

Dare County- Strategic Plan Implementation

November 28, 2016

Economic Leadership was engaged by North Carolina State University's team to review their Dare County Economic Development assessment and recommendations and to provide insights and suggestions about the options for an organizational structure that could effectively execute their proposed strategies. Overall, Dare County is evaluating the political and financial feasibility of an enhanced effort to increase economic activity and expand and diversify local job opportunities.

The North Carolina State process, with their partner RTI, included public engagement of business and public leaders from across the county as well as deeper research into the areas of potential targeted industries and affordable housing. Economic Leadership's work concentrated, and was limited to, providing organizational or capacity options for the recommendations that were developed.

Economic Leadership has evaluated different public-private and private models for Dare County to take greater advantage of existing economic drivers, conduct enhanced lead generation, increase business support activities and provide multi-organizational alignment. All organizational options have pros and cons. For Dare County, and all placed-based economic development entities, the most important factors for success are organizational capabilities, adequate resources and sustained, consistent efforts.

To determine how best to implement any new economic development activities we find several factors that should be considered.

The first is the plan itself. Many counties and communities create strategic plans that do not result in the outcomes they had hoped for. Over the years, we have found commonality among those plans and communities that achieve their goals.

- **They are future focused, rather than built on the past.** Dare County is currently being impacted by many national trends including urbanization, business consolidation, and technological advancement. Core economic drivers including tourism, second home buying, and business and professional services are each evolving. Later in this paper we will discuss some of the trends we feel will impact Dare County over the next decade.
- **They are holistic and focus on many aspects of the county's economic activities.** The key to expanding the local economy and the available jobs is to bring additional wealth into the community. That wealth is then distributed around the community and creates a multiplier impact. Many options exist: increased tourism expenditures, new real estate investments, increased retail sales from visitors or increased payrolls from new or expanded businesses. In Dare County, new economic development capacity could be developed to focus on the traditional economic development areas of recruitment and existing business

expansion, but new efforts will also impact the current economy of the county and will necessarily involve many existing groups and interests.

- **They are actionable.** Sometimes there is no obvious way to implement the strategy and other times the proposed strategies are not within the specific organization’s capabilities. We will recommend a structure that provides the means to use the recommendations that have been developed.
- **They are tightly aligned.** Every community, including Dare County, has multiple groups charged with different facets of recruitment, small business assistance, tourism, or workforce development. Economic Development is never hierarchical, and is always a team effort. Dozens of local and state public workers are involved daily in the public infrastructure, business rules and competitive climate, and education that build and maintain the community’s ability to meet investor needs. When groups align, and collaborate they achieve more through a process known as collective impact. When they work in isolation or at cross-purposes they achieve less.

The second factor for success is a community’s understanding of their own competitive position in the context of other, competitor communities.

Understanding your competitive position can inform a community’s resource allocation toward potential strategies to diversify their economies. The top factors for companies considering new business investment are provided in the chart on the right. While these factors are critical to diversifying the Dare County job markets, they are different from the factors that drive tourism or second home investment.

Identifying and achieving a differentiated competitive advantage, the economic development goal of successful places, requires not one, but a combination of factors. These almost always include some combination of: the depth of workforce talent, the business climate including costs and regulatory issues, the connective infrastructure (roads, air service, water & sewer, energy and broadband), currently available buildings and shovel ready sites, and the quality of life factors that appeal to workers.

Although a competitive analysis is not part of Economic Leadership’s scope of work, Dare County’s lack of a dense trained workforce pool and the lack of quality available buildings and sites suggest that some components of the local product face challenges.

Top Factors for Companies Considering New Investment

- 1) Availability of **skilled** labor
- 2) Highway accessibility
- 3) Quality of Life
- 4) Occupancy or construction costs
- 5) Availability of buildings
- 6) Labor costs
- 7) Corporate tax rate
- 8) Proximity to major markets
- 9) State & Local Incentives
- 10) Energy availability and costs
- 11) Tax exemptions
- 12) Expedited or “fast track” permitting

