

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
FAYETTEVILLE CITY COUNCIL
MAYORS COALITION
FCEDC BOARD OF DIRECTORS
JANUARY 20, 2017 – 11:30 AM
CROWN COMPLEX
1960 COLISEUM DRIVE - FAYETTEVILLE, NC
SPECIAL MEETING
SPECIAL MEETING MINUTES

CUMBERLAND COUNTY

PRESENT: Commissioner Glenn Adams, Chairman
Commissioner Michael Boose (departed 12:45 p.m.)
Commissioner Jimmy Keefe
Commissioner Larry Lancaster
Amy Cannon, County Manager
Melissa Cardinali, Assistant County Manager
Tracy Jackson, Assistant County Manager
Rick Moorefield, County Attorney
Sally Shutt, Governmental Affairs Officer
Candice H. White, Clerk to the Board

ABSENT: Commissioner Jeannette Council
Commissioner Charles Evans, Vice Chairman
Commissioner Marshall Faircloth

CITY OF FAYETTEVILLE

PRESENT: H. Mitchell Colvin, Jr., Mayor Pro Tem
William J. L. Crisp, Fayetteville City Council
Kirk deViere, Fayetteville City Council
Chalmers McDougal, Fayetteville City Council
Lawrence O. Wright, Sr., Fayetteville City Council
Kathy Jensen, Fayetteville City Council
Robert T. Hurst, Jr., Fayetteville City Council
Doug Hewett, City Manager
Kristoff Bauer, Deputy City Manager
Jay Reinstein, Assistant City Manager
Karen McDonald, City Attorney
Kevin Arata, Corporate Communications Director
Pamela Megill, City Clerk
Jennifer Ayre, Mayor's Office

ABSENT: Mayor Nat Robertson
James W. Arp, Jr., Fayetteville City Council
Theodore Mohn, Fayetteville City Council

OTHERS PRESENT: Robert Van Geons, Fayetteville Cumberland County Economic
Development Corporation Director
Juawana Colbert, Fayetteville Cumberland County Economic
Development Corporation
Fayetteville Cumberland County Economic Development
Corporation Board of Directors
William O. Richardson, Representative 44th District
Mayor Charles McLaurin, Town of Eastover
Kim Nazarchyk, Eastover Town Manager
Mayor Clifton Turpin, Town of Falcon
Mayor Willie Burnette, Town of Godwin
Mayor Jackie Warner, Town of Hope Mills
Alderman James Christian, Town of Spring Lake
Addison (Tad) Davis, Spring Lake Town Manager
Press

1. CALL TO ORDER AND WELCOME

Chairman Adams called the special meeting of the Cumberland County Board of Commissioners to order and introduced County Commissioners in attendance.

Fayetteville Mayor Pro Tem Mitch Colvin called the special meeting of the Fayetteville City Council to order and introduced Council Members in attendance.

Additional introductions followed.

2. APPROVAL OF AGENDA

MOTION: Commissioner Keefe moved to approve the agenda.

SECOND: Commissioner Boose

VOTE: UNANIMOUS (4-0)

MOTION: Mayor Pro Tem Colvin moved to approve the agenda.

SECOND: Council Member McDougal

VOTE: UNANIMOUS (7-0)

Jack Rostetter, Chairman of the Fayetteville Cumberland County Economic Development Corporation Board of Directors, spoke to the recruitment process involved with securing a new FCEDC Director and introduced Robert Van Geons. Mr. Van Geons provided comments and recognized members of the FCEDC Board of Directors in attendance.

3. PRESENTATION ON ECONOMIC DEVELOPMENT IN NORTH CAROLINA

Fayetteville City Manager Doug Hewett introduced Jonathan Q. Morgan, Ph.D., Associate Professor, U.N.C. School of Government, and provided a brief outline of his past experience.

Dr. Morgan stated this is an interesting time for economic development in North Carolina as there are a lot of changes and transitions underway following the recent elections. Dr. Morgan further stated the practice of economic development is a broad field and everyone is still learning. Dr. Morgan provided the following PowerPoint presentation on the process of economic development beginning with an outline of the learning objectives for the meeting:

- Understand the process of economic development (ED)
- Understand the role of local govt.
- Examine ED strategies and tools
- Consider practical examples
- Identify “gaps” in your jurisdiction’s approach

Dr. Morgan stated economic development goals include the following:

- Private investment
- Job creation
- Tax base expansion
- Wealth creation
- Higher quality of life
- Higher standard of living

Dr. Morgan provided a comparison of growth versus development:

