

2024 ADDENDUM

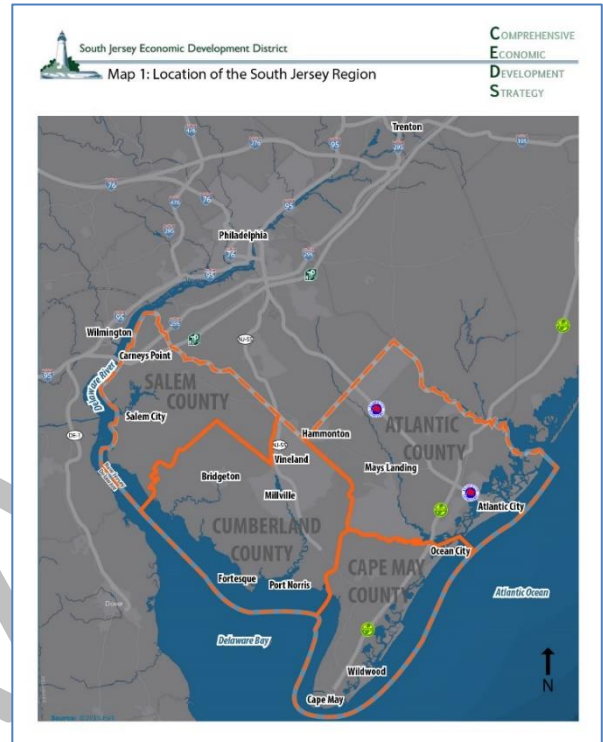
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

INTRODUCTION

The Comprehensive Economic Development Strategy, (CEDS), is the document that guides the South Jersey Economic Development District's vision and action agenda for the future of the regional economy.

The current 2020-2025 CEDS reflects this vision and that of its constituent municipalities and counties. It is used by those members as a vehicle through which project priorities, economic development, and redevelopment initiatives may be identified and funded.

The CEDS is consistent with the U.S. Economic Development Administration (EDA), which requires an EDA-funded project to be compatible with the CEDS. The *USEDA CEDS Content Guidelines* defines the CEDS as follows:



“Simply put, a CEDS is a strategy-driven plan for regional economic development. A CEDS is the result of a regionally-owned planning process designed to build capacity and guide the economic prosperity and resiliency of an area or region. It is a key component in establishing and maintaining a robust economic ecosystem by helping to build regional capacity (through hard and soft infrastructure) that contributes to individual, firm, and community success. The CEDS provides a vehicle for individuals, organizations, local governments, institutes of learning, and private industry to engage in a meaningful conversation and debate about what capacity building efforts would best serve economic development in the region.”

Like any plan, however, it must be a fluid document – one that can be adjusted and modified as conditions and circumstances change. The purpose of this 2024 Addendum is to reflect that change and to describe modifications to the CEDS and the changes in the demographics of the region and its economy.

CHANGES AND TRENDS IN THE REGION AND ITS ECONOMY

The South Jersey Economic Development District encompasses a four-county region of southern New Jersey, including the counties of Atlantic, Cape May, Cumberland, and Salem. The District was established in the early 1980s with the mission to encourage economic development and redevelopment in one of the most economically distressed regions of the State.

The Board of the South Jersey Economic Development District prepared and adopted the FY 2020-2025 Comprehensive Economic Development Strategy (CEDs), establishing a framework for economic development and regional collaboration over those five years. Considering the significant developments to the region's economy, altering the District's strategic approach to its economic development goals and objectives, this new 2024 Addendum to the CEDs has been developed to address those changes.

DEMOGRAPHIC TRENDS AND CHANGES

As can be seen in the table below, the 2020-2025 CEDs provided population counts from the then recently released 2020 Census. These figures showed a regional population of almost 600,000 people. All four counties showed small to minuscule population losses between 2010 and 2020.