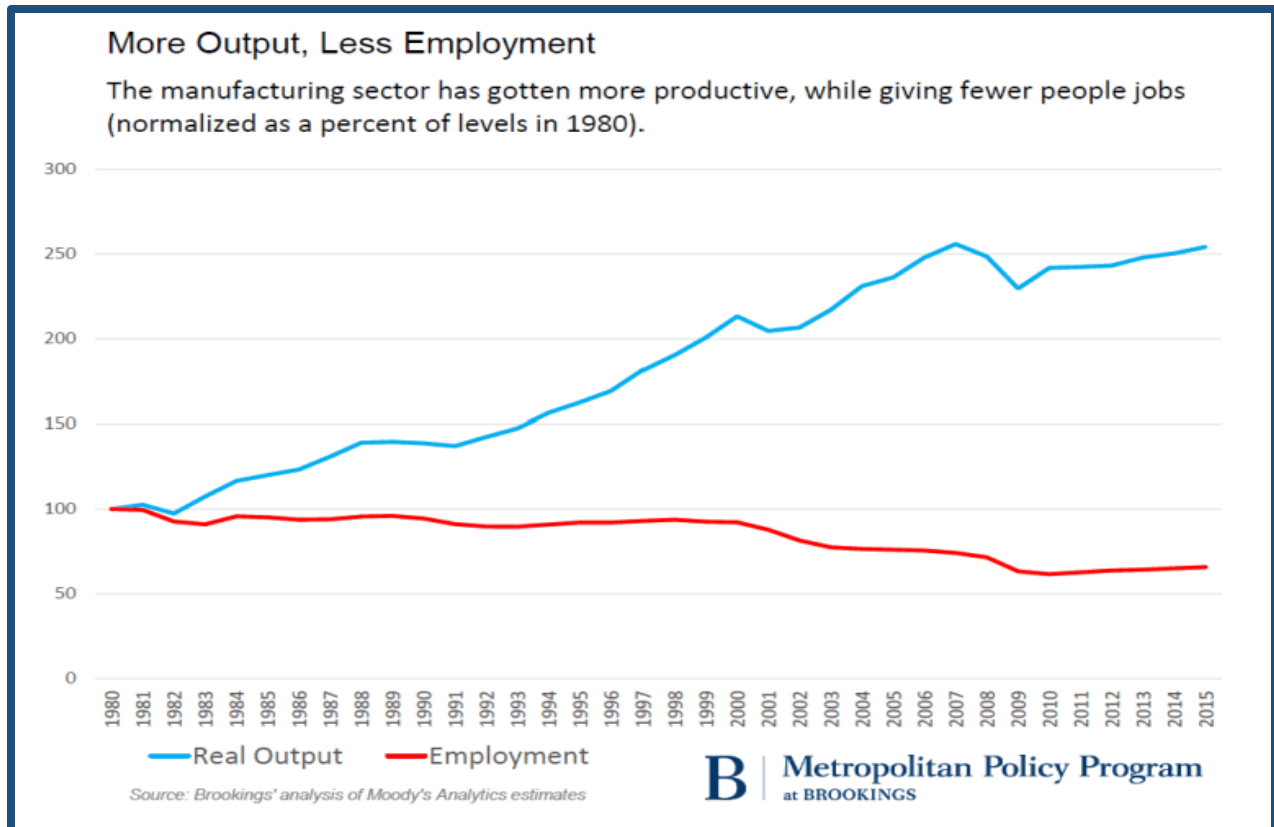
Source: *Area Development 30th Annual Survey of Corporate Executives*, March 2016

The third factor is an understanding of the how the rapidly changing world will impact the local economy and future opportunities. No one can predict the future, but through trend analysis we can see some things that are very likely. Economic Leadership maintains an ever-evolving data base of trends that are impacting business investment decisions and informing community economic development efforts.

The United States economy is experiencing a rapid transformation that is profoundly impacting every sector. The 2008-2009 “great recession” exposed some of the weaknesses in U.S. competitiveness and also the transformations that were taking place. Something common to recent recessions is that after they end, economic activity does not recycle back to the previous “normal.” In 2016, seven years into the longest period of private job growth in recent history, jobs are being generated at the best rate since the 1990s and wages have begun to show some positive signs. But these averages mask the unevenness among places and people. In the past year, urban-rural divisions have received considerable attention, as have wage inequities. Some of these differences can be explained by rapid sector shifts.

