

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, counties and municipalities can cross their political jurisdictions and create ongoing partnerships for cooperation and coordination.

Summary Background: Where have we been in the past?

Geography

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 (the Region) is very diverse, ranging from coastal communities with tourism-based, small manufacturing and service-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

The Region, like much of the United States and North Carolina, is attempting to transition 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 an expanded and modernized infrastructure, including transportation, utility and broadband. Although the Region's economy has recovered somewhat from the Great Recession, by most economic metrics, the regional economy still lags materially behind the State of North Carolina as a whole, and the U.S. Even the Region's tourism industry, which has fully recovered to pre-Recession levels in many ECC counties, remains seasonal and vulnerable to storm events.

Although the military is a huge economic asset to the Region, it is a double-edged sword for the regional economy. When deployments are down, local businesses thrive because service members and their families purchase more local goods and services. When deployments are up, local businesses suffer a decline in business. The Region has been and continues to be subject to Base Realignment and Closure (BRAC) decisions in Congress. The closure or reduction

in force at any of the three major Department of Defense installation in the Region would have devastating consequences for the regional economy. The Fleet Readiness Center East, a repair depot at the Marine Corps Air Station in Havelock, is one of the largest civilian employers east of Interstate 95, and it is perennially subject to BRAC review. These military facilities are major economic engines pumping billions of dollars into the local economy and supporting tens of thousands of military and civilian personnel throughout the entire Region. Civilian employment at these installations provides some of the highest wage employment in what is otherwise a low-wage region of North Carolina.

Traditional manufacturing continues to play an important role in the Region's economy. Although job losses due to the Great Recession have abated, the Region continues to lose manufacturing jobs as many traditional industries have moved their manufacturing facilities offshore. In addition, many labor-intensive manufacturing enterprises in the region are being replaced with new companies that require far fewer workers. Although several counties in the Region have had some success attracting advanced manufacturers, the net loss of manufacturing jobs is projected to continue.

Several of the Region's western counties (most notably Wayne and Greene) are experiencing the impacts of the explosive growth of the Research Triangle Region, but those impacts are both good and bad. More residential housing is being constructed in the border counties, but many of the residents are commuting out of the Region to work in the neighboring Research Triangle region. This places additional pressures on the Region's local governments.

Within the 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, local governments, and Wal-Mart. This has not essentially changed since the last CEDS. The Region's disproportionate reliance on public sector and low-wage manufacturing and retail employment poses a huge challenge to the Region's residents and local governments.

Within the private sector, manufacturing continues to pay the highest amount of total wages, although health care is a close second. 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 it will likely not be a large new net job generator. Thus, it will be critical for regional leaders to understand the industries that contribute the most to the local economy both now and in the future.

The counties of the Region remain quite distinct from one another. The non-coastal counties (including Wayne, Lenoir, Jones, Greene and Duplin) generally rely on traditional agricultural and manufacturing economies (plus the Seymour Johnson Air Force Base in Wayne). The coastal counties (including Onslow, Carteret, Craven, and Pamlico) have abundant water resources that support tourism, retirement, and second home development, as well as a huge impact from the Marine Corps facilities at Camp Lejeune/New River and MCAS Cherry Point/FRC.

Workforce Development

In 2016 the NCWorks Commission completed an Employer Needs Survey across the State of North Carolina. Key findings included:

- 4 out of 10 employers hiring in the past year had difficulty filling at least one position;
- Manufacturing and construction trades 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 skilled educational attainment has been identified as a state priority. Diagnosing specific issues and creating better integration and seamless pathways between employers, jobseekers, workforce development and the education system can potentially help shorter-term needs while longer-term needs, such as developing technical trade skills of younger workers, will require more time and resources.

The Region shares the deficiencies cited in the statewide NCWorks Commission survey, and in many counties the problems are even more acute. The Region lacks many of the higher education assets present in North Carolina's urban areas, and the public and secondary schools suffer from lower investment from generally poorer, more rural counties. Communities are now competing against other nations in a global economy that is constantly changing. The Region is confronting 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 skilled workers and education and training institutions through strong community partnerships and local, state and federal investment.

Population

The Region continues grow, but the growth is generally concentrated in a few coastal counties (Onslow and Carteret) and Wayne County, which borders the Research Triangle region. Onslow County grew by 9.49% followed by Carteret County which grew by 5.05%. Between Census 2010 and the NC Demographer's 2015 estimate, the number of residents grew 3.6%. Two counties lost population: Greene and Lenoir, while Craven is projected to lose population between 2015-2029 and Duplin and Jones are projected to be flat during that same period. The NC State Demographer predicts that this region's overall 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		Projected 2029	% Growth	
			2010-2015	2010-2015		2015-29	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. Again, however, there are significant disparities among the Region's nine counties.

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 age data are understandable. The age differences also reflect the higher percentage of retirees living in several of the Region's coastal counties, including Carteret and Pamlico.

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. There are significant differences among the Region's counties, with six experiences job gains and three experiencing job losses.

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 Region. The data confirm the significant disparities among the Region's nine counties.

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%	xxxx

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 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. Counties in the Region that are experiencing job losses and an increase in out-commuting are more at risk by having a tax base that cannot grow to support the services required by its residents. This can result in an economic "death spiral" from higher local taxes to support public services which discourages new investment and job creation.

