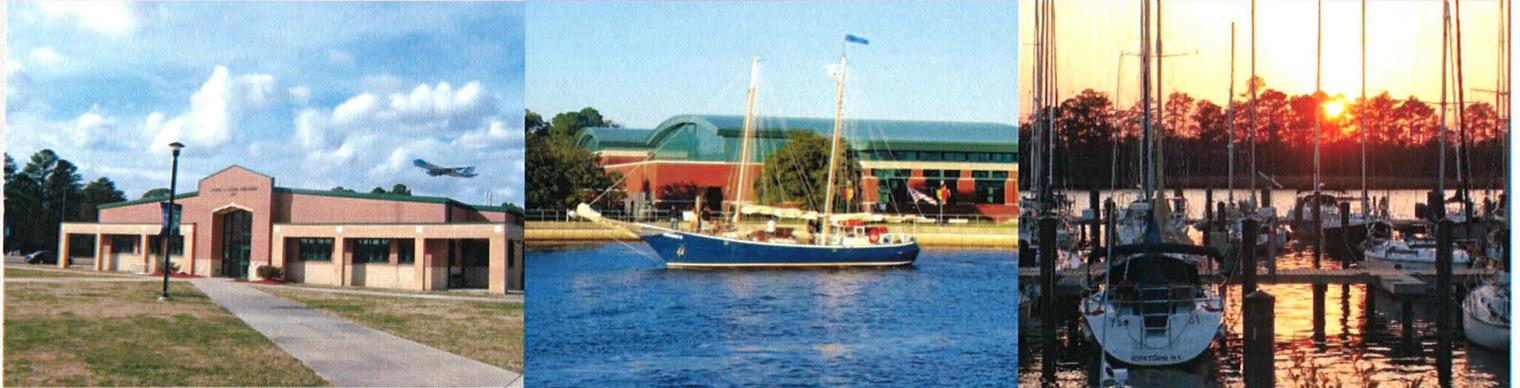


July 2013

Comprehensive Economic Development Strategic Plan

Craven County, North Carolina



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July 2013

Prepared For:

Craven County

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1 EXECUTIVE SUMMARY

A. PROJECT BACKGROUND

Craven County's purpose in seeking a comprehensive economic development strategic plan is to establish the foundation for reorganizing its approach to economic development. The County recognizes that it is critical to implement a strategy that is grounded in reality and fosters a long-term, economically sustainable future for all residents. At the base level, the County Administration and Economic Development Strategic Work Group (SWG) recognize that it is essential to think and act in a coordinated, efficient manner when utilizing precious community resources to expand the local economy. More specifically, the comprehensive economic development strategic plan provides the "road map" for Craven County to succeed in attracting private investment within a challenging and competitive regional market.

RKG Associates, Inc. was selected through a competitive bidding process to assist Craven County in crafting the comprehensive economic development strategic plan. In the course of the work program, RKG professionals reviewed relevant plans and documents, and interacted with key stakeholders including municipal and county staff, elected officials, local real estate professionals and developers, property owners and managers, business leaders, economic development practitioners, and others. The resulting strategic plan for economic development details the opportunities and corresponding actions that will maximize Craven County's ability to leverage its resources while positioning itself to improve efficiency and effectiveness.

The SWG defined overarching strategic goals to ensure the plan would be relevant to the County's mission and supportable by local and regional stakeholders. Specifically, the SWG recognizes the need to establish a plan that rallies support from internal and external partners, fully leveraging assets that will be available to the new entity for implementation. The strategic goals reflect the expectations the SWG has established. These goals are listed below:

- *To diversify the County's industry base*
- *To target industries that match the labor pool*
- *To increase civilian job opportunities*
- *To be more competitive statewide for business attraction*
- *To encourage the development of jobs with average salaries around between \$40K to \$60K*
- *To create a proactive business climate that eliminates or minimizes bureaucratic obstacles*
- *Encourage a unity of purpose to achieve common objectives*
- *Develop a quality workforce and deliver high quality training/education opportunities*
- *Enhance the strength and sustainability of the military base*
- *Diversify the agricultural sector*
- *Grow existing businesses*
- *Foster entrepreneurialism*

The proposed action plan detailed at the end of this report reflects those opportunities and recommended approaches to position Craven County to best meet these goals.

B. STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS

The SWOT analysis identifies internal and external factors that are favorable and unfavorable to achieving the objectives of the economic development strategy. The identification of SWOTs informs the application of strategies to convert weaknesses or threats into strengths and opportunities. A description of SWOT categories is as follows:

- Strengths: characteristics of an area that give it an advantage over others
- Weaknesses: characteristics that place an area at a disadvantage over others
- Opportunities: elements that an area can exploit to its advantage
- Threats: elements in the environment that could pose challenges to achieving objectives

The following chart shows SWOTs identified for Craven County relative to economic development:

| | |
|---|--|
| <p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none">• Presence of military installations and related industries• Established industrial base of international companies• Presence of a mainline railroad (Norfolk Southern) with access to the port of Morehead City• Proximity and access to water as both a recreational and industrial resource• Strong and stable health services provider• Regional airport• Craven Community College• Destination area: tourism & events | <p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none">• Roadway transportation, specifically Highways 17 and 70• Low capacity water and sewer issues outside of the municipalities• Relatively isolated location surrounded by rural areas and some distance from other population centers• Comparatively limited retail and entertainment options• Inflated costs for electricity• Shortage of highly skilled workforce• Environmental regulatory constraints• Over-dependancy on military presence |
| <p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none">• Roadway transportation improvements• Craven 30 Development - expanded opportunity for business growth• Ability to capitalize on the local logistics infrastructure - rail, port• Port of Morehead City expansion and diversification• Regional partnerships for common goals• F-35 mission• "Last mile" broadband investment• Public school vo-tech diploma program | <p style="text-align: center;">THREATS</p> <ul style="list-style-type: none">• Military installation drawdowns• Outmigration of young, higher skilled workforce• Intrastate/interstate competition• Lack of local coordination• Limited inventory of high quality, tenant-ready buildings• Development approvals process that is indifferent to economic development• Diminishing of agricultural sector |

C. 18-MONTH PHASED IMPLEMENTATION STRATEGY

The overall implementation strategy organizes the action steps into six topic areas most relevant to Craven County's current needs, opportunities, and constraints. These categories include: [1] Workforce and Asset Development, [2] Market Development, [3] Organization, [4] Regulatory Environment, [5] Marketing Strategy, and [6] Outreach Initiatives. The policy direction of the plan was shaped through combining the vision of the SWG, the expectations of civic and government leaders, current market conditions, identified opportunities, and projected future market influences.

The following narrative suggests **key** sequential and concurrent tasks to be undertaken within the first eighteen months in six-month intervals, with the objective of establishing the momentum necessary to realize the overarching economic development goals of job creation and retention. The implementation strategy should remain flexible and opportunistic, with the ability to adjust to circumstances and the availability of resources. The implementation entity should exercise its own discretion to accelerate, slow down, re-prioritize or re-sequence tasks, or create new tasks as circumstances warrant.

1. One- to Six-Month Period

Establish the economic development entity – The entity should be structured so the staff is employed by Craven County, with the mission and implementation actions being decided by the Board of directors.

The SWG recommends that the County organize the new implementation entity with 15 appointed Board members composed of private sector, strategic partner organization, and public representatives. The proposed Board should include:

- 3 appointees – Craven County government
- 3 appointees – City of New Bern government
- 3 appointees – City of Havelock government
- 1 appointee – Craven Community College
- 1 appointee – MCAS Cherry Point (ex-officio)
- 4 appointees – at large (selected by the 9 government appointees)

The three appointed government representatives for each jurisdiction should be the manager, an elected official or other staff member, and a private-sector individual that does not hold an elected position. The four at-large seats should be individuals (not elected) that are willing to provide direct financial support to the organization in the form of a financial contribution. The “buy-in” for the governments and the at-large seats are proposed at:

- Craven County - \$250,000
- City of New Bern - \$125,000
- City of Havelock - \$75,000
- At large members - \$12,500 each
- Other sources – as donated/collected

The Craven County Community College and MCAS Cherry Point representative should not be required to provide financial support, but should be encouraged to provide in-kind contributions (i.e. staff support, data collection) to support countywide economic development efforts.

The SWG is recommending the new implementation entity be staffed by two professionals in the short term supported by a marketing consultant, with the potential of adding additional professional staff members as efforts increase and expand. The new implementation entity staffing plan includes:

- Executive Director

- Economic Development Manager
- Marketing Director

Prepare a detailed business plan – A detailed business plan should be created based on the priorities and available resources to implement the comprehensive economic development strategic plan detailed herein, to be reviewed and updated annually.

Identify strategic partners – The following organizations have all contributed to Craven County's economic prosperity and will continue to do so, and should be engaged as strategic partners in the early stages of the implementation entity:

- Craven County Committee of 100
- New Bern Area Chamber of Commerce
- Havelock Chamber of Commerce
- Craven Community College Small Business Center
- Craven County Cooperative Extension Center
- Allies for Cherry Point's Tomorrow
- Electricities (electric utility, economic development department)
- Duke Energy Progress (electric utility, economic development department)
- North Carolina Department of Commerce
- North Carolina State Ports Authority
- Others, as appropriate

Establish local partnerships – Craven County's jurisdictions and subdivisions will be clients and beneficiaries of the implementation entity. In many instances they will be the preferred final destination for many business prospects considering locating in Craven County, and the needs of the business prospect must be the County's top priority. Therefore, Craven County, New Bern, Havelock, Vanceboro, Bridgeton, and the other municipalities must agree that an effective and cohesive economic development partnership will be in the best interests of all parties. The municipalities of New Bern and Havelock should have full representation within the implementation entity, with rotational membership available for smaller jurisdictions.

Take leadership role in creation of regional group – The passage of the bill dissolving North Carolina's Eastern Region will free up economic development funds for use by individual counties in a manner they deem most appropriate to their own circumstances. The bill will also allow the State to form new prosperity regions comprised of counties with common characteristics and interests. The Craven County implementation entity should seize this opportunity to take a leadership role in the formation of this group, and forge a strong relationship in order to more effectively identify mutual interests and achieve common objectives (e.g., expanded operations at the Port of Morehead City).

Develop a County-wide economic development website – A new Craven County Economic Development website should be developed to provide information to prospects, partners, stakeholder, and the community with target industry information and digital copies of all marketing collateral.

Centralize available land/building database – The implementation entity should work with local municipal economic development entities, the utility economic development entities, real estate professionals, and property owners to develop a comprehensive inventory of available buildings and land within Craven County.

Create target industry recruitment and retention marketing collateral – Electronic and print marketing brochures should be prepared to cover six main topic areas:

- Quality of life

- Target industry specific materials
- Incentive descriptions
- Business testimonials
- Technology assets
- Spotlight property highlights

Establish a formal existing business retention program – The implementation entity should utilize strategic partners to develop a coordinated existing business outreach effort, focused on operational needs, workforce needs, and regulatory/policy needs. A centralized industry leader database should be maintained by the new implementation entity, but accessible to strategic implementation partners such as the municipal economic development entities and the local Chambers.

Develop a proactive industry recruitment strategy – The business recruitment strategy should focus on target industries, and utilize a combination of outreach and communication techniques such as: direct mail; attendance at trade fairs, expos, and conferences; targeted recruitment trips; and leveraging of strategic partners' resources.

Identify remaining pad sites in existing industrial parks within the County

2. Seven- to Twelve-Month Period

Implement a growth readiness strategy for the F-35 mission – The County should take steps to strategically position itself to capture all or most of the regional F-35 mission. The approach is a four-step process designed to minimize financial risk to the County:

- Communicate with F-35 contractors to identify their needs if operations are concentrated in Craven County
- Identify a new commerce park location that meets the minimum standards for contractors; execute an option on the land to minimize financial exposure
- Establish joint services agreements with public entities and utilities to provide adequate supporting infrastructure
- Establish workforce development programs necessary to support contractors

Build relationships with private sector implementation partners – A financial industry focus group should be established to include representatives from both the debt and equity financing sectors. The implementation entity should engage local and regional real estate professionals early on, and keep them aware of development projects and other opportunities through continued communication on a regular basis via personal contact, networking events, print and digital media. The entity should also establish relationships with national site selection consultants through targeted outreach, one-on-one meetings, and participation in and sponsorship of consultant conferences and forums held throughout the year. Site selection consultants can be found at <http://www.ecodevdirectory.com/siteselections.htm>.

Develop a grant toolbox – The County should expand its formulaic grant structure to a broad number of economic development grant tools for projects that meet specific thresholds of job creation and/or tax base enhancement. Public grant requirements should be formalized for prospects, eliminating the uncertainty of qualifications and/or access to specific programs. Grants should be based on the size of the company/project most suitable for the program (i.e. loan assistance for start-up businesses vs. tax reimbursement for large job creation). Grants could include utility tap fee reductions, infrastructure assistance, tax reimbursements, tax allocation districts, land acquisition assistance, and expedited development review processes.

Identify and train industry ambassadors and community advocates – Identify and coordinate business leaders within various industry sectors to become ambassadors, actively participating in business

outreach, recruitment, and marketing. The group should be educated on the methods of the implementation entity to ensure consistency in methods and approach.

Develop advisory panels to assist in implementation and outreach – Panels should represent the following functional areas: education and workforce; government coordination; hospitality and tourism; military advocacy. Each advisory panel should prepare an action plan in support of the implementation entity's business plan.

Establish and implement annual business needs survey – Create a survey for all businesses in Craven County focusing on labor force needs. The business survey should be advertised through partner groups such as Chambers of Commerce, and administered each Spring. In subsequent years, the survey can be expanded to address topics such as business climate, regulatory environment, expansion plans, networking needs.

3. Thirteen- to Eighteen-Month Period

Prepare all remaining development pads at existing industrial parks within the County – Remaining sites should be prioritized based on investment cost and development potential to determine priority of action. Priority sites should be made development ready in order to accommodate potential tenants within an accelerated time period.

Identify and evaluate new development sites for job creation – Various sites should be identified and evaluated for their suitability for development into commerce and/or industrial parks. Property owners should be engaged to assess their interest in public/private partnering.

Initiate the development of a speculative, joint venture shell building – Work with the NC Dept. of Commerce to determine optimal building specs. Work with investment entity, utility economic development groups, and private sector to create a joint venture for construction and operation. Preliminary specs: 25,000-50,000 square feet; expandable to 100,000-150,000 square feet; sub dividable for multiple tenants; minimum 32-foot ceiling clearance; loading docks; 10% office allocation.

2 INTRODUCTION

Craven County's purpose in seeking a comprehensive economic development strategic plan is to establish the foundation for reorganizing its approach to economic development. The County recognizes that it is critical to implement a strategy that is grounded in reality and fosters a long-term, economically sustainable future for all residents. At the base level, the County Administration and Economic Development Strategic Work Group (SWG) recognize that it is essential to think and act in a coordinated, efficient manor when utilizing precious community resources to expand the local economy. More specifically, the comprehensive economic development strategic plan provides the "road map" for Craven County to succeed in attracting private investment within a challenging and competitive regional market.

Craven County is home to the Marine Corps Air Station Cherry Point (Cherry Point), which includes tenant commands 2nd Marine Aircraft Wing and the Fleet Readiness Center East (FRC East). These combined military operations employ approximately 14,000, accounting for 44% of the County's at-place workforce. Given the uncertainties associated with military bases (e.g. base realignment and closure, budget cuts and downsizing) the county's stakeholders have recognized the necessity of proactively planning and implementing an economic development strategy whose outcome they can more effectively control. Craven County should be commended on its past economic development efforts which resulted in the attraction and retention of international businesses such as B/S/H, Moen, and Weyerhaeuser. However, to its credit, the County wisely understands that past performance does not guarantee future success.

RKG Associates, Inc. was selected through a competitive bidding process to assist Craven County in crafting the comprehensive economic development strategic plan. In the course of the work program, RKG professionals reviewed relevant plans and documents, and interacted with key stakeholders including municipal and county staff, elected officials, local real estate professionals and developers, property owners and managers, business leaders, economic development practitioners, and others. Stakeholder input provided local context for analyzing other key aspects of Craven County's economic environment, including demographic trends and land use dynamics.

A key task of the work program was the target industry analysis, the objective of which is to identify and target business sectors offering the highest probability of success for Craven County. The analysis examined the economic relationships among the county's business sectors to identify industries enjoying a competitive advantage, whether related to location, natural resources, vendor relationships, access to transportation, workforce availability, or a myriad of other factors. The industry targeting analysis was not restricted to only known industry clusters in the county, but included a broad range of industry categories from manufacturing, distribution, and transportation to high-end services. Emerging and support industries were also examined, in order to give the County a full range of options to consider.

The findings of the work program informed the synthesis of an action plan that comprises sequential and concurrent tasks. The resulting strategic plan for economic development details the opportunities and corresponding actions that will maximize Craven County's ability to leverage its resources while positioning itself to improve efficiency and effectiveness.

The findings and recommendations of the Craven County Comprehensive Economic Development Strategic Plan are organized in this report in the following sections:

The report includes the following chapters:

- Chapter 1 – Executive Summary
- Chapter 2 – Introduction
- Chapter 3 – Socioeconomic Analysis
- Chapter 4 – Real Estate Market Analysis
- Chapter 5 – Industry Target and Cluster Analysis
- Chapter 6 – Implementation Strategy

The proposed plan incorporates short-, medium-, and long-term initiatives that will enable immediate action on certain tasks while defining the initial steps in preparing for long-term projects.

3 SOCIOECONOMIC ANALYSIS

A. INTRODUCTION

The following chapter analyzes demographic trends and projections in areas such as population, households, income, education attainment, and employment data. The analysis focuses on trends and conditions within Craven County, but includes comparative data for the surrounding region and the entire State of North Carolina. The data provides insight into local and regional growth trends as well as projected future growth patterns. These factors provide the framework for understanding the economic activity in the County. The consultant utilized several public and private data sources to complete the analysis including the U.S. Census Bureau and ESRI¹.

Population, household, and income trend data provided by ESRI includes decennial data from the U.S. Census Bureau summarized for users in the real estate industry. ESRI incorporates projection data developed by their proprietary approach. RKG Associates uses this data unless otherwise noted. Data in tables is generally categorized by geographic area, with Craven County, the “Eastern Region,” and the State of North Carolina listed separately for comparison purposes. The Eastern Region consists of the counties of Nash, Wilson, Edgecombe, Greene, Pitt, Wayne, Lenoir, Craven, Jones, Duplin, Onslow, Pamlico, and Carteret (Map 3-1).

B. DEMOGRAPHIC TRENDS

1. Population Trends and Projections

Information from the U.S. Census indicates that Craven County has experienced moderate population growth in recent decades. In the past twenty-two years, the County population has increased from 81,605 residents in 1990 to 105,875 in 2012 according to estimates, a total increase of 29.7%. Projections by ESRI indicate that the population of Craven will continue to increase to 112,865 residents by 2017.

For regional comparison, the surrounding Eastern Region has experienced similar population growth rates since 1990 (Table 3-1). The annual rate of population growth in the Eastern Region has ranged from 1.0% to 1.3% from 1990 to 2012. Population growth is expected to continue at an annual rate of 1.1% until 2017. A 1.0% to 1.5% annual rate of population growth is considered a positive indicator. However, population growth in the Eastern region has not kept pace with the State of North Carolina as a whole (Figure 3-1). This disparity indicates that other portions of the state have experienced more robust employment growth (the lead reason for population increases).

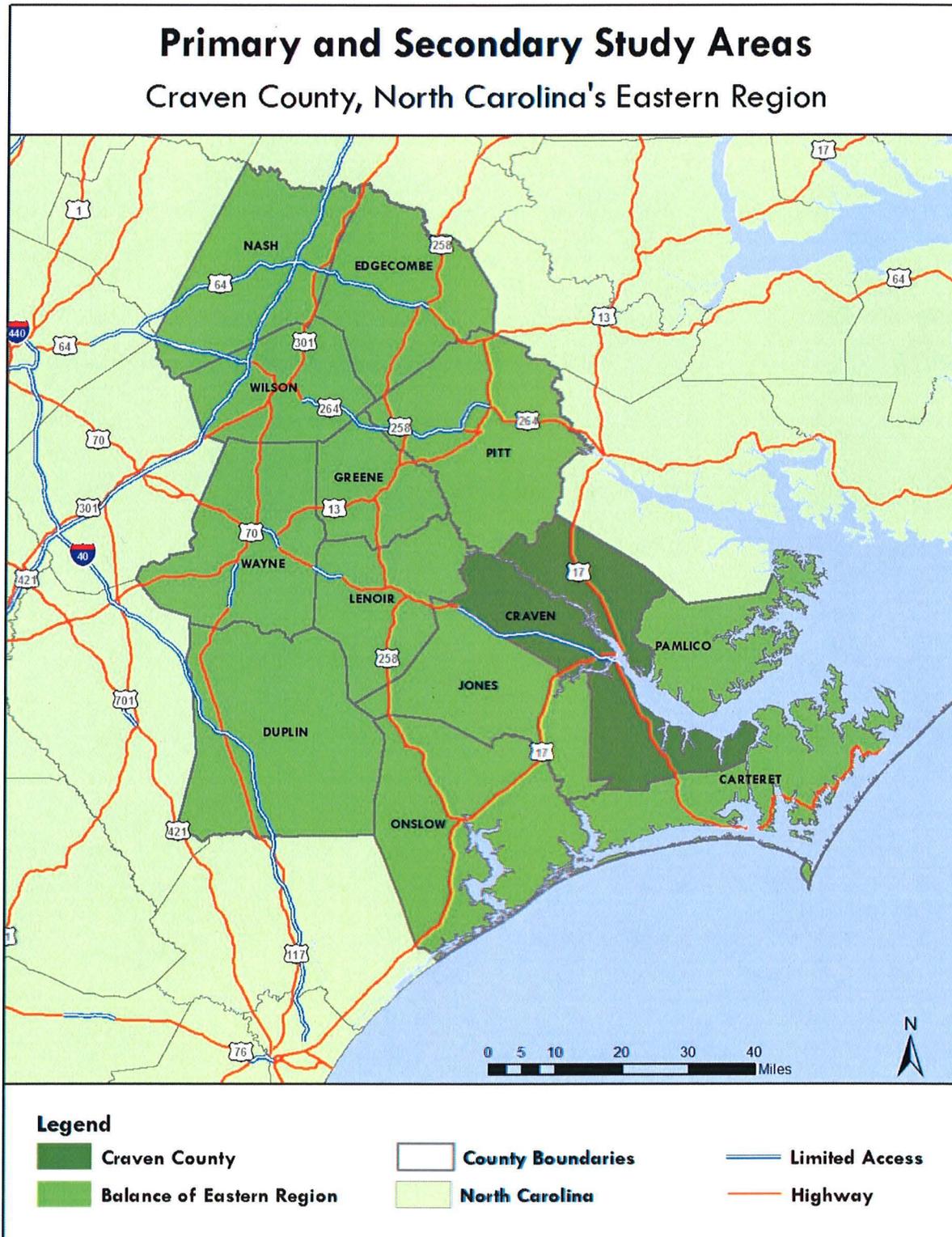
Table 3-1
Population Trends
Comparative Study Area Trends; 1990-2017

| | 1990 Census | 2000 Census | 2012 Estimated | 2017 Projected |
|--|----------------|----------------|-------------------|-------------------|
| POPULATION | | | | |
| Craven County | 81,605 | 91,436 | 105,875 | 112,865 |
| Eastern Region | 829,332 | 916,141 | 1,058,138 | 1,119,054 |
| North Carolina | 6,628,637 | 8,049,313 | 9,759,332 | 10,365,298 |
| PERCENT CHANGE IN POPULATION | | | | |
| Craven County | -- | 12.0% | 15.8% | 6.6% |
| Eastern Region | -- | 10.5% | 15.5% | 5.8% |
| North Carolina | -- | 21.4% | 21.2% | 6.2% |
| ANNUAL PERCENT CHANGE IN POPULATION | | | | |
| Craven County | -- | 1.1% | 1.3% | 1.3% |
| Eastern Region | -- | 1.0% | 1.3% | 1.1% |
| North Carolina | -- | 2.0% | 1.8% | 1.2% |

Source: ESRI and RKG Associates, Inc., 2013

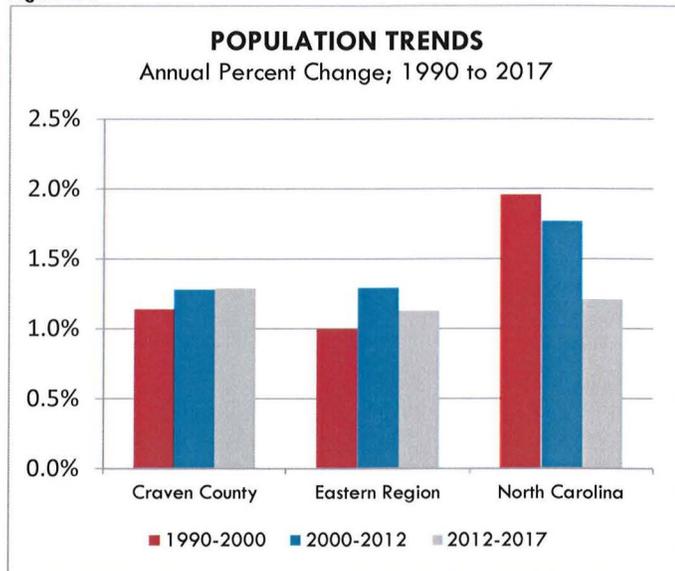
¹ ESRI is an internationally renowned data vendor of socioeconomic and market data.

Map 3-1



Like many southern and sunbelt States, North Carolina experienced strong population growth in recent decades. The continued relocation of jobs from other parts of the U.S. in addition to the influx of retiring Baby Boomers has swelled the region's population base. While the rate of growth has slowed compared to the boom of the decade 1990-2010 boom, trends for future growth remain healthy. Craven County's projected 1.3% annual increase from 2012 to 2017 is expected to outpace the State's annual increase of 1.2%. It should be noted that the bulk of this growth for Craven County is in the retiree age cohorts, an indication that job creation needs to be a priority in the County to retain socioeconomic diversity in the County.

Figure 3-1



Source: ESRI and RKG Associates, Inc., 2013

2. Population by Age

The population of Craven County is comparatively young, but aging quickly. The 2012 median age in Craven County is estimated at 36.6 years. This is slightly older than the Eastern Region (35.2 years) but younger than the entire State (37.5 years). By 2017, the median age of Craven County is projected to be 37.7, approaching the projected median age in the State of 38.0 (Table 3-2). When analyzing the decades since 1990 and projecting to 2017, Craven County shows an increase in the median age by 7.5 years, compared to the Eastern Region (5.3 years), and the State of North Carolina (4.9 years).

When analyzing population trends by age cohorts, more detailed patterns of aging are discernible. Age cohorts from 20 to 44 have shown rates of decline as a percentage of the total population for all the comparative study areas. This is an important demographic since persons in these age groups represent the prime years when adults marry, form families, and engage in the most productive phases of their careers. The population within this age range also forms the segment of the population that spends the most on goods, services, and housing. In 1990, the total of the two age cohorts representing the range of 20 to 44 encompassed 41.5% of the total population of Craven County. By 2012, the share of this group declined to 33.4%.

North Carolina has been a popular retirement destination in recent years, attracting residents with moderate weather and numerous amenities. The population growth of the age cohorts 55 and higher is an important indicator as it relates to housing production and second-home purchases in anticipation of retirement. As of the 1990 Census, the 65+ age cohort group represented 12.0% of the total population of North Carolina. By 2017 it is projected that this share will rise to 15.2% of the State's population. The growth of this age group has been more pronounced in Craven County, rising from 11.2% in 1990 to 15.8% in 2012, and then projected to rise to 18.0% by 2017.

From an overall perspective, the general trend within both the County and regional population is one towards an older demographic. This could have a number of potential implications for economic development including a potential shortfall in labor force to support business growth, as well as changing demand for housing and municipal services to support older residents.

