



MEMORANDUM

To: Mayor and City Councilors

From: Rich Olson, City Manager

Date: August 7, 2015

Re: Consideration – Authorization for Local Match for InnovateNC Application

BACKGROUND:

The Institute for Emerging Issues at North Carolina State University has announced the selection criteria for InnovateNC, which is a “cross-city learning collaborative” that will boost the state’s overall innovation strength. This two-year initiative will help up to five North Carolina communities develop and expand their local innovation economies. Selected communities will receive tools and technical assistance valued at no less than \$250,000 over the two year project period. The grant requires a financial contribution of \$15,000.

ECSU Chancellor Stacey Franklin Jones plans to submit a proposal for the InnovateNC initiative prior to the August 17, 2015 deadline date. A series of meetings have been held by stakeholders including the City, the ECPPS school district, COA, EC-PC Economic Development Commission and ECSU. I have attached an early draft copy of the grant proposal. This proposal is still being defined.

ANALYSIS:

The structure of InnovateNC will include an intensive two-year planning process, cross-city convenings to focus learning and build strong relationships, data-driven decision making, innovative policy-making at the municipal and state level, knowledge sharing through storytelling and supportive supplemental programming. The value of the grant will exceed \$250,000 over the two-year period. Participants will need to contribute \$15,000 in support of the program.

The benefit of this process to our local community is that it will enable us to devise a plan to creatively market ourselves through the use of technology to attract businesses and industries to our area. We will be able to partner with professionals who have expertise in designing such a plan and who have been successful in their own communities.

The attached grant application identifies a number of local partners. These partners include government entities, health care facilities and local businesses. Staff would like to recommend up to \$2,500 from the City be contributed toward the \$15,000 match.

All entities listed as partners have the potential to receive a great deal of benefit from the InnovateNC grant and should participate in funding a pro-rata share of the local match.

FINANCIAL:

During the Finance Committee held on August 7, 2015, Alyn Goodson, ECSU Interim General Counsel, and Russ Haddad, Special Assistant to the Chancellor - University Project Management, were present to provide additional information for the Committee.

Upon motion made by Councilman Donnelly, seconded by Mayor Peel, the committee unanimously recommended approval by the City Council.

STAFF RECOMMENDATION:

By motion, authorize up to \$2,500 to be used as local match for the InnovateNC grant application.

RCO/vdw

InnovateNC:
A Call for Proposals from North Carolina Cities

DUE: August 17, 2015, 5:00 p.m. EST

Applicant City/County: Elizabeth City/Pasquotank County

Person submitting the application:

Name: Dr. Stacey Franklin Jones

Title: Chancellor

Organization: Elizabeth City State University on behalf of the Greater Elizabeth City Innovation Council (GECIC)

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[InnovateECNC]- working title

Introduction

The Greater Elizabeth City Innovation Council (GECIC), comprised of Elizabeth City State University (ECSU), the City of Elizabeth City (EC), Pasquotank County (PC) and other partner entities identified herein, respectfully submit our application in response to the Institute for Emerging Issues at North Carolina State University's request for proposals for its InnovateNC program.

Working within the InnovateNC framework, the GECIC will design, develop and implement a *Greater Elizabeth City Master Plan for Innovation* that facilitates meeting the following objectives: increased innovation capacity, activity, and connectivity within Elizabeth City-Pasquotank County area; broaden demographic and sectoral diversity of those engaged in the innovation economy; collaborative cross-city-county learning and partnerships; utilize data tools and metrics that can be scaled to serve the innovation development efforts of additional and neighboring communities in the Northeastern North Carolina region; and support a regional model for information that links to and assists in characterizing North Carolina's wider economic development and policy landscape.

As part of its overall *Path to Prominence* vision and strategic plan, ECSU aspires to be recognized as North Carolina's premier institution of interdisciplinary science. To this end, ECSU continues its shift to cultivate an environment that promotes creativity, ideation, and leadership to prepare graduates who will have maximum innovative economic impact on today's global economy. Additionally, the Elizabeth City Vision 2020 plan being implemented countywide outlines a public/private effort focusing on holistic community development. The plan includes comprehensive job and entrepreneurship training for youth and strengthening ties with building ongoing, positive relationships with state leadership, the Port of Virginia and area economic development initiatives. Building on these and other initiatives, the economic impact of this plan will create focused long-term job growth, educational excellence and significant community advancement for the greater Elizabeth City and Pasquotank County.

