
Economic Development Opportunity Assessment for Lower Currituck

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INTRODUCTION

Brent Lane, Project Consultant

- ✘ UNC Center for Competitive Economies
- ✘ Directed 2008 Currituck Economic Vision Plan

Deborah Watts, Project Consultant

- ✘ Senior Partner, Technology Development Group
- ✘ NC Broadband Program, NC Commerce
- ✘ NC Rural Center

NC'S ECONOMY IS BIG

- ✘ NC Population = 10 million (9th)
- ✘ NC GDP = \$510 billion (9th)
- ✘ NC = 22th largest national economy (Argentina/Sweden)
- ✘ Workforce of 4.8 million people
- ✘ 350,000+ businesses of many types



Big is hard to affect.

WHAT IS ECONOMIC DEVELOPMENT?

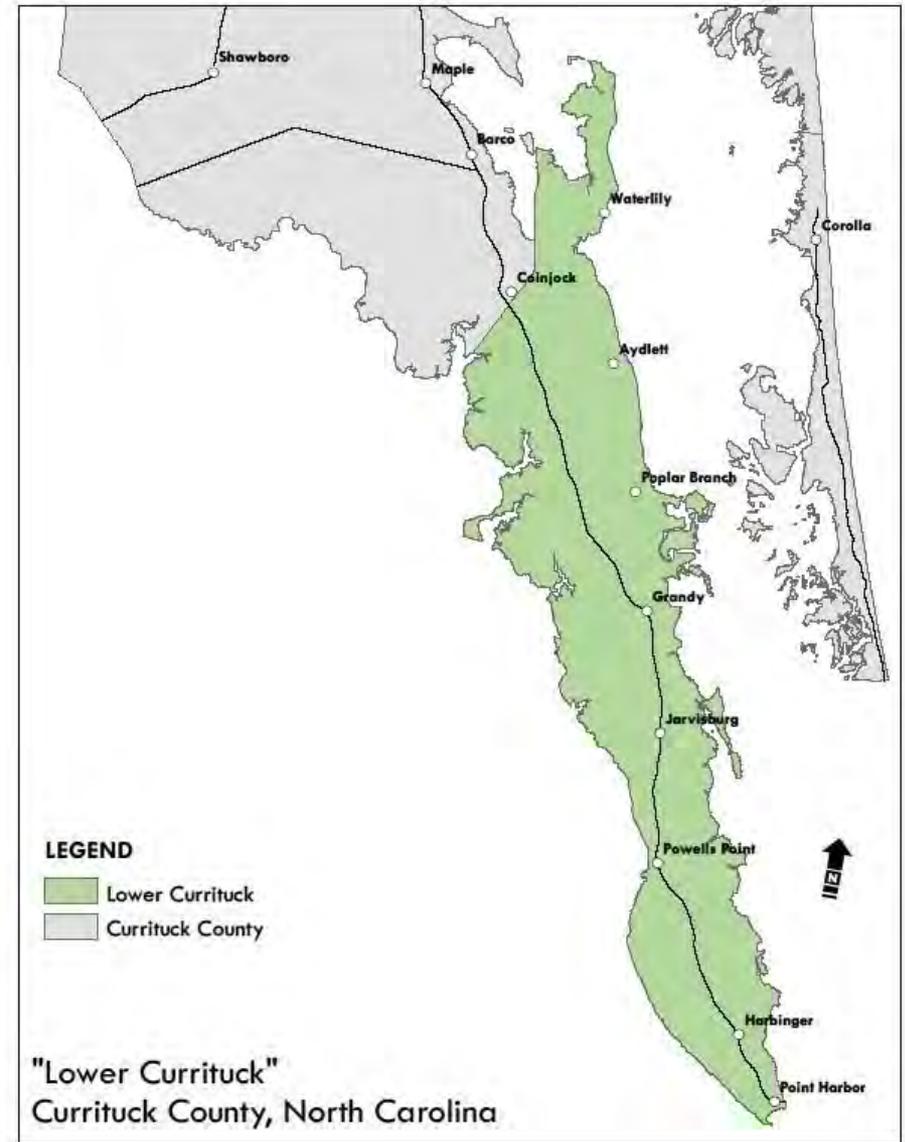
“At its best economic development enables a community’s citizens to shape its future economy to fulfill broadly shared priorities.”

- ✘ Economic development programs
- ✘ Planning, permits and enforcement
- ✘ Tax and fiscal policies
- ✘ Education, public services and amenities
- ✘ Business and community culture

LOWER CURRITUCK

From Waterlily to
Point Harbor

- ✘ 8,000 citizens
- ✘ 3000 houses
- ✘ 4,300 workforce
- ✘ 550 businesses



PURPOSE



Engage with Lower Currituck citizens to describe a consensus vision of desired future development if possible

Inform the county's efforts to achieve preferred outcomes through an identification of market-validated strategies..... if possible

OUR ASSIGNMENT AND TASKS

1. Lower Currituck Economic Scan
2. Community Visioning Engagement
3. Economic Development “Route Map”

OUR PURPOSE TODAY

To present and discuss our findings on...

- ✘ The economic development priorities described by citizens of Lower Currituck
- ✘ Representative economic initiatives consistent with those community priorities
- ✘ Parameters of a successful economic future for Lower Currituck
- ✘ Whether Lower Currituck preferences can achieve that success

2016-2026 GROWTH.....READY OR NOT

Recession slowed economic activity, but...

- ✘ Economic conditions improving in the County
- ✘ Potential Mid-Currituck Bridge project effects create uncertainty and fuel inaction
- ✘ OBX industry cluster growth may bring more undesirable outcomes
- ✘ Dare County economic development efforts will affect Lower Currituck

SCENARIOS

Three economic growth future scenarios:

- ✘ Continuation of recent economic activities with reactive, incremental policy responses
- ✘ Broader acceptance of market-driven OBX outcomes to Lower Currituck
- ✘ Facilitation of market-validated outcomes consistent with community consensus