Regional Population Trends 2000-2020

	2000 Population	2010 Population	% Change, 2000-2010	2018 ACS Population Estimates	2020 Population	% Change, 2010-2020
Atlantic	252,552	274,549	8.71%	265,429	274,534	-0.01%
Cape May	102,326	97,265	-4.95%	92,560	95,263	-2.06%
Cumberland	146,438	156,898	7.14%	150,972	154,152	-1.75%
Salem	64,285	66,083	2.80%	62,607	64,837	-1.89%
Region	565,601	594,795	5.16%	571,568	588,786	-1.01%

The latest 2023 Population estimates from ESRI indicate that Atlantic and Cape May Counties are trending upward. Cumberland and Salem Counties are continuing to show modest declines in population. Despite those small declines in population, the county figures yield a regional population of 589,273 persons, or an increase of just under 1% from the 2020 total. This reflects a regional population increase at a rate greater than the State as a whole during that same three-year period.

2023 Population, (ESRI 2023 Estimates)

Atlantic County: 275,834 persons
Cape May County: 95,501 persons
Cumberland County: 153,451 persons
Salem County: 64,487 persons



Unemployment

In contrast to the flat rate of population changes in the four counties, unemployment rates declined significantly from the rates reported in the 2020-2025 CEDS. The table below illustrates the change from July 2021 to July 2023 and the most recent 2024 figures. The January statistics are evident of the region’s generally seasonal workforce, where unemployment rates are higher, particularly among the shore counties. Overall, however, the downward trend is a positive one.

Changes in Unemployment July 2021 to January 2024

COUNTY	JULY 2021	JULY 2023	JANUARY 2024
ATLANTIC	10.7%	5.7%	7.5%
CAPE MAY	6.6%	4.5%	12.6%
CUMBERLAND	9.2%	6.9%	8.1%
SALEM	8.7%	5.8%	6.6%

Source: US Bureau of Labor Statistics and N.J. DOL

CHANGES IN THE REGION’S STRENGTHS AND ASSETS

The chart on page 4 outlines the strengths, weaknesses, opportunities, and threats as presented in the CEDS. A number of these characteristics have seen changes since the 2023 update of the 2020-2025 document was prepared.

For example, the tourism economy has rebounded significantly. The COVID crisis has ended and while the disease continues to make itself known, it no longer impedes visits to the shore, restaurants or the many hospitality venues in the region.

Each of the region’s four counties showed healthy increases in tourism spending between 2021 and 2022 (the last year for which statistics are available.) Atlantic County’s tourism economy generated \$7,775,700,000 in revenues. Cape May County followed with revenues of \$7,409,000,000. Cumberland County generated \$365,600,000 in revenues and Salem County had tourism revenues of \$202,200,000. These represented increases from the 2021 totals ranging from 11.9% in Cape May County to 18.2% in Cumberland County.

Other changes since the CEDS was produced have occurred in the transportation, the film industry and clean energy sectors. The Port of Salem is undergoing a significant renovation. The South Jersey Port Corporation is working through the pre-Grant Agreement steps for the Port of Salem Improvement project which was funded by a \$9,000,000 U.S. DOT INFRA grant. Approval from NEPA is imminent at which time final design work and project bid and construction can get started.

In a June 2023 article in New Jersey Monthly, the magazine reported that the City of Vineland is on the verge of becoming a “filmmaking hub in South Jersey.” The film, *Zombie Wedding*, is a horror film produced by Weekly World News Film. The company reported spending \$800,000 in the community and region as part of the production process in the fall of 2023.



The New Jersey Wind Port under construction is also advancing rapidly. Phase I, commenced in late 2021, has a targeted completion in early 2024, in time to support the first wave of NJ and East Coast wind developments. Phase 2 is anticipated to come online in 2026 and will include 35 acres of additional marshalling space, enabling two projects to marshal

Source: <https://nj.gov/windport>

from the Port concurrently. This phase will also bring 60-70 acres of additional manufacturing space online, making this port one of the premier facilities in the Delaware River corridor.

Atlantic, Cape May and Cumberland Counties have all invested in new aeronautic businesses and industries. Drone and uncrewed aircraft testing and manufacturing have been explored in various areas and communities.

For a more comprehensive listing of each county’s business and industry highlights, they are presented later in this Addendum. In short, these highlights and the identified activity demonstrate ongoing growth and development within the SJEDD’s South Jersey Region.