Manufacturing jobs, the foundation for many communities, have been reduced dramatically by globalization and technology advancements. Automation and efficiencies have eliminated the need for many workers in many service sectors.

For communities hoping for a manufacturing renaissance, there is no expectation that more workers will be needed to produce the goods needed by Americans in the future. Re-shoring some jobs and emphasizing exports are good strategies to stabilize the manufacturing industry and increase manufacturing output, but experts do not expect any significant job growth in the sector.



Based on new research, Daniel Levine of Oxford Economics, predicts that over the next 10 years manufacturing output will grow significantly and be an engine for the U.S. economy. However, employment projections predict the loss of over 500,000 more manufacturing jobs. The Bureau of Labor Statistics projects that, over the period, 15 of the 20 most rapidly declining industries in the nation will be in manufacturing.

New industry clusters and jobs have moved to or have emerged in the South, but have concentrated in specific areas. More remote locations like Dare County, have experienced limited growth and without an existing trained manufacturing workforce can only expect modest success. Existing skills in specialty areas offer the best options.

Brookings, in their 2015 report, *America's Advanced Industries*, concluded that; "Advanced industries tend to cluster in large metropolitan areas. Looking across the country, the 100 largest metro areas contain 70% of all U.S. advanced industry jobs." Smaller areas that contain significant job numbers typically fall into two categories; places with major research universities or smaller communities that are the founding home of a major supplier.

Jobs, wages and wealth are bifurcating to the extremes. Job growth since the end of the recession has been concentrated in lower wage service sectors such as food preparation, administration and sales, and in highly skilled, highly educated sectors such as business, scientific and professional services and health and education. This is more a reflection of a changing economic structure than any political policy.

Currently there are too few people, with the specific skills that are in high demand, creating a supply-demand market that favors the employee and is driving up the costs of finding highly-qualified labor and the wages of those hired.

And, at the same time; too many people, with limited (or in low demand) skills, are creating a supply-demand market that favors the employer, stagnating the wages paid to low skilled labor and increasing the skill level of those that get hired. One current result is a shrinking middle class. In the past few quarters as unemployment has remained low, some more broad-based wage increases have been seen.

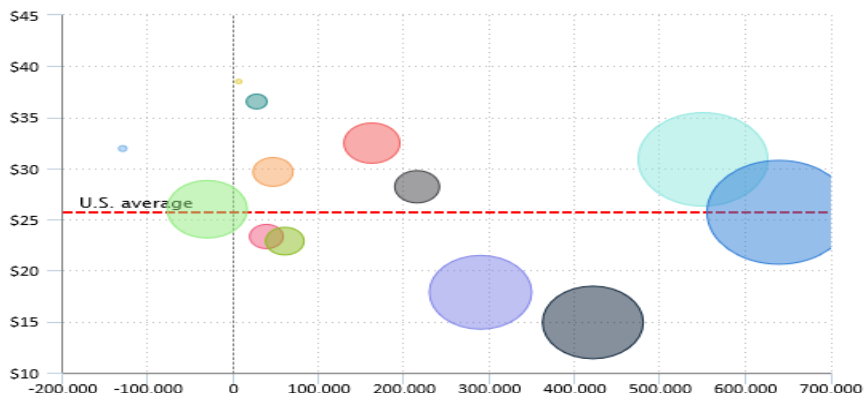
For more than a century **the United States has been rapidly urbanizing.** Today more than 90% of the country's GDP and 86% of the jobs are in urban areas, with growth happening in larger communities that offer new 21st century infrastructure such as commercial airports and large research universities and hospitals. Educated workers, especially younger workers, seem to be even more attracted to an urban lifestyle, and research shows that they are congregating in fewer, more dense communities.

According to Joe Cortright, an economist with the regional economy firm Impresa, "about 25 percent more young college graduates live in major metropolitan areas today than in 2000, which is double the percentage increase in cities' total population." These choices ripple through and strengthen the urban economy. At a recent think-tank event at Barton College in Wilson North Carolina, Enrico Moretti, an economist at the University of California, Berkeley, and author of *The New Geography of Jobs*, stated "For every college graduate who takes a job in an innovation industry, five additional jobs are eventually created in that city, such as for waiters, carpenters, doctors, architects and teachers." He emphasized the huge impact of being able to attract young college grads.