FIRST A DESTINATION, THEN A ROUTE

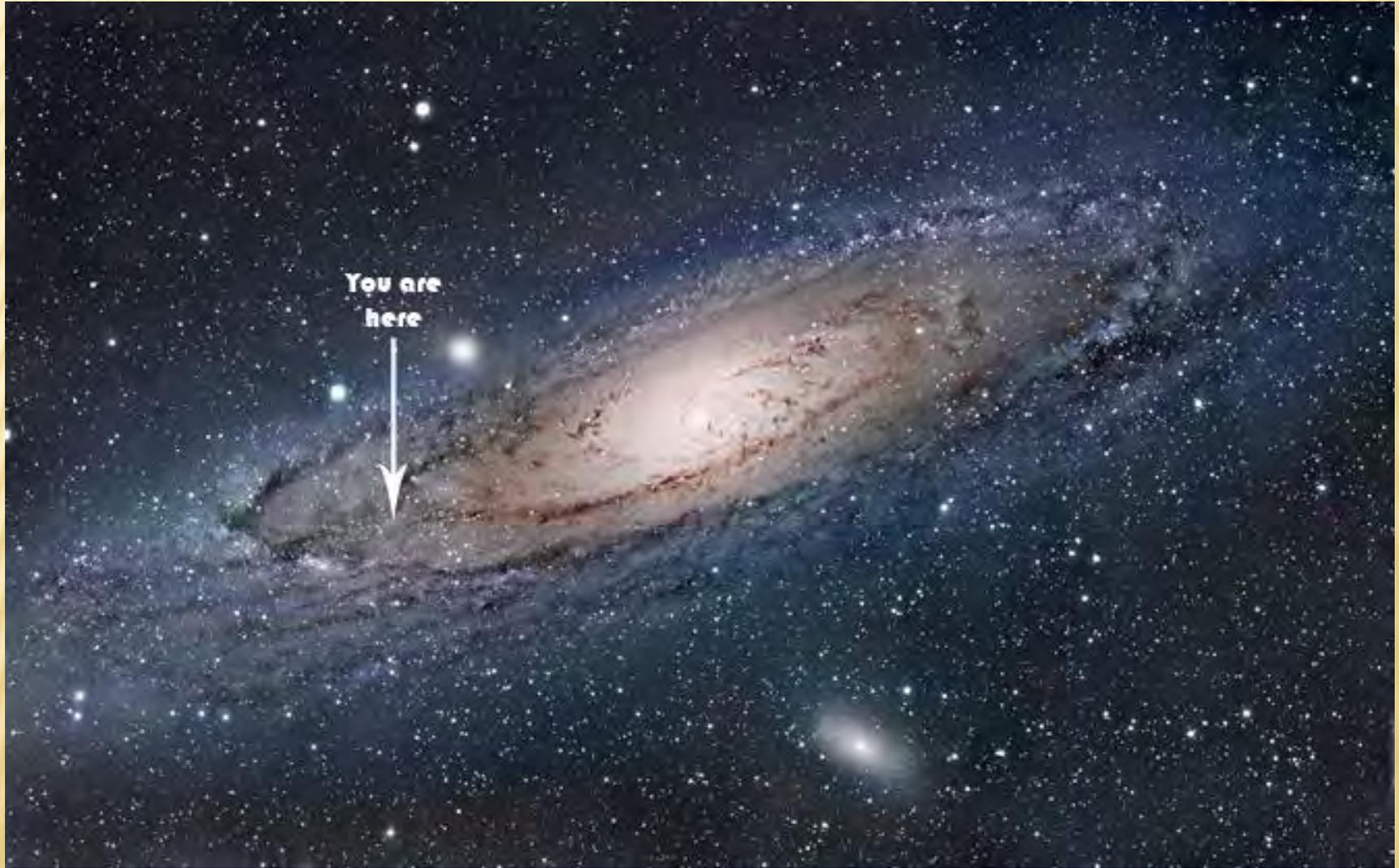


THERE: COMMUNITY DEFINED SUCCESS

Engagement found support of economic growth if consistent with consensus preferences

- ✘ Upward employment for existing residents
- ✘ Education and advancement for youth
- ✘ Enhanced distinctive individual communities
- ✘ Value and preserve area's natural and cultural heritage character
- ✘ Sustainable locally committed businesses

WHERE IS LC TODAY?

