

Comprehensive Economic Development Strategy (CEDS)

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CEDS Annual Update

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INTRODUCTION

Southeastern Economic Development Commission (SEDC) is designated as an Economic Development District (EDD) by the US Department of Commerce, Economic Development Administration (EDA). The EDD is comprised of twelve counties in southeastern North Carolina (Bladen, Brunswick, Columbus, Cumberland, Harnett, Hoke, New Hanover, Pender, Richmond, Robeson, Sampson and Scotland counties). The Commission's Comprehensive Economic Development Strategy, or CEDS, for the period of 2017-2022 (five-year strategic economic development plan) was submitted in September 2017.

A Board-appointed Strategy Committee developed the CEDS with input from regional strategic economic development meetings held throughout the District, public and private stakeholders and partners within the region and a staff review of local, regional, and state plans and policies. The Strategy Committee is comprised of community leaders, public officials, representatives of the workforce development boards, representatives of institutions of higher education, and private sector representatives who are critical to the implementation of the CEDS. Participation by the community and collaboration between the public and private sectors are the cornerstone of a successful strategy and implementation. The SEDC staff continues to work in collaboration with the three Regional Councils of Governments (COG) in the District.

Enclosed you will find the 2020 CEDS Annual Update including the District's progress in implementation of the Action Plan that was established as part of the District's September 2017 CEDS listing specific objectives to be achieved within five years, as well as an Evaluation Framework with strategic partners and estimated timeframe for completion. The goals that were established by the Strategy Committee include: (1) Build on the region's competitive advantages and leverage the marketplace; (2) Establish and maintain a robust regional infrastructure, including affordable, adequate housing; (3) Create Revitalized and Vibrant Communities; (4) Develop a healthy, skilled and vibrant workforce; and (5) Encourage entrepreneurs and small business growth, support existing businesses, and attract new employers in the region. The plan of action will implement the goals, objectives and strategies of the CEDS in a manner that: (a) promotes economic development and opportunity; (b) fosters effective transportation access; (c) enhances and protect the environment; (d) maximizes effective development and use of the workforce consistent with any applicable state or local workforce investment strategies; (e) promotes the use of technology in economic development, including access to high-speed telecommunications; balances resources through sound management of physical development; and (f) obtains and utilizes adequate funds and other resources. This annual CEDS update for December 2020 will attempt to quantify how we are progressing, identify challenges and the plan of action that the District will utilize to help us meet these goals and objectives for this region.



VISION FOR ECONOMIC DEVELOPMENT

Creating and implementing a CEDS for a region as diverse as the District requires an understanding of all the economic drivers of the economy. As a result of the diverse viewpoints of our CEDS Strategy Committee we believe that we gained valuable insight into the full range of economic development activities and ideas for the region. We identified eight key economic clusters which honor the diversity within the region and offer real opportunity for job creation. With community support and continued strategic investments, we believe that our economy will grow in Advanced Manufacturing, Food Processing, and value-added Agribusiness, Biotechnology & Life Sciences, Healthcare, Defense, Tourism, Transportation and Logistics and Energy. The economic drivers for our economy range from tourism and residential development along the coastal counties, to agriculture and related industries in our more rural counties, to the influence of the military in Cumberland, Hoke and Harnett Counties, and the commercial and residential development spillover in Harnett County from the Research Triangle. The diversity of our economy allows the region to be less dependent on any one type of industry, as we have been with the textile industry in recent decades.

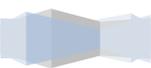
From the efforts of the CEDS Strategy Committee, a vision for the future of southeastern North Carolina has been developed to achieve regional prosperity in healthy, connected and globally competitive communities, through improving education and infrastructure, targeting existing strengths and strategic growth sectors, and enhancing the business climate and quality of life.

ECONOMIC RESILIENCE

Economic Resilience is the ability to recover quickly from a shock, the ability to withstand a shock, and the ability to avoid a shock altogether. The SEDC CEDS includes a prepared framework for economic resiliency that provides an approach for becoming better prepared for future disasters, including economic, manmade and natural, recovering from disasters, and then transitioning back to steady state. The region's ability to work toward an agile steady-state will be measured by the economy and amount of businesses that survive the shock, as well as the ability to adapt to the new normal following a shock with a rebuilt economy. The more effort put into the steady-state, the more resilient the regional economy is likely to be.

