

## Carolina Business Articles

### Northeast Region Plans For The Future

By Mary Elle Hunter

Extending from I-95 to the Outer Banks, the sixteen counties that make up North Carolina's Northeast region, represent a striking combination of inland waterways and miles of sandy beaches known to millions of



vacationers and a serene retirement mecca, together with a historical landscape that is home to Roanoke Island, the site of the first European outpost in North America as well as Kitty Hawk, where the Wright Brothers ushered in the age of flight.

Northeast North Carolina has another side, too, with its vigorous economic development initiatives spearheaded by the Northeast Commission and its partnering organizations. During the last few years, significant progress has been made in improving the infrastructure, including major highway improvements, a \$50 million dollar natural gas distribution system, telecommunication upgrades plus the development of new educational and workforce offerings.

Focusing on six major targeted business clusters, the Northeast Commission of Economic Development continues to implement its long-term marketing strategy with an overall goal of diversifying its regional economy. The target clusters include Automotive, Aviation, Marine Trades, Heritage Tourism, Inner Coastal Development and Biotechnology.

Vann Rogerson, President and CEO of the Northeast Commission observes, "In spite of the turbulent times, we have still seen clients expressing interest in expanding into the region. Right now, I don't think any of us can really judge exactly where the economy will be a year from now, but in each of our clusters, we continue to plan ahead."

A good example of planning for the future is in the Heritage Tourism cluster. The group of tourism officials from throughout the sixteen counties, and known within the Northeast Commission as NET, recently has sponsored familiarization tours for travel experts from AAA, the Southeast Tourism Association, the American Bus Association, and other group travel operators. Since most of the group tour people plan eighteen months ahead, the results from the "Fam" tours probably won't be seen until late in 2009 or in 2010, according to Rogerson. The Net members have put together itineraries for trips for group operators, concentrating on the four gateways to the region - Roanoke Rapids, Washington, Elizabeth City and Manteo.

Looking ahead in the Biotechnology cluster, the Northeast Commission is reviewing the results of a study released earlier this year that identified strong agricultural and research assets in the region's development of biocrops and biofuel. Rogerson stresses the study, which was done by RTI International in Research Triangle Park, recognizes plant biotechnology as a good rural development strategy for the area.

Noting that North Carolina farmers have the expertise in agriculture to accomplish the future development of biocrops, Rogerson points to the Vernon James Research and Extension Center in Plymouth in Washington County as one of the area's most important assets. He mentions that the U. S. Department of Agriculture gives high marks to the area's ag community for their standard operating procedures in growing and handling of genetically modified crops.

Ventria Bioscience, a Colorado-based company, acquired acreage in the region for its test fields in 2004, and has since increased the number of acres it has planted several times as it conducts research for innovative products in human nutrition. "In the future," Vann Rogerson says, "it's possible that Ventria will include processing and packaging functions which would fit in with our philosophy of creating new wealth and new jobs."

Turning to the Automotive cluster, Vann Rogerson reports that construction has started on the North Carolina Center for Automotive Research (NC CAR) in Northampton County. By this time next year, the facility will be open for research and development, and now that construction is underway, Rogerson says "We can start marketing to the automotive research segment, including some foreign investment opportunities."

The 630-acre NC CAR, along I-95, is modeled after successful vehicle research complexes in Ohio and Great Britain. The center is designed to meet the research, testing and development demands of smaller automobile manufacturers and automotive suppliers.

For the marine trades, the Northeast Commission is continuing to try to identify and develop sites for commercial marine interests. The Commission's staff has six or seven potential riverfront sites that might be suitable, and in Perquimans County the North Carolina Seafood Industrial Park Authority has expressed some preliminary interest in a piece of land at the Perquimans Commerce Center.

An important step forward in the Aviation cluster was the ground-breaking ceremony held in mid-October on the \$13 million Elizabeth City-Pasquotank Aviation Research and Development Commerce Park. The event, taking place less than sixty miles from the location of the Wright Brothers historic first flight, was attended by a United States Congressman, North Carolina legislators, Elizabeth City and Pasquotank County officials, and leaders of the Elizabeth City-Pasquotank Regional Airport Authority.