3. Household Trends

All study areas have seen increases in the net number of households since 1990 (Table 3-3). The change in the number of households and the annual rate of change in households mirrors similar trends in population growth. The Craven County annual household growth rate was 1.3% between 2000 and 2012, slightly below the regional (1.5%) and State (1.9%) annual household growth rates during the same period. As with population, household growth rates in Craven County are projected to be similar leading to 2017 (1.3%).

Average household sizes varied slightly in 2012 among the selected geographies. Craven County had the smallest average household size (2.45 persons per household), followed by the State as a whole (2.48 persons) and the Eastern Region study area (2.49 persons). This finding is not surprising given the relatively higher concentration of seniors in the County. Households headed by persons over 65 years-old tend to be one or two persons, very rarely having dependents or extended family members.

Average household size trends in Craven County and the State have shown a steady decline in average household size. Similar trends can be observed nationally, as there are increasing numbers of single-adult households, one-parent households, and generally lower fertility rates than in the past. Smaller household size could also be the result of an increase in the “empty-nest” retirement age population consisting largely of couples who no longer have children living with them.

Table 3-2
Population by Age as Percentage of Total
Comparative Study Area Trends; 1990-2017

| | 1990 Census | 2000 Census | 2012 Estimated | 2017 Projected |
|-----------------------|----------------|----------------|-------------------|-------------------|
| Craven County | | | | |
| 0 to 4 | 8.5% | 7.3% | 7.4% | 7.3% |
| 5 to 14 | 14.6% | 13.4% | 12.1% | 12.0% |
| 15 to 19 | 7.0% | 6.7% | 6.0% | 5.7% |
| 20 to 34 | 28.0% | 23.3% | 22.7% | 22.0% |
| 35 to 44 | 13.5% | 14.7% | 10.7% | 10.3% |
| 45 to 64 | 17.1% | 21.1% | 25.2% | 24.7% |
| Over 64 | 11.2% | 13.3% | 15.8% | 18.0% |
| Median Age | 30.2 | 34.4 | 36.6 | 37.7 |
| Eastern Region | | | | |
| 0 to 4 | 7.5% | 7.0% | 7.1% | 7.1% |
| 5 to 14 | 13.8% | 14.0% | 12.6% | 12.6% |
| 15 to 19 | 7.9% | 7.5% | 7.0% | 6.6% |
| 20 to 34 | 28.5% | 23.4% | 23.1% | 22.6% |
| 35 to 44 | 14.2% | 15.1% | 11.6% | 11.4% |
| 45 to 64 | 17.5% | 21.4% | 25.3% | 24.8% |
| Over 64 | 10.6% | 11.6% | 13.3% | 15.0% |
| Median Age | 30.6 | 33.6 | 35.2 | 35.9 |
| North Carolina | | | | |
| 0 to 4 | 6.9% | 6.7% | 6.6% | 6.6% |
| 5 to 14 | 13.2% | 13.8% | 13.1% | 13.1% |
| 15 to 19 | 7.5% | 6.7% | 6.6% | 6.3% |
| 20 to 34 | 17.2% | 15.1% | 20.3% | 19.9% |
| 35 to 44 | 15.2% | 15.9% | 13.5% | 13.2% |
| 45 to 64 | 19.5% | 22.5% | 26.4% | 25.8% |
| Over 64 | 12.0% | 12.0% | 13.5% | 15.2% |
| Median Age | 33.1 | 35.3 | 37.5 | 38.0 |

Source: ESRI and RKG Associates, Inc., 2013

Table 3-3
Household Trends
1990-2017

| | 1990 Census | 2000 Census | 2012 Estimated | 2017 Projected |
|--|----------------|----------------|-------------------|-------------------|
| NUMBER OF HOUSEHOLDS | | | | |
| Craven County | 29,537 | 34,582 | 41,113 | 44,130 |
| Eastern Region | 293,554 | 343,772 | 407,538 | 434,449 |
| North Carolina | 2,517,026 | 3,132,013 | 9,759,332 | 10,365,298 |
| PERCENT CHANGE IN HOUSEHOLDS | | | | |
| Craven County | -- | 17.1% | 18.9% | 7.3% |
| Eastern Region | -- | 17.1% | 18.5% | 6.6% |
| North Carolina | -- | 24.4% | 211.6% | 6.2% |
| ANNUAL PERCENT CHANGE IN HOUSEHOLDS | | | | |
| Craven County | -- | 1.6% | 1.3% | 1.3% |
| Eastern Region | -- | 1.6% | 1.5% | 1.1% |
| North Carolina | -- | 2.2% | 17.6% | 1.2% |

Source: ESRI and RKG Associates, Inc., 2013

4. Household Income

Household income data shows that incomes in Craven County are higher than the region and comparable to the State of North Carolina. As shown, all areas experienced considerable increases in median household incomes from 1990-2000, with percentage growths ranging from 44% to about 47%. Growth across all areas well outpaced the inflation rate of 32% for this decade. In the Year 2000, Craven County's median income of \$42,747 was also higher than the region (\$33,896) or State (\$39,190).

Craven County's median income remained relatively static from 2000 to 2012, growing less than half a percent. During the same period, the Eastern Region and State median incomes grew between 9% and 12%, indicating a more dramatic impact in Craven County from the economic downturn than the region or State.

Craven County's income levels are highly impacted by operations at Cherry Point and Force Readiness Center (FRC) East. The average salary at these facilities exceeds \$60,000, providing a boost to local earnings compared to other areas. When looking at employment data, the disparity on jobs by industry compared to the state as a whole is notable in higher income industries not supported by the local military operations.

To this end, it is reasonable to assess that much of Craven County's high-skilled labor force is tied to local military operations (as there is a high correlation to skill level and income level). This is an asset and a challenge. On the positive side, there is potential to "keep" this labor pool as individuals separate from the military or seek other opportunities. However, being able to "keep" these workers will be dependent upon having the necessary employment and support services in the County.

Projections through 2017 forecast a reversal of income stagnation in Craven County with the median increasing by 17% over five years. However, this will only occur if the County is able to retain the level of operations at Cherry Point/FRC East and attract higher paying jobs. If population projections prove to be accurate, the continuation of the past decade's trends of an increase in retirement-age households will impact average income levels while not benefitting the potential labor force.

Table 3-4
Household Income as a Percentage of Total Households
1990-2017

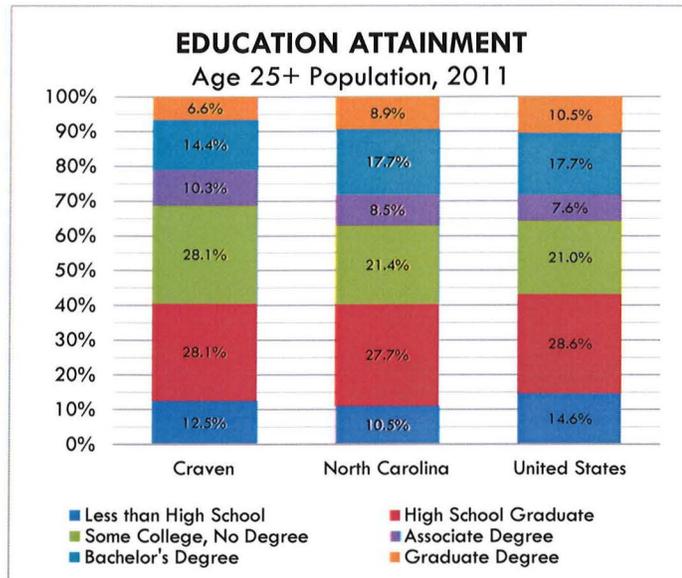
| | 1990 | 2000 | 2012 | 2017 |
|------------------------|----------|----------|----------|----------|
| Craven County | | | | |
| Under \$25,000 | 41.8% | 24.9% | 29.3% | 25.5% |
| \$25,000 to \$49,000 | 40.1% | 34.4% | 26.4% | 24.2% |
| \$50,000 to \$100,000 | 16.1% | 32.6% | 32.9% | 37.6% |
| \$100,000 to \$150,000 | 1.1% | 5.5% | 8.4% | 9.3% |
| Over \$150,000 | 0.9% | 2.7% | 3.1% | 3.4% |
| Median Income | \$29,111 | \$42,747 | \$42,930 | \$50,194 |
| Median Percent Change | | 46.8% | 0.4% | 16.9% |
| Eastern Region | | | | |
| Under \$25,000 | 52.7% | 36.4% | 33.6% | 29.7% |
| \$25,000 to \$49,000 | 38.6% | 30.6% | 28.6% | 25.6% |
| \$50,000 to \$100,000 | 12.3% | 24.8% | 27.2% | 32.8% |
| \$100,000 to \$150,000 | 1.0% | 3.9% | 7.6% | 8.5% |
| Over \$150,000 | 0.7% | 2.1% | 3.0% | 3.4% |
| Median Income | \$23,520 | \$33,896 | \$37,813 | \$43,648 |
| Median Percent Change | | 44.1% | 11.6% | 15.4% |
| North Carolina | | | | |
| Under \$25,000 | 46.8% | 30.7% | 28.6% | 24.8% |
| \$25,000 to \$49,000 | 34.8% | 31.6% | 27.5% | 24.1% |
| \$50,000 to \$100,000 | 15.8% | 28.3% | 28.8% | 34.3% |
| \$100,000 to \$150,000 | 1.7% | 6.0% | 9.6% | 10.5% |
| Over \$150,000 | 0.9% | 3.4% | 5.6% | 6.2% |
| Median Income | \$26,647 | \$39,190 | \$42,900 | \$50,853 |
| Median Percent Change | | 47.1% | 9.5% | 18.5% |

Source: ESRI; RKG Associates

5. Education Attainment

The education attainment of Craven County's labor force is a significant factor in supporting efforts to expand economic development and attract new employers. Figure 3-2 illustrates the educational attainment levels of the population 25 years and older for the County, Region and State as of 2011. All three locations have least 20% of the population with college degrees. Craven's proportion (21.0%) is considerably less than the State's (26.5%) and the Nation's (28.2%). However, the County had a greater percentage of working-aged persons with some college or an associate degree, a reflection of the military influence as well as the type of jobs typically offered by the manufacturing firms located there. This finding is a

Figure 3-2



Source: ESRI and RKG Associates, 2013

positive, when considering expanding economic development recruitment efforts for production-based industries. This finding also is a tribute to the County's continuing education efforts through Craven County Community College. The proactive efforts to provide local residents access to job skills relevant to local opportunities is a positive selling point when attracting new businesses.

Craven residents over age 25 with Associate Degrees (10.3%) are higher than the State (8.5%) and Nation (7.6%), indicating the County is fairly well positioned to compete for skilled blue collar jobs and mid-level white collar jobs. However, the national trend in these occupation segments generally indicates a shortage of workers to fill total demand. Therefore, encouraging growth in this degree level could provide another useful opportunity area with regards to future economic development initiatives.

The County's population with high school degrees (87.5%) exceeds the State's (84.1%), as well as the national average of 85.4%. This suggests that there is a portion of the labor supply suited for entry level positions to support businesses as well. This is particularly important for service sectors that do not require specialized skills and can train their staff for a variety of positions on the job.

Nonetheless, Craven's relatively small labor pool is one of the County's greatest challenges in industry recruitment. Simply put, a small labor force means limited availability of workers to fill new jobs as they locate in the County. While the regional numbers are higher, the reality is that Craven County is best suited to focus on small to mid-size targets (under 250 workers), where filling positions will be less challenging than at a large-scale plant.

Furthermore, anecdotal information provided by business and industry leaders suggest there is a notable portion of the local labor force that does not possess the necessary soft skills to become employed, even at entry-level positions. The most common concerns expressed were the ability to pass a drug screening and a lack of workplace interpersonal skills. While these challenges are commonplace throughout the U.S., the relatively small size of the County's labor pool makes these issues more important.

C. ECONOMIC BASE ANALYSIS

The economic base analysis examines changes in the labor force and business characteristics of Craven County and also provides comparisons to relevant regional areas in an effort to understand and frame the economic opportunities for the County. This analysis includes data on employment, major employers, labor force and unemployment trends, occupational skills and commuting patterns, which will help to establish a context for evaluating the local and regional development potential.

1. Employment Trends

At-place employment measures the number of workers within a specific geography, without regard to place of residence. For example, Craven County has over 32,335 people who work in the County, but only 18,006 who both live and work in the County.

Table 3-5 presents private sector County Business Patterns (CBP) employment data for Craven County between 2004 and 2010. The CPB data is compiled by the US Census Bureau for all known establishments in the United States. The data includes most employment with the exception of government employees, self-employed individuals, employees of private households, and agricultural workers. The data is categorized based on the North American Industry Classification System (NAICS) which facilitates comparison over time and geographic location.

A majority of the County's private sector employment is concentrated in three sectors which include Health Care (20%), Retail (13%), and Accommodation and Food Services (12%), which accounted for 45% of total employment as of 2010. Other significant concentrations are found in the Manufacturing (9%) and Professional and Technical (6%) sectors.

Table 3-5
Private Sector Employment by Industry 2002-2010 Trends
Craven County

| DESCRIPTION | 2002 | 2010 | NET | % | TREND |
|---|---------------|---------------|------------|-------------|----------|
| TOTAL ALL JOBS | 31,476 | 32,335 | 859 | 2.7% | ↑ |
| Utilities | 47 | 75 | 28 | 59.6% | ↑ |
| Retail trade | 3,894 | 4,190 | 296 | 7.6% | ↑ |
| Finance & insurance | 642 | 646 | 4 | 0.6% | ↑ |
| Professional, scientific & technical services | 1,672 | 1,989 | 317 | 19.0% | ↑ |
| Management of companies & enterprises | 85 | 100 | 15 | 17.6% | ↑ |
| Admin. & support, waste management | 1,312 | 1,420 | 108 | 8.2% | ↑ |
| Educational services | 3,271 | 3,461 | 190 | 5.8% | ↑ |
| Health care & social assistance | 5,095 | 6,504 | 1,409 | 27.7% | ↑ |
| Arts, entertainment & recreation | 379 | 470 | 91 | 24.0% | ↑ |
| Accommodation & food services | 2,667 | 3,877 | 1,210 | 45.4% | ↑ |
| Agriculture, forestry, fishing & hunting | 475 | 295 | (180) | -37.9% | ↓ |
| Construction | 1,705 | 1,375 | (330) | -19.4% | ↓ |
| Manufacturing | 3,895 | 2,917 | (978) | -25.1% | ↓ |
| Wholesale trade | 797 | 784 | (13) | -1.6% | ↓ |
| Transportation and warehousing | 1,141 | 894 | (247) | -21.6% | ↓ |
| Information | 1,202 | 473 | (729) | -60.6% | ↓ |
| Real estate & rental & leasing | 336 | 295 | (41) | -12.2% | ↓ |
| Other services | 1,199 | 969 | (230) | -19.2% | ↓ |
| Public administration | 1,650 | 1,594 | (56) | -3.4% | ↓ |

Source: County Business Patterns 2011; RKG Associates

During the subject time period, Craven County experienced significant gains in employment in the Health Care and Accommodations and Food Services categories. Major losses in employment occurred in Manufacturing, Information and Construction. Manufacturing represents an important employment

sector in the local economy that, based on national trends, has a strong probability of experiencing future reductions in employment. Therefore, economic development efforts should consider stabilizing this sector to the greatest extent possible and also adding more diversity to the industry base that can capture employees who may be shed from the existing Manufacturing sector, which may continue to transition from traditional industries to more advanced fields.

2. Major Employers

Table 3-6 lists Craven County's largest employers and identifies their product or service provided. Employers are categorized by two major groups, Department of Defense (DoD) and Non-DoD. The Table illustrates the importance of DoD as the most significant employer in Craven County, accounting for over 61% of the at-place employment in this group. The remaining 11 major employers account for an additional 8,700 workers. Four of these employers are public sector or governmental entities which account for about 43% of the Non-DoD major employers' total number.

Table 3-6
Major Employers - 2010
Craven County

| COMPANY | EMPLOYEES | PRODUCT/SERVICE |
|-----------------------------|---------------|-------------------------------------|
| 2nd Marine Aircraft Wing | 8,130 | Military Aviation |
| Fleet Readiness Center East | 3,470 | Military Aviation Support |
| Marine Corps Air Station | 2,292 | Military Aviation |
| Subtotal DoD | 13,892 | |
| Craven County Schools | 1,917 | Education |
| Carolina East Health System | 1,900 | Health Care |
| BSH Home Appliances Corp. | 925 | Manufacturing - Appliances |
| Craven County | 727 | Government |
| Moen | 650 | Manufacturing - Plumbing Fixtures |
| Craven Community College | 596 | Education |
| City of New Bern | 504 | Government |
| Wal-Mart | 500 | Retail Merchandising |
| Hatteras Yachts | 384 | Manufacturing - Marine |
| Naval Health Clinic | 327 | Health Care |
| Weyerhaeuser | 282 | Manufacturing - Wood Fiber Products |
| Subtotal Non-DoD | 8,712 | |

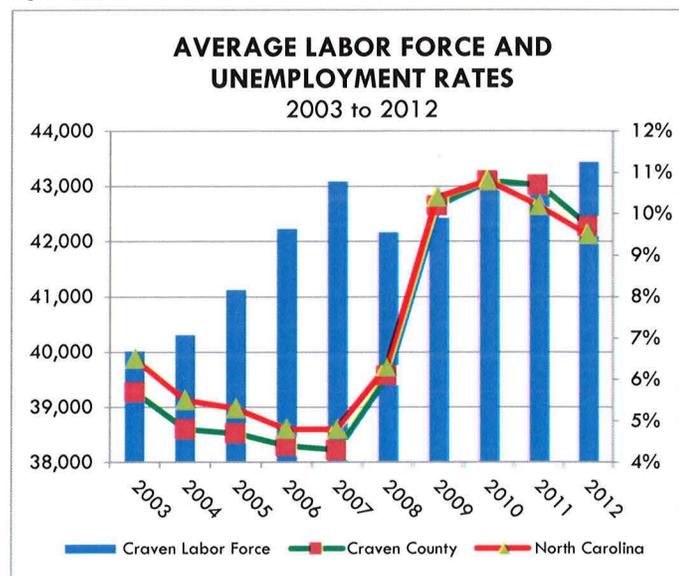
Source: Craven County; RKG Associates 2013

This data reveals that Craven County is susceptible to disproportionate economic impacts from any of these entities leaving the County, particularly whole missions of DoD. The fact that Craven has a few large employers that control much of the job base makes implementing a comprehensive, aggressive business retention and diversification program essential.

3. Civilian Labor Force and Unemployment Trends

The civilian labor force and unemployment rate are measures of the size of a region's active, resident worker base, as well as their current employment status. The civilian labor force includes workers who are currently employed, unemployed, or actively looking for work. Craven County's labor force increased in size over the past decade (2003-2012), from 40,020 to 43,445, or 8.6%. As illustrated in Figure 3-3, the labor force decreased in 2008 at the onset of the national recession, but has since steadily risen to its highest level in the decade, despite unemployment rates that have remained above 9% since 2009. The fact that Craven County workers continue to actively seek work in the Country's worst economic downturn since the Great Depression is testament to the desire of local residents to be productive and self-

Figure 3-3



Source: Bureau of Labor Statistics; RKG Associates, 2013

sufficient, and an asset that should be marketed to prospects.

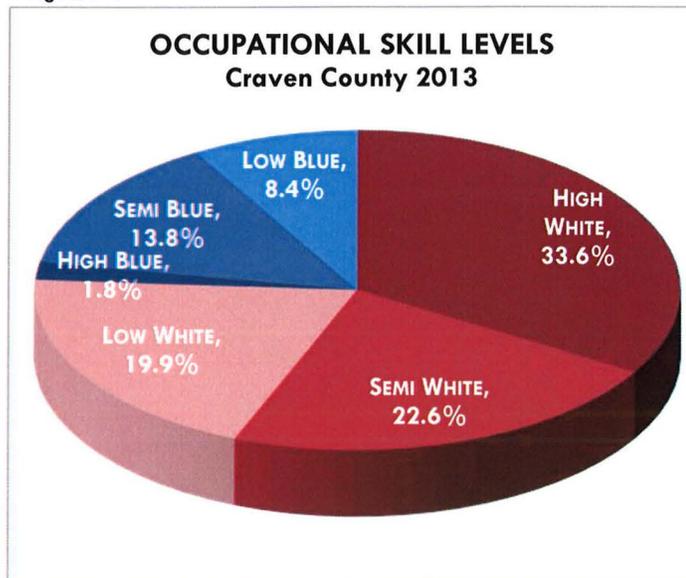
Unemployment rates in Craven County remained lower than the State from 2003 to 2010, when both the County and State experienced an annual average rate of 10.8%. Since then, the County's average has tracked slightly higher than the State. The stability at Cherry Point and FRC East are major contributors to the performance in Craven County. Without the DoD operations, labor force participation and unemployment levels would be substantially worse off compared to the State. As noted, the County's economic development effort needs to focus on both retaining existing employment (including all DoD operations), but also seeking to diversify the local economy. It is through this combined approach that the County will be able to maintain the 2011-2012 trend of a full 1% decrease in the unemployment. Efforts to further diversify the economic base should also mitigate employment volatility.

4. Occupational Skill Levels

Detailed occupational data for Craven County for 2013 was obtained from the North Carolina Department of Commerce and categorized by job type and skill level (Figure 3-4). These groupings were derived from the consultant's knowledge regarding the skill and educational requirements of general occupational categories. Although it is difficult to group occupational categories in this manner with great precision, the results provide some indication of the distribution and diversity of skills available within the labor force. The occupational categories and their descriptions are as follows:

- Highly-Skilled White Collar (HSWC) – a professional position requiring a college degree, with supervisory/ management responsibility or specialized training while working within a white-collar work environment.
- Highly-Skilled Blue Collar (HSBC) – a trade or non-professional position requiring less than an advanced degree, but some post-secondary education, a certificate, or specialized training or skill while working within a white collar work environment.
- Semi-Skilled White Collar (SSWC) – a professional position requiring less than an advanced degree, but some post-secondary education, a certificate, or specialized training or skill while working within a white collar work environment.
- Semi-Skilled Blue Collar (SSBC) – a trade position requiring less than an advanced or trade school degree but requiring some specialized training or skill, while working within a blue collar environment.
- Low-Skilled White Collar (LSWC) – a position within a white collar work environment requiring no degree or formal schooling beyond high school, but requiring some on-the-job training.

Figure 3-4



Source: NC Department of Commerce; RKG Associates, 2013

- Low-Skilled Blue Collar (LSBC) – a position within a trade profession requiring no advanced degree or formal schooling, but requiring some on-the-job training.

The concentration of public sector jobs has influenced the occupational classifications in Craven County. With Cherry Point/FRC East operations and the concentration of jobs with the County school system, Craven County Community College, and governmental entities, Craven County, most County residents work in white-collar positions. When Carolina East Health Systems is considered, eight of the top ten employers are predominantly white-collar jobs. Given the impact of retail service-related position, a 75% concentration of white collar employment is not surprising.

The data indicates that more than 70% of local workers are classified as high-skilled or semi-skilled workers. The concentration of labor classified as semi-skilled, blue collar workers is positive, in terms of production-based industries. However, it is important to reiterate that the lack of total labor creates a challenge for recruiting larger employers. The concentration of high-skilled and semi-skilled white-collar workers is positive for Craven County. This total is higher than seen in similar communities (presumably due to the influence of the DoD operations and the regional nature of the County's healthcare system), and will aid in marketing to professional service and back-office industries.

While outside the employed labor pool, the growing retirement-aged population also provides an opportunity for job creation and industry growth. National trends indicate that the Baby Boomer cohort is more inclined to explore entrepreneurship or work on a part-time basis in their "retirement." In either case, it is a potential pool of labor to be harnessed and a substantial resource for entrepreneurial development and mentoring. Given the large supply of skilled, white-collar workers in Craven County, opportunities likely exist in small business development.

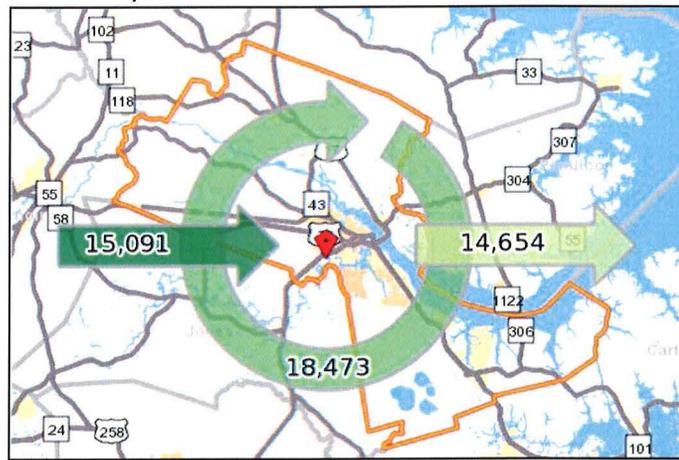
5. Commuting Patterns

Understanding commuting patterns can provide useful insight into evaluating potential actions in developing an economic development strategy. Commuting patterns highlight the flow of workers into, and out of, a given labor market area and as such, can help to indicate where there may be potential to capture additional jobs that are “leaking” from the local economic base.

Figure 3-5 illustrates 2011 commuting patterns for at-place workers and residents of Craven County. Of the 33,564 persons employed in Craven County, 18,473 (55%) are Craven County residents, and 15,091 (45%) live outside the County. Commuters who leave Craven County to work elsewhere numbered 14,654.

The net importing of labor is not surprising for Craven County. DoD operations, the concentration of healthcare, and the presence of larger manufacturing employers have concentrated jobs in the County. Given many of these are high wage positions, laborers are more willing to travel, and have greater opportunities to live further from their jobs. A more detailed examination of the occupational characteristics of the workers that leave Craven County for work could reveal areas where further targeted business recruitment by the County might be beneficial. To this end, the County should consider a workforce commuting survey that identifies place of residence, place of work, type of job, and reason for commuting out of the County.

**Figure 3-5
 Inflow/Outflow of Labor
 Craven County**



Source: US Census; RKG Associates, 2013

D. IMPLICATIONS

Population changes for Craven County continued along the same fairly robust rate from 2000 to 2012 as it was in 1990 to 2000. However, the growth in Craven and the Eastern Region lagged North Carolina as a whole. While this indicates that North Carolina is a viable destination for the country’s two biggest population growth sectors: workers seeking employment opportunities and Baby Boomer retirees; Craven has been much more successful at capturing the latter and less so the former. Simply put, Craven has not captured its share of the State’s employment growth.

However, there are several positive trends in Craven County that can be marketed to potential employment targets. First, The presence of Department of Defense operations at Cherry Point and FRC East has concentrated skilled workers in and around Craven County. Given the nature of military employment, a portion of this labor force separates from the military every year out of Craven County. These persons could become employees for companies moving into the County.

Second, education attainment levels within the county are good overall and should help support economic development activities. The concentration of both white-collar and blue-collar semi-skilled workers is attractive to many of the County’s target industries (Chapter 5). To expand this pool and further diversify the County’s labor force, consideration should be given to implementing the State’s vocational training diploma program (discussed in Section 6) and other technical training to better position Craven County for growth in more highly-skilled occupations.

Third, the County's labor force has a strong work ethic. The County's labor force totals were at their highest levels over the past decade, which bodes well if the economy continues to improve. Participation increased from 2009 to 2012 despite unemployment remaining above 9% during this time period. Although there remain some perceived challenges in the employability of local workers, strategies to address these "soft skill" needs will bolster the potential to attract small- to mid-sized companies.

Finally, Craven has experienced modest employment gains in industries not directly related to DoD operations. Overall, employment levels were up about 2.7% from 2002 to 2010 in the County with gains incurred in Professional, Scientific & Technical Services; Healthcare, and Hospitality. Notable losses were incurred in the Manufacturing and Information sectors. Efforts to stabilize these sectors will be an important component of an economic development strategy, as will actions to help further diversify the county's employment base.