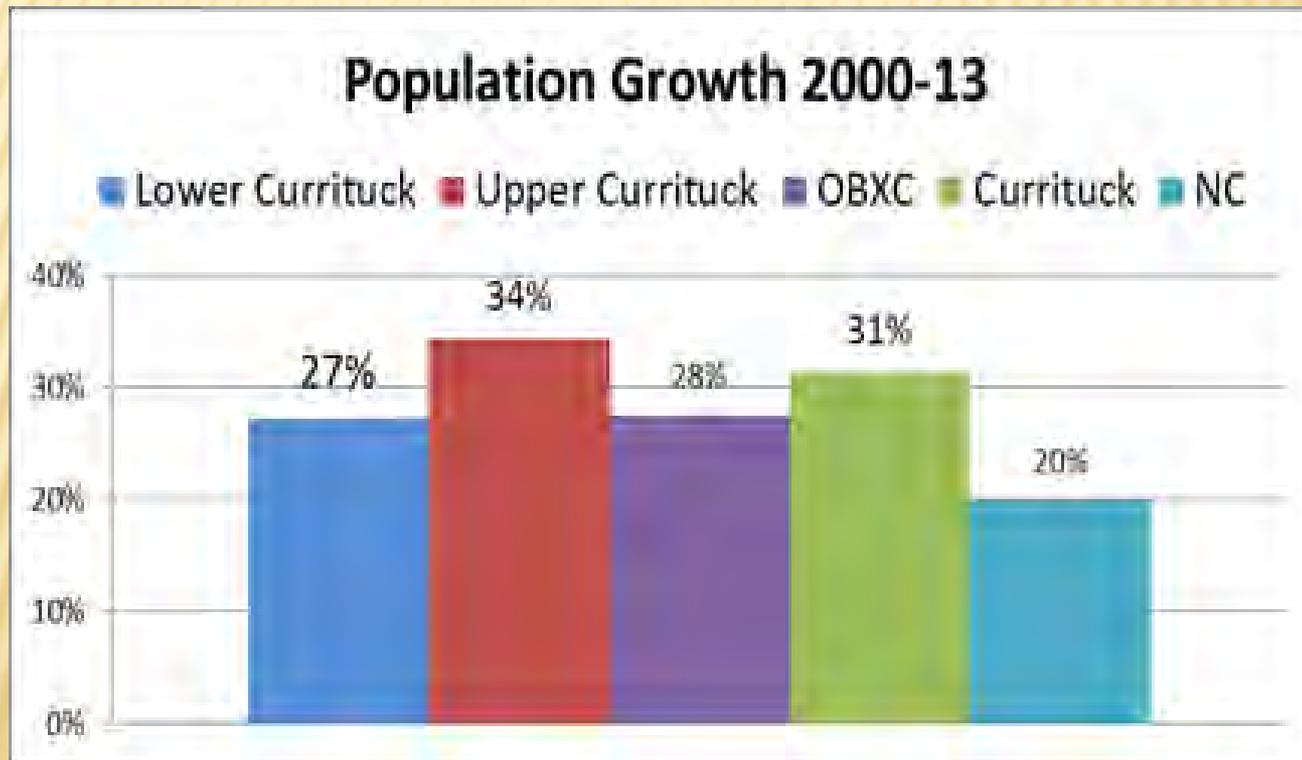


A CLOSER LOOK

$$NC < LC < C + OBX$$

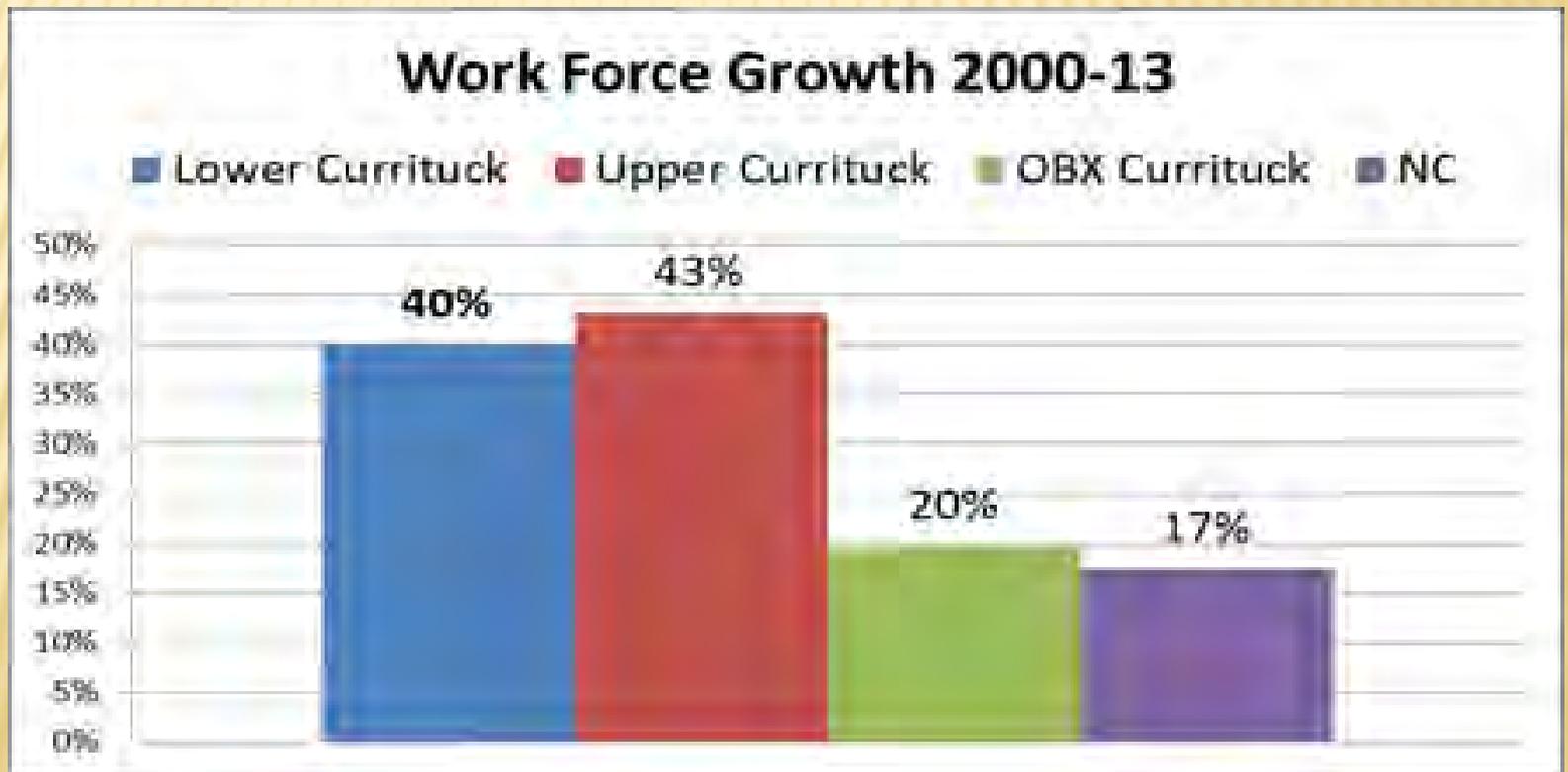
LC POPULATION 2000-2013

- ✘ 1,595 new residents to total of 7438 (27%)
- ✘ Led NC, lagged Currituck and neighbor areas



