



Economic Development Forum
October 27, 2020

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[The following presentation was given at the ED Forum as a part of the joint land use planning initiative of The City of Roxboro and Person County Government. The event took place on October 27 at 6pm at City Hall. The presentation was set to be recorded and posted online, but due to technical difficulties, this portion of the recording of the evening's event was lost. What follows is a transcription of the presentation and the accompanying slides.]

Roxboro, Person County, NC Economic Outlook Overview




Thank you, Jason. I appreciate that Jason and his team and our local team have recognized the importance of economic development initiatives when working through a comprehensive land use plan. I also want to thank my fellow panelists and those you expressing interest by being in the audience either in-person, remotely, or by watching the video at some future time.

Jason asked me to kick off the conversation this evening by providing a summary of the trends, challenges, and opportunities for economic development that we experience in Roxboro and Person County.



Trends – New Investment 2010 – 2020*

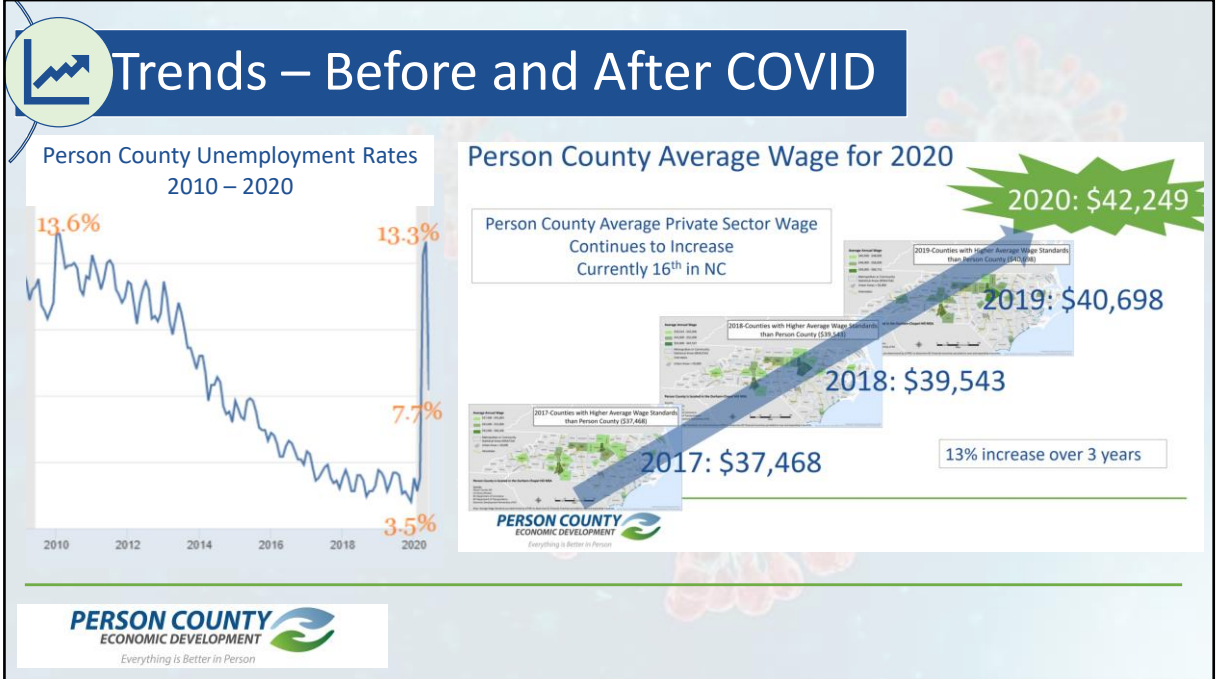
<h3>Industrial</h3> <ul style="list-style-type: none"> Certainteed – 2012 Diamond Candles - 2013 Spuntech Expansion – 2014 GKN Expansion – 2016 US Flue Cured Tobacco Expansion – 2016 Carolina Pride Carwash Expansion - 2016 Polywood – 2018 Open Book Extracts – 2018 	<h3>Uptown Roxboro Additions</h3> <ul style="list-style-type: none"> Hall’s Way Kirby Rebirth Craft Brewery Craft Beer Bottle Shop Renovated Office, Retail, Restaurant, and Residential Spaces <h3>Other</h3> <ul style="list-style-type: none"> Growth along Durham Rd. Residential Subdivisions Winery and Vineyard New Urgent Care Facility
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*not an exhaustive list; dates are estimates