4 REAL ESTATE MARKET ANALYSIS

A. INTRODUCTION

This chapter examines recent real estate trends within the County, as well as the adjoining region, with a focus on residential, office, and industrial market forces that are shaping Craven County's development environment. The analysis includes factors such as existing inventory of buildings, development trends over the past decade, vacancy and absorption rates, and sales values/lease rates. In addition, RKG Associates conducted a number of interviews with local development and real estate professionals in order to understand the nuances of the market and to gain an "in-the-field" perspective on the potential demand and speculative investment climate.

B. NON-RESIDENTIAL ANALYSIS

This section details the recent and historical real estate trends in the industrial and office markets that encompass and influence Craven County's development environment. This non-residential analysis reflects the most current market conditions and includes information such as building and land inventories, development trends, and lease rates and vacancy rates. The purpose of this analysis is to identify the existing competitive supply of real estate and provide estimates of potential future demand within the county.

Craven County's industrial and office markets do not operate within the trade area of a larger metropolitan area such as Raleigh-Durham. As such, large national brokerage firms such as Cassidy-Turley or CB Richard Ellis do not collect and report real estate market data and trends in Craven County. Therefore, the data informing the following sector-based analyses was obtained through the County's property assessment data, stakeholder interviews with local real estate professionals, and property listings on public access media.

In addition, the various factors that influence non-residential demand are very different for a market like Craven County than they are for any employment intensive urban/suburban area. Market drivers such as Cherry Point and FRC East are much more influential in a market with 32,000 employed workers than they would be in Raleigh, with 575,000 employed workers.

1. Non-Residential Building Inventory – Craven County

Based on a review of Craven County’s assessment records, a summary inventory has been compiled that illustrates the total building square footage for non-residential buildings in the County. The building uses presented in Table 4-1 and Figure 4-1 correspond to the actual use types listed in the database.

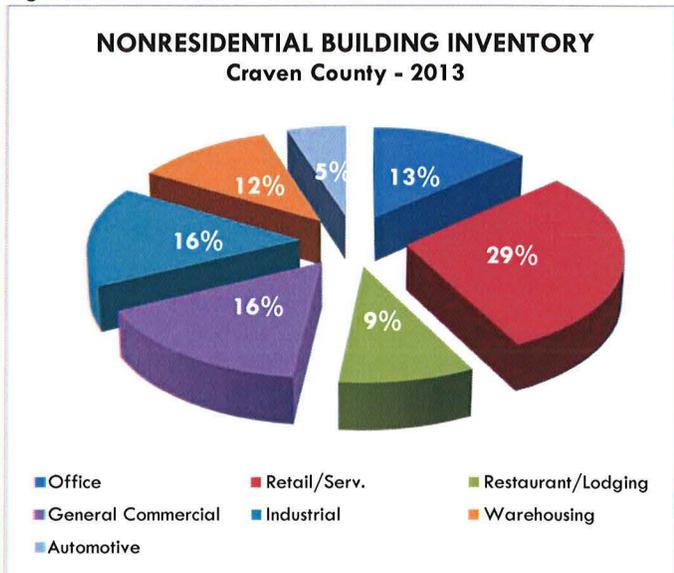
As shown, there is approximately 11.4 million square feet (SF) of non-residential building space in the county. Retail uses represent the largest portion of the inventory at 4.9 million SF, or approximately 43% of the County’s total. Most of this space is general retail/service space (3.3 million SF), with hospitality uses (restaurants and lodging facilities) at slightly less than 1.1 million SF. Since 2003, more than 700,000 square feet of retail space was added, represented by a total of 48 individual buildings (suggesting a majority of highway oriented development), the largest of which was a 177,000-square-foot Walmart Super Center in New Bern. General retail/services accounts for more than 70%, representing an annual average absorption of about 71,300 SF per year. The second largest component is what is classified as general commercial at approximately 1.8 million square feet. General commercial development amounted to about 253,000 square feet in the last decade.

Table 4-1
Nonresidential Building Inventory 2013
Craven County

| Building Use | Square Feet | % Total | SF Built After 2002 |
|--------------------|-------------------|---------|---------------------|
| Office | 1,511,866 | 13% | 190,662 |
| Retail/Serv. | 3,316,516 | 29% | 713,344 |
| Restaurant/Lodging | 1,053,970 | 9% | 222,400 |
| General Commercial | 1,815,641 | 16% | 252,665 |
| Industrial | 1,803,090 | 16% | 736,389 |
| Warehousing | 1,308,332 | 12% | 335,906 |
| Automotive | 560,828 | 5% | 58,514 |
| TOTAL | 11,370,243 | | 2,509,880 |

Source: Craven County Assessor’s Office, RKG 2013

Figure 4-1



Source: Craven County; RKG Associates 2013

Industrial uses have expanded by about 736,000 square feet since 2003 to approximately 1.8 million square feet by 2013, mainly due to a 675,000-square-foot expansion of the B/S/H facility in New Bern. Warehousing added 336,000 square feet in the same period to bring its total to 1.3 million square feet. Office space added approximately 191,000 square feet, just over half (103,000 SF) of which was medical office space.

The characteristics of the industrial and office markets in the County are discussed in more detail in the following sections.

2. Industrial Market Trends

Craven County’s industrial market is based primarily on manufacturing rather than warehousing/distribution, which is more prevalent around key transportation nodes. The 600,000-square-foot B/S/H warehouse essentially serves their specific manufacturing operations, and is unique in the Craven marketplace as a warehouse facility of that size. Otherwise, the market has seen six

industrial buildings constructed since 2003, ranging in size from 6,000 square feet to 41,000 square feet, totaling 130,000 square feet in aggregate. Over the past ten years, the Craven industrial market has added an average of 13,000 square feet of new product annually.

RKG analyzed industrial market activity on LoopNet, a property listing service, from March through May of 2013 in order to develop a sense of the activity in this sector (Table 4-2). The findings show wide variations in asking rents and sales prices, reflecting the broad variations in building types, age, and condition. For example, the largest building for sale is a 113,000-square-foot former building supply store which would likely require some modifications to accommodate non-retail uses.

Although occupancy data is not regularly tracked in the Craven County industrial market, reasonable conclusions can be drawn by observing market activity. The availability of less than 30,000 square feet of industrial space for rent suggests a relatively tight market, considering there is just under 5 million square feet of combined inventory in the general commercial, industrial, and warehousing market sectors. Indeed, the real estate professionals and developers interviewed in the course of the work program revealed that prospective tenants are often confronted by a lack of appropriate space, and are compelled to look in other markets.

Table 4-2
Industrial Property Marketing Activity
Craven County, Spring 2013

| Description | Location | Community | Total SF | Sales Price | Price/SF | Rent/SF |
|-------------------------------|---------------------------|-----------|----------|-------------|----------|---------|
| Office/Warehouse/Industrial | 221 Belltown Road | Havelock | 30,000 | \$725,000 | \$24.17 | — |
| Belltown Rd Commercial Park | 103 Belltown Road | Havelock | 25,700 | — | — | \$3.00 |
| 201 Kale Rd. | 201 Kale Rd. | New Bern | 5,000 | \$275,000 | \$55.00 | — |
| Industrial Warehouse | 101 S. Jimmies Creek Road | New Bern | 5,500 | — | — | \$5.45 |
| Office or Light Manufacturing | 1318 Commerce Dr. | New Bern | 4,800 | — | — | \$14.00 |
| Former New Bern Bldg Supply | 3321 Neuse Blvd. | New Bern | 112,808 | \$595,000 | \$5.27 | — |

Source: LoopNet, RKG Associates 2013

3. Office Market Trends

Similar to Craven County's industrial market, the County's office market operates in a self-contained manner, and is not influenced by the market dynamics of a larger metropolitan area. The County has an office inventory containing approximately 1.5 million square feet, of which approximately 56% is general office and 43% is medical office. The average building size for general office space is approximately 3,000 square feet which provides space for professional and service-related tenants (i.e. banks, insurance, real estate, etc.). Since 2002, twelve new general office buildings were constructed in the County, accounting for about 80,000 square feet of new inventory. Medical office buildings average approximately 5,200 square feet in size. Since 2002, ten new medical office buildings were constructed in the County, accounting for approximately 110,000 square feet. Most of the County's office space is concentrated in New Bern, which supports a greater amount of office space for several reasons: [1] as the county seat, legal professionals and other local government support businesses seek to locate there; [2] the City of New Bern owns the municipal sewer, and most of the sewer infrastructure is located in the City; the presence of the Carolina East Health System hospital supports the development of medical office, which tends to locate in close proximity to hospitals.

Office structures in Craven County include many converted residential properties, most of which are concentrated in New Bern. Users include professional services such as legal, which typically concentrate in county seats to be close to the court house, and medical offices, which tend to cluster around hospitals. Overall absorption over the past decade is estimated to have been 19,000 square feet on an average annual basis. Demand for medical office space outpaced general office construction during this period. Discussions with commercial developers suggest that 15,000 to 20,000-square-foot office buildings divisible into 5,000-square-foot spaces are currently most responsive to demand.

Lease Rates and Sales Prices

A review of one on-line source of office listings in Craven County revealed that approximately 88,400 SF was available, as shown in Table 4-3. Much of the available space, as noted previously, is geared towards smaller users with 19 of the 22 properties listed being 6,000 SF or less in size. The two largest blocks of space were located in Havelock, at 12,800 and 10,300 square feet, and are in all likelihood marketed to Department of Defense Contractors serving operations at either Cherry Point or the FRC. Asking lease rates for these listings range from \$7.00 to \$8.00/SF in Havelock, and from \$9.00 to \$28.00/SF in New Bern. Interestingly, the \$28.00/SF is for 1,500 square feet in a converted house.

Table 4-3
Office Property Marketing Activity
Craven County, Spring 2013

| Name | Location | Community | Total SF | Sales Price | Price/SF | Rent/SF |
|-----------------------------|-------------------------|-----------|----------|-------------|----------|------------|
| First Flight FCU Building | 1209 E. Main St. | Havelock | 10,300 | \$1,075,000 | \$104.37 | N/A |
| Belltown Rd Commercial Park | 103 Belltown Rd. | Havelock | 12,800 | -- | -- | \$8.00 |
| Century 21 Plaza | 404 Hwy 70 West | Havelock | 2,200 | -- | -- | \$6.95 |
| William Gaskins House | 702 E. Front St. | New Bern | 1,500 | -- | -- | \$28.00 |
| 246 Craven St. | 246 Craven St. | New Bern | 3,700 | -- | -- | \$13.00 |
| 1318 S Glenburnie Rd. | 1318 S Glenburnie Rd. | New Bern | 2,000 | -- | -- | \$9.00 |
| 2908 Trent Rd. | 2908 Trent Rd. | New Bern | 2,700 | -- | -- | \$12.00 |
| 605-607 Broad St. | 605-607 Broad St. | New Bern | 3,600 | \$360,000 | \$100.00 | -- |
| Office Suites | 2407 Grace Ave. | New Bern | 1,300 | -- | -- | \$22.00 |
| Downtown Executive Suites | 242 Middle | New Bern | 1,200 | -- | -- | \$27.00 |
| Copperfield Plaza | 4112 MLK Blvd. | New Bern | 1,540 | -- | -- | \$12.00 |
| 1405-C S Glenburnie Rd. | 1405-C S Glenburnie Rd. | New Bern | 2,500 | -- | -- | \$12.00 |
| 941 Newman Rd. | 941 Newman Rd. | New Bern | 5,400 | \$985,000 | \$182.41 | -- |
| 535 Washington Post Rd. | 535 Washington Post Rd. | New Bern | 2,140 | \$165,000 | \$77.10 | -- |
| 2407 Grace Ave. | 2407 Grace Ave. | New Bern | 5,000 | \$349,000 | \$69.80 | -- |
| 2409 Grace Ave. | 2409 Grace Ave. | New Bern | 2,150 | \$240,000 | \$111.63 | -- |
| 840 Queen St. | 840 Queen St. | New Bern | 1,604 | \$154,000 | \$96.01 | \$8.98 |
| 1301 Country Club Rd. | 1301 Country Club Rd. | New Bern | 5,500 | \$350,000 | \$63.64 | -- |
| McCarthy Medical District | 755 McCarthy | New Bern | 4,000 | \$550,000 | \$137.50 | -- |
| 1307 S Glenburnie Rd. | 1307 S Glenburnie Rd. | New Bern | 3,600 | \$396,000 | \$110.00 | -- |
| Thomas Square | 1315 S Glenburnie Rd. | New Bern | 5,000 | -- | -- | \$9.00 |
| 1320 McCarthy Rd. | 1320 McCarthy Rd. | New Bern | 8,700 | -- | -- | Negotiable |

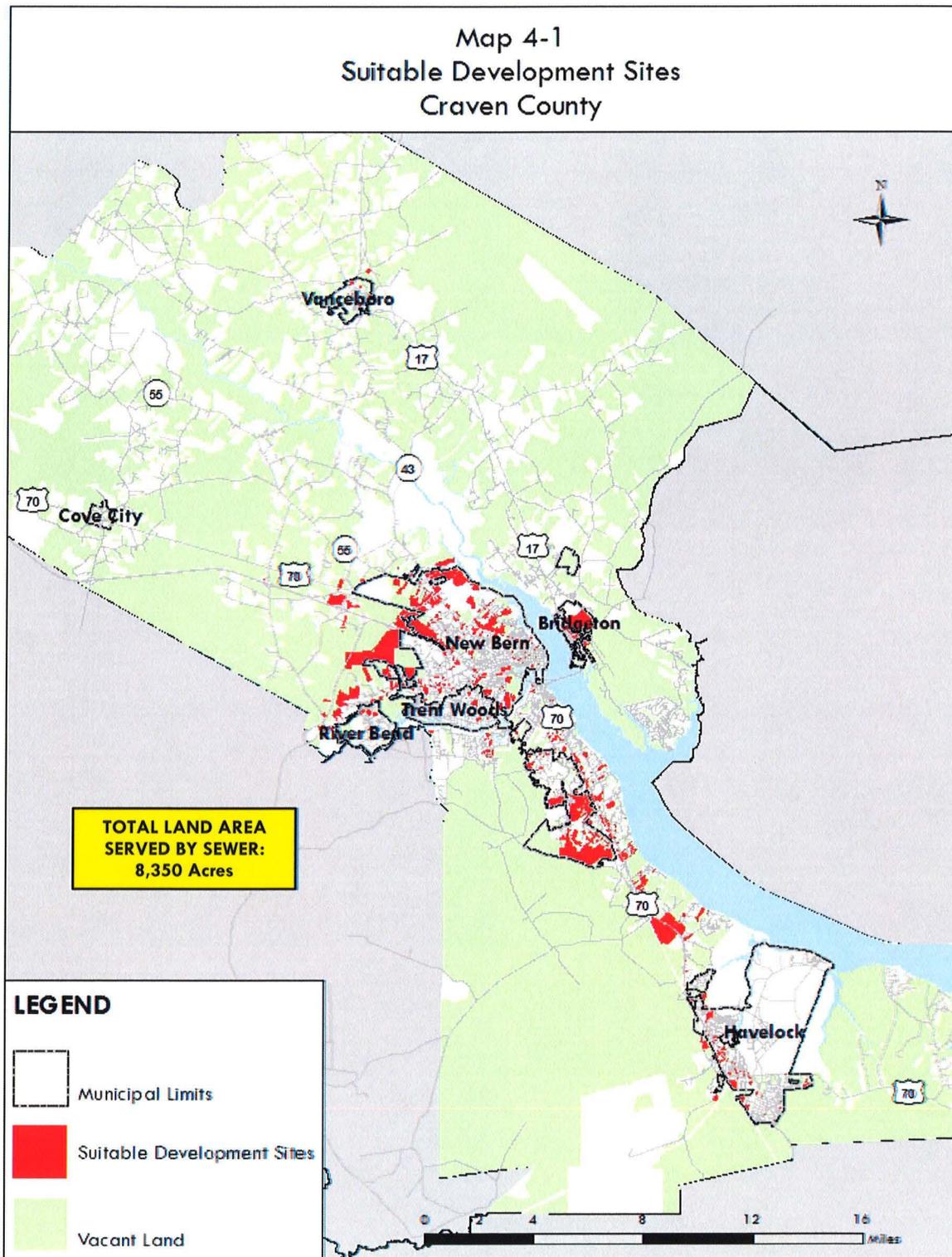
Source: Loopnet; RKG Associates, Inc., 2013

4. Non-residential Land Inventory

Craven County encompasses approximately 774 square miles, of which 66 square miles is water and 708 square miles, or 453,120 acres, is land. Approximately 270,500 acres is identified as agricultural land. Other land is identified as residential, commercial, and industrial. Roughly 12,400 acres are identified as "Vacant Parcels". Although Craven County has no institutionalized zoning, "Vacant Parcels" have been designated either "Suitable for Commercial Development" (5,200 acres) or "Suitable for Industrial Development" (382 acres).

In order to assess the likelihood and viability of the development of vacant land, RKG conducted a GIS analysis to identify vacant parcels that fall within one-quarter mile of public sewer, the ready availability of which enhances the prospects for development. Not surprisingly, most the 8,350 acres identified in this analysis is located in the urban boundaries of New Bern, Havelock and Bridgeton and along the Highway 70 corridor (Map 4-1). Rail service from the Port of Morehead City runs parallel to

Highway 70, and further enhances the prospects for industrial development. In any event, 8,350 acres of land with sewer availability presents a considerable capacity for future commercial development.



There can, of course, be considerable variation in the characteristics of the regional land inventory with regards to size, location, highway access, availability of utilities, rail service and cost. As shown in the table, Craven County has just over 5,000 acres of commercially suitable land and 382 acres suitable for industrial development (Table 4-4). Craven's development sites offer a variety of size options from smaller to very large. While there is always potential to subdivide larger properties if a user/developer is looking for a smaller site, it is important to maintain a variety of shovel-ready sites in order to respond quickly to a potential development opportunity, particularly given the large inventory of available land within the region.

Table 4-4
Vacant Parcels
Craven County

| Parcel Size | Parcel Count | Total Acres | Average Acre Per Parcel | Total Land Value | Average Land Value Per Acre |
|---|--------------|----------------|-------------------------|------------------|-----------------------------|
| PLATTED AND MAPPED VACANT PARCELS | | | | | |
| Under 1 Acre | 387 | 129.4 | 0.33 | \$7,567,697 | \$58,506 |
| 1 - 10 Acres | 283 | 1,037.0 | 3.66 | \$18,269,761 | \$17,617 |
| 10-20 Acres | 58 | 784.4 | 13.52 | \$8,262,420 | \$10,534 |
| 20-100 Acres | 50 | 2,089.2 | 41.78 | \$21,151,690 | \$10,124 |
| Over 100 Acres | 8 | 2,765.8 | 345.73 | \$16,034,490 | \$5,797 |
| TOTAL | | 6,805.8 | | | |
| VACANT PARCELS SUITABLE FOR COMMERCIAL DEVELOPMENT | | | | | |
| Under 1 Acre | 551 | 190.6 | 0.35 | \$25,670,554 | \$134,691 |
| 1 - 10 Acres | 291 | 897.6 | 3.08 | \$58,650,470 | \$65,338 |
| 10-20 Acres | 34 | 439.7 | 12.93 | \$8,812,210 | \$20,042 |
| 20-100 Acres | 44 | 2,000.0 | 45.45 | \$21,867,280 | \$10,934 |
| Over 100 Acres | 7 | 1,670.8 | 238.69 | \$12,918,102 | \$7,732 |
| TOTAL | | 5,198.7 | | | |
| VACANT PARCELS SUITABLE FOR INDUSTRIAL DEVELOPMENT | | | | | |
| Under 1 Acre | 22 | 11.1 | 0.50 | \$1,287,630 | \$116,388 |
| 1 - 10 Acres | 26 | 86.1 | 3.31 | \$3,500,390 | \$40,676 |
| 10-20 Acres | 1 | 10.0 | 10.01 | \$130,130 | \$13,000 |
| 20-100 Acres | 3 | 100.1 | 33.36 | \$1,470,970 | \$14,696 |
| Over 100 Acres | 1 | 175.0 | 175.00 | \$157,500 | \$900 |
| TOTAL | | 382.2 | | | |

Source: RKG Associates, Inc.

C. IMPLICATIONS

Craven County's non-residential real estate market has been and is currently supported by two key drivers: military operations at Cherry Point and FRC East; and, the industrial base that has evolved in the County over the past decades. Approximately 2.5 million square feet has been delivered since 2002, comprising 22% of Craven County's total inventory of 11.4 million square feet.

Craven County's economy exists outside the sphere of influence of any mid-sized to large metropolitan area, and therefore does not benefit from the drawing power and secondary economic benefits that a metropolitan area possesses. Nonetheless, the County has managed to retain its largest employers,

including the Department of Defense, albeit the economic downturn has somewhat adversely affected some businesses more than others.

The office and general commercial sectors added 190,000 square feet and 250,000 square feet since 2002, respectively. Examination of the property tax assessment data for Craven County shows a recent preference to develop non-medical office space in small blocks of between 4,000 and 10,000 square feet at a time, with the exception being about 20,000 square feet. The steady development of office space bodes well for the local economy, and indicates increasing demand for more white-collar, professional and technical jobs in the marketplace.

Aside from the 625,000-square-foot expansion of B/S/H. Industrial development in the past decade was limited to just 130,000 square feet comprising six buildings, two exceeding 35,000 square feet. Carolina Technical Plastics, a division of a German company, built a 41,000-square-foot building in 2003 in New Bern for the manufacture of plastic parts and components for the home appliance and automotive industry.

Since Craven's buildings and land supply are at somewhat of a disadvantage from an accessibility standpoint, the county will need to continue to make extra effort to insure a competitive position in comparison to other areas in the region, particularly those in closer proximity to Raleigh-Durham and I-95. The County will need to make an effort to ensure that its best available sites are as shovel-ready as possible in order to compete with the existing regional supply.

Capitalizing of rail access within the county is seen as another opportunity for expanding Craven's competitiveness within the regional market. The North Carolina Railroad Company line parallels the entire length of Highway 70 through the County, with service at the Port of Morehead City and multiple connections to the Norfolk Southern system throughout the state.

5 INDUSTRY TARGET AND CLUSTER ANALYSIS

A. INTRODUCTION

The identification of existing and potential industry clusters is a critical element of a comprehensive economic development strategic plan. Industry “clusters” are strategic groupings of businesses and industries that locate within close proximity of each other, or near a strategic resource, to gain economic benefits.

In order to identify the existing and potential industry clusters for Craven County, RKG Associates first identified the strengths and weaknesses of the region, the business climate, and quality of life factors. Using a screening process (described in detail later in this chapter), RKG then identified particular industry groups that either already exist or would benefit from the competitive advantages of the County, the greater Craven area, and the Eastern Region. This regional focus is very important, particularly for an economy the size of Craven County, where growth trends and amenities in surrounding counties can have as much, and potentially a greater, impact as trends and amenities within the County.

The result of these efforts is a list containing specific industry segments that are compatible with the resource offerings and industry activity of Craven County. This list is intended to be used to focus a comprehensive recruitment effort by the Craven County economic development implementation entity, as well as other local and regional organizations charged with this responsibility. This target industry list is not intended to preclude any non-listed industries from being recruited or otherwise encouraged to locate within the County. Rather, this list exemplifies those industries that may have the greatest interest in Craven County based on local and regional competitive advantages; and therefore provide the greatest potential success for a proactive marketing and recruitment campaign.

This chapter includes: (1) a review of Craven County and the broader region business climate and site location strengths and weaknesses; (2) a summary of the region’s quality of life factors; (3) a description of the screening criteria used to identify target industry groups; and (4) a description of the industry groups selected. For the purposes of this analysis, RKG Associates utilized several data sources that provide information about the business climate in and around Craven County which compile the information at different geographic scales. Each section details the respective geography being examined.

B. BUSINESS CLIMATE FACTORS

To assess the business climate factors that impact Craven County and North Carolina as a whole, the consultant collected State rankings from the Corporation for Enterprise Development (CFED) in Washington, D.C. CFED is a non-profit organization that promotes economic vitality through increased economic competitiveness. It also gathers economic, financial and other relevant data on all fifty states and the District of Columbia. The CFED issues an annual *Development Report Card for the States*, which ranks each state in 92 categories, of which 58 categories are included here. These categories fall under the sub-headings of: (1) Financial Assets and Income, (2) Business and Jobs, (3) Housing and Homeownership, (4) Healthcare, (5) Education, and (6) Other.

While rankings are, by nature, subjective and do not provide the complete picture of the business climate in North Carolina and the local region, they are useful in measuring the State's performance relative to other states. This comparison provides a practical and adequate method for comparing the relative performance of North Carolina in a number of important areas.

The CFED data shown in Table 5-1 was sorted by the State's ranking among all fifty states and District of Columbia (second column). The ranking system goes from 1 (the best in a particular category) to 51 (the worst in a particular category). In order to provide a regional competitive context, RKG Associates also included comparative data for South Carolina, Tennessee, Virginia and Georgia. These states have been included in this analysis to provide a sense of how North Carolina compares to states that can be considered competitors, in terms of economic development recruitment due to geographic and amenity similarities. In addition "grades" are given on a curve: ten states get A's, ten states get B's, sixteen get C's, ten get D's and five get F's."¹ The following narrative summarizes the findings in the 2012 CFED scorecard for North Carolina.

1. Financial and Assets Income

The Financial Assets and Income criteria presented in Table 5-1 suggest that North Carolina could use improvement in a number of areas receiving an overall D and F grade in this category. Although a number of the criteria are not reported in this section due to limited data availability, the remainder illustrated several notable observations. High poverty rates in North Carolina, as well as most of the region, is a persistent economic trend amongst many southern tier states that will require long-term economic policy actions to make meaningful changes. The larger percentage of "unbanked households" may point to a lack of local financial institutions as well as households living paycheck-to-paycheck with little or no reserves for savings. The state's low bankruptcy rate indicates that fewer households were extended beyond their means and managed to forestall recessionary impacts. However, relatively high credit card debt and overdue borrowing indicators suggests that households are operating at the edges of their financial means with regard to income versus the cost of living. Along with improving overall income levels, these issues could also potentially be addressed through education about better methods for managing personal financial dealings.

2. Business and Jobs

Rankings in the business and jobs category were relatively poor for all states in the region with the exception of Virginia. North Carolina's overall "D" grade was matched by South Carolina and Tennessee. One of the few bright spots indicated by these criteria is a relatively high degree of private loans to small businesses suggesting that capital is available from local lenders to support local business operations and expansions. A fact which is borne out by the also relatively high proportion of microenterprise ownership in the state. These indicators suggest there is a good climate for small businesses although the actual ownership rate of small businesses in the state is relatively low. Efforts to increase the number of small business start-ups appears to be one approach that could yield positive results for Craven County's on-going economic development strategy. Similarly, the scale of economic potential in Craven County (less labor-intense companies) is compatible with these strengths.

3. Housing and Homeownership

North Carolina ranks in the middle within the housing and homeownership metrics garnering an overall "C" rating along with South Carolina and Tennessee. The state had a relatively high homeownership rate (66.5%), with a bias towards middle and upper incomes as indicated by a rank of 23rd in the Homeownership by income category. Housing costs burdens for homeowners and renters generally mirrored national trends. The foreclosure rate of 3.0% in North Carolina is much lower than the national rate of 4.3%, ranking them 23rd in the Nation.