. One of the primary outcomes of the GECIC would be lifting the socioeconomic status of the community at large through the InnovateNC initiative. Elizabeth City-Pasquotank County, with a population of almost 40,000, is in the fourth poorest congressional district in the United States, according to Congressman G.K. Butterfield. The median household income in the district, according to the 2010 U.S. Census, is \$12,488, 21.9% of the population is living below the poverty level, 52.4% of families with children below the age of 18 are single female heads of households, 22.5% of the population does not have a high school diploma and another 18.6 has only a high school diploma. Finally, the unemployment rate in the district was 15.2% at the time of the Census

Current Efforts (50 points)

Northeastern North Carolina is making a significant effort to spark innovation and strengthen its local economy. Elizabeth City-Pasquotank County is the driving force for a series of advancements that will contribute to the long-term success of this endeavor.

Elizabeth City-Pasquotank County has attracted several innovative companies. They include Motion Sensors Technologies, Hoffer Flow Controls, Hockmeyer Equipment Corporation, DRS Technologies, Inc., Telephonics Corporation and TCOM LP. Recent associations with Sun Energy and Iberdrola Renewables, for solar farms and the Amazon Wind Farm US East, respectively, expand the innovation footprint in the greater Elizabeth City area. Amazon Wind Farm US East is the first wind farm in North Carolina and largest wind farm in the southeastern United States.

The backbone of the area's ecosystem is the construction of more than 200 miles of fiber optic cable in Pasquotank and neighboring counties, giving "anchor institutions" and industry – Elizabeth City

State University, College of The Albemarle, Albemarle Health, and the public library – world-class broadband connectivity. The project was part of the \$105-million Golden LEAF Broadband Initiative, which included \$76 million in federal grant funding, \$24 million from Golden LEAF and \$5 million from the MCNC Endowment. Additionally, businesses and patrons of Elizabeth City’s downtown area now can access EC-Net, a new Wi-Fi hotspot that is transmitted in a 20-block area. InteliPort, a local broadband communications company, installed the system at cost and will maintain it at no charge.

Elizabeth City is developing a \$13 million, 63-acre Aviation Research Development Commerce Park. It includes sites suitable for construction of four hangars of up to 80,000 square feet and will include the ECSU Aviation Science Program. The three-phase project is projected to create 800 to 1,200 jobs and attract \$150 million in capital investment. DRS Technologies ground-leased all four sites in Phase I. The City of Elizabeth City has purchased the additional 48 acres for Phase II. Furthermore, expansion of the aviation and technology sector is a part of the Albemarle Commission Region R Council of Governments Regional Economic Development Strategy through the Economic Development Administration.

Elizabeth City-Pasquotank County has led the movement in the northeast toward a STEM-based economy through education. With the opening this fall of the Northeast Academy of Aerospace and Advanced Technologies housed at ECSU, which has received over \$500,000 in startup donations and grants, middle school-aged children will be nurtured to follow an innovation STEM career path. The Elizabeth City-Pasquotank County School District has also integrated STEM into its curriculum. Additionally, ECSU’s Aviation Science Program uses state-of-the-art technology to prepare students for jobs in the aviation industry. The Golden Leaf Foundation recently awarded a \$1.1 million grant to enhance the program and position ECSU as a hub for aviation education. Port Discover, a hands-on science center in downtown Elizabeth City, has launched Tech Café, a weekly gathering spot for teens featuring topics covering everything from game theory and stop-motion animation to electronics and more. The combination of NEAAAT, ECPPS, ECSU and Port Discover provides continuous innovation educational opportunities from kindergarten through college graduation.

Activities in Elizabeth City-Pasquotank County have a concentric effect on the region. Current local efforts are integrated into region-wide endeavors to cultivate our innovative economy. For example, The North Carolina School of Biotechnology and Agriscience in Washington County, Bertie County’s Avoca Farms plant extraction for pharmaceuticals and other products, Camden County’s Eco Industrial Park and College of The Albemarle’s FAA approved Aviation Technical Training Center in Currituck County. Companies such as Nucor Steel and Domtar are implementing innovative technologies to improve their processes, too. The GECIC will use the InnovateNC process to coordinate these efforts.