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 degrees held by residents.

The education level in a community is an important location decision factor considered by families and businesses. Within the region, Pamlico County has the highest high school graduation rate at 94.1%, followed by Onslow County at 90.8%. Duplin County has the lowest at 72%. Because Onslow County has a high population of Marines and 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, which is more than 10% lower than North Carolina's 2014 median household income of \$46,556 . Pamlico County is highest at \$43,444 and Duplin County is the lowest at \$33,135. Many of the Region's coastal counties have a high median household income and low average wages, reflecting a mix of high net worth retirees with significant investment and pension income and an employment base disproportionately reliant on low-wage services jobs.

Poverty Rate

The Region's average poverty rate is 18.7%, with Duplin and Greene County having the highest rates of 26.7% and 25.7%, respectively. Pamlico and Onslow County have the lowest rates of 13.6% and 14.6%, respectively. North Carolina's poverty rate is 16.4%. The Region's poverty being higher than the state average is directly tied to wages associated with a higher

percentage of lower paying jobs in the seasonal agriculture and tourism (accommodations, food and beverage, and retail) sectors.

Average Weekly Wage

The Region's 2015 average weekly wage was \$666. Craven County workers were highest paid at \$788 per week while Pamlico County workers received \$539 per week. The 2015 national average weekly wage was \$1,082 and in North Carolina the average weekly wage was \$895.

Annual Unemployment Rate

The region's average 2015 unemployment rate was 6%. Greene County was the lowest at 5.5% and Lenoir County was 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, reflecting the county's high *ad valorem* property tax base resulting from its significant second home investment. 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 about the local economy that might adversely impact real estate appreciation. 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 that is attributable to a major expansion at Camp Lejeune.

Eastern Carolina Council Region Housing Units: 2010 to 2015				
County	2010	2015	Change 2010-15	% Change 2010-15
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 an increase of 1.79% in the number of veterans in the region. Because Onslow County has the highest concentration of active duty military in the region at Camp Lejeune/New River, the largest number of veterans reside there, followed by Craven and Wayne Counties, which also house major military bases.

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 transportation 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 two four-lane highways (US 70 and US 17) bisect the region, the existing transportation 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 activity in the Region. This, in turn, has inhibited the development and/or utilization of other important economic assets such as the seaport and airports. There are plans to upgrade US 70 that 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 once completed during the next 20 years will significantly contribute to converting US 70 into I-42 from I-40 to Carteret County.

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 and other military installations. 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 rail service to transport goods to its destinations via Norfolk Southern Railroad. Continued investment in port development and facilities would 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 and reduce conflicts with motor vehicles.

In addition to highway access, the port's success also depends on waterway access. The Region's pattern of naturally changing channels requires continuous dredging to make travel

for sea-going vessels possible. This dredging provides lanes for fishing vessels and recreational craft as well as large ships accessing the port. The port's future as well as the region's fishing and leisure craft industries will also depend on sustained funding for dredging, the majority of which is supported at the federal level.

The Region's significant water resources provide abundant opportunities for various tourism activities in the region, including sunbathing, fishing, boating and sailing. Like the port, the region's tourism industry relies on continued dredging of inlets and the Intracoastal Waterway as well as other infrastructure investments, including most importantly beach renourishment. Beach renourishment is required to maintain ocean beaches and other waterfront areas as sand naturally migrates and as storm events have acute adverse impacts on the water/land interface. Without walkable beaches, the Region's tourism revenue would suffer devastating losses. Funding for beach nourishment is becoming more difficult to obtain, and regulations and permitting obstacles are also making beach nourishment projects more challenging and expensive.

Like the Port of Morehead City, the development of the Global TransPark—envisioned as an inland port with superior air transportation—has also been constrained by limited highway access. Given the choice about which transportation mode to address first, many Strategy Committee members felt that completing the US 70 upgrades to interstate status was the most pressing issue facing the Region because it impacts the Port, the Global TransPark, freight movements and the tourism industry. Many also felt that completing North South Highway 17 would bring some of the frustrated I-95 North and South visitor traffic to the eastern part of the state and increase tourism and business opportunities in rural communities adjacent to the highway.

There are also 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 or to receive health care or education and training services.

Inter-city freight and passenger service is also limited by the quality of the area's air and rail transportation network. The Region is served by multiple general aviation airports, and daily commercial service is available at two area airports-- Albert J. Ellis Airport in Jacksonville and the Coastal Carolina Regional Airport in New Bern. Other airports include the Kinston Regional Jetport at the Global TransPark that boasts one of the longest civilian runways between Washington DC and Atlanta; the Wayne County Executive Jetport in Pikeville that contributes over \$12 million annually to the Wayne County economy; Mount Olive Municipal Airport that is within walking distance of their industrial park; and Michael J. Smith Field in Carteret County, which is an important asset to the County's tourism and retirement industries. The two airports with passenger service only connect to Charlotte (American from Coastal Carolina Regional and Albert J. Ellis) and Atlanta (Delta from Albert J. Ellis). Local residents frequently travel to Raleigh-Durham and Wilmington for better and more affordable air transportation services. The lack of interstate and major regional highways limits the market draw of each of these 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 located 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 possible CCX intermodal terminal being built in Rocky Mount. A direct connection to that facility via CSX lines would be crucial.

