

Northeastern North Carolina Regional Economic Development Commission



2005-2006 Annual Report





Fiscal Year 2005 – 2006 Annual Report

Northeastern North Carolina Regional Economic Development Commission

February 15, 2007

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*Beaufort, Bertie, Camden, Chowan, Currituck
Dare, Gates, Halifax, Hertford, Hyde, Martin, Northampton
Pasquotank, Perquimans, Tyrrell and Washington Counties*

Northeastern North Carolina Regional Economic Development Commission

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February 15, 2007

To: Joint Legislative Commission on Governmental Operations
Fiscal Research Division, NC General Assembly

The Northeastern North Carolina Regional Economic Development Commission has long been an important asset for stimulating economic expansion and creating new jobs. Our “toolbox” of resources has supported business growth and promoted investments in our sixteen county region for almost 15 years. The partnerships we have successfully forged to leverage these resources have helped open the doors to economic opportunity for new and expanding businesses and tourism development throughout North Carolina’s Northeast Region.

The Commission’s annual report for Fiscal Year 2005-2006 details many of the creative ways we have helped bolster the regional economy. While economic and tourism development are the central priority for the Commission Board, we have also focused on providing new leadership for the Commission. Re-organizing activities under the public entity ensures the full Commission Board’s input and involvement in all decision-making.

As we move forward with our vision to develop and implement a plan to grow our Region’s economy, the Commission will continue to play a vital role. The Commission’s expertise and leadership, along with our strong economic and tourism development partnerships, will be key ingredients in our recipe to build new business and tourism development opportunities for the benefit of the residents of North Carolina’s Northeast Region.

On behalf of the Board of Directors of the Northeastern North Carolina Regional Economic Development Commission, we appreciate the continued support of the NC General Assembly in furthering our mission to encourage new job creation and investment for our sixteen-county region.

Sincerely

Gene Rogers
Chairman



February 15, 2007

To: Joint Legislative Commission on Governmental Operations
Fiscal Research Division, NC General Assembly

As the newly-appointed President & CEO of “North Carolina’s Northeast Commission,” I have been impressed by the level of commitment of the Commission Board, our local economic development and tourism professionals, and economic development allies to charting a new course for North Carolina’s Northeast Region.

We are beginning to feel the economic impacts of new four-laned transportation corridors. Global investors are eyeing North Carolina’s Northeast Region for future investments in our “inner coastal” areas. Strategic projects, such as the Advanced Vehicle Research Center and Carolina Crossroads Music & Entertainment District, will stimulate investment and job creation along the Interstate 95 corridor.

But, there are still challenges...

Twelve of the sixteen counties in North Carolina’s Northeast Region are designated as economically distressed Tier One Areas. Twelve of our counties also have poverty rates greater than 125% of the State poverty rate. The burden of Medicaid leaves little for our counties to invest in critical infrastructure to support business and tourism development.

The future of our Region is what we make it. The Commission Board and staff and our regional economic development and tourism partners look forward to working with members of the North Carolina General Assembly to continue to build upon our successes and chart a new course for North Carolina’s Northeast Region.

Sincerely,

Vann Rogerson
President & CEO

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Business & Industry Investment

The Northeastern North Carolina Regional Economic Development Commission serves companies of all sizes, although our core focus is on small and mid-size businesses. By providing a variety of resources encompassing building and site options, financial resource development, and technical assistance, the Commission boosts business and fosters economic growth and job creation in the Northeast Region.

In Fiscal Year 2005-2006, \$246,291,000 in new and expanding business investments were made in North Carolina's Northeast Region. This investment also stimulated the creation of a total of 1,855 new jobs.

New Business Investment

The recruitment of new businesses and industries to North Carolina's Northeast Region resulted in the creation of 881 new jobs and over \$221 million in new investment. Projects such as the Advanced Vehicle Research Center and Lotus Engineering in Northampton County will bring cutting-edge technology to our region with this world-class center for the development and testing of automobiles and Alternative Fuel Vehicles (AFV's).

Existing Business/Industry Retention & Expansion

In Fiscal Year 2005-2006, the Commission continued implementation of a focused Existing Business & Industry Support Program. This program works closely with local economic developers, the NCSU Industrial Extension Service, the North Carolina Department of Commerce Existing Industry Program, and local community colleges to provide the resources needed by existing businesses to grow and prosper in North Carolina's Northeast Region. The program promotes job retention and growth by helping to identify the concerns and barriers to survival and growth facing local businesses.

The Existing Business & Industry Support Program has been instrumental in establishing business/industry associations in counties in the Northeast Region. Association meetings provide the venue for companies to learn about the resources available to support their growth and expansion as well as provide opportunities for networking with other businesses, local and regional community leaders, and economic development officials.