Various economic shock factors have varying levels of severity and devastation, including natural disaster; major stock market fluctuations; economic downturns and recessions; government shutdowns; availability of funds for grants; terrorist attacks; and substantial fluctuations in supplies, as examples. Pre- and post-shock strategies to develop a more resilient economy were outlined in the CEDS that can be used to address various economic shocks.

The most recent shocks in the region resulted from three natural disasters, Hurricane Matthew (2016), Hurricane Florence (2018), and Hurricane Dorian (2019), and the COVID-19 Pandemic



(2020). Many of the strategies that were outlined in the CEDS have been put in action to help develop a more resilient economy in the region. In the wake of Hurricane Matthew, the affected communities, in collaboration with the NC Department of Public Safety, developed a resilient rebuilding plan tailored to each County in the District. These plans went into detailed information for each County and delineate the major areas of impact and devastation that needed to be addressed and specific projects were identified to address the impacted areas. Projects were identified include both short-term immediate needs, as well as long-term resiliency efforts that address Housing, Economic Development, Infrastructure and Environment. These actions were prioritized based on community input.

The SEDC Economic Development District (EDD) received an EDA investment award to provide resources to facilitate the recovery and enhanced resiliency of communities negatively impacted because of Hurricane Matthew, and later received additional funding following Hurricane Florence. SEDC contracted with WR Martin/WithersRavenel to provide a Disaster Recovery Coordinator for the District. The SEDC Disaster Recovery Coordinator (DRC) has assisted with recovery efforts from the devastation of Hurricane Matthew and Florence by providing grant writing and technical assistance to support the most impacted communities. SEDC Disaster Recovery Coordination assistance helped communities in the region secure more than \$13.4 million after Hurricane Matthew from state and federal funding sources. Availability of resources for projects was a challenge for the rural communities in the District following Hurricane Matthew.

The SEDC Disaster Recovery Coordinator continues to aid communities in southeastern North Carolina that were once again shocked by the devastation of Hurricane Florence in September 2018. All twelve counties in the District received a Federal Disaster Declaration (FEMA-4393-DR) following Hurricane Florence. Currently, the Disaster Recovery Coordinator, and all supporting activities, including resiliency and recovery planning and website support for the District, is funded by the EDA Hurricane Florence investment award. The SEDC Hurricane Florence DRC activities has helped secure \$11.9 million from state and/or federal funding sources for communities in the region with an additional \$25.1 million in applications pending or in development.

In June 2019, Congress passed the Additional Supplemental Appropriations for Disaster Relief Act, 2019 providing EDA with \$600 million in additional Economic Adjustment Assistance (EAA) Program funds for necessary expenses related to flood mitigation, disaster relief, long-term recovery, and restoration of infrastructure in areas impacted by Hurricanes Florence, Michael, Lane, Typhoons Yutu and Mangkhut, wildfires, volcanic eruptions, earthquakes and other calendar year 2018 disasters under the Stafford Act and tornadoes and floods in calendar year 2019. SEDC provided grant writing and/or technical assistance to local governments to apply to the EDA for over \$25 million in EDA Disaster Relief funding. The region successfully received over \$16.9 million in EDA funding in FY 2019 and FY 2020 for disaster recovery and resiliency projects with an another \$8.3 million invited for further consideration by EDA.

On March 10, 2020, North Carolina Governor Roy Cooper declared a State of Emergency to coordinate response and protective actions to prevent the spread of the coronavirus, and soon thereafter issued Executive Order 118 that closed restaurants, bars to dine-in service and other close contact businesses. On March 26, 2020, the White House granted Governor Cooper's request for a federal disaster declaration for the Coronavirus (COVID-19) pandemic in North Carolina. The COVID-19 pandemic has created both a public health crisis and an economic crisis in North Carolina and across the country. The declaration provided Public Assistance to all 100 counties in North Carolina, allowing local governments, state agencies and eligible non-profits to be reimbursed for costs involved in responding to the outbreak of the Coronavirus.