To support community in Elizabeth City-Pasquotank County, ECSU collaborates with the Small Business Technology and Development Center which provides guidance on business planning and advice on business capital for new startups. The SBTDC is enriched by the College of the Albemarle Small Business Center. Additional support is provided by ECSU’s Community Development Office.

The GECIC will draw on the expertise of all these partners and unite these activities into one cohesive plan for a sustainable innovation environment. With Elizabeth City-Pasquotank County serving as the central point, the result will be a positive regional spinoff effect as all involved work together as a team for a single purpose produced through InnovateNC.

Organizational Capacity (Challenges/Opportunities) (15 points)

ECSU is actively implementing Phase 2 of its three-phase strategic plan, which calls for identifying and securing partnerships to serve the university region. The overall goal is to establish, enhance and/or strengthen strategic research and sponsored programs that promote economic, social and environmental progress of the region. Two concepts borne out of this phase are V-Pods™ and an Interdisciplinary Science Learning Resource Center. As part of the strategic plan, ECSU will provide

technology infused space for GECIC, and specifically an *Office of Greater Elizabeth City Master Innovation Planning* for its respective design and development, and to serve as the ‘think tank’ for implementation.

With the *Office of Greater Elizabeth City Master Innovation Planning* as the hub for exchange, GECIC will build a collaborative leadership network. The synergy of the participants will aid in focused and forward-thinking growth and enhance access to capital for innovation. The northeastern region of the state will then better connect through the cross-city collaborations inspired by the InnovateNC approach.

One of the challenges facing the area is designing a systematic approach to integrating individual city, county, and university strategic plans into a master innovation plan for the entire entrepreneurial ecosystem. The InnovateNC methodology creates a framework for such a systematic/methodological/data-driven master innovation plan and implementation timeline to synthesize all economic growth efforts.

Another challenge is the limited number of venture capitalists interested in investing in innovative industries in the area. Financial capital is perhaps the leading challenge to the area’s ability to consistently draw innovation and industry to the area. Innovate NC’s financial resource and knowledge can be used to assist to attract venture capitalists to Elizabeth City, Pasquotank County. InnovateNC will be utilized to help identify and quantify additional investments which are critical to the success of entrepreneurial ventures in the local community and region. Expanding the knowledge and access to capital resources drives new products and industries.

Further opportunities may be derived from a series of proposed special state appropriations to ECSU and Gov. McCrory’s transportation and university bond referendum proposals. These mark investment initiatives aimed at upgrading infrastructure in northeast NC. Among them is the designation of Interstate 44 that ties Raleigh to southeastern Virginia. In addition, the designation of Elizabeth City as a US Coast Guard City solidifies the community’s link to the innovative mindset instilled in the Coast Guard. The Coast Guard’s Aviation Logistics Center is an innovative resource to the Coast Guard’s aviation arm. The base in Elizabeth City serves as the aviation repair hub for the entire Coast Guard. The community’s new relationship with Sentara Albemarle Medical Center also ensures strides in healthcare innovation.

Elizabeth City-Pasquotank County has potential to spur productive, inclusive and sustainable economic development. Further, these opportunities offer the prospect of expanding employment and educational opportunities for disadvantaged populations. Meeting these challenges and opportunities fulfills the goals set forth by InnovateNC and the community’s aspirations to increase participation in the knowledge economy.

Local Partners (25 points), Financial Commitment

The GECIC will utilize and enhance a varying array of intellectual talent from all sectors within the greater Elizabeth City area, as identified in Appendix B. These current partners exemplify the community’s capacity to nurture the innovative ecosystem, and include the spectrum from education and government to business and entrepreneurs to nonprofits to business assistance organizations. The collaborative group will deliver intellectual and technical assistance to the process. Members of each sector identified in Appendix B agrees to provide financial and/or other material support for this project.

Evaluation (10 points)

Data provided through the InnovateNC process will counter gaps in the ecosystem, determine targeted marketing plans, and define efficient use of resources to meet the goals of the overall strategy. ECSU’s emphasis on data-driven decision-making and STEM curriculum align well with the Institute for Emerging Issues goals for InnovateNC. ECSU’s Office of Institutional

Effectiveness, Research, & Planning (IERP) provides leadership and support in collecting, organizing, maintaining and analyzing data. ECSU will partner with RTI International to advance data-driven policy and decision-making.

