

Serving: Carteret, Craven, Duplin, Greene, Jones,
Lenoir, Onslow, Pamlico, and Wayne Counties

2017 Comprehensive Economic Development Strategy

Supported by the Economic Development Administration

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Eastern Carolina Council's Member Governments

Carteret County

Town of Atlantic Beach
Town of Beaufort
Town of Bogue
Town of Cape Carteret
Town of Cedar Point
Town of Emerald Isle
Town of Indian Beach
The City of Morehead City
Town of Newport
Town of Peletier
Town of Pine Knoll Shores

Craven County

Town of Bridgeton
Town of Cove City
Town of Dover
City of Havelock
City of New Bern
Town of River Bend
Town of Trent Woods
Town of Vanceboro

Duplin County

Town of Beulaville
Town of Calypso
Town of Faison
Town of Greenevers
Town of Harrells
Town of Kenansville
Town of Magnolia
Town of Rose Hill
Town of Teachey
Town of Wallace
Town of Warsaw

Greene County

Town of Hookerton
Town of Snow Hill
Town of Walstonburg

Jones County

Town of Maysville
Town of Pollocksville
Town of Trenton

Lenoir County

Town of Grifton
City of Kinston
Town of LaGrange
Town of Pink Hill

Onslow County

Town of Holly Ridge
City of Jacksonville
Town of North Topsail Beach
Town of Richlands
Town of Surf City
Town of Swansboro

Pamlico County

Town of Alliance
Town of Arapahoe
Town of Bayboro
Town of Grantsboro
Town of Mesic
Town of Minnesott Beach
Town of Oriental
Town of Stonewall
Town of Vandemere

Wayne County

Town of Eureka
Town of Fremont
City of Goldsboro
Town of Mt. Olive
Town of Pikeville
Town of Seven Springs
Village of Walnut Creek

Introduction

For the past 50 years, Eastern Carolina Council (ECC) has been a unifying entity for local governments in central eastern North Carolina, as one of sixteen multi-county planning and development regions in the State. Regional Councils are governed by local public and private sector appointments, and are forums where local officials determine priorities for the larger area in which their communities are an integral part. ECC's region, Region P, has a land mass of 5,710 square miles, and a population of over 644,000 in the region's nine counties (Carteret, Craven, Duplin, Greene, Jones, Lenoir, Onslow, Pamlico, and Wayne). First established as the Neuse River Council of Governments in 1967, the Board of Directors elected to change the name to Eastern Carolina Council in 1999.

ECC provides the organizational framework for local stakeholders to meet and address mutual goals, objectives, and region-wide challenges. In many cases, opportunities, issues, and concerns do not have jurisdictional boundaries. Through the guidance of a regional council of governments, municipalities can cross their political jurisdictions and create ongoing partnerships for cooperation and coordination.

I. SUMMARY BACKGROUND—The past—where have we been?

Geography

Eastern Carolina Council (ECC) is located in central eastern North Carolina and is comprised of nine counties (Carteret, Craven, Duplin, Green, Jones, Lenoir, Onslow, Pamlico and Wayne) and 62 incorporated municipalities. ECC's region is very diverse, ranging from coastal communities with tourism-based economies to rural areas with agriculture-based economies. Three Metropolitan Statistical Areas (MSA's), Jacksonville in Onslow County, Goldsboro in Wayne County, and New Bern in Craven County serve as economic centers for the region. Additionally, three military bases, the Marine Corps Air Station Cherry Point in Craven County (including the Fleet Readiness Center), the Marine Corps Camp Lejeune/ New River Air Station in Onslow County and the Seymour Johnson Air Force Base in Wayne County are major economic influences in the region.

Economy

Eastern Carolina Council's region, like much of the United States and North Carolina, is transitioning to a knowledge and technology-based economy. Changes in the marketplace – driven by both technology and globalization – demand a greater capacity to innovate. To support that innovation, the region requires an appropriately skilled workforce and a comprehensive infrastructure.

The ECC region's economy is bouncing back from the economic downturn of a few years ago. The region's coastal counties still attract tourists, although storms during peak tourist season sometimes dampened the tourism revenues.

The military is a double-edged sword for the local economy. When deployments are down, local businesses thrive. When deployments are up, local businesses suffer the consequences. Base Realignment and Closures (BRAC) are on-again, off-again, depending on the whims of legislators in Washington, DC. A BRAC action could have serious impacts on the local economy.

Fleet Readiness Center East, the repair depot in Havelock, is also under the threat of BRAC action. These military facilities are major economic engines pumping billions of dollars into the local economy and employing thousands of civilians as well as military service personnel. While there are some military contractors in proximity to the bases, except for those employed by the Department of Defense (DoD), the economy is primarily low-wage service sector jobs.

Traditional manufacturing plants in the interior counties compete for market share based on price and have lost market share to global competitors. The region's western counties are beginning to feel the initial effects of Raleigh's rapid economic and population growth south and eastward.

Business cycles and job churning are natural parts of an economy's evolution. Job losses due to the economy have stabilized, but many manufacturing jobs have been lost—perhaps forever. National and regional economic trends suggest that manufacturing probably will never again be a major source of new job creation for the region, although advanced manufacturing facilities are found in Craven County and other pockets in the region.

Within this region the largest employers in 2010 (1000+) include Boards of Education, Hospitals and Medical Centers, Department of Defense, poultry processing, NC Department of Health and Human Services, County Government (Onslow), and Wal-Mart. This has not essentially changed since the last CEDS.

In the private sector employment, the manufacturing sector is still pays the highest amount of total wages, but health care is closing in. The highest average weekly wages paid in 2015 were to those employed in utilities, professional and technical, public administration, mining, company management, finance/insurance, and wholesale trades. This is unchanged from the last CEDS. In the future, manufacturing will remain an important source of regional wealth creation, but likely will not be a large new job generator. Thus, it will be critical for regional leaders to understand the industries that contribute the most to the local economy.

The non-coastal counties (including Wayne, Lenoir, Jones, Greene and Duplin) have traditional agricultural and manufacturing economies. Of these, Wayne and Greene Counties are beginning to experiencing positive economic impacts from their proximity to the Raleigh-Durham area. The coastal counties (including Onslow, Carteret, Craven, and Pamlico) have water access and a substantial military presence.

Workforce Development

In 2016 NCWorks Commission completed an Employer Needs Survey. Key findings included:

- 4 out of 10 employers who tried to hire in the past year had difficulty filling at least one position;
- Manufacturing and Construction had more difficulty filling positions;
- A lack of work experience, education, technical skills, and soft skills were the top reasons given by over 50% of the employers with hiring difficulties;
- More than half of the positions in manufacturing, construction, health care, and STEM requiring 5 or more years' experience were rated "very difficult to fill";
- Top recruiting resources included "word of mouth", internet postings, and community colleges;
- 6 out of 10 employers use on-the-job training exclusively to meet skill needs; and
- Opportunities exist for the workforce development system and education partners to more fully engage with employers.

This report went on to state that raising educational attainment has also been identified as a state priority. Diagnosing specific issues and creating better integration among employers, jobseekers and the workforce development and education system can potentially help shorter-term needs while longer-term needs, such as developing skills of younger workers, will require more time and resources.

Communities are now competing against other nations in a global economy that is constantly changing. The region has weathered the changes of the new economy and it must now reposition itself to not only survive, but to thrive. To do so it must create a competitive advantage by developing strong community partnerships and identify a vision for the future.