Quantitative:

More

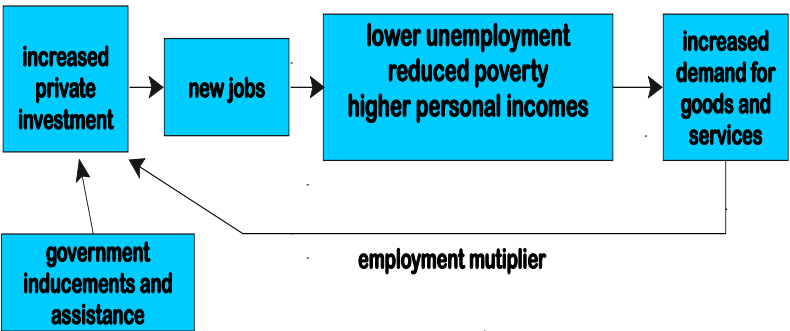
- Jobs
- Businesses
- People

Qualitative:

Better

- High-wage jobs
- Quality of life
- Diversification
- Sustainability

Dr. Morgan provided highlights of the economic development process:



Source: Eisinger, Peter K. 1988. The Rise of the Entrepreneurial State: State and Local Economic Development Policy in the U.S. University of Wisconsin Press.

Dr. Morgan stated according to a survey, the most important role of government is broken down as follows:

MOST IMPORTANT ROLE OF LOCAL GOVERNMENT	
Provide quality services and amenities	35.9%
Provide strategic leadership/facilitation	31.8
Create a positive business climate	24.9
Offer incentives to companies	4.6
n = 217	

Source: Jonathan Q. Morgan, The Role of Local Government in Economic Development : Survey Findings from North Carolina, UNC School of Government, 2009.

Dr. Morgan outlined what matters to business and what matters most for business and spoke to the ranking of incentives.

What Matters to Business?

- Sites and Buildings
- Access to Suppliers and Markets
- Workforce/Labor
- Financial Capital
- Regulatory Environment
- Transportation and Utilities
- **Incentives**
- Taxes
- Quality of Life

What Matters Most for Businesses

- | | |
|--------------------------------------|-------------|
| 1. Availability of skilled labor | 92.9 |
| 2. Highway accessibility | 88.0 |
| 3. Quality of life | 87.6 |
| 4. Occupancy or construction costs | 85.4 |
| 5. Available buildings | 83.7 |
| 6. Labor costs | 80.8 |
| 7. Corporate tax rate | 78.8 |
| 8. Proximity to major markets | 76.3 |
| 9. State and local incentives | 75.8 |
| 10. Energy availability and costs | 75.3 |

Source: Area Development, 30th Annual Corporate Survey, 2015.

Foundations of Economic Competiveness

- Human capital
- Financial capital
- Physical infrastructure
- Innovation infrastructure
- Social and civic capital

Dr. Morgan provided highlights of economic development approaches, asset-based development and themes of asset-based development:

Traditional Approach

- Industrial recruitment
- Cheap labor
- Incentives
- Individual firms and sectors
- Large branch plants

New Approach

- Existing industry
- Talent and creativity
- Targeted incentives
- Industry clusters
- Entrepreneurship
- Regional collaboration
- Place-making
- “Green” development

Asset-Based Development

- Relates to the local context of a place
- Leverages distinctive community assets
- Strengthens locally to attract externally

Themes of Asset-Based Development

- Know your niches
- Build on local strengths
- Grow your own
- Develop people and place
- Look within for economic opportunities

Dr. Morgan stated communities with effective recruitment programs typically have a single point of contact in the community and up-to-date information on the community and its assets, including an inventory of available sites and facilities. Dr. Morgan stated a regularly updated website that makes information on the community easily accessible is important because generally, location consultants won’t even consider an area without a strong web presence. Dr. Morgan stated a community’s sites may be eliminated without the community even knowing it was being considered if it does not have a strong web presence. Dr. Morgan summarized the following:

Economic Development Strategies

1. Business recruitment/attraction
2. Business retention/expansion
3. Business creation (“gardening”)
4. Human capital and talent development
5. Place-making

Business Recruitment Basics

- Clearly defined point of contact in the community
- Up-to-date information on the community and its assets
- A “modern” web site
- A targeted marketing strategy
- Connections with regional and state efforts

Dr. Morgan also stated a clear marketing strategy that ties into the community’s long-range plans and assets is important. Dr. Morgan explained some communities have used relationships with existing businesses in the community to market to suppliers or other related businesses, and other communities have developed marketing campaigns aimed at those with past ties to the community. Dr. Morgan stated communities also need a pitch that meets the many needs of modern industry.