¹ 2012 Asset and Opportunity Scorecard, Corporation for Enterprise Development

Table 5-1
2013 Assets and Opportunities Scorecard
Corporation for Enterprise Development

| Category | United States Data | North Carolina Data | North Carolina | South Carolina | Tennessee | Virginia | Georgia |
|--|--------------------|---------------------|----------------|----------------|-----------|----------|----------|
| FINANCIAL ASSETS AND INCOME | | | D | D | D | B | F |
| Net Worth | \$68,948 | \$61,842 | -- | -- | -- | -- | -- |
| Asset Poverty Rate | 26.0% | 26.8% | -- | -- | -- | -- | -- |
| Asset Poverty by Race [1] | 2.1 | 2.6 | -- | -- | -- | -- | -- |
| Asset Poverty by Gender [1] | 1.1 | 1.0 | -- | -- | -- | -- | -- |
| Income Poverty Rate | 14.6% | 16.2% | 41 | 43 | 42 | 8 | 44 |
| Unbanked Households | 8.2% | 9.3% | 35 | 44 | 42 | 23 | 45 |
| Bankruptcy Rate (per 1,000 people) | 4.4 | 2.3 | 9 | 3 | 48 | 27 | 49 |
| Average Credit Card Debt | \$10,736 | \$10,697 | 32 | 23 | 21 | 40 | 28 |
| Borrowers 90+ Days Overdue | 4.3% | 4.2% | 30 | 47 | 31 | 13 | 48 |
| BUSINESSES AND JOBS | | | D | F | D | B | D |
| Small Business Ownership Rate | 1.3% | 1.3% | 41 | 37 | 46 | 45 | 49 |
| Private Loans to Small Business | \$1,148 | \$1,232 | 19 | 34 | 15 | 41 | 33 |
| Microenterprise Ownership Rate | 16.7% | 16.1% | 24 | 29 | 15 | 46 | 6 |
| Business Ownership by Gender [1] | 1.3 | 1.4 | 36 | 48 | 39 | 30 | 28 |
| Business Ownership by Race [1] | 1.5 | 2.1 | 44 | 49 | 39 | 14 | 19 |
| Business Value by Gender [1] | 2.6 | 2.7 | 29 | 33 | 19 | 32 | 40 |
| Business Value by Race [1] | 2.6 | 3.5 | 44 | 45 | 36 | 22 | 48 |
| Business Creation Rate (per 1,000 workers) | 9.2 | 9.3 | 25 | 38 | 51 | 23 | 12 |
| Underemployment Rate | 15.9% | 17.9% | 45 | 47 | 32 | 9 | 41 |
| Unemployment Rate | 8.9% | 10.5% | 46 | 46 | 34 | 9 | 43 |
| Low-Wage Jobs | 21.5% | 25.4% | 35 | 43 | 36 | 26 | 38 |
| Average Annual Pay | \$48,043 | \$45,389 | 27 | 44 | 22 | 12 | 17 |
| Retirement Plan Participation | 44.6% | 43.3% | 40 | 34 | 33 | 3 | 45 |
| Employers Offering Health Insurance | 51.0% | 48.1% | 31 | 26 | 8 | 14 | 30 |
| HOUSING AND HOMEOWNERSHIP | | | C | C | C | B | D |
| Homeownership Rate | 64.6% | 66.5% | 34 | 15 | 28 | 27 | 38 |
| Homeownership by Race [1] | 1.6 | 1.5 | 32 | 24 | 36 | 14 | 31 |
| Homeownership by Income [1] | 2.2 | 2.1 | 23 | 11 | 19 | 7 | 33 |
| Homeownership by Gender [1] | 1.01 | 1.02 | -- | -- | -- | -- | -- |
| Foreclosure Rate | 4.3% | 3.0% | 23 | 40 | 17 | 7 | 26 |
| High-Cost Mortgage Loans | 2.5% | 2.9% | 18 | 33 | 43 | 16 | 35 |
| Delinquent Mortgage Loans | 3.0% | 2.8% | 27 | 22 | 40 | 17 | 47 |
| Affordability of Homes (value/income) [1] | 3.4 | 3.5 | 26 | 19 | 25 | 36 | 18 |
| Housing Cost Burden: Homeowners | 36.9% | 33.9% | 24 | 25 | 19 | 21 | 34 |
| Housing Cost Burden: Renters | 53.4% | 53.1% | 32 | 40 | 32 | 15 | 43 |

Table 5-1 (continued)

| Category | United States Data | North Carolina Data | North Carolina | South Carolina | Tennessee | Virginia | Georgia |
|---------------------------------------|--------------------|---------------------|----------------|----------------|-----------|----------|----------|
| HEALTHCARE | | | F | D | C | C | D |
| Uninsured Rate | 17.3% | 18.7% | 36 | 38 | 31 | 21 | 47 |
| Uninsured by Race [1] | 2.0 | 1.9 | 27 | 11 | 21 | 35 | 23 |
| Uninsured by Income [1] | 3.5 | 4.2 | 38 | 28 | 23 | 46 | 17 |
| Uninsured by Gender [1] | 1.2 | 1.1 | 18 | 24 | 38 | 29 | 14 |
| Uninsured Low-Income Children | 10.7% | 10.4% | 35 | 38 | 21 | 28 | 44 |
| Uninsured Low-Income Parents | 34.5% | 38.1% | 40 | 31 | 19 | 25 | 48 |
| Employer-Provided Insurance | 57.4% | 53.3% | 40 | 38 | 36 | 15 | 39 |
| Employee Share of Premium | 26.4% | 32.0% | 47 | 45 | 38 | 41 | 40 |
| Out-of-Pocket Medical Expenses | 16.2% | 13.3% | -- | -- | -- | -- | -- |
| EDUCATION | | | C | D | D | B | C |
| Early Childhood Education Enrollment | 28.2% | 21.9% | 28 | 14 | 28 | 37 | 8 |
| Math Proficiency: 8th Grade | 34.7% | 37.0% | 21 | 32 | 45 | 15 | 41 |
| Reading Proficiency: 8th Grade | 33.5% | 31.1% | 33 | 41 | 39 | 16 | 38 |
| High School Degree | 85.9% | 84.7% | 38 | 42 | 41 | 27 | 39 |
| Two-Year College Degree | 36.3% | 35.6% | 28 | 40 | 44 | 9 | 33 |
| Four-Year College Degree | 28.5% | 26.9% | 26 | 41 | 42 | 8 | 24 |
| Four-Year Degree by Race [1] | 1.6 | 1.9 | 34 | 44 | 12 | 11 | 17 |
| Four-Year Degree by Income [1] | 4.6 | 5.7 | 45 | 41 | 50 | 36 | 31 |
| Four-Year Degree by Gender [1] | 1.0 | 1.0 | -- | -- | -- | -- | -- |
| Average College Graduate Debt | \$26,600 | \$20,800 | 7 | 29 | 9 | 26 | 13 |
| College Graduates with Debt | 66.0% | 54.0% | 12 | 12 | 5 | 22 | 21 |
| OTHERS | | | | | | | |
| State Minimum Wage as of January 2012 | -- | \$7.25 | \$7.25 | [3] | [3] | \$7.25 | \$5.15 |

Source: Corporation for Enterprise Development and RKG Associates, Inc., 2012

[1] The ratios in the North Carolina Data column measure the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

[2] Some measures were not ranked due to insufficient data at the state level.

[3] No State Minimum Wage Law

4. Healthcare

Health insurance can impact economic development as an overall cost of doing business, as well as through lost productivity of uninsured workers receiving insufficient medical care. In addition, the uninsured may incur high medical costs that inhibit their ability to cover other necessary household expenses. North Carolina received an “F” rating overall for healthcare with approximately 19% of employees uninsured, ranking it 36th nationally. Only 53% of employees are covered by their employees insurance programs (40th rank). Improving these scores could help both to improve worker productivity and act as incentive for attracting new employees to the state. However, the high concentration of government and healthcare jobs in Craven County indicate existing jobs provide these benefits, making them attractive to job seekers. It is not known how North Carolina’s decision to opt out of the Federal Medicaid expansion and not establish its own health insurance marketplace under the Affordable Care Act will impact the State’s – and consequently Craven County’s – competitiveness in this regard. What is known is that the identified competitors (TN, GA, SC and VA) all are leaning towards non-participation or alternative programs, meaning their relative competitiveness in health care provision will not change.

5. Education

North Carolina ranks in the middle quintile in a number of the education-related criteria with an overall “C” rating. The state ranks 26th with regard to the percentage of residents with four-year degrees and 28th in the percentage of residents with two-year degrees. Although the state’s ranking in the percentage with high school degrees is a low 38th, math proficiency at the grade school level offers a positive note, with North Carolina ranking 21st in the Nation. College debt levels are also low indicating more affordability in the state’s higher learning institutions. Nonetheless, these findings suggest the state has considerable work to do from an educational standpoint in order to make it more of a supportive component of economic development efforts. Local efforts by Craven County, through the Community College, such as the Aviation Service Technology program show that individual jurisdictions can find alternative solutions for workforce preparedness. Continued effort in this regard on a local level is imperative to make Craven County more competitive on a regional and national scale. Efforts such as the Career Academy should get a boost from the state’s Vocation Diploma Program legislation.

6. State Minimum Wage

RKG Associates has included an additional data criterion to those collected by CFED, the state minimum wage. North Carolina, as well as Tennessee, do have a mandatory stateside minimum wage rate. North Carolina and Virginia have minimum wage rates linked to the Federal rate of \$7.25 per hour. Georgia’s minimum wage is set lower at \$5.15 per hour. North Carolina’s minimum wage rate helps mitigate increased costs of living for a portion of its residents.

7. Implications

The 2012 *Assets & Opportunity Scorecard* provides a picture, from a household financial security perspective, of both how families in each state fare and the policies in place to improve outcomes. All of these indicators may not be reflective of conditions in Craven County, although some clearly are. However, they provide a broad-brush perspective used by some potential employers and employees to evaluate economic development interest. Overall, North Carolina scored relatively low on the *Scorecard* as did the entire Southeastern United States, where all states were ranked in the lowest quintile overall. That stated, this analysis has identified several factors that will influence the potential for Craven County to retain its employment base and attract new companies.

C. TOP SITE SELECTION FACTORS

RKG Associates obtained site selection data from the 26th annual survey of site selection decision makers published by *Area Development Magazine*, a site and facilities planning publication. The information in Table 5-2 shows a score-based ranking of the top site selection factors for the years 2007 through 2011 as identified by a sampling of America's corporate executives. The factors are ranked by their five-year average scores, with the overall change in the ranking (2007 to 2011) also presented. Although not specific to any one area, the results of this effort indicate those factors that are most important when a company is considering relocation/expansion. This analysis helps to identify those attributes of Craven County to highlight, in terms of marketing efforts, as well as identification of attributes that may need to be improved.

The results of the survey indicate that highway accessibility and labor costs continually rank at the top of the list, although both have diminished somewhat in importance since the 2007 ranking. Both of these factors are related to long-term operations costs. Other factors that could significantly impact long-term operation costs include the availability of a skilled labor force (4th) and energy availability and costs (6th). Factors that are more closely tied to start-up costs such as financing and incentives also rank highly including occupancy or construction costs (3rd), tax exemptions (5th), state and local incentives (7th) and the corporate tax rate (8th). These latter three factors have all risen in importance since 2007 as site selection criteria.

Of the top 26 criteria identified in the table, Craven County's positioning is considered to be positive within many of the categories from a marketability standpoint. Brief synopses of some key criteria are noted below.

Table 5-2
Top Site Selection and Quality of Life Criteria
Area Development Magazine

| Rank | Criterion | 2008 | 2009 | 2010 | 2011 | 2012 | Average | 2012 - 2008 |
|--------------------------------|--|------|------|------|------|------|-------------|-------------|
| SITE SELECTION FACTORS | | | | | | | | |
| 1 | Labor Costs | 91.4 | 96.7 | 91.0 | 88.4 | 90.8 | 91.7 | (0.6) |
| 2 | Highway Accessibility | 95.4 | 92.9 | 97.3 | 93.8 | 90.1 | 93.9 | (5.3) |
| 3 | Availability of Skilled Labor | 87.7 | 86.9 | 85.9 | 88.4 | 89.4 | 87.7 | 1.7 |
| 4 | Availability of Advanced ICT* Services | 55.5 | 83.2 | 72.9 | 76.6 | 85.1 | 74.7 | 29.6 |
| 5 | Occupancy or Construction Costs | 90.4 | 86.7 | 89.8 | 85.9 | 82.8 | 87.1 | (7.6) |
| 6 | Energy Availability and Costs | 87.9 | 88.0 | 82.1 | 84.8 | 81.3 | 84.8 | (6.6) |
| 7 | Corporate Tax Rate | 85.3 | 87.0 | 86.3 | 86.0 | 79.3 | 84.8 | (6.0) |
| 8 | Availability of Buildings | 80.8 | 75.7 | 81.0 | 76.3 | 78.4 | 78.4 | (2.4) |
| 9 | Tax Exemptions | 88.6 | 88.4 | 90.9 | 83.6 | 75.4 | 85.4 | (13.2) |
| 10 | Low Union Profile | 82.7 | 75.8 | 75.4 | 81.0 | 73.5 | 77.7 | (9.2) |
| 11 | Right-To-Work-State | 76.6 | 74.0 | 67.9 | 77.5 | 72.6 | 73.7 | (4.0) |
| 12 | Proximity to Major Markets | 78.7 | 73.3 | 66.4 | 83.0 | 72.2 | 74.7 | (6.5) |
| 13 | State and Local Incentives | 87.2 | 84.9 | 89.3 | 85.9 | 71.1 | 83.7 | (16.1) |
| 13T | Environmental Regulations | 76.1 | 71.2 | 74.8 | 76.4 | 71.1 | 73.9 | (5.0) |
| 14 | Expedited or "Fast-Tracked" Permitting | 72.5 | 72.2 | 68.2 | 72.4 | 67.2 | 70.5 | (5.3) |
| 15 | Inbound/Outbound Shipping Costs | N/A | 81.7 | 84.0 | 81.6 | 63.7 | 77.8 | (18.0) |
| 16 | Availability of Long-Term Financing | 64.2 | 65.4 | 58.5 | 70.0 | 63.1 | 64.2 | (1.1) |
| 17 | Availability of Land | 82.0 | 75.7 | 73.4 | 73.9 | 59.0 | 72.8 | (23.0) |
| 18 | Proximity to Suppliers | 69.2 | 63.9 | 63.6 | 67.8 | 54.9 | 63.9 | (14.3) |
| 19 | Training Programs | 62.3 | 61.7 | 56.7 | 50.6 | 54.7 | 57.2 | (7.6) |
| 20 | Accessibility of Major Airport | 53.3 | 49.0 | 50.0 | 55.7 | 52.9 | 52.2 | (0.4) |
| 21 | Proximity of Technical University | 38.4 | 36.7 | 36.1 | 40.2 | 50.3 | 40.3 | 11.9 |
| 22 | Raw Material Availability | 56.8 | 57.0 | 61.5 | 52.8 | 49.7 | 55.6 | (7.1) |
| 23 | Railroad Service | 27.2 | 27.4 | 36.0 | 33.6 | 43.6 | 33.6 | 16.4 |
| 24 | Availability of Unskilled Labor | 62.9 | 55.5 | 45.4 | 58.9 | 42.9 | 53.1 | (20.0) |
| 25 | Waterways or Oceanport Accessibility | 15.7 | 17.7 | 21.9 | 24.5 | 19.9 | 19.9 | 4.2 |
| QUALITY-OF-LIFE-FACTORS | | | | | | | | |
| 1 | Low Crime Rate | 78.2 | 79.0 | 86.4 | 82.0 | 79.3 | 81.0 | 1.1 |
| 2 | Healthcare Facilities | 77.6 | 68.4 | 72.2 | 71.0 | 69.8 | 71.8 | (7.8) |
| 2T | Housing Availability | 66.2 | 62.4 | 66.4 | 64.1 | 69.8 | 65.8 | 3.6 |
| 3 | Housing Costs | 67.1 | 61.5 | 68.4 | 69.0 | 66.9 | 66.6 | (0.2) |
| 4 | Ratings of Public Schools | 65.7 | 61.4 | 61.2 | 68.8 | 63.3 | 64.1 | (2.4) |
| 5 | Colleges and Universities in Area | 55.3 | 50.7 | 53.2 | 56.6 | 61.6 | 55.5 | 6.3 |
| 6 | Climate | 56.0 | 55.0 | 56.3 | 52.2 | 55.0 | 54.9 | (1.0) |
| 7 | Recreational Opportunities | 48.6 | 52.7 | 48.2 | 52.2 | 52.9 | 50.9 | 4.3 |
| 8 | Cultural Opportunities | 46.4 | 46.0 | 48.7 | 42.8 | 48.9 | 46.6 | 2.5 |

*Information and communication technology

Source: Area Development Magazine, 2008-2012 and RKG Associates, 2013

- Labor Costs – Wages in the Eastern Region are lower than both the state and the nation. The 2012 average mean hourly wage in the region (four MSAs) was \$18.43, compared to \$20.07 in the state and \$22.01 in the nation.
- Highway Accessibility – Craven County does not have freeway access to points east, west, north or south. U.S. Interstate 95 is approximately 70 miles west of the County, accessible by U.S. Route 70, a hybrid express/local highway.
- Availability of Skilled Labor – There is an adequate supply of highly skilled, white collar workers in the eight-County Workforce Investment Board (WIB) region that includes

- Availability of Buildings/Land – Although the County has shown an entrepreneurial spirit in the past with providing shovel-ready development sites and construction of shell buildings, the supply is limited and less accessible in comparison to neighboring counties. Available/vacant building square footage is also limited and less competitive from a modernization standpoint.
- Railroad Service – The County is traversed by approximately 40 miles of rail line that is part of the Norfolk Southern network, affording ability for transport of bulk and raw materials, as well as providing linkage to the Port of Morehead City.

D. QUALITY OF LIFE FACTORS

The quality of life analysis examines the qualitative aspects of economic development. When performing a target industry analysis, it is important to understand the criteria that companies look for when deciding where to locate. This analysis focuses on the top five quality of life factors reported in the annual survey of site selection decision makers by *Area Development Magazine*.

1. Crime

A low crime rate was ranked as the top quality of life criteria. As shown in Table 5-3, Craven County's violent crime rates tend to be lower than the State, but property crimes are considerably higher. Total crime in the County fluctuated dramatically between 2006 and 2010, according to statistics compiled by the State's Law Enforcement Division. Some of the violent crime indices, such as rape and aggravated assault, offer some reasons for particular concern. It is not unusual for crime rates to be somewhat escalated in light of existing economic conditions throughout the country. However, it will be important for the County to be vigilant that crime levels do not begin to represent a "red flag" from an economic development perspective.

Table 5-3
Crime Statistics 2006-2010
Craven County

| | 2006 | 2007 | 2008 | 2009 | 2010 Rate* | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | County | State |
| Murder | 5.6 | 3.0 | 1.0 | 3.0 | 4.0 | 5.1 |
| Forcible Rape | 32.4 | 22.7 | 4.3 | 23.5 | 26.2 | 21.4 |
| Robbery | 100.6 | 85.5 | 50.9 | 27.8 | 43.0 | 105.0 |
| Aggravated Assault | 269.3 | 282.4 | 187.3 | 175.2 | 263.1 | 242.3 |
| Violent Crime | 407.9 | 393.6 | 243.5 | 229.5 | 336.3 | 373.8 |
| Burglary | 962.1 | 1,074.3 | 833.6 | 1,382.3 | 1,921.3 | 1,125.8 |
| Larceny | 2,608.0 | 2,954.6 | 1,932.5 | 1,924.9 | 2,093.2 | 2,263.0 |
| Motor Vehicle Theft | 226.8 | 176.3 | 116.9 | 128.2 | 146.7 | 193.0 |
| Property Crime | 3,796.9 | 4,205.2 | 2,883.0 | 3,435.4 | 4,161.2 | 3,581.8 |
| Total | 4,204.8 | 4,598.8 | 3,126.5 | 3,664.9 | 4,497.5 | 3,955.6 |

*Per 10,000 residents

Source: North Carolina Department of Justice

2. Healthcare Facilities

The Craven area is well served from a healthcare perspective with regards to availability and accessibility of hospital facilities. As shown in Table 5-4 there are eight hospitals within the Eastern Region that reportedly support just over 2,600 staffed beds. Craven County's primary facility is the Carolina East Medical Center in New Bern, a 314-bed full service hospital, with a staff of 2,350 that includes approximately 250 physicians. In addition to the hospital, the County also hosts Coastal Carolina Health

Table 5-4
Regional Acute Care Hospital Facilities

| Hospital | County | City | Staffed Beds | Emergency Services |
|-------------------------------|----------|---------------|--------------|--------------------|
| Pitt County Memorial Hospital | Pitt | Greenville | 731 | Yes |
| Nash General Hospital | Nash | Rocky Mount | 332 | Yes |
| Wilson Medical Center | Wilson | Wilson | 317 | Yes |
| Wayne Memorial Hospital | Wayne | Goldsboro | 316 | Yes |
| Carolina East Medical Center | Craven | New Bern | 314 | Yes |
| Lenoir Memorial Hospital | Lenoir | Kinston | 234 | No |
| Onslow Memorial Hospital | Onslow | Jacksonville | 150 | Yes |
| Carteret General Hospital | Carteret | Morehead City | 117 | Yes |
| Duplin General Hospital | Duplin | Kenansville | 101 | Yes |

Source: Hospitals-Data.com, RKG Associates 2013

Care and Two Rivers Health Care, all located in New Bern. Given the availability of these facilities,

as well as the regional hospital located in Greenville, Craven County should be considered as providing area businesses and residents with very good access to quality healthcare, the second most important quality of life factor included in the site location factors survey.

3. Housing Costs and Availability

Housing costs and housing availability were ranked as the second and third most important quality of life criteria in the site selection survey as shown in Table 5-2. From a statewide perspective Craven's housing prices are relatively affordable with a 2011 median rent of \$754 and a 2011 median owner occupied home value of approximately \$154,700 compared to \$744 and \$152,700 in the state, respectively.

The issues that present some obstacles in the County with regards to housing are the supply of apartment rentals and housing costs in relation to area income levels. Census estimates indicate that 48% of renters are paying in excess of 30% of their gross income towards housing costs and another 11% are paying between 25% and 30%. Although these cost levels are not uncommon within the region it is an indication that wages and income levels are not keeping pace with inflation.

4. Ratings of Public Schools

A good public school system can play a significant role in providing a solid foundation for a community's economic development program. The K-12 education is important for training students in the basic skill sets required by employers for entry-level and semi-skilled positions. Maintaining high academic standards and rankings for the County's school district are also important as a community attribute since they are likely to be a job-acceptance factor for potential employees considering relocation from outside the County.

There are many factors that contribute to achieving good school system results which are difficult to capture in a single metric. One indicator that is often used is standardized test scores since they allow comparability with other school districts. Table 5-5 illustrates a comparison of recent Scholastic Aptitude Test (SAT) results for public schools in Craven County, North Carolina, and the U.S. as a whole. The one-year difference in composite scores show a minor decrease in all locations with Craven's (-19) somewhat exceeding the State's and country's. However, Craven's average composite scores as a percentage of the state (98%) and national (96%) scores indicates that the County's school districts are generally performing on par with overall testing standards.

Table 5-5
Mean SAT Scores for Graduating Seniors 2012 with Comparison to 2011 Results
Craven County, North Carolina and the United States

| Public Schools | % Tested | 2012 | | | Average Composite Scores | | |
|----------------------|----------|---------|------|---------|--------------------------|-------|------------|
| | | Reading | Math | Writing | 2011 | 2012 | Difference |
| United States | 52% | 496 | 514 | 488 | 1,500 | 1,498 | -4 |
| North Carolina | 68% | 491 | 506 | 472 | 1,475 | 1,469 | -5 |
| Craven County | 41% | 485 | 500 | 448 | 1,448 | 1,433 | -19 |
| County as % of US | — | 98% | 97% | 92% | 97% | 96% | — |
| County as % of State | — | 99% | 99% | 95% | 98% | 98% | — |

Source: North Carolina 2012 SAT Report, RKG Associates 2013

Despite the achievement scores noted above, anecdotal data suggest County schools may not have the most positive reputation. To this end, it is important that the Craven County implementation entity establish a proactive marketing campaign to refute erroneous reporting about County schools. Compiling a more detailed comparison of Craven County schools to surrounding and competing

jurisdictions would be a valuable first step in creating a marketing effort to bolster the reputation of Craven County scholastic achievement. This effort works collaboratively with the ongoing efforts to develop a Career Academy and the recommended efforts surrounding middle-school immersion and the employment exposition effort (detailed in the implementation section).

E. REGIONAL CLUSTER ANALYSIS

1. Overview

The regional cluster analysis process “casts a wide net” in regards to identifying potential target industries. Taking a more aggressive approach to identifying possible business targets for Craven County provides greater flexibility for the implementation entity to determine the priorities for business recruitment. In this context, aggressive means that the screening process was inclusive rather than exclusive relative to potential opportunities that may appear marginal in light of historical economic trends. Being inclusive at this phase ensures any potentially viable options can be tested before being eliminated.

Furthermore, the target industry lists move beyond just static targets. They identify vertical (supply-chain) and horizontal (market) relationships within the primary target markets. By taking this approach, the implementation entity can apply a comprehensive approach to building upon existing industry clusters and developing new ones. This is particularly important when targeting businesses that already have a relationship with an existing regional industry and/or business. In these cases, the local business leaders can work as ambassadors for the community, opening the dialogue between the prospect and the County.

2. Industry Screening

Industry cluster analyses involve examining the economic relationships among commercial and industrial sectors. From the cluster analysis, RKG Associates identified those industries that may enjoy a competitive advantage within the greater Craven region, but would also benefit from Craven’s strategic location. The underlying assumption of the cluster analysis is that companies concentrate in areas where they enjoy some competitive advantage. These advantages, whether related to location, natural resources, vendor relationships or other factors, allow companies to compete more successfully.

An industry cluster is a group of companies in industries that are related in one of three ways:

- Buyers and Suppliers – the most common relationship
- Competitors – producers of same or similar goods and service, usually firms in the same or similar industries
- Shared Resources – companies that rely on the same location- specific resources such as labor and raw materials

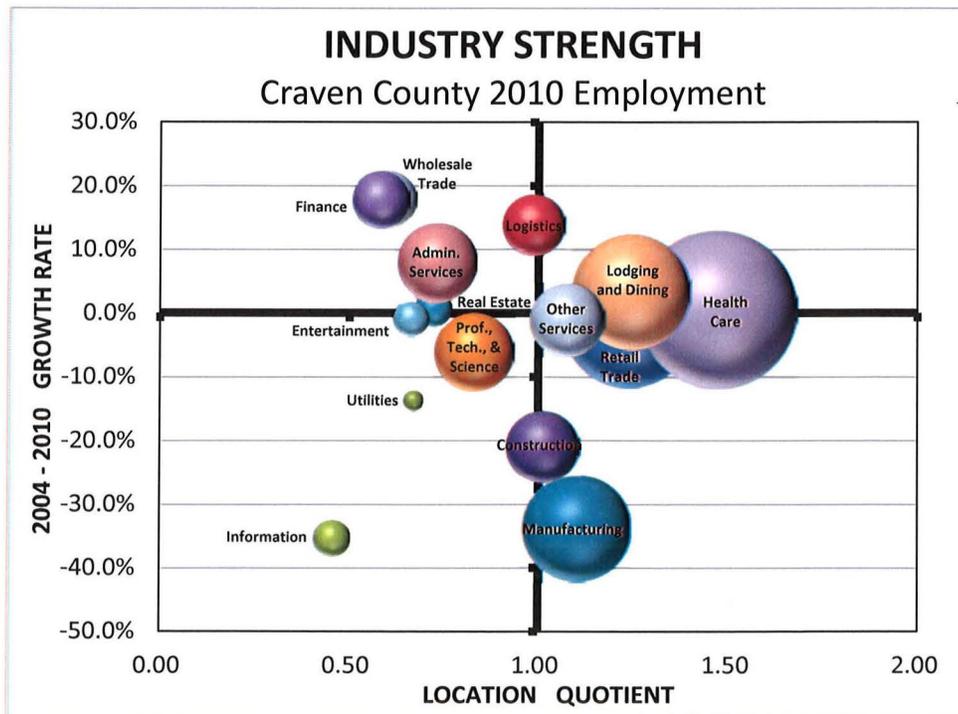
A relative measure of how a local economy is performing can be estimated by comparing employment growth for specific industry sectors to that of a larger economy. This measurement, which is represented as a ratio, is referred to as a Location Quotient (LQ). If the LQ is near 1.0, it indicates that the County has a comparable proportion of its employment base in a given sector to that of the larger area, which in this case, is the United States as a whole. If the ratio is less than 1.0, then the County has a lower concentration of employment in that industry sector relative to the country while an LQ greater than 1.0 indicates a greater concentration by the County overall. Areas with high concentrations of employment (LQs above 1.25) are considered to have a competitive advantage in that industry. In this analysis, the LQ’s, and their respective growth rates, were developed based on employment changes between 2004 and 2010.