Population

The region continues grow. Between Census 2010 and the NC Demographer’s 2015 estimate, the number of residents grew 3.6%. Two counties lost population: Greene and Lenoir. Onslow County grew by 9.49% followed by Carteret County which grew by 5.05%. The NC State Demographer predicts that this region’s population will grow by 6.23% between 2015 and 2029.

Eastern Carolina Council Region Population Growth, 2000-2029							
County	Census 2010	NC 2015 Est	Growth 2010-2015	% Growth 2010-2015	Projected 2029	Growth 2015-29	% Growth 2015-29
Carteret	66,469	69,826	3,357	5.05%	73,859	4,033	5.78%
Craven	103,505	103,691	186	0.18%	100,762	-2,929	-2.82%
Duplin	58,505	59,868	1,363	2.33%	59,867	-1	0.00%
Greene	21,362	21,158	-204	-0.95%	21,073	-85	-0.40%
Jones	10,153	10,423	270	2.66%	10,423	0	0.00%
Lenoir	59,495	58,338	-1,157	-1.94%	57,440	-898	-1.54%
Onslow	177,772	194,636	16,864	9.49%	225,355	30,719	15.78%
Pamlico	13,144	13,174	30	0.23%	13,255	81	0.61%
Wayne	122,623	124,984	2,361	1.93%	134,939	9,955	7.97%
Region	633,028	656,098	23,070	3.64%	696,973	40,875	6.23%

Source: 2010 US Census Bureau, NC Office of Management and Budget, 2015.

When reviewing the American Community Survey 5-year estimates for race and ethnicity, as a whole the region is 67.0% white, 25.2% African-American, 0.8% Asian and 9.3% Hispanic.

Eastern Carolina Council Region Population by Ethnic Group, 2015								
County	White	% White	African-American	% African-American	Asian	% Asian	Hispanic	% Hispanic
Carteret	60,638	88.9%	4,383	6.4%	101	0.1%	2,771	4.1%
Craven	73,667	70.5%	22,724	21.8%	2,576	2.5%	7,243	6.9%
Duplin	36,779	61.9%	14,835	25.0%	278	0.5%	12,627	21.2%
Greene	11,660	54.7%	7,646	35.8%	32	0.2%	3,142	14.7%
Jones	6,618	65.1%	3,224	31.7%	10	0.1%	424	4.2%
Lenoir	32,450	55.2%	23,657	40.2%	373	0.6%	4,186	7.1%
Onslow	136,587	74.3%	28,495	15.5%	3,348	1.8%	21,348	11.6%
Pamlico	9,762	75.2%	2,471	19.0%	34	0.3%	439	3.4%
Wayne	71,217	57.3%	38,958	31.3%	1,438	1.2%	13,362	10.7%
Region	439,378	67.0%	146,393	25.2%	8,190	0.8%	65,542	9.3%

A review of the NC 2014 Population Estimates (Access NC) shows the following population for the various age ranges:

Eastern Carolina Council Region Age Groups 2014 NC Population Estimates							
County	0-19	20-29	30-39	40-49	50-59	60+	Median
Carteret	19.7%	10.8%	10.8%	12.6%	16.4%	29.6%	47
Craven	25.2%	16.4%	12.0%	10.8%	12.9%	22.8%	37
Duplin	27.0%	12.4%	12.6%	12.9%	13.6%	21.5%	38
Greene	24.3%	13.7%	14.3%	13.5%	14.4%	19.8%	38
Jones	22.8%	11.6%	10.6%	11.6%	16.6%	26.9*%	45
Lenoir	25.1%	12.0%	11.1%	12.2%	15.4%	24.2%	42
Onslow	29.8%	25.9%	13.3%	9.6%	9.4%	12.0%	27
Pamlico	18.6%	10.1%	10.3%	11.5%	16.7%	32.9%	50
Wayne	26.4%	14.5%	12.7%	12.5%	13.8%	20.2%	37
Region	24.3%	14.2%	12.0%	12.0%	14.3%	20.3%	40

Since Onslow County is the home of Marine Corps Base Camp Lejeune and Marine Corps Air Station New River, that county's high and low figures would make sense. Pamlico County has the biggest challenge facing it due to the aging of its population and the fact that there is a low percentage of youth and young people.

Employment

The North Carolina Employment Security Commission produces reports on employment. In analyzing the data, the region has gained 6,595 jobs between 2010 and 2015.

Eastern Carolina Council Region Employment, 2010-2015 Insured Employment & Wages Report			
County	2010	2015	% Change
Carteret	23,750	25,320	6.6%
Craven	36,070	38,600	7.0%
Duplin	17,350	19,820	14.2%
Greene	2,810	3,690	31.3%
Jones	2,810	1,680	-40.2%
Lenoir	22,020	23,020	4.5%
Onslow	43,220	44,990	4.1%
Pamlico	3,760	3,090	-17.8%
Wayne	43,940	42,110	-4.2%
Region	197,740	204,335	5.6%

Source: NC Employment Security Commission—ACCESS NC

Other Pertinent Data

The following table presents other data that is instructive to measure for the counties within the ECC region.

Eastern Carolina Council Other Pertinent Data								
County	% working outside county of residence	% At least a HS Graduate	% At least a Bachelor's Degree	2014 projected MHI	2015 Poverty Rate	2015 Avg Weekly Wage	2015 Annual Unemp Rate	FY 16/17 Property Tax Rate
Carteret	23.40%	89.50%	25.30%	\$45,135	15.00%	\$600	5.90%	\$0.3100
Craven	16.60%	87.30%	22.30%	\$46,299	15.60%	\$788	6.10%	\$0.5349
Duplin	40.30%	72.00%	10.70%	\$33,135	26.70%	\$617	5.80%	\$0.7300
Greene	64.50%	74.90%	10.10%	\$39,315	25.70%	\$597	5.50%	\$0.7860
Jones	69.00%	81.90%	13.10%	\$39,338	21.50%	\$647	5.80%	\$0.7900
Lenoir	23.00%	79.50%	12.70%	\$35,955	23.20%	\$667	6.40%	\$0.8350
Onslow	7.50%	90.80%	19.30%	\$44,511	14.60%	\$625	6.00%	\$0.6750
Pamlico	46.20%	86.90%	19.30%	\$48,439	13.60%	\$539	6.10%	\$0.6250
Wayne	21.80%	82.70%	18.40%	\$39,369	22.30%	\$675	6.10%	\$0.6635
Region	20.60%	84.70%	18.40%	\$41,277	18.70%	\$666	6.00%	xxxxx

Commuting to/from work

A significant commute to and from work (> 30 minutes) causes a loss of productive time and a diminished quality of life for the family unit. Commuting increases the road usage. Money spent on commuting takes away from disposable income. Jobs that are created and counted in one county are being filled by residents from another county. The commuter may or may not be making retail purchases in the county of his/her residence.

Education

There are two measures of education that are readily obtainable yearly from the American Community Survey. One measures the number of those who graduated from High School (or its equivalent). The second measures the number of Bachelor's Degrees or higher held by residents.

The level of education is sometimes factored into decisions about where to locate both for an individual and for a company so it cannot be ignored. Within the region, Onslow County has the highest high school graduation rate at 90.8% and Duplin County has the lowest at 72%. Since Onslow County has a high population of Marines and since high school graduation or its equivalent are required to enlist, it follows that Onslow County would have a high high school graduation rate. Carteret County has 25.3% of its population with a Bachelor's degree or higher. This may be due to the large number of affluent retirees who live on the coast. Greene County has the lowest percentage with Bachelor's degrees or higher at 10.1%.