Addressing the highways issue, and US 70 upgrades in particular, has achieved the greatest consensus as the Region's highest infrastructure priority. Regional stakeholders agree that they must be organized around common solutions if they are to achieve any effective solutions. This

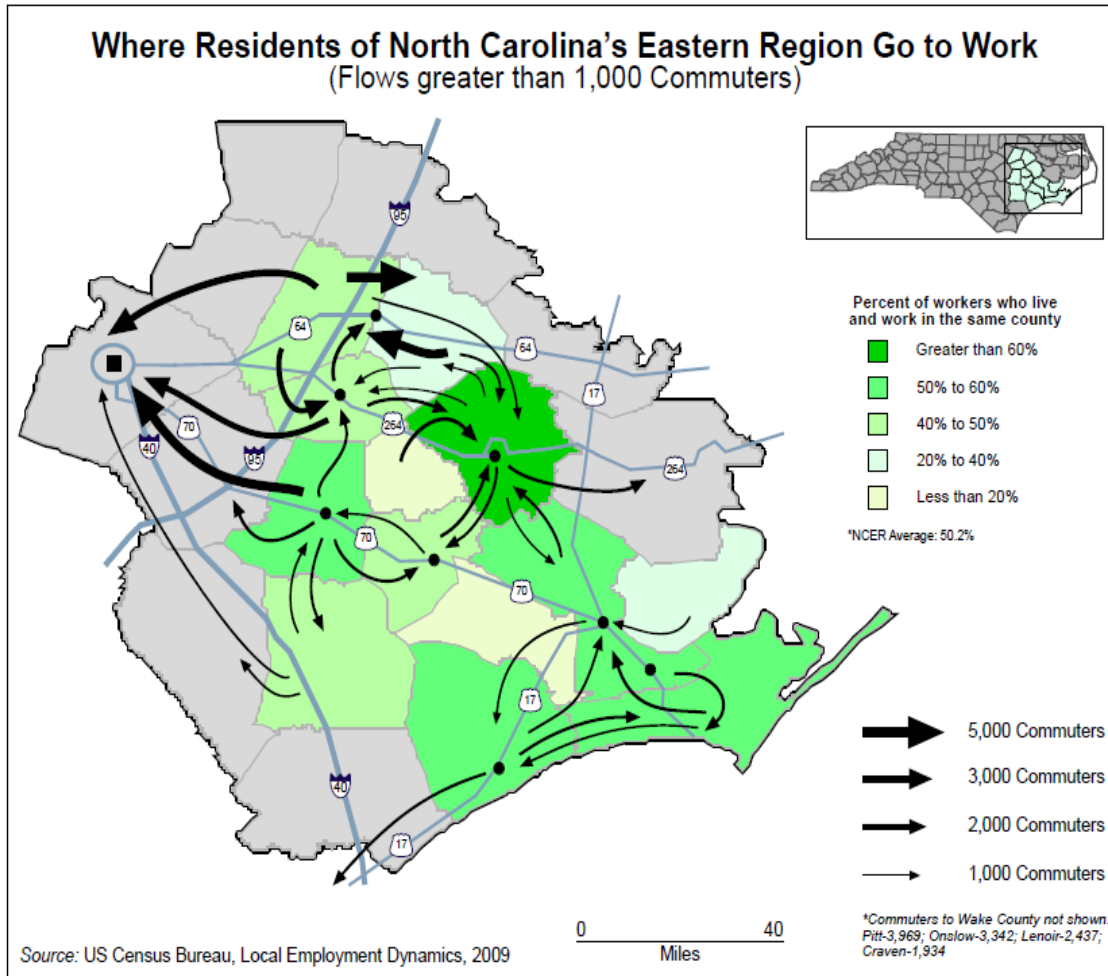
issue is particularly relevant for US 70 because progress may require unique ideas. The involvement of the military in completing US 70 upgrades not only has the benefit of bringing a very large and influential stakeholder to the table, but it could offer a unique justification for improvements to US 70 that might create 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). Craven 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 of the workers who live in the Region work and live in the same county. The importance of the Region's (and surrounding counties') main transportation corridors—US 64, US 264, US 70, US 17, NC 11, NC 24, NC 58 and I-95—facilitate many of the inter-county commuting flows. The Region's commuting patterns are presented below in two sub-regions-- Duplin/Lenoir/Wayne and 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 in turn flow to the Atlantic Ocean. The Intracoastal Waterway traverses through the eastern counties. The coastal area has a tourism-based economy and hosts many marine-related and 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 North Carolina 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; which is 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 shell fishing areas, and water bodies listed on the 303d (impaired) list are indicators of water quality problems in the Region.

Sewage treatment is likewise a growing problem and is one of the top limiting factors in the Region. Because of the rural nature of counties in this Region and the lack of discharge options, sanitary sewer systems are not available in many areas. Many 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 are subject to more strict regulations. 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 Region there are a number of very small municipalities with water and/or sewer systems that are at or near failing. Most of these municipalities 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 difficult decisions will need to be made by both the state and by the concerned municipality concerning the future of these systems. It would be beneficial if every enterprise utility developed an asset management plan that at a minimum prioritized 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 businesses or large-scale development projects. In addition, counties as far inland as Wake dump wastewater into the Neuse River basin, which blocks watersheds and drainage fields and creates highly contaminated waters reaching the coastal rivers, streams and sounds.