Conclusion

In summary, the Greater Elizabeth City Innovation Council (GECIC), comprised of ECSU, the City of Elizabeth City, Pasquotank County and other partnering entities, have the greatest current and future capacity to sustain the innovative ecosystem proposed by the Institute for Emerging Issues at NC State University. Elizabeth City-Pasquotank County is the core community that impacts its neighboring cities and towns, both economically and socially. ECSU, the leading-edge anchor institution in the community, the robust current and future businesses, and dedicated civic and other leading organizations, in partnership, will stand as the gateway and linchpin to innovation in northeastern North Carolina.

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Local Partner Matrix

Complete the local partner matrix below. For partners not yet identified, briefly describe technical assistance needs for engaging these partners in the application narrative.

Partner Category	Organization	Lead Staff	Contributions they bring to the local Innovation Council (e.g., diversity, influence, depth of support)
Business	Hoffer Flow Controls	Ken Hoffer	Development of modern flowmeter equipment for worldwide application in the oil patch, chemical and petrochemical, aerospace and energy measurement industries. Ensure success by continually improving performance for global competitiveness.
	Hockmeyer Equipment Corp.	Bob Brungard	Leaders in dispersion technology for industries ranging from paint manufacturing to foods to biotechnology. Provide research and development expertise for continuously evolving technologies, including nanotechnology and microbial development.
	DRS Technologies, Inc.	Don Davis	Cutting edge product development for avionics and aviation support targeting the defense industry that includes reverse engineering. Provide innovative thought leadership for future needs.
	Telephonics, Corp.	Joe Mihelic	Advanced technology wireless produces for airborne platforms and ground vehicles required to communicate voice and data rapidly, accurately, and securely for both military and commercial applications. Provide advanced technology knowledge with a global reach to meet future demands.
	TCOM LP	Charlie Knauss	Global authority in airborne persistent surveillance solutions as the world's only company solely devoted to the design, fabrication, installation and operation of aerostat systems. Provide insight into efficient and innovative processes.
	Iberdrola Renewables	Craig Poff	At the forefront of transforming the way the U.S. produces and uses energy and strongly positioned to develop, build, and operate the clean energy infrastructure of the future. Provide access, knowledge and leadership in the energy field.
	Sentara Albemarle Medical Center	Coleen Santa Ana	Offers wide range of services, including inpatient and critical care, surgical services, sophisticated diagnostic imaging technology, comprehensive women's care, cardiology, cancer treatment, rehabilitation services and more. Share its culture of innovation and encourage new ideas, embrace pilots and rapid cycle testing.
Entrepreneur	DLS Engineering	Jim Thomas	Specialized logistics and engineering services to government contractors. Contribute best practices to deliver sustainable solutions to reduce costs and risk.
	Vector CSP	Stan Walz	Manage transformational change and optimizes the

			performance of individuals, systems and organizations. Share best practices and processes to deliver excellence.
	InteliPort	Steve Lane	Internet service provider. Provide internet user training.
	Motion Sensors	Marcy Bergman	World-class engineering and manufacturing capabilities across a variety of industries, including aerospace, rail, military, and power. Sharing best practices for the adoption of lean manufacturing principles and techniques.
	Maker Space	Kerry Krauss	Venue where creative individuals gather to share equipment such as computers, 3-D printers, laser cutters and the like to create, from science to fine arts to craftsmanship. Channel for creative product experimentation.
Civic Leader	City of Elizabeth City	Rich Olson, CM Joseph Peel, Mayor	Provides business support through local policy. Create new policies aimed at enhancing the ecosystem.
	Pasquotank County	Rodney Bunch	Provides business support through local policy. Create new policies aimed at enhancing the ecosystem.
	EC-PC EDC	Wayne Harris	
	EC-PC Schools	Dr. Larry Cartner	Provide public education curriculum, which includes STEM. Extend the innovative learning processes throughout the system.
	EC Area Chamber of Commerce	Kelly Thorsby	Represents and promotes the local business community. Promote a broad innovative culture, highlighting entrepreneurial activity and organizing workshops.
	NC House of Representatives	Rep. Bob Steinburg	Propose and advocate for state policies that support the local innovation ecosystem.
	NC House of Representatives	Rep. Howard Hunter III	Propose and advocate for state policies that support the local innovation ecosystem.
	NC Senate	Sen. Bill Cook	Propose and advocate for state policies that support the local innovation ecosystem.
	US House of Representatives	Rep. GK Butterfield	Propose and advocate for federal policies that support the local innovation ecosystem.
	US House of Representatives	Rep. Walter Jones	Propose and advocate for federal policies that support the local innovation ecosystem.
	US Senate	Sen. Richard Burr	Propose and advocate for federal policies that support the local innovation ecosystem.
	USCG	Cmdr. Bruce Brown	Largest base in the country that outfits the entire USCG aircraft fleet with state-of-the-art technology. Share knowledge of best practices and innovative processes.
Higher Education	ECSU	Dr. Stacey Franklin Jones	Provide higher education curriculum focusing on STEM. Engage stakeholder groups and be the center of the ecosystem to allow it to thrive.
	COA	Dr. Kandi Deitemeyer	Provide job training curriculum focusing on STEM applications. Extend the innovative learning processes throughout the ecosystem.
	MACU	Dr. Clay Perkins	Provide higher education curriculum. Extend the innovative learning processes throughout the ecosystem.