Household Income

Household income is the most widely accepted measure of income. According to Wikipedia, "Changes in median income reflect several trends: the aging of the population, changing patterns in work and schooling, and the evolving makeup of the American family, as well as long- and short-term trends in the economy itself." The household income for the region

averages \$41,277. Pamlico County is highest at \$48,439 and Duplin County is the lowest at \$33,135. North Carolina's 2014 median household income is \$46,556.

Poverty Rate

The region's average poverty rate is 18.7% with Duplin and Greene County having the highest rate of 26.7% and 25.7 respectively. Pamlico and Onslow County having the lowest rate of 13.6% and 14.6 respectively. North Carolina's poverty rate is 16.4%. The region's poverty being lower than the state average can be directly tied to wages associated with a higher percentage of lower paying jobs in the agriculture industry.

Average Weekly Wage

ECC region's 2015 average weekly wage is \$666. Craven County workers are highest paid at \$788 per week while Pamlico County workers receive \$539 per week. The national average weekly wage is \$1,082 and in North Carolina the average weekly wage is \$895.

Annual Unemployment rate

The region's average unemployment rate is 6%. Greene County is the lowest at 5.5% and Lenoir County is the highest at 6.4%. The state's unadjusted unemployment rate for 2015 was 5.8%.

Property Tax Rate

At \$0.3100 Carteret County has the lowest tax rate in the entire state of NC for FY 16/17. At \$0.8350 Lenoir County is the 10th highest in the state. \$.67 is the average for the state.

Housing

Housing is a measure of growth and the confidence that buyers have in the area. Investments are not made in areas where there is no market for the product or where there are concerns. Between 2010 and 2015, there has been a 2.48% increase in dwelling units in the region. Three

of the nine counties lost dwellings. Onslow County had an 8.76% increase which is not surprising given that Marine Corps Camp Lejeune is located there.

Eastern Carolina Council Region Housing Units 2010 to 2015				
County	2010	2015	Change 2000- 2010	% Change 2010- 2015
Carteret	48,179	48,694	515	1.07%
Craven	45,002	45,745	743	1.65%
Duplin	25,728	25,584	-144	-0.56%
Greene	8,213	8,152	-61	-0.74%
Jones	4,838	4,863	25	0.52%
Lenoir	27,437	27,285	-152	-0.55%
Onslow	68,226	74,206	5,980	8.76%
Pamlico	7,534	7,569	35	0.46%
Wayne	52,949	53,141	192	0.36%
Region	288,106	295,239	7,133	2.48%

Source: Census 2010 and American Community Survey

Veterans

Since the region has a large military presence (Marine Corps, Air Force, National Guard and Coast Guard), military retirees are attracted to the region. Some invest in a home while serving in the area and then remain or return after they leave active duty. Between 2010 and 2015, there was a increase 1.79% in the number of veterans in the region. Given that Onslow County has the highest concentration of active duty military in the region, the largest number of veterans reside there.

Eastern Carolina Council Region Veterans				
County	2010	2015	Change 2010-2015	% Change 2010-2015
Carteret	8,879	8,418	-461	-5.19%
Craven	13,064	12,576	-488	-3.74%
Duplin	3,837	3,867	30	0.78%
Greene	1,626	1,251	-375	-23.06%
Jones	1,059	1,055	-4	-0.38%
Lenoir	5,496	3,755	-1,741	-31.68%
Onslow	21,227	23,725	2,498	11.77%
Pamlico	1,562	1,521	-41	-2.62%

Wayne	12,345	12,150	-195	-1.58%
Region Totals	69,095	70,333	1,238	1.79%

Source: Census 2010 and American Community Survey

Transportation

To support and expand continuous economic growth, the region needs a well-connected and sound physical infrastructure system to move goods and services quickly and efficiently to points inside and outside the region. Although, two major Interstate highways (I-95 and I-40) skirt the region and several highways run through the region, the existing physical infrastructure still poses challenges for potential growth.

The lack of a fully inter-connected interstate-quality, four-lane highway system within the region has hindered economic interactions among the region’s urban centers. This, in turn, has inhibited the development and/or utilization of other assets such as the seaport and airports. There are plans to upgrade Highway 70 which runs east and west through the region from Raleigh to the Port of Morehead City to interstate status (Future I-42). The Havelock bypass, Kinston bypass, Newport River Bridge replacement and James City improvements are all funded and significantly contribute to converting US 70 into an interstate.

One of the region’s most unique assets is the Port of Morehead City. At 45-feet this port is one of the deepest on the East Coast and sits just four miles from the Atlantic Ocean. The port handles both break-bulk and bulk cargo. It is the second-largest importer in the country for natural rubber and a leading exporter of phosphate. The port is critical for national security, serving the US Marine Corps at Camp Lejeune. The port’s primary access to the vital interstate freight transportation network of I-95 and I-40 is via US 70 and US 17 as well as daily train service to transport goods to its destinations. Continued investment in port development and facilities could enhance the opportunity for the region to become a major gateway for world shipping, but its success depends on improving four-lane highway access along US 70. From a rail standpoint, moving the rail lines out of downtown Morehead City and downtown New Bern are long-term goals to increase efficiency.

In addition to highway access, the port’s success also depends on waterway access. The region’s

pattern of natural channels requires continuous dredging to make travel for sea-going vessels possible. This dredging provides lanes for fishing vessels and recreational craft as well. The port's future as well as the region's fishing and leisure craft industries will also depend on the treatment given to silt building up.

The region's proximity to water resources provides abundant opportunities for various tourism activities in the region, including sunbathing, fishing, boating and sailing. Like the port, the region's tourism potential may also rely on continued dredging of inlets and the Intracoastal Waterway as well as other infrastructure investments. Beach nourishment is required in certain areas as sand is lost during storms. Without an adequate beach, the area's tourism revenue would suffer. Funding for beach nourishment is getting more and more difficult to obtain.

Like the Port of Morehead City, the Global TransPark—envisioned as an inland port with superior air transportation—has also been limited by highway access. Given the choice about which transportation mode to address first, many Strategy Committee members felt that completing the US 70 upgrade was the most pressing issue facing the region because it impacts the Port, the Global TransPark and by extension the freight movement industry, as well as tourism.

There are challenges in the region's fragmented (and often non-existent) public transportation system. Localized public transportation is mainly used to serve the needs of the elderly and disabled, but it is not available to the economically disadvantaged who may have no other means for traveling to work.

Inter-city freight and passenger service is also limited by the quality of the area's air and rail transportation network. The region is well endowed with numerous airports with daily commercial service available at two area airports, including Albert J. Ellis Airport in Jacksonville and the Coastal Carolina Regional Airport in New Bern. There is a third airport, the Kinston Regional Jetport at the Global TransPark, but it does not have passenger service. This airport has the longest commercial airway between Washington DC and Atlanta. The two airports with passenger service pull traffic from one another and ironically all lose as local residents

frequently travel to Raleigh-Durham and Wilmington for better and more affordable air transportation services. Because the area airports are spread widely across the region and serve small population catchment areas, air service is frequently inadequate to meet the demands of global businesses. The lack of interstate and major regional highways limit the market draw of each of these three smaller airports, including access to passenger and cargo facilities. While Strategy Committee members recognized this issue, they also viewed possible solutions – such as a single “super-regional” airport in the region – as politically divisive.