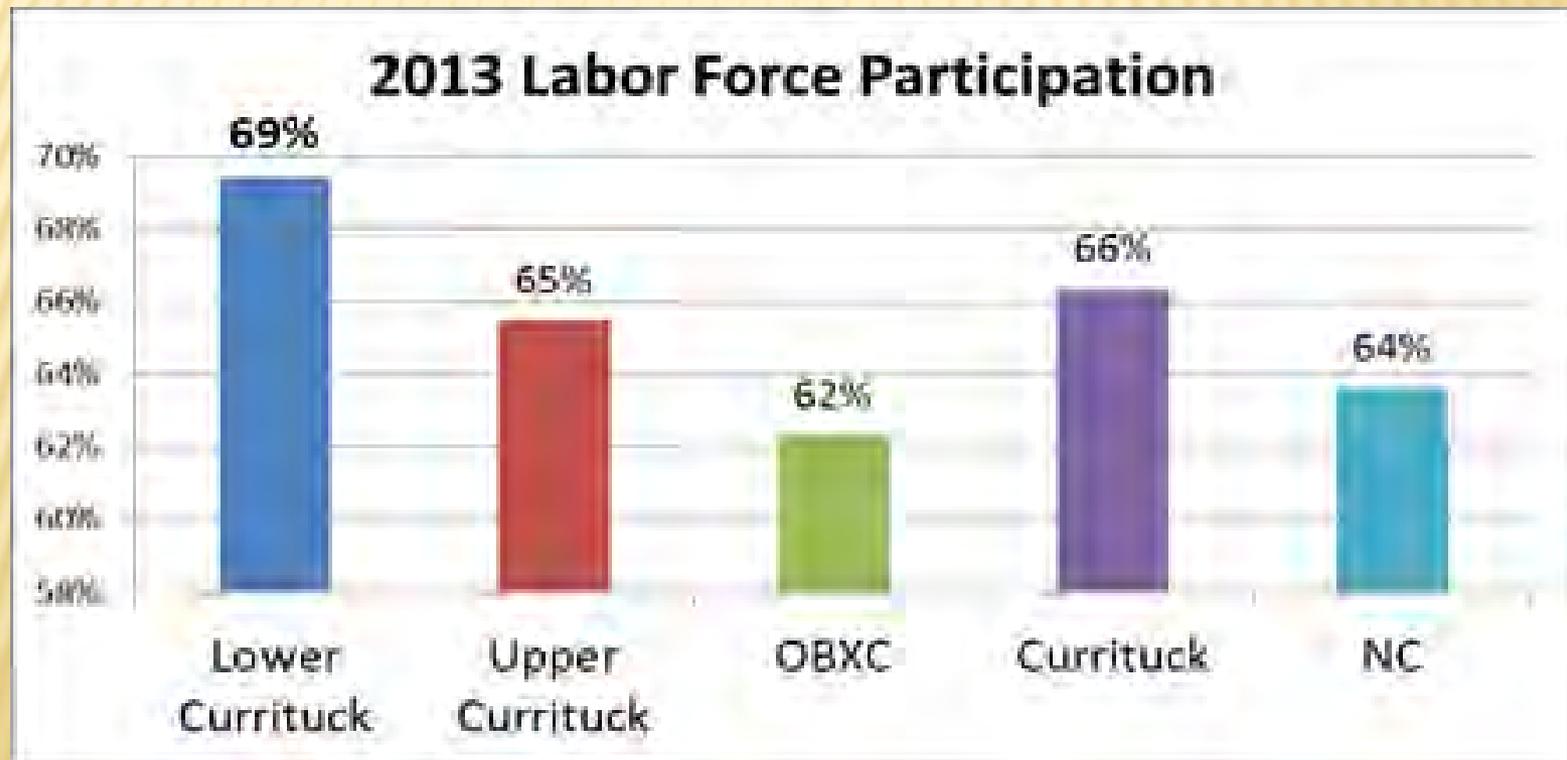
WORKFORCE 2000-2013

- ✘ Added 1,181 to total of 4,132 (40%)
- ✘ Led NC, lagged Currituck and Upper Currituck



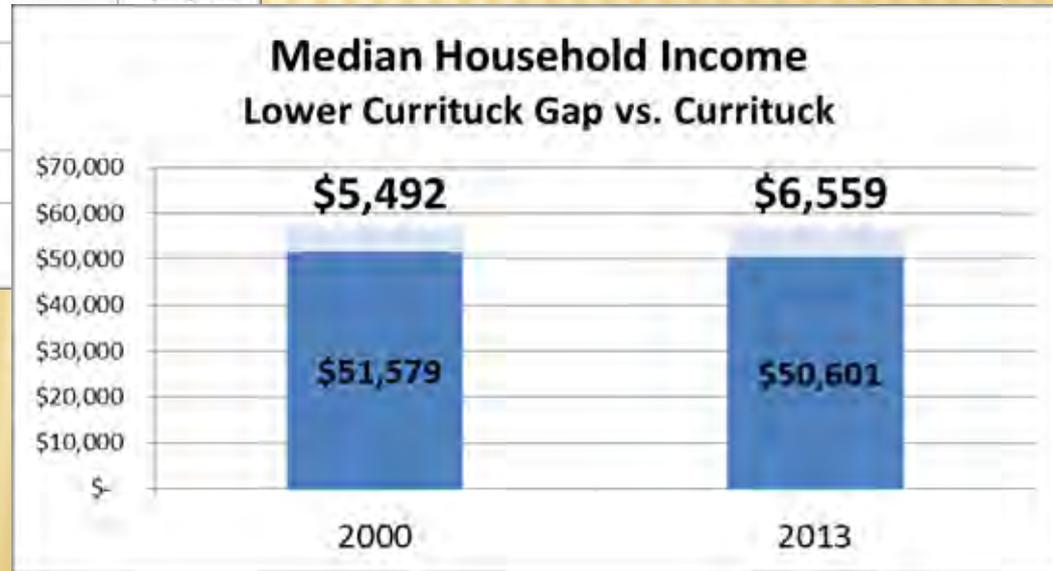
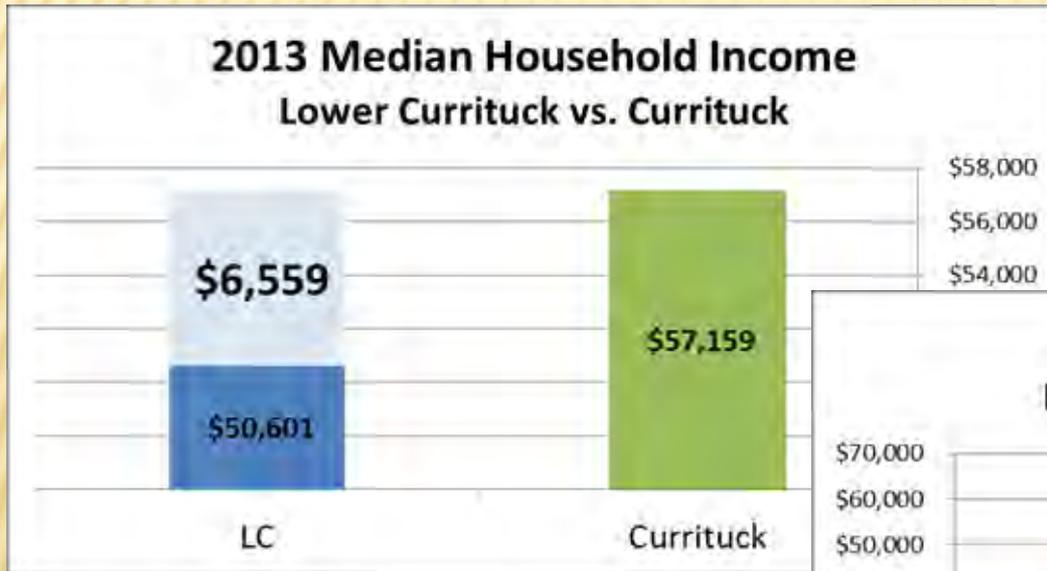
OUTWORKING OTHERS.....