Fiscal Year 2005-2006 Job Creation & Investment Highlights	
New Business Investment/Job Creation	
New Business/Industry Investment	\$221,250,000
New Business/Industry Jobs	881
Existing Business/Industry	
Total Companies Contacted	1,208
Company Planned Expansion	27
Expanding Jobs	974
Expanding Investment	\$35,041,000
Plant Closings & Layoffs	4
Jobs Affected	385

In Fiscal Year 2005-2006, 974 new jobs were created by expanding business and industry representing an investment of over \$35 million. During this period, the Region also lost jobs due to layoffs at some of our more traditional industries such as Weyerhaeuser (200 jobs) in Martin County and George C. Moore (30 jobs) in Chowan County.

Minority Business Support

The Commission continued to implement a Minority Business Support Program in Fiscal Year 2005-2006 with a mission to coordinate resources to support the growth and development of minority businesses in the Northeast Region.

Funding To Support Business Location & Growth

Since 1997, the Commission has identified over \$132 million in low-interest financing or grant funds to support tourism and economic development projects. Funding from such sources as the Community Adjustment and Investment Program (CAIP), NC Rural Economic Development Center, USDA's Rural Business Enterprise Grant Program, Golden LEAF, etc., has leveraged other funding sources to increase the competitiveness of counties in North Carolina's Northeast Region in the creation of new jobs and investment.

Tourism Development & Visitor Recruitment

Tourism is a major economic engine in North Carolina's Northeast Region and continues to grow as more and more visitors discover our natural, cultural, historic and recreational resources. North Carolina's Northeast boasts some of the State's major tourism attractions including the world-famous Outer Banks, Ocracoke Island, Historic Halifax, and the Cape Hatteras National Seashore.

In 2005, tourism revenues increased by 6% to \$1.05 billion in North Carolina's Northeast Region. Tourism expenditures supported over 15,000 tourism-related jobs with an annual payroll of \$222 million.

The Northeastern North Carolina Regional Economic Development Commission worked closely with the NorthEast Tourism (NET) Group in implementing a variety of marketing activities to support visitor recruitment and tourism development for all of Northeast North Carolina, including cooperative advertising in publications such as Southern Living, 2006 North Carolina Travel Guide, and Carolina Country Magazine. Internet-based visitor recruitment included marketing via our regional tourism web portal, WWW.VISITNCNE.COM and banner advertising for North Carolina's Northeast Region on WWW.VISITNC.COM.

2005 Economic Impact of Tourism North Carolina's Northeast Region					
County	Tourism Expenditures (\$ millions)	Tourism Payroll (\$ millions)	Tourism Jobs (thousands)	State Tax Receipts (\$ millions)	Local Tax Receipts (\$ millions)
Beaufort	58.08	8.55	.46	2.98	3.71
Bertie	9.66	1.12	.05	.54	.58
Camden	1.53	.19	.01	.08	.14
Chowan	16.61	2.81	.17	.83	1.11
Currituck	109.45	23.34	1.56	4.94	5.44
Dare	646.08	152.57	10.75	32.59	31.06
Gates	4.88	.48	.02	.30	.20
Halifax	55.83	7.85	.45	3.43	1.30
Hertford	22.14	3.25	.19	1.31	.58
Hyde	27.49	6.02	.42	1.36	1.55
Martin	24.30	4.12	.25	1.35	.65
Northampton	10.99	1.45	.06	.50	.98
Pasquotank	40.90	7.17	.46	2.31	.98
Perquimans	7.83	1.08	.05	.34	.93
Tyrrell	3.35	.37	.02	.16	.34
Washington	11.09	1.67	.10	.62	.50
Regional Totals	\$1,050.21	\$222.04	15.02	\$53.64	\$50.05

The Commission has also partnered with East Carolina University (ECU) in planning the Second Annual Eastern North Carolina Tourism Conference to be held in October of 2006.

Also important to growing the tourism industry in our Region is enhancing our tourism infrastructure. The initial impact of newly-completed four-lane transportation corridors is generating interest from global investors in development of our inner-coastal communities. High profile visitor venues that will be tremendous assets in growing our regional tourism economy were announced or opened their doors during Fiscal Year 2005-2006:

The Museum of the Albemarle

Located in Elizabeth City, NC, the Museum of the Albemarle serves thirteen counties in the Northeast Region and allows visitors to explore the history of the oldest section of North Carolina, often considered the birthplace of English America. The Museum of the Albemarle opened its new facility on the Elizabeth City waterfront in April 2006.