The region’s freight rail system is fairly well developed, with a few important gaps – especially north-south between Goldsboro and Wilmington (where passenger rail opportunities may exist). The Strategy Committee noted that rail access hinders the region’s competitiveness, particularly the inadequacy of the rail linkages to the Port at Morehead City. Another major disadvantage is the lack of railway competition, especially when it comes to the Global TransPark. Norfolk Southern currently leases the majority of the rail lines in our region. If the CSX line that comes south of Greenville could be connected to the Global TransPark it would mean more competitive pricing for potential tenants because the two rail companies would be in direct cost competition, especially with the CCX intermodal terminal being built in Rocky Mount. A direct connection to that facility via CSX lines would be crucial.

Addressing the highways issue, in particular, appears to have achieved the greatest consensus throughout the region. The regional stakeholders agree that they must be organized around common solutions if they are to achieve any effective solutions. This issue is particularly relevant for US 70 because progress may require unique ideas. The involvement of the military in completing US 70 upgrades not only has the benefit of bringing a very large and influential player to the table, but could offer a unique justification for improvements to US 70 that might open up new funding opportunities. The Strategy Committee also suggested that the Global TransPark is an invaluable resource whose success depends on continued facility and infrastructure investments as well as sustained marketing.

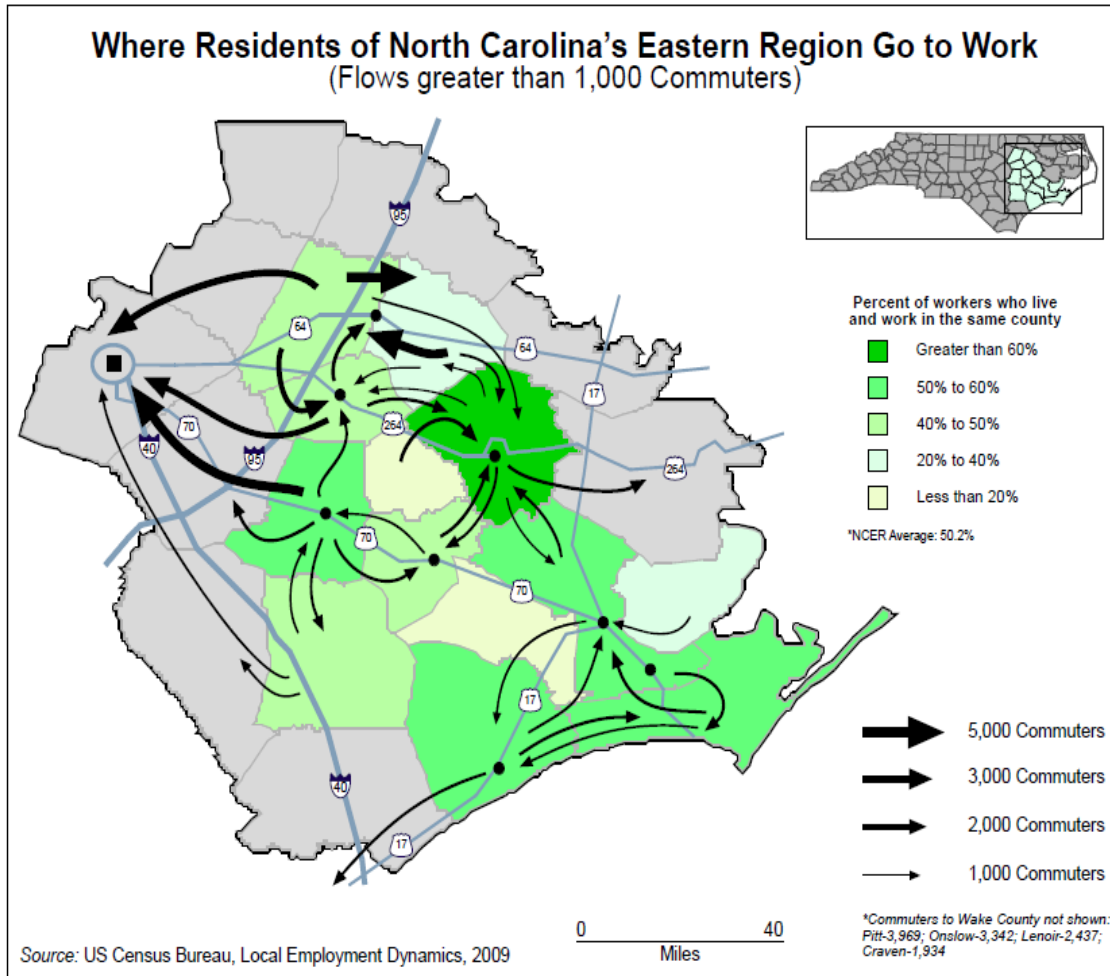
The Down East Rural Transportation Planning Organization (DE RPO), housed within ECC, covers five counties: Carteret, Craven, Jones, Onslow and Pamlico. Onslow County is partially served

by an MPO (Jacksonville). Carven County, and four of its municipalities, are covered by the New Bern Area MPO.

The Eastern Carolina Rural Transportation Planning Organization (EC RPO) housed within ECC, covers four counties: Duplin, Greene, Lenoir, and Wayne. Wayne County is partially covered by an MPO (Goldsboro). The EC RPO Transportation Improvement Plan priorities (most recent) are included in the appendix.

Commuting patterns

Over half the workers that live in the region, work and live in the same county. The importance of the region's main transportation corridors—US 64, US 264, US 70, US 17, **NC 24** and I-95—facilitate many of the inter-county commuting flows. There are two sub-regions where commuting occurs. One is Duplin/Lenoir/Wayne and the other is Carteret/Craven/Jones/Onslow/Pamlico.



Environment

Central eastern North Carolina is rich in natural resources. The area has several rivers which flow to sounds, which flow to the Atlantic Ocean. The Intracoastal Waterway cuts through the eastern counties. The coastal area has a tourism based economy and hosts many ecotourism businesses.

The nine counties comprising ECC's region are all included in the Central Coastal Plains Capacity Use Area (CCPCUA). Studies by the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Water Resources (DWR) have demonstrated that withdrawals from the Cretaceous aquifers are occurring faster than the water is being recharged (NCDENR, 2000). Concern over declining water levels, decreasing well yield, and salt water intrusion into

these aquifers prompted the Environmental Management Commission to designate the Central Coastal Plain Capacity Use Area (CCPCUA). The CCPCUA is a primarily rural area that includes 15 counties: Beaufort, Carteret, Craven, Duplin, Edgecombe, Greene, Jones, Lenoir, Martin, Onslow, Pamlico, Pitt, Washington, Wayne, and Wilson Counties; divided into three zones: the declining water level zone, aquifer dewatering zone, and salt water encroachment zone. The DWR has developed rules for the CCPCUA to protect the long term productivity of aquifers and to allow the use of groundwater at rates that do not exceed the recharge rate of the aquifer. The CCPCUA rules require permitting of water withdrawals >100,000 gpd, implementation of conservation measures, repositioning of pump intakes above the top of any confined aquifer, and reduction of Cretaceous aquifer withdrawals by up to 75% by 2018. This has the potential to stifle growth and development in this region.

Because of limited funding available for infrastructure loans and grants, in 2017 the state developed an infrastructure master plan called, "The Road to Viability." The report identifies three objectives to achieve its vision: 1) "Ensure that, to the extent practicable, water utilities operate as enterprise systems that generate sufficient revenue to cover all operating, maintenance, and capital expenditures, as well as funding reserves for unexpected events; 2) Promote viable water utilities through the state water infrastructure funding; and 3) Acknowledge that when water utilities are not viable or are not on a path to become viable, solutions are needed that go beyond simply constructing or repairing infrastructure."