Funder	BB & T		Provide business financing. Create loan pool geared toward nurturing entrepreneurial activity.
	Northern Albemarle Community Foundation	Natalie Peel	Provide funding for various community activities. Create endowment for entrepreneurial growth.
	Elizabeth City Foundation		Provide funding for various community activities. Create endowment for entrepreneurial growth.
	EC-PC Education Foundation	Molly Brite	Provide funding for education-related programs. Supplement the classroom learning environment for creative, critical thinking.
	Committee of 100	Russ Hull	Coalition of business/industry that provides funding for various business initiatives. Synthesize business interests with innovative entrepreneurial activity.
	GoldenLeaf Foundation	Dan Gerlach	Funding partners on several major local initiatives. Leverage entrepreneurial programs for additional funding.
	Wells Fargo Foundation		Downtown Wi-Fi funding. Provide funding for additional creative uses of technologies.
Non-profit	RCCDC	Lenora Jarvis-Mackey	Community development organization primarily assisting low-income and minority populations. Provide entrepreneur workshops and learning circles engaging this population.
	Port Discover	Robin Kelly-Goss	Regional science center. Continued programming focus on science, critical thinking and virtues of STEM.
	YouthBuild	Angie Wills	Community program that provides a path for youth to attain GED, soft skills and trade skills. Program could be expanded to include entrepreneur training.
Media	The Daily Advance	Mike Goodman	Paper of record for Elizabeth City area. Promote programs/activity to expand the innovation ecosystem.
	WTKR-TV		Regional TV station based in Norfolk. Provides segments that highlight the innovative culture.
	ECSU Radio/TV	Linita Shannon	Provide programming for ECSU and community activities. Extend programming spotlighting local innovations, entrepreneurs and activities.
Data Partner	ECSU	<i>tbn</i>	
Other	NEAAT	Andrew Harris	Innovative learning environment for middle school aged children. Facilitate intensive collaboration and partnerships between the school and the various aerospace work sites to provide guest speakers, mentoring, authentic projects, student internships, teacher externships, visiting teachers and field trips.
	SBTDC	Michael Twiddy	Provide business assistance through state, national and international programs. Expanded use of its programs to broaden the ecosystem.
	ECSU Community Development	Morris Autry	Provide assistance with federal housing and financial programs. Supplement activities from various business

			organizations.
	COA Small Business Center	Ginger O'Neal	Provide start up small business assistance with business planning and workshops. Expanded use of its programs to broaden the entrepreneurial environment..
	Northeastern Workforce Development Board	David Whitmer	Provide technical education scholarships for the underemployed, unemployed, and recently laid off individuals. Provide assistance to improve regional employers' capacity to find and hire well trained employees.
	Albemarle Commission, Region R Council of Governments	Cathy Davison	Development and/or enhancement of regional infrastructure, industrial recruitment, business development, labor force development, travel and tourism, community reinvestment /rehabilitation, and health and human services. Targeted focus on innovation economy and funding partner.
	EDPNC	Tim Ivey	Regional office of state business/industry recruitment. Provide access to state funding programs and recruitment assistance.

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