Figures 5-1 and 5-2 illustrate the Location Quotients for Craven County and the greater Eastern Region as of 2010. The size of the bubbles represents total employment, their position from left to right indicates their LQ for 2010, and their position from top to bottom indicates growth rate between 2004 and 2010. (Note: Not all sectors are presented in the figure; those that represented relatively small components of the economy, or which have very low LQs, have been omitted. These include Mining, Management of Companies and Enterprises, and Arts, Entertainment, and Education).

Some of the comparative findings illustrated in Figures 5-1 and 5-2 are as follows:

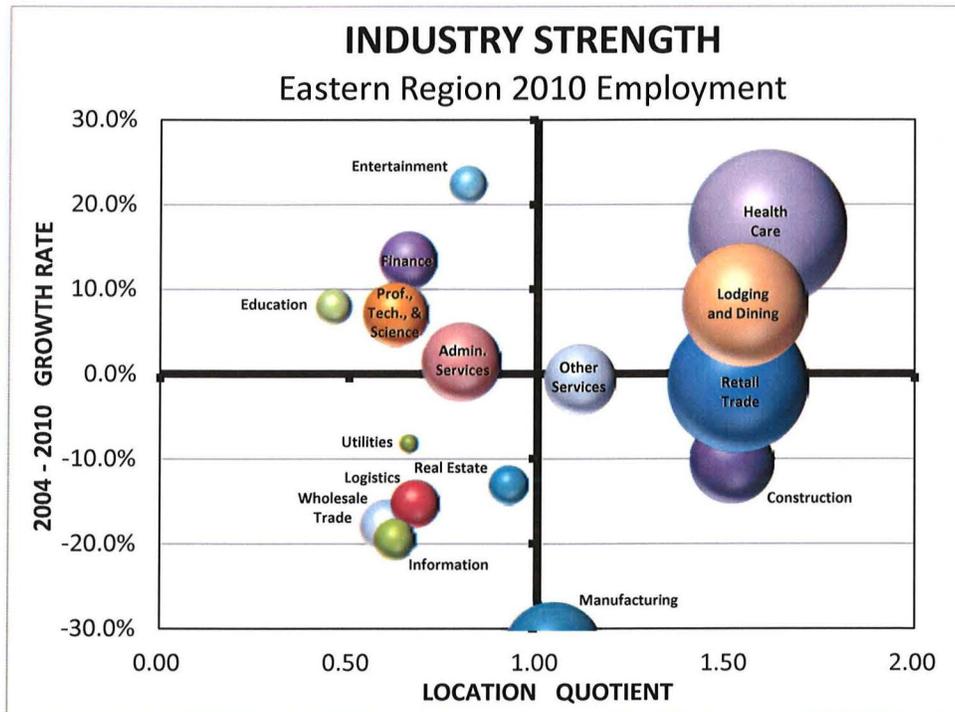
- Manufacturing is a relatively strong but unstable sector for both the County and region. Employment has declined at approximately the same rate in both locations indicating that the market dynamics are consistent across the region.
- Healthcare is a strong component of both the local and regional economies but the County's growth has been relatively static compared the region's robust growth. This may be due in large measure to Pitt County Memorial Hospital's secondary function as a teaching hospital for East Carolina University, and the opening of the East Carolina Heart Institute in 2009.
- The Lodging & Dining sector performs considerably better at the regional level as compared with the County's LQ and employment growth over the decade. Both the County and region's LQs are considerable higher than the nation's, which can be attributed in large part to the coastal and waterway destination attractions. Although the region's offerings in this sector are always likely to be broader than the County's, the data suggests there may be opportunity for Craven to improve its performance within this area, particularly if a regional shopping center locates in the County.

Figure 5-1



Source: U.S. Department of Commerce and RKG Associates, Inc. 2013

Figure 5-2



Source: U.S. Department of Commerce and RKG Associates, Inc. 2013

- The County's Logistics sector shows an LQ on par with the nation's, but relatively robust employment growth of over 14% during the last decade. The region has a relatively low LQ and saw job losses in the sector during the same time period, suggesting that Craven County has the potential to expand its transportation support services.
- The Wholesale Trade sector has a low concentration at the County level, but grew 17.9% from 2004 to 2010. Areas strong in Wholesale Trade can also support a healthy Logistics sector if traded products are distributed nationally and globally. As with Logistics, the region saw a decline in Wholesale Trade employment from 2004 to 2010.
- The Information sector comprises establishments engaged in the following processes: producing and distributing information and cultural products; providing the means to transmit or distribute these products as well as data or communications, and; processing data. While not a significant employment sector in the County, Information nonetheless saw a 35% decrease in employment and has the second lowest LQ in the County. This sector's position in the region is similar.
- Although a small employment sector, Agriculture boasts an LQ of 3.95 in the County and 2.41 in the region, and has the potential to more significantly support both the Manufacturing and Logistics sectors, particularly if diversified.

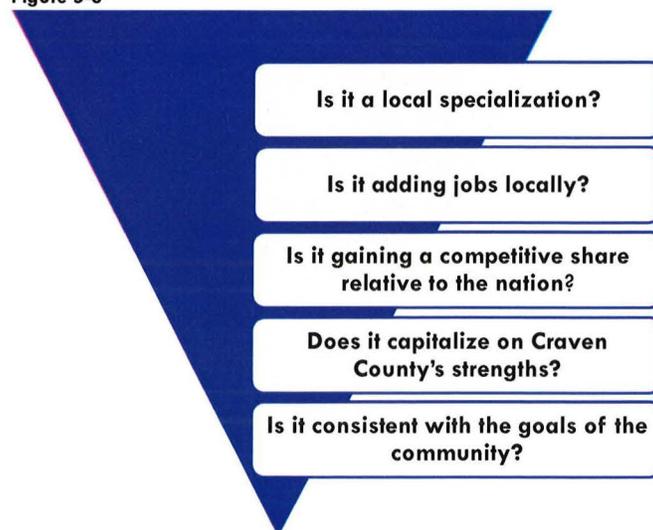
3. Recommended Targeted Industry Clusters

Industry cluster analysis provides a method for determining local competitive advantage – which in turn is crucial in attracting investment, be it through attracting new firms or expansion of existing firms. The industry cluster analysis presented in this report relied on a statistical identification process designed to incorporate and assimilate local/regional, state, and national economic data. The fundamental criteria analyzed in the process include:

- **Industry Concentration** – RKG Associates examined current concentrations of each industry in the greater Craven region using the previously described, Location Quotient ratio (LQ). A higher LQ, either at the local or regional level, indicates a strong employment and business base upon which to build economic development efforts. Conversely, a lower concentration of employment suggests that a given industry may not be well suited for the County or may be in decline and not supportable in the long-term.
- **Industry Growth** – Industries with positive growth over the past six years (2004-2010) and those that are most likely to grow both locally and regionally.
- **Industry Size** – Component industries of an industry cluster must have sufficient size in terms of total employment, number of establishments and total sales in order to justify their inclusion in the cluster.
- **Regional Target** – Industry sectors/clusters that have been targeted within the broader region by the Upstate Alliance and/or the state, have been given higher priority in this analysis as a County cluster since they either already have a strong presence in the region (but not necessarily in the County) and/or, will be the focus of future marketing efforts by regional and state economic development organizations.
- **Local Fit** – The Local Fit includes both quantitative analysis and considerable professional judgment, based on community characteristics, industry preferences, specific industry composition and location-based activity. Based on weighted values of the four criteria noted above, as well as professional judgment, each industry sector has been given a ranking of very strong, strong, moderate, or stable.
- **Other Criteria** – Includes an assessment of local infrastructure such as the presence, cost and accessibility of highways, railroads, utilities, telecommunications systems, and the match of the region's labor force profile with industry needs.

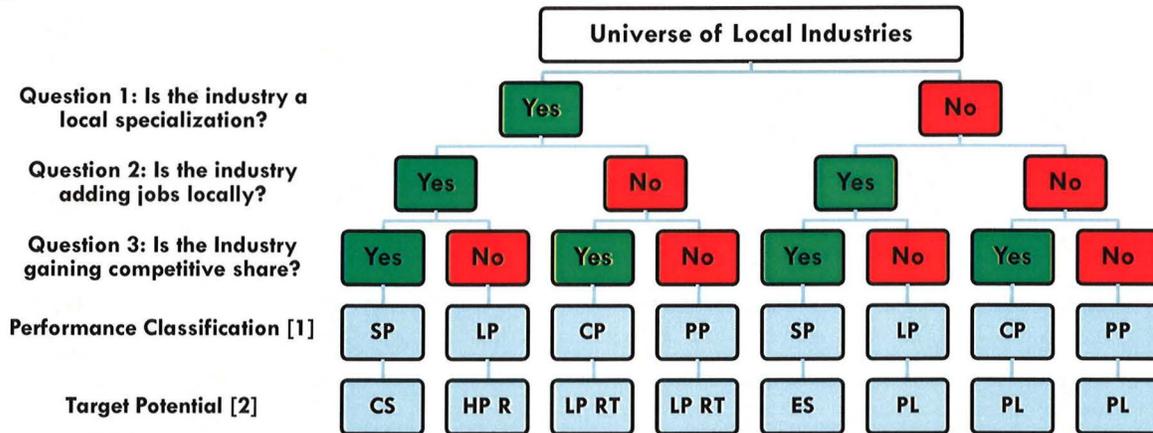
The multi-step process used to identify industry targets for Craven County is illustrated in Figure 5-3.

Figure 5-3



A more detailed illustration of the quantitative processes is provided in the following “Decision Tree” diagram (Figure 5-4).

Figure 5-4



[1] Performance Classification Codes: SP = Strong Performer; LP = Lagging Performer; CP = Constrained Performer; PP = Poor Performer
[2] Target Potential Codes: CS = Current Strength; HP RT = Higher Priority Retention Target; LP RT = Lower Priority Retention Target; ES = Emerging Strength; PL = Prospects Limited

Using the criteria described above, industry clusters recommended for further recruiting efforts by the County are summarized in Table 5-6 and described below.

Table 5-6
Priority Collaborative Industry Clusters
Craven County

| NAICS | Description | Craven County | | Employment Growth Rate '04-'10 | | Regional | |
|--|--|-----------------|-------|--------------------------------|--------|----------|-------------|
| | | Employment 2010 | LQ | County | Region | Target | Local Fit |
| #1 - PRODUCT MANUFACTURING | | | | | | | |
| 321 | Wood Product Manufacturing | 215 | 2.57 | -19.2% | 0.0% | Yes | Very Strong |
| 113 | Forestry and Logging | 145 | 11.36 | -37.2% | -35.7% | Yes | Very Strong |
| 115 | Support Activities for Agriculture and Forestry | 4 | 0.18 | 33.3% | 150.0% | Yes | Very Strong |
| 333 | Machinery Manufacturing | 170 | 0.77 | 448.4% | 50.0% | Yes | Very Strong |
| 335 | Electrical Equipment, Appliance, and Component Manufacturing | 746 | 9.50 | -38.1% | 50.0% | Yes | Moderate |
| 336 | Transportation Equipment Manufacturing | 328 | 1.14 | -56.6% | 25.0% | Yes | Very Strong |
| 311 | Food Manufacturing | 73 | 0.21 | -57.3% | -50.0% | Yes | Moderate |
| #3 - TECHNICAL, RESEARCH, CONSULTING & CORPORATE OPERATIONS | | | | | | | |
| 541 | Professional, Scientific, and Technical Services | 1,632 | 0.87 | -6.0% | 20.7% | Yes | Strong |
| 551 | Management of Companies and Enterprises | 211 | 0.31 | 210.3% | -27.3% | Yes | Very Strong |
| 512 | Motion Picture and Sound Recording Industries | 36 | 0.47 | 38.5% | 0.0% | Yes | Strong |
| 515 | Broadcasting (except Internet) | 191 | 3.05 | 34.5% | 20.0% | Yes | Strong |
| 522 | Credit Intermediation and Related Activities | 448 | 0.68 | -12.5% | 1.7% | Yes | Strong |
| 561 | Administrative and Support Services | 1,543 | 0.75 | 5.8% | 17.0% | Yes | Very Strong |
| #4 - HEALTH CARE | | | | | | | |
| 622 | Hospitals | 510 | 0.38 | -77.3% | 0.0% | No | Strong |
| 621 | Ambulatory Health Care Services | 2,543 | 1.72 | 12.8% | 9.3% | No | Very Strong |
| 623 | Nursing and Residential Care Facilities | 1,327 | 1.72 | 6.2% | -9.4% | No | Very Strong |

Source: County Business Patterns 2011, RKG Associates 2013

Target Industry Cluster #1 – Product Manufacturing

The manufacturing sector is the County and the region's fourth largest employment sector behind health care, retail, and lodging and dining. As of 2010, there were approximately 3,000 manufacturing jobs in Craven County representing 11% of its total private-sector employment. Within the Eastern Region, manufacturing jobs totaled over 15,700 and accounted for 7% of total employment. In Craven County, there are a number of strong subsectors within the industrial grouping including

appliances, wood fiber products, boats (transportation equipment), and machinery, as shown in Table 5-6.

Since 2004, the manufacturing sector has been experiencing employment losses as company's transition from older products and techniques to newer ones. Overall, the County lost approximately 25% of its base (978 jobs), while the region's employment declined by 33% losing over 7,600 jobs. Despite these losses, there are a number of local and national indicators that manufacturing employment likely will grow in a number of ways as companies reconsider off-shore options in favor of being closer to destination markets, as in targeting smaller production runs and new, high-tech products.

Based on the factors noted above, product manufacturing is considered to be a very strong fit for target industry recruitment efforts within the County. This will largely be a continuation of previous efforts but should not be overlooked due to the relative strength exhibited by historical growth rates. The implementation entity should, to the extent possible, work to ensure that existing businesses can attract and retain an adequate supply of labor, have sufficient infrastructure to grow their operations, and obtain available financial inducements. Encouraging the construction of new manufacturing facilities through regulatory policies, infrastructure and roadway expansion, and public private partnerships should be continued. Promoting use of the Norfolk Southern rail line, which has access to the Port of Morehead City, could also help to grow and attract manufacturing within the County.

A second aspect for consideration by the County with regard to this target cluster is the potential for growing the wood product and food manufacturing sectors. The wood pellet market experienced a large growth from 2006 when production was estimated between six and seven million tons worldwide, to 2010 when the global wood pellet production reached 14.3 million tons, thus recording an increase of 110%.²

Target Industry Cluster #2 – Technical, Research, Consulting and Corporate Operations

This target cluster includes the Professional, Scientific, and Technical Services category which employed over 1,600 of Craven County's workers in 2010. Of course, this subsector is strongly supported by operations at the Cherry Point Marine Corps Air Station and Fleet Readiness Center East. The arrival of advanced F-35 Joint Strike Fighter at Cherry Point (the first is expected to be delivered July 2013) should inject renewed vigor into this sector as defense contractors retool for the new plane.

Motion Picture and Sound Recording, as well as Broadcasting, are small but burgeoning subsectors that should be encouraged and nurtured. The County should seek the assistance of and work closely with the North Carolina Film Office to expand the Motion Picture sector. The outsized LQ of 3.05 and 34.5% growth in employment in Broadcasting can be largely attributed to New Bern's four television and ten radio stations, although it could be reasonably surmised that this market is at equilibrium.

Additionally, Craven County offers a high quality of life due to the number and accessibility of recreation features (particularly outdoor recreation) as well as a comparatively low cost of living. While these factors have been attracting retirees for years, they are strong selling points in attracting the home-based and small-scale professional services industry. Industries, such as the architecture and engineering sector, are steadily expanding beyond the traditional urban markets due to technology advances such as high-speed fiber optic telecommunications and affordable communication software (i.e. Skype). To this end, delivery of the "last mile" to the County's fiber and a concerted marketing campaign could attract small scale (under 5-10 workers) to the County.

The Administrative and Support Services sector is an important component to retention and recruitment. Comprises establishments performing routine support activities for the day-to-day operations of other

² "Global Wood Pellet Industry Market and Trade Study", IEA Bioenergy, December 2011

organizations are necessary to long-term sustainability. The activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services. Although the County's LQ was 0.75 in 2010, it nonetheless saw a 5.8% increase in employment while the region experienced a 17.0% increase. While not a direct target industry, the implementation entity needs to monitor satisfaction of existing businesses and work to maintain a high level of service through support for expansion/recruitment of providers.

Target Industry Cluster #3 – Healthcare

The Healthcare sector is an important component of the regional economic base. Healthcare-related jobs accounted for 23% of all employment within Craven County, totaling approximately 6,500 as of 2010, the largest employment sector in the County. The majority of this employment is related to ambulatory care (doctor's offices and clinics) and hospital operations. However, significant employment is also found in the nursing and residential care subsector (Table 5-6).

From a growth perspective, healthcare is the strongest industry in both Craven County and the Eastern Region. Between 2004 and 2010, the healthcare and social service sector was one of the few sectors that experienced a net growth adding over 4,600 jobs within the five-county region, representing a growth rate of 10.7%. Craven's growth during this time period was a bit more measured adding 1,409 jobs at a growth rate of 27.7%.

Given the existing employment concentration and historical growth of the local and regional healthcare sector, it is considered to be a very strong Local Fit as a target cluster for the County. Initial opportunities for growth in healthcare jobs are to work with existing providers to identify primary and specialty services currently not offered in Craven County. Another opportunity relates to Craven County's retirement population. The growing senior population will increase the demand for continuing care facilities and medical services as they age in place. Along with increasing geriatric care, there may be other opportunities to expand specialized treatment facilities based on further strategic planning with area healthcare leaders.

F. COLLABORATIVE TARGETS

In addition to the target industry clusters above, the analysis revealed the potential for Craven County to expand economic activity in areas outside the responsibilities of the newly formed economic development entity. In these instances, the Strategy Committee recognizes that the implementation entity should not lead these efforts, but can offer coordination support and technical expertise in expanding operations in these areas. The two primary opportunities include agribusiness and tourism development (Table 5-7).

Collaborative Industry Cluster #1 – Agribusiness

The importance of agriculture as part of the County's local economic base was clearly established during public input process. Based on the most recent Census of Agriculture³, the County had approximately 286 operating farms in 2007. The average size of farm was 248 acres with total land in farms reported as approximately 70,900 acres.

The total value of agricultural products sold in 2007 was approximately \$50.5 million, ranking it 48th in the state. Sales were almost evenly split between crops (including nursery and greenhouse products) and livestock and poultry. Grains (including oilseeds) were by far the largest commodity group in sales (\$12.4 million) followed by tobacco (\$6.2 million). Hogs and pigs accounted for the top livestock items

³ 2007 Census of Agriculture – County Data North Carolina, USDA, National Agricultural Statistics Service

(\$86.6 million) followed by ducks (\$4.1 million). Craven County ranks 6th in the state in aquaculture, with \$1.3 million in sales. The presence of an aquaculture operation in Craven County opens the real possibility of attracting a processing facility as a support operation. An alternative approach is to work with the Agricultural Cooperative Extension Center to develop a locally owned and operated processing facility.

Table 5-7
 Priority Collaborative Industry Clusters
 Craven County

| NAICS | Description | Craven County | | Employment Growth Rate '04-'10 | | Regional Target | Local Fit |
|--|--|---------------|------|--------------------------------|--------|-----------------|-------------|
| | | 2010 | LQ | County | Region | | |
| #1 - AGRIBUSINESS | | | | | | | |
| 339 | Miscellaneous Manufacturing | 37 | 0.27 | -54.9% | -27.3% | Yes | Moderate |
| 424 | Merchant Wholesalers, Nondurable Goods | 370 | 0.71 | -3.1% | -14.8% | Yes | Strong |
| 484 | Truck Transportation | 285 | 0.93 | 27.8% | -4.2% | No | Strong |
| 811 | Repair and Maintenance | 326 | 1.17 | -26.1% | -18.3% | No | Weak |
| #2 - ENTERTAINMENT & RECREATION | | | | | | | |
| 713 | Amusement, Gambling, and Recreation Industries | 327 | 0.94 | 1.9% | 0.0% | Yes | Strong |
| 721 | Accommodation | 346 | 0.80 | -5.2% | 33.3% | No | Very Strong |
| 722 | Food Services and Drinking Places | 3,187 | 1.41 | 4.4% | 15.3% | No | Very Strong |
| 487 | Scenic and Sightseeing Transportation | 1 | 0.20 | 0.0% | 0.0% | No | Very Strong |
| #3 - WAREHOUSING, LOGISTICS, DISTRIBUTION | | | | | | | |
| 484 | Truck Transportation | 285 | 0.94 | 27.8% | -4.2% | No | Strong |
| 493 | Warehousing and Storage | 159 | 1.02 | 278.6% | -20.0% | Yes | Strong |

Source: County Business Patterns 2011, RKG Associates 2013

This data illustrates that agricultural operations, particularly livestock, provide a notable contribution to the County's gross domestic product and serves to add diversity to the local economic base. As such, the County may want to consider exploring possibilities for providing support for these operations in several alternative activities. Typically, small farms sell their products to wholesalers for which they receive the lowest return on their investment. Therefore, any ways in which they can create value-added products would serve to increase direct revenues to individual farmers. Related to this issue is the fact that individual farms do not have the financial capability of creating and/or maintaining processing facilities, storage facilities (such as commercial freezers) for perishable goods, and the ability to pay for shipping of processed goods to various markets for final sale.

Given these considerations, the County may want to explore options for assisting local farmers, particularly livestock and aquaculture operations, which are likely to have the largest potential for increasing sales revenues from their operations. The first step in such a process would most likely be to conduct a survey of existing operations to determine how much estimated demand there might be for creating centralized processing, storage and distribution facilities amongst the County's farm operations.

Establishing an agricultural incubator might prove to be practical which could offer shared kitchen/processing facilities for certain types of produce, as well as business training in developing and marketing value-added products. Developing a local abattoir for processing livestock could also help to augment local operations and allow these operations to sell greater quantities to local markets and capitalize on the farm to table movement. Similarly, shared freezer/storage facilities could assist along these lines as well. Future growth in the warehousing and distribution targeted cluster could also help to support agri-business economic development efforts in the County.

Collaborative Industry Cluster #2 – Recreation, Hospitality, Tourism

A Tourism Development Strategy⁴ prepared in 2008 found that almost all of Craven County's visitor attractions have built their tourism appeal based on interpretation of local history. Indeed, downtown New Bern is the County's primary visitor attraction, drawing 60% of the destination tourists to Craven County. However, 60% of the visitors to Craven County are destined mainly for the beach, and state tourism data suggest that only 6% of North Carolina's tourists overall visit an historic site during their trip. The report concluded that the area needs more attractions for children and younger families.

As the Tourism Development Authority works to diversify the attraction base, the implementation entity could seek ways to coordinate the marketing of existing County assets while supporting the identification and development of additional outdoor activities attractions, including fishing, boating, hiking and biking.

Collaborative Industry Cluster #3 – Warehousing, Logistics, Distribution

Craven County does not have a well-defined warehouse/distribution cluster. While Craven County does not have sufficient interstate access typically required to support the expansion of this sector, it does have good access to highways, rail lines, and a port to support the transporting of manufactured products. Its logistics sector is much stronger than the region's, and the potential for expansion of the manufacturing sector should stimulate increased demand for local warehousing facilities and transportation services.

The County's existing concentration is on par with the nation, and employment growth in this cluster was relatively robust at 14% from 2004 to 2010. The regional concentration is weak (LQ 0.67) and employment growth declined by 15% over the same time period.

Most of Craven's existing warehouse/distribution building stock ranges from 2,000 square feet up to 30,000 square feet, with one property at over 80,000 square feet. These numbers indicate a sector that is currently serving local and regional demands rather than national. However, if Craven County can transition into manufacturing more products with global demand, the requirement for supporting logistics would naturally follow.

Craven County's rail and port accessibility will be the keys for expanding its logistics sector. The County's Norfolk Southern rail line has direct access to the Port of Morehead City. The North Carolina Ports Authority is currently considering the following improvements at the port: a wood chip facility; a wood pellet operation, which opens up the potential for shipping pellets from additional facilities on the rail line, and; a new container facility at Radio Island, which would open the potential for shipping an infinite variety of manufactured products. This creates a possibility for more concentrated warehousing and logistics operations in the County.

⁴ "Craven County Tourism Development Strategy", Randall Gross/Development Economics, 2008

6 IMPLEMENTATION STRATEGY

A. INTRODUCTION

The Craven County administration recognizes that a strategic plan for economic development is a critical component to improve the quality of life for County residents. Recent developments in the regional economic development landscape necessitate that Craven County take a more proactive approach with its own business and economic development initiatives, and otherwise develop a plan to help ensure its future economic prosperity. The first step in this process was to form the Economic Development Strategic Work Group (SWG), an assemblage of representatives from the business community (both active and retired), Craven Community College, real estate professionals, elected officials, and public sector administrators. The next step was to initiate the preparation of the plan contained herein. The County has also decided that it is in the community's best interests to create a new "Economic Development implementation entity" with the mission of carrying out initiatives and activities associated with countywide economic development.

Successful implementation of a comprehensive economic development strategy is a complex effort that requires coordination and cooperation from a number of stakeholders. Most recently, the various jurisdictions within the County have undertaken economic development efforts independent of one another. For a community the size and scale of Craven County, an effective implementation plan will require cooperative participation from the jurisdictions within the County, workforce and education providers, local businesses, financial institutions, community leaders, utility companies, Cherry Point advocates, regional marketing partners, and state officials to name a few. Ultimately, the ability of this new implementation entity to leverage local resources efficiently will require buy-in and support from a number of entities that share the common goal of building a robust and healthy economy that is both diversified and sustainable.

In the course of the work program, RKG Associates, Inc. (RKG) worked with the Craven County administration and the carefully organized SWG. The resulting implementation strategy reflects the unified vision of these stakeholders to promote a coordinated, efficient program that utilizes County resources towards job creation and retention. More strategically, this plan provides the "road map" for the County to succeed in attracting private investment within a competitive regional market. The following plan incorporates short-, medium-, and long-term initiatives that will enable the County to take immediate action on certain tasks as well as take initial steps in the planning for long-term projects.

It is important to note that the SWG also recognizes that the goals it has established are comprehensive, necessitating that the following action plan be a long-term, comprehensive vision for Craven County that requires substantial resources and technical expertise to execute. To this end, implementation of the entire program is anticipated to be incremental over several years as local capacity is developed and resources become available. The Committee recommends that the County, the implementation entity, and all stakeholders use the implementation strategy as a "menu" that offers the guidance to pursue all facets of economic development. The business plan established to guide actions for the first 12 months will have to prioritize the "menu items" based on the availability of funds and resources.