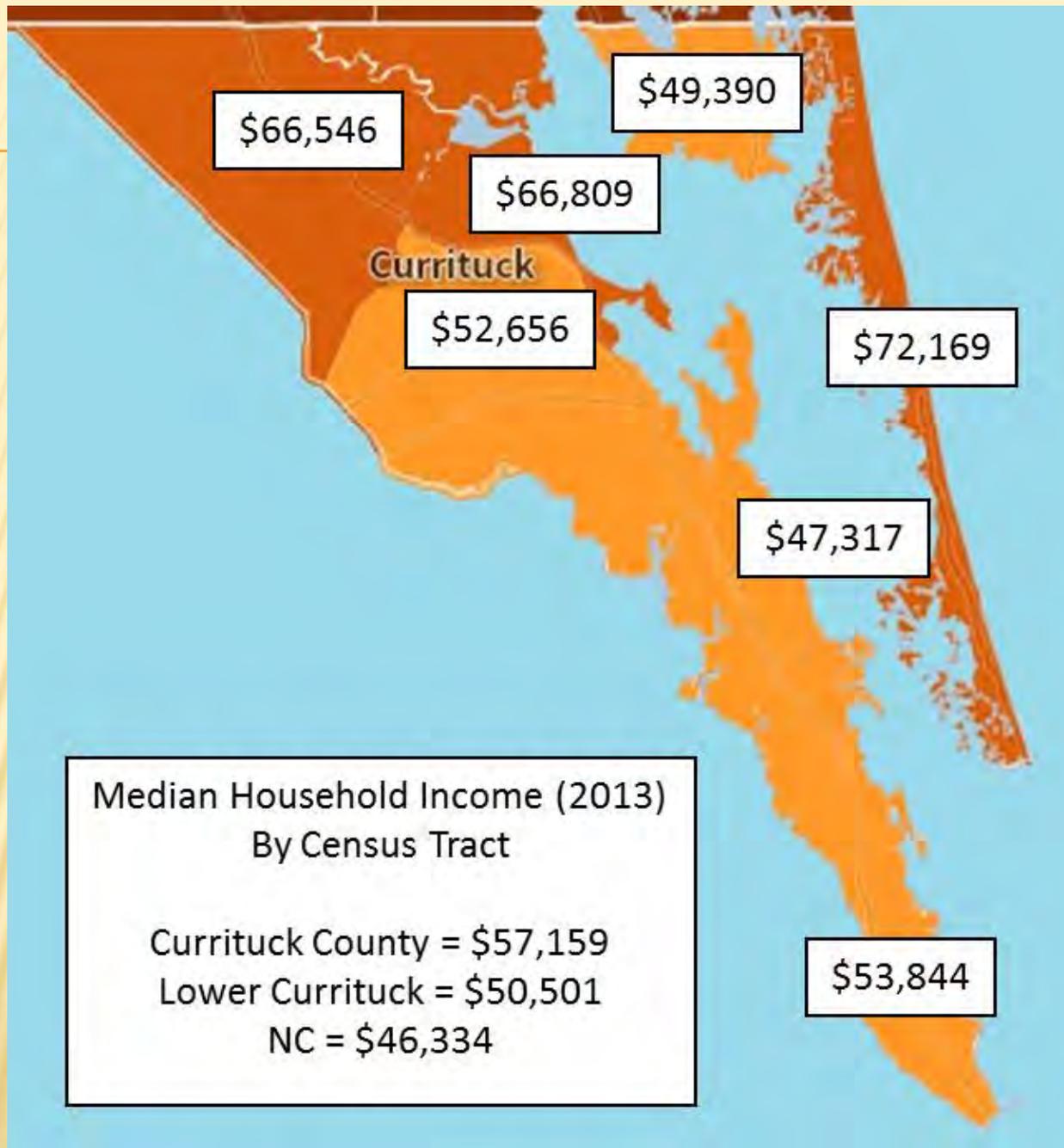
Leads in workforce participation.....



...BUT BENEFITTING LESS

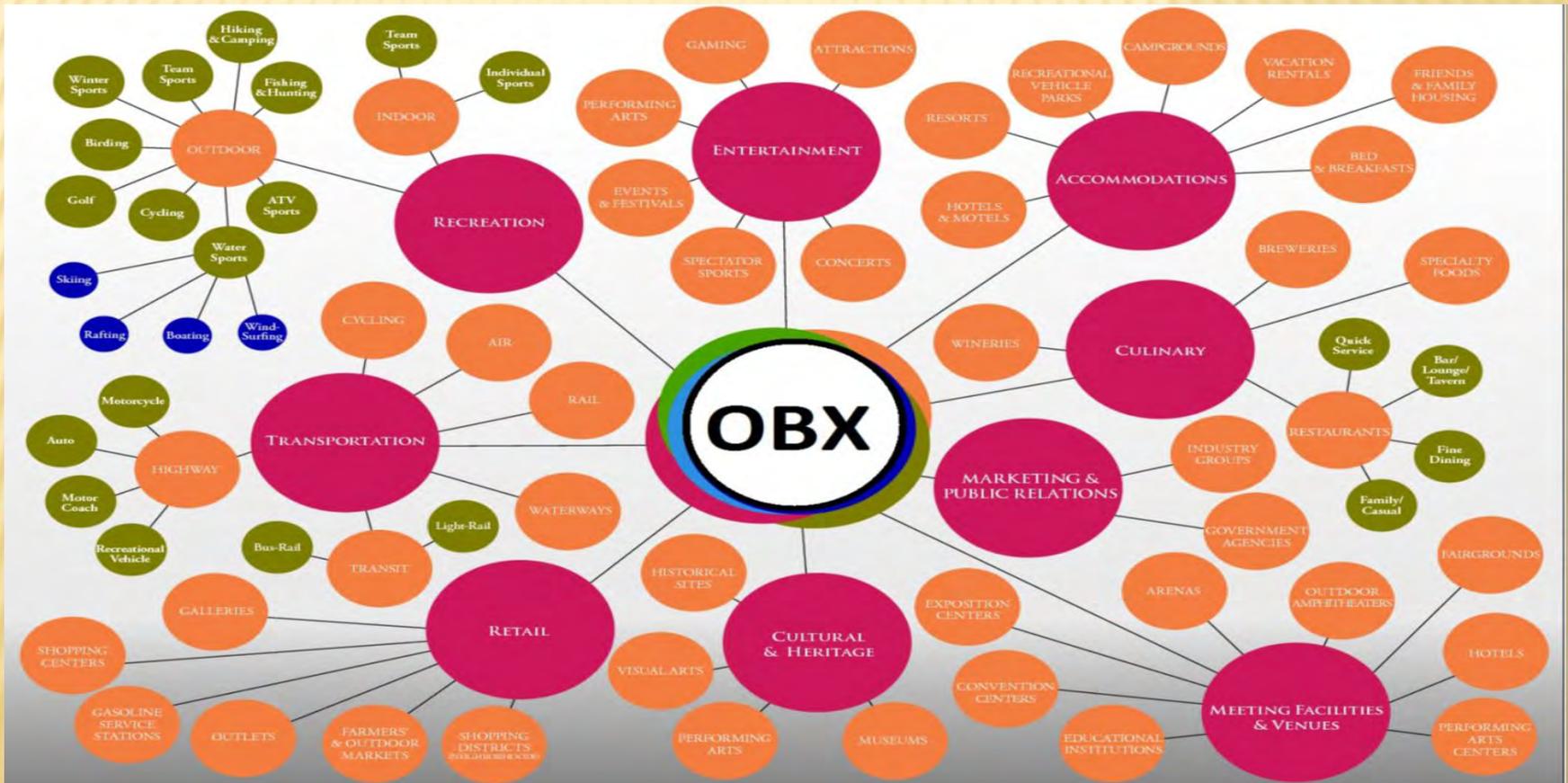
Income leads NC but trails Currituck County, and the gap is growing