Employment and average hourly earnings by industry for all private sector employees, seasonally adjusted, July 2016

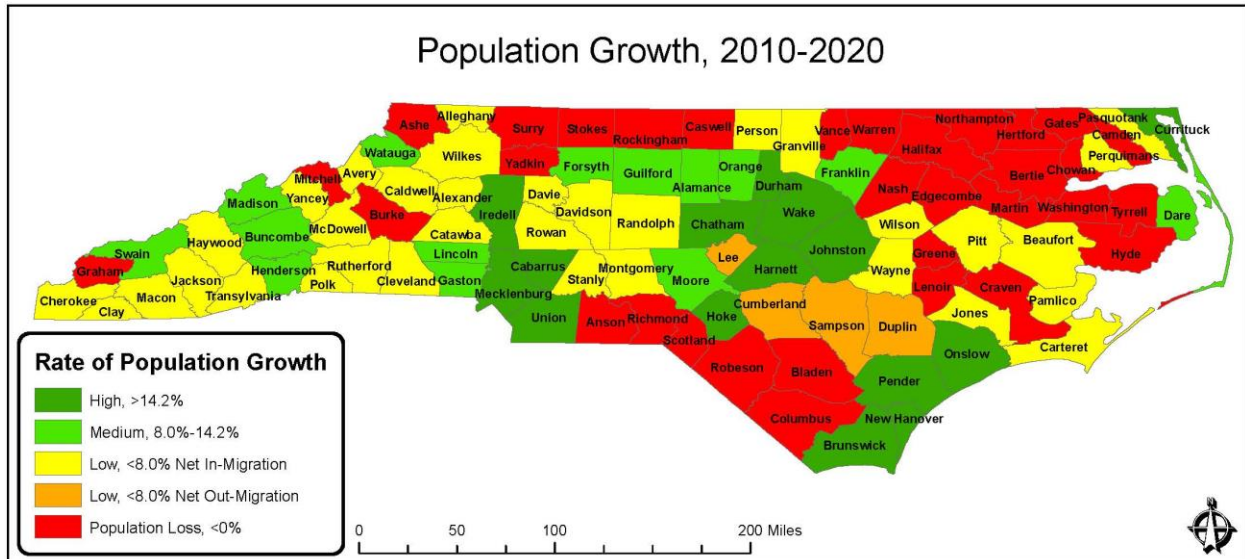
Bubble size represents employment level

- Mining and logging
- Retail trade
- Financial activities
- Education and health services
- Construction
- Transportation and warehousing
- Professional and business services
- Leisure and hospitality
- Manufacturing
- Utilities
- Wholesale trade
- Information
- Other services



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

As the chart below shows, Dare County is expecting solid growth over this decade, but much of the surrounding region is expected to experience population decline.



Business trends will impact almost every business in Dare County.

Real estate markets will continue their current shift as square footage per employee in office space is reduced, retail moves on-line, warehousing consolidates, and industrial space is built for machines not employees. A higher percentage of workers will work from home and many local communities will require less "non-residential" space. The exception will be regional hub communities where surrounding consumers travel for work, shopping and business and health services.

The rise of E-commerce will inevitably replace bricks with clicks and drive more retail sales to the internet. Growth rates are accelerating. "Web-rooming" is replacing showrooming for wholesale trade and extending e-commerce into the broader business community. Proximity to shopping will still important to lifestyle decisions, but may soon be less impotent to business needs.

24/7/365 operation expectations will drive even more millennials to on-line businesses and will create increased challenges for local retailers. These trends are partially offset by an emerging **home-grown or locally sourced movement**, creating a more loyal local market for food, alcohol and crafts.

The **sharing economy** is just starting and has the potential to disrupt transportation, lodging, restaurants and several other Dare County industries. Current projections are that soon almost everything will be available "on-demand" through mobile applications.

We are experiencing a **re-invention of the healthcare industry**. Competition and technology are creating rapid transformation of the \$2.9 trillion annual health industry. Inevitable outcomes of current trends are lower staff to patient ratios, increased

automation and consolidations of delivery of service. The Outer Banks Hospital will be impacted in the coming years.

Workforce trends are one of the top public policy discussions in the country.