Sea-level rise is a controversial subject that pits coastal developers and landowners against regulatory agencies that would limit growth and development in areas predicted to be affected. It remains unclear how coastal counties and coastal communities will respond to sea level rise projections. 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." Significant increases in the cost of flood insurance, as well as other types of property and casualty insurance, will materially adversely affect home values and tax valuations, which will reduce local government revenues needed to support public services.

Essential to the success of the Region is a recognition that it must link and act as a single entity. There must be a connection between educational, environmental, workforce, economic and community development efforts across jurisdictional boundaries. This connectivity and inter-governmental collaboration will support sustainable economic growth and create efficiencies and economies of scale in providing public services needed by the residents of the Region.

Tourism

Tourism is critically important to the economies of the Region’s counties that border the Atlantic Ocean and the area’s 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 a county a more desirable area in which to live. A low crime rate helps to both attract and retain residents and entice residential, commercial and industrial development.

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

SWOT Analysis: Where are we currently?

Overview

To gather information regarding issues facing counties in the 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.

Regional Economy: Strengths and Weaknesses

Strength: Manufacturing Base

Basic manufacturing remains an important part of the regional economy. A review of the top ten manufacturers in each county includes Electrolux, Moen Incorporated, Bosch Home Appliances, Guilford Mills, US Marine Navassa, Weyerhaeuser, Franklin Baking, Company, Aar Manufacturing, Goerlichs, Cooper Standard Automotive NC LLC, Georgia-Pacific LLC, Bally Refrigerated Boxes and Frank Door. In food processing / agribusiness, Butterball LLC, Smithfield Foods, House of Raeford, Bay Valley Foods, Sanderson Farms, Styron Crab Company and Mount Olive Pickle are representative of the industry. There are numerous large and small boatbuilding and marine-related manufacturing companies in the Region, including Hatteras Yachts, Parker Marine, and Jarrett Bay Boatworks.

Strength: Airports, Rail, State Port and Intracoastal Waterway

There are eight regional commercial passenger airports in North Carolina, two of which are in the Region: Albert J. Ellis in Jacksonville (Onslow County) and Coastal Carolina in New Bern (Craven County). It is estimated that the annual economic impact of these two facilities is \$416,230,000. Additionally there are six general aviation airports: Duplin County Airport (Kenansville/Duplin County), Henderson Field (Wallace/Duplin County), Kinston Regional

Jetport (Kinston/Lenoir County), Michael J. Smith Field (Beaufort/Carteret County), Mount Olive Municipal Airport (Mount Olive/Wayne County), and Wayne Executive Jetport (Goldsboro/Wayne County). Together their annual economic impact is \$578,880,000. The combined annual economic impact of the airports in the Region is \$995,110,000.

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 significant bulk and breakbulk terminal along the eastern seaboard. The in Morehead City Port 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, Highway 70 connects the Port of Morehead City to the North Carolina Global Transpark and the urban center of the State. The Intracoastal Waterway (ICW) brings visitors and business from across the Atlantic Ocean and states along the east coast of the United States. The ICW makes the area attractive to international businesses considering relocation to the Southeastern United States.

Strength: Military Presence

The 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). There are also many important ancillary facilities, including outlying landing fields, firing and bombing ranges, and other training assets without which the major installations could not effectively operate. 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.

One cannot overstate the importance of these military assets to the regional economy and to our national defense. According to the 2015 Military Economic Impact report produced by Marine Corps Installations East, the Marine Corps facilities in our region have 53,479 active duty military personnel and generate an annual economic impact of \$6,121,270,466. Seymour Johnson Air Force Base's 2016 Economic Impact report shows that it contributed \$705,000,000 to the local economy with approximately 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 significantly above average wages for the area. It is one of the largest industrial facilities—and largest civilian employers—in North Carolina.

Strength: Agricultural Land

Much of the Region remains rural, providing ample space for farming, recreation and 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. With over 50,000 acres, Open Grounds Farm in Carteret County is the largest farm east of the Mississippi River.

There are numerous aquaculture and mariculture activities operating or under development in the Region. Many are on agricultural land or in public waterways. This sector has tremendous growth potential and may serve to replace jobs lost in traditional agriculture and commercial fishing, particularly as the global demand for seafood continues to increase.

Strength: Natural Environment

Eastern North Carolina is blessed with four mild seasons. It is located halfway between New York and Florida. There are a number of rivers that flow through the region, including the Neuse River, the New River, the Tar-Pamlico River, the Trent River and the White Oak River. There are several sounds and other estuaries in the Region's coastal counties, of which Pamlico Sound is the largest. The Atlantic Ocean, as well as coastal estuaries, rivers and creeks, attract tourists, retirees and investment. The health of the Region's environment is vital to the economy of the Region, particularly in the coastal counties.

Strength: Community Colleges / 4-year Institutions

There are seven community colleges in the Region: 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 – Pamlico County; Wayne Community College located in Goldsboro – Wayne County.

East Carolina University is located in nearby Greenville (Pitt County) 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. Duke University, UNC-Chapel Hill, and NC State University all have marine sciences laboratories in Carteret County, as does NOAA, making Carteret County one of the largest marine sciences research hubs in the United States.

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.