B. PROPOSED ECONOMIC DEVELOPMENT GOALS

The SWG defined strategic overarching goals to ensure the plan would be relevant to the County's mission and supportable by local and regional stakeholders. Specifically, the SWG recognizes the need to establish a plan that rallies support from internal and external partners, fully leveraging assets that will be available to the new entity for implementation. The implementation goals reflect the expectations the SWG has established. These goals are listed below:

- **To diversify the County's industry base** – Craven County recognizes the importance of diversity in its businesses and industry. The County is particularly exposed by having a disproportionately large amount of its workforce employed by Department of Defense operations at Cherry Point and FRC East. While the County is dedicated to preserving and expanding these operations, they also seek to promote the retention and growth of existing employment sectors and the development of new ones. This diversification effort envisions promoting a range of business sizes and industry focus.
- **To target industries that match the labor pool** – The availability of skilled labor ranked third out twenty-five of Area Development Magazine's Top Site Selection Criteria, confirming the importance of workforce characteristics in attracting and retaining businesses. Emphasis should be placed on the development of a larger pool of skilled workers and the retention of personnel separating from Cherry Point and FRC East.
- **To increase civilian job opportunities** – The Department of Defense (DoD) operations at Cherry Point and FRC East employ approximately 13,900, or 43% of Craven County's at-place employment. Increasing Craven County's civilian job opportunities would accomplish several beneficial objectives: employ the spouses of DoD workers, thereby increasing the chances of retaining both them their partner in the workforce after separation from DoD; retain skilled workers who become separated from DoD but still choose to work; mitigate the overarching dependency on DoD operations on local employment.
- **To be more competitive statewide for business attraction** – Craven County must not only compete with other states who are aggressively courting new business and skilled labor, but other jurisdictions in North Carolina as well. The County must be assertive in its efforts to attract and retain businesses and be prepared to materially assist employers with both monetary and non-monetary grants. For better or worse, economic inducements oftentimes motivate business owners and entrepreneurs to relocate their businesses.
- **To encourage the development of jobs with average salaries around between \$40K to \$60K** – In order to stem the out-migration of skilled labor from Craven County, annual incomes must be commensurate with skill levels. The development of industries not related to local DoD operations should be emphasized.
- **To create a proactive business climate that eliminates or minimizes bureaucratic obstacles** – The economic development landscape is littered with failed prospects, not necessarily because of the lack of inducements or quality of life factors, but because other public agencies were not on board with the overall program. This often occurs when enterprises seeking to construct new facilities encounter regulatory obstacles in the approvals process. Peer jurisdictions have recognized these types of problems and have enacted certain policies to ensure that regulations remain adhered to while unnecessary hurdles are removed.
- **Encourage a unity of purpose to achieve common objectives** – A common misconception about economic development is that one area's gain is another's loss. Of course, economic development is not a zero-sum game. For example, a significant expansion of the Port of

Morehead City would directly benefit Carteret County through job creation, but would also present new economic and business development opportunities to Craven County as well. Likewise, the different jurisdictions in Craven County will benefit from the primary and secondary impacts of any new industry and employment in the County, so all should share the same goals and objectives.

- **Develop a quality workforce and deliver high quality training/education opportunities** – High quality education and training are goals that typically garner unanimous agreement and buy-in from the community. In addition to the continued expansion of customized workforce development programs to support existing and emerging industries, incorporating programs at the middle-school and secondary education level should be pursued.
- **Enhance the strength and sustainability of the military base** – Presently, there are three separate lobbying efforts underway to preserve DoD operations in Craven County: Allies for Cherry Point's Tomorrow is a regionally oriented lobby group, while both the City of Havelock and Craven County have hired their own lobbyist in efforts to save jobs at the base. Even if no new BRAC rounds get scheduled, the County must remain vigilant about mission downsizing, which will impact employment in the County.
- **Diversify the agricultural sector** – The comparatively strong presence of aquaculture operations in the County provides opportunities for attracting/developing a seafood preparation and packaging facility. Working with the local farmers and Cooperative Extension to demonstrate the capacity of agriculture to stimulate business growth should be a focus. By its very nature, the agricultural sector in Craven County holds a myriad of possibilities for diversification and new business development.
- **Grow existing businesses** – The retention and growth of existing businesses is probably the most important of all economic development activities, since it typically is less costly and intensive than recruiting new business. The success of existing businesses offers proof of the economic vitality of an area. Furthermore, businesses content with their community become ambassadors to existing and new entrepreneurs.
- **Foster entrepreneurialism** - The findings of numerous studies have drawn a recurring conclusion: successful homegrown businesses are the most likely to maintain their roots in a community. While transplanted firms remain important to local, regional, and state economies, a specific focus should be spurring innovation and nurturing the growth of new, homegrown enterprises. Focusing on this effort not only activates a generally overlooked opportunity, it also promotes greater economic diversity for the County.

C. THE COLLABORATIVE APPROACH

Communities that experience success in job retention and recruitment share a common attribute: a well-coordinated, centralized implementation effort with a single leadership group. The proposed implementation entity will need to foster coordination and collaboration among local jurisdictions and stakeholders in each facet of economic development. Without true buy-in at a strategic level, it will be very difficult to generate buy-in for implementation efforts.

The new implementation entity should build on the efforts and success of the groups that preceded it, such as the Committee of 100, while forging stronger relationships with strategic partners in order to fully leverage their broad range of resources. The implementation entity can also play an important strategic leadership role in working with and coordinating efforts of the numerous workforce development, education and job-training providers. The following organizations have all contributed to

Craven County's economic prosperity and will continue to do so, and should be engaged as strategic partners in the early stages of the implementation entity:

- The City of Havelock
- The City of New Bern
- Craven County Committee of 100
- New Bern Area Chamber of Commerce
- Havelock Chamber of Commerce
- Craven Community College
- Craven Community College Small Business Center
- Craven County Cooperative Extension Center
- Allies for Cherry Point's Tomorrow
- Electricities (electric utility, economic development department)
- Duke Energy Progress (electric utility, economic development department)
- North Carolina Department of Commerce
- North Carolina State Ports Authority
- Others, as appropriate

Of paramount importance will be the working relationship established with the proposed new "prosperity region" group to be formed subsequent to the dissolution of North Carolina's Eastern Region. As proposed, the new prosperity region will align Craven with other counties possessing more common characteristics, and will have an N.C. Department of Commerce employee stationed in the region with direct ties to Raleigh. Craven County should capitalize on this opportunity to take a leadership role in the formation of their new regional economic development partner, and otherwise take full advantage of their services.

The level of effectiveness and success of the new implementation entity will be determined by the commitment of the Craven County business community, the Craven County government, Craven County municipal leadership, and key implementation stakeholders. To lead the Strategy implementation successfully, the implementation entity will need to educate local private and public sector leaders to achieve "buy-in" on the value and need for a countywide economic development initiative to meet the primary objective of job creation and private sector investment. The implementation entity should also enhance its presence within the prosperity region and the State.

D. PRIORITY ACTION STEPS

The implementation strategy organizes the action steps into six topic areas most relevant to Craven County's current needs, opportunities and constraints. These categories include: [1] Workforce and Asset Development, [2] Market Development, [3] Organization, [4] Regulatory Environment, [5] Marketing Strategy, and [6] Outreach Initiatives. The policy direction of the plan was shaped through combining the vision of the SWG, the expectations of civic and government leaders, current market conditions, identified opportunities, and projected future market influences. The following narrative highlights some of the key efforts Craven County should undertake to position (and reposition) its new implementation entity and the entire Craven County community to maximize the effectiveness of existing potential resources in retaining jobs, growing existing businesses and attracting investment and development.

The following action items are considered to be a "priority" for economic development implementation in Craven County. Both RKG Associates and the SWG believe these action items are the core competencies necessary to create a viable, effective economic development effort. While the other actions identified and detailed in the implementation matrix are necessary to meet the full vision for economic development in Craven County, their implementation are considered to be subject to

available resources. The following sequential and concurrent actions are encouraged to be undertaken within the first two years and maintained in perpetuity. Numeric sequence does not denote a higher or lower priority, and the implementation action plan should maintain sufficient flexibility to respond to market dynamics and the circumstances at hand.

That said, the Board of directors for the implementation entity will have final decision on the approach and focus of economic development within Craven County. To this end, it is the full intent of the Craven County government, the SWG and RKG Associates that this implementation strategy serves as the guide for those efforts.

1. Workforce and Asset Development

Objective #1: Create a joint investment entity with all municipalities – The fund will be administered by an incorporated non-profit entity (preferably under the newly-formed implementation entity). Working closely with County, municipal and regional economic development entities, the non-profit entity will identify and implement capital projects that promote permanent job creation and tax base enhancement. Early activities should include developing investment/return formulas based on financial participation and building relationships with local and regional financial institutions, development interests, and real estate investors. Ongoing activities should include providing quarterly operating and financial reports for investor communities and holding annual town hall meetings for investors and the community at large to provide a "state of activity" report.

Objective #2: Prepare all remaining development pads at the existing industrial parks within the County – This will entail identifying remaining pad sites in the two industrial parks within the County, performing all necessary pre-development analyses (i.e. infrastructure, environmental...), and performing all site preparation work to make these pads "development ready" such as infrastructure access, grading, and environmental mitigation. Marketing materials for each pad site should be created providing details on a preferred use, development potential, infrastructure availability and cost, and land price.

Objective #3: Identify and invest in development sites for job creation – Ultimately, the best target parcels for supporting economic development are those most attractive to the end user. Building upon the previous task, there may be sites located in the County that offer more direct benefits to a prospect than currently is available. It is most practical to identify a range of opportunity sites with a variety of attributes, but with one thing in common: the owner must be willing to sell the property. Otherwise, access to transportation, visibility (or lack thereof), availability of infrastructure, compatibility with surrounding uses, proximity to suppliers and customers, urban/suburban environment, and a property's unique characteristics are key considerations for identifying and prioritizing opportunity sites.

Objective #4: Build a joint venture shell building within two years – Discussions with real estate professionals revealed that current market dynamics support the development of a speculative shell building with the built-in flexibility to accommodate a variety of tenants. The implementation entity should first confer with the North Carolina Department of Commerce to determine final building specs based on market demand, then work with the investment entity, utility economic development groups, and private sector to create a joint venture for construction and operation. An investment/disposition agreement should be formalized with all partners prior to construction. An initial footprint of 25,000 to 50,000 square feet with a minimum ceiling height of 32 feet should be considered in this process.

Objective #5: Advocate for the NC vocational diploma program – Vocational-technical educations (VTE) are a popular alternative to the more conventional secondary school curriculums. Graduates are often characterized as more prepared and capable by industry professionals, and are set to

enter a workforce where their skills and talents can be accessed and utilized almost immediately. The Commonwealth of Massachusetts has 63 VTE programs throughout the state. The popularity of VTE in Massachusetts is such that there are long waiting lists and specific entrance requirements. North Carolina recently passed legislation that will offer secondary school students the opportunity for certifiable vocational training, essentially creating a new “career ready” high school diploma, starting in the 2014-15 school year. The new implementation entity should be on the forefront of advocacy for this initiative, providing whatever technical support to promote vocational education in Craven County.

Objective #6: Develop and implement a middle school vocational track program – Middle school students should be fully aware of their educational options as they prepare to enter high school, particularly if they can choose between a conventional diploma or the “work ready” diploma proposed by the State’s vocational diploma program. This can be accomplished by expanding some vocational curricula into the middle schools. The County, through the implementation entity, should work with the Board of Education, Craven County Community College, and parent advocacy groups to identify specific needs and desires of the community, identify and emulate best practices, and develop implementation recommendations.

Objective #7: Create and operate a Craven/Coastal Region employment exposition – All students (and career transitioning adults) should be engaged early and often about the importance of education to their future earning potential. The implementation entity should work with the community college, neighboring economic development entities, and regional employers to establish an annual employment exposition. The objective of the employment exposition is to provide separate, specialized sessions for middle school children, high school children, and separating military personnel to engage these businesses about educational needs, potential career paths and typical incomes.

The exposition should be a two or three-day event that brings together regional employers to showcase the type of jobs available, the education and training requirements, and the salary ranges of these jobs. Ultimately, this effort is intended to be a bridge between the County’s current and future workforce and the companies that require them to be appropriately prepared for jobs. Given the potential for this to showcase opportunities outside of the County for local residents, the event could be hosted on a rotating basis with all participating economic development entities. Sponsorships should be sought from participating business to defray costs of holding the events.

A similar effort is currently implemented in Oconee County, South Carolina. The SWG recommends that the new implementation entity make contact with the Oconee County Economic Development Partnership to discuss how the event is organized and implemented; and hear about “lessons learned” on how to make the event as productive as possible.

Objective #9: Establish and implement a business needs survey – The business labor force needs survey is a mechanism utilized for assessing the employee skill sets required by local employers. The results are often used to identify the availability of labor, plan training programs to meet the needs of industry, or both. Although workforce development courses are offered by Craven Community College, they may not possess the resources to stay abreast of changes in technology and markets that businesses must respond to quickly. The implementation entity can employ its extended resources to conduct business labor force needs surveys on a revolving basis to support businesses and otherwise assist the Craven Community College Continuing Education efforts. Survey findings can be tracked over time to identify trends and fine tune programs.

As awareness of the survey grows, it can be expanded to serve as a comprehensive approach to identify workforce, market, regulatory, and growth needs of the County’s business base. At that

time, the results collected from this effort can guide any changes to existing business outreach approach and help define policy focus for the implementation entity.

Objective #10: Work with base leadership to implement a Cherry Point/FRC East separation survey -

Separation surveys are typically administered to civilian employees of DoD whose jobs are impacted by Base Realignment and Closure (BRAC) events. However, they could be employed as a useful tool for retaining Cherry Point/FRC East workforce members who are separating for other reasons, such as retirement or downsizing. Information obtained from the surveys could be used to match available skill sets to the needs of local industry, and otherwise curtail the “brain drain” from the local workforce. More specifically, the survey can help the implementation entity identify they type of jobs being sought by this group, and help identify shortcomings of the community (beyond job opportunities) from those respondents that indicate a lack of desire to stay Craven County. To this end, the results of the survey could serve to help define future implementation efforts and partnership opportunities to address these needs.

2. Market Development

The SWG expressed a strong desire for Craven County to be more proactive in business recruitment and retention efforts to diversify the County’s economic base. In other words, the final business plan should seek a balance of effort to support and attract everything from small-scale (up to 250 jobs) employment centers to small start-up businesses. The target industry marketing campaign involves three basic steps: [1] target identification, [2] target communication, and [3] recruitment. Each step builds on the success of the previous step. However, the steps should be repeated on a regular basis as new companies are developed, leadership within companies change and the local, regional and national markets consistently shift. Furthermore, the marketing process will vary from company to company, oftentimes requiring a long ‘courtship’ process.

Objective #1: Formalize an existing business retention program – The implementation entity should utilize strategic partners to develop a coordinated existing business outreach effort, focused on operational needs, workforce needs, and regulatory/policy needs. A centralized industry leader database should be maintained by the new implementation entity, but accessible to strategic implementation partners such as the municipal economic development entities and the local Chambers. The implementation entity and/or its ambassadors should perform 25 targeted business outreach visits annually, and findings of the business survey instrument should inform whatever assistance is rendered to business.

Objectives #2, #3, #4: Proactive industry recruitment

Focus on target industries – Target identification involves developing, maintaining and expanding a list of businesses within the identified industry clusters to actively contact and recruit. The SWG recommends the implementation entity utilize the following methods to identify potential leads for recruitment. First, contract with a business database company, such as Dun and Bradstreet, to collect contact information for all businesses within the targeted industries. These services generally are fee-based, often charging by the record. Second, work with industry specific roundtables to define market opportunities and identify potential target markets in context of the target industry clusters. For support/collaborative target industries, the entity should work with local manufacturers and primary employers to identify vertical and horizontal supply chains of businesses that operate in Craven County but do not have a local presence. The entity should join professional associations related to the industries identified in the industry cluster, advertise in their trade publications.

Communicate with targets – Target communication includes all interaction between the implementation entity and prospects from initial contacts and follow-ups to face-to-face meetings. The communication process should be initialized through a direct mailing campaign, using the

target list developed in the last step. The initial mailing should be followed up with a direct phone call within two to three weeks. The phone call should be made by either staff or an ambassador. If this is a referral, then the person making the referral should be involved early in the process.

Attend industry oriented events – The implementation entity should monitor regional event center schedules for relevant conferences, trade fairs, business expos, and the like to network and promote the County as a great location for business. The New Bern Convention Center is the obvious venue to showcase the County at every opportunity, but events in Raleigh and other statewide venues should be considered as well. In addition, Craven County should explore the possibility of piggybacking on the NC Department of Commerce attendance at national events.

Implement targeted recruitment trips – Strategic site visits should be conducted as part of a comprehensive business recruitment strategy. These trips oftentimes identify between 10 and 15 prospect companies within a confined geography (within the northeastern U.S. is recommended) for one-on-one visits. Developing these target lists and establishing these trips typically are coordinated with consultants that specialize in prospect identification and development. The implementation entity should utilize this approach initially, considering the cost/benefit of developing this capacity in-house.

In addition to outreach trips to industry targets, the implementation entity should consider hosting individual and groups of prospects. Hosted events should be themed in nature (i.e. vertical supply chains for existing companies, target industries...), lasting between 2-3 days. The event should be highly structured, integrating social events with ambassadors/local industry leaders with information sessions and strategic site visits. Partnerships with local, regional, and statewide economic development entities to implement site visits are highly recommended in the short term. This approach provides many advantages to the implementation entity, most importantly the potential to leverage additional staff and financial resources.

Partner with Craven County Cooperative Extension Center – The diversification and expansion of agriculture and related industries will provide the County with business development potential far into the foreseeable future. The implementation entity should work closely with the local extension center to define market opportunities and identify potential processing and/or research initiatives. The implementation entity should bring its resources to bear to help nurture and grow agricultural sector spinoffs that are sure to contribute to Craven's future economic prosperity.

Establish partnerships with utilities – Energy providers have long been supporting economic development in the communities they serve through services and initiatives that help attract companies and jobs. For example, Progress Energy, one of six electricity providers in Craven County, recently worked closely with the Person County Economic Development Commission and the N.C. Department of Commerce to help bring CertainTeed Gypsum's \$160 million wallboard manufacturing plant to Roxboro, N.C. Utilities are often an initial point of contact for companies seeking to relocate and/or expand, and offer site location services as well. Contact with utilities' economic development representatives should be made early and often.

Objective #6 (Action 4) Perform a market analysis to create a small business incubator in Craven County – Business incubators can be very effective in ensuring the success of local start-up companies, primarily by providing low cost space during their formative period. Since they are typically public sector supported, it is prudent to conduct cost/benefit analyses to assess their viability. A first step in this analysis may be to survey outgoing Craven Community College graduates in order to ascertain some measure of demand, and otherwise inform a development program (which could involve the reactivation of existing vacant space, for example).

The SWG envisions a process where the implementation entity becomes a connection point for property owners (physical space), investors (funding), mentors (business planning), and

entrepreneurs (products and ideas) in creating opportunities for companies to grow and prosper. It is recommended that any entrepreneurial program developed in Craven County be modeled after the National Business Incubation Association (NBIA) best practices approach and vetted through the Small Business Center at the Community College.

3. Organization and Coordination

Objective #1: Create a 501(c)(3) implementation entity – The first key step in organization is to establish a 501(c)(3) entity under which all countywide economic development functions will be administered. Simply put, the proposed goals and objectives identified by the SWG require a comprehensive effort that will need the input and participation from all of the County-based implementation partners (i.e. the municipalities, the Community College...). Creating an entity outside the auspices of a single governing body enables the implementation partners to equally participate in the development of a countywide business plan, make decisions on specific approaches, and guide go/no go decisions on industry retention, expansion, and recruitment. Furthermore, none of the existing stakeholders have the capacity or capability of executing this strategy alone. The 501(c)(3) approach offers these partners the means to pool their resources and assets into a single “voice” for Craven County.

Along these lines, the 501(c)(3) also provides the opportunity for Craven County’s business community the opportunity to participate in economic development implementation. It is RKG Associates’ experience that the most successful economic development entities are ones that activate the local industry leadership as direct partners, both financially and programmatically. Given the level and depth of experience and interest just on the SWG, the County has substantial resources available outside the government structure. However, this level of effort from the private sector requires some level of direct influence over decision-making and strategic planning. To this end, the implementation entity is envisioned to have substantial private-sector representation among its Board members.

The entity should be structured so the staff is employed by Craven County, with the mission and implementation actions being decided by the Board of directors. While the final make-up of the Board will be determined through collaboration amongst the stakeholders, the SWG recommends the following structure for consideration: A 15-person Board of directors for the implementation to include representation from Craven County, the Cities of New Bern and Havelock (if investors), Craven County Community College, Cherry Point MCAS, and strategic private-sector stakeholders. A detailed business plan should be created based on the priorities and available resources to implement the comprehensive economic development strategic plan detailed herein; to be reviewed and updated annually.

The proposed structure provides the following benefits to Craven County:

Instant credibility – Removing these efforts from the direct control of a government entity will provide an almost instant message to the business and development community that the Craven County community is serious about success. Independent, non-profit economic development entities are able to separate more easily from political and administrative nuance in the development process since direct accountability is to the Board of directors, and not an elected body. There are several examples of this model for similar sized communities (i.e. Wayne County) where a quasi-governmental economic development entity has produced success. It is the Strategic Committee’s position that maintaining this independence is critical for success.

Greater flexibility – Having a singular economic development entity outside administrative controls also allows the Board of directors more flexibility in staffing, outreach, community and business interaction, and implementation. Simply put, jurisdictions must follow certain

procedures and protocols that independent non-profits do not. For example, procurement procedures typically are much different for an independent entity than they are for a governmental body. In addition, it was made apparent through this effort that having the economic development implementation entity outside of government to garner private support, both financial and strategic resources, in Craven County.

Unity – Under the current configuration within Craven County, there is the potential to have three separate entities performing portions of the functions that a comprehensive economic development entity typically manages. Since the County has decided to restructure economic development efforts, the cities of New Bern and Havelock have begun developing parallel missions. Given the scale and capacity of all three governments, it is the SWG's and RKG Associates' opinion that implementation will be less effective if the three governments approach economic development separately. Bringing these entities under a single organization with a unified board of Directors allows for better coordination and efficiencies in costs while reducing the potential for disjointed and counterproductive action.

Accountability – Despite the increased credibility and greater flexibility, a single, outside economic development entity ultimately will be more accountable to both the public sector entities and private sector investors. While initial funding almost exclusively will be generated by the local governments, the implementation entity will have to provide detailed accounting of its efforts, successes and failures to each investor. Assuming the investors enter into an agreement with the implementation entity that has a performance clause, then the cities, County, and private investors will retain a level of oversight with the implementation entity and can de-fund the entity if it does not meet its stated deliverables.

The initial step in creating the implementation entity is to establish an organization and board structure that capitalizes on the private sector talent in Craven County while ensuring the community benefit component remains the primary focus.

Board Members – The SWG recommends that the County organize the new implementation entity with 15 appointed Board members composed of private sector, strategic partner organization and public representatives. The proposed Board should include:

- 3 appointees – Craven County government
- 3 appointees – City of New Bern government
- 3 appointees – City of Havelock government
- 1 appointee – Craven Community College
- 1 appointee – Cherry Point Representative
- 4 appointees – at large (selected by the 9 government appointees)

The three appointed government representatives for each jurisdiction should be the manager, an elected official or other staff member, and a private-sector individual that does not hold an elected position. The private-sector individual should be someone that understands economic development for their nominating government. The four at-large seats should be individuals (not elected) that are willing to provide direct financial support to the organization in the form of a financial contribution. The “buy-in” for the governments and the at-large seats are proposed at:

- Craven County - \$250,000
- City of New Bern - \$125,000
- City of Havelock - \$75,000
- At large members - \$12,500 each
- Other sources – as donated/collected

The Craven County Community College and Cherry Point representative should not be required to provide financial support, but should be encouraged to provide in-kind contributions (i.e. staff support, data collection) to support countywide economic development efforts.

RKG Associates recommends the County and other implementation partners strive to make the new implementation entity structure as autonomous as possible. While the RKG Team recognizes that the implementation entity and the local governments must work as partners in economic development, it is the Consultant's experience that implementation entities are most successful at building legitimacy with the business and development community when they are headed by individuals with substantial expertise in economic development issues (i.e. finance, workforce, business, real estate, etc.) and less influenced by the political component of government administration.

Staffing – The new implementation entity will require a broad range of skills and staffing to implement the plan successfully. The SWG is recommending the new implementation entity be staffed by two professionals in the short term supported by a marketing consultant, with the potential of adding additional professional staff members as efforts increase and expand. The new implementation entity staffing plan includes:

Executive Director – The executive director should have three primary responsibilities: prospect recruitment; stakeholder coordination; and relationship development. In terms of prospect recruitment, it is envisioned that the executive director represent Craven County at industry trade association events, regional and statewide economic development efforts, and direct outreach. This position also requires this individual to be able to build relationships and work with all of the County's implementation partners to ensure seamless coordination and action. Strong interpersonal skills are a necessity. Finally, the executive director should be leading countywide efforts to build relationships with the development, investment, site selection, and real estate communities. It is equally important to build those relationships locally and regionally.

It is highly recommended that the executive director have prior experience in creating an economic development entity and effort from scratch. While this document will serve as a critical guideline for initiating a successful economic development effort, it is impossible for the SWG to anticipate and mitigate all potential issues and challenges that might occur within the next 12 to 24 months as the implementation entity begins operations.

Economic Development Manager – The economic development manager should be tasked with assisting investors and developers going through the development process with the local jurisdictions. The economic development manager should manage and operate the ambassador program, working with local business leaders to identify and develop private-sector partners. This staff member should be familiar with the different regulatory procedures for each of the county's jurisdictions and have a strong understanding of staff responsibilities throughout the various departments in order to know whom to contact about a particular issue. Finally, the economic development manager should oversee the implementation entity's existing business retention efforts including the annual business survey.

Marketing Director – The marketing director should be charged with three main tasks. First, the marketing director should develop and coordinate a more comprehensive and efficient information-sharing program between the implementation entity and the various public and private-sector partners. The information sharing process should be a multi-media program that informs prospects, partners, and interested community members about the progress by the implementation entity. Second, the marketing director should be tasked with updating and maintaining all marketing materials, keeping them current

and relevant to the mission of the implementation entity. Finally, the marketing director should be coordinating with the various government, community and interest groups on events taking place related to the marketing and promotion of Craven County. These should include, but not be limited to Convention and Visitor's Bureau events, business recruitment trips, trade show exhibits and public ceremonies.

Establish local partnerships – Craven County's jurisdictions and subdivisions will be clients and beneficiaries of the implementation entity. In many instances they will be the preferred final destination for many businesses prospects considering locating in Craven County, and the needs of the business prospect must be the County's top priority. Therefore, Craven County, New Bern, Havelock, Vanceboro, Bridgeton, and the other municipalities must agree that an effective and cohesive economic development partnership will be in the best interests of all parties. The municipalities of New Bern and Havelock should have full representation within the implementation entity, with rotational membership available for smaller jurisdictions.

Take leadership role in creation of regional group – The passage of the bill dissolving North Carolina's Eastern Region that will free up economic development funds for use by individual counties in a manner they deem most appropriate to their own circumstances. The bill will also allow the State to form new prosperity regions comprised of counties with common characteristics and interests. The Craven County implementation entity should seize this opportunity to take a leadership role in the formation of this group, and forge a strong relationship in order to more effectively identify mutual interests and achieve common objectives (e.g., expanded operations at the Port of Morehead City).

Establish statewide partnerships – The North Carolina Department of Commerce Business and Industry Division is actively involved with business recruitment and expansion efforts. There are nine regional offices located throughout the State (the Eastern Regional Office is in Greenville). Existing Industry Specialists in each regional office assist businesses and economic development agencies with retention and expansion services. The Department of Commerce also maintains international investment offices in Canada, Europe, China, Japan and Mexico, whose function is to educate international companies about opportunities in North Carolina, and respond to a company's initial inquiry about the state with relevant data and contacts. The development of a strong relationship with the Department of Commerce should be a top priority for the Economic Development Entity.

Regional coordination – The implementation entity should identify common interests with its regional allies and develop partnership strategies to promote initiatives with potential regional benefits. For example, four counties in South Carolina are currently considering investment in an intermodal transfer facility in a proposed 3,000-acre industrial park that will create the capacity to move goods by rail to and from the Port of Savannah. Likewise and closer to home, Carteret County has a large stake in the retention of jobs at Cherry Point, and could help bolster Craven County's efforts in that regard.

