

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 724*

Short Title: Comprehensive Strategic Ec. Dev. Plan.

(Public)

Sponsors: Representatives Rogers; Alphin, Arnold, Baddour, Bowen, Bowman, D. Brown, Cummings, DeVane, Edwards, Hightower, Hill, H. Hunter, James, Kinney, McAllister, McLawhorn, Mercer, Moore, Nichols, J. Preston, Redwine, Russell, Smith, Spears, Stewart, Sutton, R. Thompson, Wainwright, Warner, and Wilkins.

Referred to: Business and Labor.

April 5, 1993

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE DEPARTMENT OF COMMERCE TO PREPARE AND
UPDATE ANNUALLY A COMPREHENSIVE STRATEGIC ECONOMIC
DEVELOPMENT PLAN FOR THE STATE OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. Article 10 of Chapter 143B of the General Statutes is amended by adding a new Part after Part 1A to read:

"Part 1B. Comprehensive Strategic Economic Development Plan.

"§ 143B-433.20. Definitions.

The following definitions apply in this Part:

(1) Committee. – The Strategic Planning Committee created pursuant to G.S. 143B-433.24.

(2) Department. – The Department of Commerce.

(3) Economic distress. – The presence of at least one trend indicator or at least one status indicator:

a. Trend indicators:

1. Loss of population over the most recent three- to five-year period.

2. Below average job growth over the most recent three- to five-year period.

1 (2) The effective utilization of available and limited resources.

2 (3) A commitment to achieve priority objectives and to sustain the
3 process.

4 **"§ 143B-433.22. Implementation and annual update of Plan.**

5 The Department shall deliver a Comprehensive Strategic Economic Development
6 Plan six months after the effective date of this Part. The Department shall review and
7 update this Plan by June 30 of each year.

8 **"§ 143B-433.23. Time frame of Plan.**

9 The original Plan shall encompass a time frame of four years. Each annual update
10 shall extend the time frame by one year so that a four-year Plan is always in effect.

11 **"§ 143B-433.24. Strategic Planning Committee.**

12 The strategic planning of the Department shall be supervised by a Strategic Planning
13 Committee appointed by the Secretary of Commerce. The members of the Committee
14 shall be individuals with broad experience in economic development with strong
15 representation from the private economy and special emphasis on rural, minority, and
16 small business interests. The Department shall include among the membership of the
17 Committee:

18 (1) At least two county economic development representatives selected by
19 the Secretary of Commerce.

20 (2) Four representatives from the Department, including the Secretary of
21 Commerce who shall chair the Committee.

22 (3) Twelve representatives to be selected from the private sector in the
23 areas of finance, energy and communication utilities, manufacturing,
24 business services, agriculture, and travel and tourism appointed by the
25 Secretary of Commerce. Appointments in this group should include
26 representatives of rural, minority, and small businesses.

27 (4) Two representatives from private nonprofit institutions involved in
28 designing and testing economic development strategies and evaluating
29 alternative policies, to be appointed by the Secretary of Commerce.

30 (5) One representative from the North Carolina Economic Development
31 Board, to be selected by its Chair.

32 **"§ 143B-433.25. Public input.**

33 The Committee shall hold at least one public hearing in each of the field office
34 districts to solicit public input on economic development before the initial Plan is
35 completed. The purposes of the public hearings are to:

36 (1) Assess the strengths and weaknesses of recent regional economic
37 performance.

38 (2) Examine the status and competitive position of the regional resource
39 base.

40 (3) Identify issues that are key to improving the economic well-being of
41 the region.

42 The Committee shall hold additional public hearings in these districts from time to time
43 to gather information and solicit public input.

44 **"§ 143B-433.26. Plan structure.**

1 (a) The Plan shall consist of an environmental scan and a needs assessment, as
2 provided in this section.

3 (b) Environmental Scan.

4 (1) Compilation of the latest economic and demographic data on North
5 Carolina by State, region, and county including population, population
6 projections, employment, and employment projections, income and
7 earnings status and outlook, migration and commuting patterns,
8 unemployment, poverty, and other similar data.