Today, a dense concentration of skilled labor is often the deciding factor in business locations and expansions. Having citizens with the right skills is a prerequisite for most places to successfully compete. Smaller places, like Dare County are at a disadvantage due to limited concentrations of talent but can have a competitive advantage because they can adjust education and training resources more quickly to meet market demands.

The talent bar—what is needed to be successful at any job—is rising. The types of skills needed and the types of jobs being created are different than they were in the past and they will be different in the future. A recent U.S. Bureau of Labor Statistics report concluded that despite millions of people unemployed in America, businesses had millions of job openings with 50% saying that they cannot find the talent they need.

"1 in 3 Americans, or roughly 42 million people, are now freelancers, per the Freelancers Union that tracks this demographic. That's one-third of the U.S. workforce. The group counts individuals who work in nontraditional, impermanent jobs, including part-time employees and independent contractors, as part of the independent workforce. "

Source: Elaine Pofeldt, CNBC.com

The corporate outsourcing of labor (not necessarily overseas) is still expanding. Outsourcing to China has slowed recently, but that has not resulted in many companies expanding their domestic workforce. The United States is experiencing rapid growth in the "free-agent" workforce. Sometimes referred to as freelancers, contractors, consultants or contingent workers.

Temporary workers have always been used to modulate the needs of business. But this growth is different. Per Workforce Software Inc., "sputtering global economies and tight labor markets have recently led to a dramatic increase in the number of individuals classified as 'temp workers.' Since 2009, for example, the United States temp services sector has been growing at a rate five times faster than that of other industries."

Technological Trends

Obviously technological trends are impacting every facet of the economy and society. A quick Google search of "how technology changes everything" will result in thousands of hits. Robotics, the internet of everything, 3-D printing, drones, and wearable technology are redefining corporate activities daily. Each creates new opportunities and methods, job displacement, greater consumer choice and control, and in many cases consumer savings. Below are a few examples and how they might impact Dare County. While change is scary, many of the impacts can be positive.

Remote entertainment is going mainstream. Today, entertainment has fragmented from a fixed place like a playground, movie theater or skating rink to any point of

internet access. YouTube, Vine and Video-On-Demand have rapidly displaced the movie theater for content. Apple apps are economically bigger than Hollywood. So is the gaming industry. It is not all individual, the Metropolitan Opera, a new concert, a stand-up comic, or the live Academy Awards can be experienced in the local movie theaters. The options for entertainment expand daily and being on the outer banks is less a weakness today than it was in prior years.

Electronic medicine is exploding. Again, being more remote is not an automatic negative. Robotic surgery is becoming common. Tele-diagnostics negates the disadvantages of doctors with fewer patients. Telemedicine will be available to any home with internet access.

Crowd-capitalization is emerging across many platforms. Crowdfunding is "the practice of funding a project or venture by raising monetary contributions from many people, typically via the internet." As this becomes mainstream it eliminates the need for local financing and reverses the problems that were created in micropolitan regions as banks consolidated and took lending decisions to larger metro areas.

Organizational Options for Delivery of Economic Development Services

The North Carolina State University and RTI team researched best practices, and engaged the community, before developing a set of recommended Goals and Strategies. Faced with some competitive headwinds and recognizing that rapid business evolution is inevitable, what is the best approach for Dare County to implement these new recommendations?

The delivery of economic development services across the country and in North Carolina takes many forms. Successful communities typically have a strategic focus, organizational capabilities, adequate resources, and sustained, consistent efforts, but often have very different delivery of services. What follows is a quick review of the options.

A National Best Practices Scan for Economic Development conducted by the State Chamber of Oklahoma's Research Foundation found some common best practices.

For programs and initiatives more communities have focused on:

- Concentration on regional economic development
- Utilization of key clusters, sector strategies, and ecosystems
- Emphasize and engage entrepreneurship and innovation

In Dare County, we believe that regional efforts and state efforts will play the most important role for new client generation and for building the foundation for super-regional clusters. While a local program may play an important role in a specific sector, for instance boat-building, a broader effort will usually require more resources than can

be expected at the local level. The national focus on entrepreneurship and innovation is a global economic development trend that recognizes the impact of rapid change.

The Oklahoma study also found that the structure of service delivery is trending toward more private sector engagement. At the state level, as we have seen in recent years in North Carolina, the privatization of recruitment is more common. The other key advancement is the use of performance metrics for evaluating program success.