4. Regulatory Environment

Objective #1: Create consistency for local development review process – It is RKG Associates experience that seemingly successful business recruitment efforts have ultimately failed when the business prospect encountered cumbersome and confusing development approvals processes. For this reason, Craven County's municipalities should collaborate to create consistent development review processes within the county to support economic development efforts. The creation of overlays for targeted job creation areas will create consistency of land uses in and around employment nodes in order to minimize conflict between incompatible uses. Grant zones can also be established to encourage businesses to locate in appropriate areas.

Objective #2: Consider regulatory support zones in the County – While the SWG and RKG Associates recognize that zoning is a contentious issue in Craven County, there is no better way to ensure that non-confirming uses will be developed in close proximity. This is a very important subject for a company about to invest millions of dollars in capital improvements. Unfortunately, there is case law throughout the U.S. where companies who pre-existed encroaching development have been forced to shift business practices as a result of incompatible development. This is already an issue in Craven County surrounding Cherry Point. The community has rallied to ensure potentially harmful development does not occur in areas that could impact the base. The same issues exist for large employers, particularly manufacturers and capital-heavy companies.

If countywide zoning is not an option in the short-term, the County should explore the development of overlay zones for properties/assets identified as potential job creation areas. In this case, the County establishes a form of “buffer” in which only certain kinds of development can occur to protect the capital investment of job-creating entities.

A final approach if the previous two are not possible is the establishment of grant zones. In this instance, the County defines specific geographic areas where certain grants are available. This approach provides incentives for property owners and investors to make certain decisions rather than limits what can be developed. While this may be more palatable, this approach is more challenging in implementation. First, the grants available have to offset the potential benefit from other development. Defining these thresholds accurately is expensive and would require constant updates. Second, it does not offer guaranteed protection, which leaves the uncertainty for the business prospect.

Objective #3: Develop a toolbox of grant offerings – The County should expand its formulaic grant structure to a broad number of economic development grant tools for projects that meet specific thresholds of job creation and/or tax base enhancement. Public grant requirements should be formalized for prospects, eliminating the uncertainty of qualifications and/or access to specific programs. Grants should be based on the size of the company/project most suitable for the program (i.e. loan assistance for start-up businesses vs. tax reimbursement for large job creation). Grants could include utility tap fee reductions, infrastructure assistance, tax reimbursements, tax allocation districts, land acquisition assistance, and expedited development review processes.

Objective #6: Develop criteria for pursuing public/private partnerships – Criteria should be defined where the implementation entity and the investment entity (if separate) will be willing to pursue public private partnerships and/or joint ventures. Specific requirements should be established and put forward for consideration, eliminating uncertainty in the private sector. Concrete “claw back” procedures need to be established for projects that do not meet contracted thresholds (i.e. job creation or tax base enhancement). The potential for creation of a capital projects fund should be explored, that will serve as the equity pool for the implementation entity or investment entity (if separate) to engage in public private partnerships or joint ventures.

5. Marketing Strategy

Objective #1: Establish a unified County business recruitment and retention marketing strategy – The entity should develop and implement recruitment trips sponsored by the County and hosted by local business leaders, bringing target businesses for short-term networking and recruitment events. Targeted business appreciation events should be held for existing industries within Craven County, providing local businesses an opportunity to network and learn about education/financial programs. Efforts should be coordinated with local, regional, state, and private sector partners, including utility’s economic development departments. The entity should join at least one trade association in each target industry.

Objective #7: Develop a County-wide economic development website – A new Craven County website should be developed to provide information to prospects, partners, stakeholder, and the community with target industry information and digital copies of all marketing collateral. The website should be Organized by the following categories: industry and site selection, business development, and community awareness. Available sites and buildings information should be offered via data sources that combine local information (i.e. City data) with other sources (i.e. broker community). A listing of all incentive, program, and policy information that supports economic development should be provided, along with a more detailed workforce and training section highlighting available programs and incentives connected to the Small Business Center website. A section should also be included that cross-markets tourism and cultural-based economic development amenities/opportunities with the local CVBs, Chambers, and downtown development groups.

Objective #8: Implement a digital/social media outreach effort – A Craven County economic development presence on Facebook should be established with weekly updates and connections to monthly newsletters. Twitter and LinkedIn accounts should also be created. All promotional materials should be translated into other languages, beginning with German, Spanish and Chinese. Commit to consistently and frequently updating and maintaining these efforts and relationships.

Objective #9: Develop and print customized, professional marketing materials – Providing marketing collateral to existing and prospective businesses is a tool that can serve many purposes. They are a quick way of showing prospective companies the benefits of doing business in Craven County. These materials can also be used as part of an introduction with businesses that help open the door to further dialogue. Existing businesses would also benefit from marketing materials as it provides reasons for why it is beneficial to continue operating in the County and what programs/incentives are available to help these companies thrive.

Consistently updating this collateral, particularly those related to projects currently under development, is important because these materials not only promote advantages to locating locally, but also provide a status of success for new growth. Other general recommendations from the SWG include: [1] ensure there is uniformity in design and print quality on all materials; [2] update data and figures utilizing nationally recognized data sources, which is particularly true for web-based materials; and [3] critically review content in each document on whether it is necessary for inclusion and limit the size of documents.

The new marketing brochures should be no more than a single 11x17 sheet folded in half. However, a single 8.5x11 sheet printed on both sides or tri-fold is preferred. The marketing materials should cover six main topic areas:

Quality of Life – The quality of life brochure should focus on the intangibles of living and working in Craven County, highlighting the live-work-play concept of choosing Eastern North Carolina. The content should emphasize factors such as cost of living, crime information, school performance, community diversity, proximity to transportation and urban markets, and quality/variety of leisure activities. This material is particularly valuable in the professional services recruitment and entrepreneurial development.

Target Industry Materials – The new implementation entity needs to create industry-specific marketing materials for each of the target industries. Each document should be customized based on the particular cluster. The documents should highlight information including employment and establishment growth data, current businesses operating in the County, competitive advantages of operating locally, unique incentives available (where applicable) and local business contacts (ambassadors).

Incentive Sheet – A series of incentive documents should be created that detail all local, County, state and federal incentive programs. Each incentive sheet should focus on those programs relevant to the particular industry group being targeted. Prospective businesses can use this document to gauge the financial benefits to doing business in Craven County, and existing businesses may be alerted to incentive programs they were unaware of, therefore helping to ensure their continued presence in Craven County.

Business Testimonial Book – Craft a business testimonials book with written statements from existing industry leaders on topics ranging from quality of life, business climate, market performance and personal preference on choosing Craven County to do business. Getting input from companies such as Moen, B/S/H and Weyerhaeuser are valuable to industry recruitment, but it is recommended that a wide range of business leaders who have been historically successful be interviewed for the testimonial book. Individual testimonies of leaders from business in the target industries should also be included in the target industry brochures.

Technology Sheet – Craven County should compile a marketing piece on the quality and performance of technology assets in the County (i.e. high-speed internet, cellular and data services...). This material will become increasingly valuable as Craven County coordinates any “Last Mile” investments.

Property Highlight Sheet – Often call a property showcase book or priority property book, the spotlight property materials should be customized to the known needs of the prospect being targeted. For example, a warehousing prospect will not be interested in an office building or piece of land without good transportation access. In today’s just-in-time production effort, having immediately available, relevant properties for a prospect to consider oftentimes is the difference between success and failure.

6. Outreach Initiatives

Objective #1: Consolidate the region’s advocacy initiatives surrounding Cherry Point and FRC East into a single, unified effort – All of the separate Cherry Point lobbying efforts should be consolidated under a single approach, most logically in the regional effort (ACT). Alternatively, work to assign complementary roles and responsibly if unification is not possible while continuing to push for a unification of effort.

Objective #2: Develop an F-35 platform readiness plan – At the time of writing this report, the Marine Corps has not rendered a decision on how the F-35 platform will be allocated between Cherry Point and Beaufort. While much of the decision is determined by the assets on the base (which are out of the control of Craven County), there will be need for off-base infrastructure to serve civilian contractors. The SWG recognized that current conditions are not sufficient to promote as being “mission ready.” To this end, the County has the opportunity to better prepare to receive all or most of the new operations and the spinoff needs resulting from that allocation.

It is important to note it is NOT recommended that the County make substantial capital investments, particularly for physical structures, at this time. Rather, the SWG recommends that the County, the Cities and the utility providers create partnership agreements that can be marketed to the decision makers within the Marine Corps. The approach is a four-step process:

Communicate with F-35 contractors – The implementation entity should communicate with contractors that are part of the F-35 mission to identify their potential off-base needs if operations are moved to Craven County. These discussions should focus on their proximity needs, building needs, and infrastructure needs. From these discussions, the implementation entity can refine its strategy on land identification and infrastructure agreements.

Identify a new commerce park location – Until the first task is complete, the implementation entity should seek real estate assets that meet a minimum standard for defense-related contractors (i.e. within a 10-minute drive of their contracting body). To this end, RKG Associates encourages the implementation entity to seek 250 to 500 contiguous, developable acres that is within two miles of a gate and along major road). The key recommendation here is for the implementation entity (or the investment fund) to execute an option on the land, and not an outright purchase. This is significant because it is important to show the Marine Corps that the asset is available but it is also important not to be saddled with an asset that does not meet the other economic development opportunities in the County.

Establish joint services agreements – Similar to the real estate approach, the implementation entity should work with the County, the Cities and the utility providers (water, sewer, electricity, fiber optic) to develop a joint service agreement that ensures there will be adequate capacity for the commerce park and there will be fixed, preferred pricing. Utilizing an agreement shows that the community is prepared for the development, but not committing investment until the need is realized. The SWG does recommend the creation of an infrastructure development plan that outlines how this park will be served within 12 to 24 months of project initiation.

Establish workforce development programs – Similar to the Community College's effort to develop the aviation systems technology (AST) program, efforts should be made to establish programs necessary to support the contractors that would locate in Craven County for the change in platforms. This effort is directly tied to the contractor outreach, which will help define the potential need. The resulting "implementation ready" programs can be marketed to the Marine Corps as further proof that Craven County is prepared for the F-35 missions.

Objective #3: Participate and advocate for the improvement and expansion of port operations in Morehead City – The implementation entity should be a strong advocate for expansions and improvements at the Port of Morehead City. The planned woodchip export facility at the port is projected to directly create 200 jobs in the timber business and hundreds of other jobs in related fields. A container facility on Radio Island is currently under consideration, the development of which will open a host of new business development opportunities. Craven County's rail access to the port is one of its key economic development assets, and should be capitalized upon.

Objective #4: Actively participate in the planning and development of improved regional road networks – Given the correlation between the Marine Corps environmental analysis of the eastern region and the roadway improvements identified therein, the County, the implementation entity, and the entire eastern North Carolina region should advocate and support the implementation of the U.S. 70 and U.S. 17 highway improvements.

Objective #6: Build stronger relationships with local and regional financial institutions – A financial industry focus group should be established to include representatives from both the debt and equity financing sectors. Quarterly meetings should be held to identify industry trends and projected changes, identify potential issues with business or development financing, and develop creative solutions to encourage economic development. Informational materials should be developed for existing businesses and industry prospects on the availability of various financial programs and incentives.

Objective #7: Build more strategic relationships with the site selection and real estate community – The implementation entity should engage local and regional real estate professionals early on, and keep them aware of development projects and other opportunities through continued communication on a regular basis via personal contact, networking events, print and digital media. The entity should also establish relationships with national site selection consultants through targeted outreach, one-on-one meetings, and participation in and sponsorship of consultant conferences and forums held throughout the year.

The SWG recommends hosting one networking event annually for real estate developers, site selection professionals, and investors with local industry leaders. Events should be 2-3 days, including a series of social activities and information sessions on opportunities and efforts in Craven County. A number of consultants specialize in creating and implementing these events. The implementation entity can use these services until the expertise is developed in house.

E. POTENTIAL COSTS

The potential costs of implementing the comprehensive economic development strategic plan fall into two categories; one-time start-up costs and operational costs. The start-up costs are singular cash infusions into programs or investments intended to catalyze a specific program or effort. These costs are not expected to reoccur unless the implementation Board of directors and the organization's investors agree. Operational costs are the costs to administer and implement the various marketing, outreach, and recruitment efforts. These costs are presented as annual outlays, recurring each year. It is important to note these cost estimates do not account for how these costs are paid (i.e. either appropriations or outside sources). The newly-formed 501(c)(3) will have the capability of seeking sponsorships, donations, in-kind services and grants whenever possible.

1. One-Time Costs

RKG Associates estimates the one-time, initiation costs will range between \$100,000 and \$200,000 in various consulting efforts to establish the entities marketing presence (i.e. the design and printing of all collateral; the development of a website...) and determine the feasibility of several potential projects. Other potential initial investments include computer systems and furniture for the implementation entity. One of the larger investments is the fit-out of a permanent home for the implementation entity. It is strongly recommended that the implementation entity be located outside a governmental building. The implementation entity Board of directors will have to work to identify a spot most appropriate for the new organization.

2. Staffing

The staffing recommendation (three positions) are projected to cost between \$200,000 and \$250,000 annually (salaries and benefits). The executive director position likely will range between \$75,000 and \$100,000; the economic development director likely will range between \$45,000 and \$65,000; and the marketing manager likely will range between \$35,000 and \$50,000 in base salary. The eventual hiring of an administrative assistant will increase the annual cost by \$15,000 to \$25,000 (base salary) above the initial range.

3. Operations

Based on how aggressive the industry recruitment and retention programs are implemented, operations could run between \$150,000 and \$250,000 annually. Much of this cost is in the development and implementation of industry recruitment trips (particularly international trips), prospect visits, networking events, and collateral distribution (i.e. mailings). The number of these events/opportunities that can be funded by this budget will be influenced by the implementation entity's ability to leverage efforts of the newly-formed regional economic development entity and the state Department of Commerce.

F. IMPLEMENTATION MATRIX

The following implementation matrix presents the full range of objectives and corresponding action items for consideration when creating the implementation entity's first year business plan. The time lines, estimated costing, and implementation partners for each action item identified in the matrix reflect of the level of effort desired by the steering committee and assessment by the Consultant. The final business plan established by the implementation entity should be heavily influenced by the steering committee's established strategy, but refined based on the available strategic and capital resources available to this effort. The final timing, focus, and potential costs will be better determined by the formal implementation entity representatives and the dedicated participation from various public and private sources.

| CRAVEN COUNTY, NORTH CAROLINA COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost | |
|--|---|----------------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|----------------|---|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| WORKFORCE AND ASSET DEVELOPMENT | | | | | | | | | | | | | | | |
| Objective #1: Create a joint investment entity with all municipalities. | | | | | | | | | | | | | | | |
| Action 1: | Incorporate a non-profit entity (potentially through the implementation entity) placing all municipal investors on the board of directors. | ED, CC, HV, NB, UN, ST | I, D, F | █ | | | | | | | | | | | B |
| Action 2: | Develop the investment/return formulas based on financial participation. | ED, CC, HV, NB, UN, ST | | █ | | | | | | | | | | | A |
| Action 3: | Utilize existing economic development staffing to manage day-to-day efforts (preferably through the new implementation entity). | ED, CC, HV | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 4: | Provide quarterly operating and financial reports for investor communities. | ED | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 5: | Hold annual town hall meeting for investors and community to provide "state of activity" report. | ED | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 6: | Work closely with County, municipal and regional economic development entities to identify and implement capital projects that promote permanent job creation and tax base enhancement. | ED, UN, AP, MI, SB, CO, CH | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 7: | Build relationships with local and regional financial institutions, development interests, and real estate investors. | ED, NR | F, I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Objective #2: Prepare all remaining development pads at the County's existing industrial parks. | | | | | | | | | | | | | | | |
| Action 1: | Identify remaining pad sites in the County's two industrial parks. | ED, HV, NB | I, O, R | █ | █ | | | | | | | | | | A |
| Action 2: | Perform all necessary pre-development analyses (i.e. infrastructure, environmental...). | ED | C | █ | █ | █ | | | | | | | | | F |
| Action 3: | Prioritize remaining sites based on investment cost/potential development relationship to determine priority of action. | ED | C | █ | █ | █ | | | | | | | | | A |
| Action 4: | Perform all site preparation work to make these pads "development ready" such as infrastructure access, grading, and environmental mitigation. | ED, C, NB, HV, PE, EC, UT | C, D, O | █ | █ | █ | █ | | | | | | | | H |
| Action 5: | Create marketing materials for each pad site providing details on a preferred use, development potential, infrastructure availability and cost, and land price. | ED | C | █ | █ | █ | █ | | | | | | | | B |
| Objective #3: Identify and invest in development sites for job creation. | | | | | | | | | | | | | | | |
| Action 1: | Establish site identification criteria to measure suitability for development as commerce/industrial parks. | ED | | █ | | | | | | | | | | | A |
| Action 2: | Recommended thresholds: 250 acres; within 0.25 miles of existing water and sewer; within 1.0 miles of major highway/interchange; away from existing residential development; willing ownership. | ED | | █ | | | | | | | | | | | A |
| Action 3: | Assign values to each parcel using the defined criteria. | ED | | █ | | | | | | | | | | | A |
| Action 4: | Rank all properties based on results. | ED | | █ | | | | | | | | | | | A |
| Action 5: | Outreach with property owners to gauge interest in joint marketing effort. | ED | O, I | █ | █ | █ | | | | | | | | | A |
| Action 6: | Coordinate with Weyerhaeuser on the future use of subsequent phases of Craven 30 sites. | ED, NB | I | █ | █ | █ | | | | | | | | | A |
| Objective #4: Build a joint-venture shell building within 2 years. | | | | | | | | | | | | | | | |
| Action 1: | Identify site from existing pad database to locate a shell building. | ED | | █ | | | | | | | | | | | A |

| Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost |
|--|---|----------------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|-------------------|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| WORKFORCE AND ASSET DEVELOPMENT (CONT.) | | | | | | | | | | | | | | |
| Action 2: | Work with the North Carolina Department of Commerce to determine final building specs (based on market demand). | ED, NC | | ■ | | | | | | | | | | A |
| Action 3: | Initial spec recommendations include: 25,000 to 50,000 square feet; expandable to 100,150,000 square feet; sub dividable for multiple tenants; minimum 32 foot ceiling clearance; loading docks; 10% office space. | ED, NC | | ■ | | | | | | | | | | A |
| Action 4: | Work with investment entity, utility economic development groups, and private sector to create a joint venture for construction and operation. | ED, CC, HV, NB, NC, ST, UT | D, O, F | ■ | | | | | | | | | | H |
| Action 5: | Formalize investment/disposition agreement with all partners | ED, CC, HV, NB, NC, ST, UT | D, O, F | | ■ | | | | | | | | | A |
| Action 6: | Create marketing materials identifying preferred uses, building cost, and notable features (i.e. expandable and sub dividable). | ED | C | | ■ | | | | | | | | | B |
| Objective #5: Advocate for the NC vocational diploma program. | | | | | | | | | | | | | | |
| Action 1: | Retain positive features from existing strategy to develop Career Academy in Craven County. | ED, CC, UN | I, N | ■ | ■ | | | | | | | | | A |
| Action 2: | Provide technical and implementation support to a coalition for reorganizing this effort. | ED | | ■ | ■ | | | | | | | | | A |
| Action 3: | Provide bridge between potential private sector investors/supporters and the public operators of the new school. | ED, UN | I | | ■ | ■ | | | | | | | | A |
| Action 4: | Use education advisory panel to explore additional opportunities to create links between the Board of Education, the community college, and regional employers for career development. | ED, UN, CC | I | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Objective #6: Develop and implement a middle-school vocational track program. | | | | | | | | | | | | | | |
| Action 1: | Work with education leaders and workforce advisory panel to identify opportunities to expand the Career Academy into middle schools. | ED, UN, CC, NB, HV, UT | I, N | | ■ | ■ | | | | | | | | A |
| Action 2: | Work with communities such as Oconee County, South Carolina to learn best practices and implementation recommendations. | ED | | | | ■ | ■ | | | | | | | B |
| Action 3: | Establish and implement a regional career exposition in Craven County. | ED, CO, CC, UN, RG, MI | I | ■ | ■ | | | | | | | | | A |
| Action 4: | Work with parent advocacy groups to identify specific needs/ desires of Craven residents. | ED, UN, CC | N | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Objective #7: Create and operate a Craven/Coastal region employment exposition. | | | | | | | | | | | | | | |
| Action 1: | Work with community college, neighboring economic development entities, and regional employers to establish an annual career exposition. | ED, CO, CC, UN, RG, MI | I | ■ | ■ | | | | | | | | | E |
| Action 2: | Host exposition on a rotating basis with all participating economic development entities. | ED, CO, CC, UN, RG, MI | I | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | Included in Above |
| Action 3: | Provide separate, specialized sessions for middle school children, high school children, and the military personnel to engage these businesses about educational needs, potential career paths and typical incomes. | ED, CO, CC, UN, RG, MI | I | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | Included in Above |
| Action 4: | Hold the event over 2-3 days. | ED, CO, CC, UN, RG, MI | I | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | Included in Above |
| Action 5: | Seek sponsorships from participating business to defray costs of holding the events. | ED, CO, CC, UN, RG, MI | I | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | Included in Above |
| Action 6: | Offer mock interview sessions and communication skills seminars for high school students and interested adults. | ED, CO, CC, UN, RG, MI | I | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | Included in Above |

| Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost | |
|--|---|------------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|----------------|-------------------|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| WORKFORCE AND ASSET DEVELOPMENT (CONT.) | | | | | | | | | | | | | | | |
| Action 7: | Provide transportation for school-aged children to attend event. | ED, CO, CC, UN, RG, MI | I | | | | | | | | | | | | Included in Above |
| Action 8: | Consider offering access to parents to attend with their child. | ED, CO, CC, UN, RG, MI | I | | | | | | | | | | | | Included in Above |
| Action 9: | Create a jobs "app" for Craven County that allows local employers to post openings/job requirements in a real-time manner accessible from the Internet and smart phones. | ED | C | | | | | | | | | | | | B |
| Objective #8: Expand the Middle Mile broadband investment with a "Last Mile" investment. | | | | | | | | | | | | | | | |
| Action 1: | Continue with existing plans to develop public private partnership on connecting to the Middle Mile infrastructure. | ED, CC, NV, NB, UT | I, F, O | | | | | | | | | | | | H |
| Action 2: | Explore new opportunities to seek grant monies or partnerships with the state to implement Last Mile development | ED, CC, NV, NB, UT | I, F, O | | | | | | | | | | | | Included in Above |
| Action 3: | Create access points for both downtown New Bern and downtown Havelock. | ED, CC, NV, NB, UT | I, F, O | | | | | | | | | | | | Included in Above |
| Action 4: | Implement connections to the existing and proposed commerce/industrial parks in Craven County. | ED, CC, NV, NB, UT | I, F, O | | | | | | | | | | | | Included in Above |
| Action 5: | Offer access to individual residential communities and subdivisions on a fee basis. | ED, CC, NV, NB, UT | N | | | | | | | | | | | | A |
| Action 6: | Develop marketing materials to advertise access and cost (if relevant) of available service. | ED, CC, NV, NB, UT | C | | | | | | | | | | | | B |
| Objective #9: Establish and implement annual business needs survey. | | | | | | | | | | | | | | | |
| Action 1: | Create business survey for all businesses in Craven County focusing on labor force needs. | ED | I | | | | | | | | | | | | B |
| Action 2: | Use partner groups (i.e. Chambers of Commerce), business registration records, and media outlets to advertise business survey to all businesses in the County to increase awareness. | ED, CH, CO | I | | | | | | | | | | | | A |
| Action 3: | Implement Internet-based survey each Spring, allowing three to four weeks for businesses to reply. | ED | | | | | | | | | | | | | A |
| Action 4: | Compile all results by industry classification and provide results to education and workforce providers - as well as the workforce advisory panel - to develop/modify programs to support existing employers. | ED | | | | | | | | | | | | | B |
| Action 5: | Expand the survey beyond labor force needs in subsequent years to address topics such as business climate, regulatory environment, expansion plans, networking needs. | ED | | | | | | | | | | | | | B |
| Action 6: | Maintain results from each survey to allow for longitudinal analyses of trends in business climate and local needs. | ED | | | | | | | | | | | | | A |
| Objective #10: Work with base leadership to implement annual separating personnel survey. | | | | | | | | | | | | | | | |
| Action 1: | Develop active military personnel survey targeted to understand desires and intent post transition; focusing on identifying potential to retain these persons in Craven County area. | ED, MI, NC | I | | | | | | | | | | | | B |
| Action 2: | Work with base command to distribute Internet-based survey. | ED, MI, NC | | | | | | | | | | | | | A |
| Action 3: | Compile and report results to base command, workforce advisory panel, and local employers to collaborate on identifying programs/opportunities to retain trained personnel. | ED | | | | | | | | | | | | | B |
| Action 4: | Explore the potential to develop an "Understand A Veteran" training seminar for local human resource leadership to expand understanding of how separating personnel will interact. | ED, MI, NC, RG | | | | | | | | | | | | | C |

| CRAVEN COUNTY, NORTH CAROLINA COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost | |
|--|--|---------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|----------------|---|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| WORKFORCE AND ASSET DEVELOPMENT (CONT.) | | | | | | | | | | | | | | | |
| Action 5: | Develop a peer mentoring program using local residents who have separated from the military and have settled in the Craven County area. | ED, M | | | ■ | | | | | | | | | | B |
| Action 6: | Connect the peer mentoring program and "Understand A Veteran" program to the employment exposition. | ED, UN | I | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 7: | Use Aviation Systems Technology program as a model to assist separating personnel to acquire civilian employment in the region. | ED, UN | I | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Objective #11: Formalize and market Craven County's customized just-in-time training program. | | | | | | | | | | | | | | | |
| Action 1: | Expand knowledge of North Carolina's Golden Leaf Foundation. | ED, UN | I | ■ | | | | | | | | | | | A |
| Action 2: | Create formulaic standards to gain access to a just-in-time training program (must confirm with Golden Leaf standards if incorporated into program). | ED, UN | | | ■ | | | | | | | | | | A |
| Action 3: | Develop marketing strategy and materials to increase awareness of capability of Craven County and the community college in employee preparation services. | ED, UN | C | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 4: | Train ambassadors and existing business leaders on the program and its application. | ED, UN | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| MARKET DEVELOPMENT | | | | | | | | | | | | | | | |
| Objective #1: Formalize an existing business retention program. | | | | | | | | | | | | | | | |
| Action 1: | Utilize strategic partners to develop a coordinated existing business outreach effort, focused on operational needs, workforce needs, and regulatory/policy needs. | ED, CO, CH, PE, EC | I | | ■ | | | | | | | | | | B |
| Action 2: | Follow through on the business survey instrument. | ED | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 3: | Create centralized industry leader database maintained by the new implementation entity, but accessible to strategic implementation partners such as the municipal economic development entities and the local Chambers. | ED, CC, NB, RG | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 4: | Perform 25 targeted business outreach visits each year. | ED | I | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 5: | Incorporate business leader database in information sharing outreach effort (i.e. newsletters, announcements...). | ED | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Objective #2: Develop a existing business support prospect recruitment strategy. | | | | | | | | | | | | | | | |
| Action 1: | Work with local manufacturers and primary employers to identify vertical and horizontal supply chains of businesses that operate in Craven County but do not have a local presence. | ED | I | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 2: | Work with the business contact and the ambassador group to outreach to these entities through informal communications. | ED | I | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | B |
| Action 3: | Host networking and recruitment events for those companies that express interest in a local presence. | ED, RG, NC | I | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | D |
| Action 4: | Perform follow-up communication with all prospects to garner feedback on recruitment approach and community competitiveness; using results to refine strategy and identify potential issues to be addressed. | ED | I | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 5: | Maintain a database of these companies and their responses for future outreach. | ED | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 6: | Reconnect with all prospects annually, having the initial contact reaffirm a strategic business connection remains. | ED | I | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |

| CRAVEN COUNTY, NORTH CAROLINA COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost | |
|--|--|---------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|----------------|---|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| MARKET DEVELOPMENT (CONT.) | | | | | | | | | | | | | | | |
| Objective #3: Create and implement a direct marketing effort for the advanced product manufacturing and wood product manufacturing. | | | | | | | | | | | | | | | |
| Action 1: | Work with the industry specific roundtables to define market opportunities and identify potential target markets in context of the target industry clusters. | ED, CO | I | | | | | | | | | | | | A |
| Action 2: | Utilize a business listing database, such as Dun and Bradstreet, to get a list of businesses within the target industries identified in the target industry section of this plan. | ED | | | | | | | | | | | | | B |
| Action 3: | Coordinate and distribute marketing materials specific to each industry cluster to their national trade organizations, the newly formed regional economic development entity, and the North Carolina Department of Commerce. | ED, RG, NC | | | | | | | | | | | | | B |
| Action 4: | Join professional associations related to the industries identified in the industry cluster, advertising in their trade publications and attending regional and national conferences. | ED | | | | | | | | | | | | | B |
| Action 5: | Coordinate recruitment trips and visits with neighboring economic development entities, the new regional economic development group and the and North Carolina Department of Commerce. | ED, RG, NC | I | | | | | | | | | | | | C |
| Action 6: | Inventory and identify businesses providing support services within Craven County, seeking opportunities to attract and retain back office and support service companies. | ED | | | | | | | | | | | | | A |
| Objective #4: Create and implement a direct marketing effort for the healthcare and professional services target clusters. | | | | | | | | | | | | | | | |
| Action 1: | Work with the industry specific roundtables to define market opportunities and identify potential target markets in context of the target industry clusters. | ED, CO | I | | | | | | | | | | | | A |
| Action 2: | Utilize a business listing database, such as Dun and Bradstreet, to get a list of businesses within the target industries identified in the target industry section of this plan. | ED | | | | | | | | | | | | | B |
| Action 3: | Coordinate and distribute marketing materials specific to each industry cluster to their national trade organizations, the newly formed regional economic development entity, and the North Carolina Department of Commerce. | ED, RG, NC | | | | | | | | | | | | | B |
| Action 4: | Join professional associations related to the industries identified in the industry cluster, advertising in their trade publications and attending regional and national conferences. | ED | | | | | | | | | | | | | B |
| Action 5: | Coordinate recruitment trips and visits with neighboring economic development entities, the new regional economic development group and the and North Carolina Department of Commerce. | ED, RG, NC | I | | | | | | | | | | | | C |
| Action 6: | Inventory and identify businesses providing support services within Craven County, seeking opportunities to attract and retain back office and support service companies. | ED | | | | | | | | | | | | | A |
| Objective #5: Coordinate with agriculture cooperative to recruit/develop processing facilities. | | | | | | | | | | | | | | | |
| Action 1: | Work with the agribusiness focus group to define market opportunities and identify potential processing and/or research initiatives. | ED, AG | I | | | | | | | | | | | | A |
| Action 2: | Utilize a business listing database, such as Dun and Bradstreet, to get a list of businesses within the market opportunity areas. | ED, AG | | | | | | | | | | | | | B |
| Action 3: | Work with the Craven County agriculture cooperative to identify professional associations related to the agribusiness opportunities. | ED, AG | | | | | | | | | | | | | C |
| Action 4: | Develop and distribute marketing materials specific to each identified opportunity to appropriate national trade organizations and the North Carolina Department of Commerce | ED, AG, NC | I | | | | | | | | | | | | B |
| Action 5: | Coordinate recruitment trips and visits with the cooperative, regional partners, and state representatives with knowledge and access to relevant prospects. | ED, AG, RG, NC | I | | | | | | | | | | | | C |
| Objective #6: Develop and market small business and entrepreneurial development program. | | | | | | | | | | | | | | | |
| Action 1: | Reorganize Craven County's SCORE office to function as the mentorship program for the Small Business Center. | ED, SC, UN | I | | | | | | | | | | | | A |
| Action 2: | Implement the SCORE/Small Business Center/implementation entity coordination advisory panel. | ED, SC, UN | I | | | | | | | | | | | | A |

| Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost |
|---|--|------------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|----------------|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| MARKET DEVELOPMENT (CONT.) | | | | | | | | | | | | | | |
| Action 3: | Enhance marketing and outreach to separating military personnel, retired military personnel, and military spouses; using survey instrument and employment exposition. | ED, SC, UN, MI | | [Gantt bar: Years 1-10] | | | | | | | | | | B |
| Action 4: | Perform a market analysis to create a business incubator in Craven County, identifying potential focus of the incubator. | ED, UN, CC | C | [Gantt bar: Year 1] | | | | | | | | | | C |
| Action 5: | Work with state/regional partners, the Small Business Center, and local industry leaders in the agribusiness, professional services, military contractor, and manufacturing sectors to identify potential R&D opportunities. | ED, UN, MI, RG, NC | I | [Gantt bar: Years 1-10] | | | | | | | | | | B |
| ORGANIZATION AND COORDINATION | | | | | | | | | | | | | | |
| Objective #1: Create a 501(c)(3) implementation entity. | | | | | | | | | | | | | | |
| Action 1: | Establish a 501(c)(3) entity under which all Countywide economic development functions will be administered. | ED, CC, HV, NB, UN, ST | I, D, F | [Gantt bar: Year 1] | | | | | | | | | | B |
| Action 2: | Maintain the executive director as an employee of Craven County, reporting directly to the county administrator. | ED, CC | | [Gantt bar: Year 1] | | | | | | | | | | A |
| Action 3: | Establish an 11-person board of directors for the implementation entity, including representation from Craven County, the Cities of New Bern and Havelock (if investors), the private sector and strategic stakeholders. | ED, CC, HV, NB, UN, ST | I, D, F | [Gantt bar: Year 1] | | | | | | | | | | A |
| Action 4: | Redefine the funding strategy for economic development efforts within Craven County through county, municipality, and private sector funding sources; considering a "pay to play" strategy for board members. | ED, CC, HV, NB, UN, ST | I, D, F | [Gantt bar: Year 1] | | | | | | | | | | A |
| Action 5: | Hire the appropriate staff to adequately implement the mission of the implementation strategy as employees of the 501(c)(3), initially including an economic development manager and a marketing manager. | ED | | [Gantt bar: Year 1] | | | | | | | | | | A |
| Action 6: | Develop and implement a marketing strategy to introduce the reorganized implementation entity. | ED | | [Gantt bar: Year 1] | | | | | | | | | | B |
| Action 7: | Create a detailed business plan based on the priorities and available resources to implement the strategic plan for economic development; to be reviewed and updated annually. | ED | [C] | [Gantt bar: Year 1] | | | | | | | | | | A [C] |
| Action 8: | Establish a permanent presence for the implementation entity; recommend the location be outside any public institution buildings (i.e. an administration building). | ED | [C] | [Gantt bar: Year 1] | | | | | | | | | | C [G] |
| Action 9: | Define the metrics which will be used to determine the efficiency and effectiveness of adopted programs. | ED | | [Gantt bar: Year 1] | | | | | | | | | | A |
| Action 10: | Monitor successes and implementation efforts in a pre-established accounting system; providing semi-annual updates to investors/stakeholders and an annual town hall meeting to the community. | ED, CC, NB, HV, NC | I | [Gantt bar: Years 1-10] | | | | | | | | | | A |
| Objective #2: Recruit corporate partners for the implementation entity. | | | | | | | | | | | | | | |
| Action 1: | Identify strategic corporate partners for the implementation entity, providing a clear correlation between their potential investment and return to the business community. | ED | I | [Gantt bar: Year 1] | | | | | | | | | | A |
| Action 2: | Build relationships with the business leaders, educating them on the focus and activities of the newly-formed implementation entity. | ED | I | [Gantt bar: Years 1-10] | | | | | | | | | | B |
| Action 3: | Establish "tiers" of support across each effort, allowing the business entities to determine those programs and initiatives they are most interested in supporting. | ED | I | [Gantt bar: Years 1-10] | | | | | | | | | | A |
| Objective #3: Staff the new implementation entity with the sufficient technical capacity to implement the mission. | | | | | | | | | | | | | | |
| Action 1: | Maintain the newly-hired executive director position within the County, considering a transition of the position into the implementation 501(c)(3) in the future. | ED, CC | | [Gantt bar: Years 1-10] | | | | | | | | | | E |
| Action 2: | Hire an economic development manager to implement existing business outreach and manage the support efforts to the implementation entity (i.e. advisory panels). | ED | | [Gantt bar: Years 1-10] | | | | | | | | | | E |
| Action 3: | Hire marketing consultant to create all new marketing collateral and enhance the organizations existing outreach materials (i.e. website, Facebook page, Twitter page...) | ED | | [Gantt bar: Year 1] | | | | | | | | | | D |

| CRAVEN COUNTY, NORTH CAROLINA COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost | |
|---|--|------------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|----------------|---|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| ORGANIZATION AND COORDINATION (CONT.) | | | | | | | | | | | | | | | |
| Action 4: | Hire a full-time marketing manager to oversee marketing, recruitment process, and public relations needs. | ED | | | | | | | | | | | | | D |
| Action 5: | Hire an executive assistant to the executive director to oversee day-to-day operations and provide support for travel and scheduling needs. | ED | | | | | | | | | | | | | D |
| Objective #4: Develop industry roundtables to assist in data collection and develop partners for implementation. | | | | | | | | | | | | | | | |
| Action 1: | Develop roundtables of 8 to 20 business leaders in the following areas: manufacturers, professional/high-tech businesses; military support businesses, financial resources, and agricultural businesses. | ED | I | | | | | | | | | | | | A |
| Action 2: | Assign a member of the Board to be chairperson of each of the roundtables. | ED | | | | | | | | | | | | | A |
| Action 3: | Meet with these groups as needed - but no less than quarterly - to discuss topics and issues influencing their respective industries locally, regionally and nationally. | ED | I | | | | | | | | | | | | A |
| Objective #5: Develop advisory panels to assist in implementation and outreach. | | | | | | | | | | | | | | | |
| Action 1: | Develop advisory panels in the following areas: education and workforce; government coordination; tourism and hospitality; and military advocacy. | ED, CC, NB, HV, UN, MI | I | | | | | | | | | | | | A |
| Action 2: | Assign a member of the Board to be chairperson of each of the advisory panels. | ED | | | | | | | | | | | | | A |
| Action 3: | Solicit participation from community leaders, business leaders and strategic stakeholders for each panel. | ED | | | | | | | | | | | | | A |
| Action 4: | Have each advisory panel provide an action plan to support the implementation entity's business plan (which should reflect the strategic plan). | ED | I | | | | | | | | | | | | A |
| Action 5: | Hold monthly or bi-monthly meetings for each panel to discuss progress, identify opportunities, and assign responsibilities for action. | ED | I | | | | | | | | | | | | A |
| Action 6: | Convene an annual retreat for all implementation entity Board members and advisory panel members to strategize objectives and action items for the coming year. | ED | I | | | | | | | | | | | | B |
| Objective #6: Identify and train five industry ambassadors. | | | | | | | | | | | | | | | |
| Action 1: | Identify and coordinate existing business leaders within various industry sectors (i.e. healthcare, manufacturing...) to become ambassadors, actively participating in business recruitment and marketing. | ED | I | | | | | | | | | | | | A |
| Action 2: | Consider hiring a training effort to create a formal program for Craven County Ambassadors. | ED | C | | | | | | | | | | | | C |
| Action 3: | Educate the ambassador group on the methods of the implementation entity to ensure consistency in message and approach. | ED | | | | | | | | | | | | | B |
| Action 4: | Select those leaders with the greatest understanding of the implementation effort and best interpersonal skills to become full ambassadors. | ED | I | | | | | | | | | | | | A |
| Action 5: | Utilize initial ambassadors to identify and train subsequent members (on an as-needed basis). | ED | I | | | | | | | | | | | | A |
| Objective #7: Identify and train ten community advocates. | | | | | | | | | | | | | | | |
| Action 1: | Identify representatives from different areas of Craven County to become economic development liaisons with the general public. | ED | I, D, N | | | | | | | | | | | | A |
| Action 2: | Provide community forums for implementation entity staff and community advocates to meet and inform Craven residents on the benefits and results of the Countywide economic development effort. | ED | I, D, N | | | | | | | | | | | | B |

| CRAVEN COUNTY, NORTH CAROLINA COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated | |
|--|--|---------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|-----------|----|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Cost | |
| ORGANIZATION AND COORDINATION (CONT.) | | | | | | | | | | | | | | | |
| Action 3: | Host one or two community meetings annually based on geographic location; with one Countywide town hall held at a central location each year. | ED | I, D, N | | | | | | | | | | | | B |
| Action 4: | Continue to develop community advocates as County residents express interest to become involved with economic development. Utilize this group to identify potential future Board members. | ED | I, D, N | | | | | | | | | | | | A |
| REGULATORY ENVIRONMENT | | | | | | | | | | | | | | | |
| Objective #1: Create consistency for local development review processes. | | | | | | | | | | | | | | | |
| Action 1: | Establish a government advisory panel to discuss opportunities/challenges to creating consistent development regulations within the County. | ED, CC, NB, HV, ST | | ■ | | | | | | | | | | | A |
| Action 2: | Collaborate on developing and implementing a unified development review process. | ED, CC, NB, HV, ST | | ■ | ■ | ■ | ■ | | | | | | | | A |
| Action 3: | Establish consistent review periods. | ED, CC, NB, HV, ST | | | ■ | ■ | | | | | | | | | A |
| Action 4: | Implement concurrent review processes for cross-jurisdiction efforts. | ED, CC, NB, HV, ST | | | | ■ | ■ | | | | | | | | A |
| Action 5: | Work to create consistency for land use in and around employment growth areas. | ED, CC, NB, HV, ST | | | | | | | | | | | | | A |
| Objective #2: Consider regulatory support zones in the County. | | | | | | | | | | | | | | | |
| Action 1: | Identify areas where the County seeks to encourage economic development growth (ideally consistent with asset development tasks). | ED, CC, NB, HV, ST | O | ■ | | | | | | | | | | | A |
| Action 2: | Create overlay zones in targeted economic development areas to provide specific benefits and grants for specific land uses. | ED, CC, NB, HV, ST | | ■ | | | | | | | | | | | A |
| Action 3: | Coordinate benefits for areas that also fall within municipal limits as well. | ED, CC, NB, HV, ST | | ■ | | | | | | | | | | | A |
| Action 4: | Consider establishing zoning regulations for economic development areas. | ED, CC, NB, HV, ST | | | | | | | | | | | | | A |
| Objective #3: Develop toolbox of grant offerings. | | | | | | | | | | | | | | | |
| Action 1: | Expand the County's formulaic grant structure for a broad number of economic development grant tools for projects that meet specific thresholds of job creation and/or tax base enhancement. | ED, CC, NB, HV, ST | | ■ | | | | | | | | | | | A |
| Action 2: | Formalize and public grant requirements for prospects, eliminating the uncertainty of qualifications and/or access to specific programs. | ED, CC, NB, HV, ST | | | ■ | | | | | | | | | | A |
| Action 3: | Frame grants based on the size of the company/project most suitable for the program (i.e. loan assistance for start-up businesses vs. tax reimbursement for large job creation). | ED, CC, NB, HV, ST | | | ■ | | | | | | | | | | A |
| Action 4: | Provide fee reductions (i.e. water and sewer tap fees). | ED, CC, NB, HV, ST | | ■ | | | ■ | | ■ | | ■ | | ■ | | A* |
| Action 5: | Provide infrastructure assistance grants. | ED, CC, NB, HV, ST | | ■ | | | ■ | | ■ | | ■ | | ■ | | A* |
| Action 6: | Provide tax reimbursements (commonly called synthetic TIFs). | ED, CC, NB, HV, ST | | ■ | | | ■ | | ■ | | ■ | | ■ | | A* |
| Action 7: | Establish Tax Allocation Districts in strategic investment areas. | ED, CC, NB, HV, ST | | ■ | | | ■ | | ■ | | ■ | | ■ | | A* |
| Action 8: | Provide land acquisition cost mitigation or reimbursement. | ED, CC, NB, HV, ST | | ■ | | | ■ | | ■ | | ■ | | ■ | | A* |

| CRAVEN COUNTY, NORTH CAROLINA COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated | |
|--|--|---------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|-----------|-----|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Cost | |
| MARKETING STRATEGY (CONT.) | | | | | | | | | | | | | | | |
| Objective #3: Take a leading role in developing the new regional economic development effort. | | | | | | | | | | | | | | | |
| Action 1: | Invest the \$300,000+ dollars currently in the disbanded regional group's reserve fund back into the new initiative. | ED, CC | | █ | | | | | | | | | | | A** |
| Action 2: | Gain a leadership role in defining the goals and objectives of the new regional group, utilizing the County's economic platform as a starting point to begin discussions with other regional partners. | ED, CC, RG, NC | | █ | █ | | | | | | | | | | A |
| Action 3: | Build consensus on new oversight and management for the regional organization that meets the needs and priorities of all partners. | ED, CC, RG, NC | | █ | █ | | | | | | | | | | A |
| Action 4: | Explore the potential for all partners to coordinate the design and production of marketing materials to show consistency within the region, particularly for truly regional priorities (i.e. support for Cherry Point). | ED, CC, RG, NC | | | █ | | | | | | | | | | A |
| Action 5: | Determine the level of financial support the County will provide to this new regional group that is commensurate with other participants. | ED, CC | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | G |
| Objective #4: Coordinate efforts with utility economic development efforts. | | | | | | | | | | | | | | | |
| Action 1: | Work with electricity providers in the County that offer economic development services to inform them of Craven's priorities and coordinate message. | ED, PE, EC, UT | | █ | | | | | | | | | | | A |
| Action 2: | Explore the potential for a partnership in developing the new shell building. | ED, PE, EC, UT | | █ | █ | | | | | | | | | | A |
| Action 3: | Implement a bi-monthly or quarterly meeting schedule with state representatives about existing project, market conditions, local business feedback, and emerging trends. | ED, PE, EC, UT | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 4: | Identify potential joint marketing trips and/or seek to gain access to marketing trips being run by the utility groups. Focus on those that correspond with local target industries and initiatives. | ED, PE, EC, UT | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | C |
| Objective #5: Join at least one national trade association within each of the County's target industries. | | | | | | | | | | | | | | | |
| Action 1: | Precision instruments: Measurement, Control & Automation Association | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 2: | Household Appliances: Association of Home Appliance Manufacturers | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 3: | Wood Pellets: Biomass Thermal Energy Council; Pellet Fuels Institute | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 4: | Aeronautics & Aerospace: Professional Aviation Maintenance Association; Aerospace Industries Association | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 5: | Seafood Processing: American Shrimp Processors Association | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 6: | Metal Fabrication, Forging & Stamping: Fabricators & Manufacturers Association, International, Forging Industry Association; Precision Metal Forming Association | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 7: | Healthcare: Health Professional Association; American Association for Homecare | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Objective #6: Actively participate in the development of a joint tourism marketing effort with local convention and visitors bureaus. | | | | | | | | | | | | | | | |
| Action 1: | Establish a tourism working group to bring all stakeholders into a countywide marketing and recruitment discussion. | ED, CV, CO, SB | | █ | | | | | | | | | | | A |
| Action 2: | Work with the individual stakeholders to identify potential joint marketing concepts. | ED, CV, CO, SB | | █ | █ | █ | █ | | | | | | | | A |
| Action 3: | Assist in the development of Countywide marketing collateral related to tourism. | ED, CV, CO, SB | | | █ | █ | | | | | | | | | B |

| Craven County, North Carolina Comprehensive Economic Development Strategic Plan Implementation Matrix | | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost |
|--|--|------------------------|---------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|-------------------|
| MARKETING STRATEGY (CONT.) | | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Cost |
| Objective #10: Develop and print customized, professional marketing materials. | | | | | | | | | | | | | | | |
| Action 1: | Create quality of life brochure highlighting Craven County's attributes as place to live and work including cost of living, crime information, schools, and leisure activities, among others. | ED | C | | ■ | | | | | | | | | | A |
| Action 2: | Develop a industry "highlights" tri-fold materials for each target industry market including market fundamentals, local and regional business climate, labor force data, etc. | ED | C | | ■ | | | | | | | | | | A |
| Action 3: | Develop a detailed incentives document that details all local, county, state and federal incentive programs. | ED | C | | ■ | | | | | | | | | | A |
| Action 4: | Craft a business testimonials book with written statements from existing Craven business leaders on topics ranging from business climate, market performance, and choosing Craven County to do business. | ED | C | | ■ | | | | | | | | | | A |
| Action 5: | Produce a technology sheet detailing the high tech infrastructure available in Craven County including the "Last Mile" connection (when complete). | ED | C | | | | ■ | | | | | | | | A |
| Action 6: | Develop each of these materials in print, digital and internet format. | ED | C | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | C |
| Action 7: | Create conference materials and permanent display materials for exhibitions and outreach efforts. | ED | C | | | ■ | ■ | | | | | | | | C |
| OUTREACH INITIATIVES | | | | | | | | | | | | | | | |
| Objective #1: Coordinate the region's advocacy initiatives surrounding Cherry Point and FRC East into a single, unified effort. | | | | | | | | | | | | | | | |
| Action 1: | Bring Allies of Cherry Point's Tomorrow (ACT) together with County interests to coordinate Federal lobbying. | ED, AC, HV, CC, RG, NC | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 2: | Collapse all lobbying efforts under a single approach, most logically in the regional effort (ACT). | ED, AC, HV, CC, RG, NC | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 3: | Alternatively, work to assign complementary roles and responsibly if unification is not possible while continuing to push for a unification of effort. | ED, AC, HV, CC, RG, NC | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 4: | Continue to identify and support regulatory initiatives that protect operations at Cherry Point and FRC East. | ED, AC, HV, CC, RG, NC | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 5: | Continue to lobby for the inclusion of the F-35 platform in the local mission. | ED, AC, HV, CC, RG, NC | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Objective #2: Develop an F-35 platform readiness plan. | | | | | | | | | | | | | | | |
| Action 1: | Communicate with F-35 contractors to identify space needs, workforce needs, and infrastructure needs. | | | | ■ | | | | | | | | | | A |
| Action 2: | Identify and place a purchase option on a site to accommodate a new commerce park to support any contractor needs; initial recommendation of 250-500 acres, within 2 miles of a gate, along a major road, close to water/sewer | | | | ■ | | | | | | | | | | A |
| Action 3: | Establish a joint services agreement (as needed) between utility providers, ensuring sufficient capacity and establishing fixed price for access/service | | | | ■ | | | | | | | | | | A |
| Action 4: | Develop an infrastructure delivery plan for new commerce park that can be executed within 12 to 24 months | | | | ■ | ■ | | | | | | | | | A |
| Action 5: | Create training programs that can be marketed to ensure delivery of properly trained, local labor similar to the Aviation Systems Technology program | | | | | ■ | ■ | | | | | | | | A |
| Objective #3: Participate and advocate for the improvement and expansion of port operation in Morehead City. | | | | | | | | | | | | | | | |
| Action 1: | Work with existing support groups/local governments that support the preservation and enhancement of port operations in Morehead City. | ED, CC, RG, M, NC | | | | | ■ | ■ | | | | | | | C |
| Action 2: | Advocate for the development of the wood chip facility. | ED, CC, RG, M, NC | | | | | ■ | ■ | | | | | | | Included in Above |

| Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost | |
|---|--|------------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|----------------|-------------------|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| OUTREACH INITIATIVES (CONT.) | | | | | | | | | | | | | | | |
| Action 3: | Advocate for the development of the wood pellet operation. | ED, CC, RG, MI, NC | | | | | | | | | | | | | Included in Above |
| Action 4: | Advocate for the development of the new container facility at Radio Island. | ED, CC, RG, MI, NC | | | | | | | | | | | | | Included in Above |
| Objective #4: Actively participate in the planning and development of improved regional road networks. | | | | | | | | | | | | | | | |
| Action 1: | Advocate and support the implementation of the U.S. 70 highway improvements. | ED, CC, NB, HV, ST, NC | O | | | | | | | | | | | | A |
| Action 2: | Advocate and support the implementation of the U.S. 17 highway improvements. | ED, CC, NB, HV, ST, NC | O | | | | | | | | | | | | A |
| Action 3: | Establish land use controls to protect existing businesses while accommodating sustainable, responsible development along any new segment of roadway. | ED, CC, NB, HV, ST, NC | O | | | | | | | | | | | | A |
| Objective #5: Increase public awareness and support for economic development. | | | | | | | | | | | | | | | |
| Action 1: | Create a "meeting in a box" kit for community groups to self-educate on the basics of economic development in Craven County, with information on how to follow up with the implementation entity. | ED, CC, HV, NB | C | | | | | | | | | | | | B |
| Action 2: | Advertise the advocate program, offering community groups access to residents more knowledgeable on local economic development efforts. | ED, CC, HV, NB | | | | | | | | | | | | | A |
| Action 3: | Develop and implement an "economic development 101" program that offers a more hands-on approach from the implementation entity including seminars and outreach meetings by entity staff. | ED, CC, HV, NB | C | | | | | | | | | | | | B |
| Action 4: | Hold an annual or semi-annual town hall event to debrief community members on current economic development efforts, trends and projections in the market, and likely future opportunities/efforts. | ED, CC, HV, NB | | | | | | | | | | | | | B |
| Objective #6: Build stronger relationships with local and regional financial institutions. | | | | | | | | | | | | | | | |
| Action 1: | Establish a financial industry focus group with representatives from both debt and equity financing (if available). | ED, NR | F | | | | | | | | | | | | A |
| Action 2: | Hold quarterly meetings to identify industry trends and projected changes, identify potential issues with business or development financing, and develop creative solutions to encourage economic development. | ED, NR | F | | | | | | | | | | | | A |
| Action 3: | Develop collateral for existing businesses and industry prospects on the availability of various financial programs and incentives. | ED, NR | F | | | | | | | | | | | | A |
| Objective #7: Build more strategic relationships with the site selection and real estate community. | | | | | | | | | | | | | | | |
| Action 1: | Increase awareness of development projects and current opportunities through continued communication with local and regional real estate professionals on a regular basis via print and digital media. | ED | R, D | | | | | | | | | | | | A |
| Action 2: | Hold networking events for property owners and real estate investment professionals to interact. | ED | R, D | | | | | | | | | | | | B |
| Action 3: | Establish relationships with national site selection consultants through targeted outreach and marketing efforts. | ED | R, D | | | | | | | | | | | | C |
| Action 4: | Hold information session open houses and networking opportunities for local real estate brokers and Realtors to share information and provide feedback to the implementation entity. | ED | R, D | | | | | | | | | | | | B |

LEGEND

Implementation Leaders

Public:

ED - Craven County Economic Development Implementation Entity (New)
CC - Craven County
HV - City of Havelock
NB - City of New Bern
NC - North Carolina Department of Commerce
UN - Craven County Community College
AP - Coastal Carolina Regional Airport
RG - Regional Economic Development Entity (If reformed)
MJ - Cherry Pointy/FRC East Command
ST - Craven County Small Towns Council (New)

Partners:

SB - Swiss Bear Downtown Development
NR - Neuse River Community Development Corporation
SC - SCORE
PE - Progress Energy
EC - Electricities
UT - Other Utilities
CV - Local Convention and Visitor's Bureaus
CO - Committee of 100
CH - Local Chambers of Commerce
AC - Allies for Cherry Point's Tomorrow (ACT)

Private

C - Consultant
D - Development Community
F - Financial Institutions
I - Industry Leaders
N - Neighborhood Residents
O - Property Owners
R - Realtors/Brokers

 Action

 Implementation

* - Cost only incurred if grant awarded
** - Reflects investment already made
[] - Cost if consultant hired to implement

Cost Estimate Legend:

A - Under \$1,000
B - \$1,000 to \$10,000
C - \$10,000 to \$25,000
D - \$25,000 to \$50,000
E - \$50,000 to \$100,000
F - \$100,000 to \$500,000
G - \$250,000 to \$500,000
H - Over \$500,000
Unk. - Unknown