If you’re like me, life before coronavirus can seem like a long time ago. But economic development trends leading up to the pandemic had been in place for so many years that it is not hard to remember. For so long, growth trends have favored urban areas. Young people would leave rural areas for college, and oftentimes not come back. Companies want to locate to where talent is, and the service sector goes to the areas where there are larger populations to serve. The cycle continues until rural areas have mostly aging populations and unskilled or under skilled workers. This leaves rural communities to have to work harder to train a workforce, to create an attractive quality of life, to institute business friendly policies, to build infrastructure, to support local business, and to attract new business and industry, all with fewer resources. Some thought that technological advancements would help to level the playing field. But, instead, more technology led to more knowledge-based industry sectors, and knowledge-based industry sectors thrive off the innovation that comes through close collaboration. Those attracted to these sectors were attracted to cities where there were like-minded people and organizations.

As a result, more rural areas like Roxboro and Person County have experienced little population growth over the last 10 years. Nevertheless, despite these trends, Roxboro and Person County leaders and citizens have put in the work and have seen substantial new investment over the last 10 years across various sectors and throughout the county.



In 2019, the US economy had set a record for the longest period since a recession (more than a decade), which was expected to continue into 2020. Unemployment rates were low, and wage rates were rising. The same was true for Person County.



Trends – Before and After COVID

Pre-COVID

Advancements in Technology and a Focus on Climate Change were driving forecasts for big changes in the automotive and energy production sectors – two sectors with a strong presence in Person County.

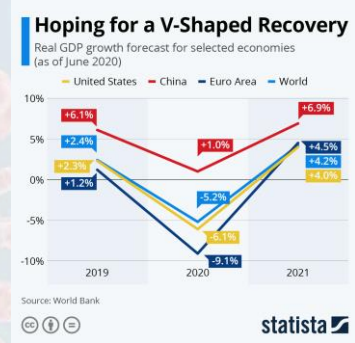
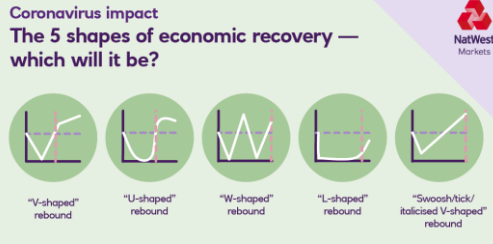
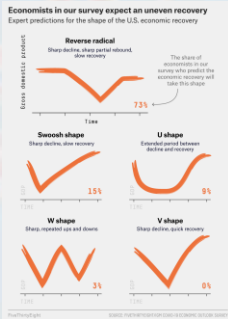


Pre-coronavirus, advancements in technology and a focus on climate change were driving forecasts for big changes in the automotive and energy production sectors, which both have a strong presence in Roxboro and Person County.



Trends – Before and After COVID

Then, Coronavirus.



Then, just as we were kicking off a new decade with 2020, Coronavirus began to cause shutdowns of travel, businesses, and schools. Everyone thought it would be short-lived and began trying to predict the type of recovery the US would have. We saw a lot of charts portraying a U, or a V, or a W-shaped recovery.

At this point, there are still many unknowns about when things will fully reopen, what will happen with future outbreaks, what relief packages may come down the pike, or other factors that will play a major role in our future economic outlook.

In Person County, like many other places, we have seen some business and industry that grew as a result of coronavirus impacts; we have seen some that just maintained, and there have been a few that still have not reopened, and, thankfully, even fewer that have shuttered.



Trends

Trends that have arisen from COVID impacts:

- Reshoring/Onshoring Manufacturing – more US locations
- Remote Work – changing the labor shed landscape
- Supply Chain Tightening
- Relocation – many individuals and businesses seeking to move to less dense areas

While I know we are all ready to put coronavirus, and maybe much of 2020, behind us, many new trends that have emerged as a result of the pandemic could actually do a lot to turn the tides for rural communities. Many companies who moved manufacturing overseas in the past are now considering reshoring those operations, and others who have never before operated in the US, are considering onshoring to be closer to the US market. More US locations means more opportunities to attract new jobs and investment. Remote working practices have demonstrated to employers that they can build their teams from more than the just the local labor pool. Likewise, employees have realized that they can live anywhere that high speed internet will allow them to work remotely. With a beautiful, affordable community like ours that's proximate to so many amenities, this is a great opportunity to grow our population and more quickly increase our skilled workforce through migration, while we are also training our pipeline. A more diverse workforce can also lead to opportunities of more economic diversity overall.

