



TRIANGLE J COUNCIL OF GOVERNMENTS

# **Proposal for a Triangle J Region Economic Development District**

February 1, 2017



@tjcognc

# TJCOG's Board of Delegates Have Identified Economic Development as a "Top Priority" in the Region

**Economic Development (ED) was ranked a "Top 3" issue facing the entire Triangle J Region over the next 5-10 years.**

- ❖ August 2015 - Strategic Discussion, the Board of Delegates (BOD) identified ED as a Top Priority.
- ❖ September 2016 – a BOD survey found that the topic that garnered the most interest for group discussion was economic development.
- ❖ October 2016 – Strategic Discussion; ED was overwhelming ranked highly important.

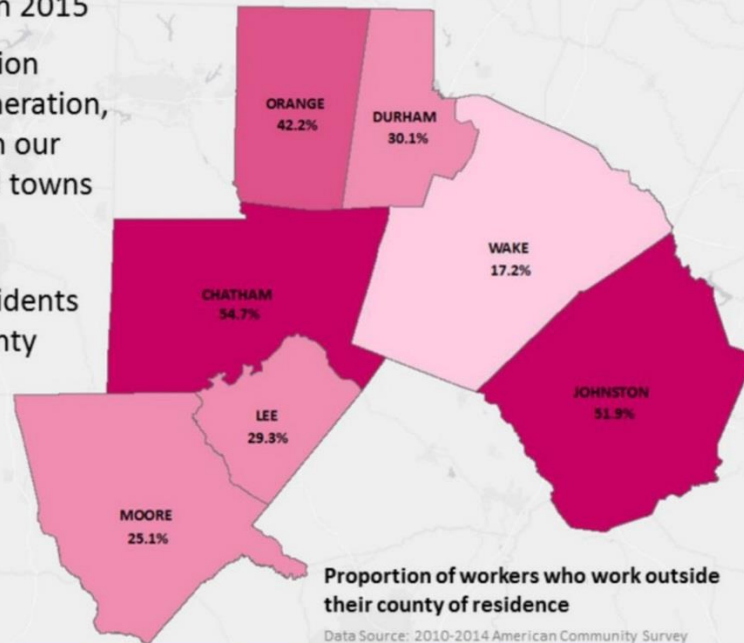
**There is an expectation from our governing board that TJCOG support member governments' and others' economic development efforts occurring across the region.**



# The Region's Explosive Growth– Coordination & Collaboration Will Remain Critical to Region's Success

## Regional Demographics

- 1.85 million residents in 2015
- Will add another 1 million residents over next generation, as many as live today in our seven largest cities and towns
- 82% urban, 18% rural
- 26% of the region's residents work in a different county from where they live.



A rapidly growing population will continue to impact how all communities change, grow, and attract new residents and jobs. The region's workforce continues to live and work in different places. With the creation of an Economic Development District (EDD), TJCOG can better support our member governments and other stakeholders with coordination/collaboration on economic development issues.



# The Comprehensive Economic Development Strategy (CEDS)

- ❖ The Region J CEDS, which was created and facilitated by TJCOG in 2013, was designed to coordinate economic development strategies across the Triangle J Region.
- ❖ By creating a targeted approach to economic development, the CEDS can help leverage local, state and federal resources more efficiently.
- ❖ Unfortunately, without an EDD and associated funding in place, TJCOG temporarily shifted resources in order to create the CEDS but was unable to maintain the appropriate staff to implement the strategy.

## Region J CEDS Goals:

### Regional Competitive Advantage

Leverage the Marketplace

### Infrastructure

Develop Robust Infrastructure

### Workforce Development

Develop Healthy & Innovative People

### Quality of Life

Create Revitalized & Vibrant Communities



# Regional Priorities & Coordination are Still Relevant

## Workforce Development

**Foster recruitment and retention of a skilled workforce**, through innovative programming, continuing education opportunities and outreach. *Lead partners will include Research Triangle Regional Partnership (RTRP), workforce development boards and colleges, universities and community colleges.*

**Prepare a skilled workforce for the future**, through education and development geared toward tomorrow's jobs. *Lead partner: Potentially a consortium of the region's community colleges.*

**Improve access to and quality of child care and early childhood education** options. *Lead partner to be identified among child care resource/referral agencies, child care providers and*

## Regional Infrastructure

Develop **multi-modal transportation systems** that address existing and future year mobility needs.

*Lead: Triangle J Council of Governments*

Ensure that **water/wastewater infrastructure** can accommodate future growth.

*Lead: Triangle J Council of Governments*

Expand **telecommunications and broadband infrastructure**, providing sufficient capacity for growth. *Lead: NC Next Generation Networks*

## Community Development

Invest in **downtowns and designated activity centers** to attract and retain creative people.