TOURISM INDUSTRY CLUSTER

Industry clusters are interactive networks of businesses that serve similar markets



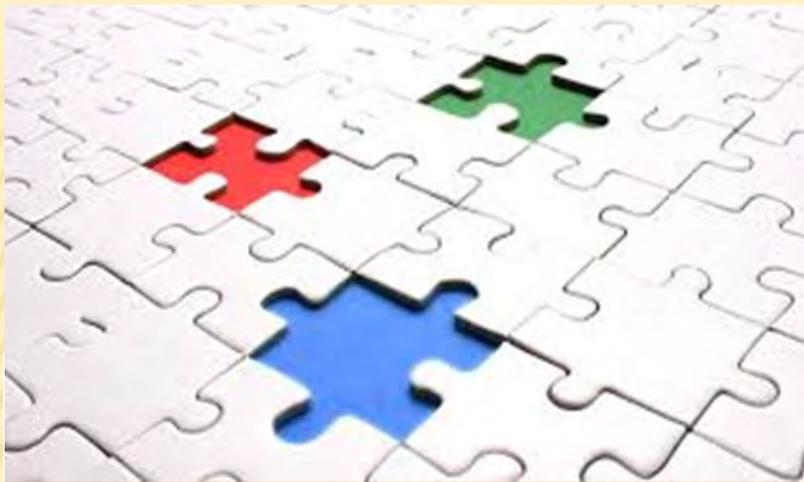
STRONG INDUSTRY CLUSTERS

Healthy clusters have a diverse, interconnected firms that satisfy customer spectrum



BUT CLUSTER PIECES VARY





.....OR ARE MISSING

Outer Banks Tourism Cluster Constituent Sectors	Lower Currituck Share
Construction	153%
Transportation	105%
Wholesale/Distribution	143%
Services (inc. medical)	77%
Retail	91%
Finance, Insurance, Real Estate (FIRE)	43%

INTRODUCTION

Deborah Watts, Project Consultant

- ✘ Senior Partner, Technology Development Group
- ✘ Senior Director of Research, NC Broadband Program, NC Department of Commerce
- ✘ Evaluator of ARC Technology-Based Economic Development Program
- ✘ NC Rural Center
- ✘ NCSU and UNC alum

COMMUNITY VISIONING ENGAGEMENT

- ✘ Researchers engaged with cross-section of Lower Currituck stakeholders to identify development opportunities, preferences and realities
- ✘ Results compiled into a consensus “success matrix” of desired economic development outcomes.
- ✘ Community review preliminary consensus findings from shareholder interviews

STAKEHOLDER PROCESS

- ✘ 31 Community leaders
- ✘ Provided questions in advance
- ✘ 28 on-site interviews, 3 by phone
- ✘ Structured and open-ended discussions
- ✘ Average length 1-1.5 hours
- ✘ Common themes and concerns distilled from individual responses

WHO WE TALKED TO

- ✘ Natives and “Awaysians”
- ✘ Cross-section of ages and genders
- ✘ Work in LC or away
- ✘ Educators
- ✘ Local Government
- ✘ Developers
- ✘ Construction
- ✘ Small business
 - Retail
 - Services
 - Recreation
 - Agribusiness
- ✘ Land owners
- ✘ Concerned Citizens

INTERVIEW DISCUSSION TOPICS

- ✘ **Livability of Lower Currituck**
- ✘ **Satisfaction with local economy? Optimism?**
- ✘ **Most positive developments in past 5 years?**
- ✘ **Largest challenges?**
- ✘ **Businesses and services needed most in Lower Currituck?**

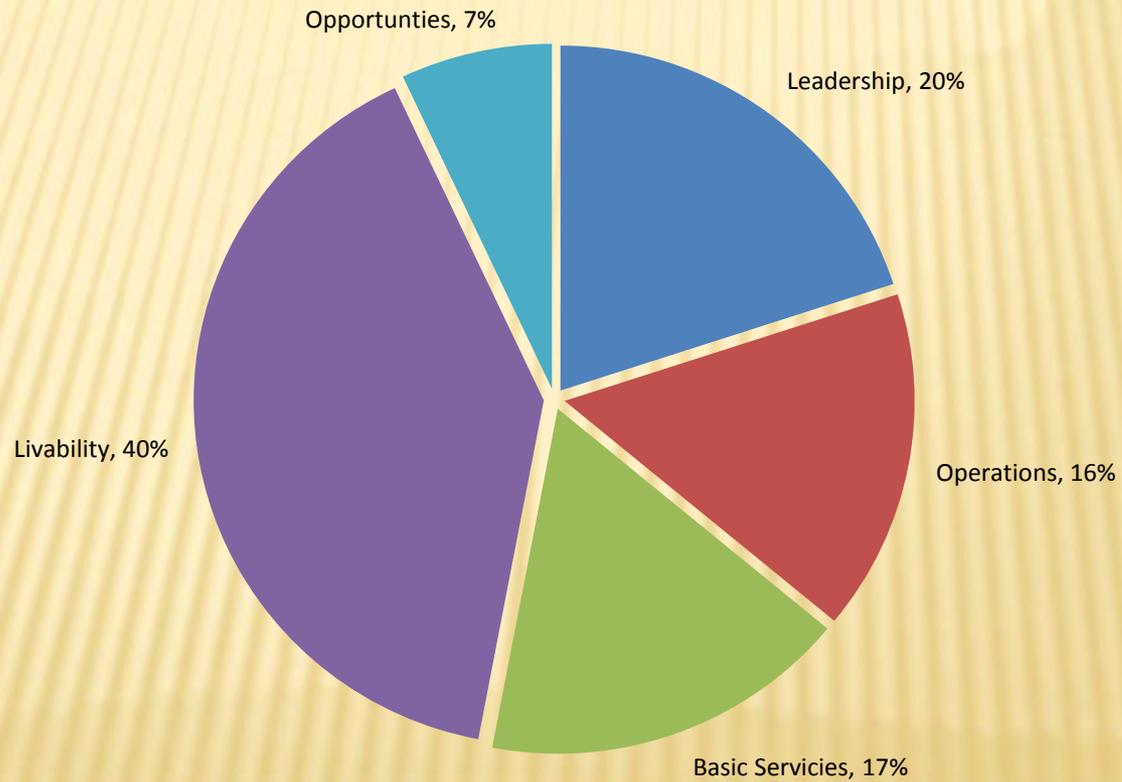
INTERVIEW DISCUSSION TOPICS

- ✘ Can local government/economic developers **realistically address** these challenges ?
- ✘ **Top priorities** for growth and development?
- ✘ Vision for the **desired future**

