

NORTH CAROLINA ECONOMIC DEVELOPMENT BOARD



Minutes Raleigh, North Carolina March 28, 2002

The Economic Development Board met in Room 643 of the Legislative Office Building on March 28, 2002. Chairman Gordon Myers called the meeting to order at 1:20 p.m.

Chairman Myers called on Billy Ray Hall with the Rural Economic Development Center for comments regarding rural economic advancement.

Mr. Hall discussed several factors relating to job loss, rising unemployment, textile layoffs and the struggling workforce. He said that the Rural Center Board requested that the Economic Development Board consider several recommendations in developing a strategic plan for economic development in North Carolina. The recommendations were as follows:

1. Funding Fairness – develop a measure of ability to pay that will help rural communities address local needs.
2. Regional Development Strategies – develop regional approach to economic development that includes a legislative framework for county cooperation and sharing of local taxes.
3. Workforce Development Strategy – call on the state's economic development and workforce leadership to develop a joint strategy to meet the challenges of a knowledge-based economy.
4. Rural-focused Business Development Strategy – include in strategic plan measures in support of farming and other natural resource-based businesses, place top priority on helping existing industry, and place renewed emphasis on small business development programs.
5. Rural Infrastructure – identify a permanent source of revenue to support comprehensive approach to infrastructure development and make wise decisions on investments in water and sewer infrastructure.
6. Partnerships for Prosperity – form a partnership with NCCBI, Department of Commerce, NCEDA, Regional Partnerships and the Rural Economic Development Center to create a strategic agenda for economic development and meet on a regular basis to address opportunities and barriers to job creation and work.

Chairman Myers called for reports from each of the seven Committees as follows:

Phil Kirk reported for the Workforce Development and Education Committee. He said the Committee worked on its goal and changed the wording from outstanding education systems and a highly qualified workforce to outstanding education system and a highly qualified workforce. The Committee has four objectives:

1. Commit full funding for enrollment growth in public universities, community colleges, and K-12 public education.
2. Coordinate and improve the quality of K-16 public education to prepare students for further education and work opportunities.
3. Change the government accountability of the workforce delivery system to more effectively meet the needs of each customer.
4. Expand flexible non-degree based training programs to support economic development and employers as it responds to needs of workers and employers.

Robert Stolz reported for the Community Readiness and Urban Development Committee. He said the Committee took its original thirty objectives and reduced them to seven and remained focused on its goal, which is “strong metro growth area that generates regional business development, shared prosperity and a high quality of life working well in partnership with rural neighbors.” Objectives are as follows:

1. Improving incentives for urban development projects possibly by using non-tax credit options. (Requests that KPMG survey other states to see what other creative ideas are out there and how effective they are in other states).
2. Make North Carolina a more user-friendly state in developing urban areas in regards to the regulatory environment.
 - a. Establish a one-stop shop for permitting and other related activities across all state agencies as well as some federal departments. (Request KPMG to take a look at this process to see what other states have.)
 - b. Accelerate the availability of the rehabilitation sub code in the urban areas.
3. Create an Office of Urban Development within the Department of Commerce to span all areas of the Department.
4. Would like to know what the wage standard requirement in the current Bill Lee Act is accomplishing.
5. How are other states dealing with the telecommunications improvement issues throughout urban areas? (KPMG)
6. Are there other ways of funding our current Main Street Program?
7. Recognize and work with the large urban areas. The Committee suggests that we continue to work through the Metropolitan Coalition.

Mr. Stolz said that a representative of the Metropolitan Coalition was invited to address the Committee and he extends the invitation to other Committees to hear the comments as well.

Scott Satterfield reported for the Infrastructure, Transportation and the Environment Committee in the absence of Chair Bill Coley. He said that the Committee offers a change in the vision statement for the Board’s consideration as follows: One North Carolina where each citizen has **the same opportunity** for a high quality of life including a good job and a good education, regardless of where they live – rural or urban, east or west, north or south. The proposed vision statement would read One North Carolina where each citizen has **an opportunity or best possible** opportunity....

The Committee’s goal is “a competitive regionally-based infrastructure and sustainable economic development” and to reach that goal the Committee recommends the following objectives:

1. Streamline the environmental permitting process.
2. Support regionally based inter-modal transportation system.
3. Support policy initiatives to stimulate multi-county business in industrial parks that would be supported by regional infrastructure.
4. Foster sustainable economic development.

Watts Carr reported for the Recruitment and Retention Committee. Mr. Carr said that the Committee revised its goal to read, “to ensure a competitive business environment for recruitment, retention and expansion of business, investment and jobs. The Committee offers four objectives to meet the goal as follows:

1. To enhance North Carolina’s exceptional business climate that consists of affordable business costs, fair regulations and a fair tax system.
2. To enable effective recruitment to North Carolina both new economy and sustainable traditional companies.
3. To develop a tierless program of existing industry services
4. To develop an effective coordinated statewide marketing program.

The Committee is working on a recommendation for incentives and will present it to the Board at a later date.

Bill Forsyth reported for the Rural Development Issues Committee. He said the Committee has established six objectives and has asked KPMG to research several issues relating to rural development. The Committee will continue to work on the objectives and action steps.

In the absence of Chairman Matthew Szulik, John Crumpler reported for the Science, Technology and University Outreach Committee. He said that the Committee is divided into five working groups to look at the following issues:

1. Business Environment which includes investment
2. Incentives and taxes as it relates to technology trends
3. K-12 science and technology education.
4. Research and technology transfer
5. Outreach to Legislators and political leaders
6. How we collaborate and apply these recommendations cooperatively throughout the state.

Mr. Crumpler said the Committee is looking at actionable recommendations that are measurable going forward.

Pat Corso reported for the Tourism, Film, Sports, Arts and Cultural Resources Committee. He said the Committee's concept of marketing and branding is still a priority as we go forward. The key focus of a Department of Commerce/Marketing would be retention, relocation, recruitment and visitation. Other areas to look at are as follows:

1. Consider public/private partnerships for the Department of Commerce/Marketing
2. From a marketing standpoint, tourism would be primary focus
3. Specific issues relating to Tourism
 - a. Tax issues
 - b. Research and database to define impact on North Carolina
 - c. Invest more in advertising
 - d. Environmental issues in the mountains
 - e. Impact on the beaches during hurricane season
 - f. Incentives for entities such as the NC Zoo and Horse Park in Hoke County
 - g. Change liquor law so there will be one law for the state
 - h. Para mutual betting
4. Incentives for Film industry
5. Support for Sports Development
6. Heritage Tourism

Chairman Myers said that John Merritt addressed the Executive Committee and reminded the chairs to keep the issues to be addressed to the Legislature in May simple, taking into consideration the economy. Mr. Merritt also said that the Governor has extended the timeline for developing the strategic plan from March 1 to July or longer as necessary to produce a workable plan of economic development for the state.

Chairman Myers called on employees of KPMG, the consultant employed to provide research and information as needed in developing the strategic plan, for a presentation of their services.

Tammy Propst, Engagement Partner, and Hartley Powell, Engagement Manager, provided an overview of the work to be performed for the Board. They explained their company structure and the type of research they can provide. In addition, they discussed the Scope of Work outlined in the RFP and the type of information they might already have available that could be supplied to Committees as needed.

Secretary Fain thanked the Board for their hard work and their commitment to developing a strategic plan that will be a long-term vision for North Carolina.

As there was no additional business, the Board adjourned at 2:35 p.m.