

Collaboration for Prosperity Zone Annual Report and Report on performance metrics for Community Planners

Citation of Law or Resolution:	S.L. 2016-94
Section Number:	Section 15.10 (a) and 15.10 (b)
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Receiving Entities:

The Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources
The Joint Legislative Economic Development and Global Engagement Committee
The Fiscal Research Division

Submitting Entity:

N.C. Department of Commerce, Rural Economic Development Division, Main Street and Rural Planning Center

August 2, 2021

MEMORANDUM

TO: The Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources
The Joint Legislative Economic Development and Global Engagement Committee
The Fiscal Research Division

FROM: Elizabeth H. Parham, Director
NC Main Street and Rural Planning Center

SUBJECT: Collaboration for Prosperity Zone Annual Report and Report on performance metrics for Community Planners

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BACKGROUND

The intent of the State's eight Collaboration for Prosperity Zones created by the General Assembly in G.S. 143B-28.1 is to establish geographically uniform zones in this State to facilitate collaborative and coordinated planning and use of resources, to improve cooperation with other governmental and nonprofit entities at the local and regional level, to facilitate administrative efficiencies within State government, and, to the extent feasible, to establish one-stop sources in each region for citizens and businesses seeking State services at a regional level.

In the Sections 15.10 (a) and 15.10 (b) of this statute the Department of Commerce is required submit an annual report outlining the performance of following criteria in the various Prosperity Zones:

- (1) Jobs anticipated to result from efforts of the employees, including the name and contact person for each company creating new jobs in the zone.
- (2) The location of each project, including the development tier designation of the location
- (3) Project leads that were not submitted to the Department for possible discretionary incentives pursuant to Chapter 143B of the General Statutes.

North Central <i>(This work is performed and data collected by the Economic Development Partnership of NC)</i>					
Jobs	Company	Contact	County	Tier	Submitted for Incentives
63	Berry Plastics	Robert Chase	Johnston	3	Yes
21	LS Tractor USA	Dave Masters	Nash	1	Yes
18	North State Consulting	Bill O'Boyle	Wilson	1	Yes
60	Nugget	David Baron	Granville	2	Yes
20	Palziv America	Richie Duncan	Franklin	2	Yes
10	Product Recovery Mgmt Inc. PRM	Mark Phillips	Granville	2	Yes

15	The Jay Group	Ryan Jay	Nash	1	Yes
207					
Total					

Northeast <i>(This work is performed and data collected by Economic Development Partnership of NC)</i>					
Jobs	Company	Contact	County	Tier	Submitted for Incentives
32	Agape Metropolitan Community Health Services Inc.	Michael McDuffie	Washington	1	Yes
28	East Coast Steel Fabrication Inc.	Cynthia Overman	Perquimans	1	Yes
200	Grover Gaming	Marc Downing	Pitt	1	Yes
43	Pamlico Air	Travis Stephenson	Beaufort	1	Yes
566	Patheon by Fischer Thermo Scientific	Michelle Logan	Pitt	1	Yes
15	Sandy Land Peanut Company	Greg Dyer	Hertford	1	Yes
23	The Jay Group – Martin County	Ryan Jay	Martin	1	Yes
907					
Total					

Northwest <i>(This work is performed and data collected by Economic Development Partnership of NC)</i>					
Jobs	Company	Contact	County	Tier	Submitted for Incentives
90	Craftmaster Furniture	Roy Calcagne	Caldwell	1	Yes
103	Ekornes NC	Randall Tallent	Burke	2	Yes
50	Excelsa Pharma Sciences	Phanesh Koneru	Caldwell	1	Yes
10	Industrial Timber	Kevin Wiley	Alexander	1	Yes
111	MDI (Merchants Distributors, Inc.)	John Orgain	Caldwell	1	Yes
80	NanoXplore Inc.	Ali Karnib	Catawba	2	Yes
10	Piedmont Composites & Tooling	David Himebaugh	Alexander	2	Yes
10	The Quartz Corp	Scott Reese	Mitchell	1	Yes
31	Toner Machining Technologies	James Toner	Burke	2	Yes
10	Toolcraft Inc. of NC	Darvy Hensley	McDowell	2	Yes
505					
Total					