Summary SWOT Chart

Strengths	Weaknesses
A strong tourism and recreational economy	Infrastructure needs
A low cost of doing business	Lack of workforce and public transit
Affordable cost of living	Inadequate 21 st century workforce skills
Favorable regional location	Challenging regulatory environment
Unique historic, cultural, and natural assets	Seasonal industry base
Emergence of new industry clusters	Shortage of Workforce housing
Clean energy production	
Strong job training and educational partnerships	
Special development designations	
Opportunities	Threats
Repositioning and envisioning	Changing demographics
Revitalized rail/port infrastructure	Sea level rise
Burgeoning domestic travel market	Available but diminishing industrial land base
Potential for transit expansion	Regional competition
Historic and cultural assets	Globalized marketplace
Television and Film Industry	Ongoing population loss and housing affordability
Educational Assets	Workforce outmigration
	Ongoing impact of COVID-19 pandemic

COUNTY INVENTORY OF KEY INITIATIVES IN 2023

Southern New Jersey is the last place in the State where large tracts of land remain available for development. It is well-positioned and accessible to the greater national markets. It provides an excellent natural environment and an array of investment choices ranging from urban and suburban to rural, small town, and village life.

These strengths provide opportunities for new growth and development. They are the basis for building a new economy or repositioning areas of the region for new types of investment. The CEDS provides strategies for building on these strengths as well as mitigating the challenges faced by the stakeholders in this four-county region.

The following is a summary of key county initiatives and successes during the past 12-15 months since the 2023 update of the CEDS was adopted by the SJEDD.

Atlantic County

Atlantic County continues to invest heavily in the Atlantic City International Airport and its environs with a test bed for uncrewed aerial systems, a new flight school, and investments in the aviation hub and business park. A \$2.2 million congressionally directed spending request to advance the Airport Autonomy Initiative is another important project. The market for new,

autonomous related aviation products and services is projected to be more than \$150 billion annually within 15 years. In addition, plans are underway for a 111-room hotel with meeting space, restaurants, and other amenities inside the Aviation District on Delilah Road.

The County is also focusing on the construction of a second building at the National Aerospace Research and Technology Park (NARTP) and investments in new commercial and industrial development. The Atlantic County Economic Alliance (ACEA) – the County’s economic development agency - has also initiated a technical assistance program to assist municipalities in developing market and land use strategies to enhance investment opportunities and redevelopment projects. Tourism continues to be an important sector of the County’s economy.

Cape May County

In the fall of 2023, Cape May County launched a small business assistance center located on Atlantic Cape’s Cape May Court House campus. Known as the Cape May County *bizHub*, the facility is conveniently located and is available to the public from 9 a.m. to 5 p.m. every Monday through Friday. The County’s Tech Hangar I center is at full capacity with expansions planned. Fundings has been approved and the Tech Hangar II groundbreaking for this facility is occurring in spring 2024. Plans continue to move forward to establish the County as one of the region’s premier drone and uncrewed aircraft testing locations. Investments in aviation systems and other commercial and industrial innovations are underway at the Cape May Airport and the Woodbine Municipal Airport.

In addition, several shore communities received large grants to assist in boardwalk restoration. Projects totaling \$20,000,000 will help these communities continue to thrive as premier tourism destination.

Cumberland County

In addition to the previously mentioned investment in the film industry and the aeronautic sectors, the Trout National-The Reserve golf course in East Vineland is under construction, with 500 jobs anticipated at build-out. This premier facility will expand the tourism and visitation to Cumberland County significantly. A new industrial park is being planned in the western side of Vineland. The Route 47 commercial corridor between Vineland and Millville is developing with a number of new businesses, and new food industries are adding to the significant growth in this industrial sector.

The Food Specialization Center in Bridgeton is spurring new investment in this sector, with plant-based foods creating a new niche for the County economy. This new interest has helped to spur a \$92,353,000 expansion of the agricultural economy – an 8.7% annual growth rate from 2017 to 2022. Relema, an Italian import meat company is putting up a project in Vineland Industrial Park (70,000 sf Phase I); Levoni, another Italian company is building a plant in the Hurley Industrial Park in Millville and Rovagnati an Italian meat company opened a year ago in Vineland. Also in

Vineland Borgofino Corporation, a food processing firm is proposing 175,000 sf. of new construction. 750,000 s.f. of warehousing was approved in 2023 and the Sika Corporation, a concrete products company in Upper Deerfield was approved for a 271,000 sf. facility.