Carolina Crossroads Music & Entertainment District

The Carolina Crossroads Music & Entertainment District is a 750 acre music theater and entertainment center to be located along Interstate 95 at Exit 171 in Roanoke Rapids, NC. With the attraction of family entertainment venues such as music theaters, shopping, hotels, motels, restaurants, and family recreational activities, Carolina Crossroads has the potential to attract visitors from across the country. The cornerstone of Carolina Crossroads is the 1,500 seat Randy Parton Theater, scheduled to open in the summer of 2007. Carolina Crossroads represents an estimated \$257,000,000 investment and the creation of over 2,400 new jobs in the first phase.

Sylvan Heights Waterfowl Center

The Sylvan Heights Waterfowl Center operates the world's largest collection of waterfowl, including many rare and endangered species. The eight-acre avian breeding preserve is located in Scotland Neck (Halifax County). The Center home to over 170 species of birds--more than half of the world's known species of ducks, geese and swans--along with cranes, pheasants, parrots and many other birds.

Regional Marketing Activities

The Northeastern North Carolina Regional Economic Development Commission is actively working with local, regional and state economic development allies in implementing a regional marketing program that focuses on new job creation and tourism development. This program includes a variety of marketing activities designed to encourage companies to choose North Carolina's Northeast Region for their business investment or expansion and to enhance tourism development.

Cluster Business Development

The Northeastern North Carolina Regional Economic Development Commission also believes that one of the keys to the future growth in the Northeast Region is the implementation of a "cluster-based" approach to economic development. Focusing on business clusters will allow the Commission to shift from assisting one business at a time to working with a collaborative group of businesses in key industry sectors.

The Commission has identified six emerging clusters for North Carolina's Northeast Region. These key clusters represent businesses that have been the cornerstone of our Region's economy as well as businesses that will play an important role for the future growth of our regional economy.

- Biotechnology
- Boatbuilding
- Automotive
- Leisure/Entertainment
- Aviation
- Heritage Tourism

Buildings & Sites

The Northeast Region's inventory of industrial and commercial buildings and sites is a key component of our business recruitment efforts. We continue to partner with the North Carolina Department of Commerce in the Internet-based buildings and sites database, www.ncsiterearch.com. The Northeast Commission is responsible for maintaining our Region's information on available buildings and industrial sites. Additionally, the Commission maintains its complete inventory of available buildings and sites at www.ncnortheast.com.

Phase II Certified Industrial Sites

To date, official certification by the NC Department of Commerce has been obtained for seven industrial sites in North Carolina's Northeast Region. We are continuing the process for certification of six additional industrial sites in Chowan, Washington, and Northampton Counties. Once these sites are certified, the Commission will begin working with our local economic development partnership to begin Phase III of our Certified Industrial Sites Program.

Coordination with NC Department of Commerce Marketing Strategies

The Northeastern North Carolina Regional Economic Development Commission recognizes the advantages of alignment with the State's overall economic development and marketing strategies. This alignment is accomplished through programs and activities of the North Carolina Partnership for Economic Development (NCPED). NCPED is a nonprofit 501(c)(3) consortium consisting of the North Carolina Department of Commerce (NCDOC) and all seven regional economic development commissions and partnerships. NCPED functions as an information-sharing and best practices clearinghouse. NCDOC Secretary Jim Fain and Southeast Commission Chair Jane Smith served as co-chairs of NCPED for the 2005-2006 Fiscal Year.

While the primary and legislatively-mandated function and responsibility of each regional commission/partnership is to develop and execute a regional marketing plan and program of work that fits that particular region's needs, when it comes to marketing the State of North Carolina itself, the seven regions look to and depend upon NCDOC for leadership and direction.

NCPED has developed operational systems and procedures that are intended to achieve a high level of strategic alignment with NCDOC's statewide marketing initiatives, while simultaneously informing NCDOC of the various marketing and promotional programs underway in the seven regions.

A highlight of marketing activities for Fiscal Year 2005-2006 is presented on the following page.