Piedmont Triad <i>(This work is performed and data collected by Economic Development Partnership of NC)</i>					
Jobs	Company	Contact	County	Tier	Submitted for Incentives
100	Altec Industries	Ben Griffin	Surry	2	Yes
64	Blow Molded Solutions	Scott McNeil	Rockingham	1	Yes
25	BMK Americas	Adam Payne	Davidson	2	Yes

30	CCI Environmental Services	Graham Vestal	Davidson	2	Yes
22	Fiber Dynamics	Ford Graham	Guilford	2	Yes
22	Halyard Health	Jim Borland	Davidson	2	Yes
50	Liberty Storage Solutions	Terry Bralley	Davie	2	Yes
90	Lotus Bakeries	Derrick Durban	Alamance	2	Yes
56	Mongoose LLC	Sam Nehme	Alamance	2	Yes
18	Night Owl Contractor's Inc.	Ron Hutchins	Rockingham	1	Yes
94	Rexam Beverage Can Company	Joshua Markus	Forsyth	2	Yes
0	Rheem Heating and Cooling	Don Harter	Randolph	2	No
50	Riverside Furniture	Mary E. (Beth) Brown	Caswell	1	Yes
14	Sedia Systems	Wilson Troup	Randolph	2	Yes
11	Starpet Inc.	Morgan Crapps	Randolph	2	Yes
60	Sturm, Ruder & Co.	Mickey Wilson	Rockingham	1	Yes
35	United Sewing Automation	Ben Webb	Surry	2	Yes
50	Whitewood Industries	Jorge Mata	Davidson	2	Yes
791					
Total					

South Central (Sandhills) <i>(This work is performed and data collected by Economic Development Partnership of NC)</i>					
Jobs	Company	Contact	County	Tier	Submitted for Incentives
51	American Wood Fibers	Stephen Faehner	Scotland	1	Yes
25	Del-Ton Inc.	Joe Brock	Bladen	1	No
20	Elkay Southern Corporation	Dianne Jones	Robeson	1	Yes
10	Huvepharma	Greg Vance	Scotland	1	Yes
20	Reliance Packaging	Satish Sharma	Moore	3	No
100	Steven Roberts Original Desserts	Ravinder Bhalwal	Robeson	1	Yes
226					
Total					

Southeast <i>(This work is performed and data collected by Economic Development Partnership of NC)</i>					
Jobs	Company	Contact	County	Tier	Submitted for Incentives
9	Additive America	Zac Holcomb	Lenoir	1	Yes
30	Aeronautical Systems	Jose Echevarria	Craven	2	Yes
96	AP Exhaust Products	Yusef Ewais	Wayne	1	Yes
49	Bally Refrigerated Boxes	Michael Coyle	Carteret	2	Yes
17	Building Envelope Erection Systems	Will Brown	Greene	1	Yes
48	Cardinal Foods	Corey Barnhill	Pender	3	Yes
132	Crown Equipment Corporation	Cheryl Christensen	Lenoir	1	Yes
50	eGourmet Solutions	Mary Kemper	Duplin	1	Yes
17	HSM Machine Works	Jim Flock	Brunswick	3	Yes

10	Unifab	Buzz Shackelford	Greene	1	Yes
35	Waterline Systems	Tracy Gable	Onslow	2	Yes
93	West Pharmaceutical Services	Donald Hill	Lenoir	1	Yes
Total 586					

Southwest *(This work is performed and data collected by Economic Development Partnership of NC)*

Jobs	Company	Contact	County	Tier	Submitted for Incentives
20	Aggrist	Shawn Hatley	Stanly	2	Yes
61	Continental Structural Plastics	William Saelinger	Rowan	2	Yes
25	CT Commercial Paper	Brad Guenin	Stanly	2	No
250	Doosan Portable Power	Kevin Smith	Iredell	3	Yes
100	Genpak	Jeff Hebert	Mecklenburg	3	Yes
34	Hamilton Drywall Products	Mark Hamilton	Union	3	Yes
75	Hexagon Agility	Scott Shelton	Rowan	1	Yes
30	Integro Technologies	Shawn Campion	Rowan	2	Yes
157	IPEX USA	Bill Beard	Mecklenburg	3	Yes
37	Metys USA	Christine Elder	Gaston	2	Yes
10	Plasgad USA	Chris Younger	Iredell	3	Yes
52	Unox	Mark Klindera	Lincoln	3	Yes
29	Wireway/Husky Corp.	Cliff Brumfield	Lincoln	3	Yes