Strength: Cost of Living

The Region's rural nature and slow economic growth have kept the cost of living well below other areas of the country, although demand for water-oriented property has increased values and prices in the coastal counties. In many communities the cost of housing is remarkably affordable.

Strength: 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. Tryon Palace in New Bern (Craven County) and the North Carolina Aquarium in Pine Knoll Shores, the North Carolina Maritime Museum and Fort Macon (all in Carteret County) are among the most visited cultural destinations in the Region.

Weakness: Effects of Globalization

Products manufactured primarily for local and regional markets in a low skilled to semi-skilled environment, remain viable in the Region. Many manufacturers of labor-intensive products for retail consumption, such as apparel and furnishings, have moved production off-shore. Manufacturers of products that require advanced technology, a highly skilled workforce and proximity to urban amenities and infrastructure, are less likely to locate in the Region. This has constrained the growth and diversification of Region's economy, leaving many communities disproportionately reliant on one or two industries (e.g., military, agriculture or tourism).

Weakness: 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 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) during that period. This leaves only three counties with population growth (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%.

Weakness: Transportation

The lack of interstate highways and other limited access roads in the Region is an obstacle to both business and tourism development. The only county in the region with direct interstate (I-40) access is Duplin County. There are only two public municipal transportation system in the region—in Goldsboro and Jacksonville. 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, including the aging population, are dependent upon personal vehicles. 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.

Weakness: Infrastructure

Slow population, employment and wage growth have resulted in little or no revenue growth for many 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. Many rural areas either do not yet have high-speed Internet access or if they do, the cost is unaffordable.

Weakness: 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 which lost 17.8% of its jobs (predominantly in the commercial fishing sector) and Wayne County which lost 4.2% of its jobs.

External Forces: Opportunities and Threats

Opportunity: World Markets

Businesses in the Region do not export products to world markets at rates equivalent to 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 , the Craven Industrial Park Foreign Trade Zone #214 Magnet Site, and a the Morehead City Port and Foreign Trade Zone, exporting from the Region to global markets is a real opportunity. There are also opportunities to open other Foreign Trade Zone #214 Magnet Site within the region to capitalize on globalization.

Opportunity: Tourism

Tourism is recognized as one of the growth industries in North Carolina. The Region is blessed with many natural resources that are attractive to tourists and others seeking outdoor recreational opportunities. Traditional tourism, eco-tourism, agro-tourism, and historic / cultural / heritage tourism all present economic growth opportunities for the Region. In particular, the Carteret County, known as the “Crystal Coast,” 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. Carteret County municipalities, including Beaufort, Morehead City and the beach communities of Atlantic Beach, Pine Knoll Shores, Indian Beach and Emerald Isle, offer world-class fishing, numerous sightseeing amenities and attractions and a very favorable climate that brings people to the Region throughout the year.

Opportunity: Retirees

With an estimated 10,000 baby boomers turning 50 every day, eastern North Carolina’s mild climate, scenic beauty, recreational opportunities and location halfway between Florida and the Northeast are assets appealing to potential retirees. This segment of the population born

between 1946 and 1964 comprises approximately 33% of the US population, and 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 economic 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 who do not relocate. On the negative side, community services to the very old may increase social and healthcare costs to communities.

Opportunity: 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 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 aircraft assembly facility on July 1, 2010.

Opportunity: 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 breakbulk and bulk cargo with access to Interstates 95 and 40 via U.S. Highways 70 and 17, and daily rail 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.

Opportunity: 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 manufacturers and assemblers of appliances, cabinets, plumbing products and household goods represent a growth opportunity for the Region.

Opportunity: Growing Hispanic Population

The Region's vision to strengthen its foundation of manufacturing and agricultural assets is supported by a growing Hispanic population. Many businesses, including basic manufacturing and agricultural production, have experienced challenges finding workers. The growing Hispanic population, a much-valued labor asset, has allowed area business to stay competitive. 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 had the fastest growing Hispanic populations in 2015.

Threat: Lack of Diversification

The lack of economic diversification threatens 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. Base Realignment and Closure actions are a recurring concern. Large deployments from the bases have had and will continue to have a substantial impact on these military-dependent communities. With instability in the Middle East and Asia 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 the loss of which would have devastating consequences.

Threat: Natural and Manmade Disasters

Although the Region's environment is an attraction for visitation, retirement and development, it also presents several threats. For example, hurricanes and other potential disasters make the area unattractive to some potential residents and businesses. Moreover, as multiple 500 year storm events are now occurring every decade, the consensus among economic development professionals is that the need for resilient recovery is the new normal. The economic resiliency...of a region is linked to its ability to prevent, withstand and quickly recover from major disruptions. Communities that want to create or sustain economic growth must do more than just rebuild the way they were before the disaster occurred, they must rebuild with resilient strategies in mind in order to better prepare for the next storm, flood, fire, drought, etc. that may affect them.

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 level rise will adversely impact the economy of coastal communities, and riverine flooding can significantly impact inland counties. The cost of flood insurance and other property and casualty insurance is rising, making owning coastal and other waterfront property less attractive.

Threat: 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 demography 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. This often impacts tier designations of predominantly poor counties and impacts their ability to access economic and social development grants to meet the needs of the majority of the population. Regional projects that require collaboration will likely suffer unless area residents and governments can work across jurisdictional boundaries and through regional economic disparities.

