



## **Outer Banks Chamber of Commerce Economic Development & Sustainability White Paper**

Within the industry, economic development is often defined as a community's ability to access private sector investment and long term, sustainable jobs.

The ultimate goal of economic development is to improve the economic well-being of the community and region. A 2011 study by the Small Business Administration's Office of Advocacy states that 60-80 percent of all new jobs come from small business. Small, local businesses not only create most jobs, they also have greater allegiance to the local community. In addition, their diversity contributes to a stable economy.

In Dare County, we need to recognize that we have neither the workforce nor sites to land large employers. We do, however, have the opportunity to land small companies, which, as stated above, are the most successful job creators.

Economic development is not a choice but rather a necessity. Economies that are advancing create jobs with higher pay, offer people basic amenities and a variety of resources, and provide the tax base for schools, infrastructure, and law enforcement as well as many of the intangibles known as "quality of life."

Opportunities for economic growth and sustainability in Dare County, and along the Outer Banks, exist if we embrace and understand the demographic in which we live and the assets of our area, not the least of which is water. From the ocean to the sounds to the inlets and estuaries that encompass our area, water is our greatest asset and opportunity for growth. It is important, however, that everyone understand that a formal economic development effort takes time to prove successful. Simply implementing a program doesn't guarantee overnight success. Oftentimes, an economic developer may keep in touch with a potential client for multiple years before finally landing the client in the community.

## **Dare County Demographics:**

Of the 35,371 people who call Dare County home, 22,498 are employed in the area. Not surprising is that 27% of those are employed in the Accommodations and Food Industries, 19% in Retail Trade, and 15% in Real Estate and Rental & Leasing. Smaller percentages are employed in construction, healthcare, arts/entertainment/recreation, education, administration, and public administration.

While jobs appear to be plentiful, the area needs to consider how to add full-time, year-round jobs to supplement the seasonality of our employment market.

**Economic Development Planning Outline:** It is the opinion of the Outer Banks Chamber of Commerce that we need to look closer at economic development in Dare County and consciously consider a plan for economic development and sustainability. The plan needs to take into consideration the uniqueness of our community and our niche markets with a goal of private sector investment and year-round jobs.

**Strategic Plan for community economic development:** The first step in developing an economic development strategy for an area is to engage in a Strategic Planning process. This process will ensure that the plan is developed with realistic goals and measurable outcomes.

Hiring a facilitator is the first step in the process. There are many economic development consultants that could be engaged for this purpose.

All stakeholders in a community should be invited and included in the discussions; this group should include:

- Chamber of Commerce
- OBAR
- Hotel/Motel Association
- OBVB
- Restaurant Association
- Local town governments
- County government
- College of the Albemarle
- Business owners
- Hospital executives
- Bank reps
- Utility company reps
- Community-at-large

Determining the key assets in our community is essential to understanding the industry types that would be most successful in our area. Engaging in an Asset Mapping exercise is sure to identify the water as our largest asset, whether for directly related industry or for the impact it has on the quality of life for our area. Asset Mapping should also highlight available buildings in the community that could house businesses.

A SWOT (strengths, weaknesses, opportunities, and threats) analysis would also be helpful in this area and will help further determine the industries that best fit our region. This analysis will also allow us to take a deeper look at the types of business already making an impact on the Outer Banks.

**Obstacles to successful economic development:** In any community there exists obstacles that need to be addressed and overcome in order to facilitate economic development; these may also be identified as weaknesses or opportunities in a SWOT analysis.

- Affordable Housing
- Cost of Living
- Barriers to business development
  - Local building codes, etc.
  - Lack of consistency
- Infrastructure
  - Roads
  - Bridges
  - Waterways
  - County-wide sewer system
- Workforce issues

To truly have success in economic development, the community needs to be ready to delve into discussions and find solutions for overcoming these obstacles. The Chamber stands ready to lead these discussions and facilitate a path to success.

#### **Questions to consider:**

In the beginning of any community economic development story there are more questions than answers. In determining a course of action and strategic plan for economic development, we will need to answer these questions:

- Does the county hire an economic developer?
- What are the ultimate goals of creating a strategy for economic development?
- Partner with an existing resource?
  - Chamber of Commerce
  - NC East Alliance
  - Albemarle Commission
- Do we have a budget for economic development?
  - Budget must include marketing dollars for promotional materials and tradeshow attendance.
- Are there clear and defined steps/next steps?
- Measurable outcomes/benchmarks?

**Determine and identify targeted Industries:** As questions are answered and assets defined the community will start to see the industries that lend themselves to the area and those that would have the best opportunity for success.

Some of those industries that could be considered as targets for the Outer Banks include:

- Boat Building
- Cabinet makers
- Painters specializing in boats
- Commercial Fishing
- Seafood processing and distribution
- Small engine manufacturing/repair
- Entrepreneurs
- Packaging of home-grown sauces, rubs, etc.
- Light industrial manufacturing (R&D for companies building water-based products)
- Food industry

### **Potential Opportunities:**

#### Small business incubator

A small business incubator would give start-up businesses an opportunity to have dedicated space. This type of space is typically provided at greatly reduced costs and could be set up in a building with a shared receptionist employed by the county or entity handling economic development. The CDC (Community Development Corporation) building in Nags Head would make a perfect space to use for this purpose.

#### Maker Space

Makerspaces, sometimes referred to as hackerspaces, hackspaces, and fablabs are creative, DIY spaces where people can gather to create, invent, and learn. They often have 3D printers, software, electronics, craft and hardware supplies and tools, and more. Creating a Makerspace in the Outer Banks and equipping it with tools and technology that can be shared by entrepreneurs and business owners could serve as an alternative to incubator space. This type of space would also encourage collaboration and success. Perhaps there is an opportunity to create a space like this at the Dare County Campus of COA.