Western *(This work is performed and data collected by Economic Development Partnership of NC)*

Jobs	Company	Contact	County	Tier	Submitted for Incentives
61	East Fork Pottery	Alex Matisse	Buncombe	2	Yes
32	Fountain Services LLC	Terry Fountain	Rutherford	1	Yes
128	Ingles Markets	Gordon Myers	Macon	2	No
10	MM Labs	Jeffrey Hendricks	Polk	3	Yes
74	Raybow Pharmaceuticals	Roger Frisbee	Transylvania	3	Yes
40	Trelleborg CT Systems US, Inc.	Jesse Marlowe	Rutherford	2	Yes
345 Total					

All Prosperity Zones					
Jobs 4471					

- (4) Proactive local government outreach to share information and planning services that are available

Community Planners, also known as Rural Planners in each Prosperity Zone are required to share information with all local government(s) in their service area. This is primarily accomplished through

visits to local governments, presentations at regional meetings, virtual meetings, and electronic distribution of program materials on upcoming initiatives pertaining to economic development planning services and resources. Also, Planners meet at least quarterly with the Economic Development Partnership of NC (EDPNC), Regional Industry Manager for their respective region and at least annually with the other state agency representatives from their Prosperity Zones.

- (5) Coordination of regular meetings with Prosperity Zones agency representatives to increase collaboration of services and resources to local communities

Since 2014, the various Prosperity Zone agency representatives have worked hard to increase collaboration of services in a way that has brought significant impact to local communities. Initially, agency representatives from the Economic Development Partnership of NC, Department of Transportation and Division of Environmental Quality worked together to establish their presence in each prosperity zone. The group of agency representatives continues to grow though and, as of today, also includes representatives from the NC Community College System, NC Works (NC Commerce), Rural Planners (NC Commerce, Rural Economic Development Division), North Carolina State University Industry Expansion Solutions and a variety of local partners. Each prosperity zone has a co-location where Prosperity Zone agency representatives hold office hours and meet with partners and clients. Marketing materials and contact information for the various representatives is available in each co-location.

In addition to collaborating in co-locations, the Prosperity Zones agency representatives also travel together to hold joint meetings with local partners and clients throughout the prosperity zone. Some specific examples are included below:

PROSPERITY ZONE PARTNERS HOLD REGULARLY SCHEDULED MEETINGS IN EACH REGION

Throughout FY 2020-21, collaborative meetings have been held in prosperity zones, either virtually or in person. These Prosperity Zone regional partners meetings typically provide an opportunity to share project information, collaborate on new ideas for approaching industry, and a general update from each respective partner as it relates to economic development and growth in the prosperity zone. Partners included in these meetings typically include representatives from EDPNC, NCCCS Regional Directors of Customized Training, Regional Director – NC Works, NCDEQ Regional Managers, NCSU – IES, NCDOT, NC Commerce Rural Planners, and NC Apprenticeships representatives.

PROSPERITY ZONE PARTNERS TEAM UP TO HELP SMALL BUSINESSES FIND RELIEF PROGRAMS

Throughout the pandemic, small businesses continued to rely on the SBA (EIDL, PPP) and Golden Leaf (NC Rapid Recovery) for their relief programs and application processes are all still open. North Carolina PPP totals as of 6/30/20 – almost 122k loans approved, over \$12.4 billion in loan value. The EIDL program was also important and the North Carolina EIDL total as of 7/3/20 was over 55k loans approved and over \$3 billion in value. The North Carolina EIDL Advance total as of 7/3/20 was over 122k advances or over \$395 million in value. By July 2020, the NC Rapid Recovery program has processed more than 7,700 applications and approved more than \$24M in loans. Applications came in from all 100 counties and the industries supported include Accommodation and Food Service (22%), Retail Trade (12%) and Professional Services (11%). EDPNC, NC Department of Commerce and various other PZ partners worked together to get the word out regarding these programs.

