

Executive Summary

Purpose

This report presents an economic development strategy for the Greater Five Points Area Choice Neighborhood (“CN”), in New Bern, North Carolina. The plan of the New Bern Housing Authority (“NBHA”) for this area features extensive redevelopment of housing and improvements to the neighborhood. This study proposes an economic strategy to support the community vision.

Background

New Bern has a long history of planning and there has been a great deal of planning done for the Greater Five Points area. However, most of the work has focused on real estate issues in the core area rather than on the economy of the neighborhood. Now there is a wealth of material on the table that still needs to be digested. In this work we evaluate what has already been done and how it can contribute to a strategy, and to add to this a program for economic development of the Choice Neighborhood.

Population and Economy

The population of the Choice Neighborhood is approximately 10.9% of the City population. This population is distinct in its demographic profile:

- It has a large African-American majority (80%).
- Average household income (\$39,279) is 70% of the City figure (\$55,763).
- Participation in the work force (45%) is low compared to the City (47.3%).
- Unemployment measured by census figures is high: 571 unemployed of 2,444 residents over age 16 (23.4%) compared to 12% of the City and 8.5% of the County populations.
- There were 292 families with children below poverty level (28% of such families in the City) and 350 households headed by a woman with at least one child at home (29.5% of the city-wide figure).

The neighborhood has a diverse but limited economic base. The 117 establishments in the area employ a workforce of 768; there is just one establishment with more than 20 employees.

The strong employment sectors are highly concentrated in public services, (22 establishments and 338 jobs, or 44% of jobs in the area), healthcare and social assistance and real estate rental and leasing business. The largest economic impact comes from wholesale and retail trade which have total sales of \$38.5 million, or 38% of total sales in the area. The Choice Neighborhood is weak in “basic” (i.e., manufacturing) industries that tend to pay well and create spin-off jobs. Tourism is a small sector but has the potential to have a bigger impact.

The Greater Five Points has a very limited economic base of small businesses and public sector employers. While the market area is large the neighborhood itself has been shrinking in population and traffic. The City and County economies are growing, but slowly.

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Commercial Development Opportunities

There are opportunities for new retail development in the Greater Five Points Choice Neighborhood. The overall retail “gap” of \$9 million is small in the context of the City as a whole but the potential for food and beverage, food service and drinking and non-store sales are positive indications of uses that will support residential redevelopment.

The greatest source of potential growth in the market is in the expansion of the downtown residential market. This will happen on the fringes of the Five Points area. It will bring higher incomes and spending potentials to the area. This expanded market will include retirees and others who want to have active/walking neighborhoods and twenty-somethings who want to live near downtown service jobs and can rent upper-floor walk-ups over stores.

Since the retail opportunity is limited, there is not enough demand to support retail redevelopment throughout the area and along the major streets. The strategy for the entire area should allocate specific opportunities based on the unique features, character and suitability of each street. The ultimate reinvention of the Gateway with appropriate commercial development will come over 10-20 years as a result of a broad array of specific actions and programs that bring new households to the area.

There are some population-serving office tenants that could locate in the Choice Neighborhood but demand is very limited. Offices associated with the Eastern Carolina Medical Center and the County could be attracted to the area as redevelopment proceeds. This could also be an excellent location for a small flex-warehouse complex if there were an appropriate site for this type of use.

There is just not enough underlying energy in the City and regional economy to expand the downtown at this time. The strategy for the next decade should be to create incentives for local area investment, grow community capacity for business development and position the four “core commercial streets” into a long-term framework for redevelopment. As these efforts proceed the City can structure offerings and negotiate deals on key real estate issues (Day’s Inn, downtown grocery, land acquisition, etc.), work on the best retail prospects, including the grocery and the small general store and create additional housing to support commercial development.

The commercial potential of the neighborhood is limited for the foreseeable future. Moreover, for successful redevelopment over the long term there will need to be a mix of businesses that serve the neighborhood as well as the larger market area. This lack of a market in the immediate neighborhood will prevail well into the future, regardless of streetscape improvements and beautification efforts. While the market now does not support short-term commercial redevelopment of the area, the Choice neighborhood will eventually again be a thriving part of the City.