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. These regional plans and efforts have been, and continue to be, connected and leveraged to support the CEDS, as they align with regional strategies identified in the 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 and the region’s boatbuilding industry, although both have recovered since 2012.

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 employers was the Federal Government—Civilians—excluding postal workers. They employed 14,240 in 2011 and could 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 are projected to 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. Unfortunately, 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, 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

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, WestPark Business Center, and the Havelock Visitor's Center).

Applications that align with EDA funding priorities and the CEDS strategies will continue to be submitted to EDA for consideration of funding. Regional priorities that can potentially be funded by all appropriate resources – federal, state, foundation, local – are explored below.

Regional Priorities for EDA Investments

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. While in ECC's region there are only four counties that are considered coastal, as we saw in 2016 with Hurricane Matthew, no counties in the ECC region were spared from the effects of this major storm. Therefore, EDA funding may be needed to recover from the effects of future storms.

Other Regional Investments

The North Carolina university system, Duke University and the National Oceanic and Atmospheric Administration have invested millions of dollars in marine research laboratories and related facilities located in Morehead City and Beaufort in Carteret County. They are working in concert with the Carteret County Economic Development Department to continue to grow the marine sciences 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 has recently undergone a significant expansion. If the economy continues to strengthen, 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, many of 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 development in the region.

Before the recession, the coastal counties of the Region were undergoing residential and commercial development pressures associated with an aging population seeking to retire and non-residents desiring vacation homes or condominiums. New developments were being constructed at an unprecedented rate, and more were in the planning phase. These developments had the potential to negatively impact water quality and strain local infrastructure (roads, water, sewer, and health care). Some of these developments failed or were put on hold, and some projects were abandoned. In recent years as the market recovered some have been restarted and are now under construction.

The Global TransPark in Kinston is positioned as a regional industrial hub. It includes an airport capable of handling large 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 the Global Transpark is very promising. Currently, the largest tenant at the TransPark is Spirit Aerosystems, which is anchoring a growing aerospace cluster at the Global TransPark.

The North Carolina State Ports Authority Board of Directors has approved contracts covering several projects at the Port of 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. The Board authorized modifications to the building's stormwater 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 in the Region 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.)

Vision and Action: Where do we want to go?

Through extensive analysis and broad community participation, ECC CEDS Advisory Committee has determined goals and priorities for the next five years. This collaborative, region-wide plan addresses our weaknesses and utilizes our strengths to overcome previously identified challenges. So, where does the ECC Region want to be in the next 20 years? Our regional vision includes the following vision and multifaceted approach.

Vision Statement

The Eastern Carolina Region collaborates to attract and retain talent, foster entrepreneurial innovation, and to become a leader in the global business economy through supporting the local economy.

Priority Goals

Priority goals for the ECC region include:

1. Bolster the Local Economy to Compete in the Global Economy
2. Develop, Train, Retain, and Attract Talented People
3. Improve and Modernize Transportation Networks and Infrastructure
4. Build Upon Existing Regional Amenities and Attributes

Action Plan: Goal Implementation

Goal 1: Bolster the Local Economy to Compete in the Global Economy

Tactic 1: Attract a Diversity of Industries to the Region

ECC will continue to cooperate with North Carolina's Eastern Region, County economic developers, Committees of 100, Chambers of Commerce, North Carolina's Southeast, and other interested groups to attract new industries to the Region, and to retain and expand existing industries. These organizations will assist in implementing the goals and objectives of the CEDS as warranted.

Tactic 2: Promote the Global TransPark, Port Facility, and County and Municipal Industrial Parks

ECC will support the continued development and expansion of the Global TransPark, the Morehead City Port, and will support the development and expansion of industrial, corporate and business parks throughout the Region.

Tactic 3: Boost Entrepreneurial Development

ECC will coordinate efforts with local community colleges such as Eastern Carolina University's Miller School of Entrepreneurship to assess current educational programs and fill in identified gaps where needed, as well as create entrepreneurial support networks to determine what entrepreneurial resources are missing. ECC will support the development of incubators, accelerators, co-working and other facilities that support entrepreneurial development in the Region. Finally, ECC will assist with connecting entrepreneurs to start-up business loans and developing funding structures.

Tactic 4: Champion Existing Businesses

ECC will assist existing businesses to grow to the next level by networking available resources. ECC will also act as a clearinghouse for information on local, state, and federal assistance to business owners on post disaster recovery monies and other funding structures and support.

Goal 2: Develop, Train, Retain, and Attract Talented People

Tactic 1: Retain Military Personnel

ECC will work regionally and with the state to address the factors that cause our military personnel – especially retired personnel – to leave the Region. This includes taxation, employment opportunities, and compensation. ECC will also promote accessing and utilizing spousal skills sets, since military spouses are often underemployed or unemployed and plays a large part in the determination of military households to stay in the Region. Finally, ECC will support K-12 education because quality schools attract and retain military personnel as well.

Tactic 2: Attract Retirees, Downsizing Boomers and Millennials

As mentioned previously, retirees bring incomes, spending, tax revenues and assets into a community; downsizing boomers represent a large share of our population nationwide. Millennials tend to have high mobility, select a community based on available amenities, and bring their jobs with them when they move. ECC will develop studies and strategies related to tourism, housing and other amenities that will attract and retain these populations. Additionally, ECC will also assist communities in the Region with applications for certification in North Carolina's Certified Retirement Communities program.