WIDE VARIETY OF PARTNERS CONTRIBUTE TO WIN FOR CLEVELAND COUNTY

Ames Copper Group, a joint venture of Prime Materials Recovery, INC. (PMR) and the Cuntex Group, announced in June 2020 they will create 54 jobs in Cleveland County and will invest \$50 million with the expansion of its copper manufacturing facility. Cleveland County is a Tier 1 County and the 54 new jobs are higher than the average local wage and much needed in this difficult economy. The copper recovered in the new copper smelter plant, which will recycle and purify copper materials, is used for wiring, lightning rods, coins, as well as applications in the defense industry. The success of this project was due to many allies and state agencies all playing a part to make it happen. Most importantly, the legislative tax program that exempts recycling facilities from local taxes was key to landing the project.

Partners in the project include:

- The State of North Carolina with a One NC and Building Reuse grants
- NC Legislature with tax exemptions for recycling companies.
- Cleveland County and Town of Shelby with matches for grants
- Cleveland County Economic Development Partnership for coordinating endless pieces of the puzzle
- North Carolina Community College in a training grant
- NC Division of Environmental Quality with a recycling grant
- NC Division of Environmental Quality with multiple phone calls and personal meetings to guide the company in needs for environmental permits.
- Duke Energy with a local grant
- EDPNC led full project coordination.

“The manufacturing industry is critical to our success as a nation, and currently, this operation will be the only custom smelter in the United States,” said Bernard Schilberg, CEO of Prime Materials Recovery. “We are excited to be able to build upon our company’s successes and expertise and bring resources back to the United States that will create more opportunities for our economy to prosper.”

PZ CONTACTS HELPING NC MANUFACTURERS PIVOT TO PPE PRODUCTION

The reality of the worldwide pandemic was felt by NC manufacturers beginning in December of 2019. Supply chain disruptions were an early indicator that a significant event was on its way. In late February, as reports of personal protection equipment (PPE) shortages were reported, many North Carolina manufacturers decided to play a key role in producing needed medical supplies to combat the coronavirus. From February on, organizations like EDPNC, the NC Department of Commerce, NC Department of Health and Human Services, NC Emergency Management and others have helped manufacturers by addressing their supply chain needs, helping them with R&D efforts, testing prototypes and assisting them on their sales efforts. Efforts to re-shore this industry will continue into the foreseeable future.

WEBINAR HIGHLIGHTING THE BENEFITS OF FOREIGN TRADE ZONES

In July, the EDPNC International Trade team worked with NCs five Foreign Trade Zone Administrators (including one based in Virginia) to hold a virtual session discussing how US FTZs benefit manufacturers. The event was held Thursday, July 23, 2020, and an excess of 90 folks participated. Attendees included economic development professionals, current FTZ designated companies as well as companies interested in learning more. The response was overwhelmingly positive. The FTZ Administrators were pleased with this event and are planning to share with the FTZ Board to encourage other states to follow

suit. This is the first time that all five FTZs were represented at one time and the Administrators plan to report back on their success to the NAFTAZ Board. Attached is the attendee report.

PROSPERITY ZONE PARTNERS TEAM UP TO DELIVER EMERGENCY ASSISTANCE PROGRAM

During the second half of 2020, EDPNC and other partners worked together to determine what COVID relief initiatives could be introduced to NC manufacturers. Two initiatives that were provided were: 1. Material testing for PPE makers and 2. a new economic gardening program for the state. We continue to work on additional initiatives including supply chain gap analyses and import substitution projects. Partners worked together to introduce the various offerings to clients as this program provides services that support manufacturers' ability to adapt to the coronavirus and improve their competitiveness during the disruption. The funding comes from the CARES Act disbursements. Another program that the NCMEP is highlighting is the MEP National Network Supplier Scouting. The NCMEP, in collaboration with the MEP National Network™, has launched the nation-wide Supplier Scouting program that connects U.S. manufacturers that have relevant production capabilities, capacities, and products to other manufacturers – enabling them to fulfill current market and societal demand.

PROSPERITY ZONE PARTNERS USED WEBINARS TO INTERACT WITH CLIENTS

Throughout FY2020-21, EDPNC, the NC Department of Commerce, NCCCS and others used webinars to alert clients to new programs and educate them on important issues. PZ partners offered webinars on new programs like the Job Retention Grant and Mortgage Utility and Rent Relief programs as well as discussion on important topics like *Using Artificial Intelligence in Manufacturing*, *Maximizing Tax Savings on Foreign Income*, *Identifying Foreign Contracts through the Department of Defense*, *Economic Recovery Strategies*.