Best practices for organizational structure and engagement include:

- Leveraging the experience and knowledge of the private sector
- Supporting state-level economic development strategies by engaging regional partners and initiatives
- Formation of state agencies as public-private partnerships or as semi-state agencies
- Strategic partnerships with external entities, including businesses, private or nonprofit organizations, and higher education institutions
- Development of accountability for economic development agencies through comprehensive performance measures

As private sector engagement has risen in economic development delivery, so has the role of Chambers of Commerce. While Chambers have always played some role and some have been the contract provider for services, there seems to be an increase in recent years. Within Chambers there are several distinct models.

The single entity model involves the Chamber and economic development entity under one roof with one governance structure. Examples include the Tulsa Oklahoma Metro Chamber, Greater Spokane Washington and Durham North Carolina. The Greater Raleigh Chamber and Jacksonville Florida Chamber are examples where there is just one organization, but the economic development function has a distinct brand. Another model is where there is a chamber function with an economic development subsidiary corporation (usually a 501(c)3 or 501(c)6). Examples include Springfield Missouri, and Macon Georgia.

Most recently we have begun to see a more unified or umbrella model where several organizations unite structural for the delivery of broader services such as economic development, tourism, community development, small business assistance, and leadership development. Tupelo Mississippi, the Allegheny Conference in Pennsylvania and Lee County, North Carolina are examples.

Six Organizational Options

For Dare County, enhanced economic development efforts will require additional capacity. Generally, the options for providing new capacity will follow two continuums that require more or less effort (resources) and a second that includes more or less government control.

Six options are described below:

- 1) Increase county effort within current structure
- 2) Creation of a new public economic development function with new resources and a mission to execute a specified strategic plan
- 3) Development of a new wholly private economic development organization
- 4) Creation of a new public-private funded and governed economic development organization with a clear set of activities
- 5) Increase the internal county effort and external engagement of other organizations by both increasing the efforts of current and new county staff and contracting with existing organizations for specific tasks
- 6) Development of a broad umbrella organization for multi-focused economic development efforts with a single governance board

The first option would be to either reprioritize or increase existing resources in county government to allow implementation of some or all of the new recommended strategies. It is common for a county manager, assistant manager or designated support person to assume some economic development duties.

The **advantages** of this approach are identified below.

- Least costly and fully within the control of County government
- Fastest approach, requiring administrative or budgeting changes only
- Facilitates an incremental approach that is easily increased or decreased

The **disadvantages** are;

- Limited new capacity or expertise
- Places additional burden on already extended staff resources

Second would be the creation of a new public Economic Development department or function within county government. This is like option one, but would require more effort and resources and take additional time. It would also create more new capacity and be expected to deliver greater results.

Based on research from the International Economic Development Council, the **advantages** of public economic development organizations (EDO) are identified below.

- Public EDOs have direct access to sources of public funding (e.g., CDBG, revenue sharing).

- Public EDOs have closer ties to public powers, such as taxing authority, eminent domain, ownership of land, rights of way, zoning and regulatory powers, and the ability to construct and operate public facilities and services, which can be used in economic development initiatives.
- Public EDOs have access to other city or county resources such as planning, research, and public works.
- Public EDOs are more likely to have better buy-in and a sense of ownership from public officials and executive staff for economic development initiatives.

The **disadvantages** of public economic development organizations are:

- The turnover of elected officials can cause inconsistent economic development policies and available resources.
- The commitment by county or city officials to economic development efforts may vary.
- Private organizations often mistrust government activities.
- Public disclosure laws may prevent private negotiations with relocating businesses or developers.

Either option one or two is wholly within the control of the county commissioners and public staff and would allow complete governance flexibility. Efforts could begin immediately and new resources could be considered within the upcoming budget process.

A third option would be the creation of a totally privately funded and managed economic development organization. Today many private companies in legal, real estate, accounting and construction fields play some role in economic development. Rising in popularity are sector associations and cluster networks that closely resemble the roles than guilds of western Europe played for hundreds of years. The Research Triangle Cleantech cluster is an example of a new privately funded effort to promote, market and grow the sector.