Tactic 3: Create a Regional Workforce Development Program

ECC currently coordinates and collaborates with the Eastern Carolina Workforce Development Board (ECWDB) to implement local and state workforce investment strategies. The ECWDB participated in this CEDS through representation on the General Membership Board, and ECWDB will assist in its implementation. ECC will also assist with mobile units for workforce training to support training for our rural populations.

Tactic 4: Support Amenities to Attract and Retain Talent that Choose Place First

As local, regional, and national demographics have shifted, the traditional two-way "business-talent" connection has also shifted to a three-way "business-talent-place" connection. Adding a place-focused dimension makes the Eastern Carolina Council region more competitive for the global talent base. The Region can attract and retain talent – especially young, knowledge-based talent – by focusing on how best to take advantage of the unique placemaking assets of our communities. ECC will focus on developing amenities that attract and retain talent, such as a variety of housing, transportation, entertainment, recreation, education, and cultural options.

Tactic 5: Provide Adequate Workforce Housing and a Diversity of Housing Options

Regional stakeholders have concerns over the lack of safe and sanitary workforce housing options. Therefore, ECC will work with communities on minimum

housing regulations and nuisance abatement programs to address issues with adequate workforce housing. ECC will also study regional housing needs and options. If the Region does not produce quality workforce housing, the right typology of housing to attract families and millennials that are on the move, downsizing boomers, and households that desire to age in place, it directly impacts the local economy.

Goal 3: Improve, Expand and Modernize Transportation Networks and Infrastructure

Tactic 1: Continue to Support the Work of the RPOs

The Eastern Carolina RPO and the Down East RPO are housed in the ECC. These two RPOs are responsible for prioritizing transportation projects for the Transportation Improvement Plan (TIP). They are also involved with public transportation, bike planning, pedestrian planning, and other modes of transporting people and goods. These two organizations will assist in implementing the goals and objectives of the CEDS and ECC will continue to support the work of these organizations. ECC will also connect with other rural transportation planning organizations, such as groups in Western North Carolina, on joint legislative agendas.

Tactic 2: Promote, Improve, and Diversify Regional Transit Options

ECC will continue to promote the alignment of economic development with regional transit projects, public transit infrastructure, regional trails, and multimodal transit options. This work will also include an assessment of current and future housing availability and its alignment with future growth and employment patterns along major transportation corridors.

Tactic 3: Expand Regional Air Service

ECC will work with our local passenger airports to increase existing and expand new flight options and patterns. This will include working to leverage local funds for the economic expansions of our airports. ECC will also support the growth and expansion of the region's general aviation airports.

Tactic 4: Plan Efficient and Expanded Water, Sewer, and Gas Networks

ECC will assist communities with the problem of aging water, sewer, and gas infrastructure by continuing to secure grants for infrastructure projects. ECC will also continue to look for opportunities for EDA projects to fund needed infrastructure to support new jobs and retain existing jobs.

Tactic 5: Promote Region-wide Broadband

ECC will continue to champion the need for high-speed internet coverage for the entire Region. There are still pockets where it is not available, and major companies will not consider locating in an area where this connection is not available. ECC will work with e-NC, and electric co-ops to promote the extension of high-speed Internet coverage throughout the Region.

Tactic 6: Plan for Resilient Infrastructure

The Region is vulnerable to the impacts of hurricanes and other disasters; recovery challenges have been highlighted by the recent flooding and storms. In order to create infrastructure resiliency, ECC will continue to secure grants to assist communities in stormwater mapping projects, and ECC will expand work to improve stormwater systems and management. ECC will work to emphasize the correlation of transportation infrastructure and stormwater impacts as well. Additionally, ECC will work with local governments to update development standards to mitigate the impacts of climate change. Finally, ECC will work with local, state, and federal agencies to identify and implement creative solutions to the relocation and flood-proofing of businesses and residences that remain in flood-prone areas. These efforts will aid in preventing and/or recovering quickly from economic disruptions such as storms and other disasters.

Goal 4: Build Upon Existing Regional Amenities and Attributes

Tactic 1: Advocate for Investment in Regional Amenities

ECC continues to be a resource to the Region on the subject of grants and investments. When appropriate, Council staff assists local government to

complete applications. As projects are identified, ECC helps to identify sources of funding in addition to EDA.

Tactic 2: Promote Placemaking to Grow Vibrant, Diverse, and Resilient Communities

Known as “place-based economic development,” placemaking aims to create quality places where people want to live, work, play and learn. It is driven by the economic imperative that businesses must attract and retain talent in order to succeed. This approach focuses on creating a “sense of place” and is based on a single principle: people choose to settle in places that offer the amenities, social and professional networks, and resources and opportunities to support a thriving lifestyle. ECC will work with communities to champion placemaking projects in the Region.

Tactic 3: Enhance and Protect the Environment

Projects proposed in the Region should be constructed in such a way that they enhance and protect the environment. ECC will assist local governments as requested to plan projects and programs that help enhance and protect the environment. ECC will participate on committees, councils and commissions that address the environment (e.g., the Coastal Resources Advisory Council). In addition, ECC will advocate for regional cooperation in stream and river basin maintenance (such as clearing blockages from watersheds to reduce flooding and contamination), as well as regional stormwater management, for both environmental and hazard mitigation purposes.