FINDINGS: CURRENT SITUATION

- ✘ Overall, current economic situation is positive, due largely to the benefits tourism continues to deliver to the county broadly.
- ✘ LC is on the receiving end for many of tourism's less-positive aspects – traffic and development pressures
- ✘ LC has not benefitted proportionately from the tourism premiums – public spaces and infrastructure
- ✘ Basic services and retail are inadequate

FINDINGS: PERCEIVED CHALLENGES



FINDINGS: CHALLENGES

- ✘ *Livability* : Traffic; Retail/Services; Hotel
- ✘ *Leadership*: Vision lacking, no LC voice
- ✘ *Basic Services*: Housing; Health; Education
- ✘ *Operations*: Infrastructure; Permitting; LU Plan
- ✘ *Opportunities*: Lack of high-wage jobs, youth

FINDINGS: WORSE-CASE FUTURE

- ✘ Mid-county bridge not built
- ✘ Traffic worsens
- ✘ Natural beauty degradation
- ✘ Negative spillover from growth
 - Cheap housing
 - Unattractive strip malls
 - More metal storage buildings

FINDINGS: STRENGTHS

- ✘ Appealing, unspoiled natural landscape
- ✘ Affordable land
- ✘ Distinctive communities
- ✘ Attractiveness for families
- ✘ Recent public recreation additions
- ✘ Airport: + business/workforce development

FINDINGS: COMMUNITY DESIRES

Blue Sky Future :

- ✘ Ability to live, work and play locally
- ✘ Enhanced education/targeted workforce training
- ✘ Build on/sustain natural/envr. advantages
- ✘ Visually inviting presence
- ✘ Engaged and responsive local government

IDEAS THAT CLICK

- ✘ *Experiential Tourism*
- ✘ *Local Foods*
- ✘ *Vibrant Communities*

SMART GROWTH

Balance growth and development decisions:

- ✘ Economic
- ✘ Community
- ✘ Public health
- ✘ Environment

QUADRUPLE BOTTOM LINE

EXPERIENTIAL TOURISM

- ✘ Immersive and participatory
- ✘ Environmentally sensitive, culturally respectful
- ✘ Ecotourism
- ✘ Heritage tourism
- ✘ Educational travel

*Down East Maine
Tyrrell County NC*

A FOCUS ON LOCAL FOODS

- ✘ Strong connections between local farmers, consumers and food businesses
- ✘ Access to markets, climate, agri heritage
- ✘ Sustain rural communities
- ✘ ↓ Economic leakage

Martha's Vineyard

Beaufort SC

Hilton Head SC

VIBRANT VILLAGES

- ✘ Attractive and walkable
- ✘ Local businesses employing local people
- ✘ Entrepreneurial
- ✘ Balanced infill and open spaces
- ✘ Recreation supporting active lifestyles

Cape May NJ

Pamlico County NC

Hilton Head SC

LC ROUTE MAP

A road will get you somewhere...
but a route will get you where you
want to go

The economic “Route Map”
depicts the policy path intended
to arrive at the economic
destination desired by citizens of
Lower Currituck



THERE: COMMUNITY DEFINED SUCCESS

Engagement found support of economic growth if consistent with consensus preferences

- ✘ Upward employment for existing residents
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OUTCOMES BY DECLINING PREFERENCE

1. Family Businesses
2. Modest Housing
3. Local Retail
4. Villages
5. Fast Internet
6. Medical Services
7. Locavore restaurant
8. Hotel
9. OBX Farm/Table
10. Eco Resort
11. Family Entertainment.
12. Vacation Rentals
13. Heritage Attraction
14. Culinary Training
15. Beautify 158
16. Storage
17. Retail Strip
18. Stagnation
19. Subsidized Housing
20. Traffic
21. Land fill
22. Hog Farming
23. Adult Entertainment
24. Decay