Keynote speaker Congressman G. K. Butterfield remarked that the Aviation Commerce Park has almost unlimited potential. "The park will be a major catalyst in the

transformation of the economy of the entire northeast North Carolina region into a hub of aviation and aerospace development.”

Located on sixty-three acres across the street from the present airport, the park will take advantage of one of the region’s largest assets, the U. S. Coast Guard Air Station complex at Elizabeth City. Upon completion, the aviation park will connect the 7,200 foot-long runway shared by the Coast Guard and the airport with a taxiway capable of accommodating the C-130-sized aircraft used by the Coast Guard.

The aviation park will also house the Elizabeth City State University (ECSU) School of Aviation Science and a College of the Albemarle (COA) facility for conducting its Air Frame/AirPlant maintenance certification programs. DRS Technologies, which presently operates an aircraft maintenance facility next to the airport, will be among the first major tenants of the park.

The company’s expansion into the aviation park will be in addition to its second 80,000-square-foot hangar nearing completion adjacent to the airport. Both the existing DRS hangar and the one nearing completion are used for overhauling C-130 aircraft under a U. S. Coast Guard contract.

Wayne Harris, director of Albemarle Economic Development Commission serving Pasquotank and Camden counties, speaks well of the ongoing efforts of the Northeast Commission in assisting the individual counties in economic development. Recently Harris attended the national aviation business trade show with Regional Marketing Director Ray White of the Commission. “This was a very timely and worthwhile marketing trip given the publicity generated by the groundbreaking of the Aviation Park.

In addition to the DRS expansion, Harris says another major investment made by an existing industry in Pasquotank County has been the \$3 million expansion by TCOM, an international supplier of airships and lighter-than-air vehicles. The planned 40,000-square-foot manufacturing facility will be fully operational in December. Upon completion, the company will use the new facility to produce the mooring systems for unmanned, tethered balloons, known as aerostats, as part of an Army contract. TCOM will also develop and test an aerostat for an emergency communications system for use during natural disasters.

Bertie County, a low-wealth county with a staff of just one person in its Economic Development office, relies heavily on the Northeast Commission. Steve Biggs, Director of the county’s EDC, says, “They offer several types of resources, act as a go-between with the North Carolina Department of Commerce, steer business our way, and even help me get applications ready for grants by the Rural Center.”

“Attracting Roanoke Manufacturing to locate in the county was a good example of how the Commission has been of assistance. It was an all-out effort by local officials and business leaders, but the Commission was a major player.”

A long-time Bertie County manufacturer of agricultural equipment, the company's workforce had dwindled and it was facing hard times, when a Delaware company showed interest in its purchase. Their total investment including renovation costs was over \$2 million and the new owners have brought back 30 or more workers and hope to have 100 employees within six months.

Bill Early, director of the Hertford County Economic Development Commission, agrees that the Northeast Commission's help has been a real plus to his organization. "In particular they assist us in marketing with what we have to offer, since being a small county, our financial resources are limited. They have generated clients for the buildings and sites we have available, and also they have pursued the focus on the targeted clusters within the region."

Business activity has been strong in Hertford County with recent announcements of the location of the headquarters of an electric cooperative, the reopening of a Perdue soybean processing plant, and a company that does cutting and fabricating of steel moving into an existing building. Nucor Steel, one of the region's major employers, announced in July that they are planning a \$110 million expansion of their existing plant, adding a heat-treating facility. The total investments of these projects amount to over \$200 million and will bring an estimated 135 new jobs.

Bill Early also serves as the chair of NEED, the Northeast Commission's group of the individuals who are charged with overseeing economic development in each of the sixteen counties. "We meet monthly and just had a planning retreat in which we formulated a legislative agenda for the next session of the General Assembly. One of the real values of the group is the unity that we share. It gives us an ability to be more effective in drawing attention to the region as a whole, and it allows us opportunities to help one another."

As the sixteen counties in the Northeast and the rest of North Carolina cope with rising unemployment rates, and a probable decline in tax revenues, the national economic downturn remains the most significant challenge facing the region. However, as Bill Early says, "When you are an economic developer, you have to stay positive." And by continuing to plan for the future, the Northeast Commission will be ready to take advantage of the opportunities that lie ahead.

*Reprinted from Carolina Business online.*