Water quality is also an issue for the region. Regulations that address water quality include the Phase II regulations, Coastal Stormwater regulations and the Neuse River rules. These rules and regulation also impact growth and development and impact the cost of doing business in this region. Closures of swimming areas, closures of shellfishing areas, and water bodies listed on the 303d (impaired) list are indicators of water quality in our region.

Sewage treatment is likewise a growing problem. Because of the rural nature of counties in this region, sanitary sewer systems are not available in many areas. Residents and businesses

depend on septic systems. Many of the existing wastewater treatment systems have outgrown their capacity; have outmoded technology; have crumbling collection systems; and have more and more regulation to contend with. The disposal of treated effluent is becoming more of an issue due to lack of suitable area for land application, concern that acreage needed for land application takes that acreage off the tax rolls and concern that acreage for land application also decreases the supply of good land available for development. The Division of Water Quality is seeking to remove all pipes that empty treated effluent into public trust waters of the state.

Within the ECC region there are a number of very small municipalities with water and/or sewer systems that are at or near failing. Most of them continue to lose population which means that these essential services cost more and more for the remaining residents. At some point in the decline of these systems some hard decisions are going to have to be made by both the state and by the concerned municipality. It would behoove every utility to have an asset management plan in place that minimally prioritizes expenditures for improvements. The state will fund asset inventory and assessment grants and will fund merger/regionalization feasibility studies. The Road to Viability suggests that regional coordination is needed, a role which uniquely fits ECC.

The coastal area contains sensitive habitats that must be protected. Wetland areas abound and there are restrictions on their use and development. All these factors combined make the coastal area a difficult place to locate industry of any size.

Sea-level rise is a controversial subject that pits coastal developers and landowners against regulations that would limit growth and development in areas predicted to be affected. The jury is still out on how coastal counties and coastal communities will respond to predictions. There are also reports at this time that the National Flood Insurance Program (NFIP) is effectively bankrupt. "Complicating matters, the NFIP has improbably subsidized thousands of risky properties along the coast – low-lying houses that flood over and over – by charging them below-market premiums to entice them to join the program."

Essential to the success of the region is that it must link and act as a single entity. There must be a connection between educational, environmental, workforce, economic and community development efforts. This connection will support growth and sustainability by helping communities function effectively.

Tourism

Tourism is the life-blood of the counties that border the Atlantic Ocean and the area sounds. Between 2011 and 2015, the region averaged a 13.96% increase in tourism spending. Coastal Carteret County led the region with a 21% increase.

Eastern Carolina Council Region Tourism Economic Impact \$(millions)				
County	2011	2015	Change 2011-2015	% Change 2011-2015
Carteret	\$278.74	\$336.96	\$58.22	20.89%
Craven	\$116.29	\$130.55	\$14.26	12.26%
Duplin	\$34.65	\$39.16	\$4.51	13.02%
Greene	\$5.19	\$5.60	\$0.41	7.90%
Jones	\$3.72	\$3.99	\$0.27	7.26%
Lenoir	\$78.36	\$81.11	\$2.75	3.51%
Onslow	\$195.36	\$216.18	\$20.82	10.66%
Pamlico	\$15.04	\$17.11	\$2.07	13.76%
Wayne	\$138.58	\$156.15	\$17.57	12.68%
Region Totals/Avg	\$865.93	\$986.81	\$120.88	13.96%

Crime rate

A low violent crime and property crime rates per 100,000 residents makes the county a more desirable area in which to live. This will help to both attract and retain residents and will entice developers to build dwelling units.

Eastern Carolina Council Region County Crime Rates per 100,000 in 2015			
County	Index Crime Rate	Violent Crime Rate	Property Crime Rate
Carteret	2,869.5	243.7	2,625.8
Craven	2,472.7	212.6	2,260.1
Duplin	2,266.5	228.5	2,037.9

Greene	4,025.2	251.6	3,773.6
Jones	No data	No data	No data
Lenoir	4,167.5	708.9	3,458.6
Onslow	2,887.7	184.1	2,703.7
Pamlico	1,912.7	106.3	1,806.4
Wayne	4,100.8	495.2	3,605.6
Region Avg	3,087.8	303.8	2,783.9

II. SWOT ANALYSIS—the present—where are we now?

Overview

To gather information regarding issues facing counties in the ECC region, ECC and the CEDS committee held meetings and requested input both via website and email. A number of online surveys helped gather input on the strengths, weaknesses, threats and opportunities facing the region as well as factors on which to measure progress.

The following sections on the Regional Economy (strengths and weaknesses) and External Forces (opportunities and threats) were developed with information and feedback from these and other meetings held in the region.

Opportunities and Problems

Opportunities

Manufacturing Base – Basic manufacturing remains an important part of the ECC economy. Employment in assembly, food processing and agribusiness firms sustain many local economies in the region. A review of the top ten manufacturers in each county turns up manufacturers like Electrolux, Moen Incorporated, Bosch Home Appliances, Guilford Mills, US Marine Navassa, Weyerhaeuser, Franklin Baking, Company, Aar Manufacturing, Goerlichs, Cooper Standard Automotive NC LLC and Georgia-Pacific LLC. In food processing / agribusiness, companies like Butterball LLC, Smithfield Foods, House of Raeford, Bay Valley Foods, Sanderson Farms, Styron Crab Company and Mount Olive Pickle are representative of the industry.

Airports, Rail and State Port—There are eight regional airports in North Carolina and two of the eight are in the ECC region: Albert J. Ellis in Jacksonville (Onslow County) and Coastal Carolina in New Bern (Craven County). It is estimated that the output for these two facilities is \$416,230,000. Additionally there are six general aviation airports: Duplin County Field (Kenansville/Duplin County), Henderson Field (Wallace/Pender County), Kinston Regional Jetport (Kinston/Lenoir County), Michael J. Smith Field (Beaufort/Carteret County), Mount

Olive Municipal Field (Mount Olive/Wayne County), and Wayne Executive Jetport (Goldsboro/Wayne County). Together their output is \$578,880,000. The combined output of all the airports in our region is \$995,110,000, almost \$1 billion.

In terms of rail connection there is significant benefit derived from the mainline railroad (Norfolk Southern) with access to the port of Morehead City a vital break bulk terminal along the eastern seaboard. The State Port in Morehead City is a mere four miles from the Atlantic Ocean and has ample on site warehousing and open storage. In addition to rail access from the port there is highway 70 that connects to the North Carolina Global Transpark and the City of Raleigh.

Military Presence – The ECC region has four major military facilities. They include Marine Corps Base Camp Lejeune and New River Air Station in Jacksonville (Onslow County), Marine Corps Air Station (MCAS) Cherry Point in Havelock (Craven County) and Seymour Johnson Air Force Base in Goldsboro (Wayne County). The Coast Guard has a large facility (Sector Command) at Atlantic Beach, a special missions training center at Jacksonville (aboard Camp Lejeune) and smaller stations at Emerald Isle and Hobucken. Employment at these military facilities represents a significant portion of the local job market. These facilities also contribute significantly to the local economy.

According to the 2015 Military Economic Impact report produced by Marine Corps Installations East, the Marine facilities in our region have 53,479 active duty military personnel and generate an economic impact of \$6,121,270,466. Seymour Johnson Air Force Base's 2016 Economic Impact report shows that it contributed \$705,000 to the local economy and with about 5,700 active duty military.

The Naval Aviation Depot in Havelock, Fleet Readiness Center—East (FRC-East), is a tenant of the MCAS Cherry Point. The FRC-East employs over 4,000 civilians and pays above average wages for the area. This facility will be evaluated in the BRAC process and is somewhat at risk.