I mentioned earlier that many sectors have seen growth as a result of the pandemic. Many had more demand than they could meet, partly because some part of their supply chain was in an area that was not accessible. Suppliers and end-product producers are now wanting to tighten those supply chains to ensure this growth potential is not hindered in the future. Again, this an opportunity for communities to increase jobs and investment, but it is also an opportunity to be a part of identifying and developing sector clusters.

Relocation is occurring at the individual and industrial level as a result of seeking to move to less dense areas, as well as building on some of the other trends, such as remote working opportunities.

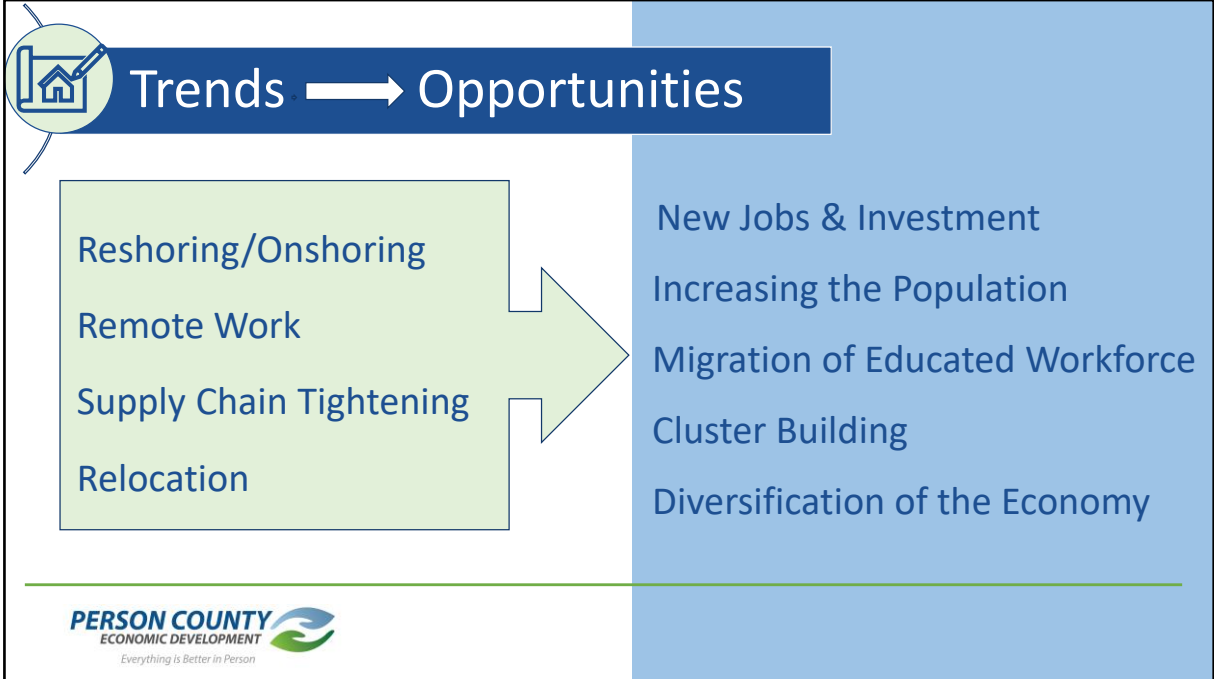


Trends

- Project Activity is up 26% over this time last year.
- Industry sectors with heightened activity:
 - Biotech & Life Sciences
 - Advanced Manufacturing
 - Food & Beverage Processing
 - Warehouse & Distribution
- Sales tax revenue is up as people work from home and shop from home or shop local.
- Buildings that have been vacant for many years have had recent interest.



As a result of these trends, our local project activity is up 26% over this time last year. Industry sectors with heightened activity are biotech & life sciences, advanced manufacturing, food & beverage processing, and warehouse & distribution. Sales tax revenue is up as people work from home and shop from home or shop locally. And, not only do we have more project inquiries, but we also have interest in older buildings that have been vacant for several years.



So, just to recap and emphasize this point, we do see new trends arising out of our present situation that have the potential to drive new opportunities.



Challenges

- Low Inventory
- Lack of Investment/Resources
- Limited Infrastructure
- Regulatory and Statutory Issues
 - Internet Service
 - Stormwater & Environmental Regulations
- Industry Changes

What hurdles do we have to overcome to take advantage of these opportunities?