9 (2) Compilation of the latest data on the strength of the business
10 environment by State, region, and county with emphasis on the
11 dynamics of job creation: start-ups, expansions, locations,
12 contractions, and failures. Special assessments are to be made of rural,
13 small, and minority business components of overall activity.

14 (3) Compilation of the latest data on labor compensation, construction
15 costs, utility rates, payroll costs, taxes, and other cost data normally
16 considered by manufacturing firms and new businesses and shall be
17 tabulated by State, region, and county.

18 (4) Compilation of data on assets within the State and by region and
19 county to include the following:

20 a. Available buildings, bona fide industrial parks, and sites.

21 b. Characteristics of the available labor force (number,
22 demographic attributes, skill levels, etc.).

23 c. Special labor situations, such as military base discharges and
24 large plant closings.

25 d. Available infrastructure capacities by county and region
26 including water, sewer, electrical, natural gas,
27 telecommunication, highway access, and other pertinent
28 services.

29 e. The fiscal capacity of counties and localities within counties to
30 support the infrastructure development necessary to participate
31 in the development process.

32 f. Analyses of assimilative capacity of riverine, estuarine, or
33 ocean outfalls, or other environmental cost considerations.

34 g. Proximity analyses of counties in close alignment with major
35 urban areas in bordering states.

36 h. Special educational and research capabilities.

37 i. Special transportation situations such as major airports, ports,
38 and railyards.

39 j. Available data on the performance, contribution, and impact
40 each economic sector (including but not limited to agriculture,
41 finance, manufacturing, public utilities, trade, services, tourism,
42 and government) is having on individual counties, regions, and
43 the State.

44 k. Available tourist and service assets.

1 l. Analyses of seasonal population and absentee ownership in
2 resort and tourism areas and their impact on the delivery of
3 public services.

4 (5) Compilation and analyses of data on economic and industrial changes
5 in competitor states by region, as applicable. This data shall be
6 entered into a database and kept current. It shall include, specifically,
7 all new plant location information such as origin of the plant, Standard
8 Industrial Classification Code, employment, and investment.

9 (6) Compilation of cost data, policies, and strategies in competitive
10 Southeastern states as well as other United States regions and foreign
11 countries.

12 (7) Compilation of incentives and special programs being offered by other
13 states.

14 (8) Compilation and analyses of other data relating to economic
15 development such as regulatory or legal matters, structural problems,
16 and social considerations, e.g., unemployment, underemployment,
17 poverty, support services, equity concerns, etc.

18 (c) Needs Assessment. – The Committee, using data from the public input
19 sessions and the environmental scan, shall prepare an assessment of economic
20 development strengths, weaknesses, threats, and opportunities within the State by region
21 and by county. The assessment will include the identification of key development
22 issues within each geographic area and options available to address each issue.

23 **"§ 143B-433.27. Establishment of goals and objectives.**

24 The Committee, using data from the public input and the environmental scan, shall
25 formulate a list of goals and objectives. Goals shall be long-range, four years or more,
26 and shall address both needs of economically distressed regions and counties as well as
27 opportunities for regions and counties not distressed. The goals shall be developed with
28 realism but should also be selected so as to encourage every region and county within
29 the State to develop to its maximum potential. Objectives shall be one year or less in
30 scope and shall, if achieved, lead to the realization of the goals formulated by the
31 Committee as provided in this section.

32 Both goals and objectives should be stated largely in economic terms, that is, they
33 should be related to specific population, employment, demographic targets, or economic
34 sector targets. Both efficiency and equity considerations are to be addressed and
35 balanced with special emphasis placed on the needs of disadvantaged or economically
36 distressed populations and communities. The goals and objectives should not state how
37 the economic targets are to be reached, but rather what the economic conditions will be
38 if they are obtained.

39 **"§ 143B-433.28. Formulation of economic development strategy.**

40 The Plan shall have as its action component a strategy, a blueprint for directing
41 resources of time and dollars toward the satisfaction of the goals and objectives stated in
42 G.S. 143B-433.27. As a practical consequence of the economic environment, a focus
43 on the competitiveness of indigenous industries and entrepreneurial development is
44 required. A balance of opportunity between rural and urban regions and between

1 majority and minority populations should be an overriding consideration. Equity of
2 opportunity for counties and communities across the State will involve the explicit
3 consideration of local fiscal capacity and the fiscal ability to support development
4 activities.