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The Recommended Strategy

This proposed strategy has four components (**Summary of Recommendations**, below). The first, the Neighborhood Development Strategy, addresses the neighborhoods around the core commercial area. The second, the Real Estate Development Strategy, addresses the implementation of real estate ideas in the greater Five Points area. The other two components are: organizing for implementation, and measuring progress..

Summary of Recommendations: Greater Five Points Area Economic Strategy

Action	Responsibility/ Lead	Target Year
Neighborhood Development		
<i>1. Consensus Building</i>		
1 <i>Web Site</i>	NB Housing Authority	1
2 <i>Resident survey</i>	NB Housing Authority	1
3 <i>Newsletter</i>	NB Housing Authority	1
4 <i>Scheduled event</i>	NB Housing Authority	1
5 <i>Church summit/get-together</i>	NB Housing Authority	1
<i>2. Implementing Programs and Policies</i>		
1 <i>Workforce Development</i>	Craven Comm. Col.	1-
2 <i>Mobility improvements</i>	Craven Area Reg, Transport	1
3 <i>Day care evaluation</i>	E. Carolina Med. Ctr.	2
4 <i>Business networking</i>	Uptown Bus. Prof. Assn.	1
5 <i>CDBG coordination</i>	City Dev. Svces	1
6 <i>Retail promotion</i>	Swiss Bear	1-
7 <i>Time banking</i>	Uptown Bus. Prof. Assn.	2
8 <i>Historic resource promotion</i>	Conv. Visitors Bureau	2
9 <i>Urban farming</i>	Gr. Dufyfield Res. Council	2
10 <i>Business incubation</i>	Craven Comm. Col.	1
11 <i>Community development finance</i>	City Dev. Svces	2
Real Estate Development		
1 <i>Fountain</i>	City Dev. Svces	1
2 <i>Days Inn site acquisition/demolition</i>	City Dev. Svces	1-2
3 <i>Mixed-use project development</i>	City/Trans Venture Cap.	2-5
4 <i>Retail/mixed use redevelopment</i>	City/Swiss Bear	1-10
5 <i>Infill development</i>	City Dev. Svces	1-10
Organizing for Implementation	All	2
Measuring Progress	East Carolina Council	3

Source: Thomas Point Associates

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The Neighborhood

There are two challenges in this component of the strategy:

1. Create a grass-roots consensus that will bring the political support required to make difficult decisions.

There is a need to engender a ground-up understanding of economic development. Now the community is at a beginning level in this effort and there are many simple actions that can be taken to encourage a sense of common purpose and set the stage for action.

2. Implement policies and programs that will improve economy and quality of life. In this work we identify eleven areas in which it would seem possible to make significant long-term improvements to the economy of the Choice Neighborhood.

The Commercial Core

The second component of this strategy deals with real estate issues, mostly along Broad, Pollock, Queen and First Streets . The core commercial area has been studied at great length and now there may be a consensus emerging around a select group of projects. With public sector leadership these projects will transform the commercial area that is the heart of the Greater Five Points area. The **Summary** identifies five projects that should get concerted attention.

Organizing for Implementation

The neighborhood needs a leadership organization to represent its interests and translate them into program realities. The success of the entire effort will hinge to a great extent on the choice of the entity to lead it. There are several organizations and offices that have some of the skills and experience needed to take on this role. While each one can play a part in the process, none of them seems well-suited to the task of leading it. This will be an issue to address in the Choice Neighborhood planning process.

Measuring Progress

There should be a rigorous independent effort to measure progress associated with the economic development strategy. This should include an annual review with benchmarks and performance metrics, using quantitative measures such as numbers of high school graduates/GED recipients, jobs created or saved, tax impacts, crime rate improvements and increased retail sales and assessments that can be tracked on public information sources.

Conclusions

New Bern is a progressive City that has grown rapidly in recent years. There is much that can be done for the economic development of the Five Points area neighborhood. Now is the time for grass-roots efforts that address the underlying problems that lead to high and persistent unemployment. The concepts that we have proposed are still in preliminary form and we present them knowing that they need further discussion, refinement and community "buy-in."