ Interview with Wanda Ingold, Siler City finance director, June 14, 2007.

This small town is capitalizing on the economic value of arts-based small businesses.

Through a partnership with a regional community college, Siler City is nurturing the creativity and entrepreneurship of local artists.

the initial site selection process, he discovered a relatively large number of artists and crafts entrepreneurs scattered around the county. While the initial plan was to develop a traditional business incubator, the number of independent artist entrepreneurs prompted Tongret to consider how they might be able to benefit from an incubator. “We saw Chatham County had a ton of artists,” Tongret said, “and we believed they too could take advantage of the services an incubator provides and ended up focusing an incubator around them.”

The strategy

Siler City partnered with CCCC to create the North Carolina Arts Incubator. The idea was to purchase adjoining abandoned buildings in downtown Siler City, renovate them and open an incubator designed to meet the needs of local artisans. Besides competitive rents (\$100 to \$200 per month), the incubator and CCCC’s small business center provide special assistance to artisans in marketing, finance and business planning.

Siler City’s efforts began in earnest in 2001 when Tongret formed a nonprofit organization, the North Carolina Arts Incubator, to raise money for purchasing and renovating several downtown buildings. To secure a bank loan, Tongret recruited six local artisans to demonstrate the potential cash flow from the incubator. One of the primary tenants of the incubator was to be CCCC’s new professional arts and crafts program, the first of its kind in North Carolina. The program was to become a crucial training and professional development program for artisans located in the incubator. The program includes training in artistic skills in pottery, clay sculpture and metal sculpture, and entrepreneurship instruction to teach artists how to run and manage galleries and studios. In 2001, the bank approved an initial loan of \$125,000, and the North Carolina Arts Incubator purchased buildings along three blocks of Main Street in Siler City.

A year later, the incubator project needed additional funding to complete the building renovation. Having built a strong relationship with local government officials in Siler City (including the building inspectors and town planners), Tongret approached the town for assistance. Siler City’s officials were so enthusiastic about the incubator that they contributed a grant of \$25,000 and have done so every year since 2002. With the extra boost from the town, building renovation was completed in 2003, and the North Carolina Arts Incubator opened in November of that year.

One of the six initial tenants in the incubator was Terry McInturff, a world-class guitar maker. McInturff previously worked out of an industrial park outside of Raleigh but decided to move his shop after hearing about the incubator. “I was able to get a good workspace at a third the cost of my previous space,” he said. “Plus, it was an incredibly stimulating environment to be around other artists making pots and sculptures.” McInturff’s shop now attracts guests from throughout the world to Siler City.

With success stories like McInturff's, local officials won a \$350,000 grant from the North Carolina Rural Economic Development Center to purchase four additional buildings for the incubator. The growing incubator is changing the face of Siler City as its former tenants open new studios nearby, breathing life into the downtown. "When I started renovating buildings in Siler City, there was such little traffic that a dog literally slept in a main intersection in town," Tongret said. "Now, I have a hard time finding a parking spot in Siler City."

What are the lessons from this story?

Small business incubators, whether focused on artists or other entrepreneurs, must provide training and support, along with affordable space, to catalyze economic development. One of the innovative characteristics of the North Carolina Arts Incubator is its recognition that artists need space, but they also need the ability to network, mentorship opportunities and small business training. Newer artists in the incubator may need continued training in their respective craft. The professional arts and crafts program, the only one of its kind in North Carolina, was developed to teach artistic skills and business skills relevant to operating a craft studio and gallery. "I went to the incubator daily and helped the artisans understand loan terms, find new markets and put together business plans," Tongret said. By providing affordable space and training, Siler City, CCCC and the North Carolina Arts Incubator have brought about a downtown renaissance and facilitated the creation of new small businesses.

Demonstrating success helps to build support for your efforts. Tongret attracted bank funding for the incubator project by demonstrating the economic potential of six existing artisans, essentially making the case to the bankers for the success of the project. The incubator's initial success, and the strong buzz created in the community, helped convince local government leaders to invest in the continued renovation and expansion of the facility. Success stories of local artisan tenants were instrumental in building the case for grant funding from the Rural Center.

Strong partnerships and visionary leadership are necessary ingredients for success. The successful establishment of the incubator in Siler City was the product of a partnership among the community college, local government and statewide organizations like the Rural Center, all facilitated through the visionary leadership of Leon Tongret. Together these groups were able to see the potential behind focusing on artist entrepreneurs who are not usually considered targets for incubator development.

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