Evaluation Framework: How are we doing?

Goal 1: Bolstering the Local Economy to Compete in the Global Economy

Metrics:

- Number of jobs created and retained
- Number of new entrepreneurial programs
- Increase in number of new start-ups
- Number of new patents applied for
- Expansion of existing businesses
- Creation and implementation of a region-wide industry study
- Number and types of investments undertaken in the region
- Number of international investments
- Increase in export volume and participation
- Diversification of exports
- Better education on the benefits of Foreign Trade Zones

Goal 2: Develop, Train and Retain, and Attract Talented People

Metrics:

- Number of military personnel retained
- Improvement of basic education systems
- Increase in retirees, baby boomers, and millennials in the region
- Creation and implementation of a region-wide housing study
- Increase in Missing Middle Housing formats
- Increase in workforce investment strategies
- Increase in workforce
- Increase in a diversity of housing, transportation, entertainment, recreation, education, and cultural amenities
- Increase in regional placemaking projects and initiatives

Goal 3: Improve and Modernize Transportation Networks and Infrastructure

Metrics:

- Number of new shovel ready sites and product
- Increase in federal project related investments
- Increase in infrastructure funding: Broadband, Natural Gas, Transportation, Utilities
- Increase in regional jet service
- Assessment of housing availability near existing infrastructure
- Amount of secured funds for infrastructure projects
- Number of jobs created related to the upgrading of regional infrastructure
- Increase in high-speed internet coverage
- Improvement of stormwater systems
- Updated ordinances addressing infrastructure resiliency
- Removal of homes and businesses from flood-prone areas

Goal 4: Build Upon Existing Regional Amenities and Attributes

Metrics:

- Increase in secured grants
- Increase in other financial investments in the Region
- Increase in placemaking activities
- Increase in tourism dollars spent
- Increase in policies designed to protect the Region's natural resources

Economic Resilience

Economic resilience is defined as the ability of an economy to withstand, recover or avoid the effects of shocks, such as an economic downturn or a natural disaster. In recent years, the ECC region has experienced both. Our economy continues to bounce back from the economic downturn of the Great Recession, as well as the effects of the 2016 hurricane season and Hurricane Matthew. Despite these setbacks, however, we continue to build a strong regional economy that builds on the strength of our local communities

How Can Our Regional Economy Become More Resilient?

Economic diversification is both a recovery strategy and a tool for communities to increase their resiliency for future disasters. Establishing economic resilience in a regional economy requires the ability to anticipate risk, evaluate how that risk can impact key economic assets, and build a responsive capacity. The Economic Development Administration provides guidance on establishing regional economic resilience through a two-pronged approach:

1. Planning for and implementing resilience through specific goals or actions to bolster the long-term economic durability of the region (**steady-state**), and
2. Establishing information networks among the various stakeholders in the region to encourage active and regular communications between the public, private, education, and non-profit sectors to collaborate on existing and potential future challenges (**responsive**).

Eastern Carolina Council continues to bolster our regional communities through this two-pronged approach. ECC's **steady-state** current work and initiatives include:

1. Creating and directing comprehensive planning efforts that include the integration and/or alignment of hazard mitigation plans, transportation plans, environmental plans, and other planning efforts;

2. Supporting diversification initiatives, such as the developing of industries that build on the region's assets and that will provide stability during downturns;
3. Supporting business retention and expansion programs, and acting as a clearinghouse for information for economic recovery post-disruption;
4. Supporting the creation of a region-wide workforce training program that will build a resilient workforce;
5. Maintaining data that links with tax information and other business databases to track regional change, available development sites, and to be integrated with hazard information to make impact assessments;
6. Supporting and advocating for region-wide broadband networks; and
7. Assisting communities in implementing safe development practices related to floodplain management, riparian buffers,

Some examples of our **responsive** economic resilience initiatives include:

1. Conducting region-wide hazard mitigation planning and preparedness;
2. Establishing a process for regular communication, monitoring, and updating of business community needs and issues through our economic development planning department; and
3. Strengthening coordination between economic development entities, support services, and key local, regional, state, and federal officials to address short, intermediate, and long term recovery needs of specific business sectors;

A goal of CEDS is to identify where investment can be made to further diversify the region's economic base. Creating local value-chains and industries will result in stronger local economies and therefore, economically resilient regions. Through the CEDS Strategy Committee, SWOT Analysis, and a Regional Cluster Analysis completed in March 2012 by the

Center for Regional Economic Competitiveness, five target sectors for growth were identified to support regional economic resilience:

1. Defense and Aerospace
2. Value-Added Agriculture
 - Meat processing
 - Packaged foods
3. Tourism
4. Advanced Manufacturing
 - Household appliances
 - Nonwoven goods
 - Motor vehicle manufacturing
 - Chemical products
 - Fabricated metal products
 - Building products
5. Educational Services
 - Workforce development
 - Job training

Several of the region's major clusters are currently 'at risk' and may experience slower growth or outright losses compared to national trends. Collaboration with educational institutions is needed to provide the skilled workforce to meet the needs of existing and emerging clusters. Programs and service that can connect local firms to new market opportunities and help

them pursue product or process innovations will be critical to the region's advanced manufacturing and value-added agricultural clusters.