Dr. Morgan explained the following components of product development and provided examples of how a network of specialized industrial parks in various counties partnered on product development.

Product Development

- Infrastructure
- Land and sites
- Business/industrial parks
- Speculative buildings
- Property rehabilitation and reuse

Dr. Morgan stated existing businesses are often overlooked as a potential source of new jobs even though statistics indicate that more than half of new jobs come from existing, expanding companies. Dr. Morgan stated in addition, the cost of encouraging new job growth through business retention and expansion programs is typically only a fraction of that needed for recruitment. Dr. Morgan stated communities can help strengthen and support existing businesses by:

- Visiting existing employers on a regular basis,
- Talking with them about their needs and future plans,
- Making sure they know about available resources to help them with industrial modernization or to help them explore new markets, and
- Making sure that you develop a process to follow-up after the visits in order to address any issues or concerns raised.

Dr. Morgan stated communities might also invite state industrial extension program experts to meet with local businesses because those businesses that are producing commodity-like products will fall to import pressures offering lower costs, or to other firms offering a higher quality version of the same thing. Dr. Morgan suggested getting businesses involved in the community, both to increase their ties to the community as well as to help ensure that educational programs and other community services are designed to meet their current and future needs. Dr. Morgan also suggested that communities can facilitate networking between existing businesses because businesses are often strongest where they work together and learn from one another. Dr. Morgan stated celebrating the successes and contributions of existing firms is just as important as ribbon cutting ceremonies for new firms. Dr. Morgan summarized the following:

Business Retention

- Formal process for addressing business needs and concerns
- Get businesses involved in the community
- Facilitate collaboration and joint ventures among firms (clusters)
- Recognize and celebrate existing firms

Why Business Retention is Important

- Most significant source of new jobs and investment
- Existing companies contribute to the tax base and employ residents
- Builds the local economy from within

BRE=Business Retention and Expansion

- Keeping jobs and investment is important
- But so is helping existing firms grow and expand in order to create more jobs and investment

Business Targeting (Clusters)

Washington, NC (Beaufort County)

- Supporting marine trades and boat building businesses
- Partnered with community college to develop specialized training programs in welding, etc.
- Created incubator to assist small firms that supply boat manufacturers

Dr. Morgan stated as it relates to business development tools, some entrepreneurs are born but entrepreneurship can also be taught and encouraged. Dr. Morgan explained communities can help create a culture of entrepreneurship by incorporating entrepreneurship training into the school curriculum and providing training for adults as well. Dr. Morgan stated training

opportunities for students can even be combined with technical assistance to entrepreneurs. Dr. Morgan stated another tool is providing opportunities for entrepreneurs to network with one another. Dr. Morgan also stated access to capital is critical to jump starting new businesses. Dr. Morgan pointed out research universities can also be sources of ideas upon which to launch new ventures. Dr. Morgan summarized the following:

Business Creation Tools

- Entrepreneurship training (esp. K-12)
- Networking opportunities
- Mentoring and technical assistance
- Access to financial capital
- Links to higher education and sources of innovation
- Business incubators and accelerators

Dr. Morgan explained what is meant by placemaking and highlighted some placemaking targets and tools.

What is Placemaking?

- A concerted effort to create a high-quality community with the amenities, infrastructure, and opportunities that residents, workers, and firms desire.

Key Aspects of Placemaking

- Sense of place
- Memorable experiences
- Emotional attachment
- Well-designed, functional, and attractive physical spaces
- Connectivity

Dr. Morgan concluded his presentation, provided closing remarks and responded to questions that followed.

4. WRAP UP AND ADJOURNMENT

Chairman Adams thanked Dr. Morgan for his presentation and everyone for attending. Chairman Adams called for adjournment of the special meeting of the Board of Commissioners.

MOTION: Commissioner Lancaster moved to adjourn the special meeting of the Board of Commissioners.
SECOND: Commissioner Keefe
VOTE: UNANIMOUS (4-0)

Mayor Pro Tem Colvin expressed his appreciation to everyone and called for adjournment of the special meeting of the Fayetteville City Council.

MOTION: Council Member McDougal moved to adjourn the special meeting of the Fayetteville City Council.
SECOND: Council Member Crisp
VOTE: UNANIMOUS (7-0)

There being no further matters of business, the special meeting adjourned at 1:30 p.m.

Respectfully submitted,

Candice H. White
Clerk to the Board