SELECTED TOURISM MARKETING ACTIVITIES North Carolina's Northeast Region

MID-YEAR TOURISM MARKETING UPDATE	Raleigh, NC	September 13, 2005
RUMBLE ON THE ROANOKE	Washington County	September 17 - 18, 2005
NCCBI (Regional Luncheon)	Elizabeth City - Pine Lakes	October 25, 2005
IBEX (Marine Show) (NEED)	Miami, FL	October 19 - 21, 2005
AUTO TESTING EXPO (AVRC)*	Novi, MI	October 26 - 28, 2005
SEMA (Auto Aftermarket Products) (AVRC)*	Las Vegas, NV	November 1 - 4, 2005
DOC/NEED Retreat) (NEED)	Hertford & Chowan County	November 16 - 18, 2005
ENERGY FORUM (Offshore Drilling for Natural Gas)	COA, Elizabeth City	November 22, 2005
PERFORMANCE RACING INDUSTRY (AVRC)*	Orlando, FL	December 1 - 3, 2005
NC DOC CALL CENTER (Women's Prison)	Raleigh, NC	December 6, 2005
AUTOSPORT INTERNATIONAL (AVRC)*	Birmingham, England	January 12 - 15, 2006
TRAVEL SOUTH (NET)	Richmond, VA	February 18 - 21, 2006
EUROPEAN MISSION (FRIENDS) (AVRC)*	Europe	March 1, 2006
REGIONAL CHAMBERS NETWORKING EVENT	Dare County	March 2 - 3, 2006
DARE COUNTY MARINE TRADES ASSOCIATION	Dare County	March 15 - 16, 2005
GOVERNOR'S TOURISM CONFERENCE (NET)	Durham, NC	April 4 - 6, 2006
VIRGINIA PORT (NEED)	Norfolk, Virginia	April 6, 2006
BIO 2006 (FRIENDS)	Chicago, IL	April 9 - 12, 2006
INTERNATIONAL TESTING EXPO (AVRC)*	Stuttgart, Germany	May 9 - 11, 2006
AUTOMOTIVE PARTS MFG ASSN (NEED)	Hamilton, Ontario	May 10 - 11, 2006
I-95 NORTH TOURISM MARKETING DAY	I-95 N. Welcome Center	May 15, 2006
TOURISM MARKETING DAY	Raleigh, NC	May 16, 2006
NCEDA 2006 ANNUAL CONFERENCE (NEED)	Asheville (Grove Park Inn)	June 14 - 16, 2006
NPE (INTERNATIONAL PLASTICS SHOWCASE)	Chicago, IL	June 19 - 23, 2006

*Trade shows and marketing events attended with AVRC in conjunction with automotive cluster development.

denotes tourism marketing events

Leads, Prospects & Clients

In Fiscal Year 2005-2006, the Commission implemented a marketing mix focused on existing companies, new business location, and visitor recruitment.

The Northeastern North Carolina Regional Economic Development Commission's proactive and aggressive marketing activities and programs continue to generate leads for business/industry and tourism development for the sixteen-county region. Leads are generated through marketing events, advertisements, trade show attendance, the North Carolina Department of Commerce, site location consultants, economic development allies, and economic development representatives from our sixteen counties.

For Fiscal Year 2005-2006, the majority of our business/industry clients (62%) were generated by our regional marketing initiatives. County-generated projects made up 21% of the regional client base with NC Department of Commerce referrals representing 17%.

LEADS, PROSPECTS & CLIENTS		
	Business/Industry	Tourism
Total Leads Generated	458	136,564
Total Active Prospects	169	34,141
Number of Prospect Visits	42	17,070
Referrals from State	20	40,969
Research Requests Filled	121	68,282

Regional Accomplishments

Creating new jobs and investment through new business and industry recruitment remains an integral part of our regional economic development efforts in North Carolina's Northeast Region. New investments such as the Advanced Vehicle Research Center and Lotus Engineering in Northampton County and Agri-Ethanol Products, LLC in Beaufort County, combined with announcement of the Carolina Crossroads Music & Entertainment District in Roanoke Rapids, will bring new and diversified economic opportunities for our communities in North Carolina's Northeast Region.

Equally important, the expansions of existing companies such as Nash Brick Company in Halifax and Perdue Farms in Bertie County provide new jobs and investment and help to further sustain the communities in which they are located.

Other accomplishments by the Commission, with the support and assistance of our regional economic and tourism development partners, include:

- Identification of new and existing business clusters to guide future regional marketing activities
- Creation of Biotechnology Stakeholders Group to work with the Commission and the Vernon James Research Center to explore future biotechnology opportunities for the region
- Establishment of a Marine Trades training program at The College of the Albemarle in Edenton
- Location of a major entertainment venue along the Interstate 95 corridor
- Establishment of industry associations that meet regularly to provide a resource development and networking opportunities to support existing business retention and expansion

The Commission expects the marketing foundation built during Fiscal Year 2005-2006 will continue to yield significant results in coming years for job creation and investment and tourism development.



Country music singer, Randy Parton, and his sisters Dolly, Stella, and Rachel along with Grand Ole Opry legends and local officials, break ground on November 11, 2005 for The Randy Parton Theater, now under construction at the Carolina Crossroads Music & Entertainment District on I-95 in Roanoke Rapids.



World Panel Products grand opening in Bertie County.



Don Graunstadt, CEO of Lotus Engineering, Inc., at the April 28, 2006 Groundbreaking for the Advanced Vehicle Research Center (AVRC). Lotus Engineering announced in May 2006 that the company will locate a research and development center at AVRC in Northampton County.

FINANCIAL INFORMATION

Northeastern North Carolina Regional Economic Development Commission

FY 2005-2006 Audit (Northeast Commission)

FY 2005-2006 Budget (North Carolina's Northeast Partnership, Inc.)



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