#### Revolving Loan Fund

A Revolving Loan Fund would offer businesses low interest loans with generous terms. RLF's often prove helpful to small, retail, and home based businesses. RLFs are used when companies do not, for one reason or another, qualify for regular commercial loans. Establishing a revolving loan fund will take the commitment of the local county government as the keeper of and pass through for this funding.

Cape Hatteras Electric Cooperative has access to Revolving Loan Funds through USDA and should be considered as a resource and opportunity to business development and recruitment.

#### Marketing opportunities

As always marketing is key to building trust and loyalty in a brand. The Dare County/Outer Banks brand would benefit from a strong campaign focused on those identified industries for the area. Marketing efforts should include print, media, social media, internet and web-based efforts. Focusing on what makes the Outer Banks unique and the resources available here would lead to a strong interest in the area.

#### Consider regionalism

Dare County and the Outer Banks have a quality of life that is second to none. Making our area home is a dream for most who come here in search of a new opportunity for work and life. With limited land resources and affordable housing options, our best course of action may be to think regionally in our approach to economic development and sustainability. If we can partner with our neighboring counties including Tyrrell, Hyde, Washington and Currituck we may well be able to help secure jobs for our local workforce and help these workers fulfill their dream of living at the beach. This approach would improve our tax base with increased expenditures in our retail shops, restaurants, and grocery stores. Retail growth would be spurred by the increase in residents in our county and stay-cations or day trips would increase, thus increasing revenue as well. Do not underestimate the power of regionalism.

Economic Development programs are organized in different ways. In some counties, ED programs are run by county staff members. In other cases, the county creates an Economic Development Corporation (EDC) to run a program. Still others implement Economic Development programs through the use of consultants or through a partnership with the local Chamber of Commerce. However it is organized, it is time that Dare County has a formal program to respond to solicitations from regional and state groups that could lead to job creation in the County.

## OUTER BANKS CHAMBER – OUR ROLE AND WHAT WE ARE CURRENTLY DOING

**BRE program:** The Outer Banks Chamber of Commerce currently engages in a Business Retention & Expansion program. Through this program, the Chamber surveys the membership to learn more about the demographics of the business community, including statistics regarding growth in sales, etc. These surveys are reviewed, and based on the responses, the Chamber will offer workshops on topics that the respondents have indicated they need help in. The Chamber also reaches out to those who have indicated that they are considering an expansion of their business, whether that is an expansion of the square footage of the business, inventory increase, or an increase in their market reach.

This effort has resulted in several new business expansions that has led to job creation and investment in the community. This program has also allowed the Outer Banks Chamber to build a reputation of the “go to” organization for business assistance. We have been able to assist several prospective businesses by connecting them to resources to help with business plans, grant applications, and marketing strategies.

While the Outer Banks Chamber of Commerce already engages in a strong BRE program that continually gathers and analyzes the business demographic of the Outer Banks and identifies businesses that could benefit from the resources available this type of program could also be further utilized by a dedicated Economic Development department.

### **Responding to Requests for Information and Proposals to Prospective Businesses:**

The Outer Banks Chamber of Commerce receives requests from the EDPNC (Economic Development Partnership of NC) and the East Alliance for Economic Development for prospective business looking to locate to North Carolina and specifically the Northeast North Carolina region. When it is determined that the prospect may be a good fit for our community the chamber responds to these requests. This has included the following projects and business types:

- Project Cleanup: an established business looking to relocate to an area where the owner could enjoy his hobbies including surfing and kite-boarding. The company specializes in recycling and repurposing medical equipment.
- Project RAD: a technology start-up company looking for a space to establish and grow their business.
- Project Paddleboard: an established manufacturer of stand-up paddleboards, skim boards, kayaks and other watercraft looking to relocate their corporate research and development offices to NE North Carolina.

In addition to the requests received from these sources, the Outer Banks Chamber responds to inquiries directly from businesses and companies looking to locate to the Outer Banks. We have had meetings with grocery retailers, hotel/motel prospects, restaurant franchises, and big box retail.

## Chamber's Role

As with most successful chambers of commerce the Outer Banks Chamber of Commerce is organized around several core competencies each having a role in economic development, whether direct or indirect.

- 1.) **Helping businesses network and build business relationships:** The top reason for joining a chamber of commerce is most often cited as the opportunity to network. Members see the value in networking with other business leaders to share ideas, stay informed, for advocacy, as well as facilitating business leads.
- 2.) **Representing the interests of business with government:** The Outer Banks Chamber of Commerce provides an avenue that gives businesses a voice in local, state and federal government. Included in this role is disseminating invaluable information from governments on regulatory and legislative issues.
- 3.) **Promoting the community:** The Outer Banks Chamber of Commerce provides tourist/visitor information like local maps and business references as well as taking advantage of social media to tell the community's story. Our website and regular email communications, along with printed materials, showcase the community assets.
- 4.) **Promoting sustainable business practices:** The Outer Banks Chamber of Commerce has developed strong relationships with many resource partners to assist our local business community and perspective business community with tools for running a successful business. In addition, the Chamber is identifying areas and topics that need to be addressed and discussed that will help spur economic growth for our area.

To support and renew our economy and to protect its stability and our high quality of life, we need a commitment by all stakeholders in the community. The Outer Banks Chamber of Commerce has always been and is steadfastly committed to participation in and cooperation toward a community economic development plan.

The Chamber would like to set up a meeting with the county to discuss the future of economic development for Dare County as a first step toward defining and planning for economic development and sustainability in our community.