The Covid-19 pandemic is an exogenous economic shock of historically unprecedented scale and speed 'like no other'. According to the State of North Carolina's Communities During the COVID-19 Pandemic Report (May 22, 2020), the most significant challenges and needs shared by communities includes 1) budget impacts to local government due to the uncertainty about state sales tax and other expected revenues, pandemic response costs, and more; 2) broadband access due to existing limitations that have been magnified by increase demand for teleworking, virtual classrooms, online government, and business transactions; 3) Small Business Assistance for loans, grants, training, marketing and other support to operation safely and become more resilient; 4) Amplification of Existing Challenges/Needs like broadband, ongoing hurricane recovery, limited rural health services, food insecurity, and other challenges that are more pronounced; and 5) Funding and Technical Assistance for local governments to seek funding and technical assistance for infrastructure projects, equipment, training, and other economic support.

As part of the EDA's CARES Act Recovery Assistance, EDA invited the SEDC EDD to apply for a supplemental financial assistance to undertake the development of an economic recovery and resilience plan (tied to the approved CEDS) to address the economic impacts of the coronavirus pandemic, deployment of a disaster recovery coordinator to orchestrate our region's response to the pandemic, and provide technical assistance, as necessary, to local governments, businesses, and other stakeholder organizations. The CARES Act funding will provide technical assistance, planning, organization support, and regional disaster economic recovery coordination to help build more resilient local economies to respond to economic injury resulting from the coronavirus pandemic. Utilizing this investment, SEDC will support the authorized activities to respond to the coronavirus pandemic and respond to economic injury as a result of coronavirus, by contracting with the three Councils of Governments (COGs) to provide technical assistance and capacity building for the SEDC member governments, local municipalities, and other stakeholders in the region. SEDC will extend its professional services agreement with WRMartin/WitherRavenel for a Disaster Recovery Coordinator for the District to continue resiliency and recovery planning, grant writing and technical assistance in the region as outlined in the Scope of Work elements approved by EDA. Economic recovery and resiliency is an ongoing effort in the region.



PLAN OF ACTION

The Comprehensive Economic Development Strategy (CEDS) document was created by the Southeastern Economic Development Commission as part of a region-wide effort to assess, define, and accomplish the economic development goals of the region. In turn, the CEDS helps to serve as a guide for regional economic development efforts by outlining the overarching goals, objectives, and strategies formulated through the regional visioning meetings, SWOT analyses, previous CEDS plans, one-on-one discussions with stakeholders, and review of other local and regional strategic plans.

The plan of action will implement the goals, objectives, and strategies of the CEDS in a manner that:

- a. Promotes economic development and opportunity;
- b. fosters effective transportation access;
- c. enhances and protects the environment;
- d. maximizes effective development and use of the workforce consistent with any applicable state or local workforce investment strategies;
- e. promotes the use of technology in economic development, including access to high-speed telecommunications; balances resources through sound management of physical development; and
- f. obtains and utilizes adequate funds and other resources.

The Action Plan will implement the goals, objectives and strategies that were formulated through the regional visioning meetings.

In addition to the strategies that were formulated to achieve the goals and objectives, a list of performance measures including milestones and metrics, strategic partners and timeframes for implementation were outlined in the evaluation framework. The success of this plan of action can only be accomplished by the coordinated efforts of all the economic development stakeholders in the region, including the local governments, SEDC, local developers, public utilities, private sector, The Southeastern Partnership, Inc., Economic Development Partnership of North Carolina, and the North Carolina Department of Commerce.

The SEDC Economic Development District (EDD) focuses on all goals and strategies identified by the Strategy Committee and other local economic development strategies aimed at sustainable job creation and private investment. The District works closely with public and private allies and strategic partners in the region to bring sustainable economic advancement to southeastern North Carolina.

EVALUATION FRAMEWORK

It is of utmost importance that the SEDC EDD be able to measure performance to evaluate successful implementation and development of the CEDS in the region. The quantitative and



qualitative measures have been established to provide an objective way to measure the progress toward achieving the goals identified for the region by the CEDS Committee. These following measures are reviewed on an annual basis with a CEDS Update.