The **advantages** of private economic development organizations are:

- Private EDOs can raise funds in the private market.
- Private EDOs can receive donations (nonprofit corporations only).
- Private EDOs can serve as an intermediary through which individuals can deal with the government on behalf of a private client.
- Private EDOs are organized to make decisions quickly.

The **disadvantages** of private economic development organizations are:

- Private EDOs lack the powers of eminent domain, zoning and other public land management powers.
- Private EDOs may lack public sector support and commitment, which means that they take risks in assuming responsibilities for economic development
- Perceptions of conflict of interest are common
- Fundraising is time consuming and often uneven

While Dare County could suggest and encourage Option 3, the county would have no control over the activities or focus of a private group. This option is unlikely to happen without some igniting event.

The fourth option is the creation of hybrid or public-private EDO. This has been a common approach especially in the South with both cities and counties along with Chambers of Commerce or Committees of 100 contributing resources and governance. The creation of a new EDO would require the cooperation of existing private sector stakeholders or the development of new private sector funders.

The **advantages** of Public-private economic development organizations are:

- A public-private EDO draws on a broader range of expertise. Working together builds upon and creates new skills and understanding.
- A public-private EDO can mobilize both public and private resource and is financially flexible. Public-private EDOs can maximize the use of available government funds.
- Public-private EDOs are also able to accept donations due to their tax-exempt status, thereby offering advantages to contributors benefiting from tax deduction advantage.
- A public-private economic development organization can eventually be financially self-supporting (although this is less common than thought)

The **disadvantages** of public-private economic development organizations are:

- A public-private EDO is not under the same degree of public control as public agencies, which can limit its accountability.
- Limited accountability may cause a public-private EDO to forfeit a portion of their influence if the public sector and the citizenry are not satisfactorily represented.
- Developing a public-private EDO takes time and needs resources

A fifth option might involve a public-private consortium of efforts with increased public sector resources and public and private sector delivery of services. Many of the recommended strategies involve, or could involve, existing stakeholders such as the Outer Banks Visitors Bureau, the Outer Banks Chamber of Commerce, and the College of Albemarle. This option would require increased public funding to contract with existing groups to implement the recommended strategies.

The **advantages** are:

- Existing organizations could quickly increase efforts
- Contracts for services require fewer increases in county staff
- Contracts can have targeted goals and could be performance based increasing the likelihood of success

The **disadvantages** are:

- New contracts require new county resource commitments
- County staff would still be responsible for contract management

The sixth option would be the creation of a broader umbrella group that would include the administrative merger of several existing organizations plus newly enhanced economic development functions. The **advantages** could be a clear focus by many organizations to achieve an agreed upon set of priorities, but the **disadvantage** is that it would take considerable time and involve complex negotiations among many parties.

Recommended Option for Service Delivery

With six options along a continuum available, the next question is what option would be the best to achieve the goals that have been developed by the North Carolina State University and RTI team. The six goals in the draft plan overview are designed to optimize the traditional economy, target growth (especially attraction for diversification), take advantage of entrepreneurial opportunities, strengthen the economic competitiveness of the product (infrastructure and workforce) and better tell the Dare County story.

The 25-30 strategies recommend specific areas for future focus, identify key stakeholders for collaboration, suggest increased effort to leverage existing efforts, and raise new areas that require devoting resources to achieve diversification.

A key element of the plan is coordination with other stakeholders. The key players include:

- ✓ Local county and city government
- ✓ The Outer Banks Chamber of Commerce
- ✓ The Outer Banks Visitors Bureau
- ✓ The College of Albemarle
- ✓ The Outer Banks Hospital
- ✓ Wanchese Seafood Industrial Parks
- ✓ The Coastal Studies Institute
- ✓ Albemarle Commission
- ✓ Northeastern Workforce Development Board
- ✓ National Sailing Center
- ✓ Small Business Providers (SBTDC, Cooperative Extension, Industry Expansion Solutions)

Existing efforts to maintain and improve infrastructure, educate and train the workforce, and support entrepreneurship each involve a combination of organizations.

Opportunities for economic diversification such as developing enhanced shoulder season tourism drivers, expanding the impact of seafood and boatbuilding industries, and attracting more research dollars and complementary services to the Coastal Studies Institute will take more resources. New marketing and client management efforts, and the exploration of increased focus on retirees, business and professional lifestyle firms, and the National Sailing Center will require investments to create new capacity.