Agricultural land – Much of the ECC region remains rural, providing ample space for farming, recreation and other forms of development.

Two major agricultural research stations are located in the region. With over 2,000 acres, Cherry Research Farm in Goldsboro is the largest experimental station in the region and houses the Center for Environmental Farming Systems. Funding from the North Carolina Department of Agriculture and Consumer Services, North Carolina State University and North Carolina A&T State University supports the station. The Caswell Research Farm in Kinston has 1,400 acres and serves as a location for large plot research. It focuses particularly on long-term swine and dairy herd studies.

Natural environment - Eastern North Carolina is blessed with four mild seasons. It is located about half way between New York and Florida. There are a number of rivers that flow through the region. They include the Neuse River, the New River, the Tar-Pamlico River, the Trent River and the White Oak River. There are several sounds in the coastal environment, of which Pamlico Sound is the largest. Coastal estuaries, rivers and creeks, along with the Atlantic Ocean, are sought after by tourists, developers and retirees.

Community Colleges / 4-year institutions - There are seven community colleges in ECC's nine-county region and include:

Carteret Community College located in Morehead City—Carteret County

Coastal Carolina Community College located in Jacksonville—Onslow County

Craven Community College located in New Bern—Craven County with a
satellite facility in Havelock

James Sprunt Community College located in Kenansville—Duplin County

Lenoir Community College located in Kinston—Lenoir County with satellite
facilities in LaGrange in addition to Greene and Jones Counties.

Pamlico Community College located in Pamlico County with a satellite
facility in Bayboro

Wayne Community College located in Goldsboro—Wayne County.

East Carolina University is located in nearby Greenville and is a major hub for specialized medical diagnosis and treatment. The University of Mount Olive has its main campus in Wayne County and was founded by the Free Will Baptists. It operates as a private, co-educational, liberal arts institution with academic programs in more than 40 majors. The University of Mount Olive has satellite locations in New Bern, Goldsboro and Jacksonville which house non-traditional degree completion programs.

Several universities have a presence on or near the military facilities in our region. Additionally online community college, college and university classes are available to anyone with an internet connection.

Cost of living – The area’s rural nature and slow economic growth have kept the cost of living well below other areas of the country. In many communities the cost of housing is remarkably affordable.

History, heritage, culture – The region’s history, heritage and culture are unique to the area and of interest to tourists and other visitors. Many municipalities in the region have historic districts, museums and sites of historical interest for tourists to enjoy.

Problems

Effects of globalization – Products manufactured primarily for local and regional markets in a low skilled to semi-skilled environment, remain viable in the region. Manufacturers of labor intensive products for retail consumption, such as apparel have moved production off-shore. Manufacturers of technology based products, requiring a highly skilled workforce that demands big city amenities, are locating in urban areas around universities. This has left the Many local economies have become dependent on one or two industries (e.g., military).

Population Growth – According to US 2010 Census and the 2015 American Community Survey data, the region’s population grew between 2010 and 2015 by an average of 3.64%. Two counties (Greene and Lenoir) lost population. Between 2015 and 2029 to the region’s population is expected to grow by an average of 6.23%. Four of the nine counties are predicted to lose population (Craven, Duplin, Greene, Lenoir) and two others are predicted to have population growths of less than 1% (Jones and Pamlico). This leaves three counties with population growths (Carteret, Onslow and Wayne). Onslow and Wayne have military bases and Carteret attracts a large number of retirees. The growth in Onslow County is almost twice the percent of the growth of the next nearest county. If one removes Onslow County’s projected growth from the equation, the region will only grow 1.2%.

Transportation – The lack of interstate highways and other limited access roads in the region are an obstacle to both business and tourism development. The only county in the region with direct interstate access is Duplin County. There is only one public municipal transportation system in the region (Goldsboro). Every county has a public transit system, but their rider-ship is limited to the elderly and those needing transportation for medical or social services. Those who live here are dependent upon personal vehicles including the aging population.

If the region’s economy is to develop with industry, tourism and retirees, regional jet service to multiple U.S. locations must be expanded. Ongoing restructuring in the airline industry continues to impact the frequency and number of airlines providing air service in New Bern and Jacksonville; currently both cities have air service to Charlotte by American Airlines and to Atlanta by Delta.

Infrastructure – Slow population, employment and wage growth have resulted in little or no revenue growth for area governments. In combination with increased operating costs, regulatory requirements and unfunded mandates, many local governments are struggling to provide services and maintain the local infrastructure. Mandated reductions in water

withdrawal from a major regional aquifer will increase water costs for many of these already poor communities. Wastewater is also an issue for towns with old systems and for developing areas with soil conditions that do not easily allow for septic tanks. Future requirements for stormwater runoff and other coastal habitat protection plans will also increase infrastructure costs for local governments. Rural areas either not yet have high-speed internet access or if they do, the cost is not affordable.

Employment growth – According to the ACCESS NC (Insured employment and wages report), the region gained 6,595 jobs between 2010 and 2015 for a 5.6% increase. While the average looks acceptable, it is important to note that not all counties in our region fare well. Jones County had 40.2% fewer jobs, followed by Pamlico County that lost 17.8% of its jobs and Wayne County that lost 4.2% of its jobs.

Opportunities and Threats

Opportunities

World markets – Businesses in the ECC region do not export products to world markets at rate seen across North Carolina or the nation. While US consumers are benefiting from low cost imports, foreign markets present an opportunity for regional businesses to export unique US made products. The weak US dollar, combined with expanding foreign markets and growing world-wide wealth, are making US products attractive abroad. With the Global TransPark in the region and a port facility in Morehead City, exporting to world markets is a real opportunity.

Tourism – Tourism is recognized as one of the growth industries in North Carolina. The ECC region is blessed with many natural resources that are attractive to tourists and others seeking outdoor recreational opportunities. Eco-tourism, agro-tourism, and historic / cultural / heritage tourism all present opportunities for the region. In particular, the crystal coast region in Carteret County is considered by many to have some of the finest beaches and water quality in

the State of North Carolina, thereby attracting hundreds of thousands of visitors annually. Towns such as Beaufort and Morehead City offer lots of amenities world class fishing and site seeing and a very favorable climate that brings people to the region throughout the year.

Retirees – With an estimated 10,000 baby boomers turning 50 every day, eastern North Carolina’s mild climate, scenic beauty, recreational opportunities and location half way between Florida and the North East are assets appealing to potential retirees. This segment of the population born between 1946 and 1964 comprises approximately 33% of the population; they own 70% of US assets and control 50% of all discretionary income.

Retirees bring incomes, spending, tax revenues and assets into a community. The primary economic beneficiaries of retirees are real estate, recreation / entertainment, healthcare, insurance, commercial / retail establishments and financial services. It is estimated that 100 retirees have an economic impact 3.5 times greater than 100 manufacturing employees and do not require large incentives. In addition they bring benefits such as volunteerism, charitable giving, skills and diversity without impacting the school system and law enforcement. Most retirees visited a place several times or served locally in the military before retiring, which makes tourism and military relations important parallel strategies. Most people who relocate to retire are healthier and wealthier than those that do not relocate. On the negative side, community services to the very old may increase social costs to communities.

North Carolina Global TransPark – The Global TransPark has been under development since the early 1990’s and represents an \$85 million investment in infrastructure and permitting. Today the Global TransPark, located in the center of the region, represents a major asset and opportunity for economic development.