1. New Jobs. 2,500 New jobs created in the region by September 2022.

- Since October 1, 2017, the Region added fifteen (15) companies, which created 1135 new jobs and over \$163 million in total capital private investment. This was achieved through the cooperation of the NC Department of Commerce (NCDOC), Economic Development Partnership of North Carolina (EDPNC), SEDC, The Southeastern Partnership Inc., local developers, municipal and county governments, and various other allies.
- Since October 1, 2017, there have been seventeen (17) company expansions in Region, which created 955 new jobs and over \$314.2 million in total capital private investment. This was achieved through the cooperation of the NC Department of Commerce (NCDOC), Economic Development Partnership of North Carolina (EDPNC), The Southeastern Partnership Inc., local developers, municipal and county governments, and various other allies.

2. Number and types of investments undertaken in the region by September 2022. 30 Infrastructure investments, 10 Facility investments, and 6 Technical Assistance investments.

- Since October 1, 2017, there have been thirteen (13) investments undertaken in the region – three (3) Infrastructure investments, seven (7) Facility investments, and three (3) Technical Assistance. These numbers only include the EDA investments in the region. There were many other infrastructure investments made in the region by the USDA Rural Development, CDBG-Infrastructure, Golden LEAF Foundation Disaster Recovery, NC Division of Water Infrastructure, and NC Office of Recovery and Resiliency.

3. Retained Jobs. 2,000 jobs retained in the region by September 2022.

- Since October 1, 2017, the Region has seen the retention of 2,000 jobs and \$180 million in capital private investment.

4. Private Sector Investment. \$250,000,000 in private sector investment in the region by September 2022.

- Since October 1, 2017, the Region added fifteen (15) companies, which created 1135 jobs and over \$163 million in total capital private investment. This was achieved through the cooperation of the NC Department of Commerce (NCDOC), Economic Development Partnership of North Carolina (EDPNC), SEDC, The Southeastern Partnership Inc., local developers, municipal and county governments, and various other allies.
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5. Changes in the economic environment of the region.

- Changes in the economic environment of the region is an on-going process. Changes can only be achieved by implementation of the goal and objectives of the CEDS as a result of the District, local governments, local developers, private sector, State Commerce, EDPNC, and the Southeastern Partnership working together to create jobs and investment. Industry clusters have been identified that best fit the worker training and resources of the region. Target marketing to companies within those industry clusters will result in new, better paying jobs, as well as private investment.

Jobs and private investment will remain critical evaluation factors for the CEDS implementation. Nonetheless, jobs and private investment do not tell the whole story about the impact of the EDD and implementation of CEDS. The process is ongoing and accumulative. The District continues to strive for successful implementation of CEDS as a working document.

SUMMARY

The Southeastern Economic Development Commission Economic Development District will continue to focus on all goals and objectives identified by the Strategy Committee and other local economic development strategies aimed at sustainable job creation and private investment. The District continues to work closely with public and private allies and partners in the region to bring sustainable economic advancement to southeastern North Carolina.

Our region faces many challenges – we are a large geographic region, we have unique cultural and racial diversity, we have very significant diversity in financial well-being. We are a region that contains some of the State’s poorest counties and some of its wealthiest. Education attainment levels vary, and we have been a region that has historically relied on large manufacturing investments to provide our jobs and income. The manufacturing sector of our local economy has suffered a severe downturn in years past. However, this sector remains a large part of our economic base. Through innovation, technology, smart business planning and implementation, several smaller manufacturers have been able to grow and/maintain themselves, providing quality jobs and employment opportunities. Business retention continues to be a high priority.

Much progress has been made in the past year that has been made possible by the cooperation of many stakeholders in the region seeking that common good, as well as continued involvement and input from the CEDS strategy committee. The Southeastern Economic Development Commission EDD will continue to work with communities and local governments



to continue this positive trend, both within our district as well as adjacent counties that impact our regional workforce and economy. The Southeastern Economic Development Commission's economic development planning process continually seeks to attract and maximize private sector investments that have the potential to boost the economy and create or retain jobs for area residents. Through consistent and focused planning, the SEDC will make every attempt to get local units of government, educators, economic development practitioners and private sector investors to think and look to the future. It is imperative that we all continue to strive to make southeastern North Carolina a better place for all citizens to live, work, play and do business.

Pamela H. Bostic
Executive Director
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