Another point that is important to make regarding individuals and businesses that are making inquiries into rural communities is that COVID-driven projects have accelerated timelines. Already we were up against an average schedule of 12-18 months from announcement to operation for companies that were willing to consider sites instead of existing buildings. In many cases today, that timeline has been reduced to 6 – 12 months. This means that the biggest challenge we face in being able to compete for these projects is that we don't have the inventory we need to meet the demand. This is true whether for residential or industrial relocation. Our housing market is tight at all price points, and we do not have the industrial buildings or prepared sites that can meet the accelerated timelines.

Both private investment and additional public resources are needed to facilitate the level of product development that we need.

Limited Infrastructure - The term infrastructure encompasses a lot of things. If a project request comes in that requires that a site or facility be rail-served, we are automatically out of the competition. We have no available rail sites. Many of the counties in our region have interstate. We do not. We do have municipal water and wastewater with excess capacity available at the plants, but in some areas we either do not have the infrastructure built out to serve them, or we have limited capacity at the connection point. Other hindrances to development center around state or federal regulations that local governments have little or no control over, such as laws that impact who can provide high speed internet and stormwater and environmental regulations.

Finally, the expected changes to the automotive and energy production sectors mean that it is never far from our minds that in the coming years we may see significant economic impacts as a result of these changes, particularly as they relate to Duke Energy's two coal-fired power plants here.



Trends → Opportunities

- Site Development at the Person County Mega Park & North Park Sites
 - Growing Interest from Commercial Brokers and Developers
- Large Residential Subdivisions and Workforce Housing Projects Planned and Approved
 - Proximity to Research Triangle and Other Urban Areas
 - Varied Educational Opportunities and Partnerships
 - Regional Workforce
- Person County Fiber/Broadband and Partnership with Riverstreet Networks
 - Raleigh Regional Airport – Improvements Underway
 - Diverse Manufacturing
 - Large Areas of Federal Opportunity Zones
 - Abundant Infrastructure
 - East Coast Location
 - Moderate Climate
 - Greenspace/Parks
 - Affordability



But, I want to be careful not to end on the down note with the challenges. Person County has much to offer that will make the challenges worth working through for some investors, and, as a community, we are also tackling the challenges with the resources that we have. The development of the Person County Mega Park and the county-owned North Park site are our proactive approach to positioning the county to attract new investment for both large-scale and medium-scale manufacturing. We are engaging commercial brokers and developers as well as local property owners and developers and making sure the people that have a track record of industrial development and investment are aware of the opportunities. I am aware of three medium-to-large residential subdivisions as well as a workforce housing project that have been planned and approved. Our proximity to the world-renowned Research Triangle with other urban areas also nearby means that we will get looks that other communities will not. Our school choice options and partnerships between educational institutions will be attractive to families, which means they will be attractive to employers. We pull from a regional workforce due to our connectivity to other areas. Once legislation supports more paths to reaching rural areas with high-speed internet, Person County will be ahead of other communities through the investment that has been made in the county-owned fiber network, and our partnership with Riverstreet Networks is already a step in that direction. The county is investing in our Raleigh Regional Airport with new corporate hangar construction and runway expansion. We have diverse manufacturing, such that when some of our companies are not doing as well, others are doing very well. We have large areas of federal opportunity zones, which include the sites I mentioned earlier as well as our lakes and many other industrial facilities. We have abundant infrastructure. Earlier I said we have limited infrastructure, but I also said that infrastructure encompasses a lot of things. We have tremendous electric infrastructure, a lot of natural gas capacity, a large fiber network, and the City of Roxboro has a wastewater expansion project underway that will open up many more desirable development areas. Our east coast location, moderate climate, and abundant greenspace also contribute to the attractiveness of a Person County location, especially when all of these attributes are considered through the lens of affordability.

How Does This All Tie into Land Use Planning?



So, if you had any questions about what economic development has to do with land use planning, I hope that you have picked up the references along the way. As we seek to expand our tax base and provide new opportunities, we need to carefully plan to allow for the highest and best use of our land. If we will have no interstate, we need to protect and restrict the number of access points on our major highways, particularly the 4-lane 501. If we only have industrial-capacity infrastructure in certain areas, we need to preserve those areas for industrial growth. If supply chains are tightening, that includes food sources and raw materials, and we need to preserve areas for farmland. We lose a significant part of our quality of life without greenspace and parks. And so, smart growth and successful growth will be planned growth.

THANK YOU!!

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Thank you for your time and attention, and with that, I will hand it back over to Jason.