The master plan for the Global TransPark includes integrated transportation systems supported by the latest technology, on-site training and high-speed communications. The Global

TransPark has in place a new runway extension out to 11,500 feet, a cargo building alongside the runway and serves as a Foreign Trade Zone.

The Global TransPark features an on-site education and training center, along with available land and flexible industrial space to accommodate almost any requirement. A rail spur has been added and Spirit Aerosystems opened its 500,000sf facility on July 1, 2010.

Port – With the volume of international trade expected to double by 2020, having a port facility in the region presents a real opportunity for economic growth. The 45-foot deep channel at the Port of Morehead City makes it one of the deepest ports on the U.S. East Coast. Only four miles from the ocean, the port handles break-bulk and bulk cargo with access to Interstates 95 and 40 via U.S. Highways 70 and 17, and daily train service from Norfolk Southern. Across the Newport River from the port is Radio Island, a prime site for development. The Ports Authority is offering approximately 150 acres suitable for port industrial development, complete with municipal water and sewer and a North Carolina approved Environmental Impact Statement for marine terminal development.

Home products cluster – ECC's mid-Atlantic east coast location combined with existing and projected residential development driven by baby boomers looking to retire on or near the coast, makes everything associated with construction an opportunity for the region. Existing manufactures and assemblers of appliances, cabinets, plumbing products and household goods represent a real opportunity for the region.

Growing Hispanic population – The region's vision to strengthen its foundation of manufacturing and agricultural assets is supported by a growing Hispanic population. The relocation of basic manufacturing and agricultural production to lower cost countries has necessitated innovation and cost cutting in many eastern North Carolina businesses. The growing Hispanic population has allowed area business to stay competitive by employing a lower cost Hispanic labor pool. Hispanics work in many regional firms but are concentrated in

the construction, food processing, agriculture and fishing industries. Duplin (21.1%), Greene (14.7%), and Onslow (11.6%) counties have the fastest growing Hispanic populations in 2015.

Threats

Lack of diversification – The lack of economic diversification threatens both local governments and the region as a whole. The greatest of these threats comes from a large military presence in the Cities of Jacksonville, Havelock and Goldsboro. Threatened Base Realignment and Closures actions are always a concern. Large deployments from the bases have had and will continue to substantially impact these military dependent communities. With instability in the middle east and constantly changing political winds, more deployments are likely in the near future.

The economic vitality of many other communities in the region is dependent on one or two large industries.

Coastal environment – Where the region's coastal environment is an attraction for development, it also presents several threats. For example, seasonal hurricanes make the area unattractive to some potential residents and businesses. Area beaches are also prone to erosion from storms, currents and natural shifts, which for many communities have been remedied by federal and State funds allocated for beach nourishment. As federal and State budgets get tighter, there is the threat of funding losses, shifting the cost to local governments. Beach erosion affects not only residents but the area's attractiveness for tourism and retirees. Continuous dredging of local inlets has also been deemed costly and in some cases prohibitive by the Army Corps of Engineers, again affecting residents, tourists and retirees. Additionally sea levels are rising and threatening the economy of coastal communities. The cost of insurance is rising along with the sea, making owning coastal property less attractive.

Regional unity – Many young people who leave the region to further their education or find employment do not return, reducing the number of indigenous residents to replace previous generations. At the same time, retirees and owners of second homes are moving to the area. Add to this the increasing number of Hispanic workers and the makeup of many communities is changing considerably. As new residents move into positions of leadership, tension between indigenous people and transplants can be disruptive.

There is also a growing disparity between affluent coastal communities and inland rural areas that continue to lose population and economic wellbeing. Regional projects that require collaboration are going to suffer unless area residents and governments can work through the issue of economic disparity.

Relevant regional plans and workforce development strategies

Several regional strategic planning efforts have been completed in the past few years and remain relevant to this current CEDS.

North Carolina's Eastern Region—Regional Cluster Analysis 2012

Summary: “Our analysis shows that the region continues to have a strong economic foundation despite the job losses that occurred in the 2008-2009 recession. The military and military-related activities continue to serve as pillars of the region’s economy. Moreover, industries related to...healthcare, and food processing bucked the overall national economic trends by continuing to add employment during the recession, and gains in these industries help to offset losses in other manufacturing industries.” Two notable declines for the region included the building and housing-related industries as the region’s boatbuilding industry.

Industries Report 2011-2021 Eastern Carolina Workforce Development Board, Inc. 2011

This report presents charts showing the highest ranked and lowest ranked industries by NAICS code for the region. The Federal Government-Military—employs the largest number of

people—64,491 in 2011 and 65,104 predicted for 2021—if nothing changes. Second on the list of the largest employer was the Federal Government—Civilians—excluding postal workers. They employed 14,240 in 2011 and might employ 15,911 in 2021. That group also had the highest average 2011 earnings at \$79,693. The third largest was those employed by elementary and secondary schools. These schools employed 12,855 in 2011 and might employ as many as 14,632 in 2021. All other NAICS codes had fewer than 10,000 employed.

The highest paying industries—those with 2011 average earnings of greater than \$100,000 per year were securities and commodity exchanges; computer and computer peripherals, and software wholesalers; fossil fuel electric power generation and investment banking and securities. Although the actual number of jobs for these NAICS codes were very low.

The fastest growing industries (2011 to 2021) creating the largest number of jobs (1,500 +) are predicted to be: limited-service restaurants, full-service restaurants, elementary/secondary schools, Federal government (civilians), temporary help services and vocational rehabilitation services.

The lowest paying industries (less than \$6,000 per year) are racetracks, private households, sports/recreational instruction (private), fine arts schools, and other spectator sports.

The fastest declining industries include: animal production, professional employer organizations, boatbuilding, crop production and department stores.

“This report uses state data from the following agencies: North Carolina Employment Security Commission, Labor Market Information Division.”

State of the Workforce Report, Eastern Carolina Workforce Development Board, Inc. 2010

Summary – “It is not news that our economy is changing rapidly...While we know that there have been major changes in unemployment levels and an uneven impact of recession across the region, we also find that the current recession has served to further expose and exacerbate many of the issues that were previously raised—issues such as declining manufacturing jobs, skill levels not keeping up with demands, and underlying social challenges.” This decline in job opportunities in the region has put a serious strain on the workforce.

“A few large firms dominate employment in several NCER clusters. This reliance on a small number of major employers means that changes in any one of these companies could significantly change the trajectory of the clusters in the Eastern Region...Workforce training programs are critical to several NCER clusters. Leveraging the region’s own education assets remains important, and collaborating with institutions in adjacent regions may become necessary as well. Programs and services that can connect local firms to new market opportunities and help them pursue product or process innovations will be critical to NCER’s advanced manufacturing and value-added agricultural clusters.”

A Vision Plan for North Carolina’s Eastern Region, prepared by: Strategic Planning Committee, with assistance from the Center for Regional Economic Competitiveness, Eva Klein & Associates Ltd., May 2006.

Summary: Eastern Carolina Council staff and CEDS Strategy Committee members served extensively on the Strategic Planning Committee. A grant from EDA was instrumental in providing input to the Vision Plan by funding 100 in-depth private sector interviews. The ECC 2007 CEDS was developed in cooperation with North Carolina’s Eastern Region Vision Plan process and provides the basis for cooperation in its implementation. The ECC 2007 CEDS was developed to meet U.S. Department of Commerce EDA requirements but in content and strategy reflects the jointly developed economic development strategies of the Vision Plan process.

Craven 2006: Strategically Planning for the New Millennium, Craven County Future, Inc., an update of *Craven County 2001: Previewing the Future*.