Salem County

Salem County continues to implement its economic development strategy, which focuses on investments in some of the County's distressed municipalities; the potential for wind and clean energy jobs; and new commerce at the Port of Salem. Over \$60 Million has been awarded in contract to Salem County businesses in conjunction with the development of the New Jersey Wind Port in Lower Alloways Creek.

The I-295 corridor has become an attractive location for new logistics industries and communities such as Carney's Point have seen large warehouse and distribution centers constructed to serve the greater southern New Jersey region. In addition, the County partnered with the New Jersey Motion Picture & Television Commission (NJMPTVC) to become a county certified Film Ready destination, along with its member municipalities.

The County held its first annual *Salem County Leadership Summit* in November with township leaders, elected officials, representatives, and stakeholders from both the local and state level. The SMS Rail & Woodstown Central Railroad are operating the Salem County Shortline for tourist passenger and commercial freight rail services

SJEDD Grant Funding and Technical Support

SJEDD has provided technical support and involvement in a wide range of projects in each of the four counties. These include letters of support for grant applications for Atlantic County Economic Alliance's Capital Readiness Grant and the Atlantic County Tech Hub Grant. Support letters were also prepared for applications for the Atlantic City Boardwalk, Atlantic City Pump Station and a Pleasantville RAISE Grant, the Woodbine Airport, and Vineland's Industrial Park West application to U.S. EDA which was approved for \$3M.

SUMMARY OF NEXT STEPS FOR THE SJEDD IN THE 2023-2028 PLANNING PERIOD - UPDATED APRIL 2024

Near-TERM REGIONAL PRIORITIES

One of the primary objectives of the SJEDD is to redefine the role of the District and the services it provides to its constituent counties and municipalities. There will be a concerted effort in the coming months to reach out to stakeholders throughout the region to gain a better understanding of their economic goals and needs. Ultimately, this will lead to a new and completely reformatted Comprehensive Economic Development Strategy for the 2025-2030 planning horizon.

- Conduct a CEDS Regional Outreach meeting to assess citizen and business goals
- Provide technical assistance, as needed, to member counties and municipalities
- Initiate the process for creating and reformatting a new five-year CEDS
- Target one new project per quarter to the U.S. EDA for funding
- Promote a green economy and clean energy business environment
- Collaborate with the South Jersey Transportation Planning Organization and the region's stakeholders on highway and transit projects
- Promote collaboration for workforce development
- Continue to identify funding for boardwalk and tourism development

Mid-TERM REGIONAL PRIORITIES

- Create and maintain an inventory of existing and available industrial sites
- Facilitate a regional infrastructure needs study
- Identify funding sources for a Workforce Housing Study of the four-county region
- Work with the region's stakeholders to implement new workforce housing opportunities
- Market opportunities for Rail, Port, and Industrial Park investment in the region
- Continue to support investment in a statewide air cargo masterplan
- Promote collaboration for workforce development
- Create a South Jersey District Data Dashboard
- Secure grant funding to invest in infrastructure needs
- Foster ecotourism and cultural tourism partnerships
- Advocate for enhanced Federal funding to the region

LONG-TERM REGIONAL PRIORITIES

- Broadband infrastructure investment
- Develop ecotourism and cultural facility
- Spearhead a sea-level rise infrastructure study
- Invest in logistics and transportation

COUNTY PRIORITIES

In addition to the accomplishments of the past year, the four counties of the South Jersey Economic Development District continue to focus on a number of key priorities as described in the 2023-2028 CEDS.