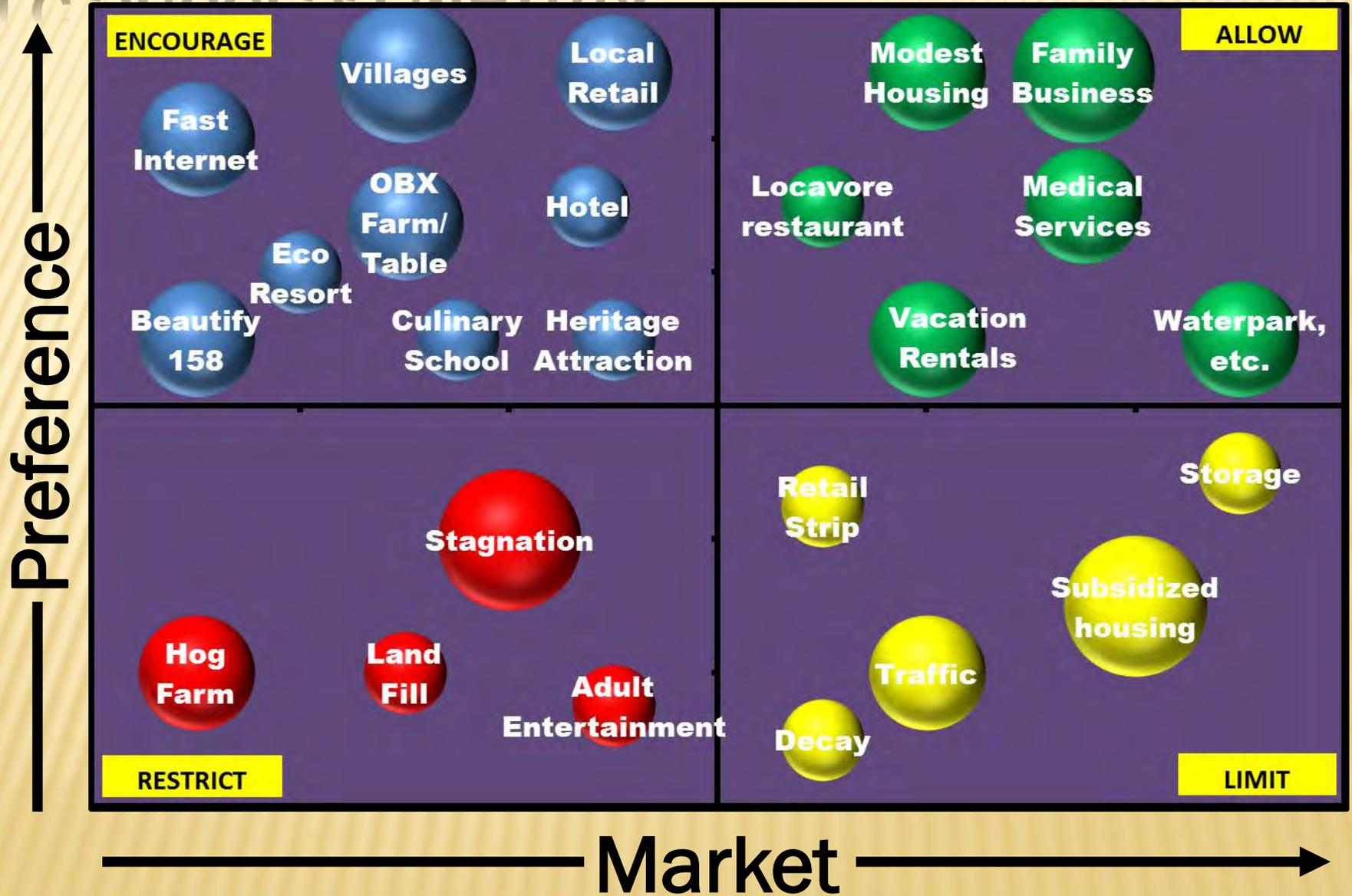
LOWER CURRITUCK SUCCESS MATRIX

Preference vs. Market Viability

- ✘ Plotted economic outcomes by PREFERENCE priority and MARKET impetus
- ✘ Calibrated economic significance by viability
- ✘ Distinguished between economic development vs. efficient governance emphasis

OUTCOMES	MARKET	PREFERENCE	SIGNIFICANCE
Family Businesses	8.5	10	3
Modest Housing	7	10	2
Local Retail	4	10	2
Villages	2	10	3
Fast Internet	0	9	2
Medical Services	9	8	2
Locavore restaurant	6	8	1
Hotel	4	8	1
OBX Farm/Table	2	8	2
Eco Resort	1	7	1
Waterpark, etc.	10	6	2
Vacation Rentals	7	6	2
Heritage Attraction	4	6	1
Culinary Training	3	6	1
Beautify 158	0	6	2
Storage	10	4	1
Retail Strip	6	4	1
Stagnation	3	3	3
Subsidized Housing	9	2	3
Traffic	7	1	2
Land fill	2	1	1
Hog Farming	0	1	2
Adult Entertainment	4	1	1
Decay	6	0	1

LC SUCCESS MATRIX



E.A.R.L.

Encourage: preferred outcomes requiring proactive economic development efforts

Allow: preferred outcomes best achieved by facilitating market behavior

Restrict: opposed outcomes unlikely but to be proactively prohibited

Limit: useful non-preferred outcomes warranting policies that mediate potential negative impacts

ECONOMIC PORTFOLIO CONSTRUCTION

Success matrix elements weighted by market-viability assessments to calculate expected returns against goal

- ✘ Asset classes with varying risk-adjusted rates of return



TARGETED RETURN



Qualitative and quantitative goals

- ✘ OBX tourism cluster share parity (+70 firms)
- ✘ 10% LC local employment growth (+400)
- ✘ Income parity with Currituck County (+ \$20M)

LC ECONOMIC PORTFOLIO

Outcomes	Market	Preference	Significance	Employment Expected Return	Income Expected Return
Family Businesses	9	10	3	340	\$ 13,600,000
Modest Housing	7	10	2	35	\$ 1,050,000
Local Retail	4	10	2	80	\$ 2,400,000
Villages	2	10	3	N/A	N/A
Fast Internet	0	9	2	N/A	N/A
Medical Services	8	8	2	85	\$ 2,550,000
Locavore restaurant	6	8	1	18	\$ 360,000
Hotel	4	8	1	11	\$ 225,000
OBX Farm/Table	2	7	2	6	\$ 180,000
Eco Resort	1	7	1	3	\$ 60,000
Family Entertainment	10	6	2	30	\$ 900,000
Vacation Rentals	7	6	2	28	\$ 840,000
Heritage Attraction	4	6	1	8	\$ 160,000
Culinary Training	3	6	1	5	\$ 100,000
Beautify 158	0	6	2	N/A	N/A
				Total	\$22,425,000

MARKET-DRIVEN IMPACTS

Family Businesses filling cluster gaps would add 50 employers, 340 jobs, \$13.6M in new income

Modest Housing construction creates 35 jobs and \$1M in new income

Rental Housing construction creates 28 jobs and \$0.8M in new income

Medical Service growth adds 85 jobs and \$2,5M income

Locavore restaurants adds 18 jobs and \$0.36M income

Family Entertainment growth adds 30 jobs and \$0.9M income

MARKET-DEVELOPMENT IMPACTS

Local Retail growth adds 80 jobs and \$2,4M income

OBX Farm/Table Ag adds 6 jobs and \$.02M income

Eco Resort(s) adds 80 jobs and \$2,4M income

Hotel adds 11 jobs and \$0.25M income

Heritage Attraction adds 8 jobs and \$0.2M income

Culinary Training adds 5 jobs and \$0.1M income

Fast Internet, Villages, Beautify 158 elements add qualitative values

RELEVANT 2008 PLAN FINDINGS

- ✘ Promote Currituck's "Virtual Micropolitan" as a retail location
- ✘ Enhance Mid-Currituck bridge outcomes to support higher value hospitality and professional services
- ✘ Expanding the mainland tourism economy through waterfront ecotourism
- ✘ Build Currituck's economy with growth firms in targeted clusters

ROUTE MAP

- ✘ Consensus provides impetus
- ✘ Community preferences can achieve economic goals
- ✘ Consistent with future Land Use Plan and policies
- ✘ Emphasis on market facilitation, not intervention
- ✘ Allocation of effort on highest impact preferences



PURPOSE



Engage with Lower Currituck citizens to describe a consensus vision of desired future development if possible

Inform the county's efforts to achieve preferred outcomes through an identification of market-validated strategies..... if possible

FINDINGS

- ✘ Informed citizens can reach consensus on a shared economic vision with achievable preferred strategies
- ✘ Realizing those strategies result in significant economic outcomes that fulfill that vision
- ✘ Community's goals and current county plans while not perfectly aligned, can be reconciled

LOWER CURRITUCK VISION

Economic growth consistent with shared community values

- ✘ Education and advancement for youth
- ✘ Upward employment for existing residents
- ✘ Sustainable locally committed businesses
- ✘ Enhanced distinctive individual communities
- ✘ Preserve area natural/cultural heritage