Summary - The 2006 Committee and public participants chose to focus on three issues: education, the environment and economic development. A mission statement was developed for each issue: Education, "To enhance all levels of learning and prepare our community and families for the demands of the twenty-first century through the cooperative use of all resources available to Craven County." Environment, "To improve, conserve, protect and use the environment in ways that ensure long term social, environmental and economic benefits for Craven County," Economic development, "To create prosperity and stability in Craven County's economy through emphasis on retention and growth in desirable sectors of business and industry."

Defense Industry Demand Analysis; Presented to the North Carolina Military Business Center, a component of the N.C. Community College System, June 1, 2006

Summary – The report presents a compelling case for viewing the U.S. military as a high growth industry, one that brings new opportunities to North Carolina. While the State currently lags other military states in the U.S., the good news is that N.C. has successfully expanded its defense sector over the past five years. Given the State's depth of manufacturing industries and workforce and the military's high demand for manufactured goods, defense is a natural target for the State's economic development effort.

Past, Present and Future Economic Development Investments

EDA Investments Past, Present and Future

Past:

Between 1966 and 2007, EDA invested in 49 projects in the ECC region for a total of \$31,272,664. These projects included water, sewer, educational facilities, convention centers, airport facilities and business incubators. A few of these projects were funded as part of the economic recovery after hurricanes (New Bern Convention Center, Kinston Business Incubator and the Havelock Visitor's Center).

Present:

Presently there are EDA applications in process for the Town of Faison in Duplin County and Wayne County. The town is applying for Economic Adjustment Assistance funding due to damages from Hurricane Irene in 2011. Wayne County is seeking to construct a job training center to meet the growing demand for skilled trade workers.

Future:

Because of the changes in EDA funding eligibility, fluctuations in EDA regional funding allocations and match requirements, it is anticipated that between 2012 and 2017 there will be five EDA funded projects in ECC's region for an anticipated \$4,500,000 EDA investment in the region.

ECC's region is home to three major military facilities: Marine Corps Base Camp Lejeune, Marine Corps Air Station Cherry Point and Seymour Johnson Air Force Base. A major change at any one of these bases could result in the need for EDA Special Needs funding.

Coastal North Carolina is prone to the effects from hurricanes and Nor'easters. These storms have the potential to devastate a coastal community's economy. In ECC's region there are four

counties that are considered coastal. EDA funding may be needed to recover from the effects of a major storm.

Other Regional investments past, present and future:

The North Carolina university system has invested millions of dollars in the research labs and training facilities located in the Morehead City and Beaufort areas of Carteret County. They are working in concert with the Carteret County Economic Development Council to develop a Marine Science cluster to benefit the coastal counties.

Craven County and the City of New Bern have been steadily increasing their manufacturing jobs and private sector investment. Craven Community College has enlarged its manufacturing training facilities to accommodate the need for trained workers at the various local manufacturing facilities. The BSH plant which makes home appliances had recently undergone a significant expansion. If the economy continues to be strong, the local manufacturing facilities and the cluster industries they are attracting to the area should continue to sustain the current level of employment.

The region, especially along the coast, continues to attract tourists and to make tourism related investments. Local events, lodging facilities, eating establishments and retail stores benefit from visitors to the area. The tourist season here in North Carolina is primarily between Memorial Day and Thanksgiving Day. While large numbers of people are employed during the tourist season, these jobs are not well-paying and offer few other benefits. They do offer students and low-income workers the opportunity to get work experience, however.

Every county in ECC's region is faced with crumbling infrastructure that will require significant investment to correct. Most water and sewer systems are at capacity and/or they are in need of significant upgrades. The sewer collection lines are very old and are feeling the effects of inflow and infiltration. The water distribution lines are springing leaks. Several counties are under state mandates to decrease their withdrawals from certain aquifers. Drought conditions have the potential to impact the availability of water for industries needing it for processing (e.g., meat processing plants in Duplin County). More than any other issue, water and sewer problems have the capacity to halt growth and industrial development in the region.

Before the recession, the coastal counties of ECC's region were undergoing residential and commercial development pressures associated with an aging population looking to retire. Developments were springing up at an unprecedented rate. More were on the drawing board. These developments had the potential to negatively impact water quality and strain local infrastructure (roads, water, sewer, schools, public safety, and health care). At this time some of these developments have gone bankrupt, some have experienced foreclosure, some have been partially built, some are on hold, and some have just been abandoned. Those that were on the drawing board have been put on ice for the time being. Some of these platted subdivisions are for sale.

The Global TransPark in Kinston is positioned as a regional industrial hub. It includes an airport capable of handling jets. The State of North Carolina has a significant investment in the TransPark. In spite of an aggressive marketing campaign, the TransPark has not fulfilled its projections for job creation. However, with the improving economy and ongoing infrastructure improvements the future of global Transpark is very promising. The shining star is Spirit Aerosystems. It is believed that Spirit is going to be the anchor of an aerospace cluster. This is bearing fruit as the Global TransPark has new tenants that fit this cluster.

Port of Morehead City: The North Carolina State Ports Authority Board of Directors approved contracts covering several projects in Morehead City. Development of a new port terminal on

Radio Island is proceeding to the next phase. Phase 2 of the Radio Island port development will include solicitation of prospective private partners, along with additional civil and structural engineering design and terminal layout planning.

A new 177,000-square foot warehouse was recently constructed at the Port of Morehead City. The Board authorized modifications to the building's storm water infrastructure to provide for capturing 100 percent of the roof runoff with an underground infiltration system. These improvements contributed to the development of the new paved open storage that includes the former Port Operations complex.

Sources of funding for past and potential future investments include Federal funding (EDA, USDA, Department of Education, EPA, DOE, Federal Highway Administration, etc.), State funding (Division of Water Infrastructure, Department of Commerce, Division of Coastal Resources, Clean Water Management Trust Fund, State Revolving Loan Fund, Department of Transportation, Parks and Recreation Trust Fund, etc.), Local funding (fund balance, tax revenues, bed tax, etc.) and other (private foundations, Golden Leaf, etc.)

III. STRATEGIC DIRECTION/ACTION PLAN—the future—where do we want to go?

See Appendix for discussion of goals and objectives.

IX. EVALUATION PLAN—the litmus test—how are we doing?

1. Performance measures used to evaluate the successful development and implementation of the CEDS

a. Number of jobs created after the implementation of the CEDS

According to the NC Employment Security Commission the average annual number of job in the region for 2011 was 243,714. We anticipate that over the five-year period of this CEDS (by December 2017) there will be an additional 4,874 jobs (2%) created.

b. Number and types of investments undertaken in the region

By December 2017, it is estimated that a minimum of twelve new investments will be undertaken in the region representing an investment of greater than \$320,000,000.

c. Number of jobs retained in the region

It is estimated that over the five-year period of this CEDS (by December 2017), that 243,714 jobs will be retained in the region (2011 Average Annual number of jobs).

d. Amount of private sector investment in the region after implementation of the CEDS

By December 2017, it is estimated that the private sector will invest greater than \$300,000,000 in the region after the implementation of this CEDS.

e. Changes in the economic environment of the region

With the implementation of this CEDS it is anticipated that:

- The region's tourism and ecotourism economy will continue to grow.
- The number of alternative energy facilities will increase.
- The area will continue to attract retirees resulting in an increased need for health care and related services.
- Manufacturing will remain stable or grow slightly.
- Entrepreneurs will be attracted to the area due to its natural beauty.
- The number of small business start-ups will increase dramatically.
- The existing clusters will grow and new clusters will be added.

APPENDIX