ATLANTIC COUNTY NEAR-TERM PRIORITIES

- Implement Airport Capital Plan to include infrastructure and air cargo improvements at Atlantic City International
- Expand National Aerospace Research and Technology Park
- Promote ongoing investment in aerospace and avionics
- Advance the life sciences industry
- Continue to support the growth and diversification of the County's tourism industry
- Expand access to health care and the development of new health services
- Expand Atlantic County Institute of Technology in Mays Landing

CAPE MAY COUNTY NEAR-TERM PRIORITIES

- Work to diversify local economy to expand opportunities beyond tourism
- Promote infrastructure investment and marketing, particularly broadband access
- Encourage the expansion of eco- and agri-tourism business opportunities
- Encourage research and development of smart hospitality technology
- Find creative solutions that provide for a variety of housing types

CUMBERLAND COUNTY NEAR-TERM PRIORITIES

- Expand existing food and food processing cluster
- Promote clean energy jobs
- Invest in and provide competitive economic infrastructure
- Invest in targeted neighborhood, downtown, and community revitalization
- Identify areas of the County as Innovation Hubs
- Promote measurable investments in new business, redevelopment and recovery
- Create stronger workforce development partnerships
- Expand industrial parks and invest in brownfield redevelopment

SALEM COUNTY NEAR-TERM PRIORITIES

- Encourage investment in spin-off industries and related businesses that enhance growth and development of the New Jersey Wind Port
- Support initiatives to help fund dredging and the revitalization of the Salem Port
- Work to recruit new business and industry
- Revitalize downtown business districts
- Develop ways to support small business and promote business retention

- Enhance the County’s marketing efforts
- Secure funding and financial support for the County’s businesses and industries
- Continue to invest in the Implementation of the Salem County Economic Development Strategy

ADDITIONAL REGIONAL AND INTERCOUNTY INITIATIVES AND NEAR-TERM PRIORITIES FOR THE SJEDD AND ITS CONSTITUENT COMMUNITIES AND PARTNERS

- Create and maintain an inventory of existing industrial sites throughout the region
- Advance projects that promote economic development to the US EDA for funding
- Facilitate a regional infrastructure needs study
- Identify funding sources for a workforce housing study
- Work with the region’s stakeholders to implement new workforce housing opportunities
- Address food deserts
- Promote a Green Economy and Clean Energy Business Environment
- Collaborate with the South Jersey Transportation Planning Organization and stakeholders on highway and transit projects
- Market opportunities for rail, port, and industrial park investment
- Continue to support investment in a statewide Air Cargo Master Plan
- Promote collaboration for workforce development
- Identify funding for boardwalk maintenance, tourism, and shore-related infrastructure
- Create a South Jersey District Data Dashboard

REGIONAL MID-TERM ACTIONS AND PRIORITIES (YEARS 3-5)

- Advance Project Development
- Secure grant funding to assist in infrastructure needs
- Foster ecotourism, agritourism, and cultural tourism partnerships
- Advocate for enhanced federal funding for the region

REGIONAL LONG-TERM ACTIONS AND PRIORITIES (BEYOND THE 2027 LIFE OF THE CEDS)

- Broadband investment
- Ecotourism, agritourism, and cultural facility development
- Sea-level rise infrastructure study
- Logistics and transportation investments
- Rail freight investments
- Port development
- Air freight development
- Transloading investments

ENSURING THE ECONOMIC AND CULTURAL RESILIENCY AND SUSTAINABILITY OF THE SOUTH JERSEY REGION

Governmental Policy

- Promoting effective land use and regulatory policies
- Fostering an aggressive state-based approach to redevelopment
- Ongoing WDB engagement
- Regional transportation investment
- Helping to coordinate and fund quality-of-life initiatives

Environmental Policy

- Mitigating the effect of sea-level rise
- Promote wetlands protection
- Target funding for beach replenishment and storm surge barriers
- Pumping and flood mitigation measures
- Promote natural resource protection
- Advance brownfield clean-up and redevelopment

Economic Policy

- Marketing approach
- Grant Funding

SUMMARY

The SJEDD is poised for significant change in both its administration and its policy goals. It seeks to broaden the technical and financial support it can provide to its partners and regional stakeholders. District leadership will foster this transition through a significant public engagement process over the coming months.

Grant funding and channeling the resources of the U.S. EDA for a full range of eligible commercial and industrial projects will continue to be a central focus of the District during this transition, as it explores ways to marshal additional support.

The South Jersey Region continues to grow and diversify. With a strong tourist economy, with expanding aviation, food, and clean energy industries, the South Jersey Economic Development District has an increasingly important role to play in nurturing this increasingly important region of the New Jersey economy.