To fully implement the recommended strategies, we are recommending a two-step approach over the next three years. We believe that it is important to begin implementation immediately.

In year one we recommend focusing on some of the high priority strategies:

- Appoint or hire a county employee to focus on economic development. Specifically, the new resource would coordinate strategies that improve Dare County's infrastructure, pursue grants, review regulations and codes and coordinate any affordable housing efforts.
- Develop a two-year performance contract with the Outer Banks Chamber of Commerce to provide new targeted marketing, client management and entrepreneurial space development. In addition, the Chamber would act as the point of contact for clients from the regional and state economic development organizations.
- Provide resources to the Outer Banks Visitors Bureau to develop a new shoulder season strategy with implementation in year two or three
- Establish an economic development coordinating council with representatives of all the stakeholders for shared communication and ongoing alignment.
- Develop a public economic development dashboard to measure progress and identify ongoing areas of concern.

In year two we recommend that Dare County build on the effort of year one and focus on aligning activities for collective impact. Working together, while it often happens now, to achieve the advantages of collective impact, will require the development of more formalized collaborative capacity. The Stanford Social Innovation Review first examined the concept of "collective impact" in 2011 and identified five key elements:

1. "All participants have a **common agenda** for change including a shared understanding of the problem and a joint approach to solving it through agreed upon actions.
2. Collecting data and **measuring results consistently** across all the participants ensures shared measurement for alignment and accountability.
3. A plan of action that outlines and coordinates **mutually reinforcing activities** for each participant.
4. Open and **continuous communication** is needed across the many players to build trust, assure mutual objectives, and create common motivation.
5. A **backbone organization(s)** with staff and specific set of skills to serve the entire initiative and coordinate participating organizations and agencies."

In year two we also recommend that in addition to continuing all activities from year one that additional potential partnerships be prioritized.

- Attracting more research dollars and complementary services to the Coastal Studies Institute.
- Supporting the development of the National Sailing Center
- Position the Outer Banks Hospital as a regional hub for medical service

- Maximize the services of the SBTDC, Cooperative Extension and Industry Expansion Solutions to support new flexible spaces that may be developed by the Chamber of Commerce.
- Create a work group to explore the development of a Public-Private Partnership for delivery of economic development services. (At this time, we have no recommendation on whether this new organization would be part of the chamber, stand-alone or part of a bigger organization.)

By year three we would expect that there will be enough evidence from the efforts of the first two years to establish a solid approach to provide economic development professional services. Several of the programs and efforts that were established in year one should be producing results. Entrepreneurial space, targeted client marketing, and shoulder season tourism marketing should each be established.

- Finalize a delivery system, probably some form of public-private partnership with participation by many stakeholders.

Additional Recommendation

There is a national economic development trend to better measure activities and outcomes. Return on Investment has become a common discussion among economic development boards and among public boards that provide economic development funding. Earlier this year the International Economic Development Council published *Making It Count - Metrics for High Performance Economic Development Organizations*. This extensive study examines current best practices around metrics.

The existence of an organizational strategic plan is the key determining factor in whether an organization measures performance. Over 80% of the organizations that track their performance have a strategic plan. Organizations use agreed upon metrics to track performance over time and against goals that have been developed. Business and elected leaders are usually instrumental in the insistence on and development of the measurements.

Job creation and retention is the most common metric, but comes with many problems. Assigning causal credit for the creation of specific jobs, especially indirectly generated jobs, is a problem. Economic developers understand that their efforts are part of a team.

Performance measurement is not for the faint of heart. It takes resources to regularly track performance and there are always challenges. Assigning credit, getting timely and accurate data, and quantifying results can each be difficult.

Despite the challenges, there is a clear and rapid movement toward more metrics in the economic development field. Best practices suggest starting small with a few metrics, having both activity and outcome metrics, creating simple, broadly available dashboards, and getting Board buy-in throughout the development process.

We strongly recommend that the Dare County develop a set of metrics that would be reviewed regularly. These metrics should include both actions such as trade shows attended, client contacts, site visits and others, plus outcomes of actions such as direct jobs created, and tax base additions. Finally, Dare County should also monitor broader economic metrics such as jobs changes by sector, wages, gross county product, exports and business formations.