PROSPERITY ZONE PARTNERS WORKING WITH NCDHHS TO PREPARE MAJOR EMPLOYERS FOR VACCINE AVAILABILITY

Beginning in March of 2021, the PZ partners worked with regional NCDHHS partners to make major employers aware of the latest information on the COVID vaccine. Each partner spoke with businesses in their prosperity zones and shared information on the vaccines and helping businesses discuss the issue with employees. As an example, EDPNC worked with a variety of companies from across the regions to help them align with NCDHHS to vaccinate their workforce. These companies were selected by the local county economic development directors as large employers for their respective counties and the county economic directors sent contact information for the companies to EDPNC. The companies were then contacted by EDPNC to be put on a NCDHHS wait list for vaccines.

- (6) Completion of strategic economic development plans, downtown revitalization project plans, implementation services, market studies, Geographical Information Systems (GIS) mapping, and assistance with development policies for local governments that can be measured for economic impact, including investment, business growth, and jobs as a result of the planning effort.

	North Central	Northeast	Northwest	Piedmont Triad	South Central	Southeast	Southwest	Western
Strategic Plans	3	2	1	3	2	1	1	1
Downtown Revitalizations Plans	1	1	1	3	2	1	1	1
Implementation Services	25	18	13	14	16	17	11	21
Market Studies	3	2	2	3	1	1	1	1
GIS Mapping	5	1	1	3	2	1	1	2
Assistance with Development Policies					1		1	

COMMUNITY ECONOMIC RECOVERY AND RESILIENCY INITIATIVE (CERRI)

Between April and May of last year, Planners contacted local government officials in all 100 North Carolina counties by teleconference calls to find out how their communities were handling the economic and societal disruptions brought about by the COVID-19 health crisis. The outreach effort allowed planners to check in on communities, learn about their challenges and needs, provide information about financial and other assistance for local governments and businesses, inform them about program and resource development for recovery, and offer support.

In response to information gathered, the NC Main Street & Rural Planning Center's, Rural Planning program (RPP) developed a Community Economic Recovery and Resiliency Initiative (CERRI) to help small towns and rural communities recover from the economic impacts of the coronavirus (COVID-19) pandemic and rebuild local economies that are more resilient to future crises.

CERRI was formally launched in January of 2021 with 10 communities participating, at least 1 in each of the state's eight Prosperity Zones that have previously worked with the RPP on local strategic planning. RPP staff is currently working with these communities to develop individualized Recovery Work Plans focused on: Community Economic Resiliency and Small Business Support and additional strategies identified by each community. Also, RPP will work with communities and partners to develop projects for funding and implementation.

In August additional communities have been invited to participate in CERRI.

(7) Existing business expansion activities, service requests, and number of contracts and inquiries.

<i>(This work is performed and data collected by Economic Development Partnership of NC)</i>	Existing Industry	Existing Industry
Prosperity Zone	Direct Account Interactions	Companies Supported
North Central	250	179
Northeast	246	160
Northwest	221	165
Piedmont-Triad	228	153
South Central	226	158
Southeast	230	148

Southwest	200	168
Western	255	188

<i>(This work is performed and data collected by Economic Development Partnership of NC)</i>	International Trade	International Trade
Prosperity Zone	Requests for Assistance	Companies Supported
North Central	387	154
Northeast	81	44
Northwest	98	46
Piedmont-Triad	391	113
South Central	96	37
Southeast	90	50
Southwest	276	103
Western	168	53
Total International Trade	1587	598

Total Existing Industry and International Trade	3466	1935
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(8) New business location activities and number of contacts and inquiries.

<i>(This work is performed and data collected by Economic Development Partnership of NC)</i>	Existing Industry	Existing Industry
Prosperity Zone	Direct Account Interactions	Companies Supported
North Central	146	140
Northeast	104	102
Northwest	139	138
Piedmont – Triad	127	124
South Central	89	88
Southeast	84	83
Southwest	145	143
Western	177	165
Total Existing Industry	1011	983

<i>(This work is performed and data collected by Economic Development Partnership of NC)</i>	International Trade	International Trade
Prosperity Zone	Requests for Assistance	Companies Supported
North Central	104	90
Northeast	28	25
Northwest	31	28
Piedmont – Triad	59	56
South Central	21	19
Southeast	27	26
Southwest	61	58
Western	38	32

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Total International Trade	369	334
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Total Existing Industry and International Trade	1380	1317
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