5 The concept of differentiation should be employed. The Plan should recognize the
6 various strengths and weaknesses of the State and its component regions, subregions,
7 and, in some cases, individual counties. The concept of market segmentation should be
8 employed. Different regions and subregions of the State should be promoted to
9 different markets.

10 **"§ 143B-433.29. Economic Report Card.**

11 The Plan shall contain a section devoted to measuring results, to be called 'An
12 Economic Report Card for the State of North Carolina.' The Report Card shall contain a
13 comparison of actual results with stated goals and objectives and significant and
14 meaningful statistics to allow policy-makers to adjust strategy and tactics as necessary
15 to achieve the formulated goals.

16 The Report Card shall break down data by regions and counties including:

- 17 (1) The net job change (expansions minus contractions) by the various
18 economic sectors of the county, region, and State.
- 19 (2) Realized capital investment in plants and equipment by new and
20 expanding industry in each county, region, and State.
- 21 (3) Manufacturing changes by county, region, and State that affect the
22 value of firms, total payrolls, average wages, value of shipments,
23 contribution to gross State product, and value added.
- 24 (4) The net change in the number of firms by county, region, and State
25 with statistics on the dynamics of change: relocations in versus
26 relocations out; births versus deaths; and expansions versus
27 contractions.
- 28 (5) A measure of the status and performance of all sectors of the county,
29 region, and State economy including, but not limited to,
30 manufacturing, agriculture, trade, finance, communications,
31 transportation, utilities, services, and travel and tourism.
- 32 (6) An assessment of the relative status and performance of rural business
33 development as opposed to that in urban areas.
- 34 (7) An analysis of the status of minority-owned businesses throughout the
35 State.
- 36 (8) An index that measures poverty and other social variables that address
37 standard of living.
- 38 (9) An assessment of the development capability of the various regions of
39 the State in terms of their environmental, fiscal, and administrative
40 capacity. Those areas that are handicapped by barriers to development
41 should be highlighted.
- 42 (10) A comparison of the State's economic performance as indicated by the
43 above statistics with the same or similar indicators from other states.

44 **"§ 143B-433.30. Accountability.**

1 The Department shall make all data, plans, and reports available to the General
2 Assembly and the Joint Legislative Commission on Governmental Operations at
3 appropriate times and upon request. The Department shall prepare and make available
4 on an annual basis public reports on each of the major sections of the Comprehensive
5 Strategic Economic Development Plan and the Economic Report Card indicating the
6 degree of success in attaining each development objective."

7 Sec. 2. G.S. 143B-433(a) reads as rewritten:

- 8 "(a) (1) The North Carolina Alcoholic Beverage Control
9 Commission,
10 (2) The North Carolina Utilities Commission,
11 (3) The Employment Security Commission,
12 (4) The North Carolina Industrial Commission,
13 (5) State Banking Commission,
14 (6) Savings and Loan Association Division,
15 (7) The State Savings Institutions Commission,
16 (8) Credit Union Commission,
17 (9) The North Carolina Milk Commission,
18 (10) The North Carolina Mutual Burial Association Commission,
19 (11) North Carolina Cemetery Commission,
20 (12) The North Carolina Rural Electrification Authority,
21 (13) Repealed by Session Laws 1985, c. 757, s. 179(d),
22 (14) North Carolina Science and Technology Research Center,
23 (15) The North Carolina State Ports Authority,
24 (16) North Carolina National Park, Parkway and Forests Development
25 Council,
26 (17) Economic Development Board,
27 (18) Labor Force Development Council,
28 (19) Energy Policy Council,
29 (20) Energy Division,
30 (21) Navigation and Pilotage Commissions established by Chapter 76 of
31 the General Statutes,
32 ~~(22) The North Carolina Technological Development Authority.~~
33 (23) Strategic Planning Committee."

34 Sec. 3. This act is effective upon ratification.