*Lead: Triangle J Council of Governments*

## Access to Capital

Improve **access to capital** from regional and national sources. *Lead: Council for Entrepreneurial Development*

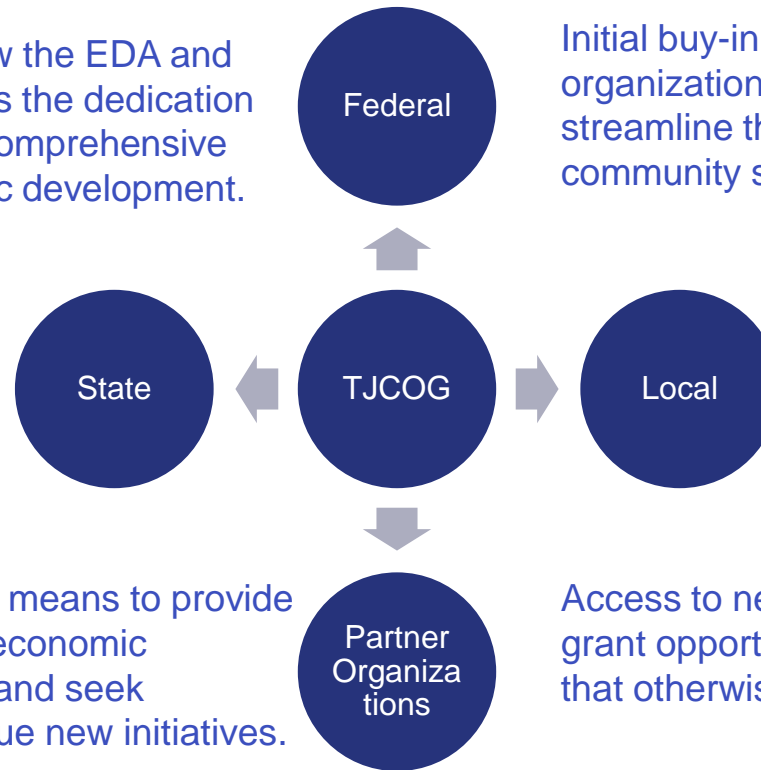
Source: Comprehensive Economic Development Strategy 2013-2017



# An EDD will enable TJCOG to implement CEDS, work as a Convener, & assist with other regional strategies

Designation will show the EDA and other federal partners the dedication the region has to a comprehensive strategy for economic development.

Initial buy-in from a wide group of organizations, both public & private, will streamline the process and ensure community support moving forward.



TJCOG will have the means to provide support to on-going economic development efforts and seek opportunities to pursue new initiatives.

Access to new economic development grant opportunities & EDA resources that otherwise are not available.

TJCOG is already at the table with the state & national organizations that EDA naturally engages. However, the lack of an EDD restricts our ability to engage in the conversation. This negatively impacts our member governments & puts them at a disadvantage compared to regions with existing EDDs.



# An EDD will Enable TJCOG to Assist other Stakeholders in Increasing the Region's Competitive Advantage

- ❖ TJCOG is, out of the sixteen regions in the state, one of two that do not have an EDD. We will soon be the only region, as the other is currently in the process of becoming an EDD.
- ❖ Our member governments will be given a direct connection through TJCOG to the Economic Development Administration (EDA).
- ❖ TJCOG staff will be able to provide better access to grants and additional resources that otherwise are hard to identify.
- ❖ TJCOG already successfully manages the Foreign Trade Zone #93 program. Adding the EDD will allow us to leverage the two programs together to more aggressively provide services for our members & regional partners.



# The Internal Financial Business Case for an EDD

- ❖ In addition to creating a direct connection to the EDA, the EDD will also help improve the COG's internal financial position. The EDA will be able to certify our indirect cost rate (cognizant rate).
- ❖ A cognizant rate means that our program funders will be required to accept our indirect rate. Without a cognizant rate, we exert significant effort to justify to funders. As an example, the state division on aging indicated they may not fund indirect costs without a cognizant rate.
- ❖ The inability to receive indirect funding could mean the loss of hundreds of thousands of dollars that are used to pay for office space, technology, finance stuff, etc. The only other source of funds for these costs would be member assessments.
- ❖ TJCOG is one of very few COGS left in the state that do not have a cognizant rate. It has been a top priority of mine to rectify this since joining the organization.





# Why TJCOG?

Although most other EDDs in North Carolina are housed within COGs, they are not required to be. So why should TJCOG be the region's EDD?

- ❖ TJCOG, alongside other members of the region, has been planning for an EDD since the creation of the region's CEDS back in 2013.
- ❖ AT TJCOG we already have a unique relationship with local, federal and state governments, as well as our partner organizations, which makes the addition of an EDD a natural fit.
- ❖ We can leverage our existing relationships with organizations such as NADO, EDA, and the state regional council association to the benefit of other organizations within our region.
- ❖ Critical internal business need.



# Next Steps

In order to receive designation as an EDD, TJCOG needs our member counties to adopt resolutions supporting the action.

Given the opportunity, I will gladly come present to each of your Boards of Commissioners and make the case to them on the economic benefits of the EDD.

**How can you help?** Add TJCOG to the schedule of an upcoming Board of Commissioners meeting.

